Almacenes Éxito S.A.

Separate financial statements

At December 31, 2019 and at December 31, 2018

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

Envigado, February 17, 2020

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., each of us duly empowered and under whose responsibility the attached financial statements have been prepared, do hereby certify that the separate financial statements of the Company at December 31, 2019 and at December 31, 2018 have been fairly taken from the books of accounts, and that 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 separate financial statements do exist, and all transactions included in such separate financial statements have been achieved during the annual periods ended December 31, 2019 and December 31, 2018.

2. All economic events achieved by the Company during the years ended December 31, 2019 and December 3, 2018, have been recognized in the separate 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 Company at December 31, 2019 and December 31, 2018.

4. All items have been recognized at proper values.

5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate 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., does hereby certify that the separate financial statements and the operations of the Company at December 31, 2019 and December 31, 2018, 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.

Carlos Mario Giraldo Moreno
Legal Representative

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.
Separate statements of financial position
At December 31, 2019 and at December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2019	December 31, 2018 (1)	December 31, 2017 (2)
Current assets				
Cash and cash equivalents	6	2,206,153	1,885,868	1,619,695
Trade receivables and other accounts receivable	7	199,712	218,109	189,750
Prepaid expenses	8	25,421	18,539	22,837
Accounts receivable from related parties	9	92,900	108,951	114,969
Inventories, net	10	1,555,865	1,398,724	1,111,981
Other financial assets	11	27,031	89,022	10,462
Tax assets	25	314,736	168,907	173,580
Non-current assets held for trading	46	26,648	26,608	-
Total current assets		**4,448,466**	**3,914,728**	**3,243,274**
Non-current assets				
Trade receivables and other accounts receivable	7	32,888	23,177	15,203
Prepaid expenses	8	9,631	10,231	5,432
Accounts receivable from related parties	9	49,157	3,807	7,587
Other non-financial assets with related parties	9	19,783	-	30,000
Other financial assets	11	48,329	75,951	51,119
Property, plant and equipment, net	12	2,027,180	2,055,879	2,382,494
Investment property, net	13	91,889	97,680	339,704
Use rights, net	14	1,411,410	1,299,546	1,385,110
Goodwill	15	1,453,077	1,453,077	1,453,077
Intangible assets other than goodwill, net	16	159,225	144,245	156,209
Investments accounted for using the equity method, net	17	3,614,639	7,745,970	8,186,505
Deferred tax assets, net	25	153,141	106,936	-
Other non-financial assets		398	398	398
Total non-current assets		**9,070,747**	**13,016,897**	**14,012,838**
Total assets		**13,519,213**	**16,931,625**	**17,256,112**
Current liabilities				
Financial liabilities	19	204,705	1,042,781	799,920
Employee benefits	20	2,973	3,648	3,457
Other provisions	21	12,365	12,292	8,349
Accounts payable to related parties	22	177,615	120,972	116,490
Trade payables and other accounts payable	23	3,901,549	3,567,527	3,301,661
Lease liabilities	24	224,492	179,392	168,339
Tax liabilities	25	66,270	50,458	41,816
Other financial liabilities	26	95,437	111,269	128,239
Other non-financial liabilities	27	161,672	197,708	258,078
Total current liabilities		**4,847,078**	**5,286,047**	**4,826,349**
Non-current liabilities				
Financial liabilities	19	6,293	2,838,433	3,292,824
Employee benefits	20	20,897	27,560	28,430
Other provisions	21	53,056	38,788	28,892
Lease liabilities	24	1,394,323	1,327,404	1,401,103
Deferred tax liabilities, net		-	-	10,776
Other financial liabilities	26	370	1,451	13,915
Other non-financial liabilities	27	668	727	32,206
Total non-current liabilities		**1,475,607**	**4,234,363**	**4,808,146**
Total liabilities		**6,322,685**	**9,520,410**	**9,634,495**
Shareholders' equity, see accompanying statement		**7,196,528**	**7,411,215**	**7,621,617**
Total liabilities and shareholders' equity		**13,519,213**	**16,931,625**	**17,256,112**

(1) Amounts include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 49 for a detail of adjustments applied and the comparison to the statement of financial position presented with the annual financial statements at December 31, 2018.

(a) Amounts shown to comply with the requirements of IAS 1 regarding retrospective adoption of a new accounting policy.

