Almacenes Éxito S.A.

Consolidated financial statements

At December 31, 2021 and at December 31, 2020

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At December 31, 2021 and at December 31, 2020

Almacenes Éxito S.A.
Certification by the Parent's Legal Representative and Head Accountant

Envigado, February 21, 2022

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered and under whose responsibility the accompanying financial statements have been prepared, do hereby certify that regarding the consolidated financial statements of the Parent and its subsidiaries, at December 31, 2021 and at December 31, 2020, the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the consolidated financial statements of the Parent and its subsidiaries do exist, and all transactions included in such consolidated financial statements have been achieved during the annual periods ended December 31, 2021 and December 31, 2020.

2. All economic events achieved by the Parent and its subsidiaries during the annual periods ended December 31, 2021 and December 31, 2020, have been recognized in the interim consolidated financial statements.

3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Parent and its subsidiaries at December 31, 2021 and December 31, 2020.

4. All items have been recognized at adequate values.

5. All economic events affecting the Parent and its subsidiaries have been properly classified, described and disclosed in the consolidated financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., Parent company, does hereby certify that the consolidated financial statements and the operations of the Parent and its subsidiaries at December 31, 2021 and at December 31, 2020, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

This certification is issued pursuant to section 46 of Law 964 of 2005.

Almacenes Éxito S.A.
Consolidated statements of financial position
At December 31, 2021 and at December 31, 2020
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31 2021	December 31 2020
Current assets			
Cash and cash equivalents	7	2,541,579	2,409,391
Trade receivables and other accounts receivable	8	625,931	471,202
Prepaid expenses	9	36,515	36,811
Accounts receivable from related parties	10	56,475	39,458
Inventories, net	11	2,104,303	1,922,617
Other financial assets	12	14,331	4,192
Tax assets	26	429,625	362,383
Non-current assets held for trading	48	24,601	19,942
Total current assets		**5,833,360**	**5,265,996**
Non-current assets			
Trade receivables and other accounts receivable	8	58,120	33,708
Prepaid expenses	9	9,195	10,867
Other non-financial assets with related parties	10	24,500	14,500
Other financial assets	12	40,630	56,911
Property, plant and equipment, net	13	4,024,697	3,707,602
Investment property, net	14	1,656,245	1,578,746
Use rights, net	15	1,370,512	1,317,545
Goodwill, net	16	3,024,983	2,853,535
Intangible assets other than goodwill, net	17	363,987	307,797
Investments accounted for using the equity method	18	289,391	267,657
Deferred tax assets	26	205,161	234,712
Other non-financial assets		398	398
Total non-current assets		**11,067,819**	**10,383,978**
Total assets		**16,901,179**	**15,649,974**
Current liabilities			
Financial liabilities	20	674,927	1,110,883
Employee benefits	21	2,482	2,520
Other provisions	22	24,175	30,132
Accounts payable to related parties	23	65,646	50,487
Trade payables and other accounts payable	24	5,136,626	4,678,078
Lease liabilities	25	234,178	223,803
Tax liabilities	26	81,519	76,111
Other financial liabilities	27	81,544	87,289
Other non-financial liabilities	28	217,303	163,644
Total current liabilities		**6,518,400**	**6,422,947**
Non-current liabilities			
Financial liabilities	20	742,084	344,779
Employee benefits	21	17,896	20,384
Other provisions	22	11,086	14,542
Trade payables and other accounts payable	24	49,929	68
Lease liabilities	25	1,360,465	1,319,092
Deferred tax liabilities	26	166,751	118,722
Tax liabilities	26	3,924	4,463
Other financial liabilities	27	-	94
Other non-financial liabilities	28	2,167	610
Total non-current liabilities		**2,354,302**	**1,822,754**
Total liabilities		**8,872,702**	**8,245,701**
Shareholders' equity, see accompanying statement		**8,028,477**	**7,404,273**
Total liabilities and shareholders' equity		**16,901,179**	**15,649,974**

The accompanying notes are an integral part of the consolidated financial statements.

Almacenes Éxito S.A.
Consolidated statements of income
For the annual periods ended December 31, 2021 and December 31, 2020
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to December 31, 2021	January 1 to December 31, 2020
Continuing operations			
Revenue from ordinary activities under contracts with customers	31	16,922,385	15,735,839
Cost of sales	11	(12,488,856)	(11,778,910)
Gross profit		**4,433,529**	**3,956,929**
Distribution expenses	32	(1,856,544)	(1,720,331)
Administration and sales expenses	32	(347,452)	(306,601)
Employee benefit expenses	33	(1,285,924)	(1,213,284)
Other operating revenue	34	47,168	53,956
Other operating expenses	34	(49,749)	(141,871)
Other net (losses)	34	(21,620)	(17,553)
Profit from operating activities		**919,408**	**611,245**
Financial revenue	35	173,819	200,195
Financial expenses	35	(369,574)	(445,826)
Share of profits in associates and joint ventures accounted for using the equity method	36	7,234	19,668
Profit from continuing operations before income tax		**730,887**	**385,282**
Tax expense	26	(137,670)	(54,179)
Net period profit from continuing operations		**593,217**	**331,103**
Net (loss) for the period from discontinued operations	48	(280)	(1,201)
Net income for the period		**592,937**	**329,902**
Gain is attributable to:			
Gain attributable to the shareholders of the controlling entity		**474,681**	**230,872**
Gain attributable to non-controlling interests		118,256	99,030
Earnings per share (*)			
Earnings per basic share (*):			
Earnings per basic share attributable to the shareholders of the controlling entity	37	1,060.49	515.80
Earnings per basic share from continuing operations attributable to the shareholders of the controlling entity	37	1,061.11	518.48
(Loss) earnings per basic share from discontinued operations attributable to the shareholders of the controlling entity	37	(0.62)	(2.68)
Earnings per diluted share (*):			
Earnings per diluted share attributable to the shareholders of the controlling entity	37	1,060.49	515.80
Earnings per diluted share from continuing operations attributable to the shareholders of the controlling entity	37	1,061.11	518.48
(Loss) earnings per diluted share from discontinued operations attributable to the shareholders of the controlling entity	37	(0.62)	(2.68)

(*) Amounts expressed in Colombian pesos.

The accompanying notes are an integral part of the consolidated financial statements.

Almacenes Éxito S.A.
Consolidated statements of comprehensive income
For the annual periods ended December 31, 2021 and December 31, 2020
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to December 31, 2021	January 1 to December 31, 2020
Net income for the period		**592,937**	**329,902**
Other comprehensive income for the period			
Components of other comprehensive income that will not be reclassified to period results, net of taxes			
Profit (loss) from new measurements of defined benefit plans		1,812	(542)
(Loss) gain from investments in equity instruments		(932)	1,936
Total other comprehensive income that will not be reclassified to period results, net of taxes		**880**	**1,394**
Components of other comprehensive income that will be reclassified to period results, net of taxes			
Gain (loss) from translation exchange differences (1)	30	111,657	(269,461)
(Loss) from investment hedges abroad	30	(5,755)	(14,236)
Gain (loss) from the hedging of cash flows	30	4,909	(797)
Total other comprehensive income that will be reclassified to period results, net of taxes		**110,811**	**(284,494)**
Total other comprehensive income		**111,691**	**(283,100)**
Total comprehensive income		**704,628**	**46,802**
Gain is attributable to:			
Gain (loss) attributable to the shareholders of the controlling entity		**585,186**	**(50,678)**
Gain attributable to non-controlling interests		119,442	97,480
Earnings per share (*)			
Earnings per basic share (*):			
Earnings (loss) per basic share from continuing operations	37	1,307.38	(113.22)
Earnings per diluted share (*):			
Earnings (loss) per diluted share from continuing operations	37	1,307.38	(113.22)

(*) Amounts expressed in Colombian pesos.

(1) Represents exchange differences arising from the translation of assets, liabilities, equity and results of foreign operations into the reporting currency.

The accompanying notes are an integral part of the consolidated financial statements.

Almacenes Éxito S.A.
Consolidated statements of cash flows
For the annual periods ended December 31, 2021 and December 31, 2020
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2021	January 1 to December 31, 2020
Cash flows provided by operating activities		
Net income for the period	**592,937**	**329,902**
Adjustments to reconcile income for the period		
Current income tax	122,096	117,393
Deferred income tax	15,574	(63,214)
Financial costs	59,520	85,888
Impairment of receivables	39,615	36,360
Reversal of receivable impairment	(31,588)	(22,679)
Impairment of inventories	5,251	5,325
Reversal of inventory impairment	(11,095)	(2,850)
Impairment of property, plant and equipment, investment properties and intangible assets	4,527	16,895
Employee benefit provisions	2,463	1,537
Other provisions	39,623	104,476
Reversal of other provisions	(8,888)	(22,973)
Expense from depreciation of property, plant and equipment, use rights and investment property	510,498	485,794
Expense from amortization of intangible assets	17,693	19,217
(Gain) from the application of the equity method	(7,234)	(19,668)
Loss from the disposal of non-current assets	17,971	9,186
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(31,120)	(46,860)
Other adjustments from items other than cash	4,531	12,875
Operating income before changes in working capital	**1,342,374**	**1,046,604**
(Increase) in trade receivables and other accounts receivable	(169,941)	(129,936)
Decrease in prepaid expenses	2,603	3,398
(Increase) decrease in receivables from related parties	(17,015)	15,385
(Increase) in inventories	(150,859)	(65,222)
(Increase) in tax assets	(148,855)	(132,900)
(Decrease) in employee benefits	(2,660)	(3,306)
(Decrease) in other provisions	(38,135)	(69,738)
Increase (decrease) in trade payables and other accounts payable, and lease liabilities	245,336	(94,686)
Increase in accounts payable to related parties	15,627	5,264
Increase in tax liabilities	7,594	5,315
Increase in other non-financial liabilities	52,518	50,123
Net cash flows provided by operating activities	**1,138,587**	**630,301**
Cash flows provided by investment activities		
Cash flows used to maintain control over subsidiaries and joint ventures	(24,500)	(37,002)
Acquisition of property, plant and equipment	(421,286)	(193,327)
Acquisition of other assets	(708)	(34)
Acquisition of investment property	(86,149)	(10,596)
Acquisition of intangible assets	(42,774)	(37,853)
Proceeds of the sale of property, plant and equipment and intangible assets.	4,396	4,886
Net cash flows (used in) investment activities	**(571,021)**	**(273,926)**
Cash flows provided by financing activities		
Decrease in other financial assets	7,115	30,790
Increase (decrease) in other financial liabilities	1,409	(28,827)
(Decrease) increase in financial liabilities	(123,813)	761,099
(Decrease) in liabilities from finance leases	(6,849)	(3,184)
Dividends paid	(303,483)	(1,182,231)
Financial yields	31,120	46,860
Interest paid	(59,520)	(85,888)
Transactions with non-controlling entities	(3,178)	1,677
Other cash (outflows)	-	(9,766)
Net cash flows (used in) financing activities	**(457,199)**	**(469,470)**
Net increase (decrease) in cash and cash equivalents	**110,367**	**(113,095)**
Effects of the variation in exchange rates	**21,821**	**(40,188)**
Cash and cash equivalents at the beginning of period	**2,409,391**	**2,562,674**
Cash and cash equivalents at the end of period	**2,541,579**	**2,409,391**

Almacenes Éxito S.A.
Consolidated statements of changes in shareholders' equity
At December 31, 2021 and at December 31, 2020
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Treasury shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other Reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total shareholders' equity
	Note 29	Note 29	Note 29	Note 30	Note 30	Note 30	Note 30	Note 30	Note 30	Note 30	Note 30				
Balance at December 31, 2019	**4,482**	**4,843,466**	**(2,734)**	7,857	1,771,022	22,000	155,412	199,280	**2,155,571**	**(1,069,112)**	**618,031**	**646,824**	**7,196,528**	**1,248,314**	**8,444,842**
Cash dividend declared	-	-	-	-	(1,091,259)	-	-	-	(1,091,259)	-	-	-	(1,091,259)	(74,574)	(1,165,833)
Net income for the period	-	-	-	-	-	-	-	-	-	-	230,872	-	230,872	99,030	329,902
Other comprehensive income	-	-	-	-	-	-	-	-	-	(281,550)	-	-	(281,550)	(1,550)	(283,100)
Appropriation for reserves	-	-	-	-	57,602	-	-	-	57,602	-	(57,602)	-	-	-	-
Increase from changes in the ownership of subsidiaries															
that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(2,055)	(2,055)	2,619	564
Other developments in shareholders' equity (1)	-	-	-	-	(2,583)	-	-	138,384	135,801	-	(147,995)	163,521	151,327	(73,429)	77,898
Balance at December 31, 2020	**4,482**	**4,843,466**	**(2,734)**	7,857	734,782	22,000	155,412	337,664	**1,257,715**	**(1,350,662)**	**643,306**	**808,290**	**6,203,863**	**1,200,410**	**7,404,273**
Balance at December 31, 2020	**4,482**	**4,843,466**	**(2,734)**	7,857	734,782	22,000	155,412	337,664	**1,257,715**	**(1,350,662)**	**643,306**	**808,290**	**6,203,863**	**1,200,410**	**7,404,273**
Cash dividend declared (Note 42)	-	-	-	-	(49,609)	-	-	-	(49,609)	-	(123,614)	-	(173,223)	(127,773)	(300,996)
Net period results	-	-	-	-	-	-	-	-	-	-	474,681	-	474,681	118,256	592,937
Other comprehensive income	-	-	-	-	-	-	-	-	-	110,505	-	-	110,505	1,186	111,691
Appropriation for reserves	-	-	-	-	107,258	-	-	-	107,258	-	(107,258)	-	-	-	-
(Decrease) from changes in interest in															
the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(5,506)	(5,506)	3,419	(2,087)
Other developments in shareholders' equity (2)	-	-	-	-	(784)	-	-	(8,135)	(8,919)	-	1,530	278,474	271,085	(48,426)	222,659
Balance at December 31, 2021	**4,482**	**4,843,466**	**(2,734)**	7,857	791,647	22,000	155,412	329,529	**1,306,445**	**(1,240,157)**	**888,645**	**1,081,258**	**6,881,405**	**1,147,072**	**8,028,477**

(1) Retained earnings and Other reserves include $139,249 (offset to each other) relevant to the equity method on the appropriation of results of subsidiary Spice Investment Mercosur S.A. and its subsidiaries. Other components of Shareholders'' equity represent $163,521 relevant to the equity method on the inflationary effect of subsidiary Libertad S.A.

(2) Other components of Shareholders'' equity represent $278,474 relevant to the equity method on the inflationary effect of subsidiary Libertad S.A.

The accompanying notes are an integral part of the consolidated financial statements.

Note 1. General information

Almacenes Éxito S.A., (hereinafter the Parent), was incorporated pursuant to Colombian laws on March 24, 1950; its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The life span of the Parent goes to December 31, 2050.

The Parent is listed on the Colombia Stock Exchange (BVC) since 1994 and is under the control of the Financial Superintendence of Colombia.

The Parent's Board of Directors authorized the issuance of consolidated financial statements for the periods ended December 31, 2021 and December 31, 2020, as recorded in the Minutes of such corporate body dated February 21, 2022 and February 22, 2021, respectively.

The Parent's main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide ancillary services, namely grant credit facilities for the acquisition of goods, grant insurance coverage, carry out money transfers and remittances, provide mobile phone services, trade tourist package trips and tickets, repair and maintain furnishings, complete paperwork.
- Give or receive in lease trade premises, receive or give, in lease or under occupancy, spaces or points of sale or commerce within its trade establishments intended for the exploitation of businesses of distribution of goods or products, and the provision of ancillary services.
- Incorporate, fund or promote with other individuals or legal entities, enterprises or businesses intended for the manufacturing of objects, goods, articles or the provision of services related with the exploitation of trade establishments.
- Acquire property, build commercial premises intended for establishing stores, malls or other locations suitable for the distribution of goods, without prejudice to the possibility of disposing of entire floors or commercial premises, give them in lease or use them in any convenient manner with a rational exploitation of land approach, as well as invest in property, promote and develop all kinds of real estate projects.
- Invest resources to acquire shares, bonds, trade papers and other securities of free movement in the market to take advantage of tax incentives established by law, as well as make temporary investments in highly liquid securities with a purpose of short-term productive exploitation; enter into firm *factoring* agreements using its own resources; encumber its chattels or property and enter into financial transactions that enable it to acquire funds or other assets.
- In the capacity as wholesaler and retailer, distribute oil-based liquid fuels through service stations, alcohols, biofuels, natural gas for vehicles and any other fuels used in the automotive, industrial, fluvial, maritime and air transport sectors, of all kinds.

The ultimate controlling entity of the Parent is Companhia Brasileira de Distribuição - CBD. At December 31, 2021, the controlling entity had 91.57% interest (December 31, 2020 - 96.57%) in the share capital of the Parent.

The Parent registered a situation of entrepreneurial Group regarding its subsidiaries before the Aburrá Sur Chamber of Commerce.

Note 1.1. Stock ownership in subsidiaries included in the consolidated financial statements

Below is a detail of the stock ownership in subsidiaries included in the interim consolidated financial statements at December 31, 2021 and at December 31, 2020:

Name	Segment	Country	Currency Functional currency	Stock ownership 2021			Stock ownership 2020		
				Direct	Indirect	Total	Direct	Indirect	Total
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Marketplace Internacional Éxito y Servicios S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Depósitos y Soluciones Logísticas S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Marketplace Internacional Éxito S.L.	Colombia	Spain	Euro	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Fideicomiso Lote Girardot	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Transacciones Energéticas S.A.S. E.S.P. (a)	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Éxito Industrias S.A.S.	Colombia	Colombia	Colombian peso	94.53%	3.42%	97.95%	94.53%	3.42%	97.95%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Gestión Logística S.A. (b)	Colombia	Panama	Colombian peso	100.00%	0.00%	100.00%	-	-	-
Patrimonio Autónomo Viva Malls	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Colombia	Colombia	Colombian peso	0.00%	45.90%	45.90%	0.00%	45.90%	45.90%
Patrimonio Autónomo Viva Laureles	Colombia	Colombia	Colombian peso	0.00%	40.80%	40.80%	0.00%	40.80%	40.80%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Viva Palmas	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Spice Investment Mercosur S.A.	Uruguay	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Larenco S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lanin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
5 Hermanos Ltda.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Sumelar S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Tipsel S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Tedocan S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Supermercados Disco del Uruguay S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Grupo Disco del Uruguay S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ameluz S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%

Name	Segment	Country	Currency Functional currency	Stock ownership 2021 Direct	Indirect	Total	Stock ownership 2020 Direct	Indirect	Total
Fandale S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Randicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Setara S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ciudad del Ferrol S.C.	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Mablicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Maostar S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
Onper Investment 2015 S.L.	Argentina	Spain	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Libertad S.A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Gelase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%

(a) On February 16, 2021, subsidiary Transacciones Energéticas S.A.S. changed its corporate name to Transacciones Energéticas S.A.S. E.S.P.

(b) Subsidiary created on September 7, 2021.

(c) The shareholders' agreement executed in 2015 by means of which this subsidiary was controlled, expired on June 30, 2021. A new shareholders' agreement was executed on August 18, 2021 to continue controlling this subsidiary, with no material changes in conditions as regards the previous agreement. During the time elapsed between July 1, 2021 and August 18, 2021 there were no changes in control or in the management of the subsidiary, and operating activities were normally conducted.

Note 1.2. Colombian and foreign operating subsidiaries

The accompanying consolidated financial statements at December 31, 2021 include the same Colombian operating subsidiaries and the same largest operating subsidiaries located abroad as included in the consolidated financial statements for the annual period ended December 31, 2020, exception made of Gestión Logistica S.A., a subsidiary created on September 7, 2021.

As of August 2019, as part of its operating strategy, the Parent decided to close the commercial operation of subsidiary Transacciones Energéticas S.A.S. E.S.P. On the grounds of this decision, retained earnings of this subsidiary at December 31, 2020 are shown in the consolidated statement of income under the net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries. During 2021 and as part of the transition process of its commercial operation at December 2021, the subsidiary changed its corporate name, its corporate purpose and its commercial operation and was additionally capitalized by the Parent in $40,862, thus overcoming the special grounds for dissolution accrued at December 31, 2020. As a consequence of this change in the corporate name, the corporate purpose and the capitalization made in August 2021 and October 2021, the subsidiary has resumed its operation (which consists of the commercialization of electric power) and its accumulated results since October 1, 2021 are again included in the consolidated statement of income together with other consolidated results of the Parent and its other subsidiaries.

Below is a detail of the corporate purpose and other company information regarding the following Colombian operating subsidiaries and the following most important operating subsidiaries abroad:

Almacenes Éxito Inversiones S.A.S.

A subsidiary incorporated by private document on September 27, 2010. Its corporate purpose is mainly (i) incorporate, finance, promote, invest, individually or jointly with other individuals or legal entities, in the incorporation of companies o businesses whose purpose is the manufacturing or trading of goods, objects, merchandise, articles or elements or the provision of services related with the exploitation of trade establishments and link with such companies as associate, by contributing cash, goods or services; and (ii) promote, invest, individually or jointly with other individuals or legal entities, in the provision of networks, services and telecommunications added value, particularly all activities permitted in Colombia or abroad related with telecommunications, mobile phone and added value services. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Logística, Transporte y Servicios Asociados S.A.S.

A subsidiary incorporated on May 23, 2014, under Colombian laws. Its main corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Marketplace Internacional Éxito y Servicios S.A.S.

A subsidiary incorporated on September 12, 2018 under Colombian laws. Its main corporate purpose is carrying out the following activities in one or several free-trade zones: (i) provision of services to access the e-commerce platform made available by the company, through which those logging in may perform trade transactions; (ii) activities required to ensure an adequate performance of the e-commerce platform through which accessing sellers and buyers conduct transactions: (iii) issue, commercialization, processing and reimbursement of IOUs, coupons, cards or bonuses, whether physical or digital, or through any other technological means used as a mechanism to access the goods and services offered. Its main place of business is at vereda Chachafruto, Zona Franca, oficina 11, Rionegro, Antioquia. The company's life span is indefinite.

Depósitos y Soluciones Logísticas S.A.S.

A subsidiary incorporated on June 21, 2019 under Colombian laws. Its main corporate purpose is the storage of goods under customs control. Its main place of business is located at calle 43 sur No. 48-127, Envigado, Colombia. The company's life span is indefinite.

Marketplace Internacional Éxito S.L.

A subsidiary incorporated on October 9, 2019 under Spanish laws. Its main corporate purpose is to carry out marketing, business development and public relations activities, as well as any activity and the provision of any service related with or ancillary to the above. Its main place of business is at calle Constitución No 75, 28946, Fuenlabrada (Madrid), Spain. The company's life span is indefinite.

Fideicomiso Lote Girardot

The plot of land was acquired by means of assignment of fiduciary rights on February 11, 2011 through Alianza Fiduciaria S.A. Its purpose is to acquire title to the property on behalf of the Company. Its main place of business is at Carrera 10 and 11 with Calle 25, Girardot, Colombia.

Transacciones Energéticas S.A.S. E.S.P.

A subsidiary incorporated on March 12, 2008. This new corporate name was created as of February 16, 2021 (Note 17.2). As a consequence of this change of corporate name, the main corporate purpose consists of the commercialization of electric power, acquiring energy in the wholesale market for sale to end users and acquiring energy for the regulated market through a uniform conditions contract, and for the non-regulated market through a bilateral negotiation contract. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Éxito Industrias S.A.S.

A subsidiary incorporated by private document on June 26, 2014. Its corporate purpose is (i) acquire, store, transform, manufacture, sell and in general distribute under any type of contract textile goods of domestic or foreign make, and acquire, give or receive property under lease agreements devoted for opening stores, shopping malls and other locations adequate for the distribution of merchandise and the sale of goods or services; (ii) launch and operate e-commerce activities in Colombia; (iii) enter into all kinds of contracts including, without limitation, lease, distribution, operation, association, purchase-sale, technical assistance, supply, inspection, control and service contracts seeking to adequately perform its corporate purpose; (iv) provide all kinds of services including, without limitation, the execution of administration, advisory, consultancy, technical and presentation agreements seeking to adequately perform its corporate purpose; and (v) Its main place of business is at Carrera 48 No. 32 Sur - 29, Envigado, Colombia. The company's life span is indefinite

Éxito Viajes y Turismo S.A.S.

A subsidiary incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. Its main place of business is at Carrera 43 No. 31 - 166, Medellín, Colombia. The company's life span is indefinite

Gestión y Logistica S.A.

A subsidiary incorporated on September 7, 2021. Its corporate purpose consists mainly of the rendering of services in general, as well as the purchase and sale of all kinds of real estate and personal property. The main place of business is in Panama City. The company's life span is indefinite.

Patrimonio Autónomo Viva Malls

Established on July 15, 2016 by means of public deed 679 granted before the Notary 31st of Medellín as a stand-alone trust fund through Itaú Fiduciaria. Its main business purpose is the acquisition, whether directly or indirectly, of material rights to real estate property, mainly shopping centers and the development thereof, and the development of other real estate assets as well as the exploitation and operation thereof. The business purpose includes to lease the trade premises to third parties or to related parties, grant concessions on spaces that are part of the property, exploit, market and maintain the premises, raise funds and dispose of the assets, as well as perform all related activities as required to meet business goals. Its main place of business is at Carrera 7 No. 27 - 18 14th floor, Bogotá, Colombia.

Patrimonio Autónomo Iwana

Established on December 22, 2011 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Iwana shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 11 No. 50 – 19, Barrancabermeja, Colombia.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

Established on December 23, 2014 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to develop, receive and maintain legal title to Centro Comercial Viva Barranquilla and to other property as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barranquilla, Colombia at carrera 51 B No. 87 - 50.

Patrimonio Autónomo Viva Laureles

Established on May 31, 2012 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Laureles shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources and make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Medellín, Colombia, at carrera 81 No. 37 - 100.

Patrimonio Autónomo Viva Sincelejo

Established on March 8, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Sincelejo shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 25 No. 23 – 49, Sincelejo, Colombia.

Patrimonio Autónomo Viva Villavicencio

Established on April 1, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Villavicencio shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping center is at Calle 7A No. 45 – 185, Villavicencio, Colombia.

Patrimonio Autónomo San Pedro Etapa I

Established on June 30, 2005 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Plaza shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 8 between Calles 38 and 48, Neiva, Colombia.

Patrimonio Autónomo Centro Comercial

Established on December 1, 2010 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Etapa II shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 8 between Calles 38 and 48, Neiva, Colombia.

Patrimonio Autónomo Viva Palmas

Established on April 17, 2015 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to develop, receive and maintain legal title to Viva Palmas shopping mall and to other buildings as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the purpose also includes to manage resources, and make payments as required to administer and operate the business premises. Its main place of business is located in rural area of the municipality of Envigado, Colombia.

Devoto Hermanos S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Mercados Devoto S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo and Maldonado.

Supermercados Disco del Uruguay S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Libertad S.A.

A company with domicile in Argentina. It was incorporated on July 8, 1994, under registration number 618 with the Direction for Inspection of Legal Entities (DIPJ) in the Argentine Republic. Its main corporate purpose is the exploitation of supermarkets and wholesale stores, carrying out all kinds of ancillary transactions related with its core business. The life span of the company goes to July 8, 2084.

Note 1.3. Subsidiaries with material non-controlling interests

At December 31, 2021 and at December 31, 2020, the following subsidiaries, as reporting entities, have been included in the consolidated financial statements as subsidiaries with material non-controlling interests:

	Material non-controlling ownership percentage (1)	
	December 31 2021	December 31 2020
Patrimonio Autónomo Viva Palmas	73.99%	73.99%
Patrimonio Autónomo Viva Sincelejo	73.99%	73.99%
Patrimonio Autónomo Viva Villavicencio	73.99%	73.99%
Patrimonio Autónomo San Pedro Etapa I	73.99%	73.99%
Patrimonio Autónomo Centro Comercial	73.99%	73.99%
Patrimonio Autónomo Viva Laureles	59.20%	59.20%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	54.10%	54.10%
Patrimonio Autónomo Iwana	49.00%	49.00%
Éxito Viajes y Turismo S.A.S.	49.00%	49.00%
Patrimonio Autónomo Viva Malls	49.00%	49.00%
Grupo Disco del Uruguay S.A.	37.51%	37.51%

(1) Total non-controlling interest, considering the Parent's direct and indirect interest.

Below is a summary of financial information relevant to the assets, liabilities, period results and cash flows of subsidiaries, as reporting entities, that hold material non-controlling interests, that have been included in the consolidated financial statements. Balances are shown before the eliminations required as part of the consolidation process.

	Statement of financial position							Statement of comprehensive income				
Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Controlling interest	Non-controlling interest	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income	Controlling interest	Non-controlling interest
							At December 31, 2021					
Grupo Disco del Uruguay S.A.	449,087	799,024	412,180	60,200	775,731	1,603,860	290,977	1,679,924	112,768	112,768	69,461	42,299
Éxito Viajes y Turismo S.A.S.	39,518	3,049	33,683	406	8,478	4,545	4,154	20,669	4,626	4,626	2,160	2,266
Patrimonio Autónomo Viva Malls	60,916	1,787,039	43,692	-	1,804,263	974,979	884,089	179,919	116,412	116,412	67,853	57,042
Patrimonio Autónomo Viva Sincelejo	3,381	75,766	3,613	-	75,534	38,522	37,012	7,068	2,194	2,194	1,119	1,075
Patrimonio Autónomo Viva Villavicencio	8,032	209,021	3,989	-	213,064	105,954	104,401	21,627	11,419	11,419	6,069	5,595
Patrimonio Autónomo San Pedro Etapa I	1,327	32,095	1,209	-	32,213	16,428	15,784	3,709	2,315	2,315	1,181	1,134
Patrimonio Autónomo Centro Comercial	5,967	107,038	1,964	-	111,041	55,814	54,410	11,629	7,019	7,019	3,605	3,439
Patrimonio Autónomo Iwana	68	5,668	43	-	5,693	3,134	2,790	333	(125)	(125)	(64)	(61)
Patrimonio Autónomo Centro Comercial Viva Barranquilla	19,930	313,447	6,828	-	326,549	293,895	160,009	45,001	12,793	12,793	11,513	6,269
Patrimonio Autónomo Viva Laureles	5,523	102,638	2,389	-	105,772	84,618	21,154	16,261	9,345	9,345	7,476	1,869
Patrimonio Autónomo Viva Palmas	1,907	32,237	3,340	-	30,804	15,710	15,094	3,883	1,854	1,854	946	908
							At December 31, 2020					
Grupo Disco del Uruguay S.A.	400,771	708,040	353,438	51,201	704,172	1,410,232	264,135	1,671,612	121,302	121,302	74,807	45,500
Éxito Viajes y Turismo S.A.S.	31,098	4,400	23,479	1,101	10,918	6,005	5,350	13,597	1,921	1,921	1,146	942
Patrimonio Autónomo Viva Malls	105,970	2,049,430	65,317	-	2,090,083	967,463	1,024,141	251,174	82,464	82,464	54,882	45,827
Patrimonio Autónomo Viva Sincelejo	3,079	73,273	4,444	-	71,908	36,673	35,235	14,335	916	916	467	449
Patrimonio Autónomo Viva Villavicencio	7,316	215,149	2,147	-	220,318	109,408	107,956	22,963	13,737	13,737	6,927	6,731
Patrimonio Autónomo San Pedro Etapa I	1,228	32,099	261	-	33,066	16,864	16,202	2,968	1,199	1,199	612	588
Patrimonio Autónomo Centro Comercial	4,116	110,078	512	-	113,682	57,136	55,704	9,210	4,642	4,642	2,393	2,275
Patrimonio Autónomo Iwana	52	5,815	44	-	5,823	3,200	2,853	411	(46)	(46)	10	(23)
Patrimonio Autónomo Centro Comercial Viva Barranquilla	12,046	320,536	6,032	-	326,550	293,895	160,010	32,867	3,014	3,014	2,712	1,477
Patrimonio Autónomo Viva Laureles	3,717	104,894	2,165	-	106,446	85,157	21,289	14,492	7,080	7,080	5,664	1,416
Patrimonio Autónomo Viva Palmas	971	30,889	1,487	-	30,373	15,490	14,883	3,038	(1,428)	(1,428)	(728)	(700)

	Cash flows for the year ended December 31, 2021				Cash flows for the year ended December 31, 2020			
Company	Operating activities	Investment activities	Financing activities	Net increase (decrease) in cash	Operating activities	Investment activities	Financing activities	Net increase (decrease) in cash
Grupo Disco del Uruguay S.A.	118,443	(34,913)	(103,090)	(19,560)	114,766	(49,181)	(32,109)	33,476
Éxito Viajes y Turismo S.A.S.	10,275	(67)	(5,605)	4,603	(2,924)	(225)	931	(2,218)
Patrimonio Autónomo Viva Malls	117,111	5,190	(142,839)	(20,538)	87,429	(1,895)	(41,239)	44,295
Patrimonio Autónomo Viva Sincelejo	3,540	(4,368)	956	128	5,934	(1,053)	(5,080)	(199)
Patrimonio Autónomo Viva Villavicencio	18,922	(876)	(17,138)	908	17,069	(1,658)	(16,347)	(936)
Patrimonio Autónomo San Pedro Etapa I	3,286	(806)	(2,777)	(297)	2,463	(360)	(1,395)	708
Patrimonio Autónomo Centro Comercial	10,554	(245)	(8,381)	1,928	7,512	(3,284)	(3,436)	792
Patrimonio Autónomo Iwana	(22)	-	(4)	(26)	16	-	(56)	(40)
Patrimonio Autónomo Centro Comercial Viva Barranquilla	23,347	(1,329)	(12,463)	9,555	4,720	(9,157)	3,923	(514)
Patrimonio Autónomo Viva Laureles	11,993	(350)	(9,795)	1,848	9,218	(616)	(7,149)	1,453
Patrimonio Autónomo Viva Palmas	868	(492)	436	812	171	(1,323)	720	(432)

Note 1.4. Restrictions on the transfer of funds

At December 31, 2021 and at December 31, 2020, there are no restrictions on the capability of subsidiaries to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

Note 2. Basis for preparation

The consolidated financial statements for the years ended December 31, 2021 and December 31, 2020, on August 19, 2021 by Decree have been prepared in accordance with accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131, on December 22, 2017 by Regulatory Decree 2170 and on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. Neither the Parent nor its subsidiaries have applied any of the exceptions to the IFRS set forth in those decrees.