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

Carlos Mario Giraldo Moreno
Legal Representative
(See accompanying certificate)

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See accompanying certificate)

Ángela Jaimes Delgado
Statutory Auditor
Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 17, 2020)

Almacenes Éxito S.A.
Separate statements of income
For the annual periods ended December 31, 2019 and December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2)
Continuing operations			
Revenue from ordinary activities under contracts with customers	30	11,484,272	11,021,135
Cost of sales	10	(8,982,809)	(8,585,096)
Gross profit		**2,501,463**	**2,436,039**
Distribution expenses	31	(1,271,840)	(1,242,947)
Administration and sales expenses	31	(173,439)	(174,020)
Employee benefit expenses	32	(670,941)	(664,783)
Other operating revenue	33	32,111	26,602
Other operating expenses	33	(63,320)	(49,862)
Other (losses), net	33	(10,268)	(23,372)
Profit from operating activities		**343,766**	**307,657**
Financial revenue	34	592,522	268,480
Financial expenses	34	(1,065,904)	(757,942)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	35	159,949	386,213
Profit from continuing operations before income tax		**30,333**	**204,408**
Tax revenue	25	27,269	48,760
Net period profit from continuing operations		**57,602**	**253,168**
Earnings per share (*)			
Earnings per basic share (*)			
Earnings per basic share from continuing operations	36	128.69	565.61
Earnings per diluted share (*)			
Earnings per diluted share from continuing operations	36	128.69	565.61

(1) Amounts include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 49 for a detail of adjustments applied and the comparison to the statement of income presented with the annual financial statements at December 31, 2018.

(2) For comparison to the annual financial statements at December 31, 2019, the annual financial statements at December 31, 2018 include certain reclassifications in employee benefit expenses, distribution expenses and cost of sales. See Note 10, Note 31 and Note 32 for the amounts reclassified.

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Separate statements of comprehensive income
For the annual periods ended December 31, 2019 and December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Net income for the period		**57,602**	**253,168**
Other comprehensive income for the period			
Components of other comprehensive income that will not be reclassified to period results, net of taxes			
(Loss) from new measurements of defined benefit plans		(267)	(351)
Gain (loss) from investments in equity instruments		4,715	(4,224)
Total other comprehensive income that will not be reclassified to period results, net of taxes		**4,448**	**(4,575)**
Components of other comprehensive income that will be reclassified to period results, net of taxes			
(Loss) from translation exchange differences (1)	29	(413,040)	(628,857)
(Loss) from investment hedges in foreign businesses	29	(1,459)	-
Gain from the hedging of cash flows	29	3,827	9,052
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	29	41,487	(29,726)
Total other comprehensive income that will be reclassified to period results, net of taxes		**(369,185)**	**(649,531)**
Total other comprehensive income		**(364,737)**	**(654,106)**
Total comprehensive income		**(307,135)**	**(400,938)**
Earnings per share (*)			
Earnings per basic share (*):			
(Loss) per basic share from continuing operations	36	(686.17)	(895.74)
Earnings per diluted share (*):			
(Loss) per diluted share from continuing operations	36	(686.17)	(895.74)

(1) Amounts include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 49 for a comparison to the statement of comprehensive income presented in the annual financial statements at December 31, 2018.

(*) Amounts expressed in Colombian pesos.