Accompanying financial statements

These consolidated financial statements of the Parent and its subsidiaries are comprised of the statements of financial position and statements of changes in shareholders' equity at December 31, 2021 and December 31, 2020, as well as the statements of income, the statements of comprehensive income and the statements of cash flows for the annual periods ended on December 31, 2021 and December 31, 2020.

These consolidated financial statements are prepared and include all reporting disclosures required for annual financial statements under IAS 1.

Statement of accountability

Parent's management are responsible for the information contained in these consolidated financial statements. Preparing such financial statements pursuant to accounting and financial reporting standards accepted in Colombia, set out by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131. on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained, requires management judgment to apply the accounting policies.

Accounting estimates and judgments

The Parent's and its subsidiaries' estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the accompanying financial statements. Basically, such estimations refer to:

- The hypotheses used to estimate the fair value of financial instruments,
- The appraisal of financial assets to identify actual impairment losses,
- The useful lives of property, plant and equipment and of intangible assets,
- Variables used and hypotheses used to assess and define the indicators of impairment of non-financial assets,
- Variables used to assess and determine inventory losses and obsolescence,
- Actuarial assumptions used to estimate retirement benefits and long-term employee benefit liabilities, such as inflation rate, death rate, discount rate, and the possibility of future salary increases,
- The discount rate used to estimate lease liabilities and use rights,
- The probability of occurrence and the value of liabilities that serve as a basis to recognize provisions related to lawsuits and business reorganizations,
- The assumptions used to recognize liabilities arising from the customer loyalty program,
- The probability of making future profits to recognize deferred tax assets,
- The valuation technique applied to determine the fair values of elements in business combinations.
- The time estimated to depreciate use rights; hypotheses used in the calculation of growth rates in lease contracts registered as use rights, and variables used to measure lease liabilities.

Such estimations are based on the best information available regarding the facts analyzed at the date of preparation of the consolidated financial statements, which may give rise to future changes by virtue of potential situations that may occur and would result in prospective recognition thereof; this situation would be treated as a change in accounting estimations in future financial statements.

Distinction between current or non-current items

The Parent and its subsidiaries present their current and non-current assets, as well as their current and non-current liabilities, as separate categories in their statement of financial position. For this purpose, those amounts that will be realized or will become available in a term not to exceed one year are classified as current assets, and those amounts that will be enforceable or payable also in a term not to exceed one year are classified as current liabilities. All other assets and liabilities are classified as non-current.

Functional currency

The Parent and each subsidiary define their functional currency, and their transactions are measured in such currency. The Parent's functional currency is the Colombian peso, and the functional currencies of subsidiaries are disclosed in Note 1.1.

Hyperinflation

Functional currencies of the Parent and of each of its subsidiaries belong to non-hyperinflationary economies, exception made of Argentina whose accumulated inflation rate over the past three years at December 31, 2021 calculated using different consumer price index combinations has exceeded 100%, reason why the consolidated financial statements include inflation adjustments.

Domestic forecasts for such country suggest that there is low probability that the inflation rate would significantly decrease under 100% during 2022. For these reasons, Argentina economy is hyperinflationary.

Subsidiaries in Argentina present their financial statements adjusted for inflation as provided for in IAS 29 - Financial Reporting in Hyperinflationary Economies.

Reporting currency

These consolidated financial statements are expressed in Colombian pesos, functional currency of the Parent, which is the currency used in the prime economic environment where it rules. Amounts shown have been stated in millions of Colombian pesos.

The financial statements of subsidiaries that are carried in a functional currency other than the Colombian peso have been translated into Colombian pesos. Transactions and balances are translated as follows, except for subsidiaries located in hyperinflationary economies in which case all balances and transactions are translated at closing rates:

- Assets and liabilities are translated into Colombian pesos at the period closing exchange rate;
- Income-related items are translated into Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated into Colombian pesos at the exchange rate in force on the date of each transaction.

Exchange differences arising from the translation are directly recognized in a separate component of equity and are reclassified to the statement of income upon sale of the investment in the subsidiary.

Foreign currency transactions

Transactions in foreign currency are defined as those denominated in a currency other than the functional currency. During the reporting periods, exchange differences arising from the settlement of such transactions, between the historical exchange rate when recognized and the exchange rate in force on the date of collection or payment, are accounted for as exchange gains or losses and shown as part of the net financial result in the statement of income.

Monetary balances at period closing expressed in a currency other than the functional currency are updated based on the exchange rate at the closing of the reporting period, and the resulting exchange differences are recognized as part of the net financial results in the statement of income. For this purpose, monetary balances are translated into the functional currency using the market representative exchange rate (*).

Non-monetary items are not translated at period closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forward and swap financial instruments, which are translated using the exchange rates in force on the date of measurement of the fair value thereof.

(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of Changes in Foreign Exchange Rates, as the spot exchange rate in force at the closing of the reporting period.

Accounting accrual basis

The consolidated financial statements have been prepared on the accounting accrual basis, except for information on cash flows.

Materiality

Economic events are recognized and presented in accordance with materiality thereof. An economic event is material wherever awareness or unawareness thereof, given its nature or value and considering the circumstances, may have a material effect on the economic decisions to be made by the users of the information.

When preparing the interim consolidated financial statements, including the notes thereto, the materiality for presentation purposes was defined on a 5% basis applied to current and non-current assets, current and non-current liabilities, shareholders' equity, period results and to each individual account at a general ledger level for the reporting period.

Offsetting of balances and transactions

Assets and liabilities are offset and reported net in the consolidated financial statements, only if they arise from the same transaction, there is an enforceable legal right on the closing date that makes it mandatory to receive or pay recognized amounts at net value, and wherever there is an intention to offset on a net basis towards realizing assets and settling liabilities simultaneously.

Classification as liability or equity

Debt and equity instruments are classified as financial liabilities or as equity, following the substance of the relevant legal agreement.

Fair value measurement

The fair value is the price to be received upon the sale of an asset or paid out upon transferring a liability under an orderly transaction carried out by market participants on the date of measurement.

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used to determine the measurements:
- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Applying non-perceptible estimated variables for assets or liabilities, based on the Parent's and its subsidiaries' own valuation models (level 3).

Note 3. Basis for consolidation

These interim consolidated financial statements include the financial statements of the Parent and all of its subsidiaries. Subsidiaries (including special-purpose vehicles) are entities over which the Parent has direct or indirect control. Special-purpose vehicles are stand-alone trust funds (Patrimonios Autónomos) established with a defined purpose or limited term. A listing of subsidiaries is included in Note 1.

"Control" is the power to govern relevant activities, such as the financial and operating policies of a controlled company (subsidiary). Control is reached when the Parent has power over a controlled company, is exposed to variable benefits from its involvement and has the capability of influencing the amount of benefits. Power arises from rights, generally along with the holding of 50% or more of voting rights, even though it sometimes is more complex and results from one or more contracts, reason why there may be entities not having such interest percentage but whose activities are understood to be carried out to the benefit of the Parent and the Parent is exposed to all risks and benefits attached to the controlled entity.

Wherever there is control, the consolidation method applied is that of global integration method. Under this method, all of subsidiaries' assets, liabilities, shareholders' equity and income are incorporated into the Parent's financial statements, after elimination of equity investments in such subsidiaries, intercompany balances and intercompany transactions.

All significant transactions and material balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented by third parties' ownership interests in subsidiaries (non-controlling interests) have been recognized and separately included in the consolidated shareholders' equity.

At the time of assessing whether the Parent has control over a subsidiary, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as of the date on which control is transferred to the Parent and excluded from consolidation upon termination of control.

All controlled companies are consolidated into the Parent's financial statements, regardless the ownership interest percentage.

Transactions involving a change in the Parent's ownership percentage without loss of control are recognized in shareholders' equity, given that there is no change of control over the business entity. Cash flows provided by changes in ownership interests not resulting in a loss of control are classified as financing activities in the statement of cash flows.

In transactions involving a loss of control, the entire ownership interest in the subsidiary is derecognized, retained interests are recognized at fair value and the gain or loss arising from the transaction is recognized in period income, including the relevant items of other comprehensive income. Cash flows from the acquisition or loss of control over a subsidiary are classified as investment activities in the statement of cash flows.

Wherever a subsidiary is made available for sale or its operation is discontinued, but control over is it is still maintained, its assets and liabilities are classified under non-current assets held for trading, upon reciprocal offsetting of balances and are not part of the global integration of assets and liabilities in the consolidation process. A subsidiary's income is neither part of the global integration of income in the consolidation process and it is presented, after offsetting of reciprocal transactions, in the line item provided for net income of discontinued operations, separate from all other consolidated income of Parent and its subsidiaries.

Period income and each component in other comprehensive income are attributed to the owners of the controlling entity and to non-controlling ownership interests.

In consolidating the financial statements, all subsidiaries apply the same policies and accounting principles implemented by the Parent, pursuant to accounting and financial reporting standards accepted in Colombia, set out by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131, on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938, and on December 9, 2021 by Regulatory Decree 1670, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270 without applying any of the exceptions to the IFRS therein contained.

Subsidiaries' assets and liabilities, revenue and expenses, as well as the Parent's revenue and expenses in foreign currency have been translated into Colombian pesos at observable market exchange rates on each closing date and at period average, as follows:

	Closing rates (*)		**Average rates (*)**	
	December 31 2021	**December 31 2020**	**December 31 2021**	**December 31 2020**
US Dollar	3,981.16	3,432.50	3,743.09	3,693.36
Uruguayan peso	89.06	80.81	85.91	87.86
Argentine peso	38.77	40.83	39.39	52.76
Euro	4,527.39	4,199.86	4,424.86	4,214.11

(*) Expressed in Colombian pesos.

Note 4. Significant accounting policies

The accompanying interim separate financial statements at September 30, 2021 have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2020, except for the standards mentioned in note 5.2 that came into effect as of January 1, 2021, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained.

The adoption of the new standards in force as of January 1, 2021 mentioned in Note 5.2. did not result in significant changes in these accounting policies as compared to those applied in preparing the consolidated financial statements at December 31, 2020 and no significant effect resulted from adoption thereof.

The most significant accounting policies applied in the preparation of the accompanying separate financial statements are the following:

Investments in associates and joint arrangements

An associate is an entity over which the Parent is in a position of exercising significant influence, but not control or joint control, through the power of participating in decisions regarding operating and financial policies of the associate. In general, significant influence is alleged in those cases where the Parent has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

A joint arrangement is an agreement by means of which two or more parties maintain joint control. Joint arrangements can be joint businesses or joint ventures. There is joint control only when decisions on significant activities require the unanimous consent of the parties that share control. Acquisitions of such arrangements are recorded using the principles applicable to business combinations set out by IFRS 3.

A joint venture is a joint arrangement by which the parties having joint control over the arrangement are entitled to the net assets of the arrangement. Such parties are known as participants in a joint venture.

A joint operation is a joint arrangement by means of which the parties having joint control over the arrangement are entitled to the assets and liability-related obligations associated with the arrangement. Such parties are known as joint operators.

Investments in associates or joint ventures are recognized using the equity method.

Under the equity method, investment in associates and joint ventures is recorded at cost upon initial recognition and subsequently the book value will be increased or decreased to recognize the Parent's share of the invested company's comprehensive results for the period. Such share will be recognized in period income or in other comprehensive income, as appropriate. Profit distributions or dividends received from the invested company are deducted from the book value of the investment.

Wherever the Parent's share of the losses of an associate or joint venture equals to or exceeds its interest therein, the Parent ceases to recognize its share of additional losses. A provision is recognized once the Parent's interest comes to zero, only in as much as the Parent has incurred legal or constructive liabilities.

Unrealized gains or losses from transactions between the Parent and associates and joint ventures are eliminated in the proportion of the Parent's interest in such entities upon application of the equity method.

Once the equity method has been applied, the Parent decides whether there is need to recognize impairment losses related with its interest in the invested company.

Transactions involving a significant loss of influence over an associate or joint venture are booked recognizing any ownership interest retained at its fair value, and the gain or loss arising from the transaction is recognized in period income including the relevant items of other comprehensive income.

Regarding transactions not involving a significant loss of influence over an associate or joint venture, the equity method continues being applied and the portion of the gain or loss recognized in other comprehensive income relevant to the decrease in the ownership interest is reclassified to income.

Related parties

The following are deemed related parties by the Parent: its associates and joint ventures; entities exercising joint control or significant influence over the Parent and its subsidiaries; key management personnel, including members of the Board of Directors, CEOs, Vice-presidents, business corporate managers and Officers with the ability of directing, planning and controlling the activities of the Parent and its subsidiaries; companies over which key management personnel may exercise control or joint control, and the close relatives of the key management who might have an influence on the Parent and its subsidiaries.

All transfers of resources, services and obligations between the Parent and its related parties are deemed to be related-party transactions.

No transaction contains special terms and conditions; transactions carried out are similar to those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are carried out arms' length.

Business combinations and goodwill

Business combinations are booked using the acquisition method; this involves the identification of the acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and the recognition and measurement of goodwill.

If at the closing of the accounting period during which a business combination takes place the initial booking is incomplete, the Parent will inform in its separate financial statements the provisional amounts of assets and liabilities whose booking is incomplete, and within 12 months of the measurement period the Parent will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the allocated purchase price or *Purchase Price Allocation (PPA)* survey.

The measurement period will end as soon as the Parent has received information on the purchase price allocation survey or concludes that no further information can be obtained, but in any event one year after the acquisition date at the latest.

The consideration transferred in a business combination is measured at fair value, which is the aggregate of the fair values of the assets transferred by the acquirer, the liabilities taken on by the acquirer vis-a-vis the former owners of the acquired company and the ownership interests in the equity issued by the acquirer.

Contingent consideration is included in the consideration transferred at its fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, arising from events and circumstances existing on the date of acquisition, are booked by adjusting the goodwill if occurring during the measurement period, or directly to period results if arising after the measurement period, unless the liability is settled using variable-income instruments, in which event the contingent consideration is not remeasured.

The Parent recognizes acquired identifiable assets and liabilities taken from a business combination, regardless of whether they have been recognized prior to the acquisition in the financial statements of the business acquired. Identifiable assets acquired and identifiable liabilities taken on are booked at fair values on the date of acquisition. Excess consideration transferred and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and identifiable liabilities taken on (including contingent liabilities) are recognized as goodwill.

For each business combination, the Parent measures non-controlling interests at fair value and also as a proportion of the identifiable net assets of the business acquired.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is remeasured at fair value on the date control is gained. The difference between the fair value and the book value of such ownership interest is directly recognized in period results.

Disbursements related to a business combination, other than those related to the issue of debt, are booked as expenses in the periods they are incurred.

On the date of acquisition, goodwill is measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill is not amortized and is subject to impairment testing within one year or earlier, should there be indications of impairment. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

The method applied by the Parent to test for impairment is described in the asset impairment policy. Negative goodwill arising from a business combination is directly recognized in period results, upon recognition and measurement of identifiable assets, liabilities taken on and potential contingencies.

Put options granted to the holders of non-controlling interests

The Parent and its subsidiaries recognize *put option* agreements entered with the holders of non-controlling interests in subsidiaries pursuant to IAS 32 "Financial Instruments: Presentation". Liabilities arising from these agreements, related to subsidiaries consolidated under the global integration method, are recognized as financial liabilities at fair value.

Intangible assets

Refer to non-monetary identifiable assets, with no physical substance, controlled by the Parent and its subsidiaries as a result of past events and from which future economic benefits are expected.

An intangible asset is recognized as such wherever the item is identifiable, severable and will bring future economic benefit. It is identifiable wherever the asset is severable or arises from rights. An asset is controllable if the company has the power to control future economic benefits associated to the asset.

Intangible assets acquired under a business combination are recognized as goodwill wherever they do not meet these criteria.

Intangible assets acquired separately are initially recognized at cost, and intangible assets acquired under a business combination are recognized at fair value.

Internally-generated trademarks are not recognized in the statement of financial position.

The cost of intangible assets includes acquisition cost, import duties, indirect not-recoverable taxes and costs directly incurred to bring the asset to the place and use conditions foreseen by the Parent's and its subsidiaries' management, after trade discounts and rebates, if any.

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication of impairment.

Intangible assets having a defined useful life are amortized using the straight-line method over their estimated useful lives. The most significant useful lives are:

Acquired software	Between 3 and 5 years
ERP-like acquired software	Between 5 and 8 years

Intangible assets are subsequently measured using the cost model, and amortization as a function of the estimated useful lives and impairment losses are deducted from the amount initially recognized. The effect of amortization and potential impairment is taken to income for the period unless amortization has been booked as a higher value in the construction or production of a new asset.

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the carrying amount of the asset. Such effect is recognized in period results.

Residual values, useful lives and amortization methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of individual projects are recognized as intangible assets wherever the Parent and its subsidiaries are in the capacity of demonstrating:

- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and the ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

Development costs not complying with these criteria for capitalization are taken to period results. Development costs recognized as intangible assets are subsequently measured using the cost model.

Property, plant and equipment

The name property, plant and equipment is given to all of Parent's and its subsidiaries' tangible assets held for use in production or in the production or provision of goods and services, or for administration purposes, and which are further expected to be used during more than one period, that is to say, more than one year, and that meet the following conditions:

- It is probable that the Parent and its subsidiaries will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Parent and its subsidiaries hold all risks and benefits arising from the use or possession of the asset, and
- Its individual cost of acquisition exceeds 50 UVT (Tax-Value Units), except for those assets defined by the Parent's and its subsidiaries' management that are related to the core business purpose, and there is an interest in controlling them, given that the Parent and its subsidiaries procure such assets frequently and in significant amounts.

Property, plant and equipment are initially measured at cost; subsequently they are measured at cost less accumulated depreciation and less accumulated impairment loss.

The cost of property, plant and equipment items includes acquisition cost, import duties, non-recoverable indirect taxes, future dismantling costs, if any, loan costs directly attributable to the acquisition of a qualifying asset and the costs directly attributable to place the asset in the site and usage conditions foreseen by the Parent's and its subsidiaries' management, net of trade discounts and rebates.

Costs incurred for expansion, modernization and improvements that increase productivity, capacity or efficiency, or an increase in the useful lives thereof, are carried as a higher value of the asset. Maintenance and repair costs from which no future benefit is foreseen are taken to period results.

Land and buildings are deemed to be individual assets, wherever they are material and physical separation is feasible from a technical viewpoint, even if they have been jointly acquired.

Constructions in progress are transferred to operating assets upon completion of the construction or commencement of operation and depreciated as of that moment.

The useful life of land is unlimited and consequently it is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, considering nil residual value. The groups of property, plant and equipment and relevant useful lives are as follows:

Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	From 10 to 20 years
Furniture and office equipment	From 10 to 12 years
Other transportation equipment	From 5 to 20 years
Surveillance team armament	10 years
Buildings	From 40 to 50 years
Improvements to third-party properties	40 years or the term of the lease agreement or the remaining of the lease term(*), whichever is less.

(*) Urban improvements related to the construction or delivery of environmental resources and/or related to the visual or architectural improvement of the zone affected by the construction or work under the responsibility of the Parent and its subsidiaries, are recognized in period results.

The Parent and its subsidiaries estimate depreciation by components, which means applying individual depreciation to the components of an asset with useful lives that are different from the asset as a whole and has a material cost in relation to the entire fixed asset. Cost is deemed material when the component exceeds 50% of the total asset value, or when it can be individually identified, based on an individual cost of the component of 32 Minimum Legal Monthly Wages in force (SMMLV).

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period, and changes, if any, are applied prospectively.

An item of property, plant and equipment is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the carrying amount of the asset. Such effect is recognized in period results.

Investment property

Is property held to obtain revenue or capital gains and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. This category includes the shopping malls and other property owned by the Parent and its subsidiaries.

Investment properties are initially measured at cost, including transaction costs. Following initial recognition, they are valued at historical cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated using the straight-line method over the estimated useful life, considering nil residual value. The useful life estimated to depreciate buildings classified as investment property is from 40 to 50 years.

Transfers are made from investment properties to other assets and from other assets to investment properties only wherever there is a change in the use of the asset. For transfers from investment property to property, plant and equipment or to inventories, the cost taken into consideration for subsequent accounting is the book value on the date the use is changed. If a property, plant and equipment item would become investment property, it will be recorded at book value on the date it changes.

Situations that can lead to transfer are:

- The Parent and its subsidiaries will occupy the asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Parent and its subsidiaries start a development on the investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole. In these events, the asset is reclassified to inventories,
- The Company and its subsidiaries enter into an operating lease agreement with a third party on a property, plant and equipment item. In this event, the asset is reclassified to investment property.

Investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof.

The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

The fair values of investment property are updated on an annual basis for the purposes of disclosure in the financial statements.

Non-current assets held for trading and discontinued operations

Non-current assets and the groups of assets for disposal are classified as held for trading if their book value will be recovered via a sale instead of continued use and do not meet the conditions to be classified as real estate inventory.

Such condition is met wherever an asset or group of assets are available for immediate sale, under current condition, and the sale is highly probable to occur. In order for the sale to be highly probable, the Parent's and its subsidiaries' management must be committed to a plan to sell the asset (or assets or group for disposition) and the sale is expected within the year following the classification date.

Non-current assets and groups of assets for disposition are measured at the lower of book value or fair value, less costs of sale, and are not depreciated or amortized as of the date they are classified as held for trading. Such assets or groups of assets are shown under current assets.

In the statement of income for the current period and for that of the comparative previous period, revenue, costs and expenses from a discontinued operation are presented separately from those from continuing activities, in one single line item after income tax, even if a non-controlling interest in the discontinued operation is kept after the sale. An operation is deemed to be discontinued wherever it meets the definition of non-current assets held for trading and represents a business line or geographical area of operations that are material to the Parent and its subsidiaries, or a subsidiary acquired with trading purposes or are part of a single coordinated plan to maintain a business line or geographical area of operations that are material and are deemed separate.

Operating leases

They are lease agreements under which all substantial risks and benefits attached to the asset remain with the lessor.

Payments or collections on account of operating lease are recognized as expenses or revenue in the statement of income on a linear basis over the term of the lease agreement. Contingent payments or collections are recognized during the period they are incurred.

Wherever the Company makes advance payments or receives advance payments on account of lease agreements, related to the usage of assets, such payments are carried as expenses paid in advance and collections are booked as revenue received in advance, and both are amortized over the term of the lease agreement.

Use rights

Use rights assets are assets representing the right of the Parent and its subsidiaries as lessees to use an underlying asset during the term of a lease agreement.

They are initially measured at cost, which includes the present value of payments under the lease agreement discounted at the incremental rate of loans of the Parent and its subsidiaries, plus indirect costs incurred under the lease agreement, plus an estimation of the costs required to dismantle the underlying asset upon termination of the lease agreement. Later, they are measured at cost less accumulated depreciation and less accumulated impairment losses, plus adjustments from measurements of lease liabilities relevant to the use right.

The useful lives of use rights are defined by the irrevocable terms of the lease agreements covering underlying assets together with periods covered by an option to extend the term or an option to terminate the lease agreement.

The Parent and its subsidiaries do not carry assets arising from the right to use:
- Lease agreements whose underlying assets are low-cost assets such as furniture and fixtures, computers, machinery and equipment and office equipment,
- Lease agreements for underlying assets with a term of less than one year,
- Lease agreements covering intangible assets.

Loan costs

Loan costs directly attributable to the acquisition, construction or manufacturing of a qualifying asset, in other words an asset that necessarily takes a substantial period of time (generally more than six months) to become ready for its intended use or sale, are capitalized as part of the cost of the respective asset. Other loan costs are accounted for as expenses during the period they are incurred. Loan costs are made of interest and other costs incurred for securing the loan.

Impairment of non-financial assets

At the closing of each annual period, the Parent and its subsidiaries assess whether there is indication that the value of an asset may be impaired. Assets with a defined useful life are subject to impairment testing, provided there is objective evidence that, as result of one or more events subsequent to initial recognition, the book value thereof cannot be recovered, in full or in part.

Intangible assets with an indefinite useful life not subject to amortization are tested for impairment at the closing of each year, except for those intangible assets attached to a business combination still undergoing a measuring period where the purchase price allocation survey has not been completed.

Impairment indicators as defined by the Parent and its subsidiaries, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:
- Movable assets attached to a cash-generating unit: ratio between the net book value of the assets related to each store and sales value (VAT included). Should this proportion be higher than the percentage defined for each format, then there is indication of impairment;
- Real estate: comparison of the net book value of assets to the market value thereof.

To assess impairment losses, assets are grouped at the level of cash-generating units or groups of cash-generating units as applicable, and estimation is made of the recoverable value thereof. The Parent and its subsidiaries have defined each store or each shop as an individual cash-generating unit. Regarding goodwill, the generating units are grouped based on the brand, which represents the lowest value at which goodwill is monitored.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use. This recoverable value is estimated for an individual asset unless such asset does not generate any cash flows independently from the cash inflows obtained by other assets or groups of assets.

Impairment losses are recognized with charge to period results in amount of the excess of the carrying amount of the asset over recoverable value thereof, first reducing the book value of the goodwill allocated to the cash-generating unit or group of cash-generating units; should there be a remaining balance, by reducing all other assets of the cash-generating unit or group of units as a function of the carrying amount of each asset until such book value reaches zero.

To determine the fair value less the costs of sale, a pricing model is used in accordance with the cash-generating unit or groups of cash-generating units, if it can be established.

To assess the value in use:
- Estimation is made of future cash flows of the cash-generating unit or groups of cash-generating units over a period not to exceed five years. Cash flows beyond the forecasted period are estimated by applying a steady or declining growth rate.
- The terminal value is estimated by applying a perpetual growth rate, according to the forecasted cash flow at the end of the explicit period.
- The cash flows and terminal value are discounted at present value, using a discount rate before taxes that corresponds to outstanding market rates reflecting the value of money over time and the particular risks attached to the cash-generating unit or groups of cash-generating units.

The Parent and its subsidiaries assess whether the impairment losses previously recognized no longer exist or have decreased; in such events, the book value of the cash-generating unit or groups of cash-generating units is increased to the revised estimation of the recoverable value, without exceeding the carrying amount that would have been determined if no previous impairment had been recognized. Such reversal is recognized as revenue in period results, except for goodwill whose impairment is not reverted.

Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business, goods in process of manufacturing or construction with a view to such sale, and goods to be consumed in the process of production or provision of services.

Inventories in transit are recognized upon receipt of all substantial risks and benefits attached to the asset, according to performance obligations satisfied by the seller, as appropriate under procurement conditions.

Inventories also include real estate property where construction or development of a real estate project has been initiated with a view to future selling.

Inventories are valued using the first-in-first-out (FIFO) method. The cost of initial recognition includes acquisition costs, costs of processing and other costs incurred in bringing the inventories to their present location and condition, that is to say, upon completion of the production process or receipt at the store. Logistics costs and supplier discounts are capitalized as part of the inventories and recognized in the cost of goods sold upon sale.

Inventories are valued at period closing at the lower of cost and net realization value.

The Parent and its subsidiaries assess whether impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the lower of cost and net realizable value. This reversal is recognized as a decrease in impairment cost.

The Parent and its subsidiaries make an estimation of obsolescence and physical inventory losses, based on the age of inventories, changes in manufacturing and sale conditions, trade regulations, probability of loss and other variables affecting the recoverable value.

Financial assets

Financial assets are recognized in the statement of financial position when the Parent and its subsidiaries become a party pursuant to the instrument terms and conditions. Financial assets are classified under the following categories:
- Financial assets at fair value through income;
- Financial assets measured at amortized cost, and
- Financial assets at fair value through other comprehensive income.

The classification depends on the business model used to manage financial assets and on the characteristics of the cash flows from the financial asset; such classification is defined upon initial recognition. Financial assets are classified as current assets, if they mature in less than one year; otherwise they are classified as non-current assets.

a. Financial assets measured at fair value through income

   Includes financial assets incurred mainly seeking to manage liquidity through frequent sales of the instrument. These instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

b. Financial assets measured at amortized cost

   These are non-derivative financial assets with known payments and fixed maturity dates, for which there is an intention and capability of collecting the cash flows from the instrument under a contract.

   These instruments are measured at amortized cost using the effective interest method. The amortized cost es estimated by adding or deducting any premium or discount, revenue or incremental cost, during the remaining life of the instrument. Gains and losses are recognized in the statement of income by the amortization or if there were objective evidence of impairment.

   These financial assets are shown as non-current assets, exception made of those maturing in less than 12 months as of the date of the statement of financial position.

c. Financial assets at fair value through other comprehensive income

   They represent variable-income investments not held for trading nor deemed an acquirer's contingent consideration in a business combination. Regarding these investments, upon initial recognition irrevocable decision was made of presenting the gains or losses in other comprehensive income based on a subsequent measurement at fair value.

   The gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until the asset is derecognized. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

These financial assets are included as non-current assets unless the intention is to dispose of the investment within 12 months of the date of the statement of financial position.

d. Derecognition

A financial asset, or a portion thereof, is derecognized upon its sale, transfer, expiry or loss of control over contract rights or over the cash flows from the instrument. When substantially all risks and benefits of ownership are retained by the Parent and its subsidiaries, a financial asset continues being recognized in the statement of financial position at its full value.

e. Effective interest method

Is the method to estimate the amortized cost of a financial asset and the allocation of interest revenue during the entire relevant period. The effective interest rate is the rate that exactly discounts the estimated net future cash flows receivable (including all charges and revenue received that are an integral part of the effective interest rate, transaction costs and other rewards or discounts), during the expected life of a financial asset.

f. Impairment of financial assets

Given that trade accounts receivable and other accounts receivable are deemed to be short-term receivables of less than 12 months as of the date of issue and not containing a significant financial component, impairment thereof is estimated from initial recognition and on each presentation date as the expected loss for the following 12 months.

For financial assets other than those measured at fair value, expected losses are measured over the life of the relevant asset. For this purpose, determination is made of whether the credit risk arising from the asset assessed on an individual basis has significantly increased, by comparing the risk of default on the date of presentation against that on the date of initial recognition; if so, an impairment loss is recognized in period results in the amount of the credit losses expected over the following 12 months.

g. Loans and accounts receivable

Loans and accounts receivable are financial assets issued or acquired in exchange for cash, goods or services delivered to a debtor.

Accounts receivable from sales transactions are measured at invoice values less accrued impairment losses. These accounts receivable are recognized when all risks and benefits have been transferred to a third party and all performance obligations agreed upon with the customer have been met or are in the process of being met.

Long-term loans (more than one year of issuance date) are valued at amortized cost using the effective interest method wherever the amounts involved are material. Impairment losses are recognized in the statement of income.

These instruments are included as current assets, except for those maturing after 12 months of the date of the statement of financial position, which are classified as non-current assets. Accounts receivable expected to be settled over a period of more than 12 months and include payments during the first 12 months, are shown as non-current portion and current portion, respectively.

h. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, investments should meet the following criteria:
(a) Short-term investments, in other words, with terms less than or equal to three months as of acquisition date;
(b) High-liquidity investments;
(c) Readily converted into cash, and
(d) Subject to low risk of change in value.

In the statement of financial position, the accounting accounts showing overdrafts with financial institutions are classified as financial liabilities. In the statement of cash flows such overdrafts are shown as a component of cash and cash equivalents, provided they are an integral part of the Parent's and its subsidiaries' cash management system.

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Parent and its subsidiaries become a party pursuant to the instrument terms and conditions. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities measured at amortized cost.

a. Financial liabilities measured at fair value through income

Financial liabilities are classified under this category when held for trading or when upon initial recognition they are designated at fair value through income.

b. Financial liabilities measured at amortized cost

Include loans received and bonds issued, which are initially measured at the actual amount received net of transaction costs and later measured at amortized cost using the effective interest method, recognizing interest expense based on effective profitability.

c. Derecognition

A financial liability or a part thereof is derecognized upon settlement or expiry of the contractual obligation.

d. Effective interest method

The effective interest method is the method to calculate the amortized cost of a financial liability and the allocation of interest expenses over the relevant period. The effective interest rate is the rate that accurately discounts estimated future cash flows payable during the expected life of a financial liability, or, as appropriate, a shorter period wherever a prepayment option is associated to the liability and it is likely to be exercised.

Embedded derivatives

The Parent and its subsidiaries have implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial contracts. Should an embedded derivative exist, and if the main agreement is not accounted for at fair value, the procedure defines whether the characteristics and risks thereof are not closely related with the core agreement, in which event separate booking is required.

Derivative financial instruments

Derivative financial instruments are recognized at fair value, both initially and subsequently. Derivative instruments are recognized as financial assets when its fair value involves a right, and as financial liabilities when its fair value involves an obligation.

The fair value of these instruments is estimated on the closing date of presentation of the financial statements.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of income, except those maintained under hedge accounting and deemed to be cash flow hedges or net investment hedges abroad.

Derivative transactions involve *forwards and swaps*, aimed at reducing the market risk of assets and liabilities by using the best hedging structures available in the market, being able to stabilize debt service cash flows.

Regarding *forwards* the intention is managing the foreign exchange risk, and regarding *swaps* additionally managing the interest rate risk in foreign currency. The effects of both, derivative financial instruments and elements hedged are recognized in the statement of income under the net financial results line item.

Even if it is true that the Parent and its subsidiaries do not use derivative financial instruments for speculative purposes, in these financial statements such derivatives have not been deemed hedge instruments given that they do not meet the requirements set by the International Financial Reporting Standards accepted in Colombia.

Forward and swap contracts that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

Financial derivatives are measured at fair value using financial valuation techniques based on discounted cash flows. The variables used for valuation are exchange rates in force on the valuation date applicable to the currencies agreed upon in the instrument and the interest rates associated thereto.

Hedge accounting

Parent and its subsidiaries carry out hedge transactions under term *forward and swap* contracts, to cover the risks associated with changes in the exchange rates applicable to their investments and in the exchange rates and interests rates applicable to their liabilities.

Hedge instruments are measured at fair value and hedge accounting shall only be used if:
- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of the hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the manner in which the efficacy of the hedge instrument will be measured when offsetting the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

Hedges are deemed to be efficient when there is an economic relationship between the item hedged and the hedge instrument, the effects of the credit risk do not prevail over the value changes arising from such economic relationship, and the hedge ratio is the same as that arising from the item hedged and the amount of the hedge instrument used.

Hedge instruments are recognized initially at fair value, that is on the date of execution of the derivative contract, and subsequently measured at fair value. They are shown as non-current assets or non-current liabilities wherever the remaining maturity of the hedged item goes beyond 12 months, and, failing that, as current assets and current liabilities if the maturity of the hedged item does not exceed 12 months.

Hedges are classified and booked as follows, upon compliance with strict hedge accounting criteria:

- Cash flow hedges: this category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction whose occurrence is highly probable and may have an impact on period results.
  The effective portion of the changes in the fair value of derivative instruments defined as cash flow hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is promptly recognized in the statement of income.

  Values recognized in other comprehensive income are reclassified to the statement of income wherever the hedged transaction has an impact on the results, on the same line item of the statement of income where the hedged item was recognized. However, when the foreseen transaction that is hedged results in recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are reclassified at the initial value of such asset or liability.

  Hedge accounting is discontinued upon voiding of the hedge relation, when the hedge instrument matures or is sold, expires, or is exercised, or no longer qualifies for hedge accounting. In those events, any gain or loss recognized in other comprehensive income is maintained in shareholders' equity and recognized when the foreseen transaction actually has an impact on period results. When it is no longer expected that a foreseen transaction would occur, then the accrued gain or loss recognized in other comprehensive income is immediately recognized in the statement of income.

- Fair-value hedges: this category includes hedges covering the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

  A change in the fair value of a derivative that is a fair-value hedging instrument is recognized in the statement of income as financial expense or revenue. A change in the fair value of a hedged item attributable to the hedged risk is booked as part of the book value of the hedged item and is also recognized in the statement of income as financial expense or revenue.

  Wherever an unrecognized firm commitment is identified as a hedged item, the subsequent accrued change in the fair value of the firm commitment attributable to the hedged risk will be recognized as an asset or liability and the relevant gain or loss will be recognized in period results.

- Net investment hedges abroad: this category includes hedges covering exposure to the variation in exchange rates arising from the translation of foreign businesses to the Company's reporting currency.

  The effective portion of the changes in the fair value of derivative instruments defined as instruments to hedge a net investment abroad is recognized in other comprehensive income. The gain or loss related to the non-effective portion is promptly recognized in the statement of income.

  If the Parent and its subsidiaries would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Employee benefits

a. Defined contribution plans

   Post-employment benefit plans under which there is an obligation to make certain predetermined contributions to a separate entity (a retirement fund or insurance company) and there is no further legal or constructive obligation to pay additional contributions. Such contributions are recognized as expenses in the statement of income, in as much as the relevant contributions are enforceable.

b. Defined post-employment benefit plans

   Post-employment benefit plans are those under which there is an obligation to directly provide retirement pension payments and retroactive severance pay, pursuant to Colombian legal requirements. The Parent and its subsidiaries have no specific assets intended for guaranteeing the defined benefit plans.

   Defined post-employment benefit plan liabilities are estimated severally for each plan, with the support of independent third parties, applying the projected credit unit's actuarial valuation method, using actuarial assumptions on the date of the period reported, such as salary increase expectations, average time of employment, life expectancy and personnel turnover. Actuarial gains or losses are recognized in other comprehensive income. Interest expense on defined post-employment benefits, as well as settlements and plan reductions, are recognized in period results as financial costs

c. Long-term employee benefits

   These are benefits not expected to be fully settled within twelve months following the closing date of the statement of financial position regarding which employees render their services. These benefits relate to time-of-service bonuses and similar benefits. The Parent and its subsidiaries have no specific assets intended for guaranteeing long-term benefits.

The liability for long-term benefits is determined separately for each plan with the support of independent third parties, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as settlements or reductions in the plan are promptly recognized in the statement of income.

d. Short-term employee benefits

These are benefits expected to be fully settled within twelve months and after the closing date of the statement of financial position regarding which the employees render their services. Such benefits include a share of profits payable to employees based on performance. Short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligations on the closing date of the reporting period.

e. Employee termination benefits

The Parent and its subsidiaries pay to employees certain benefits upon termination, wherever decision is made to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

Termination benefits are classified as short-term employee benefits and are recognized in period results when they are expected to be fully settled within 12 months of the closing of the reporting period; and are classified as long-term employee benefits when they are expected to be settled after 12 months of the closing of the reporting period.

Lease liabilities

Initially, lease liabilities are comprised of payments for the right to use the underlying asset during the term of the lease agreement, including fixed payments, variable lease payments and the payment of fines arising from termination of the lease agreement. Later, lease liabilities are measured by increasing the book value to reflect interests, reducing the book value to show rental instalment payments made and re-measuring the book value to reflect new amendments to the lease agreement.

Provisions, contingent assets and liabilities

The Parent and its subsidiaries recognize as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events, which may be accurately measured and settlement thereof may require an outflow of resources embodying economic benefits and whose timing and/or amount are uncertain.

Provisions are recognized at the present value of the best estimation of cash outflows required to settle the liability. In those cases where there is expectation that the provision will be reimbursed, in full or in part, the reimbursement is recognized as an independent asset with a revenue to income as balancing entry, only when such reimbursement is virtually certain.

The provisions are revised periodically and quantified based on the best information available on the date of the statement of financial position.

Provisions under contracts for consideration are present liabilities arising from contracts for consideration and recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder.

A business reorganization provision is recognized wherever there is a constructive obligation to conduct a reorganization, that is to say, when a formal and detailed plan of reorganization has been prepared and has raised a valid expectation in those affected because its overall conditions were announced prior to the closing of the reporting period.

Contingent liabilities are obligations arising from past events, whose existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Parent and its subsidiaries; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated or it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are not included in the financial statements; instead they are disclosed in notes to the financial statements, except for those individually included in the purchase pricing report under a business combination, whose fair value may be accurately established and regarding which an outflow of resources to settle the obligation is deemed remote.

A contingent asset is a possible asset that arises from past events, whose existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Parent and its subsidiaries. Contingent assets are not recognized in the statement of financial position until revenue realization is virtually true; instead, they are disclosed in the notes to the financial statements.

Taxes

Taxes include liabilities payable to Government by the Parent and its subsidiaries, determined based on private assessments generated during the relevant taxable period.

Taxes include:

Colombia:
- Income tax,
- Real estate tax, and
- Industry and trade tax.

Argentina:
- Income tax,
- Province taxes,
- Tax on personal property - substitute responsible party, and
- Municipal trade and industry tax.

Uruguay:
- Income tax (IRIC),
- Tax on equity,
- Real property tax,
- Industry and trade tax,
- Tax on Control of Stock Corporations (ICOSA),
- National tax on wine production (INAVI), and
- Tax on the Disposal or Transfer of Agricultural and Livestock Assets (IMEBA)

Current income tax

The current income tax for the Parent and its subsidiaries in Colombia is assessed on the higher of the presumptive income and the taxable net income at the official rate applicable annually on each closing of presentation of financial statements. Current income tax expense is recognized with charge to income.

For subsidiaries in Uruguay, the income tax is assessed at official tax rates on each year closing.

The income tax expense is recognized with charge to income.

Current tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right, they have been incurred with the same tax authority and the intention is to settle them at net value or realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income tax arises from temporary differences and other events that give rise to differences between the accounting base and the taxable base of assets and liabilities. Deferred income tax is recognized at the non-discounted value that the Company expects to recover from or pay to tax authorities, assessed at expected tax rates to be applied during the period when the asset will be realized or the liability will be settled.

Deferred income tax assets are only recognized if it is probable that there will be future taxable income against which such deductible temporary differences may be offset. Deferred income tax liabilities are always recognized. Deferred tax assets and liabilities arising from a business combinations have an impact on goodwill.

The effects of the deferred tax are recognized in income for the period or in other comprehensive income depending on where the originating profits or losses were booked and they are shown in the statement of financial position as non-current items.

For presentation purposes, deferred tax assets and liabilities are offset if there is a legally enforceable right and they have been incurred with the same tax authority.

No deferred tax liabilities are carried for the total of the differences that may arise between the accounting balances and the taxable balances of investments in associates and joint ventures, since the exemption contained in IAS 12 is applied when recording such deferred income tax liabilities.

Share capital

The Parent's capital stock is made of common shares.

Incremental costs directly attributable to the issue of new shares or options are shown under shareholders' equity as a deduction from the amount received, net of taxes.

Revenue from ordinary activities under contracts with customers

Revenue from ordinary activities under contracts with customers include retail sales at stores, provision of services, sales of real estate projects and inventories, sale of extended warranties, lease of property and physical space and supplementary businesses such as insurance, travel, telephone, transportation and financing to customers, among other.

Revenue is measured at the fair value of the consideration received or to be received, net of trade rebates, cash discounts and volume discounts; value added tax is excluded.

Revenue from retail sales is recognized when (a) significant risks and benefits attached to the ownership of goods are transferred to purchaser and the performance obligations with the customer have been satisfied, in most cases upon transfer of legal title, (b) such revenue can be reliably measured and (c) there is a probability that economic benefits from the transaction will be received.

Revenue from the provision of services is recognized in the period of realization provided the performance obligations agreed upon with the customer have been satisfied. If performance obligations of the provision of services are subject to compliance with a number of commitments, then the adequate time for recognition is assessed, either over the time of service provision or at a single time.

Consequently, revenue from the provision of services can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided or the commitment is fulfilled.

When goods are sold along with customer loyalty incentives, the revenue is allotted to retail sales and to the sale of incentives, at fair values. Deferred revenue from the sale of incentives is recognized in the statement of income upon customer redemption of products, or upon expiry.

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Parent and its subsidiaries act as principal and when as a commission agent.

Revenue from dividends is recognized when the right to receive payment for investments classified as financial instruments arise; dividends received from associates and joint ventures that are recognized using the equity method are recognized as a lower value of the investment.

Revenue from royalties is recognized upon fulfilment of the conditions set out in the agreements.

Revenue from operating leases on investment properties is recognized on a linear basis over the term of the agreement.

Revenue from interest is recognized using the effective interest method.

Revenue from barter transactions is recognized upon actual bartering and (a) assets are recognized at the fair value of the consideration received on the date of exchange; or (b) at the fair value of goods delivered.

Loyalty programs

Under their loyalty programs, certain subsidiaries award customer points on purchases, which may be exchanged in future for benefits such as prizes or goods available at the stores, means of payment or discounts, redemption with allies and continuity programs, among other. Points are measured at fair value, which is the value of each point received by the customer, taking the various redemption strategies into consideration. The fair value of each point is estimated at the end of each accounting period.

The obligation of awarding such points is recorded in the liability side as a deferred revenue that represents the portion of unredeemed benefits at fair value, considering for such effect the redemption rate and the estimated portion of points expected not to be redeemed by the customers.

Costs and expenses

Costs and expenses are recognized in period results upon a decrease in economic benefits, associated with a decrease in assets or an increase in liabilities, and the value thereof may be reliably measured.

Costs and expenses include all cash outflows necessary to complete the sales as well as the expenses required to provide the services, such as depreciation of property, plant and equipment, personnel expenses, payments under service agreements, repairs and maintenance, operating costs, insurance, fees and lease expenses, among other.

Earnings per basic and diluted share

Earnings per basic share are calculated by dividing the net profit for the period attributable to the Parent, not including the average number of Parent shares held by a subsidiary, if any, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Parent and held as Treasury shares.

Earnings per diluted share are calculated by dividing the net profit for the period attributable to the Parent, by the weighted average of common shares that would be issued should all potential common shares be converted with dilutive effect. The net profit for the period, if any, is adjusted by the amount of dividends and interest related to convertible bonds and subordinated debt instruments.

The Parent has not carried out any transaction having a potential dilutive effect leading to earnings per share on a diluted basis other than the earnings per basic share.

Operation segments

An operating segment is a component that develops business activities from which it obtains revenue under ordinary activities and incurs costs and expenses and whose operating results are reviewed on an ongoing basis by the highest operating decision-making authority of the Parent, namely the Board of Directors, and regarding which distinct financial information is available. Parent's Management assesses the profitability of such segments based on the revenue from ordinary activities under contracts with customers.

For presentation purposes, non-operating companies - holding companies that hold interests in the operating companies - are allocated by segments to the geographical area to which the operating companies belong. Should the holding company hold interests in various operating companies, allocation is to the most significant operating company.

Total assets and liabilities by segment are not reported internally for management purposes and consequently they are not disclosed in the note regarding disclosure of information by segment.

Information by segment is prepared under the same accounting policies as those applied to consolidated financial statements.

Note 5. New and modified Standards and Interpretations

Note 5.1. Standards issued during the annual period ended December 31, 2021

During the annual period ended December 31, 2021, Regulatory Decree 938 of August 19, 2021 was issued in Colombia amending the technical framework of standards applicable to Group 1 included in Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards" which had already been amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131, on December 22, 2017 by Regulatory Decree 2170 and on November 5, 2020 by Regulatory Decree 1432 and which had been updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270.

This amendment allows the incorporation of the Amendment to IAS 1 - Classification of Liabilities as Current or non-Current, the Amendment to IAS 16 - Property, Plant and Equipment, the Amendment to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, the Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - The IBOR Reform and its Effects on Financial Reporting Phase 2, the Amendment to IFRS 3 - Business Combinations and the Annual Improvements to IFRS standards 2018-2020 cycle which included amendments, clarification of wording, correction of oversights or conflicts between the requirements of IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture and IFRS 16 - Leases, all issued during the annual period ended December 31, 2020 by the International Accounting Standards Board (IASB)

During the annual period ended December 31, 2021, the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 1, applicable as of January 2023.
- Amendment to IAS 8, applicable as of January 2023.
- Amendment to IFRS 16, applicable as of April 1, 2021.
- Amendment to IAS 12, to be applied as of January 1, 2023 with early adoption permitted.
- Amendment to IFRS 17, applicable as of January 1, 2023.

<u>Amendment to IAS 1 - Disclosure of Accounting Policies and Practice Statement (issued in February 2021)</u>

This Amendment, which amends IAS 1 - Presentation of Financial Statements, guides companies in deciding what information about accounting policies should be disclosed to provide more useful information to investors and other primary users of financial statements.
The Amendment requires companies to disclose material information about accounting policies by applying the concept of materiality in their disclosures.

No material effects are expected from the application of this Amendment.

<u>Amendment to IAS 8 - Definition of Accounting Estimates (issued in February 2021)</u>

This Amendment, which amends IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, modified the definition of accounting estimates and included other amendments to assist entities in distinguishing changes in accounting estimates from changes in accounting policies. This distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are applied retrospectively to past transactions and other past events.

No material effects are expected from the application of this Amendment.

<u>Amendment to IFRS 16 - Lease Concessions related to Covid-19 (issued in March 2021)</u>

The basic principles introduced when the Council first issued the Amendment in May 2020 are not affected. The Amendment is designed to extend by one year the period of application of the Covid-19 related lease concessions to assist lessees in accounting for their leases. Relief was extended to cover lease concessions for lease payments originally due on or before June 30, 2022.

No material effects are expected from the application of this Amendment.

<u>Amendment to IAS 12 - Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)</u>

This amendment, which amends IAS 12 Income Tax, details how companies must recognize deferred tax on transactions such as leases and decommissioning liabilities.

Under certain circumstances, companies are exempt from recognizing deferred taxes when they first recognize assets or liabilities. Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which companies recognize both an asset and a liability.

The amendments clarify that companies are required to recognize deferred tax on such transactions. The purpose of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning liabilities.

It is estimated that there will be no significant impact on the application of this Amendment as the Company adequately accrues the deferred tax on assets and liabilities arising from the application of IFRS 16 on lease transactions.

Amendment to IFRS 17 - Initial application of IFRS 17 and IFRS 9 (issued December 2021)
This amendment, which modifies IFRS 17 - Insurance contracts, applies to entities that apply IFRS 17 and IFRS 9 simultaneously. Considering that these standards have different transition requirements, it is possible that temporary accounting imbalances arise between financial assets and liabilities related with the insurance contract in the comparative information shown in the financial statements upon applying such standards for the first time. The Amendment will help insurance companies to avoid such imbalances, and, consequently, will improve the usefulness of comparative information for investors. For this purpose, it provides insurance companies with an option to present comparative information regarding financial assets.

No material effects are expected from the application of this Amendment given that the Parent and its subsidiaries do not apply IFRS 17.

Note 5.2. Standards applied as of 2021, issued prior to January 1, 2021

The following standard started to be applied as of January 1, 2021 according to the adoption date set by the IASB:
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - IBOR Reform and its Effects on Financial Reporting - Phase 2 (issued in August 2020).

The above amendment was enacted in Colombia though Regulatory Decree 938 of August 19, 2021. No material effects resulted from application of this amendment.

Note 5.3. Standards applied as of 2021, issued in 2021

The following standards started to be applied as of April 1, 2021 according to the adoption date set by the IASB:
- Amendment to IFRS 16.

No material effects resulted from application of this amendment.

Note 5.4. Standards adopted earlier during the annual period ended December 31, 2021

During the annual period ended December 31, 2021 the Parent and its subsidiaries did not apply the early adoption of Standards.

Note 5.5. Standards not yet in force at December 31, 2021, issued prior to January 1, 2021

The following Standards are not yet effective at December 31, 2021 and a summary thereof can be seen in Note 4.6:
- IFRS 17 - Insurance Contracts, to be applied as of January 2023 pursuant to the Amendment thereto.
- Amendment to IAS 1, applicable as of January 2022.
- Amendment to IFRS 3, applicable as of January 2022.
- Amendment to IAS 16, applicable as of January 2022.
- Amendment to IAS 37, applicable as of January 2022.
- Annual improvements to IFRS standards cycle 2018-2020, to be applied as of January 2022.
- Amendment to IFRS 17, applicable as of January 2023.
- Amendment to IAS 1, applicable as of January 2023.

Note 5.6 Standards issued during the annual period ended December 31, 2020

During the annual period ended December 31, 2020, Regulatory Decree 1432 of November 5, 2020 was issued in Colombia amending the technical annex compiling the financial reporting standards included in Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards" which had already been amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and which had been updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. This amendment allows the incorporation of the Amendment to IFRS 16 "Lease Concessions Related to Covid-19" issued in May 2020.

During the annual period ended December 31, 2020, the International Accounting Standards Board IASB issued the following new standards and amendments:

- Amendment to IAS 1, applicable as of January 2022.
- Amendment to IFRS 16, applicable as of June 1, 2020; however, lessors may apply this amendment to any of the financial statements as of the date of issue.
- Amendment to IFRS 3, applicable as of January 2022.
- Amendment to IAS 16, applicable as of January 2022.
- Amendment to IAS 37, applicable as of January 2022.
- Annual improvements to IFRS standards cycle 2018-2020, to be applied as of January 2022.
- Amendment to IFRS 17, applicable as of January 2023.
- Amendment to IFRS 4, applicable as of June 2020.
- Amendment to IAS 1, applicable as of January 2023.
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, to be applied as of January 2021 with early adoption permitted.

Amendment to IAS 1 - Classification of Liabilities as Current or Non-Current (issued January 2020)

This amendment, which modifies IAS 1 - Presentation of Financial Statements, specifically clarifies one of the criteria to classify a liability as non-current. Earlier application is permitted. However, the International Accounting Standards Board will discuss whether the effective date will be postponed because of the Covid-19 pandemic.

No material effects are expected from the application of this amendment.

Amendment to IFRS 16 - Leases (issued May 2020)

The Amendment, called "Lease Concessions Related with Covid-19" has been issued to make it easier for lessees to recognize in their accounts the potential changes in lease contracts that may arise in relation with the Covid-19 pandemic.

This Amendment added paragraphs 46A and 46B to IFRS 16, relieving lessees from considering lease contracts individually to determine whether rent concessions arising as a direct consequence of the Covid-19 pandemic are amendments to such contracts, and allows the lessees to account for such concessions as if they were not amendments to the lease contracts.

Changes introduced offer a practical solution that basically consists of recognizing in period results the decrease in rental payments (which normally would be deemed an amendment to the contract), making it necessary a new estimation of lease liabilities at a revised discount rate.

This Amendment does not apply to lessors.

No material effects are expected from the application of this amendment.

Amendment to IFRS 3 - Business Combinations (issued May 2020)

In this Amendment, the reference to the latest version of the Conceptual Framework issued in March 2018 supersedes a reference to a previous version.

No material effects are expected from the application of this amendment.

IAS 16 - Property, plant and equipment (issued May 2020)

According to this Amendment, a company cannot deduct from the cost of property, plant and equipment those amounts received from the sale of items manufactured whilst the company prepares the asset for the use foreseen. Instead, a company will recognize in income such sales revenue and related costs.

No material effects are expected from the application of this amendment.

IAS 37 - Provisions, contingent liabilities and contingent assets (Issued May 2020)

This Amendment lists the costs to be included by an entity to determine whether a contract is onerous.

No material effects are expected from the application of this amendment.

Annual improvement to IFRS Cycle 2018-2020 (issued May 2020)

Include the following amendments that clarify the wording and correct oversights or conflicts among Standard requirements:

- IFRS 1 - First-time adoption of International Financial Reporting Standards. Easier application of the standard by a first-time adopting subsidiary after its parent regarding measurement of accumulated translation differences.
- IFRS 9 - Financial Instruments. The Amendment clarifies which professional fees are to be included by a company upon assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- IAS 41 - Agriculture. The requirement to exclude tax cash flows when measuring the fair value of biological assets is deleted, thus aligning the fair value measurement requirements to those of other Standards.
- IFRS 16 - Leases Illustrative example 13 was amended to eliminate the possibility of confusion regarding lease incentives.

No material effects are expected from the application of these improvements.

Amendment to IFRS 17 - Insurance Contracts (issued June 2020).

The basic principles introduced when the Council first issued IFRS 17 in May 2017 are not affected. The Amendment is intended for reducing costs by simplifying certain Standard requirements, making the financial performance easier to explain and facilitating the transition when deferring the effective date to 2023 thus providing further relief by reducing the effort required upon the first-time application of IFRS 17.

No material effects are expected from the application of this amendment.

Amendment to IFRS 4 - Extension of the temporary exemption to the application of IFRS 9 (issued June 2020)

IFRS 9 addresses the accounting of financial instruments and is effective for the annual periods beginning as of January 1, 2018. However, for certain insurance companies, this IFRS sets out a temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for the annual periods beginning prior to January 1, 2023.

The limit to apply the temporary exemption of IFRS 9 was extended for two years, maintaining the alignment between the expiration date of the temporary exemption and the effective date of IFRS 17, which supersedes IFRS 4.

No material effects are expected from the application of this amendment.

Amendment to IAS 1 - Classification of Liabilities as Current or Non-Current (issued July 2020)

The classification of liabilities as current or nor current was issued in January 2020, in force for annual reporting periods beginning as of January 1, 2022. However, because of the Covid-19 pandemic, the Board postponed for one year the effective date to provide companies with enough time to implement changes in the classification arising from such amendments. No further changes were introduced to the original amendment issued in January 2020.

No material effects are expected from the application of this amendment.

Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - IBOR Reform and its Effects on Financial Reporting - Phase 2 (issued August 2020)

The International Accounting Standards Board has completed the ongoing reform of interest-rate benchmarks such as interbank offered rates (IBORs). The amendment is designed to support companies in the provision to investors of useful information regarding the effects of the reform on the financial statements. The amendments supplement those issued in 2019 and are focused on the effects on the financial statements when a company replaces the existing reference interest rate with an alternative, as result of the reform.

No material effects are expected from the application of this amendment.

Note 5.7 Standards applied as of 2020, issued prior to January 1, 2020

The following standards started to be applied as of January 1, 2020 according to the adoption date set by the IASB:
- Amendment to IFRS 9 - Financial Instruments,
- Amendment to IAS 1 - Presentation of Financial Statements, and Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors,
- Amendment to IFRS 3 - Business Combinations,
- Conceptual Framework 2018.
- IFRIC 23 - Uncertainties over Income Tax Treatments.

In Colombia, these standards and amendments were enacted by means of Regulatory Decree 2270 of December 13, 2019, exception made of the Amendment to IFRS 9 - Financial Instruments. No material effects resulted from application of these standards.

Note 5.8 Standards applied as of 2020, issued in 2020

The following standards started to be applied as of June 1, 2020 according to the adoption date set by the IASB:
- Amendment to IFRS 16 – Leases
- Amendment to IFRS 4 – Insurance Contracts

This Amendment to IFRS 4 has not been enacted in Colombia. The Amendment to IFRS 16 was incorporated in Colombia through the issuance of Regulatory Decree 1432 of November 5, 2020 and the adoption date was established as of the date of issuance of the Regulatory Decree and not as of the date of adoption by the International Accounting Standards Board.

Note 5.9 Standards adopted earlier during the annual period ended December 31, 2020

During the year ended December 31, 2020 the Parent and its subsidiaries did not apply the early adoption of standards.

Note 5.10 Standards not yet in force at December 31, 2020, issued prior to January 1, 2020

During the annual period ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 17 – Insurance contracts, to be applied as of January 2021.

<u>IFRS 17 – Insurance Contracts (issued in May 2017)</u>

This IFRS sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts, and supersedes IFRS 4 – Insurance Contracts.

This standard requires a company issuing insurance contracts to disclose such contracts in the statement of financial position as the aggregate of: (a) cash flows from compliance less current estimates of the amounts the company expects to collect on premiums, as well as expected claims, benefits and expense payouts, including an adjustment relevant to the timeliness and risk attached to such amounts; and (b) the contract margin associated with the service less the expected gain from providing the insurance coverage.

The expected gain from the insurance coverage is recognized in income during the term when the insurance coverage is provided.

Additionally, it requires a company to differentiate the groups of contracts from which it expects to obtain a gain and those from which it expects a loss, the latter being recognized in income as soon as the company identifies such expected losses.

On each reporting date, companies are required to update cash flows from compliance, using current estimates of the amount, timeliness and uncertainty of cash flows and discount rates.

Regarding measurement, current values are now used instead of historical cost, which allows including committed cash flows (both rights and liabilities) and update them on each reporting date.

No material effects are expected from the application of this IFRS.

Note 6. Business combinations

No business combinations were carried out at December 31, 2021 and at December 31, 2020.

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	December 31 2021	**December 31 2020**
Cash at hand and in banks (1)	2,472,151	2,304,819
Fiduciary rights (2)	68,716	92,593
Term deposit certificates (3)	681	11,953
Other cash equivalents (4)	31	26
Total cash and cash equivalents	**2,541,579**	**2,409,391**

(4) The increase mainly represents higher cash collections arising from higher sales during 2021.

(2) The balance represents:

	December 31 2021	December 31 2020
Fondo de Inversión Colectiva Abierta Occirenta	20,408	20,410
BBVA Asset S.A.	18,311	20,413
Fiducolombia S.A.	16,118	21,130
Fiduciaria Bogota S.A.	13,655	17,323
Corredores Davivienda S.A.	203	13,316
Credicorp Capital	21	1
Total fiduciary rights	**68,716**	**92,593**

(3) The balance represents securities held by the Parent and its subsidiaries.

	December 31 2021	December 31 2020
Geant Inversiones S.A.	681	586
Parent (a)	-	2,845
Éxito Industrias S.A.S.	-	86
Transacciones Energéticas S.A.S. E.S.P. (Note 1.1)	-	130
Almacenes Éxito Inversiones S.A.S.	-	6
Logística, Transporte y Servicios Asociados S.A.S.	-	4
Libertad S.A. (b)	-	8,296
Total fiduciary rights	**681**	**11,953**

(4) The decrease mainly represents the use of tax cash return certificates received (tidis) to pay tax withholdings.

(b) The decrease mainly represents the use of certificates to pay liabilities to suppliers and government entities.

(4) The balance represents Monetary Regulation Drafts issued by the Central Bank of Uruguay and subscribed by subsidiaries Grupo Disco del Uruguay S.A. and Devoto Hermanos S.A. maturing in less than three months.

At December 31, 2021, the Parent and its subsidiaries recognized yields from cash at hand and in banks and cash equivalents in amount of $17,277 (December 31, 2020 - $22,014), which were carried as financial revenue as detailed in Note 35.

At December 31, 2021 and December 31, 2020, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 8. Trade receivables and other accounts receivable

The balance of trade receivables and other accounts receivable is as follows:

	December 31 2021	December 31 2020
Trade accounts receivable (Note 8.1)	387,353	325,415
Other accounts receivable (Note 8.2)	296,698	179,495
Total trade receivables and other accounts receivable	**684,051**	**504,910**
Current	**625,931**	**471,202**
Non-Current	**58,120**	**33,708**

Note 8.1. Trade receivables

The balance of trade receivables is as follows:

	December 31 2021	December 31 2020
Trade accounts (1)	272,920	235,887
Sale of real-estate project inventories (2)	67,434	34,715
Rentals and dealers	62,426	72,522
Employee funds and lending	9,841	9,830
Other trade receivables	-	21
Impairment of receivables (3)	(25,268)	(27,560)
Trade receivables	**387,353**	**325,415**

(5) The increase basically represents (a) higher collections in the sales channels compared to the previous period resulting from the increase in sales, specifically in negotiations with government entities, with family welfare agencies and in liquor inventory negotiations with third parties, at the Parent and (b) higher trade activity of subsidiaries in Uruguay.

(2) Represents an account receivable from the sale of inventories of the Montevideo and Copacabana real estate projects. The increase results from the sale of the Montevideo real estate project completed in 2021 per sale schedule as mentioned in Note 11.1.

(3) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Parent and its subsidiaries are of the opinion that these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings, when they are available in credit databases recognized in the market. During the annual period ended December 31, 2021, the net effect of the impairment of receivables on the statement of income represents revenue of $2,022 ($6,922 expense at December 31, 2020).

The development of the impairment of receivables during the period was as follows:

Balance at December 31, 2020	**27,560**
Recognized impairment loss	39,615
Reversals to receivables written off	(10,049)
Reversal of impairment loss	(31,588)
Effect of exchange difference from translation into reporting currency	(270)
Balance at December 31, 2021	**25,268**

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31 2021	**December 31 2020**
Business agreements (1)	84,973	34,090
Employee funds and lending (2)	78,088	63,528
Money transfer services (3)	63,811	21,959
Taxes collected receivable (4)	32,474	12,023
Money remittances	8,205	6,006
Tax claims	1,360	1,360
Sale of fixed assets, intangible assets and other assets	673	1,471
Other accounts receivable (5)	27,114	39,058
Total other accounts receivable	**296,698**	**179,495**

(1) The increase basically represents Parent's accounts receivable from family welfare agencies and municipalities for the delivery of school meal vouchers and from the sale of goods.

(2) The increase basically represents the resumption of loans and benefits to personnel through the Employees' Fund, which were reduced during 2020.

(3) The increase basically represents the growth in the demand at the Parent of money remittance services, especially due to the allocation of "national government solidarity revenue" allowances.

(4) The increase basically represents the balance receivable of sales tax arising from the growth in the purchase of goods at the Parent during special-event days, mainly during the Christmas season and VAT-free days.

(5) The balance is comprised of:

	December 31 2021	**December 31 2020**
Maintenance fees	4,737	6,352
Factoring of trade receivables (a)	4,503	10,028
Advance purchases from airlines and airfare commissions	1,811	376
Long-term receivables (a)	1,720	4,010
Guarantee deposits	1,566	1,554
Negotiation with foreign suppliers	1,563	593
Loans to third parties	1,280	1,464
Indemnification on lease contracts	919	967
Cash shortfalls receivable from employees	518	406
Attachment orders receivable (b)	330	1,921
Interest	105	196
Other minor balances	8,062	11,191
Total	**27,114**	**39,058**

(a) The decrease is mainly due to the recovery of these accounts receivable, which at the closing of 2020 showed a significant increase as a result of the Covid-19 pandemic.

(b) The decrease basically represents the write-off of $1,650 arising from non-recoverable seizures.