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

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Almacenes Éxito S.A.
Separate statements of cash flows
For the annual periods ended December 31, 2019 and December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Cash flows provided by operating activities		
Net income for the period	**57,602**	**253,168**
Adjustments to reconcile profit for the period		
Current income tax	20,205	55,933
Deferred income tax	(47,474)	(104,693)
Financial costs	750,733	542,552
Impairment of receivables	19,554	14,518
Reversal of receivable impairment	(18,151)	(11,815)
Reversal of inventory impairment	(1,833)	(3,218)
Impairment	1,017	3,307
Employee benefit provisions	2,207	2,426
Other provisions	58,980	67,847
Reversal of other provisions	(6,899)	(11,555)
Expense from depreciation of property, plant and equipment, use rights and investment property	393,098	389,347
Amortization of intangible assets expense	19,453	17,681
(Gain) from the application of the equity method	(159,949)	(386,213)
Loss from the disposal of non-current assets	13,129	19,751
Other cash (outflows)	(10,769)	(10,882)
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(436,305)	(212,885)
Operating income before changes in working capital	**654,598**	**625,269**
(Increase) in trade receivables and other accounts receivable	(3,957)	(39,036)
(Increase) in prepaid expenses	(6,282)	(2,391)
(Increase) decrease in receivables from related parties	(45,755)	16,740
(Increase) in inventories	(155,308)	(178,898)
(Increase) in tax assets	(166,034)	(51,260)
(Decrease) in employee benefits	(9,926)	(3,420)
(Decrease) in other provisions	(41,466)	(42,474)
Increase in trade payables and other accounts payable	151,393	84,780
Increase (decrease) in accounts payable to related parties	43,138	(7,579)
Increase in tax liabilities	15,812	8,642
(Decrease) in other non-financial liabilities	(36,095)	(91,849)
Net cash flows provided by operating activities	**400,118**	**318,524**
Cash flows provided by investment activities		
Cash flows used to maintain control over subsidiaries and joint ventures	(31,099)	(5,000)
Cash flows provided by reimbursement of contributions in subsidiaries or other businesses	4,067,568	695,853
Acquisition of property, plant and equipment	(200,450)	(171,043)
Acquisition of investment property	(3,436)	(10,551)
Acquisition of intangible assets	(37,011)	(8,950)
Proceeds of the sale of property, plant and equipment	15,203	1,448
Dividends received	127,225	39,665
Net cash flows provided by investment activities	**3,938,000**	**541,422**
Cash flows provided by financing activities		
Cash flows provided by changes in interest in subsidiaries that do not result in loss of control	20,390	153,333
Increase (decrease) in other financial assets	89,757	(102,463)
(Decrease) in other financial liabilities	(11,369)	(16,374)
(Decrease) in financial liabilities	(3,666,913)	(209,556)
(Decrease) in liabilities from finance leases	(3,303)	(1,974)
Dividends paid	(131,967)	(87,072)
Financial yields	436,305	212,885
Interest paid	(750,733)	(542,552)
Net cash flows (used in) financing activities	**(4,017,833)**	**(593,773)**
Net increase in cash and cash equivalents	**320,285**	**266,173**
Cash and cash equivalents at the beginning of period	**1,885,868**	**1,619,695**
Cash and cash equivalents at the end of period	**2,206,153**	**1,885,868**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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Almacenes Éxito S.A.
Separate statements of changes in shareholders' equity
At December 31, 2019 and at December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Treasury shares repurchased**	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total Shareholders' equity**
	(Note 28)	(Note 28)	(Note 28)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)		
Balance at December 31, 2017 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(50,269)**	**1,095,361**	**10,873**	**7,621,617**
Cash dividend declared (Note 42)	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)
Net period results	-	-	-	-	-	-	-	-	-	-	253,168	-	253,168
Other comprehensive income	-	-	-	-	-	-	-	-	-	(654,106)	-	-	(654,106)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(74,822)	(74,822)
Other net increase (decrease) in shareholders' equity	-	-	-	-	(1,494)	-	-	15,750	14,256	-	(130,161)	490,120	374,215
Balance at December 31, 2018 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,375)**	**1,000,655**	**426,171**	**7,411,215**
Balance at December 31, 2018 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,375)**	**1,000,655**	**426,171**	**7,411,215**
Cash dividend declared (Note 42)	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)
Net period results	-	-	-	-	-	-	-	-	-	-	57,602	-	57,602
Other comprehensive income	-	-	-	-	-	-	-	-	-	(364,737)	-	-	(364,737)
Appropriation for reserves	-	-	-	-	139,701	-	139,702	-	279,403	-	(279,403)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(7,649)	(7,649)
Other net increase (decrease) in shareholders' equity (2)	-	-	-	-	(1,544)	-	-	173,868	172,324	-	(160,823)	228,302	239,803
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) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 49 for a detail of adjustments applied to assets, liabilities and income, and the comparison to the statement of financial position and the statement of income presented with the annual financial statements at December 31, 2018.

(2) Other shareholders' equity components include $265,691 relevant to the equity method on the inflationary effect of subsidiary Libertad S.A. Retained earnings and Other reserves include $168,371 (offset to each other) relevant to the equity method on the appropriation of results of subsidiary Spice Investment Mercosur S.A. and its subsidiaries.

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

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Note 1. General information

Almacenes Éxito S.A., (hereinafter the Company), 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 Company goes to December 31, 2050.

The Company is listed on the Colombia Stock Exchange (BVC) since 1994 and is under the surveillance of the Colombian Financial Superintendence.

The Company's Board of Directors authorized the issuance of financial statements for the periods ended December 31, 2019 and December 31, 2018, as recorded in the Minutes of such corporate body dated February 17, 2020 and February 28, 2019, respectively.

The Company's main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide supplementary 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.

At December 31, 2019 the final controlling entity of the Company is Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD. This situation of control arises from compliance with the takeover bid presented on July 24, 2019 and accepted by the shareholders on November 27, 2019. As result of such acceptance, the controlling entity has a 96.57% share in the Company's share capital.

At December 31,2018 the controlling entity was Casino Guichard Perrachon S.A. and the situation of control was registered with the Aburrá Sur Chamber of Commerce. The controlling entity had a 55.30% participation in the share capital of the Company.