Note 8.3. Trade receivables and other accounts receivable classified as current or non-current

The balance of trade receivables and other accounts receivable classified as current or non-current is as follows:

	December 31 2021	December 31 2020
Trade receivables	272,920	235,887
Business agreements	84,973	34,090
Employee funds and lending	70,579	54,653
Money transfer services	63,811	21,959
Rentals and dealers	62,426	72,522
Taxes receivable	32,474	12,023
Sale of real estate project inventories	30,383	25,319
Money remittances	8,205	6,006
Tax claims	1,360	1,360
Sale of property, plant and equipment, intangible assets and other assets	673	1,471
Other	23,395	33,472
Impairment of receivables	(25,268)	(27,560)
Total current	**625,931**	**471,202**
Sale of real estate project inventories	37,051	9,396
Employee funds and lending	17,350	18,705
Other	3,719	5,607
Total non-current	**58,120**	**33,708**

Note 8.4. Trade receivables and other accounts receivable by age

The aging of trade receivables and other receivables, irrespective of impairment, is as follows:

Period	Total	Less than 30 days	From 31 to 60 days	From 61 to 90 days	More than 90 days
December 31, 2021	709,319	603,596	16,150	5,201	84,372
December 31, 2020	532,470	413,699	50,703	5,856	62,212

Note 9. Prepaid expenses

The balance of prepaid expenses is:

	December 31 2021	December 31 2020
Insurance (1)	19,359	18,006
Leases (2)	10,658	12,553
Maintenance (3)	5,304	6,537
Advertising	3,730	2,959
Taxes	1	85
Other advance payments (4)	6,658	7,538
Total prepaid expenses	**45,710**	**47,678**
Current	**36,515**	**36,811**
Non-Current	**9,195**	**10,867**

(1) Mainly represents contracts at the Parent and other insurance policies at subsidiaries:

	December 31 2021	December 31 2020
Parent multi-risk insurance	9,621	10,838
Parent life insurance	757	689
Parent third party liability insurance	754	797
Parent transportation insurance	282	591
Other Parent insurance	2,970	1,558
Other subsidiary insurance	4,975	3,533
Total insurance	**19,359**	**18,006**

(2) Represents lease instalments paid in advance as follows:

	December 31 2021	December 31 2020
Éxito San Martín store (a)	4,194	4,475
Carulla Castillo Grande store (b)	2,083	3,333
Miscellaneous stores (c)	4,381	4,745
Total lease payments	**10,658**	**12,553**

(a) Lease paid in advance by the Parent covering the term of the premises lease until 2034.

(b) Lease paid in advance by the Parent covering the term of the lease from September 2019 through September 2023.

(c) Leases paid in advance by subsidiary Spice Investment Mercosur S.A. and its subsidiaries in Uruguay.

(3) Represents advances for maintenance and support of the following items:

	December 31 2021	December 31 2020
Advances paid by Parent		
Software	138	2,633
Cloud services	-	78
Hardware	-	7
Advances paid by subsidiaries		
Libertad S.A.; miscellaneous inputs	5,166	3,354
Almacenes Éxito Inversiones S.A.S.; cloud support services	-	465
Total maintenance paid in advance	**5,304**	**6,537**

(4) Relates to:

	December 31 2021	December 31 2020
Other payments in advance by the Parent	1,493	665
Other payments in advance by subsidiaries	5,165	6,873
Total other advance payments	**6,658**	**7,538**

Note 10. Accounts receivable and Other non-financial assets with related parties

The balance of accounts receivable from related parties and the balance of other non-financial assets associated with related parties is made as follows:

	Accounts receivable		**Other non-financial assets**	
	December 31 2021	December 31 2020	December 31 2021	December 31 2020
Joint ventures (1)	47,739	30,757	24,500	14,500
Grupo Casino companies (2)	8,448	8,413	-	-
Controlling entity (3)	288	288	-	-
Total	**56,475**	**39,458**	**24,500**	**14,500**
Current	**56,475**	**39,458**	**-**	**-**
Non-Current	**-**	**-**	**24,500**	**14,500**

(1) Balances relate to the following joint arrangements and the following detail:

- The balance of receivables by joint arrangement is as follows:

	Compañía de Financiamiento Tuya S.A.		**Puntos Colombia S.A.S.**	
Description	December 31 2021	December 31 2020	December 31 2021	December 31 2020
Involvement in corporate collaboration agreement	10,494	-	-	-
Reimbursement of shared expenses, collection of coupons and other	4,403	6,016	-	-
Redemption of points	-	-	30,356	24,062
Other services	2,229	-	257	679
Total accounts receivable	**17,126**	**6,016**	**30,613**	**24,741**

- Other non-financial assets:

  The balance of $24,500 other non-financial assets at December 31, 2021 relates to payments made during the year to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to December 31, 2021 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company.

  The balance of $14,500 other non-financial assets at December 31, 2020 relates to payments made during the year to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to December 31, 2020 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company. During the annual period ended December 31, 2021, Compañía de Financiamiento Tuya S.A. obtained authorization to register a capital increase and based on such authorization the balance was recognized as investment.

(2) Accounts receivable from Grupo Casino companies represent balances receivable arising from payments to expats, supplier achievements and energy efficiency services received.

	December 31 2021	December 31 2020
Casino International	7,341	7,476
International Retail and Trade Services	725	295
Greenyellow Energía de Colombia S.A.S.	113	115
Distribution Casino France	49	244
Casino Services	7	7
Other	213	276
Total Grupo Casino companies	**8,448**	**8,413**

(3) Represents the balance of personnel expenses receivable from Companhia Brasileira de Distribuição - CBD.

Note 11. Net inventories and Cost of sales

Note 11.1. Inventories, net

The net balance of inventories is as follows:

	December 31 2021	December 31 2020
Inventories available for trading	1,985,811	1,818,370
Inventories in transit	65,884	35,415
Production in process	25,244	5,693
Real estate project inventories (1)	17,519	50,228
Materials, small spares, accessories and consumable packaging.	11,536	9,170
Raw materials	10,668	22,057
Inventory impairment (2)	(12,359)	(18,316)
Total inventories	**2,104,303**	**1,922,617**

(1) Represents the Montevideo real estate project in amount of $16,743 (December 31, 2020 - $50,228) and the López de Galarza real estate project in amount of $776 (December 31, 2020 - $-).

    Regarding the Montevideo real estate project, at December 31, 2021 17.3% still remains for sale and the estimated realization date is the first half of 2022 onwards. 34.7% was sold during the annual period ended December 31, 2021; 38.9% was sold during the annual period ended December 31, 2020 and 9% was sold during the annual period ended December 31, 2019.

    Regarding the López de Galarza real estate project, at December 31, 2021 100% remains for sale and the estimated realization date is the first half of 2022 onwards.

(2) The development of the provision during the reporting period is as follows:

Balance at December 31, 2020	**18,316**
Impairment loss recognized during the period (Note 11.2)	5,251
Reversal of impairment provisions (Note 11.2)	(11,095)
Effect of exchange difference from translation into reporting currency	(113)
Balance at December 31, 2021	**12,359**

At December 31, 2021 and at December 31, 2020, there are no restrictions or liens on the inventories that limit tradability or realization thereof, except for the Montevideo real estate project, regarding which at the closing of both reporting periods a purchase-sale promise document has been executed; the promise has been fulfilled as mentioned in (1) above.

Inventories are properly insured against all risks.

Pursuant to Parent's and its subsidiaries' accounting policies, inventories are valued at cost or at net realizable value (fair value less selling costs), whichever is less. Adjustments to this valuation are included in the costs of sales for the period.

Note 11.2. Cost of sales

The following is the information related with the cost of sales, impairment and reversals of impairment recognized in inventories:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Cost of goods sold (1)	12,494,700	11,776,435
(Reversal) impairment loss, net (Note 11.1)	(5,844)	2,475
Total cost of sales	**12,488,856**	**11,778,910**

(1) At December 31, 2021 includes $82,311 of depreciation and amortization cost (December 31, 2020 - $74,725).

Note 12. Other financial assets

The balance of other financial assets is as follows:

	December 31 2021	December 31 2020
Financial assets measured at fair value through other comprehensive income (1)	29,392	27,701
Derivative financial instruments (2)	11,057	4
Financial assets measured at amortized cost (3)	6,896	31,307
Derivative financial instruments designated as hedge instruments (4)	6,023	566
Financial assets measured at fair value through income (5)	1,593	1,525
Total other financial assets	**54,961**	**61,103**
Current	**14,331**	**4,192**
Non-Current	**40,630**	**56,911**

(1) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The detail of these investments is as follows:

	December 31 2021	December 31 2020
Investment in bonds	18,716	17,064
Cnova N.V.	9,222	9,222
Fideicomiso El Tesoro stages 4A and 4C 448	1,206	1,167
Associated Grocers of Florida, Inc.	113	113
Central de Abastos del Caribe S.A.	71	71
La Promotora S.A.	50	50
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Financial assets measured at fair value through other comprehensive income	**29,392**	**27,701**

(2) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Parent measures the derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at December 31, 2021 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	3,016	4,587	3,454	-	-	11,057

The detail of maturities of these instruments at December 31, 2020 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	4	-	-	-	-	4

(3) Financial assets measured at amortized cost represent:

	December 31 2021	December 31 2020
Investment in bonds (a)	5,046	29,699
National Treasury bonds (b)	1,850	1,608
Total financial assets measured at amortized cost	**6,896**	**31,307**

(a) Investment in bonds issued by Compañía de Financiamiento Tuya S.A., which the Parent has the intention and capability of holding to obtain contractual cash flows until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement; at December 31, 2021 the nominal value amounts to $5,000 (December 31, 2020 - $29,500), the term goes from 1 to 10 years and yield CPI + 6%.

The decrease arises from the maturity of a portion of the investment in amount of $24,500, which was used to capitalize this joint business; at December 31, 2021, it is included in the balance of Other non-financial assets (Note 10).

(b) National treasury bonds by subsidiary Grupo Disco del Uruguay S.A.

(4) Derivative instruments designated as hedging instrument reflect swap transactions carried out by the Parent under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

At December 31, 2021, relates to the following transactions:

	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	2.0545% - 2.145%	6,023

The detail of maturities of these hedge instruments at September 30, 2021 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	(262)	-	483	2,470	3,332	6,023

Since this instrument involves cash inflows and outflows, on certain dates the calculations reflect the need to make payments prior to the final settlement of the instrument.

At December 31, 2020, relates to the following transactions:

	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	566

The detail of maturities of these hedge instruments at December 31, 2020 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	3	15	32	143	373	566

(5) Financial assets measured at fair value through income relate to:

	December 31 2021	December 31 2020
Fondo Valorar Futuro (a)	1,476	1,468
Judicial deposits of Libertad S.A.	109	47
Judicial deposits of Grupo Disco del Uruguay S.A.	8	10
Total financial assets measured at fair value	**1,593**	**1,525**

(a) Investments of the Parent in equity securities to manage liquidity, which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in the statement of income.

The balance of other financial assets classified as current or non-current is as follows:

	December 31 2021	December 31 2020
Derivative financial instruments	11,057	4
Derivative financial instruments designated as hedge instruments	2,691	193
Financial assets measured at amortized cost	466	3,938
Financial assets measured at fair value through income	117	57
Total current	**14,331**	**4,192**
Financial assets measured at fair value through other comprehensive income	29,392	27,701
Financial assets measured at amortized cost	6,430	27,369
Derivative financial instruments designated as hedge instruments	3,332	373
Financial assets measured at fair value through income	1,476	1,468
Total non-current	**40,630**	**56,911**

At December 31, 2021 and at December 31, 2020, there are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of (a) the investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of the business collaboration agreement on Tarjeta Éxito, and (b) judicial deposits relevant to subsidiary Libertad S.A.

None of the assets was impaired at December 31, 2021 and December 31, 2020.

Note 13. Property, plant and equipment, net

The net balance of property, plant and equipment is as follows:

	December 31 2021	December 31 2020
Land	1,137,865	1,036,406
Buildings	2,115,633	1,953,328
Machinery and equipment	1,033,499	941,022
Furniture and fixtures	655,019	588,683
Assets under construction	45,009	64,137
Installations	132,928	111,435
Improvements to third-party properties	635,377	542,153
Vehicles	23,873	19,659
Computers	346,091	232,345
Other property, plant and equipment	16,050	16,050
Total property, plant and equipment	**6,141,344**	**5,505,218**
Accumulated depreciation	(2,111,908)	(1,790,150)
Impairment loss	(4,739)	(7,466)
Total net property, plant and equipment	**4,024,697**	**3,707,602**

The development of the cost of property, plant and equipment, accumulated depreciation and impairment losses during the reporting period is as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Installations	Improvements to third party properties
Balance at December 31, 2020	**1,036,406**	**1,953,328**	**941,022**	**588,683**	**64,137**	**111,435**	**542,153**
Additions (1)	1,506	39,396	113,128	59,137	28,519	3,296	45,476
(Decrease) increase from movements between property, plant and equipment accounts	-	(22,546)	2,499	6,202	(34,331)	6,477	40,500
Increase (decrease) from transfers from (to) investment property	19,657	40,682	259	-	(5,747)	-	-
(Disposal and derecognition) of property, plant and equipment (2)	-	(3,896)	(25,585)	(13,343)	(716)	(15)	(12,489)
Effect of exchange differences on the translation into reporting currency	9,904	21,306	7,910	10,098	1,087	11,735	20,779
Increase (decrease) from transfers to (from) other balance sheet accounts - tax assets	424	1,191	(17,846)	(6,610)	(10,496)	-	(1,042)
Net monetary position result	69,968	86,172	12,112	10,852	2,556	-	-
Balance at December 31, 2021	**1,137,865**	**2,115,633**	**1,033,499**	**655,019**	**45,009**	**132,928**	**635,377**
Accumulated depreciation							
Balance at December 31, 2020		**392,003**	**483,306**	**378,479**		**63,572**	**275,384**
Depreciation expense/cost		49,909	86,118	56,701		8,152	30,637
(Disposal and derecognition) of property, plant and equipment (2)		(1,178)	(18,607)	(9,535)		(5)	(6,254)
(Decrease) from transfers (to) investment property		(16)	-	-		-	-
Effect of exchange differences on the translation into reporting currency		5,102	5,460	8,889		6,790	8,541
Other minor changes		(278)	(489)	-		-	-
Net monetary position result		34,532	10,057	9,068		-	-
Balance at December 31, 2021		**480,074**	**565,845**	**443,602**		**78,509**	**308,308**
Impairment loss							
Balance at December 31, 2020	**1,921**	**2,984**	**-**	**-**	**-**	**-**	**2,561**
Impairment loss expense	-	756	-	-	-	-	1,735
Impairment (recovery)	(1,921)	(2,857)	-	-	-	-	-
(Disposal and derecognition) of property, plant and equipment (2)	-	(756)	-	-	-	-	-
Effect of exchange differences on the translation into reporting currency	-	-	-	-	-	-	316
Balance at December 31, 2021	**-**	**127**	**-**	**-**	**-**	**-**	**4,612**

(1) Mainly represents:
- Regarding machinery and equipment and furniture and fixtures, represents additions under all expansion projects at operating centers, stores and administration offices;
- Regarding computers, the balance mainly represents additions related with the upgrade of equipment for use with the "Clearpath" platform in amount of $89,504.
- Regarding improvements to leased premises, mainly includes additions at the Parent in Parque Logístico Calle 80 $11,202, Cedi Parque Siberia $4,981, Éxito Nuestro Bogotá $3,569, Éxito Alamedas del Sinú $3,166, Éxito La Rosita $3,188, Éxito Parque Fabricato $3,016, Carulla Santa Barbara $2,351, Éxito La Sabana $2,348, Carulla El Tesoro $2,200, Éxito San Pedro $2,179, Éxito Metropolitano $1,884 and Éxito Bello $1,615, among other.

(2) Mainly represents:
- Derecognition because of closure of stores at Parent in amount of $4,412;
- Derecognition at the Parent of machinery and equipment in amount of $858, furniture and fixtures $293 and computer equipment $2, as a result of the changes introduced, and derecognition from the sale of construction in progress in amount of $74, vehicles in amount of $35 and machinery and equipment $2;
- Derecognition from physical damage of machinery and equipment in amount of $3,613, of buildings in amount of $1,128, of furniture and fixtures in amount of $450, of computers in amount of $334 and of vehicles in amount of $97.
- Derecognition of assets resulting from the reconciliation of physical counts in amount of $3,905 and derecognition of assets from reconciliation of other balance sheet accounts in amount of $128, at the Parent;
- Derecognition of assets from damages arising from acts against the infrastructure or Parent stores in amount of $208;
- Derecognition of improvements to third party properties in amount of $3,640, derecognition of machinery and equipment in amount of $137 and derecognition of furniture and fixtures and office equipment in amount of $109 at subsidiary Éxito Industrias S.A.S.;
- Derecognition of machinery and equipment in amount of $107 at Patrimonio Autónomos.

Assets under construction are represented by those assets in process of construction and process of assembly not ready for their intended use as expected by the Parent's and its subsidiaries' management, and on which costs directly attributable to the construction process continue to be capitalized if they are qualifying assets.

The carrying amount of property, plant and equipment under finance lease included under Other property, plant and equipment, is as follows:

	December 31 2021	December 31 2020
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**15,761**	**15,761**
Accumulated depreciation	(5,582)	(4,794)
Total net property, plant and equipment	**10,179**	**10,967**

At December 31, 2021, liabilities relate to these assets acquired under finance lease that was terminated.

The cost of property, plant and equipment does not include the balance of estimated dismantling and similar costs, since the assessment and analysis made by the Parent and its subsidiaries defined that there are no contractual or legal obligations requiring such estimation at the time of acquisition.

At December 31, 2021 and at December 31, 2020, no restrictions or liens have been imposed on items of property, plant and equipment that limit realization or tradability thereof, and there are no commitments to acquire, build or develop property, plant and equipment.

During the annual period ended December 31, 2021, compensations in amount of $33 were received for damaged or lost assets, and no payment acceptances by insurance companies to compensate for damaged or lost assets were recognized.

During the annual period ended December 31, 2020, no compensations were received for damaged or lost assets, and no payment acceptances by insurance companies to compensate for damaged or lost assets were recognized.

At December 31, 2021, impairment in amount of $2,491 was accrued at the Parent for commercial premises buildings of Centro Comercial San Mateo $756 and for improvements to leased property of Carulla Torre del Reloj $239 and at Mercados Devoto S.A. in amount of $1,496 for improvements to lease property of this subsidiary's stores; there is a recovery of impairment in amount of $4,778 at Patrimonio Autónomo Viva Palmas regarding land $126 and buildings $454 and at Patrimonio Autónomo Viva Sincelejo regarding land $1,795 and buildings $2,403; other property, plant and equipment were not impaired.

At December 31, 2020, Patrimonio Autónomo Viva Palmas accrued impairment in amount of $2,832 regarding land $20 and buildings $183, at Patrimonio Autónomo Viva Sincelejo land in amount of $621 and buildings $1,794, and at Mercados Devoto S.A. stores in amount of $214; other property, plant and equipment were not impaired.

Information about the methodology applied to test for impairment is disclosed in Notes 39 and 40.

Note 14. Investment property, net

The Parent's and its subsidiaries' investment properties are business premises and land held to generate income from operating lease activities or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

	December 31 2021	December 31 2020
Land	281,119	287,392
Buildings	1,597,106	1,467,363
Construction in progress	29,059	12,072
Total cost of investment property	**1,907,284**	**1,766,827**
Accumulated depreciation	(241,348)	(179,820)
Impairment loss	(9,691)	(8,261)
Total investment property, net	**1,656,245**	**1,578,746**

The development of the cost of investment property, accumulated depreciation and impairment losses during the reporting period is as follows:

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2020	**287,392**	**1,467,363**	**12,072**	**1,766,827**
Additions (1)	629	63,445	22,075	86,149
(Decrease) from transfers (to) property, plant and equipment	(19,657)	(31,809)	(3,385)	(54,851)
(Decrease) from transfers (to) real estate project inventories	(776)	-	-	(776)
(Disposal and derecognition) of investment property	-	(6,276)	-	(6,276)
Effect of exchange differences on the translation into reporting currency	3,589	(8,769)	(29)	(5,209)
Net monetary position result	10,366	113,108	220	123,694
Other changes	(424)	44	(1,894)	(2,274)
Balance at December 31, 2021	**281,119**	**1,597,106**	**29,059**	**1,907,284**

Accumulated depreciation	Buildings
Balance at December 31, 2020	**179,820**
Depreciation expenses	30,180
Increase arising from transfers from property, plant and equipment accounts	16
(Disposal and derecognition) of investment property	(71)
Effect of exchange differences on the translation into reporting currency	(1,741)
Net monetary position result	33,365
Other changes	(221)
Balance at December 31, 2021	**241,348**

Impairment loss	Land	Buildings	Total
Balance at December 31, 2020	**1,668**	**6,593**	**8,261**
Impairment loss expense	336	7,538	7,874
Impairment (recovery)	(192)	(868)	(1,060)
(Disposal and derecognition) of impairment	-	(5,384)	(5,384)
Balance at December 31, 2021	**1,812**	**7,879**	**9,691**

(1) Increase at Viva Tunja and Viva Envigado, owned by subsidiary Patrimonio Autónomo Viva Malls.

At December 31, 2021 and December 31, 2020, there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At December 31, 2021 and at December 31, 2020, the Parent and its subsidiaries are not committed to acquire, build or develop investment property or to repair, maintain or improve such property, other than existing constructions. Neither there are compensations from third parties arising from the damage or loss of investment property.

At December 31, 2021, there was an impairment of $7,874 at Patrimonio Autónomo Viva Sincelejo in land in amount of $336 and in buildings for $2,154, and at the Parent in Viva Suba in amount of $2,591 and in Surtimax Cota in amount of $2,793; There was a recovery of impairment of $1,060 at Patrimonio Autónomo Viva Palmas in land in amount of $191 and in buildings in amount of $845 and at the Parent in the premises of Centro Comercial Pereira Plaza in amount of $23 and in Lote 111 Rincón de Las Lomas $1; other investment properties were not impaired.

At December 31, 2020, Patrimonio Autónomo Viva Palmas accrued impairment in amount of $4,797 regarding land $57 and buildings $647, at Patrimonio Autónomo Viva Sincelejo land in amount of $451 and buildings $3,530, and at Parent properties Lote 111 Rincón de Las Lomas $1 and trade premises of Centro Comercial Pereira Plaza in amount of $111; other property, plant and equipment were not impaired.

Information on methodology applied to test for impairment is disclosed in Note 39 and Note 40 discloses the fair value of investment property, based on the appraisal carried out by an independent third party.

During the annual periods ended December 31, 2021 and December 31, 2020 the results at the Parent and its subsidiaries from the use of investment property are as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Revenue from leases	300,541	220,706
Operation expenses related to revenue-generating investment properties	(75,210)	(55,931)
Operating expenses related to non-revenue-generating investment properties	(71,138)	(118,038)
Net gain from investment property	**154,193**	**46,737**

Note 15. Use rights, net

The balance of use rights, net, is as follows:

	December 31 2021	December 31 2020
Use rights	2,553,975	2,301,890
Total use rights	**2,553,975**	**2,301,890**
Accumulated depreciation	(1,183,463)	(984,345)
Total use rights, net	**1,370,512**	**1,317,545**

The development of the cost of use rights and depreciation thereof, during the reporting period, is as follows:

Cost

Balance at December 31, 2020	**2,301,890**
Increase from new contracts	97,446
Increase from new measurements (1)	170,764
Derecognition, reversal and disposal (2)	(43,987)
Effect of exchange differences on the translation into reporting currency	27,862
Balance at December 31, 2021	**2,553,975**

Accumulated depreciation

Balance at December 31, 2020	**984,345**
Depreciation cost and expense	214,930
(Decrease) from remeasurement (1)	(320)
Derecognition and disposal (2)	(27,746)
Effect of exchange differences on the translation into reporting currency	12,254
Balance at December 31, 2021	**1,183,463**

(1) Mainly results from the extension of contract terms, indexation and increase in fixed payments under the contracts.

(2) Mainly results from the early termination of lease contracts relevant to distribution centers, stores and movable assets.

Note 16. Goodwill, net

The balance of goodwill is as follows:

	December 31 2021	December 31 2020
Spice Investment Mercosur S.A. (1)	1,320,465	1,224,794
Carulla Vivero S.A. (2)	827,420	827,420
Súper Ínter (3)	453,649	453,649
Libertad S.A. (4)	251,441	175,664
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Total goodwill	**3,026,000**	**2,854,552**
Impairment loss	(1,017)	(1,017)
Total goodwill, net	**3,024,983**	**2,853,535**

(1) The balance represents:

- The business combination accomplished by the Parent in 2011 for the acquisition of Uruguayan Spice Investments Mercosur S.A. in amount of $287,844 (December 31, 2020 - $287,844). The value is the deemed cost shown in the opening balance sheet in exercise of the exemption of not to restate business combinations.

- Goodwill recognized by Spice Investments Mercosur S.A. upon acquisition of its subsidiaries in Uruguay, pursuant to the options offered by IFRS 1 in amount of $230,930 (December 31, 2020 - $209,536).

- Goodwill from the business combination carried out by the Parent with Grupo Disco del Uruguay S.A. resulting from the acquisition of control at January 1, 2015 in amount of $794,987 (December 31, 2020 - $721,332).

- Goodwill from the business combination carried out by Mercados Devoto S.A. to acquire Sumelar S.A. in 2016 in amount of $1,068 (December 31, 2020 - $969).

- Goodwill from the business combination carried out in 2016 and completed in 2017 by Mercados Devoto S.A. to acquire 5 Hermanos Ltda. in amount of $2,322 (December 31, 2020 - $2,107).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tipsel S.A. in amount of $562 (December 31, 2020 - $510).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tedocan S.A. in amount of $1,204 (December 31, 2020 - $1,092).

- Goodwill from the business combination carried out and completed in 2019 by Mercados Devoto S.A. to acquire Ardal S.A. in amount of $1,548 (December 31, 2020 - $1,404).

(2) Relates to goodwill from the business combination with Carulla Vivero S.A. carried out in 2007. The amount was determined in the opening statement of financial position using the deemed cost option, pursuant to the exemption of IFRS 1 of not to restate business combinations.

(3) Represents $179,412 from the acquisition of 19 Súper Inter business establishments carried out in September 2014; $264,027 from the acquisition of 29 Súper Inter business establishments carried out in April 2015; and $10,210 from the acquisition of 7 business establishments carried out between February 23, 2015 and June 24, 2015.

(4) Refers to goodwill generated from the business combination completed in August 2015 for the acquisition of the operations of Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L.

(5) Represents the agreement executed on February 23, 2015, to acquire Cafam stores, which had been operated by the Parent since 2010. Business establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores. For asset impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $80,134, to Carulla $29,075 and to Surtimax $13,010. Since 2019 and as results of the transformation of Surtimax to the Surtimayorista banner, $4,174 have been allocated to this new format for the purpose of impairment testing.

(6) The balance represents (a) goodwill acquired upon the business combination with Transacciones Energéticas S.A.S.E.S.P. (Note 1.1) in amount of $1,017 and (b) the balance of minor acquisitions of other business establishments that were later turned into Éxito, Carulla and Surtimax stores. For asset impairment testing purposes, as of December 31, 2015 such goodwill from the acquisition of business establishments was allocated to Éxito $10,540, to Surtimax $28,566 and to Súper Inter $10,683.

The development of goodwill cost during the reporting period is as follows:

Balance at December 31, 2020	**2,854,552**
Effect of exchange differences on the translation into reporting currency	86,805
Net monetary position result	84,643
Balance at December 31, 2021	**3,026,000**

Goodwill has indefinite useful life on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently it is not amortized.

Goodwill was not impaired at December 31, 2021 and at December 31, 2020.

Information about the methodology applied to test for impairment is disclosed in Notes 39 and 40.

Note 17. Intangible assets other than goodwill, net

The net balance of intangible assets other than goodwill is made as follows:

	December 31 2021	December 31 2020
Trademarks	242,170	213,325
Computer software	249,324	208,148
Rights	22,538	28,118
Other	114	86
Total cost of intangible assets other than goodwill	**514,146**	**449,677**
Accumulated amortization	(150,159)	(132,614)
Impairment loss	-	(9,266)
Total intangible assets other than goodwill, net	**363,987**	**307,797**

The development of the cost of intangible assets other than goodwill, of accumulated depreciation and of impairment losses during the reporting period is as follows:

Cost	Trademarks (1)	Computer software	Rights (2)	Other	Total
Balance at December 31, 2020	**213,325**	**208,148**	**28,118**	**86**	**449,677**
Additions (3)	-	40,003	2,771	-	42,774
(Disposal and derecognition) of intangible assets	-	(2,140)	(9,266)	-	(11,406)
Effect of exchange differences on the translation into reporting currency	6,386	1,823	(57)	(3)	8,149
Net monetary position result	22,459	-	972	31	23,462
Transfers	-	470	-	-	470
Other changes	-	1,020	-	-	1,020
Balance at December 31, 2021	**242,170**	**249,324**	**22,538**	**114**	**514,146**
Accumulated amortization					
Balance at December 31, 2020		**132,380**	**183**	**51**	**132,614**
Amortization expense/cost		17,684	6	3	17,693
Effect of exchange differences on the translation into reporting currency		1,503	(9)	(3)	1,491
Net monetary position result		-	506	37	543
Disposals and derecognition		(1,941)	-	-	(1,941)
Other changes		-	(235)	(6)	(241)
Balance at December 31, 2021		**149,391**	**680**	**88**	**150,159**
Impairment loss					
Balance at December 31, 2020	**-**	**-**	**9,266**	**-**	**9,266**
(Disposal and derecognition) of intangible assets (4)	-	-	(9,266)	-	(9,266)
Balance at December 31, 2021	**-**	**-**	**-**	**-**	**-**

(1) The balance relates to the following trademarks:

Operating segment	Brand	Useful life	December 31 2021	December 31 2020
Uruguay	Miscellaneous (a)	Indefinite	94,319	85,581
Low cost and other	Súper Ínter (b)	Indefinite	63,704	63,704
Argentina	Libertad (c)	Indefinite	66,720	46,613
Low cost and other	Surtimax (d)	Indefinite	17,427	17,427
			242,170	**213,325**

(a) Refers to trademarks of Grupo Disco del Uruguay S.A.

(b) Trademark acquired upon the business combination with Comercializadora Giraldo Gómez y Cía S.A.

(c) Relates to trademarks of subsidiary Libertad S.A. These trademarks were registered during 2016 as result of the progress and further completion of the Purchase Price Allocation process as part of the acquisition of control over such subsidiary.

(d) Trademark received upon the merger with Carulla Vivero S.A.

Such trademarks have indefinite useful lives on the grounds of the Parent's and its subsidiaries' use considerations thereon, and consequently they are not amortized.

(2) The balance refers to the following rights:

(a) Rights of Libertad S.A. in amount of $2,047 (December 31, 2020 - $1,132).

(b) Contracts executed by the Parent in December 2021 in amount of $2,771, December 2017 in amount of $2,226, December 2016 in amount of $11,522 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

Exploitation rights on trade premises impaired during 2020 were derecognized at December 31, 2021 in amount of $9,266.

For asset impairment testing purposes, the rights acquired by the Parent in 2021 in amount of $2,771 were allocated to Carulla.

Such rights have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

(3) Basically represents additions to computer software already mentioned under subsection (2) above, at the Parent.

(4) None of the intangible assets other than goodwill was impaired at December 31, 2021. The amount of $9,266 accumulated at December 31, 2020 was derecognized at December 31, 2021 along with derecognition of the cost of the right to exploit trade premises mentioned in subsection (2) above. At December 31, 2020, the rights to exploit trade premises were impaired in amount of $9,266 because of the closure of stores (Éxito $2,136, Surtimax $1,524 and Súper Ínter $5,606); other intangible assets other than goodwill were not impaired.

Information about the methodology applied to test for impairment is disclosed in Notes 39 and 40.

At December 31, 2021 and December 31, 2020, intangible assets other than goodwill are not limited or subject to lien that would restrict realization or tradability thereof. In addition, there are no commitments to acquire or develop intangible assets other than goodwill.

Note 18. Investments accounted for using the equity method

The balance of investments accounted for using the equity method is made as follows:

Company	Classification	December 31 2021	December 31 2020
Compañía de Financiamiento Tuya S.A.	Joint venture	279,790	259,950
Puntos Colombia S.A.S.	Joint venture	9,601	7,707
Total investments accounted for using the equity method		**289,391**	**267,657**

Note 18.1. Non-financial information regarding investments accounted for using the equity method

Information regarding country of domicile, functional currency, main economic activity, ownership percentage and shares held in investments accounted for using the equity method is as follows:

Company	Country	Functional currency	Primary economic activity	Ownership percentage		Number of shares	
				December 31 2021	December 31 2020	December 31 2021	December 31 2020
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50%	50%	11.084.732.098	10.316.462.520
Puntos Colombia S.A.S.	Colombia	Colombian peso	Services	50%	50%	9.000.000	9.000.000

Note 18.2. Financial information regarding investments accounted for using the equity method

Financial information regarding investments accounted for using the equity method at December 31, 2021:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue from ordinary activities	Income from continuing operations
Compañía de Financiamiento Tuya S.A.	3,851,907	113,490	1,956,776	1,484,265	524,356	1,074,933	10,681
Puntos Colombia S.A.S.	167,340	11,320	151,408	8,051	19,201	259,482	3,787

Financial information regarding investments accounted for using the equity method at December 31, 2020:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue from ordinary activities	Income from continuing operations
Compañía de Financiamiento Tuya S.A.	3,104,242	131,233	1,058,139	1,692,661	484,675	1,164,209	26,665
Puntos Colombia S.A.S.	135,435	15,336	129,616	5,740	15,415	238,215	12,669

Note 18.3. Corporate purpose of investments accounted for using the equity method

The corporate purpose and other corporate information of investments accounted for using the equity method is the following:

Compañía de Financiamiento Tuya S.A.

A joint business, joint control over which was acquired on October 31, 2016. It is a private entity, authorized by the Colombian Financial Superintendence, incorporated by means of public deed No. 7418 granted on November 30, 1971 before the Notary First of Bogotá, having its main place of business in Medellín. The company's main corporate purpose is attracting resources using term-deposits with the primary purpose of engaging in credit active operations, to ease the trading of goods and services, without affecting operations and investments that it may carry out in compliance with the conditions or limitations set out by the legal regime applicable to financing companies.

Puntos Colombia S.A.S.

A joint venture established on April 19, 2017 under Colombian law. Its main corporate purpose is the purchase and sale of loyalty points, and the design, development, implementation, operation and administration of a loyalty program for the development of loyalty strategies applicable to the customers of alliance partners, through the recognition, accumulation, issue and redemption of loyalty points, as well as the purchase and sale of loyalty points. Its main place of business is at Carrera 48 No. 32B Sur 139, Envigado, Colombia. The company's life span is indefinite.

Note 18.4. Other information regarding investments accounted for using the equity method

The reconciliation of summarized financial information reported to the book value of associates and joint ventures in the consolidated financial statements is:

		December 31, 2021			
Companies	**Equity**	**Equity base for application of method**	**Ownership percentage**	**Value of Parent ownership (1)**	**Book value (2)**
Compañía de Financiamiento Tuya S.A.	524,356	538,854	50.00%	279,753	279,753
Puntos Colombia S.A.S.	19,201	19,201	50.00%	9,601	9,601

		December 31, 2020			
Companies	**Equity**	**Equity base for application of method**	**Ownership percentage**	**Value of Parent ownership (1)**	**Book value (2)**
Compañía de Financiamiento Tuya S.A.	484,675	519,830	50.00%	259,915	259,915
Puntos Colombia S.A.S.	15,415	15,415	50.00%	7,707	7,707

(1) Direct interest of the Parent (Almacenes Éxito S.A.).

(2) Amount of investment and goodwill carried in the books of the Parent.

No dividends were received from joint ventures during the annual periods ended December 31, 2021 and December 31, 2020.

There are no restrictions on the capability of joint ventures to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

The Parent has no contingent assets incurred related to its participation therein.

There are no constructive obligations acquired by the Parent on behalf of joint ventures arising from losses exceeding the interest held in them.

The investments recognized using the equity method have no restrictions or liens that affect the interest held in them.

Note 19. Changes in the classification of financial assets

During the annual period ended December 31, 2021, there were no material changes in the classification of financial assets arising from a change in the purpose or use of such assets.

Note 20. Financial liabilities

The balance of financial liabilities is as follows:

	December 31 2021	**December 31 2020**
Bank loans	898,267	1,023,670
Put option	509,870	417,386
Letters of credit	8,874	7,757
Finance leases	-	6,849
Total financial liabilities	**1,417,011**	**1,455,662**
Current	**674,927**	**1,110,883**
Non-Current	**742,084**	**344,779**

The development or financial liabilities during the reporting period is as follows:

Balance at December 31, 2020 (1)	**1,455,662**
Increase from disbursements and novation (2)	910,620
Changes in the fair value of the put option recognized in investments	92,485
Increase from reappraisals and interest	52,593
Exchange difference	725
Translation difference	(62)
(Decrease) from repayments or principal, interest and novation (3)	(1,095,012)
Balance at December 31, 2021	**1,417,011**

(1) The balance at December 31, 2020 includes:

-(2) Put option contract of Spice Investments Mercosur S.A. in amount of $417,386 entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of this option is based on a previously determined formula and the option may be exercised at any time. This option is measured at fair value.

- Two bilateral credit agreements in amounts of $253,750 and $570,000 executed on March 27, 2020, a bilateral credit agreement in amount of $135,000 executed on June 3, 2020, and financial leases in amount of $6,849 payable by the Parent.

- Loan from Éxito Industrias S.A.S. obtained in June 2017 in amount of $39,675.

- Loans from subsidiary Libertad S.A. in amount of $17,141, obtained in September and October 2020.

(2) In February 2021, the Parent requested disbursement in amount of $80,000 of one of the outstanding bilateral revolving credits and novated three new bilateral credit agreements in amounts of $200,000, $190,000 and $150,000 executed on March 26 of 2021.

In April 2021, The Parent requested disbursements in amount of $20,000 against the revolving credit in addition to the amount disbursed in February 2021, $70,000 against the syndicated revolving credit and $30,000 against a new revolving credit.

During the annual period ended December 31, 2021, subsidiary Libertad S.A, requested disbursements amounting to $23,261.

During the annual period ended December 31, 2021, subsidiary Spice Investments Mercosur S.A. and its subsidiaries requested letters of credit in amount of $77,359.

(3) In March 2021, the Parent repaid (a) $12,083 of the bilateral credit agreement in amount of $290,000 executed on March 27, 2020; (b) repaid $30,000 of the bilateral credit agreement in amount of $570,000 executed on March 27, 2020 and (c) paid $988 for finance leases.

In March 2021 the Parent novated $540,000 of the bilateral credit agreement in amount of $570,000 executed on March 27, 2020, of which $30,000 had been already repaid, with three new bilateral credit agreements in amounts of $200,000, $190,000 and $150,000 executed on March 31, 2021.

In June 2021 the Parent repaid $12,083 on the $290,000 bilateral credit agreement executed on March 27, 2020, and $1,032 for finance leases.

In September 2021 the Parent repaid $12,083 on the $290,000 bilateral credit agreement executed on March 27, 2020, and $1,081 for finance leases.

In October 2021 the Parent repaid $8,325 on the $150,000 bilateral credit agreement executed on March 26, 2021. In this month, it repaid $80,000 on the bilateral revolving credit, $70,000 on the syndicated revolving credit, $70,000 and $30,000 on the second bilateral revolving credit disbursed in April 2021.

In November 2021, the Parent paid $4,257 of finance leases.

In December 2021, the Parent repaid $12,083 on the $290,000 bilateral credit agreement executed on March 27, 2020.

During the annual period ended December 31, 2021, subsidiary Libertad S.A, repaid credits in amount of $44,490.

During the annual period ended December 31, 2021, subsidiary Spice Investments Mercosur S.A. and its subsidiaries repaid letters of credit in amount of $77,045.

Such credits are measured at amortized cost using the effective interest method; transaction costs were not incurred.

The balance of financial liabilities classified as current or non-current is as follows:

	December 31 2021	December 31 2020
Put option	509,870	417,386
Bank loans	156,183	681,929
Letters of credit	8,874	7,757
Finance leases	-	3,811
Total current	**674,927**	**1,110,883**
Bank loans	742,084	341,741
Finance leases	-	3,038
Total non-current	**742,084**	**344,779**

Below is a yearly detail of maturities for non-current financial liabilities outstanding at December 31, 2021, discounted at present value:

Year	Total
2022	182,751
2023	319,743
2024	115,925
>2025	123,665
	742,084

Note 20.1. Obligations acquired under credit agreements obtained during the annual period ended December 31, 2021

a. Financial liabilities: Obligations acquired during the first half of 2021 by the Parent fall under the same covenant model as those acquired during 2020.

Note 20.2. Obligations acquired under credit agreements obtained during the annual period ended December 31, 2020

a. Financial: As long as the Parent has payment obligations arising from the contracts executed on March 27, 2020, the Parent is committed to maintain a leverage financial ratio of less than 2.8x. Such ratio will be measured annually on April 30 or, if not a working day, the next working day, based on the audited separate financial statements for each annual period.

Note 21. Employee benefits

The balance of employee benefits is as follows:

	December 31 2021	December 31 2020
Defined benefit plans	18,794	21,125
Long-term benefit plan	1,584	1,779
Total employee benefits	**20,378**	**22,904**
Current	**2,482**	**2,520**
Non-Current	**17,896**	**20,384**

Note 21.1. Defined benefit plans

The Parent and its subsidiaries have the following defined benefit plans:

a. Retirement pension plan

   Under the plan, each of Parent's employees will receive, upon retirement, a monthly pension payment, pension adjustments pursuant to legal regulations, survivor's pension, assistance with funeral expenses and June and December bonuses established by law. Such amount depend on factors such as: employee age, time of service and salary.

   The Parent is responsible for the payment of retirement pensions to employees who meet the following requirements: (a) employees who at January 1, 1967 had served more than 20 years (full liability), and (b) employees and former employees who at January 1, 1967 had served more than 10 years but less than 20 years (partial liability).

b. Retroactive severance pay plan

   Retroactivity of severance pay is estimated for those employees of the Parent to whom labor laws applicable are those prior to Law 50 of 1990, and who did not move to the new severance pay system. Under the plan, the Parent will pay employees upon retirement a retroactive amount as severance pay, after deduction of advance payments. This social benefit is calculated over the entire time of service, based on the latest salary earned.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. During the annual period ended December 31, 2021 there were no material changes in the methods or assumptions applied when preparing the estimates and sensitivity analyses.

Balances and development:

The following are balances and development of defined benefit plans:

	Retirement pensions	Retroactive severance pay	Total
Balance at December 31, 2020	**20,542**	**583**	**21,125**
Cost of service	-	15	15
Cost of past service	1,227	-	1,227
Interest expense	1,146	24	1,170
Actuarial loss (gain) from changes in experience	675	(57)	618
Actuarial gain from financial assumptions	(2,915)	(32)	(2,947)
Benefits directly (paid) by the Company	(2,242)	(172)	(2,414)
Balance at December 31, 2021	**18,433**	**361**	**18,794**

Variables used for calculation:

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2021		December 31, 2020	
	Retirement pensions	Retroactive severance pay	Retirement pensions	Retroactive severance pay
Discount rate	8.50%	7.80%	5.90%	4.80%
Annual salary increase rate	3.50%	3.50%	3.25%	3.25%
Future annuity increase rate	3.50%	-	3.25%	-
Annual inflation rate	3.50%	3.50%	3.25%	3.25%
Death rate - men (years)	60-62	60-62	60-62	60-62
Death rate - women (years)	55-57	55-57	55-57	55-57
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disability and early retirement rates:

Years of service	December 31 2021	December 31 2020
From 0 to less than 5	25.70%	25.70%
From 5 to less than 10	12.51%	12.51%
From 10 to less than 15	7.37%	7.37%
From 15 to less than 20	5.49%	5.49%
From 20 to less than 25	4.22%	4.22%
25 and more	3.18%	3.18%

Sensitivity analysis:

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the defined benefit net liability:

	December 31, 2021		December 31, 2020	
Variation expressed in basis points	Retirement pensions	Retroactive severance pay	Retirement pensions	Retroactive severance pay
Discount rate + 25	(283)	(4)	(352)	(6)
Discount rate - 25	292	4	364	6
Discount rate + 50	(558)	(7)	(692)	(12)
Discount rate - 50	594	7	740	13
Discount rate + 100	(1,083)	(14)	(1,341)	(24)
Discount rate - 100	1,225	15	1,532	26
Annual salary increase rate + 25	N/A	7	N/A	11
Annual salary increase rate - 25	N/A	(7)	N/A	(11)
Annual salary increase rate + 50	N/A	13	N/A	21
Annual salary increase rate - 50	N/A	(13)	N/A	(21)
Annual salary increase rate + 100	N/A	27	N/A	43
Annual salary increase rate - 100	N/A	(26)	N/A	(41)

Contributions for the next years funded with the Parent's and its subsidiaries' own resources are foreseen as follows:

	December 31, 2021		December 31, 2020	
Year	**Retirement pensions**	**Retroactive severance pay**	**Retirement pensions**	**Retroactive severance pay**
2021	-	-	2,195	84
2022	2,256	5	2,186	6
2023	2,249	49	2,148	113
2024	2,218	4	2,096	49
>2025	31,798	448	25,708	473
Total	**38,521**	**506**	**34,333**	**725**

Other considerations:

The average duration of the liability for defined benefit plans at December 31, 2021 is 6.8 years (December 31, 2020 - 7.4 years).

The Parent and its subsidiaries have no specific assets intended for guaranteeing the defined benefit plans.

The defined contribution plan expense at December 31, 2021 amounted to $101,042 (December 31, 2020 - $88,055).

Note 21.2. Long-term benefit plan

The long-term benefit plan involves a time-of-service bonus associated to years of service payable to the employees of the Parent and to the employees of subsidiaries Logística, Transporte y Servicios Asociados S.A.S.

Such benefit is estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. During the annual period ended December 31, 2021, there were no material changes in the methods or assumptions applied when preparing the estimates and sensitivity analyses.

During 2015 the Parent reached agreement with several employees who voluntarily decided to replace the time-of-service bonus with a special single one-time bonus.

Balances and development:

The following are balances and development of the long-term defined benefit plan:

Balance at December 31, 2020	**1,779**
Cost of service	74
Interest expense	89
Actuarial loss from change in experience	75
Benefits directly (paid) by the Company	(246)
Actuarial gain from financial assumptions	(187)
Balance at December 31, 2021	**1,584**

Variables used to make the calculations:

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31 2021	December 31 2020
Discount rate	8.10%	5.40%
Annual salary increase rate	3.50%	3.25%
Annual inflation rate	3.50%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disability and early retirement rates are as follows:

Years of service	December 31 2021	December 31 2020
From 0 to less than 5	25.70%	25.70%
From 5 to less than 10	12.51%	12.51%
From 10 to less than 15	7.37%	7.37%
From 15 to less than 20	5.49%	5.49%
From 20 to less than 25	4.22%	4.22%
25 and more	3.18%	3.18%

Sensitivity analysis:

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term net benefit liability:

Variation expressed in basis points	December 31 2021	December 31 2020
Discount rate + 25	(18)	(24)
Discount rate - 25	19	24
Discount rate + 50	(37)	(47)
Discount rate - 50	38	49
Discount rate + 100	(72)	(92)
Discount rate - 100	78	101
Annual salary increase rate + 25	16	25
Annual salary increase rate - 25	(16)	(24)
Annual salary increase rate + 50	32	50
Annual salary increase rate - 50	(31)	(48)
Annual salary increase rate + 100	65	103
Annual salary increase rate - 100	(61)	(95)

Contributions for the next years funded with the Parent's and its subsidiaries' own resources are foreseen as follows:

Year	December 31 2021	December 31 2020
2021	-	241
2022	221	201
2023	169	160
2024	300	264
>2025	1,817	1,617
Total	**2,507**	**2,483**

Other considerations:

The average duration of the liability for long-term benefits at December 31, 2021 is 5.1 years (December 31, 2020 - 5.7 years).

The Parent and its subsidiaries have not devoted specific assets to guarantee payment of the time-of-service bonus.

The effect on the statement of income from the long-term benefit plan at December 31, 2021 was revenue in amount of $129 (December 31, 2020 $13).

Note 22. Other provisions

The balance of other provisions is made as follows:

	December 31 2021	December 31 2020
Legal proceedings (1)	17,595	15,648
Taxes other than income tax (2)	3,549	6,828
Restructuring (3)	2,708	4,323
Other (4)	11,409	17,875
Total other provisions	**35,261**	**44,674**
Current (Note 22.1)	**24,175**	**30,132**
Non-current (Note 22.1)	**11,086**	**14,542**

At December 31, 2021 and at December 31, 2020, the Parent and its subsidiaries did not recognize provisions for onerous contracts.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Parent and its subsidiaries, related with labor, civil, administrative and regulatory matters, which are assessed based on the best estimation of cash outflows required to settle a liability on the date of preparation of the financial statements. The balance is comprised of

	December 31 2021	December 31 2020
Labor legal proceedings (a)	10,418	10,336
Civil legal proceedings (b)	5,371	3,803
Administrative and regulatory proceedings (c)	1,806	1,509
Total legal proceedings	**17,595**	**15,648**

(a) Provisions for labor proceedings represent legal claims related with:

	December 31 2021	December 31 2020
Health and retirement pension (i)	3,100	4,575
Indemnifications (i)	2,730	2,806
Labor relation and solidarity (i)	1,810	1,768
Salary and mandatory payment adjustments (i)	195	565
Collective matters (i)	80	50
Lawsuits at Libertad S.A.	1,699	328
Lawsuits Spice Investment Mercosur S.A. and its subsidiaries	754	194
Other lawsuits at Colombian subsidiaries	50	50
Total provisions for labor lawsuits	**10,418**	**10,336**

(i) Aspects related with Parent lawsuits.

(b) Provisions for civil proceedings represent legal claims related with:

	December 31 2021	December 31 2020
Data protection (i)	560	600
Premise conditions (i)	428	302
Third party liability (i)	10	212
Real estate proceedings (i)	239	239
Metrology and technical regulations (i)	206	224
Consumer protection (i)	345	115
Other minor proceedings (i)	3,132	1,583
Lawsuits Spice Investment Mercosur S.A. and its subsidiaries	9	8
Other lawsuits at Colombian subsidiaries	442	520
Total provisions for civil lawsuits	**5,371**	**3,803**

(i) Aspects related with Parent lawsuits.

(c) Represent legal claims at subsidiary Spice Investment Mercosur S.A. and its subsidiaries related with antitrust matters

(2) The balance of provisions for taxes other than income tax represents proceedings related with:

	December 31 2021	December 31 2020
Value added tax payable (i)	3,166	3,166
Real estate tax (i)	241	1,297
Other lawsuits of Libertad S.A.	142	148
Industry and Trade Tax, and supplementary ads and boards tax (i)	-	2,217
Total provision for taxes other than income tax	**3,549**	**6,828**

(i) Aspects related with Parent lawsuits.

(3) The provision for reorganization represents:

{ut1(a) The reorganization processes announced to Parent's employees of stores and distribution centers in amount of $878 (December 31, 2020 - $1,182), to the employees of subsidiary Libertad S.A. in amount of $1,830 (December 31, 2020 - $3,068) and to the employees of Colombian subsidiaries in amount of $- (December 31, 2020 - $73) that will have an effect on the Parent's and its subsidiaries' activities and operations. During the annual period ended December 31, 2021, the expense recorded for this concept amounts to $8,697, which was recognized in the results for the period as other operating expenses.

(b) Reorganization plan for the transfer of the Cedi Montevideo operation to the new Parque Logístico Siberia. Even if the balance at December 31, 2021 is $-, during the annual period ended December 31, 2021, the expense recorded for this concept amounts to $5,104, which was recognized in the results for the period as other operating expenses.

The provision for these reorganization plans is based on cash outflows required, directly associated with such plans.

(4) The balance of other provisions represents:

	December 31 2021	December 31 2020
Provision for Montevideo real estate project(a)	3,500	3,500
Closure of stores	2,925	2,290
Urban improvements	2,215	-
Reduction for merchandise *VMI*	1,031	826
Other minor at Libertad S.A.	885	705
Other minor at the Parent	473	-
Other minor at Colombian subsidiaries	380	404
Provision for contributions to retirement pensions (b)	-	10,150
Total other provisions	**11,409**	**17,875**

(a) Represents a provision accrued as guarantee in favor of purchasers arising from the sale of the Montevideo real estate project.

(b) Represents the obligation recorded for the amount of pension contributions not paid by employees of the Parent and its Colombian subsidiaries in April and May 2020, because the Constitutional Court (a) declared as unconstitutional Legislative Decree 558 of 2020, which had allowed companies to pay a lower amount for pension contributions in April and May, and (b) compelled the Government to require companies to pay within a reasonable period the amounts unpaid during those months. Such liability was settled in July 2021.

Balances and development of other provisions during the period are as follows:

	Legal proceedings	Taxes other than income tax	Reorganization	Other	Total
Balance at December 31, 2020	**15,648**	**6,828**	**4,323**	**17,875**	**44,674**
Increase	14,597	-	13,801	11,225	39,623
Uses	(9)	-	(12)	-	(21)
Payments	(9,093)	-	(12,059)	(16,962)	(38,114)
Reversals (not used)	(3,801)	(3,273)	(1,103)	(711)	(8,888)
Other reclassifications	72	-	(2,086)	17	(1,997)
Effect of exchange differences on the translation into reporting currency	181	(6)	(156)	(35)	(16)
Balance at December 31, 2021	**17,595**	**3,549**	**2,708**	**11,409**	**35,261**

Note 22.1. Other provisions classified as current or non-current

The balance of other provisions, classified as current or non-current is as follows:

	December 31 2021	December 31 2020
Legal proceedings	6,890	4,766
Taxes other than income tax	3,168	3,168
Reorganization	2,708	4,323
Other	11,409	17,875
Total current	**24,175**	**30,132**
Legal proceedings	10,705	10,882
Taxes other than income tax	381	3,660
Total non-current	**11,086**	**14,542**

Note 22.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent and its subsidiaries are liable at December 31, 2021 are:

	Legal proceedings	Taxes other than income tax	Reorganization	Other	Total
Less than 12 months	6,890	3,168	2,708	11,409	24,175
From 1 to 5 years	10,705	381	-	-	11,086
Total forecasted payments	**17,595**	**3,549**	**2,708**	**11,409**	**35,261**

Note 23. Accounts payable to related parties

Note 23.1. Accounts payable

The balance of accounts payable to related parties is as follows:

	December 31 2021	December 31 2020
Joint ventures (1)	42,619	36,300
Grupo Casino companies (2)	23,027	14,187
Total	**65,646**	**50,487**

(1) Mainly represents the balance outstanding in favor of Puntos Colombia S.A.S. arising from points (accumulations) that have been issued in line with the change in the loyalty program implemented by the Parent in amount of $42,619 (December 31, 2020 - $35,498).

(2) Accounts payable to Grupo Casino companies mainly arise from energy optimization services received, intermediation in the import of goods, and consultancy and technical assistance services.

	December 31 2021	December 31 2020
Casino Guichard Perrachon S.A.	11,415	10,463
Greenyellow Energía de Colombia S.A.S.	9,456	1,546
Casino Services	1,637	229
Distribution Casino France	224	1,834
International Retail and Trade Services IG	164	72
Other	131	43
Total Grupo Casino companies	**23,027**	**14,187**

Note 23.2. Other financial liabilities

The balance of other financial liabilities with related parties is as follows:

	December 31 2021	December 31 2020
Joint ventures (1)	17,461	15,917
Total	**17,461**	**15,917**

(1) Mainly represents collections received from third parties related with Tarjeta Éxito owned by Compañía de Financiamiento Tuya S.A. in amount of $17,441 (December 31, 2020 - $15,909) (Note 27).

Note 24. Trade payables and other accounts payable

The balance of trade payables and other accounts payable is as follows:

	December 31 2021	December 31 2020
Suppliers	4,190,705	3,872,518
Costs and expenses payable	417,254	361,974
Employee benefits	278,325	245,984
Tax withholdings payable	74,007	57,352
Purchase of assets (1)	121,062	29,810
Taxes collected payable	46,181	56,464
Dividends payable	22,487	26,317
Other	36,534	27,727
Total trade payables and other accounts payable	**5,186,555**	**4,678,146**
Current	**5,136,626**	**4,678,078**
Non-current (1)	**49,929**	**68**

(1) Represents the acquisition of computers related with the technological upgrade of the "*Clearpath*" platform (Note 13). Payment is due in 2027.

Note 25. Lease liabilities

The balance of lease liabilities is as follows:

	December 31 2021	December 31 2020
Lease liabilities	1,594,643	1,542,895
Current	**234,178**	**223,803**
Non-Current	**1,360,465**	**1,319,092**

Below is a forecast of lease liabilities-related fixed payments at December 31, 2021:

Up to one year	284,621
From 1 to 5 years	906,480
More than 5 years	681,837
Minimum lease liability payments	**1,872,938**
Future financing (expenses)	(278,295)
Total minimum net lease liability payments	**1,594,643**

Note 26. Income tax

Note 26.1. Tax regulations applicable to the Parent and to its Colombian subsidiaries

Income tax regulations in force applicable to the Parent and its Colombian subsidiaries

a. For taxable 2021 the income tax rate for legal entities is 31%.

   For taxable 2020, the income tax rate applicable was 32%.

b. For taxable 2021, the base to assess the income tax under the presumptive income model is 0% of the net equity held on the last day of the immediately preceding taxable period.

   For taxable 2020 the base to assess the income tax under the presumptive income model was 0.5% of the net equity held on the last day of the immediately preceding taxable period.

c. Comprehensive inflation adjustments were eliminated for tax purposes as of 2007, and the tax on occasional gains was reinstated at a current rate of 10%, payable by legal entities on total occasional gains obtained during the taxable year.

d. A tax on dividends paid to individuals resident in Colombia was established as of 2020 at a rate of 10%, triggered when the amount distributed is higher than 300 UVT (equivalent to $11 for 2021) when such dividends have been taxed upon the distributing companies. For domestic companies, the tax rate is 7.5% when such dividends have been taxed upon the distributing companies. For individuals not residents of Colombia and for foreign companies, the tax rate is 10% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 31% for 2021 and 35% from 2022 onwards.

When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 32% for 2020.

e. As of 2017 the tax base adopted is the accounting system pursuant to the accounting technical rules framework in force in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432 and on August 19, 2021 by Regulatory Decree 938, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270 with certain exceptions regarding the realization of revenue, recognition of costs and expenses and the merely accounting effects of the opening balance upon adoption of these standards.

f. The tax on financial transactions is a permanent tax. 50% of such tax is deductible, provided that the tax paid is duly supported.

g. As of 2019, taxes, levies and contributions actually paid during the taxable year or period are 100% deductible as long as they are related with proceeds of company's economic activity accrued during the same taxable year or period, including affiliation fees paid to business associations.

h. 50% of the industry and trade tax can be taken as a tax discount for taxable 2019 to 2021.
i. Regarding contributions to employee education, the payments that meet the following conditions are deductible as of 2019: (a) those devoted for scholarships and education forgivable loans to the benefit of employees, (b) payments to programs or care centers for the children of employees and (c) payments to primary, secondary, technical, technological and higher education institutions.

j. VAT on the acquisition, formation, construction or import of productive real fixed assets may be discounted from the income tax as of 2019.

k. As of 2020, the income tax withholding rate on payments abroad is 0% for services such as consultancy, technical services or technical assistance provided by third parties with physical residence in countries that have entered double-taxation agreements with Colombia.

l. As of 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 31% for management or administration services.
m. As of 2019, taxes paid abroad shall be deemed tax discounts during the taxable year of payment, or during any subsequent taxable period.

n. The annual adjustment applicable at December 31, 2021 to the cost of furniture and real estate deemed fixed assets is 1.97%.

Tax credits of the Parent and its Colombian subsidiaries

Pursuant to tax regulations in force as of 2017, the time limit to offset tax losses is 12 years following the year in which the loss was incurred.

Excess presumptive income over ordinary income obtained as of taxable 2007 may be offset against ordinary net income assessed within the following five (5) years.

Company losses are not transferrable to shareholders. In no event tax losses arising from revenue other than income and occasional gains, and from costs and deductions not related with the generation of taxable income, will be offset against the taxpayer's net income.

At December 31, 2021, the Parent and its Colombian subsidiaries assessed their income tax liability under the ordinary income model.

At December 31, 2020, subsidiaries Depósitos y Soluciones Logísticas S.A.S., and Marketplace Internacional Éxito y Servicios S.A.S. assessed their income tax liability under the presumptive income model.

At December 31, 2020, the Parent and subsidiaries Éxito Viajes y Turismo S.A.S., Logística, Transporte y Servicios Asociados S.A.S., Éxito Industrias S.A.S., and Almacenes Éxito Inversiones S.A.S. assessed their income tax liability under the ordinary income method.

(a) Tax credits of the Parent

At December 31, 2021 the Parent has accrued $346,559 (December 31, 2020 - $518,013) excess presumptive income over net income.

The development of the Parent's excess presumptive income over net income during de annual period ended December 31, 2021 is as follows:

Balance at December 31, 2020	**518,013**
Offsetting of presumptive income against net income for the period	(171,454)
Balance at December 31, 2021	**346,559**

At December 31, 2021, the Parent has accrued tax losses amounting to $738,261 (December 31, 2020 - $738,261).

The development of tax losses at the Parent during the annual period ended December 31, 2021 is as follows:

Balance at December 31, 2020	**738,261**
Adjustment to tax losses from prior periods	-
Balance at December 31, 2021	**738,261**

(b) Tax credits of Colombian subsidiaries

At December 31, 2021, Colombian subsidiaries have accrued excess presumptive income over net income in amount of $27 (December 31, 2020 - $43). The detail of excess presumptive income over net income is as follows:

	December 31 2021	**December 31 2020**
Depósitos y Soluciones Logísticas S.A.S.	-	27
Marketplace Internacional Éxito y Servicios S.A.S.	27	16
Total	**27**	**43**

At December 31, 2021, Colombian subsidiaries have accrued tax losses amounting to $33,624 (December 31, 2020 - $26,773). The detail of tax losses is as follows:

	December 31 2021	**December 31 2020**
Transacciones Energéticas S.A.S. E.S.P. (Note 1.1.) (a)	33,380	-
Depósitos y Soluciones Logísticas S.A.S.	244	166
Éxito Industrias S.A.S.	-	26,324
Marketplace Internacional Éxito y Servicios S.A.S.	-	283
Total	**33,624**	**26,773**

The development of tax losses at Colombian subsidiaries during the annual period ended December 31, 2021 is as follows:

Balance at December 31, 2020	**26,773**
Transacciones Energéticas S.A.S. E.S.P. (Note 1.1.) (a)	33,380
Depósitos y Soluciones Logísticas S.A.S.	78
Éxito Industrias S.A.S.	(26,324)
Marketplace Internacional Éxito y Servicios S.A.S.	(283)
Balance at December 31, 2021	**33,624**

(a) Revenue, costs and expenses of this subsidiary at December 31, 2020 were included in the consolidated statement of income in the net results of discontinued operations line item, separate from other consolidated results of the Parent and its subsidiaries; this subsidiary had accrued $33,037 of tax losses that were not part of the final balance of tax losses of Colombian subsidiaries at December 31, 2020 reported in the tables above. In October 2021 this subsidiary resumed its commercial operation and its revenue, costs and expenses accumulated from October 1, 2021 through December 31, 2021 were again included in the consolidated statement of income together with other consolidated results of the Parent and other subsidiaries.

Finality of tax returns

As of 2020 the general finality of income tax returns is 3 years, and for taxpayers required to file transfer pricing information and returns giving rise to loss and tax offsetting is 5 years.

Regarding the Parent, the income tax return for 2020 showing a balance receivable is open to review for 5 years as of filing date; the income tax return for 2019 showing tax losses and a balance receivable is open to review for 5 years as of filing date; the income tax returns for 2018, 2017 and 2016 where tax losses and balances receivable were assessed, are open to review for 12 years as of filing date; the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed is open to review for 12 years as of filing date.

For subsidiary Éxito Industrias S.A.S., the income tax returns for 2020 and 2019, where tax losses were offset and a balance receivable was accrued are open for review during 5 year as of the filing date; the income tax return for 2018 where tax losses were offset and a balance receivable was accrued is open for review during 6 year as of the filing date; the income tax return for 2016 and the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed are open for review during 12 years as of the filing date; the tax for equality CREE return for 2015 where tax losses and a balance receivable were assessed, is open for review during 12 years as of the filing date.

For subsidiary Almacenes Éxito Inversiones S.A.S. the income tax returns for 2019 and 2018 showing a balance receivable are open for review during 3 years as of filing of the balances receivable; the income tax returns for 2017 and 2016 where tax losses were offset and a balance receivable was assessed are open for review during 6 years as of filing; the income tax for equality CREE returns for 2016 and 2015 where tax losses were offset and a balance receivable was assessed is open for review during 62 years as of filing.

For subsidiary Logística, Transporte y Servicios Asociados S.A.S., the income tax returns for 2020 and 2019 where a balance receivable was accrued are open for review during 3 year as of filing of the balance receivable; the income tax returns for 2018 and 2017 where tax losses were offset and a balance receivable was accrued are open for review during 6 year as of filing; the income tax return and the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing.

For subsidiary Éxito Viajes y Turismo S.A.S., the income tax return for 2020 is open for review during 5 years as of filing; the income tax returns for 2019 and 2018 are open for review during 3 years as of filing date; the income tax return and the income tax for equality CREE return for 2016 where tax losses were offset is open for review during 6 years as of filing date; the income tax for equality CREE return for 2015 is open for review during 12 years as of filing date.

For subsidiary Marketplace Internacional Éxito y Servicios S.A.S., the income tax returns for 2020 and 2019 where tax losses were assessed, are open for review during 5 years as of filing date; the income tax return for 2018 is open for review during 3 years as of filing date.

For subsidiary Depósitos y Soluciones Logísticas S.A.S., the income tax returns for 2020 and 2019 where tax losses and a balance receivable were assessed, are open for review during 5 years as of filing date.

For subsidiary Transacciones Energéticas S.A.S. E.S.P. (Note 1.2.), the income tax return for 2020 showing tax losses is open to review for 5 years as of filing date; the income tax return for 2019 showing tax losses and a balance receivable is open to review for 5 years as of filing date; the income tax returns for 2018, 2017 and 2016 where tax losses and balances receivable were assessed, are open to review for 12 years as of filing date; the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed is open to review for 12 years as of filing date.

Tax advisors and management of the Parent and its subsidiaries are of the opinion that no additional taxes will be assessed, other than those carried at December 31, 2021.

<u>Transfer pricing</u>

Parent transactions with its controlling entity and foreign related parties located at the free-trade zone or abroad have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set out by domestic tax regulations. Independent advisors updated the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2020. For this purpose, the Parent filed an information statement and has the mentioned survey available as of September 16, 2021.

<u>Foreign controlled entities</u>

Under the special regime applicable to foreign subsidiaries that are investment vehicles, as of 2017 the standard sets out that passive revenue obtained by such vehicles must be included in the year of accrual and not in the year of effective distribution of profits.