Almacenes Éxito S.A. registered before the Aburrá Sur Chamber of Commerce a situation of entrepreneurial Group regarding its subsidiaries.

Note 2. Basis for preparation

The separate financial statements for the years ended December 31, 2019 and December 31, 2018 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 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

Accompanying financial statements

These consolidated financial statements of the Company are comprised of the statements of financial position and statements of changes in shareholders' equity at December 31, 2019 and December 31, 2018, 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, 2019 and December 31, 2018.

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

Statement of accountability

Company's management are responsible for the information contained in these separate 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 and on December 22, 2017 by Regulatory Decree 2170, 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

Company's estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the attached separate 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 determine the 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.

Such estimations are based on the best information available regarding the facts analyzed at the date of preparation of the accompanying separate 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 and non-current items

The Company presents its current and non-current assets, as well as its current and non-current liabilities, as separate categories in its 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 separate financial statements are presented in Colombian pesos, which is the Company's functional currency. Figures shown have been stated in millions of Colombian pesos.

Company's functional currency is not part of a highly inflationary economy, and consequently these separate financial statements are not adjusted for inflation.

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 net 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 separate 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 separate financial statements, including the notes thereto, the materiality for presentation and disclosure 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 financial statements, 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 contract.

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).
- Based on the Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

The accompanying separate financial statements at September 30, 2019 have been prepared using the same accounting policies, measurements and bases used to present the separate financial statements for the annual period ended December 31, 2018, except for the standards mentioned in note 4.2 that came into effect as of January 1, 2019, 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, 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.

Adoption of new standards in force as of January 1, 2019 mentioned in Note 4.2 did not entail significant change to these accounting policies as compared to those applied when preparing the financial statements at December 31, 2018 and no significant effects arose from adoption thereof, except for the adoption of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018 and have been included in these annual financial statements at December 31, 2019.

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

Investments in subsidiaries, associates and joint arrangements

Subsidiaries are entities under Company's control.

An associate is an entity over which the Company is in a position of exercising significant influence, but not control or joint control, through the power of participating in the decisions on the operating and financial policies of the associate. In general, significant influence is alleged in those cases where the Company 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 sharing 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 subsidiaries, associates and joint ventures are recognized using the equity method.

Under the equity method, upon initial recognition the investment in associates and joint ventures is recorded at cost and subsequently the book value is increased or decreased to recognize the Company's share of the invested company's comprehensive results. 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 Company's share of the losses of a subsidiary, associate and joint venture equals or exceeds its interest therein, the Company ceases to recognize its share of further losses. A provision is recognized once the Company's interest comes to zero, only in as much as the Company has incurred legal or implicit liabilities.

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

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

Transactions involving a significant loss of control or 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 control over subsidiaries or a significant loss of influence over associates and joint ventures, 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 Company has defined as related parties: its parent; its subsidiaries, associates and joint ventures; those entities having joint control or significant influence over the Company; key senior management, including Board directors, CEOs, vice-presidents, corporate business managers and senior officers, with the capacity of directing, planning and controlling Company activities; companies over which key senior management can exercise control or joint control; and the immediate family of key senior management with ability to influence the Company.

All transfers of resources, services and obligations between the Company and its related parties are deemed to be related party transaction.

No transaction contains special terms and conditions; transactions carried out are like 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 Company will inform in its financial statements the provisional amounts of assets and liabilities whose booking is incomplete, and within 12 months of the measurement period, the Company will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the Purchase Price Allocation (PPA) survey.

The measurement period will end as soon as the Company 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 Company recognizes acquired identifiable assets and liabilities taken from a business combination, regardless of whether they had 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 Company measures non-controlling interests at fair value and as a proportion of the acquiree's identifiable net assets.

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 Company 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.

Intangible assets

They refer to identifiable non-monetary assets, without physical substance, controlled by the Company as a result of past events and from which future economic benefit may be 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 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 effects of amortization and potential impairment are 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 Company is 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 Company's tangible assets held for use in production or in the provision of goods and services, or for administration purposes, and which are further expected to be used over one period, that is to say, more than one year, and that meet the following conditions:

- It is probable that the Company will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Company has taken the risks and benefits arising from the use or possession of the asset, and
- They are assets whose individual acquisition cost exceeds 50 UVT (Tax-Value Units), except for those assets defined by Company management as related to the core business purpose and there is an interest in controlling them given that the Company procures them 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 elements includes price of acquisition, import duties, non-recoverable indirect taxes, future dismantling costs, if any, costs from loans directly attributable to the acquisition of a suitable asset and the costs individually attributable to place an asset on the site and usage conditions foreseen by Company 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 a construction or work under the responsibility of the Company, are recognized in period results.

The Company estimates 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 book value 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 real estate property owned by the Company.

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 Company occupies an asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Company starts a development on 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 enters 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

Non-current assets for disposal are classified as held for trading if their book value will be recovered via a sale instead of continued use thereof 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. For the sale to be highly probable, the Company's management must be committed to a plan to sell the asset (or assets) and the sale is expected within the year following the classification date.

Non-current assets or disposal 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 are shown under current assets.

Finance leases

Leases are classified as finance leases when all risks and benefits of ownership of the leased property are substantially transferred to the lessee. Some of the criteria to be taken into consideration to define whether substantial risks and benefits have been transferred include (a) where the term of the lease is equal to or higher than 75% of the economic life of the asset and/or (b) where the present value of minimum payments under the lease agreement is equal to or higher than 90% of the fair value of the asset.

Contingent lease instalments are estimated based on the cause that results in the instalment variance for reasons other than the passage of time.

a. If the Company acts as the lessee

   Wherever the Company acts as the lessee of an asset under finance lease, the leased asset is shown in the statement of financial position as an asset, according to the nature of the asset pursuant to the lease agreement, and at the same time, a liability in the same value is recorded in the statement of financial position, estimated as the lower of the fair value of the leased asset and the present value of minimum instalments payable to the lessor, plus, as applicable, the price of the purchase option.

Regarding useful lives, such assets are depreciated or amortized with the same criteria applied to elements of property, plant and equipment, or intangible assets for own use, provided ownership on the asset is transferred to the Company at the end of the contract, via purchase option or else; otherwise, useful lives are set as the term of the agreement or the useful life of the element of property, plant and equipment, whichever is less.

Lease instalments are split between interest and the decrease of the principal. Financial expenses are recognized in the statement of income for the period.

b. If the Company acts as the lessor

Wherever the Company acts as the lessor of an asset under finance lease, the leased asset is not shown as property, plant and equipment given that the risks associated to the property have been transferred to the lessee; instead, a financial asset is recognized for the present value of the minimum lease instalments receivable plus the unsecured residual value.

Lease instalments received are split between interest and the decrease of the principal. Interest-related financial revenue is recognized in the statement of income for the period.

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 booked 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 Company as a lessee 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 Company, 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 Company does not carry assets regarding use rights under:

- 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 Company assesses 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 after 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 Company, 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 Company has 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 book value 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 book value 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 Company 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 book value 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, and initial recognition cost includes the costs of purchase, costs of transformation 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 thereof.

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

The Company assesses whether the 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 Company makes an estimation of obsolescence and physical losses of inventory, 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 Company becomes a party pursuant to the contract 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 provided by the instrument. When substantially all risks and benefits of ownership are retained by the Company, the 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:
- Short-term investments, in other words, with terms less than or equal to three months as of acquisition date;
- High-liquidity investments;
- Readily converted into cash, and
- Subject to a low risk of change in value.

In the statement of financial position, the accounting accounts showing actual 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 Company's cash management system.

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Company becomes a party pursuant to the contractual terms and conditions governing an instrument. 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 Company has implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial agreements. Should there be an embedded derivative, 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 Company does 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 of International Financial Reporting Standards accepted in Colombia.

Forwards and swaps 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

The Company carries out hedge transactions under future-performance *forward and swap* contracts, to cover the risks associated with changes in the exchange rates applicable to its investments and in the exchange rates and interests rates applicable to its 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 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 presentation 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 Company 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 Company has 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 and 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. For 2018 and 2017, information on actuarial assumptions is taken as a reference to Regulatory Decree 2131 of December 22, 2016. 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 Company has no specific assets intended for guaranteeing the long-term benefits.

The liability for long-term benefits is determined separately for each plan with the support of independent third parties and 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 immediately 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 vacations and 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 Company pays to employees certain benefits upon termination wherever it decides 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 Company recognizes 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 incorporating economic benefits and which 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 Company or current obligations arising from past events from which the amount of the obligation cannot be accurately estimated or it is not likely 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 likely asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Company. 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 Company, estimated based on private assessments made during the relevant taxable periods, and include, among other: income tax, real estate tax, and industry and trade tax.

<u>Current income tax</u>

Current income tax payable by the Company is assessed on the higher of the presumptive income and the taxable net income at the official tax rate applicable annually on each year of presentation of financial statements. Current 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.

<u>Deferred income tax</u>

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 income tax liabilities are carried for the total of the differences that may arise between the accounting balances and the tax balances of investments in subsidiaries, associates and joint ventures, since the exception contained in IAS 12 is applied when recording such deferred tax liabilities.