Law 2155 of September 14, 2021 - Social Investment Act.

On September 14, 2021 the Congress of the Republic of Colombia approved Law 2155 enacting the Social Investment Act and other regulations.

The following are the most significant amendments regarding the income tax, applicable to the Parent and its Colombian subsidiaries, in effect as of 2022:

a. Income tax:
   - The income tax rate for legal entities will be 35%;
   - 50% of the industry and trade tax will continue as a tax discount;
   - The finality term of tax returns may be reduced for 2022 and 2023; Should there be a 35% increase in the income tax rate as compared to the previous period, the finality term will be six months. Should there be a 25% increase in the income tax rate as compared to the previous period, the finality term will be twelve months.

b. Other regulations:
   - Incentives are offered to promote the creation of new jobs until August 2023, as follows:

New employees	Incentive
Young people 18 to 28 years old	Government contribution equivalent to 25% of one (1) SMLMV for each new hiring.
Men older than 28 earning up to three (3) SMLMV	Government contribution equivalent to 10% of one (1) SMLMV for each new hiring.
Women older than 28 earning up to three (3) SMLMV	Government contribution equivalent to 15% of one (1) SMLMV for each new hiring.

Note 26.2. Tax regulations applicable to foreign subsidiaries

Tax regulations in force applicable to foreign subsidiaries foresee the following income tax rates:
- Subsidiaries domiciled in Uruguay apply a 25% rate;
- Subsidiaries domiciled in Argentina apply a 35% rate.

Note 26.3. Current tax assets and liabilities

The balances of current tax assets and liabilities recognized in the statement of financial position are:

Current tax assets:

	December 31 2021	**December 31 2020**
Income tax balance receivable by the Parent and its Colombian subsidiaries (1)	228,040	213,870
Tax discounts applied by the Parent and its Colombian subsidiaries (2)	88,369	66,697
Industry and trade tax advances and withholdings of Parent and its Colombian subsidiaries	56,231	51,803
Tax discounts of Parent from taxes paid abroad	23,899	14,930
Current income tax assets of subsidiary Onper Investment 2015 S.L.	15,364	8,743
Other current tax assets of subsidiary Spice Investment Mercosur S.A.	14,605	5,616
Current income tax assets of subsidiary Spice Investments Mercosur S.A.	3,008	-
Other current tax assets of subsidiary Onper Investment 2015 S.L.	109	724
Total current tax assets	**429,625**	**362,383**

(1) The income tax balance receivable of the Parent and its Colombian subsidiaries is comprised of:

	December 31 2021	**December 31 2020**
Income tax withholdings (a)	235,013	227,317
Tax discounts (b)	73,581	46,164
Subtotal	**308,594**	**273,481**
Income tax (expense) (Note 26.4)	(80,554)	(59,611)
Total income tax balance receivable by the Parent and its Colombian subsidiaries	**228,040**	**213,870**

(a) Includes the net of income tax payable and income taxes withheld applicable to the Parent's and its Colombian subsidiaries.

(b) As set forth by Section 115 of the Tax Law, tax discounts applied mainly represent industry and trade tax actually paid in 2021.

(2) Tax discounts applied by the Parent and its Colombian subsidiaries are as follows:

	December 31 2021	December 31 2020
VAT on productive real assets	75,599	32,229
Industry and trade tax	12,770	34,439
Other	-	29
Total tax discounts applied by the Parent and its Colombian subsidiaries	**88,369**	**66,697**

Current tax liabilities

	December 31 2021	December 31 2020
Industry and trade tax payable of the Parent and its Colombian subsidiaries	77,284	69,372
Taxes of subsidiary Onper Investment 2015 S.L. other than income tax	3,490	2,511
Tax on real estate of the Parent and its Colombian subsidiaries	516	415
Taxes of subsidiary Spice Investments Mercosur S.A. other than income tax	229	1,348
Income tax of subsidiary Spice Investments Mercosur S.A.	-	2,465
Total current tax liabilities	**81,519**	**76,111**

Note 26.4. Income tax

The reconciliation of accounting income to net income, and the tax expense estimation are as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Earnings before income tax	**730,887**	**385,282**
Add		
Non-deductible expenses	18,495	32,806
Tax on financial transactions	6,658	8,920
Fines, penalties and litigation	6,163	6,207
Reimbursement of deduction for income-generating assets arising from the sale of assets	1,617	-
Receivables written-off	1,553	1,499
Taxes taken on and revaluation	1,352	1,168
Unrealized exchange difference	84	-
Net income - recovery of depreciation of fixed assets sold	35	695
Selling price of fixed assets held less than two years	34	-
IFRS adjustments with no tax effects (1)	-	33,131
Non-deductible inventory losses	-	1,075
Less		
IFRS adjustments with no tax effects (1)	(120,586)	-
Effect of accounting results of foreign subsidiaries	(106,642)	(112,452)
Goodwill tax deduction, in addition to the accounting deduction	(21,895)	(20,606)
Deduction of ICA tax paid after filing of the income tax return	(5,606)	(6,760)
Tax-exempt dividends received from subsidiaries	(3,604)	-
Recovery of costs and expenses	(2,709)	(2,747)
Deduction from hiring of handicapped employees	(2,375)	(1,598)
Special deduction on donation to food banks and other	(1,918)	(1,494)
30% additional deduction on salaries paid to apprentices hired at Company will	(1,206)	(1,422)
Non-deductible taxes	(398)	(347)
Derecognition of gain from the sale of assets reported as occasional gain	(75)	(74,117)
Unrealized exchange difference	-	(1,574)
Net income (2)	**499,864**	**247,666**
Offsetting (3)	(190,543)	-
Total net income after offsetting	**309,321**	**247,666**
Net loss of certain Colombian subsidiaries	**368**	**258**
Net income of the Parent and of certain Colombian subsidiaries for the current period	**309,689**	**247,924**
Presumptive income of the Parent and of certain Colombian subsidiaries for the current period (4)	**-**	**43**
Total net taxable income (5)	**309,689**	**247,967**
Subtotal income tax (expense) (5)	**(95,954)**	**(79,349)**
Occasional gains tax (expense)	(1)	(2,906)
Tax discounts	15,401	22,644
Total income tax (expense)	**(80,554)**	**(59,611)**
(Expense) previous year tax (6)	**(526)**	**(14,767)**
Total income tax (expense) of the Parent and its Colombian subsidiaries	**(81,080)**	**(74,378)**
Total current tax (expense) of foreign subsidiaries (7)	**(41,016)**	**(43,015)**
Total current income tax (expense)	**(122,096)**	**(117,393)**

(1) IFRS adjustments with no tax effects are:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Taxed leases	101,836	70,270
Taxed dividends of subsidiaries	93,245	126,126
Accounting provisions	41,594	141,679
Exchange difference, net	17,231	8,335
Untaxed dividends of subsidiaries	3,604	-
Taxed actuarial estimation	1,634	2,259
Net results using the equity method	(226,363)	(185,778)
Recovery of provisions	(52,716)	(85,858)
Excess tax depreciation over accounting depreciation	(44,683)	(40,107)
Non-accounting costs for tax purposes	(22,337)	6,238
Other accounting (not for tax purposes) (revenue), net	(21,774)	6,566
Excess personnel expenses for tax purposes over accounting personnel expenses	(9,641)	(56,448)
Other accounting expenses with no tax effects	(1,972)	40,145
Non-deductible taxes	(244)	(294)
Non-deductible fines and penalties	-	(2)
Total	**(120,586)**	**33,131**

(2) The balance includes $500,232 (December 31, 2020 - $247,924) of Parent's and certain Colombian subsidiaries' net income and ($368) December 31, 2020 - ($258)) tax losses of certain Colombian subsidiaries.

(3) Offsetting of presumptive income against net income for the period.

(4) For taxable 2021, the base to assess the income tax under the presumptive income model is 0% of the net equity held on the last day of the immediately preceding taxable period.

The estimation of the presumptive income of the Parent and of certain Colombian subsidiaries is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net shareholders' equities	-	8,525
Less net shareholders' equities to be excluded	-	-
Base shareholders' equities	**-**	**8,525**
Presumptive income	**-**	**43**
Total presumptive income	**-**	**43**

(5) The detail of taxable net income, income tax rates and the income tax (expense) is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net income of the Parent and of certain Colombian subsidiaries for the current period	309,241	247,967
Net income of Colombian subsidiaries classified as free-trade zone for the current period	448	-
Total net taxable income	**309,689**	**247,967**
Tax rate applicable to the Parent and to certain Colombian subsidiaries	31%	32%
Income tax rate applicable to Colombian subsidiaries classified as free-trade zone	20%	20%
Subtotal income tax (expense) of Parent and of certain Colombian subsidiaries	(95,865)	(79,349)
Subtotal income tax rate (expense) applicable to Colombian subsidiaries classified as free-trade zone	(89)	-
Total income tax (expense)	**(95,954)**	**(79,349)**

(6) The effect of this adjustment is offset against prior years adjustment in deferred tax, arising from the treatment of certain tax items.

(7) A detail of the current tax expense of foreign subsidiaries is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Uruguay segment	(41,458)	(43,009)
Argentina segment	442	(6)
Total current tax (expense)	**(41,016)**	**(43,015)**

The components of the income tax expense recognized in the statement of income are:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Current income tax (expense)	(122,096)	(117,393)
Deferred income tax (expense) revenue (Note 26.5)	(15,574)	63,214
Total income tax (expense)	**(137,670)**	**(54,179)**

The reconciliation of average effective tax rate to applicable tax rate is as follows:

	December 31 2021	Rate	December 31 2020	Rate
Earnings before income tax	**730,887**		**385,282**	
Tax (expense) at applicable tax rate	(226,512)	(31%)	(123,290)	(32%)
Tax effect of adjustment to current taxes from prior periods	(17,217)	(2%)	16,588	4%
Tax effect of tax rates levied abroad	(17,000)	(2%)	(26,650)	(7%)
Tax effect of non-deductible expenses on the estimation of tax losses	(11,891)	(2%)	(14,456)	(3%)
Tax effect of tax losses	(90)	-%	-	-%
Other tax effects from the reconciliation of accounting income to tax expense	99,865	14%	107,313	28%
Tax effect from changes in tax rates	34,012	4%	(15,020)	(4%)
Tax effect of untaxed revenue on the estimation of tax losses	1,163	-%	1,336	-%
Total income tax (expense)	**(137,670)**	**(19%)**	**(54,179)**	**(14%)**

Note 26.5. Deferred tax

The Parent and its subsidiaries recognize deferred tax assets and liabilities arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at expected payment or recovery rates, provided there is reasonable expectation that such differences will revert in future. Should there be any deferred tax asset, an analysis is made of whether the Parent and its subsidiaries will generate enough taxable income in future that allow offsetting the asset, in full or in part.

Deferred tax assets and liabilities are made as follows:

	December 31, 2021		December 31, 2020	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Lease liabilities	637,274	-	537,792	-
Tax losses	258,391	-	221,478	-
Excess presumptive income	121,296	-	155,404	-
Tax credits	82,257	-	76,692	-
Other provisions	8,435	-	21,703	-
Trade and other payables	8,392	-	334	-
Trade and other receivables	3,918	-	4,743	-
Inventories	3,593	-	5,904	-
Employee benefit provisions	1,154	-	1,614	-
Prepaid expenses	747	-	886	-
Other financial liabilities	292	-	5,754	-
Non-current assets held for trading	3	-	-	(286)
Financial liabilities	-	-	1,435	-
Accounts payable to related parties	-	-	22	-
Cash and cash equivalents	-	-	-	(2)
Other non-financial liabilities	-	(139)	-	(139)
Real estate projects	-	(176)	-	(225)
Investments in subsidiaries and joint ventures	-	(385)	308	-
Construction in progress	-	(460)	-	(4,247)
Accounts receivable from related parties	-	(3,756)	-	(346)
Intangible assets other than goodwill	-	(4,004)	-	(3,573)
Land	-	(4,322)	-	(5,124)
Other financial assets	-	(5,182)	-	(6,293)
Other property, plant and equipment	-	(22,320)	-	(25,751)
Investment property	-	(45,990)	-	(39,957)
Goodwill	-	(144,997)	-	(145,302)
Buildings	-	(164,841)	-	(128,802)
Use rights	-	(563,360)	-	(473,738)
Total Parent	**1,125,752**	**(959,932)**	**1,034,069**	**(833,785)**
Colombian subsidiaries	**21,209**	**(36,141)**	**28,464**	**(32,286)**
Total Colombia segment	**1,146,961**	**(996,073)**	**1,062,533**	**(866,071)**
Uruguay segment	**54,273**	**-**	**38,250**	**-**
Argentina segment	**-**	**(166,751)**	**-**	**(118,722)**
Total	**1,201,234**	**(1,162,824)**	**1,100,783**	**(984,793)**

The breakdown of deferred tax assets and liabilities for the three geographical segments in which the Parent and its subsidiaries operations are grouped is as follows:

	December 31, 2021		December 31, 2020	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Colombia segment	150,888	-	196,462	-
Uruguay segment	54,273	-	38,250	-
Argentina segment	-	(166,751)	-	(118,722)
Total	**205,161**	**(166,751)**	**234,712**	**(118,722)**

The effect of deferred tax on the statement of income is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Deferred income tax (expense) revenue	(16,122)	55,259
Deferred occasional gain tax revenue	548	7,955
Total deferred income tax (expense) revenue	**(15,574)**	**63,214**

The effect of the deferred tax on the statement of comprehensive income is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
(Expense) from derivative financial instruments designated as hedge instruments and other	(5,466)	(350)
(Expense) revenue from measurement of defined benefit plans	(516)	232
Total deferred income tax (**expense)**	**(5,982)**	**(118)**

The reconciliation of the development of net deferred tax to the statement of income and the statement of comprehensive income between December 31, 2021 and December 31, 2020 is as follows:

	January 1 to December 31, 2021
Deferred tax (expense) recognized in income for the period	(15,574)
(Expense) from deferred tax recognized in other comprehensive income for the period.	(5,982)
Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1)	(56,024)
Total development of net deferred tax between December 31, 2021 and December 31, 2020	**(77,580)**

(1) Such effect resulting from the translation at the closing rate of deferred tax assets and liabilities of foreign subsidiaries is included in the line item "Exchange difference from translation" in Other comprehensive income (Note 29).

Temporary differences related to investments in associates and joint ventures, for which no deferred tax liabilities have been recognized at December 31, 2021 amounted to $66,999 (December 31, 2020 - $59,765).

Note 26.6. Effects of the distribution of dividends on the income tax.

Pursuant to Colombian tax regulations in force, neither the distribution of dividends nor retained earnings have an effect on the income tax rate.

Note 26.7. Non-Current tax liabilities

<u>Non-Current tax liabilities</u>

The $3,924 balance (December 31, 2020 - $4,463) relates to taxes payable of subsidiary Libertad S.A. for federal taxes and incentive program by instalments.

Note 27. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31 2021	December 31 2020
Collections received on behalf of third parties (1)	80,710	68,820
Derivative financial instruments (2)	592	17,317
Derivative financial instruments designated as hedge instruments (3)	242	1,246
Total	**81,544**	**87,383**
Current	**81,544**	**87,289**
Non-Current	**-**	**94**

(1) The balance of collections received on behalf of third parties is as follows:

	December 31 2021	December 31 2020
Non-banking correspondent	28,058	27,005
Revenue received on behalf of third parties (a)	25,474	17,359
Éxito Card collections (b)	17,441	15,909
Direct trading (*market place*)	5,594	5,245
Other collections	4,143	3,302
Total	**80,710**	**68,820**

(a) The balance relates to:

- Collections received on behalf of third parties for hotel services, ground transportation, car rentals and reservation of air tickets as part of the intermediation of subsidiary Éxito Viajes y Turismo S.A.S. as travel agency in amount of $24,792 (December 31, 2020 - $14,883).

- Collections received on behalf of third parties from Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. in amount of $666 (December 31, 2020 - $2,137).

- Collections received on behalf of third parties from Patrimonios Autónomos in amount of $16 (December 31, 2020 - $339).

(d) Represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 23).

(2) Derivative financial instruments reflect the fair value of *forward and swap* contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Parent and its subsidiaries measure the derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at December 31, 2021 is as follows:

Derivative	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	309	283	-	-	592
					592

The detail of maturities of these instruments at December 31, 2020 is as follows:

Derivative	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	14,153	2,339	-	-	16,492
Swap	825	-	-	-	825
					17,317

(3) Derivative instruments designated as hedging instrument reflect swap transactions carried out by the Parent under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

At December 31, 2021 and at December 31, 2020 finance bartering is used to hedge exchange and/or interest risks of financial liabilities taken to acquire property, plant and equipment.

The Parent and its subsidiaries keep supporting documents regarding accounting hedge relationships and conduct efficacy testing from initial recognition and over the time of the hedge relationship until derecognition thereof. No inefficacy has been identified during the periods reported.

At December 31, 2021, relates to the following transactions:

Hedge instrument	Nature of risk hedged	Hedged item	Range of rates for the hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate and exchange rate	Financial liabilities	IBR 3M	2.0545% - 2.145%	242
					242

The detail of maturities of these hedge instruments at December 31, 2021 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	242	-	-	-	**242**

At December 31, 2020, relates to the following transactions:

Hedge instrument	Nature of risk hedged	Hedged item	Range of rates for the hedged item	Range of rates for hedge instruments	Amount Fair value
Swap	Interest rate and exchange rate	Financial liabilities	IBR 3M	2.0545% - 2.145%	1,246
					1,246

The detail of maturities of these hedge instruments at December 31, 2020 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	114	407	631	94	**1,246**

The balance of other financial liabilities classified as current or non-current is as follows:

	December 31 2021	December 31 2020
Collections received on behalf of third parties	80,710	68,820
Derivative financial instruments	592	17,317
Derivative financial instruments designated as hedge instruments	242	1,152
Total current	**81,544**	**87,289**
Derivative financial instruments designated as hedge instruments	-	94
Total non-current	**-**	**94**

Note 28. Other non-financial liabilities

The balance of other non-financial liabilities is as follows:

	December 31 2021	December 31 2020
Revenue received in advance (1)	174,395	130,974
Customer loyalty programs (2)	37,015	29,180
Advance payments under lease agreements and other projects	5,655	3,799
Advance on contract covering assets held for trading (Note 48.2)	2,046	-
Instalments received under "plan resérvalo"	260	292
Repurchase coupon	99	9
Total other non-financial liabilities	**219,470**	**164,254**
Current	**217,303**	**163,644**
Non-Current	**2,167**	**610**

(1) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment, lease of premises and strategic alliances. The detail is as follows:

	December 31 2021	December 31 2020
Gift card	74,476	65,580
Cafam comprehensive card	11,097	10,106
Exchange card	4,723	4,046
Data and telephone minutes purchased in advance	931	904
Fuel card	743	775
Other (a)	82,425	49,563
Total	**174,395**	**130,974**

(2) The balance represents:

	December 31 2021	December 31 2020
Advances received from domestic customers	41,380	24,184
Redeemable coupons	26,613	10,114
Other advance payments received from third parties	14,432	15,265
Total other	**82,425**	**49,563**

(2) The following are the balances of these programs included in the statement of financial position:

	December 31 2021	December 31 2020
"Hipermillas" and "Tarjeta Más" programs (subsidiaries Mercados Devoto S.A. and Supermercados Disco del Uruguay S.A., respectively.	36,007	28,549
Club Libertad (subsidiary Libertad S.A.)	1,008	631
Total	**37,015**	**29,180**

The balance of other non-financial liabilities classified as current or non-current is as follows:

	December 31 2021	December 31 2020
Revenue received in advance	174,395	130,974
Customer loyalty programs	37,015	29,180
Advance payments under contracts and other projects	3,488	3,189
Advance on contract covering assets held for trading (Note 48.2)	2,046	-
Instalments received under "plan resérvalo"	260	292
Repurchase coupon	99	9
Total current	**217,303**	**163,644**
Advance payments under contracts and other projects	2,167	610
Total non-current	**2,167**	**610**

Note 29. Share capital, treasury shares repurchased and premium on the issue of shares

At December 31, 2021 and at December 31, 2020, the Parent's authorized capital is represented in 530,000,000 common shares with a nominal value of $10 (*) each; subscribed and paid-in capital amounts to $4,482; the number of outstanding shares is 447,604,316 and the number of treasury shares reacquired is 635,835 valued at $2,734.

(*) Expressed in Colombian pesos.

The rights attached to the shares are speaking and voting rights per each share. No privileges have been granted on the shares, nor are the shares restricted in any way. Further, there are no option contracts on Parent shares.

The premium on placement of shares represents the higher value paid over the par value of the shares and amounts to $4,843,466 at December 31, 2021 and at December 31, 2020. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transfer of a portion of such premium to a capital account as result of the issue of a share-based dividend.

Note 30. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations made by the Parent's General Meeting of Shareholders on the results of prior periods. In addition to the legal reserve, there is an occasional reserve, a reserve for the reacquisition of shares and a reserve for payment of future dividends.

Retained earnings

Retained earnings include the effect on shareholders' equity of the convergence to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131, on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270.

Other accumulated comprehensive income

The balance of each component of other comprehensive income in the statement of financial position is as follows:

	December 31, 2021			December 31, 2020		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Measurement of financial assets at fair value through other comprehensive income (1)	(12,199)	-	(12,199)	(11,267)	-	(11,267)
Measurement of defined benefit plans (2)	(3,582)	1,257	(2,325)	(5,910)	1,773	(4,137)
Translation exchange differences (3)	(1,264,252)	-	(1,264,252)	(1,375,909)	-	(1,375,909)
(Loss) from the hedge of cash flows (4)	6,023	(2,108)	3,915	(1,435)	441	(994)
(Loss) from the hedge of investments in foreign businesses	(18,312)	(3,138)	(21,450)	(15,474)	(221)	(15,695)
Total other accumulated comprehensive income	**(1,292,322)**	**(3,989)**	**(1,296,311)**	**(1,409,995)**	**1,993**	**(1,408,002)**
Other accumulated comprehensive income of non-controlling interests			(56,154)			(57,340)
Other accumulated comprehensive income of the controlling entity			**(1,240,157)**			**(1,350,662)**

(1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity, less amounts transferred to retained earnings upon sale of such investments. Changes in fair value are not reclassified to period results.

(2) Represents the accumulated value of actuarial gains or losses arising from the Parent's and its subsidiaries' defined benefit plans. The net amount of the new measurements is transferred to retained earnings and is not reclassified to income for the period.

(3) Represents the accumulated value of exchange differences arising from the translation of assets, liabilities, equity and results of foreign operations into the Parent's reporting currency. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation. Includes the effect of translating deferred tax assets and liabilities in amount of $56,024 (Note 26).

(4) Represents the accumulated value of the effective portion of gains or losses arising from changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transaction has an effect on period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a hedged non-financial item.

Note 31. Revenue from ordinary activities under contracts with customers

The amount of revenue from ordinary activities under contracts with customers is as follows:

	January 1 to December 31, 2021	**January 1 to December 31, 2020**
Retail sales (1) (Note 47)	16,105,756	15,141,244
Service revenue (2)	609,303	512,280
Other ordinary revenue (3)	207,326	82,315
Total revenue from ordinary activities under contracts with customers	**16,922,385**	**15,735,839**

(1) The amount of retail sales represents the sale of goods and real estate projects net of returns and sales rebates. This amount includes the following items:

	January 1 to December 31, 2021	**January 1 to December 31, 2020**
Retail sales, net of sales returns and rebates	16,048,995	15,073,989
Sale of real estate project inventories (a)	56,761	67,255
Total retail sales	**16,105,756**	**15,141,244**

(a) At December 31, 2021, represents the sale of a percentage of the Montevideo real estate project inventory in amount of $56,306 and the sale of a percentage of La Secreta real estate project inventory in amount of $455. At December 31, 2020, represent the sale of a percentage of the Montevideo real estate project inventory in amount of $66,200 and the sale of a percentage of La Secreta real estate project inventory in amount of $1,055.

(2) The balance of service revenue relates to:

	January 1 to December 31, 2021	**January 1 to December 31, 2020**
Lease of real estate	200,263	143,763
Distributors	94,988	91,354
Advertising	80,300	83,917
Lease of physical space	63,185	42,813
Administration of real estate	38,814	31,952
Transport	31,449	18,223
Telephone services	30,517	30,617
Commissions	25,931	22,807
Non-banking correspondent	16,392	15,143
Money transfers	7,474	6,500
Travel administration fees	5,520	2,409
Other revenue from the provision of services	14,470	22,782
Total service revenue	**609,303**	**512,280**

(3) Other ordinary revenue relates to:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Exploitation of assets (a)	87,174	14,920
Involvement in collaboration agreement (b)	63,742	-
Marketing events	18,305	21,809
Royalty revenue	14,682	9,514
Financial services revenue	3,134	2,859
Other	20,289	33,213
Total other ordinary revenue	**207,326**	**82,315**

(a)For 2021, mainly represents revenue from fees on the development and construction of real estate projects in amount of $74,938.

(b) Represents the involvement in the following collaboration agreements:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Compañía de Financiamiento Tuya S.A.	59,050	-
Kiire	3,106	-
Éxito Media	1,586	-
Total involvement in collaboration agreements	**63,742**	**-**

Note 32. Distribution expenses and Administration and sales expenses

The amount of distribution expenses is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Depreciation and amortization	383,535	366,994
Services	219,494	210,144
Taxes other than income tax	210,251	188,482
Fuels and power	185,156	175,161
Repairs and maintenance	164,997	131,462
Advertising	142,223	127,288
Commissions on debit and credit cards	102,284	105,524
Transport	46,266	57,142
Leases	44,557	41,391
Packaging and marking materials	40,860	35,917
Administration of trade premises	34,034	32,162
Insurance	31,994	27,333
Professional fees	31,742	30,224
Outsourced employees	27,154	26,261
Other provision expenses	7,271	18,716
Legal expenses	6,696	7,300
Travel expenses	3,203	1,553
Autos Éxito collaboration agreement	805	-
Contributions and affiliations	519	467
Research and development expenses	654	-
Other	172,849	136,810
Total distribution expenses	**1,856,544**	**1,720,331**

The amount of administration and sales expenses is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Depreciation and amortization	81,538	76,314
Taxes other than income tax	56,354	51,365
Professional fees	53,539	44,555
Repairs and maintenance	37,212	27,505
Impairment expense	23,615	25,098
Services	15,307	13,892
Insurance	10,940	7,669
Outsourced employees	10,538	9,037
Travel expenses	7,181	5,113
Fuels and power	6,845	6,688
Administration of trade premises	3,387	2,900
Contributions and affiliations	2,471	2,443
Leases	1,945	2,062
Transport	1,093	1,840
Advertising	850	785
Legal expenses	539	432
Ground transportation	328	-
Packaging and marking materials	225	323
Other	33,545	28,580
Total administration and sales expenses	**347,452**	**306,601**

Note 33. Employee benefit expenses

The amount of employee benefit expenses incurred by each significant category is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Wages and salaries	1,062,505	1,010,025
Contributions to the social security system	35,160	34,127
Other short-term employee benefits	52,968	49,137
Total short-term employee benefit expense	**1,150,633**	**1,093,289**
Post-employment benefit expenses, defined contribution plans	101,042	88,055
Post-employment benefit expenses, defined benefit plans	1,174	(478)
Total post-employment benefit expenses	**102,216**	**87,577**
Termination benefit expenses	6,702	6,137
Other long-term employee benefits	(129)	13
Other personnel expenses	26,502	26,268
Total employee benefit expenses	**1,285,924**	**1,213,284**

Note 34. Other operating revenue, other operating expenses and other net gains (losses)

Other operating revenue, other operating expenses and other net gains include the effects of the most significant events occurred during the period which would distort the Parent's and its subsidiaries' recurrent profitability analysis; these are defined as significant elements of unusual revenue and expense whose occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of recurring operating performance of the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the effect of business combinations, among other.

The net amount of other operating revenue, other operating expenses and other net (losses), is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Other operating revenue		
Recurring		
Recovery of impairment of trade receivables	31,588	22,680
Reimbursement of tax-related costs and expenses	3,272	861
Compensation from insurance companies	2,987	1,579
Recovery of other provisions related with labor lawsuits	2,786	1,624
Reimbursement of ICA-related costs and expenses	2,233	4,789
Recovery of other provisions related with civil lawsuits	719	2,873
Recovery of other provisions	711	1,663
Other recurring revenue	114	1,046
Total recurring	**44,410**	**37,115**
Non-recurring		
Compensation from insurance companies	1,608	-
Recovery of provisions related with reorganization processes	1,103	16,789
Recovery of other provisions	47	6
Revenue from government help	-	46
Total non-recurring	**2,758**	**16,841**
Total other operating revenue	**47,168**	**53,956**
Other operating expenses		
Other expenses (1)	(19,967)	(19,483)
Tax on wealth expense	(15,981)	(18,356)
Reorganization expenses (2)	(13,801)	(67,458)
Social emergency-related expenses (3)	-	(36,574)
Total other operating expenses	**(49,749)**	**(141,871)**
Other (loss) gains, net		
Derecognition of property, plant and equipment (4)	(19,646)	(23,891)
Impairment of investment property (5)	(7,874)	(4,797)
Impairment of property, plant and equipment (6)	(2,491)	(2,832)
(Expense) revenue from early termination of lease contracts (7)	(835)	19,768
Recovery of impairment of property, plant and equipment (8)	4,778	-
Gain from the sale of property, plant and equipment (9)	3,370	2,651
Recovery of impairment of investment property (10)	1,060	-
Gain from the sale and derecognition of intangible assets	18	12
Gain from the sale and derecognition of asset investments	-	802
Impairment of intangible assets other than goodwill (11)	-	(9,266)
Total other net (losses)	**(21,620)**	**(17,553)**

(1) The following is a detail of other expenses

	January 1 to December 31, 2021	January 1 to December 31, 2020
Special projects (a)	5,325	7,401
Closure of stores	4,430	11,624
Inventory derecognition (b)	3,164	-
Suramérica project	2,100	-
Health plan (c)	1,723	-
Implementation of IFRS 16 - Leases	218	217
Reorganization of stores	87	-
Bricks II project	-	88
Other extraordinary expenses (b)	2,920	153
Total other expenses	**19,967**	**19,483**

(a) Represents expenses relevant to special projects carried out by the Parent as part of its analysis of other business units and implementation of standards and laws.

(b) Represents derecognition of inventories and other extraordinary expenses arising from acts against the infrastructure of Parent stores in different cities of the country.

(c) Represents expenses from the national health plan established by the National Government applied to the employees of Parent and its Colombian subsidiaries

(2) The following is a detail of expenses from reorganization:

	January 1 to December 31, 2021	**January 1 to December 31, 2020**
Parent and its Colombian subsidiaries reorganization plan (a)	7,767	64,389
Transfer of the Cedi Montevideo operation reorganization plan	5,104	-
Libertad S.A. reorganization plan	930	3,069
Total reorganization expenses	**13,801**	**67,458**

(a) Expenses from the Parent's and its Colombian subsidiaries' restructuring plan provision, which includes the purchase of the operating excellence plan and corporate retirement plan.

(3) In 2020, represents expenses incurred by the Parent and its subsidiaries as a result of the Covid-19 health emergency.

(4) The following is a detail of derecognition of property, plant and equipment:

	January 1 to December 31, 2021	**January 1 to December 31, 2020**
Derecognition of assets from the closure of stores	7,636	-
Derecognition of machinery and equipment from physical damage	4,473	3,587
Derecognition of assets from the reconciliation of physical counts	3,905	16,709
Derecognition of buildings from physical damage	1,128	1,325
Derecognition due to obsolescence	916	233
Derecognition of furniture and fixtures from physical damage	743	1,384
Derecognition of computers from physical damage	334	118
Derecognition from insurance claims	208	37
Derecognition of vehicles from physical damage	97	92
Other derecognition at Spice Investment Mercosur S.A. and its subsidiaries	18	234
Other minor derecognition	188	146
Derecognition of improvements to leased property from physical damage	-	26
Total derecognition of property, plant and equipment	**19,646**	**23,891**

(5) In 2021 represents the impairment of Patrimonio Autónomo Viva Sincelejo in amount of $2,490 and the impairment of the Parent's property in Viva Suba in amount of $2,591 and Surtimax Cota in amount of $2,793. (Note 14).

In 2020 represents the impairment of Patrimonio Autónomo Viva Palmas in amount of $704, Patrimonio Autónomo Viva Sincelejo in amount of $3,981 and or Parent's properties, i.e. Lote 111 Rincón de Las Lomas in amount of $1 and trade premises at Centro Comercial Pereira Plaza in amount of $111. (Note 14).

(6) In 2021 represents the impairment at the Parent of trade spot buildings of Centro Comercial San Mateo in amount of $756 and the impairment of improvements to leased property of Carulla Torre del Reloj in amount of $239 and at Mercados Devoto S.A. in amount of $1,496 impairment of improvements to third party property of its stores. (Note 13).

In 2020 represents the impairment of Patrimonio Autónomo Viva Palmas in amount of $203, of Patrimonio Autónomo Viva Sincelejo in amount of $2,415 and of Mercados Devoto S.A. in amount of $214. (Note 13).

(7) In 2021 represents expenses and in 2020 represents revenue arising from the derecognition of use rights and lease liabilities upon early termination of contracts and changes in contract terms.

(8) Represents recovery of impairment of Patrimonio Autónomo Viva Palmas in amount of $580 and of Patrimonio Autónomo Viva Sincelejo in amount of $4,198. (Note 13).