Share capital

The Company's contributed capital 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 and supplementary businesses such as insurance, lease, collaboration agreements 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 several 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 Company acts 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 subsidiaries, 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.

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

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

The profit per diluted share is calculated by dividing the net profit for the period attributable to the Company 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 Company 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.

Note 4. New and modified standards and interpretations

Note 4.1. Standards issued during the annual period ended December 31, 2019

During the annual period ended December 31, 2019, Colombia enacted Regulatory Decree 2270 of December 13, 2019, to compile and update the technical frameworks that rule the preparation of financial information set by Regulatory Decree 2420 of 2015, amended by Regulatory Decree 2496 of 2015, Regulatory Decree 2131 of 2016 and Regulatory Decree 2170 de 2017, which had already been compiled in Regulatory Decree 2483 of December 28, 2018. Enactment of this Regulatory Decree allows adopting the International Financial Reporting Standards authorized by the International Accounting Standards Board that are applicable as of January 1, 2020 and all those in force at December 31, 2019, exception made of the amendment to IFRS 9 issued in September 2019.

During the annual period ended December 31, 2019 the International Accounting Standards Board IASB issued the following new standards and amendments:

- Amendment to IFRS 9 - Financial Instruments, applicable as of January 2020.

Amendment to IFRS 9 "Financial Instruments" (September 2019)

The amendment provides solutions to the uncertainty faced by companies due to the progressive elimination of interest rates-related reference indexes such as interbanking rates (IBOR). Changes introduced modify certain hedge accounting requirements, including the provision of additional information to investors regarding their hedge relationships that are directly affected by such uncertainties.

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

Note 4.2. Standards applied as of 2019, issued prior to January 1, 2019

The following standards started to be applied as of January 1, 2019 according to the adoption date set by the IASB:
- IFRS 16 - Leases
- Amendment to IAS 28 - Investments in Associates and Joint Ventures
- Amendment to IFRS 9
- Annual improvement to IFRS Cycle 2015-2017
- Amendment to IAS 19 - Employee Benefits
- IFRIC 23 - Uncertainties over Income Tax Treatments

In Colombia, these standards and amendments were enacted by means of Regulatory Decree 2483 of December 28, 2018. No significant effects arose from application of these standards, exception made of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018, and are further included and recorded in these annual financial statements at December 31, 2019. In Colombia, the Amendments to IAS 19 and IFRIC 23 were enacted by means of Regulatory Decree 2270 of December 13, 2019.

Note 4.3. Standards adopted earlier during the annual period ended December 31, 2019

During the annual period ended December 31, 2019, the Company did not apply any Standards earlier.

Note 4.4. Standards not yet in force at December 31, 2019, issued prior to January 1, 2019

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, changes in accounting estimates and misstatements, to be applied as of January 2020.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 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.

Note 4.5. Standards issued during the annual period ended December 31, 2018

During the annual period ended December 31, 2018, Colombia enacted Regulatory Decree 2483 of December 28, 2018, to compile and update the technical frameworks that rule the preparation of financial information set by Regulatory Decree 2420 of 2015, amended by Regulatory Decree 2496 of 2015, Regulatory Decree 2131 of 2016 and Regulatory Decree 2170 de 2017. Enactment of this Regulatory Decree allows adopting the International Financial Reporting Standards authorized by the International Accounting Standards Board that are applicable as of January 1, 2019 and all those in force at December 31, 2018, exception made of the amendment to IFRS 19 issued in February 2018 and IFRIC 23 issued in June 2017.

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.
- Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, changes in accounting estimates and misstatements, to be applied as of January 2020.

Amendment to IAS 19 "Employee Benefits" (February 2018)

The amendment specifies how a company accounts for a defined-benefits plan. IAS 19 requires a company to update its assumptions and remeasure its net defined benefit-related liabilities or assets upon occurrence of a plan event (e.g. a change, reduction or settlement). The amendment also clarifies that after a plan event, a company would use such updated assumptions to measure the cost of the current service and the net interest for the remaining of the reporting period following the plan event.

No material effects resulted from application of this amendment.

Amendment to IFRS 3 - Business Combinations (October 2018)

The amendment has a limited scope seeking to improve the definition of business. It clarifies the definition of business as a comprehensive set of activities and assets aimed at and managed to provide goods or services to customers, generating revenue from investments (dividends or interests) or other kinds of ordinary revenue.

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

2018 Conceptual framework (March 2018)

The new conceptual framework, which is not a standard by itself, integrates and improves certain concepts such as: (i) confirms the purpose of delivering financial information and clarifies the role of administration work, (ii) highlights the importance of delivering information regarding financial performance, (iii) improves the concepts to deliver information regarding assets, liabilities, revenue and expenses, (iv) introduces a guidance on measurement, and (v) supports the Council in establishing standards.

No material effects are expected from the application of this conceptual framework.

Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, changes in accounting estimates and misstatements (October 2018).

Given that certain companies have had difficulty in using the "materiality" concept, the International Accounting Standards Board introduced amendments to this definition to make the issuing of materiality judgments easier, which basically means making a decision on the information to be included in the financial statements.

The new definition of materiality states that "information is material if one can reasonably believe that omitting it or misstating it could influence decisions that primary users make on the basis of general-purpose financial statements".

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

Note 4.6 Standards applied as of 2018, issued prior to January 1, 2018

The following standards started to be applied as of January 1, 2018 according to the adoption date set by the IASB:

- Amendment to IAS 40. (a)
- Amendments to IFRS 4. (a)
- Amendments to IFRS 2. (a)
- Annual improvements cycle 2014-2016. (a)
- IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers. (b)
- IFRS 9 - Financial Instruments. (c)
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration. (d)

(a) In Colombia, these standards were made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2170 of December 22, 2017. No material effects resulted from application of these amendments and annual improvements.

(b) In Colombia, this standard was made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2496 of December 23, 2015. The Company reviewed the changes to this IFRS against the rules contained in the previous standards and which were deleted by it, and no significant effects resulted from application of this IFRS.

(c) The Company started to apply this standard as of January 1, 2014. No material effects resulted from application of this IFRS.

(d) In Colombia, this standard was enacted by means of Regulatory Decree 2483 of December 28, 2018.

Amendment to IAS 40 - Investment property (issued December 2016).

The amendment sets out that an entity shall transfer a property to, or from, investment property, when there is evidence of a change in use, which occurs if the property meets, or ceases to meet, the definition of investment property. A change in management intentions regarding the use of a property is not evidence of a change in use by itself. The listing of situations that evidence a change in use of investment property provided by the standard was defined as a non-exhaustive listing of examples.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof.

Amendment to IFRS 4 - "Insurance Contracts" (issued September 2016).

The amendment allows entities mainly developing insurance activities an option to continue carrying its accounts under current IFRS and delay the application of IFRS 9 - "Financial Instruments" until the earlier of application of the new insurance standard or for periods commencing on or after January 1, 2021. Additionally, the amendment grants all entities having insurance contracts an option to present in other comprehensive income and not in profit or loss the changes in the fair value of qualifying designated financial assets.

The amendments are effective for periods commencing on or after January 1, 2018. This amendment is not applicable to the Company.

Amendment to IFRS 2 - "Share-based Payments" (issued June 2016)

The amendment relates to the following aspects:
- Addresses the effects of vesting and non-vesting consolidation conditions on the measurement of the fair value of liabilities incurred from cash-settled share-based payments.
- Classifies share-based payment transactions that include net settlement features for tax purposes.
- Defines the accounting of share-based payments when the transaction changes from cash-settled to equity-settled.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof.

IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers (issued May 2014).

The standard sets out a unique comprehensive accounting model for ordinary revenue arising from contracts with customers. IFRS 15 will supersede the guidelines on recognition of ordinary revenue included in IAS 18 - Revenue, IAS 11 - Construction Contracts and related interpretations, once applicable.

The core principle of IFRS 15 is that an entity recognizes the revenue from ordinary activities to describe the transfer of goods or services promised to customers, in exchange for an amount that reflect the consideration the entity expects to be entitled to in exchange for such goods or services.

An entity recognizes revenue from ordinary activities pursuant to such basic principle, by applying the following stages:
- Stage 1: Identify customer contract.
- Stage 2: Identify performance obligations under the contract.
- Stage 3: Define the transaction price.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize ordinary revenue when (or in as much as) the entity fulfills a performance obligation.

Pursuant to IFRS 15, revenue is recognized upon fulfillment of a performance obligation. The standard also includes guidance on specific aspects related with the recognition of revenue, and requires a higher level of disclosure.

The standard is effective for periods commencing on or after January 1, 2018. The Company did not consider early application thereof.

The Company has reviewed the changes in this Standard as compared to what was required by previous standards, which were repealed by the former.