(9) In 2021 basically represents a gain from the sale of properties of subsidiary Libertad S.A. in amount of $2,180 and Logística, Transporte y Servicios Asociados S.A.S. in amount of $936. In 2020 mainly represents a gain from the sale of properties of subsidiary Libertad S.A. in amount of $2,117.

(10) Represents the recovery of impairment at Patrimonio Autónomo Viva Palmas in amount of $1,036 and at the Parent in the premises of Centro Comercial Pereira Plaza in amount of $23 and of Lote 111 Rincón de Las Lomas in amount of $1. (Note 14).

(11) In 2020 represents the impairment of the rights to exploit trade premises in amount of $9,266 (Note 17).

Note 35. Financial revenue and expenses

The amount of financial revenue and expenses is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Gain from derivative financial instruments	53,548	77,418
Gain from exchange difference	52,167	72,953
Revenue from interest, cash and cash equivalents	17,277	22,014
Other financial revenue	50,827	27,810
Total financial revenue	**173,819**	**200,195**
Interest expense from lease liabilities	(94,555)	(133,322)
Loss from exchange difference	(89,890)	(87,038)
Interest, loans and finance lease expenses	(86,641)	(117,029)
Net monetary position results, effect of the statement of income (1)	(62,100)	(8,914)
Loss from derivative financial instruments	(16,343)	(76,337)
Other financial expenses	(8,739)	(5,173)
Net monetary position expense, effect of the statement of financial position (1)	(6,191)	(14,097)
Commission expense	(5,115)	(3,916)
Total financial expenses	**(369,574)**	**(445,826)**

(1) Represents results arising from the net monetary position of financial statements of subsidiary Libertad S.A.

Note 36. Share of income in associates and joint ventures that are accounted for using the equity method

The share in income of associates and joint ventures that are accounted for using the equity method is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Compañía de Financiamiento Tuya S.A.	5,340	13,333
Puntos Colombia S.A.S.	1,894	6,335
Total	**7,234**	**19,668**

Note 37. Earnings per share

Earnings per share are classified as basic or diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the Parent's performance during the reporting periods. The purpose of diluted earnings is to give a measure of the participation of each ordinary share in the performance of the Parent taking into consideration the dilutive effect (decrease in earnings or increase in losses) of outstanding potential ordinary shares during the period.

At December 31, 2021 and at December 31, 2020, the Parent has not carried out transactions with potential ordinary shares, nor after the closing date or at the date of release of these financial statements.

Below is information regarding earnings and number of shares used in the calculation of basic and diluted earnings per basic and diluted share:

In period results:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net earnings attributable to shareholders of the controlling entity	**474,681**	**230,872**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share attributable to the shareholders of the controlling entity (in Colombian pesos)	**1,060.49**	**515.80**

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net period profit from continuing operations	**593,217**	**331,103**
Less: net income from continuing operations attributable to non-controlling interests	118,256	99,030
Net profit from continuing operations attributable to the shareholders of the controlling entity	**474,961**	**232,073**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share from continuing operations attributable to the shareholders of the controlling entity (in Colombian pesos)	**1,061.11**	**518.48**

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net (loss) for the period from discontinued operations	**(280)**	**(1,201)**
Less: net income from discontinued operations attributable to non-controlling interests	-	-
Net (loss) from discontinued operations attributable to the shareholders of the controlling entity	**(280)**	**(1,201)**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447,604,316	447,604,316
(Loss) per basic and diluted share from discontinued operations attributable to the shareholders of the controlling entity (in Colombian pesos)	**(0.62)**	**(2.68)**

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net period profit from continuing operations	**593,217**	**331,103**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share from continuing operations (in Colombian pesos)	**1,325.31**	**739.72**

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net (loss) for the period from discontinued operations	**(280)**	**(1,201)**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
(Loss) per basic and diluted share from discontinued operations (in Colombian pesos)	**(0.62)**	**(2.68)**

<u>In total comprehensive income for the period:</u>

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net gain (loss) attributable to the shareholders of the controlling entity	**585,186**	**(50,678)**
Weighted average of the number of ordinary shares attributable to the basic (loss) per share (basic and diluted)	447.604.316	447.604.316
Earnings (loss) per basic and diluted share in total comprehensive income (in Colombian pesos)	**1,307.38**	**(113.22)**

Note 38. Transactions with related parties

Note 38.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements executed by and between the parties.

Compensation of key management personnel is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Short-term employee benefits	89,817	74,444
Post-employment benefits	2,427	2,604
Termination benefits	-	1,192
Total key personnel compensation	**92,244**	**78,240**

Note 38.2. Transactions with related parties

Transactions with related parties relate to revenue from retail sales and other services, as well as to costs and expenses related to risk management and technical assistance support, purchase of goods and services received.

The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue	
	January 1 to December 31, 2021	January 1 to December 31, 2020
Joint ventures (1)	132,530	66,170
Grupo Casino companies (2)	7,972	8,219
Controlling entity (3)	-	369
Total revenue	**140,502**	**74,758**

	Costs and expenses	
	January 1 to December 31, 2020	January 1 to December 31, 2020
Joint ventures (1)	89,299	87,211
Grupo Casino companies (2)	60,700	46,525
Controlling entity (3)	9,777	9,848
Members of the Board	1,593	1,736
Total costs and expenses	**161,369**	**145,320**

(1) The amount of revenue and costs and expenses with each joint venture is as follows:

<u>Revenue:</u>

	Compañía de Financiamiento Tuya S.A.		Puntos Colombia S.A.S.	
Description	January 1 to December 31, 2021	January 1 to December 31, 2020	January 1 to December 31, 2021	January 1 to December 31, 2020
Involvement in corporate collaboration agreement	59,049	-	-	-
Commercial activation recovery	52,047	43,739		
Yield on bonus, coupons and energy	14,224	14,122	-	-
Lease of real estate	4,886	5,247	-	-
Services	923	1,836	1,401	1,226
Total revenue	**131,129**	**64,944**	**1,401**	**1,226**

Costs and expenses:

Description	Compañía de Financiamiento Tuya S.A. January 1 to December 31, 2021	Compañía de Financiamiento Tuya S.A. January 1 to December 31, 2020	Puntos Colombia S.A.S. January 1 to December 31, 2021	Puntos Colombia S.A.S. January 1 to December 31, 2020
Cost of customer loyalty program	-	-	83,649	83,064
Commissions on means of payment	5,650	4,147	-	-
Total costs and expenses	**5,650**	**4,147**	**83,649**	**83,064**

(2) Revenue mainly relates to the provision of services and success fees from suppliers. Costs and expenses accrued mainly arise from energy optimization services received and intermediation in the import of goods, procurement of goods and consultancy services.

Revenue by each company is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Casino International	6,783	6,941
International Retail and Trade Services IG.	699	321
Greenyellow Energía de Colombia S.A.S.	442	451
Distribution Casino France	48	499
Casino Services	-	7
Total revenue	**7,972**	**8,219**

Costs and expenses by each company are as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Greenyellow Energía de Colombia S.A.S.	36,152	23,336
Casino Guichard Perrachon S.A.	12,975	10,369
Distribution Casino France	5,329	8,604
Casino Services	2,778	1,288
Euris	1,742	1,669
International Retail Trade and Services	1,681	1,259
Cdiscount S.A.	43	-
Total costs and expenses	**60,700**	**46,525**

(3) Revenue represents a charge to Companhia Brasileira de Distribuição – CBD as consideration for the use of textile own brands in Brazil. Costs and expenses relate to consulting services provided by Companhia Brasileira de Distribuição – CBD.

Note 39. Impairment of assets

Note 39.1. Financial assets

No material losses from the impairment of financial assets were identified at December 31, 2021 and at December 31, 2020.

Note 39.2. Non-financial assets

December 31, 2021

The carrying amount of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment properties, other intangible assets other than goodwill, net working capital items and equity of subsidiaries domiciled in Uruguay and Argentina plus the goodwill balances.

For the purposes of impairment testing, the goodwill obtained via business combinations, trademarks and the rights to exploit trade premises with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units							
	Éxito	**Carulla**	**Surtimax**	**Súper Ínter**	**Surtimayorista (1)**	**Uruguay (2)**	**Argentina (3)**	**Total**
Goodwill (Note 16)	90,674	856,495	37,402	464,332	4,174	1,320,465	251,441	**3,024,983**
Trademarks with indefinite useful life (Note 17)	-	-	17,427	63,704	-	94,319	66,720	**242,170**
Rights with indefinite useful life (Note 17)	17,720	2,771	-	-	-	-	2,047	**22,538**

(1) Even if trade establishments allocated to Surtimayorista cash-generating unit do not have goodwill acquired through business combinations, this value allocated for the purpose of impairment testing results from the change of stores in the Surtimax format to this new format; goodwill allocated to trade establishments of the Surtimax cash-generating unit comes from the business combination in 2007 under the merger with Carulla Vivero S.A. as disclosed in Note 16.

(2) Note 16 discloses a detail of the goodwill allocated to Spice Investments Mercosur S.A., Grupo Disco del Uruguay S.A., Mercados Devoto S.A.,5 Hermanos Ltda., Tipsel S.A., Tedocan S.A. and Ardal S.A.

(3) The goodwill generated from the business combination for the acquisition of the operation of Libertad S.A. is detailed in Note 16. Trademarks with indefinite useful life and rights with indefinite useful life are detailed in Note 17.

The method used for testing the impairment of cash generating units domiciled in Colombia and Uruguay was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets. Regarding the cash generating unit domiciled in Argentina, the method used for testing impairment was the fair value less the cost of selling the real estate portfolio owned by subsidiary Libertad S.A.

The value in use was estimated based on the expected cash flows as forecasted by Company management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses based on past results, expansion plans, strategic projects to increase sales, and optimization plans.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. For the Parent and its subsidiaries, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth.

The tax rate included in the forecast of cash flows is the rate at which the Parent expects to pay its taxes during the next years. The rate used to estimate the impairment of goodwill of the Éxito, Carulla, Surtimax, Súper Ínter and Surtimayorista cash-generating units was 35% for 2022 onwards, rate in force in Colombia at December 31, 2021.

For goodwill allocated to the Uruguay cash-generating unit, the tax rate used was 25%.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the Parent operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 7.40% for 2022 onwards.

The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Uruguay cash-generating unit was 8.55% for 2022 onwards.

The variables that have the greater impact on the determination of the value in use of the cash-generating units are the discount rate and the perpetual growth rate. These variables are defined as follows:

(a) Growth rate in perpetuity: The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 4% above the general price increase in the economy.

(b) Discount rate: The estimation of the discount rate is based on an analysis of the market indebtedness for the Parent; a change is deemed reasonable if the discount rate would increase by 1%, in which event no impairment in the value of the groups of cash-generating units would arise.

The fair value less costs to sell of the real estate portfolio of Libertad S.A. was calculated based on the total appraisals performed by an independent appraiser on all the properties owned by the subsidiary in Argentina. The costs to sell are equivalent to the total liabilities of Libertad S.A. as of December 31, 2021 excluding non-monetary and intercompany items plus a brokerage commission on the sale of real estate equivalent to 3% of the total amount of appraisals.

The impairment of property, plant and equipment is the book value that exceeds the recoverable value; in turn, the recoverable value is the higher of the value in use and the fair value less costs to sell. Assets are grouped into stores, which generate independent cash flows. The method used to calculate the recoverable value was the income approach (value in use) given its adequate approximation to the recoverable value of these assets.

As a result of the observation of signs of impairment and the application of the test, impairment was identified at the Parent in the trade premises of buildings in the Centro Comercial San Mateo in amount of $756 and in the improvements to third-party property of Carulla Torre del Reloj in amount of $239 and at subsidiary Mercados Devoto S.A. in amount of $1,496 regarding improvements to its stores leased property; and impairment recovery at Patrimonio Autónomo Viva Palmas in amount of $580 and Patrimonio Autónomo Viva Sincelejo in amount of $4,198, as detailed in Note 13; the impairment was properly accounted for with a charge to period income as detailed in Note 34.

The method used to test the impairment of investment properties owned by the Parent and its subsidiaries was the revenue approach given its proximity to the fair value of such real-estate property.

As result of the testing, there was a recovery of impairment of Patrimonio Autónomo Viva Palmas in amount of $1,036 and of trade premises owned by the Parent located at Centro Comercial Pereira Plaza in amount of $23 and Lote 111 Rincón de Las Lomas in amount of $1; and impairment of Patrimonio Autónomo Viva Sincelejo in amount of $2,490 and of the property of the Parent Viva Suba in amount of $2,591 and of Surtimax Cota in amount of $2,793, as detailed in Note 14; the impairment was properly accounted for with a charge to period income as detailed in Note 34.

Except for the above, no impairment in the carrying amounts of cash-generating units was identified.

December 31, 2020

The book value of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment properties, other intangible assets other than goodwill, net working capital items and finance lease liabilities associated with working capital items; for subsidiaries domiciled in Uruguay, Argentina and Argentina represents the equity value of such subsidiaries plus the goodwill balances.

For the purposes of impairment testing, the goodwill obtained via business combinations, trademarks and the rights to exploit trade premises with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units							
	Éxito	**Carulla**	**Surtimax**	**Súper Ínter**	**Surtimayorista (1)**	**Uruguay (2)**	**Argentina (3)**	**Total**
Goodwill (Note 16)	90,674	856,495	37,402	464,332	4,174	1,224,794	175,664	**2,853,535**
Trademarks with indefinite useful life (Note 17)	-	-	17,427	63,704	-	85,581	46,613	**213,325**
Rights with indefinite useful life (Note 17)	17,720	-	-	-	-	-	1,132	**18,852**

(1) Even if trade establishments allocated to Surtimayorista cash-generating unit do not have goodwill acquired through business combinations, this value allocated for the purpose of impairment testing results from the change of stores in the Surtimax format to this new format; goodwill allocated to trade establishments of the Surtimax cash-generating unit comes from the business combination in 2007 under the merger with Carulla Vivero S.A. as disclosed in Note 16.

(2) Note 16 discloses a detail of the goodwill allocated to Spice Investments Mercosur S.A., Grupo Disco del Uruguay S.A., Mercados Devoto S.A.,5 Hermanos Ltda., Tipsel S.A., Tedocan S.A. and Ardal S.A.

(3) The goodwill generated from the business combination for the acquisition of the operation of Libertad S.A. is detailed in Note 16. Trademarks with indefinite useful life and rights with indefinite useful life are detailed in Note 17.

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses based on historic results, expansion plans, strategic projects to increase sales and optimization plans; in addition, for the Argentina segment a forecast period of 10 years was used to reflect management's future perspectives more reasonably.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Parent, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth. For subsidiary Libertad S.A., actual growth estimated by Management was maintained beyond the five-year period.

The tax rate included in the forecast of cash flows is the rate at which the Parent expects to pay its taxes during the next years. The rate used to estimate the impairment of goodwill of the Éxito, Carulla, Surtimax, Súper Ínter and Surtimayorista cash-generating units was 31% for 2021 and 30% for 2022 onwards, rates in force in Colombia at December 31, 2020.

For goodwill allocated to the Uruguay cash-generating unit, the tax rate used was 25%. For goodwill allocated to the Argentina cash-generating unit, the tax rate used was 25%.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the Parent operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 5.63% for 2021, 6.55% for 2022 and 2023, 6.46% for 2024 and 6.55 for 2025 onwards.

The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Uruguay cash-generating unit was 11.0% for 2021, 10.3% for 2022, 9.4% for 2023, 9.3% for 2024 and 9.4% for 2025 onwards.

The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Argentina cash-generating unit was 58.1% for 2021, 47.9% for 2022, 38.9% for 2023, 33.5% para 2024, 30.2% for 2025, 27.8% for 2026, 26.4% for 2027, 25.3% for 2028, 22.1% for 2029 and 19.6% for 2030 onwards.

The variables that have the greater impact on the determination of the value in use of the cash-generating units are the discount rate and the perpetual growth rate. These variables are defined as follows:

(a) Growth rate in perpetuity: The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

(b) Discount rate: The estimation of the discount rate is based on an analysis of the market indebtedness for the Parent; a change is deemed reasonable if the discount rate would increase by 1.00%, in which event no impairment in the value of the groups of cash-generating units would arise.

As a result of this analysis, impairment in amount of $9,266 was identified in exploitation rights of commercial premises, due to the closure of such premises at Éxito for $2,136, Surtimax for $1,524 and Súper Ínter for $5,606, as detailed in Note 17; the impairment was properly accounted for with a charge to period results as detailed in Note 34.

The method used to test the impairment of investment properties owned by the Parent and its subsidiaries was the revenue approach given its proximity to the fair value of such real-estate property. As a result of this test, the following investment properties were identified as impaired: Pereira Plaza Shopping Center in amount of $111 and Rincón de las Lomas plot of land in amount of $1; and the real estate properties of Patrimonio Autónomo Viva Sincelejo in amount of $6,395 and of Patrimonio Autónomo Viva Palmas in amount of $907, as detailed in Notes 13 and 14; impairment was properly recorded with charge to period results, as detailed in Note 34.

Except for the above, no impairment in the carrying amounts of cash-generating units was identified.

Note 40. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities and of non-financial assets and liabilities of the Parent and its subsidiaries at December 31, 2021 and at December 31, 2020 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying amounts are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	December 31, 2021		December 31, 2020	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	22,363	20,871	37,618	35,491
Investments in private equity funds (Note 12)	1,476	1,476	1,468	1,468
Forward contracts measured at fair value through income (Note 12)	11,057	11,057	4	4
Derivative *swap* contracts denominated as hedge instruments (Note 12)	6,023	6,023	566	566
Investment in bonds (Note 12)	6,896	6,828	31,307	31,315
Investment in bonds through other comprehensive income (Note 12)	18,716	18,716	17,064	17,064
Equity investments (Note 12)	10,676	10,676	10,637	10,637
Non-financial assets				
Investment property (Note 14)	1,656,245	2,797,335	1,578,746	2,577,877
Property, plant and equipment, and investment property held for trading (Note 48)	24,601	24,601	19,942	19,942
Financial liabilities				
Financial liabilities and finance leases (Note 20)	907,141	895,472	1,038,276	1,039,011
Put option (1) (Note 20)	509,870	509,870	417,386	417,386
Swap contracts denominated as hedge instruments (Note 27)	242	242	1,246	1,246
Forward contracts measured at fair value through income (Note 27)	592	592	16,492	16,492
Derivative swap contracts measured at fair value through income (Note 27)	-	-	825	825
Non-financial liabilities				
Customer loyalty liability (Note 28)	37,015	37,015	29,180	29,180

(1) The development of the put option measurement during the period was:

Balance at December 31, 2020	**417,386**
Changes in the fair value and effects of translation recognized in investments.	92,484
Balance at December 31, 2021	**509,870**

The following methods and assumptions were used to estimate the fair values:

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the preclosing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets daily.	N/A
Forward contracts measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed- upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. 12-month CPI
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using IDC curves and discounting them at present value, using *swap* IDC market rates, both as displayed by BM&FBovespa.	IDC curve IDC rate for swaps
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices listed in active markets if companies are listed; in all other cases, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants may generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for investments under similar conditions on the date of measurement in accordance with maturity days.	CPI 12 months + Basis points negotiated

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of goods from a survey of recent offers or transactions for goods that are similar and comparable to those being appraised.	N/A
Investment property	Level 3	Discounted cash flows method	This technique provides the opportunity to identify the increase in revenue over a previously defined period of the investment. Property value is equivalent to the discounted value of future benefits. Such benefits represent annual cash flows (both, positive and negative) over a period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital Growth in lessee sales Vacancy Growth in income
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable value
Investment property	Level 3	Replacement cost method	The valuation method consists in calculating the value of a brand-new property, built at the date of the report, having the same quality and comforts as that under evaluation. Such value is called replacement value; then an analysis is made of property impairment arising from the passing of time and the careful or careless maintenance the property has received, which is called depreciation.	Physical value of building and land.
Non-current assets classified as held for trading	Level 2	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable Value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. 12-month CPI
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the *forward contract.* Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows provided by the operation upon market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)
Customer loyalty liability	Level 3	Market value	The customer loyalty liability is updated in accordance with the point average market value for the last 12 months and the effect of the expected redemption rate, determined on each customer transaction.	Number of points redeemed, expired and issued. Point value. Expected redemption rate.
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity days.	12-month CPI
Lease liabilities	Level 2	Discounted cash flows method	Future cash flows of lease contracts are discounted using the market rate for loans in similar conditions on contract start date in accordance with the irrevocable minimum term.	Reference Banking Index (RBI) + basis points in accordance with risk profile.
Put option	Level 3	Given formula	Measured at fair value using a given formula under an agreement executed with non-controlling interests of Grupo Disco, using level 3 input data.	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2021 and 2020 US Dollar-Uruguayan peso exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A.

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data

Material non-observable input data and a valuation sensitivity analysis on the valuation of the "*put option contract*" refer to:

	Material non-observable input data	Range (weighted average)	Sensitivity of the input data on the estimation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2021	$121,257	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 12 months	$173,097	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	($179,693)	
	Fixed contract price	$556,709	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	$44.70	
	US Dollar-Colombian peso exchange rate on the date of valuation	$3,981.16	
	Total shares Supermercados Disco del Uruguay S.A.	443.071.575	

The Parent identifies whether transfers between fair value hierarchy levels have occurred, through a change in valuation techniques, in such a way that the new measurement is the most accurate picture of the new fair value of the appraised asset or liability.

Changes in hierarchies may occur if new information is available, certain information used for valuation is no longer available, there are changes resulting in the improvement of valuation techniques or changes in market conditions.

There were no transfers between level 1 and level 2 hierarchies during the annual period ended December 31, 2021.

Note 41. Contingent assets and liabilities

Note 41.1. Contingent assets

No material contingent assets have been recognized by the Parent and its subsidiaries at December 31, 2021 and at December 31, 2020.

Note 41.2. Contingent liabilities

Contingent liabilities at December 31, 2021 and at December 31, 2020 are:

(a) The following proceedings are underway, seeking that the Parent be exempted from paying the amounts claimed by the complainant entity:

- Administrative discussion with DIAN amounting to $32,225 (December 31, 2020 - $29,963) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015. In September 2021, the DIAN served a new notice reaffirming their proposal. However, external advisors regard the proceeding as a contingent liability.

- Resolutions by means of which the District Tax Direction of Bogotá issued to the Parent an official revision settlement of the Industry and Trade tax for the bimonthly periods 4, 5 and 6 of 2011 on the grounds of alleged inaccuracy in payments, in amount of $11,830 (December 31, 2020 - $11,830).

- Resolutions issued by the District Finance Direction of Bogotá by means of which the Industry and Trade tax return of the Parent for the bimonthly periods 2, 3, 4, 5 and 6 of 2012 were amended on the grounds of alleged inaccuracy in payments in amount of $-(December 31, 2020 - $5,000). This contingency was classified as of remote occurrence in June 2021.

- Claim on the grounds of failure to comply with contract conditions, asking for damages arising from the purchase-sale of a property in amount of $2,600 (December 31, 2020 - $2,600).

- Resolution and official assessment imposing penalties on the Parent on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $- (December 31, 2020 - $940). In June 2021, this contingency was classified as probable and carried under other provisions.

(b) Other proceedings:

- Lawsuit filed against Parent on the grounds of third party liability amounting to $- (December 31, 2020 - $500) for alleged injuries to a customer at Éxito Santa Marta store premises.

(c) Other contingent liabilities:

- Since June 1, 2017, the Parent granted a collateral on behalf its subsidiary Almacenes Éxito Inversiones S.A.S. to cover a potential default of its obligations. On August 11, 2021 the amount was updated to $2,935.
- The Parent acts as the principal of a bank guarantee in amount of $95 in favor of Bolsa Mercantil de Colombia.
- Subsidiary Éxito Viajes y Turismo S.A.S. granted a collateral in favor of Aerovías del Continente Americano S.A. in amount of $325.
- Subsidiary Éxito Viajes y Turismo S.A.S. is defendant in a consumer protection action under Section 4 of Decree 557 of the Ministry of Commerce, Industry and Tourism, with scope from the state of sanitary emergency declared on March 12, 2020 in amount of $915 covering 198 proceedings.
- As required by some insurance companies and as a requirement for the issuance of compliance bonds, during 2021 some subsidiaries and the Parent, as joint and several debtor of some of its subsidiaries, have granted certain guarantees to these third parties. Below a detail of guarantees granted:

Type of guarantee	Description and detail of the guarantee	Insurance company
Unlimited promissory note	Compliance bond The Parent acts as joint and several debtor of Patrimonio Autónomo Viva Barranquilla	Seguros Generales Suramericana S.A.
Unlimited promissory note	Compliance bond granted by Éxito Industrias S.A.S.	Seguros Generales Suramericana S.A.
Unlimited promissory note	Compliance bond granted by Éxito Viajes y Turismo S.A.	Berkley International Seguros Colombia S.A.

These contingent liabilities, whose nature is that of potential liabilities, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Note 42. Offsetting of financial assets and liabilities

Below is a detail of financial assets and financial liabilities that are shown offset in the statement of financial position:

Year	Financial assets	Gross value of financial assets recognized	Gross value of related financial liabilities recognized	Net value of financial assets recognized
2021	Derivative financial instruments designated as hedge instruments (Note 12) (1)	-	-	6,023
	Derivative financial instruments (Note 12) (1)	-	-	11,057
2020	Derivative financial instruments designated as hedge instruments (Note 12) (1)	-	-	566
	Derivative financial instruments (Note 12) (1)	-	-	4

Year	Financial liabilities	Gross value of financial liabilities recognized	Gross value of related financial assets recognized	Net value of financial liabilities recognized
2021	Derivative financial instruments (Note 27) (1)	-	-	592
	Derivative financial instruments designated as hedge instruments (Note 27) (1)	-	-	242
	Trade payables and other accounts payable (2)	3,740,287	356,375	3,383,912
2020	Derivative financial instruments (Note 27) (1)	-	-	17,317
	Derivative financial instruments designated as hedge instruments (Note 27) (1)	-	-	1,246
	Trade payables and other accounts payable (2)	3,570,700	385,437	3,185,263

(1) The Parent and its subsidiaries carry out derivative transactions and enter hedge *forward* and *swap* contracts to hedge against fluctuation in exchange rates and interest rates on accounts payable and financial liabilities. Such items are measured at fair value. Note 40 discloses the fair value of these financial instruments. For 2021, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, reason why rights and obligations cannot be individualized.

(2) The Parent and its subsidiaries have executed offsetting agreements with suppliers, arising from the acquisition of inventories. Such items are included in trade payables.

No uncleared amounts related to collaterals or other financial instruments have been recognized in the Parent's and its subsidiaries' statement of financial position.

Note 43. Dividends declared and paid

At December 31, 2021

The Parent's General Meeting of Shareholders held on March 25, 2021, declared a dividend of $173,223, equivalent to an annual dividend of $387 per share (*), payable as follows:

a. To minor shareholders (non-controlling interests) in one single payment on April 5, 2021, and

b. To the major shareholder in two instalments: 33% payable on April 5, 2021 and 67% payable on September 1, 2021.

Dividends paid during the annual period ended December 31, 2021 amounted to $173,174.

(*) Expressed in Colombian pesos.

Dividends declared and paid to the owners of non-controlling interests in subsidiaries during the annual period ended December 31, 2021 are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Malls	63,487	69,550
Grupo Disco del Uruguay S.A.	44,205	42,758
Patrimonio Autónomo Viva Villavicencio	6,414	5,639
Patrimonio Autónomo Centro Comercial	3,825	3,193
Éxito Viajes y Turismo S.A.S.	3,463	3,463
Patrimonio Autónomo Viva Laureles	1,869	1,829
Patrimonio Autónomo Centro Comercial Viva Barranquilla	1,279	1,251
Patrimonio Autónomo San Pedro Etapa I	1,247	1,058
Patrimonio Autónomo Viva Sincelejo	1,075	1,568
Patrimonio Autónomo Viva Palmas	909	-
Total	**127,773**	**130,309**

At December 31, 2020

The Parent's General Meeting of Shareholders held on March 19, 2020, declared a dividend of $1,091,259, equivalent to an annual dividend of $2,438 per share (*), payable in one single instalment between the first and the eleventh working day of April 2020.

Dividends paid during the annual period ended December 31, 2020 amounted to $1,125,518.

(*) Expressed in Colombian pesos.

Dividends declared and paid to the owners of non-controlling interests in subsidiaries during the annual period ended December 31, 2020 are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Malls	40,821	20,948
Grupo Disco del Uruguay S.A.	18,630	19,536
Patrimonio Autónomo Viva Villavicencio	6,880	8,931
Patrimonio Autónomo Viva Sincelejo	3,671	2,264
Patrimonio Autónomo Centro Comercial	2,282	2,665
Patrimonio Autónomo Viva Laureles	1,416	1,432
Patrimonio Autónomo San Pedro Etapa I	573	679
Patrimonio Autónomo Centro Comercial Viva Barranquilla	301	258
Total	**74,574**	**56,713**

Note 44. Leases

Note 44.1. Finance leases when the Parent and its subsidiaries are the lessees

The Parent and its subsidiaries have executed finance lease agreements on property, plant and equipment. Total minimum instalments and present values thereof under finance lease agreements are as follows:

	December 31 2021	December 31 2020
Up to one year	-	3,857
From 1 to 5 years	-	3,143
Minimum instalments under finance leases	**-**	**7,000**
Future financing expense	-	(152)
Total net minimum instalments on finance leases (1)	**-**	**6,848**

(1) During 2021 the Parent terminated early the finance lease agreements on the lease of property, plant and equipment.

No contingent instalments were recognized in income during the reporting periods.

Note 44.2. Operating leases when the Parent and its subsidiaries are the lessees

Contracts recognized as operating leases relate to leases whose underlying assets are low-cost assets, such as furniture and fixtures, computers, machinery and equipment and office equipment, lease contracts regarding all underlying assets with terms of less than one year, and lease contracts on intangible assets, which were excepted from the requirements of IFRS 16. Lease contracts on stores with a variable lease instalment are also recognized as operating leases, which are exempted from the requirements of IFRS 16.

At December 31, 2021, the lease expense and cost arising from the operating lease contracts recognized in income amounted to $49,664 (December 31, 2020 - $46,493).

Note 44.3. Operating leases when the Parent and its subsidiaries are the lessors

The Parent and its subsidiaries have executed operating lease agreements on investment properties. Total future minimum instalments under irrevocable operating lease agreements for the reporting periods are:

	December 31 2021	December 31 2020
Up to one year	204,750	156,734
From 1 to 5 years	244,942	224,789
More than 5 years	153,603	162,052
Total minimum instalments under irrevocable operating leases	**603,295**	**543,575**

The Parent and its subsidiaries made an analysis and concluded that operating lease agreements cannot be cancelled during its term. Prior agreement of the parties is needed to terminate and a minimum cancellation payment is required ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining term.

At December 31, 2021 revenue from leases recognized in income amounted to $302,262 (December 31, 2020 - $218,528) including revenue from the lease of investment property in amount of $300,541 (December 31, 2020 - $220,706). Contingent instalments included in the revenue from leases amounted to $162,172 (December 31, 2020 - $147,828).

Note 45. Seasonality of transactions

The Parent's and it subsidiaries'' operation cycles indicate certain seasonality in operating and financial results; for the Parent and its Colombian subsidiaries, there is a concentration during the last quarter of the year, mainly because of Christmas and "Special Price Days", which is the second most important promotional event of the year; for foreign subsidiaries there is a concentration during the first half of the year, mainly arising from carnivals and Easter, and during the last quarter of the year, because of Christmas.

Note 46. Financial risk management policy

The Parent's and its subsidiaries' financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued.

The Parent and its subsidiaries maintain instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Parent and its subsidiaries use derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

At December 31, 2021 and at December 31, 2020, the Parent's and its subsidiaries' financial instruments were comprised of:

	December 31 2020	December 31 2020
Financial assets		
Cash and cash equivalents (Note 7)	2,541,579	2,409,391
Trade receivables and other accounts receivable (Note 8)	684,051	504,910
Accounts receivable from related parties (Note 10) (1)	56,475	39,458
Other financial assets (Note 12)	54,961	61,103
Total financial assets	**3,337,066**	**3,014,862**
Financial liabilities		
Accounts payable to related parties (Note 23) (1)	65,646	50,487
Trade payables and other accounts payable (Note 24)	5,186,555	4,678,146
Financial liabilities (Note 20)	1,417,011	1,455,662
Lease liabilities (Note 25)	1,594,643	1,542,895
Other financial liabilities (Note 27)	81,544	87,383
Total financial liabilities	**8,345,399**	**7,814,573**
Net (liability) exposure	**(5,008,333)**	**(4,799,711)**

(1) Transactions with related parties refer to transactions between the Parent and its associates, joint ventures and other related parties, and are carried in accordance with market general prices, terms and conditions.

Considerations of risk factors that may have an effect on the Parent's business

General risk management framework

The Parent has implemented a Comprehensive Risk Management system that covers the various risk management levels: strategic, tactic or business-related and operating.

Activities, roles and accountabilities are defined in the risk management model implemented by the Parent and endorsed by the Audit and Risk Committee, in the context of risk policy guidelines.

During 2021, in compliance with the comprehensive risk management policy and in order to ensure the continuity and sustainability of the business and the operation, an analysis of the main risks and trends was conducted in light of the internal and external context and global and industry risk trends, with the participation and leadership of Senior Management, where a new strategic risk profile was obtained and risk management strategies were defined and implemented. Risks at this level were reviewed by the Audit and Risk Committee and endorsed by the Board of Directors of the Parent. Likewise, such analysis was applied to the various business of subsidiaries.

The Parent made progress in the process of redefining the new governance, risk and compliance model (GRC Model), seeking to integrate risk management into the Company's control architecture and developing operational risk management as part of the self-control program.

In accordance with such control architecture, controls have been implemented at all levels, processes and areas of the Parent, through a set of defined principles, regulations, procedures and verification and assessment mechanisms.

Some of the monitoring mechanisms put in place to achieve control purposes are:
- A compliance process from which the system for the prevention and control of money-laundering and the financing of terrorism, the transparency program and the system for protection of personal data are managed in a comprehensive manner;
- Periodic risk management reports;
- An assessment of operating effectiveness of controls arising from the implementation of the Sox Act, and
- The self-control program, currently being redesigned, which allows a self-assessment of the most critical risks and key controls by process leaders, and a definition of corrective action plans wherever deviations are identified;
- All other control systems managed from the various processes that make the first and second defense line.

Risk management and internal control system reporting bodies:
- At a strategic level: Board of Directors, Audit and Risk Committee, Presidency Committee and Senior Management Committee.
- At a tactic level: Business responsible parties and Risk Internal Committee.
- At an operating level: Process owners through self-control.

Internal audit, in an independent and objective manner, assesses the organizational internal control and risk management system.

The Board of Directors, through the Audit and Risk Committee, supervised the information and financial reporting processes, comprehensive risk management, review of the progress and significant situations in the implementation of the Sox Act, review of the internal control system and architecture, including follow-up on the management of the Internal Audit and Statutory Auditor, compliance with the regulations applicable to the Company, the transparency program, the personal data protection system and the system for the prevention and control of money laundering and financing of terrorism. Also, transactions among related parties and the resolution of conflicts of interests between senior management and the Board of Directors were submitted to the consideration of the Audit Committee.

Financial risk management

Besides derivative instruments, the most significant of the Parent's financial liabilities include debt, finance lease liabilities and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is financing Parent's and its subsidiaries' operations and maintaining proper levels of working capital and net financial debt.

The most significant of the Parent's and its subsidiaries' financial assets include loans, trade debtors and other accounts receivable, cash and short-term placements directly resulting from day-to-day transactions. The Parent and its subsidiaries also have other investments classified as financial assets measured at fair value, which, according to the business model, have effects in income for the period or in other comprehensive income. Further, other rights may arise from transactions with derivative instruments and will be carried as financial assets.

The Parent and its subsidiaries are exposed to market, credit and liquidity risks. Parent's and its subsidiaries' management monitor the manner in which such risks are managed, through the relevant bodies of the organization designed for such purpose. The scope of the Board of Directors' activities includes a financial committee that oversees such financial risks and the financial risk management corporate framework that is most appropriate. The financial committee supports Parent's and its subsidiaries' management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management activities related to all transactions with derivative instruments are carried out by teams of specialists with the required skills and experience, who are supervised by the organizational structure. Pursuant to the Parent's and its subsidiaries' corporate policies, no transactions with derivative instruments may be carried out solely for speculation. Even if hedge accounting models not always are applied, derivatives are negotiated based on an underlying element that in fact requires such hedging in accordance with internal analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

a. Credit risk

A credit risk is the risk that a counterpart fails to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Parent and its subsidiaries are exposed to credit risk arising from their operating activities (particularly from trade debtors) and from their financial activities, including deposits in banks and financial institutions and other financial instruments. The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial entities is managed pursuant to corporate policies defined for such purpose. Surplus funds are only invested with counterparties approved by the Board of Directors and within previously established jurisdictions. On an ongoing basis, management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Parent and its subsidiaries sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Parent's and its subsidiaries' exposure to risk. In addition, there are administrative collections departments that permanently monitor ratios, figures, payment behaviors and risk models by each third party.

There are no trade receivables that individually are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Collaterals

The Parent and its subsidiaries do not grant guarantees, collaterals or letters of credit, nor they issue filled-in or blank securities, or other liens or contingent rights in favor of third parties. Exceptionally they may impose liens, depending on the relevancy of the business, the amount of the contingent liability and the benefit to the Parent or its subsidiaries. In addition, there are certain promissory notes used in the regular course of the operation with banks and treasury. As of December 31, 2021, the Parent is listed as grantor of a guarantee in favor of its subsidiary Almacenes Éxito Inversiones S.A.S. in amount of $2,935 to cover possible default of its obligations, acts as principal of a bank guarantee in amount of $95 in favor of Bolsa Mercantil de Colombia and acts as joint and several debtor of subsidiary Patrimonio Autónomo Centro Comercial Viva Barranquilla at the request of some insurance companies and as a requirement for the issuance of compliance bonds. Éxito Viajes y Turismo S.A.S. granted a collateral in favor of Aerovías del Continente Americano S.A. in amount of $325. Subsidiaries Exito Industrias S.A.S. and Éxito Viajes y Turismo S.A.S. granted some guarantees to insurance companies and as a requirement for the issuance of compliance bonds.

b. Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on the Parent's and its subsidiaries' revenue or on the value of the financial instruments it holds. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the risk that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Parent's and its subsidiaries' exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Parent and its subsidiaries.

Most of the Parent's and its subsidiaries' financial liabilities are indexed to market variable rates. To manage the risk, the Parent and its subsidiaries perform financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which they agree on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated over an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. The Parent's and its subsidiaries' exposure to exchange rate risk is attached to passive transactions in foreign currency associated with long-term debt liabilities and with the Parent's and its subsidiaries' operating activities (wherever revenue and expenses are denominated in a currency other than the functional currency), as well as with the Parent's and its subsidiaries' net investments abroad.

The Parent and its subsidiaries manage their exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, Parent's and its subsidiaries' policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. Not all financial derivatives are classified as hedging transactions; however, Parent's and its subsidiaries' policy is not to carry out transactions solely for speculation, and consequently even if not classified as hedge accounting, derivative financial instruments are associated to an underlying element and a notional amount that expose the Parent to variations in exchange rates.

At December 31, 2021 and at December 31, 2020, the Parent and its Colombian subsidiaries had hedged almost 100% of their purchases and liabilities in foreign currency.

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the Parent's stock price. The main purpose of managing Parent's equity is to maximize the value to shareholders.

The Parent manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements under financial clauses. To maintain and adjust its capital structure, the Parent may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

c. Liquidity risk

Liquidity risk is the risk that the Parent and its subsidiaries face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. Parent's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary or stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Parent and its subsidiaries manage liquidity risks by daily monitoring their cash flows and maturities of financial assets and liabilities, and by maintaining proper relations with the relevant financial institutions.

The purpose of the Parent and its subsidiaries is to maintain a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to requirements, unused credit lines available from financial institutions and finance leases, among other mechanisms. At December 31, 2021 approximately 18% of the Parent's and its subsidiaries' debt will mature in less than one year (December 31, 2020 - 67%) considering the book value of borrowings included in the accompanying financial statements.

The Parent and its subsidiaries have rated as low the concentration of the liquidity risk with no great restriction for the payment of financial liabilities maturing within twelve months of the closing of the annual period ended December 31, 2021. Access to financing sources is properly assured.

The following table shows a profile of maturities of the Parent's and its subsidiaries' financial liabilities based on non-discounted contractual payments arising from the relevant agreements.

At December 31, 2021	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Finance lease liabilities, gross	-	-	-	-
Other relevant contractual liabilities	160,436	772,052	83,445	1,015,933
Total	**160,436**	**772,052**	**83,445**	**1,015,933**

At December 31, 2020	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Finance lease liabilities, gross	3,857	3,144	-	7,001
Other relevant contractual liabilities	681,384	383,861	24,680	1,089,925
Total	**685,241**	**387,005**	**24,680**	**1,096,926**

<u>Sensitivity analysis for 2021 balances</u>

From a statistical standpoint, the Company assessed the potential changes in interest rates of financial liabilities and other significant contract liabilities.

Assuming complete normality and considering 10% variation in interest rates, three scenarios have been assessed:

- Scenario I: Latest interest rates known at the closing of 2021.
- Scenario II: An increase of 0.3418% is assumed for the Banking Reference Rate. This increase is on the latest published interest rate.
- Scenario III: A decrease of 0.3418% is assumed for the Banking Reference Rate. This reduction is on the latest published interest rate.

The sensitivity analysis did not result in significant variance among the three scenarios and consequently they are not perceptible when rounding amounts to millions. Potential changes are as follows:

Operations	**Risk**	**Balance at December 31, 2021**	**Market forecast**		
			Scenario I	**Scenario II**	**Scenario III**
Borrowings	Changes in interest rates	907,141	897,958	904,503	894,682
Total		**907,141**	**897,958**	**904,503**	**894,682**

d. Insurance policies

At December 31, 2021, the Parent and its subsidiaries have acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, damages and loss of profits	In accordance with replacement and reconstruction amounts, with a maximum limit of liability for each policy.	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, facility improvements, loss of profits and other property of the insured party.
Transport of goods and money	In accordance with the statement of transported values and a maximum limit per dispatch. Differential limits and sub-limits apply by coverage.	Property and goods owned by the insured that are in transit, including those on which it has an insurable interest.
Third party liability	Differential limits and sub-limits apply by coverage.	Covers damages to third parties in development of the operation.
Director's and officers' third party liability insurance	Differential limits and sub-limits apply by coverage.	Covers claims against directors and officers arising from error or omission while in office.
Deception and financial risks	Differential limits and sub-limits apply by coverage.	Loss of money or securities in premises or in transit. Willful misconduct of employees that result in financial loss.
Group life insurance and personal accident insurance	The insured amount relates to the number of wages defined by the Company.	Death and total and permanent disability arising from natural or accidental events.
Vehicles	There is a defined ceiling per each coverage	Third party liability. Total and partial loss - Damages. Total and partial loss - Theft Earthquake Other coverages as described in the policy.
Cyber risk	Differential limits and sub-limits apply by coverage.	Direct losses arising from malicious access to the network and indirect losses from third party liability whose personal data have been affected by an event covered by the policy.

e. Derivative financial instruments

As mentioned above, the Parent and its subsidiaries use derivative financial instruments to hedge risk exposure, with the main purpose of hedging exposure to interest rate risk and exchange rate risk, turning the financial debt into fixed interest rates and domestic exchange rates.

At December 31, 2021, the reference value of these contracts amounted to COP 302.71 million (interest rate swaps), USD 104.5 million and EUR 6.83 million (December 31, 2020 – USD 54.49 million and EUR 5.25 million). Such transactions are generally contracted under identical conditions regarding amounts, terms and transaction costs and, preferably, with the same financial institutions, always in compliance with the Parent's and its subsidiaries' limits and policies.

Pursuant to the Parent's and its subsidiaries' policies, swaps may be acquired with restriction, with prior authorization of the Parent and its subsidiaries.

The Parent and its subsidiaries have designed and implemented internal controls to ensure that these transactions are carried out in compliance with previously defined policies.

f. Fair value of derivative financial instruments

The fair value of derivative financial instruments is estimated under the operating cash flow forecast model, using government treasury security curves in each country and discounting them at present value, using market rates for swaps as disclosed by the relevant authorities in such countries.

Swap market values were obtained by applying market exchange rates valid on the date of the financial information available, and the rates are forecasted by the market based on currency discount curves. A convention of 365 consecutive days was used to calculate the coupon of foreign currency indexed positions.

Note 47. Information on operating segments

Total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

Reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Carulla.
- Low cost and other (Surtimax, Súper Inter, B2B and Surti Mayorista): The most significant products and services in this segment come solely from retailing activities, with stores under the banners Surtimax, Súper Inter, Surti Mayorista and B2B format.

Argentina:

- The most significant products and services in this segment come solely from retailing activities in Argentina, with stores under the banners Libertad and Mini Libertad.

Uruguay:

- The most significant products and services in this segment come solely from retailing activities in Uruguay, with stores under the banners Disco, Devoto and Géant.

Accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

Retail sales by each of the segments for the annual periods ended December 31, 2021 and December 31, 2020 are as follows:

Geographic segment	Operating segment	January 1 to December 31, 2021	January 1 to December 31, 2020
Colombia	Éxito	8,581,274	8,049,347
	Carulla	1,782,355	1,769,277
	Low cost and other	1,920,768	1,824,061
Argentina		1,178,166	847,060
Uruguay		2,643,858	2,654,336
Total sales		**16,106,421**	**15,144,081**
Eliminations		(665)	(2,837)
Consolidated total (Note 31)		**16,105,756**	**15,141,244**

Below is additional information by geographic segment:

	At December 31, 2021					
	Colombia	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	12,284,397	1,178,166	2,643,858	16,106,421	(665)	16,105,756
Trade margin	3,099,453	412,465	921,140	4,433,058	471	4,433,529
Total recurring expenses	(2,344,855)	(396,022)	(704,635)	(3,445,512)	2	(3,445,510)
ROI	754,598	16,443	216,505	987,546	473	988,019
Recurring Ebitda	1,221,557	41,316	272,057	1,534,930	473	1,535,403

	At December 31, 2020					
	Colombia	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	11,642,685	847,060	2,654,336	15,144,081	(2,837)	15,141,244
Trade margin	2,758,438	282,994	913,563	3,954,995	1,934	3,956,929
Total recurring expenses	(2,229,763)	(285,007)	(688,320)	(3,203,090)	(11)	(3,203,101)
ROI	528,675	(2,013)	225,243	751,905	1,923	753,828
Recurring Ebitda	976,294	16,026	277,618	1,269,938	1,923	1,271,861

(1) For information reporting purposes, non-operating companies (holding companies that hold interests in the operating companies) are allocated by segments to the geographic area to which the operating companies belong. Should the holding company hold interests in various operating companies, it is allocated to the most significant operating company.

(2) Relates to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.

Note 48. Non-current assets held for trading and Discontinued operations

Non-current assets held for trading

Parent management started a plan to sell certain property seeking to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Parent. Consequently, certain property, plant and equipment and certain investment property were classified as non-current assets held for trading.

The balance of non-current assets held for trading, included in the statement of financial position, is as follows:

	December 31 2021	December 31 2020
Property, plant and equipment (1)	16,340	11,416
Investment property (2)	8,261	8,526
Total	**24,601**	**19,942**

(1) Represents the following properties:

	December 31 2021	December 31 2020
Villa Maria trade premises (a) (Note 48.2)	16,340	11,416
Total	**16,340**	**11,416**

(a) A property owned by subsidiary Libertad S.A. held for trading since December 2019.

(2) Represents the following real estate property:

	December 31 2021	December 31 2020
Lote La Secreta (land) (Note 48.2)	5,208	5,465
Kennedy trade premises (building) (Note 48.2) (a)	1,640	1,640
Kennedy trade premises (land) (Note 48.2) (a)	1,229	1,229
Lote La Secreta (construction in progress) (Note 48.2)	184	192
Total	**8,261**	**8,526**

(a) The Parent believes that this asset will be sold during the first half of 2022.

No revenue or expense have been recognized in income or in other comprehensive income related with the use of these assets.

Discontinued operations

As part of its operation strategy, in August 2019 the Parent decided to close trading operations of subsidiary Transacciones Energéticas S.A.S. E.S.P. (Note 1.2). Based on such decision, the retained earnings of this subsidiary at December 31, 2020 were shown in the consolidated statement of income as net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries. During 2021 and as part of the transition process of its commercial operation at December 2021, the subsidiary changed its corporate name, its corporate purpose and its commercial operation and was additionally capitalized by the Parent in $40,862, thus overcoming the special grounds for dissolution accrued at December 31, 2020. As a consequence of this change in the corporate name, the corporate purpose and the capitalization made in August 2021 and October 2021, the subsidiary has resumed its operation (which consists of the commercialization of electric power) and its accumulated results since October 1, 2021 are again included in the consolidated statement of income together with other consolidated results of the Parent and its other subsidiaries.

The effect of such discontinued operations in the consolidated statement of income is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net (loss) Transacciones Energéticas S.A.S. E.S.P. (Note 1.2.) (Note 48.1)	(280)	(1,201)
Net (loss) from discontinued operations	**(280)**	**(1,201)**

Note 48.1. Transacciones Energéticas S.A.S. E.S.P. (Note 1.2)

Below is the result of the discontinued operation of Transacciones Energéticas S.A.S. E.S.P (Note 1.2):

	January 1 to September 30, 2021	January 1 to December 31, 2020
Revenue from ordinary activities	-	-
Cost of sales	-	-
Gross profit	**-**	**-**
Distribution, administration and sales expenses	(226)	(348)
(Loss) from operating activities	**(226)**	**(348)**
Net financial expenses	(1)	(794)
(Loss) before income tax	**(227)**	**(1,142)**
Tax (expense)	(53)	(59)
Net period (loss) from the discontinued operation	**(280)**	**(1,201)**
(Loss) attributable to:		
Shareholders of the controlling entity	**(280)**	**(1,201)**
Non-controlling interests	**-**	**-**

Note 48.2. Facts and circumstances that extend the selling period of non-current assets held for trading to more than one year.

At December 31, 2021, external factors beyond the control of management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and profitable caused management to reconsider the original selling schedule for certain non-current assets held for trading.

Some of the external factors that had an effect on the sale transaction schedule at the closing of December 31, 2021 were:

- Consumer confidence declined sharply during 2020, reaching levels of -41.3% in months such as April. Although in the last months of that year there was some recovery, during 2021 it continued negative and the last measurement of December 2021 stood at -7.0%, according to Fedesarrollo's estimates.

- Consumption expenditure has been greatly impacted by the Covid-19 emergency and further reduction was experienced during the first half of 2021 due to new peaks of the pandemic.

- Devaluation of the Colombian peso against the dollar was 14.2% in 2021, placing the Colombian peso as the most devalued currency in the world, above countries such as Turkey and Argentina.

- The country risk measured through Credit Default Swaps (CDS), which is the country's credit spread, increased 100 basis points, from 130 to 230, which means that foreigners perceive a country with higher risk.

- Personnel employed by retail trade, measured on a twelve-month basis at November 2021 decreased 1.9%.

During 2020 and 2021 the actions developed by the senior management of the Parent and its subsidiaries and its internal teams knowledgeable of the real estate market potential in conjunction with independent real estate commission agents to finalize the sale of real estate assets have been specific and focused on each property to guarantee the feasibility of the sale, ensure that properties are free from legal issues, and obtain value-added economic proposals.

Developments in the selling process at December 31, 2021 are as follows:

- Lote La Secreta. Negotiation closed with buyer during 2019. At December 31, 2021, 14.10% of the payment for the property has been delivered and received. The remainder of the asset will be delivered coincident with the asset payments to be received with the following schedule: 23.39% in 2022, 20.43% in 2023, 1.19% in 2024 and 40.88% in 2025. The public deed of contribution to the trust was granted on December 1, 2020 and taken to public record on December 30, 2020.

- Kennedy trade premises. The preemptive right of the lessee expired during the third quarter of 2020. As a consequence of such expiry, the property may undergo a public offering process with the support of brokerage firms. Upon termination of the contract, a new monthly lease fee was negotiated with the tenant, which has generated better expectations of the value of the property in the market and in the current sale process because it is a property with a better return on investment for potential buyers.

- Villa Maria trade premises. The sale of the property was closed on December 28, 2021 for USD 4.5 million. At the time of execution of the contract, subsidiary Libertad S.A. received USD 520,000 and expects to receive up to 70% during the first semester of 2022, time when the property will be delivered to the new owner and revenue from the sale will be recognized. The remaining 30% will be received during the second half of 2022. Cash received in December 2021 was carried as advance payment in amount of $2,046 (Note 28).

The Parent and its subsidiaries continue strongly committed to the sale of these assets.

Note 49. Relevant facts

December 31, 2021

Ordinary meeting of the General Meeting of Shareholders

The Parent's General Meeting of Shareholders was held on March 25, 2021, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2020 and approval of dividend distribution to shareholders.

Corporate reorganization of Companhia Brasileira de Distribuição - CBD

The corporate reorganization of Companhia Brasileira de Distribuição - CBD was completed on December 31, 2020. As a result of this reorganization, Companhia Brasileira de Distribuição – CBD became the controlling of the Parent with 96.57% interest in its share capital. Based on Colombian commercial regulations, the Parent had fallen in grounds for dissolution since more than 95% of its capital stock was held by one single shareholder at December 31, 2020.

In March 2021, Companhia Brasileira de Distribuição - CBD overcame the grounds for dissolution through a transfer of shares of the Parent Company to another third party (GPA2 Empreendimentos E Participacoes), thus its new shareholding in the Parent's capital stock is 91.57%.

December 31, 2020

Ordinary meeting of the General Meeting of Shareholders

The Parent's General Meeting of Shareholders was held on March 19, 2020, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2019 and approval of dividend distribution to shareholders.

Closing of investigation at Via Varejo S.A.

On March 26, 2020, Via Varejo S.A. published a relevant fact informing that, as a conclusion of the third phase of the independent investigation it was carrying out, and which at December 31, 2019 had not been completed, regarding alleged indication of accounting irregularities and deficiencies in internal controls and the potential impact of those issues on the financial statements for the periods during which Companhia Brasileira de Distribuição - CBD was Via Varejo S.A.'s direct controlling entity, there was no need to restate the financial statements at December 31, 2018 given that upon an analysis of the results of the investigation and taking qualitative and quantitative aspects into consideration, conclusion was reached that the effects on such financial statements of the accounting adjustments resulting from the investigation are non-material. This conclusion was ratified by the current and former independent auditors of Via Varejo S.A.

Covid-19 pandemic, at March 31, 2020

On January 30, 2020, the World Health Organization declared the outbreak of the new coronavirus which first appeared in Wuhan, province of Hubei, China, called Covid-19, as a public health emergency of international significance. Later, on March 11, 2020 and because of the alarming levels of dissemination of the virus around the world, Covid-19 was described as a pandemic.

Since the outbreak and global dissemination, countries have taken different measures such as ordering quarantines and mandatory social isolation, the closing of borders, travel restriction, limitation of public meetings and suspension of all social activities, among other.

In Colombia, the Ministry of Health declared the health emergency because of the Covid-19 on March 12, 2020. Later, on March 17, 2020, by means of Decree 417, the President of the Republic of Colombia declared the state of economic, social and environmental emergency across the entire country to contain the spread of the pandemic and help to mitigate associated risks.

Trade activities and the results of the operations might be negatively affected in as much as this pandemic influences domestic and international economy. The effects of this emergency that may interfere with our supply and service chain are beyond the control of the Parent and consequently are impossible to predict. Risks that may have an impact on the operation and results of the Parent and its subsidiaries include the effects on sales of certain products and services, both at import and export levels, on revenue from the real-estate business, on domestic and international travelling, on employee productivity, on maintaining employment, on the fall of the stock market, on the volatility of the prices of certain products and exchange rates and on any other related trade activity with a disruptive effect on the business, on financial markets or on the country's economy.

The Parent and its subsidiaries have implemented a series of measures and good practices to address this situation, with which they seek to minimize the risks observed that can impact the operation, protect the health and integrity of employees, keep the country supplied and allow access to food for the neediest, as well as give peace of mind, confidence and support to its stakeholders during the situation generated by this pandemic.

Below are some of the most significant strategies and actions implemented by the Parent and its Colombian subsidiaries:

1. Regarding the promotion of solidarity:
   - Offer of 500,000 markets with 12 commodities at cost, so that customers with better economic conditions can show solidarity with those in a vulnerable situation.
   - Possibility to donate Colombia points to Fundación Éxito so that customers can direct resources to those who need them most.
   - Delivery of staples for early childhood through Fundación Éxito, with contributions from employees who donated one day of their salary, and donations made by customers through the "little drops" program.
   - Launch of the "Mercado para Colombia" card, which can be purchased physically or virtually. For every $50,000 (*) of sales on these cards, the Parent will donate $5,000 (*), which will be allocated to a social work.
   - Creation of the "White Line" for home service as a priority, free of charge and exclusively for health professionals.
   - Extension of shop hours and exclusive care for the most at-risk group, such as older adults, pregnant women and people with disabilities.

   (*) Expressed in Colombian pesos

2. In relation to customers, their physical integrity in warehouses and social distance:
   - Provision of staff in stores with a basic hygiene kit with masks, gloves, hydration, acrylic lenses and antibacterial gel for their permanent hygiene protocols, with the aim of ensuring their safety and that of customers.
   - Disinfection and permanent cleaning of points of sale, bathrooms, high-traffic areas and market carts and baskets.
   - Compliance with capacity rules to allow circulation with prudent distances for the protection of health.
   - Signage at pay stations of the minimum distance between customers in line with current regulations.

3. Regarding suppliers and support for their work:
   - Advance payment to small and medium-sized suppliers of payments due in April, with the aim of improving their cash flow and facilitating the continuity of their operation and the preservation of employment.
   - Textile suppliers have arranged for the manufacture and production of masks, which allows them to protect the work of their employees.

4. Regarding the supply of products:
   - Dedicate two stores, in Bogotá and Medellín, for the exclusive distribution and supply of the products in greatest demand during the situation.
   - Ensure access to products by setting unit purchase limits per customer on products such as masks, antibacterial gel, alcohol and gloves.
   - The Parent joined the Colombian trade self-regulation agreement signed by FENALCO with its affiliated merchants in order to call on all members of the supply chain (suppliers, producers, distributors and marketers) to manage prices rationally and to regulate trade in order to ensure order and social distance. With this union, the Parent reaffirms its commitment to the protection of public health, food security, the supply of staples, the preservation of employment and economic activity for the proper management of the emergency.

5. Regarding employees, their care and employment stability:
   - Information and constant communication of the recommendations of health authorities for self-care and protocol facing the virus spread.
   - Massification of remote work for employees of corporate headquarters.
   - Provision, to the staff of the financial areas who are working remotely, of all the necessary tools to ensure the timely and reliable issuance and integrity of the separate and consolidated financial statements.
   - Assignment of employees of business units that are being affected by the emergency to reinforce the tasks of the other operating business units.
   - Special bonus and benefits for store and distribution center employees, as a recognition of their effort and commitment.

6. With regard to expansion and investment plans:
   - Crisis committees established with the aim of monitoring the emergency and government decisions and making appropriate decisions to ensure continuity of operations.
   - Reduction of expansion plans as a mechanism for cash protection, with emphasis on projects that were ongoing at the time of the declaration of the emergency.
   - Reassignment of investment plans focusing the strategy on strengthening the omnichannel strategic projects of the Parent.

7. With regard to the operations of the Parent:
   - Strengthening e-commerce sales channels, home deliveries and applications with the aim of facilitating purchases without leaving home.
   - Reinforcement of the price review process in stores and with suppliers to have control and avoid unjustified rises.
   - Prioritization of purchases towards products less affected by the dollar increase.
   - Strengthening of other sales services, such as the "buy and collect" service through which customers order products through different channels and then move to the different sites arranged for pick-up, thus minimizing the risk of contact and complying with all hygiene, cleaning and disinfection protocols.
   - Home delivery prioritizing the use of electric vehicles to help mitigate air pollution, in Bogotá and Medellín.

Below are some of the most significant strategies and actions implemented by foreign subsidiaries:

- Ongoing dialogue with the authorities, national and provincial, in order to align all health and safety provisions and establish mechanisms for their proper enforcement.
- Compliance with the measures issued by the authorities in relation to special hours for risk groups, the limit on access to stores to ensure adequate space between them, with demarcation of the distance between persons.
- Provision of staff with basic hygiene safety features.
- Provision and installation of acrylic separators for cash registers.
- Control of the stock of products at the stores and distribution centers through an appropriate purchasing and supply plan.
- Massification of remote work for employees of central administration offices.

Covid-19 pandemic, during the second quarter of 2020

Regarding the Parent and its Colombian subsidiaries, the state of economic, social and environmental emergency across the entire country declared as of March 17, 2020 by the President of the Republic of Colombia to contain the spread of the pandemic and help to mitigate associated risks was in force during the second quarter of 2020.

Likely, the governments of Argentina and Uruguay maintained the quarantine measures and the health and safety measures established since the first quarter of 2020.

As a result of this situation, the Parent and its subsidiaries continued incurring expenses to implement measures to face this situation, aimed at minimizing the risks that may have a negative effect on the operation, protect the health and integrity of employees, maintain the supply in the countries and provide tranquility, confidence and support to their stakeholders.

In addition, the Parent and its subsidiaries assessed the potential effects of the economic emergency on their financial statements. Following the assessment, the Company did not identify specific situations or negative material effects on the value of its investments, on the measurement of inventories, on the depreciation of properties, plants and equipment, on the measurement of the impairment of trade receivables, on provision liabilities or on reorganization plans, on the measurement of employee benefits, on the estimation and recognition of the deferred income tax, on the fair value hierarchy, on transactions with related parties, on the impairment of assets, on revenue from ordinary activities arising from contracts with customers, on lease contracts, on non-current assets held for trading, on discontinued operations, and generally on all of its liabilities, that might have an effect on the financial position or on the results of the operations, or that might impair its sustainability and operation.

There are certain particular situations, which do not affect or give rise to significant changes in assets that entail impairment, and which are property carried in the financial statements:

- The Parent and its subsidiaries granted discounts to their lessees, which were recognized as a lower value of revenue. At June 30, 2020, the amount of discounts granted amounted to $28,723.
- The decrease in income of the joint venture Compañía de Financiamiento Tuya S.A. has resulted in expense from the involvement in this joint venture upon measurement using the equity method, and additionally has prevented the recognition of revenue from the involvement in the collaboration agreement.

Finally, the Parent and its subsidiaries have concluded that the consequences of this impact do not affect the ability to continue as a going concern, as evidenced from the results of their operations.

Covid-19 pandemic, during the third and fourth quarters of 2020

Regarding the Parent and its Colombian subsidiaries, the state of economic, social and environmental emergency across the entire country declared as of March 17, 2020 by the President of the Republic of Colombia to contain the spread of the pandemic and help to mitigate associated risks was in force up to September 1, 2020.

As a result of such situation and the gradual reactivation of the country's economy, the Parent and its Colombian subsidiaries did not incur additional expenses of the same kind as those incurred up to June 30, 2020 to implement the measures required to face the mentioned state of emergency.

Likely, the governments of Argentina and Uruguay started to lift certain quarantine measures and the health and safety measures established since the first quarter of 2020. Consequently the subsidiaries in those countries incurred some out-of-pocket expenses to continue facing the situation.

However, there are certain particular situations, which do not affect or give rise to significant changes in assets that entail impairment, and which are property carried in the financial statements:

- The Parent and its subsidiaries granted discounts to their lessees, which were recognized as a lower value of revenue. During the annual period ended December 31, 2020, total discounts granted amounted to $72,769.
- The decrease in income of the joint venture Compañía de Financiamiento Tuya S.A. has resulted in expense from the involvement in this joint venture upon measurement using the equity method, and additionally has prevented the recognition of revenue from the involvement in the collaboration agreement.

Corporate reorganization of Sendas Distribuidora S.A. and of Companhia Brasileira de Distribuição - CBD

Corporate reorganization carried out by Sendas Distribuidora S.A. and Companhia Brasileira de Distribuição - CBD one of which effects was the transfer of the shares of the Parent held by Sendas Distribuidora S.A. to Companhia Brasileira de Distribuição - CBD, was completed on December 31, 2020. With this reorganization, Companhia Brasileira de Distribuição – CBD became the controlling of the Parent with 96.57% interest in its share capital.

As a consequence of such change in control, and based on Colombian commercial regulations, the Parent has fallen in grounds for dissolution since more than 95% of its capital stock belongs to one single shareholder. The Parent has an 18 month-term to overcome this situation, as of the date it was created.

Implementation of the Sarbanes Oxley Act

During 2020, the Parent and its subsidiaries took on the challenge of implementing the Sarbanes Oxley Act (SOX). As an essential part of the implementation of the annual SOX program, a process was developed to identify, analyze and evaluate risks that could have a material adverse effect on the ability of the Parent and its subsidiaries to record, process, consolidate and report their financial statements. This process involved the participation of external consultants and an internal team dedicated to the identification, design, implementation and evaluation of sufficient and relevant internal controls to minimize these risks, to strengthen the internal control system over financial reporting, reduce the Parent's and its subsidiaries' exposure to the materialization of errors and inaccuracies in the processes and financial statements, advance in the continuous improvement of information systems and technology, and consolidate financial credibility with shareholders and investors. The activities involved in implementing the annual SOX program include, among others (a) the identification of subsidiaries, accounts, processes and information systems material to the Parent's and its subsidiaries' financial statements, (b) the assessment of the risks of material misstatement and fraud in these material components, and (c) the design, implementation and enhancement of control activities that mitigate these risks. Additionally, the effectiveness of the internal control system over the financial reporting of the Parent and its subsidiaries was evaluated, and training was provided to the personnel of the Parent and its subsidiaries and to the Internal Audit on topics related with the definition of an internal control based on Sox, the documentation required to minimize the materialization of risks of errors in the financial statements and the responsibility of Management in the maintenance of these Sox controls, among others. Finally, there was ongoing communication with the Board of Directors and the Audit Committee on the progress of the project. As a result of these activities, it was possible to create a culture among employees focused on demonstrating transparency in the processes and quality of information.

Note 50. Events after the reporting period

No events have occurred subsequent to the date of the reporting period that entail significant changes in the financial position and the operations of the Parent and its subsidiaries.

However, subsequent events did occur after the date of the reporting period that do not affect the financial position but which, due to their relevance, are required to be disclosed in the financial statements:

Receipt of claim indemnity monies.

On January 10, 2022 the insurance company that was in charge of covering the losses arising from damages caused by the acts carried out against the infrastructure of Parent stores in different cities of the country paid $1,494 as part of the compensation for damages. The charge to income in 2021 was properly recorded to the other non-recurring operating revenue account as detailed in Note 34.