Some of the aspects that have been reviewed include:
- Regarding the performance obligation, retail sales represent the only performance obligation; consequently, the Company does not expect an effect on the recognition of revenue, given that like under prior standards revenue is recognized when control over the asset is transferred to the customer, generally upon delivery thereof;
- The Company recognizes revenue from retail sales measured at the fair value of the consideration received or to be received, including returns and discounts;
- The Company does not grant volume discounts to its customers;
- The Company generally grants minor repair warranties but does not offer extended warranties under contracts with customers. The amount of such warranties is non-material;
- Regarding customer loyalty programs, no material changes are expected since liabilities representing points granted that have not been redeemed or expired are measured at the fair value of points and recognized as deferred revenue;
- The Company concluded that services provided to customers are delivered over time, taking into consideration that customers receive and consume benefits simultaneously. In line with this definition, revenue from such service contracts will continue to be recognized over time;
- Regarding disclosures and presentation requirements, the Company did not change the notes to the financial statements given that there are no changes related with judgments applied in the definition of the transaction price, or in the disaggregation of the revenue recognized from contracts with customers, or in the information on revenue for each reporting segment.

IFRS 9 - "Financial Instruments" (issued July 2014)

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration (issued December 2016)

This interpretation clarifies the accounting of transactions including the receipt or payment of advance consideration in foreign currency.

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from payment or receipt of advance consideration before it recognizes the related asset, expense or revenue. It does not apply when an entity measures the related asset, expense or revenue on initial recognition at fair value or at the fair value of the consideration received or paid out on a date other than the date of initial recognition of a non-monetary asset or a non-monetary liability. In addition, it is not required to apply this interpretation to income taxes, insurance contracts or reinsurance contracts.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof. No material effects resulted from application of this IFRIC.

Note 4.7 Standards adopted earlier during the annual period ended December 31, 2018

During the annual period ended December 31, 2018, the Company did not apply any Standards earlier.

Note 4.8 Standards not yet in force at December 31, 2018, issued prior to January 1, 2018

During the annual period ended December 31, 2016 the International Accounting Standards Board IASB issued the following new standards and amendments:

- IFRS 16 - Leases, to be applied as of January 2019.

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.
- IFRIC 23 - Uncertainty over Income Tax Treatments, to be applied as of January 2019.
- Amendment to IAS 28, Investments in Associates and Joint Ventures, to be applied as of January 2019.
- Amendment to IFRS 9, to be applied as of January 2019.
- Annual improvements to IFRS standards cycle 2015-2017, to be applied as of January 2019.

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:

- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.

IFRS 16 - Leases (issued January 2016)

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. It deletes the dual accounting model for lessees, which makes a distinction between finance lease agreements that are carried in the balance sheet and operating leases for which recognition of future lease instalments is not required. Instead, a single model is developed, in the balance sheet, like the current finance lease.

IFRS 16 supersedes IAS 17 - Leases and relevant interpretations, and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 - Revenue from Contracts with Customers has been applied. Earlier application was not considered.

IFRS 17 - Insurance Contracts (issued May 2017)

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 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, historic cost changes to current value. This allows including committed cash flows (both rights and liabilities), and updating them on each reporting date.

No material effects resulted from application of this IFRS.

IFRIC 23 Uncertainties Over Income Tax Treatments (issued June 2017)

This interpretation clarifies how to account for the income tax regarding the effects of uncertainties, pursuant to IAS 12 - Income tax.

The purpose of the interpretation is to limit the diversity of views under which companies recognize and measure a tax liability or a tax asset when tax treatments are uncertain, given that there is no clarity regarding how to apply the tax law to a certain transaction, or whether the tax authority will accept the tax treatment given by a company.

No material effects resulted from application of this IFRIC.

Amendment to IAS 28 Investments in Associates and Joint Ventures (issued October 2017)

The amendment clarifies that a company applies IFRS 9 - Financial Instruments to long-term interests in an associate or joint venture that is part of the net investment in the associate or joint venture.

No material effects resulted from application of this amendment.

Amendment to IFRS 9 Financial Instruments (issued October 2017)

This amendment allows companies to measure financial assets terminated early with negative compensation at amortized cost or fair value through other comprehensive income, provided a condition is met, instead of at fair value through income.

No material effects resulted from application of this amendment.

Annual improvement to IFRS Cycle 2015-2017 (issued December 2017)

Include the following amendments:

- IFRS 3 - Business Combinations. The following paragraph is added: "When a party to a joint arrangement (as defined in IFRS 11 - Joint Arrangements) obtains control of a business that is a joint operation (as defined by IFRS 11), and it had title to the rights and obligations arising from the liabilities related with such joint operation immediately before acquisition date, the transaction is a business combination carried out in stages. Consequently, the acquirer shall apply the requirements relevant to a business combination carried out in stages, including the remeasurement of the interest previously held in the joint operation as described in section 42. In doing so, the acquirer shall remeasure all its interest previously held in the joint operation.

- IFRS 11 - Joint Arrangements. The following paragraph is added: "A party that participates in a joint operation, but does not have joint control, may obtain joint control of the joint venture whose activity is a business, as defined by IFRS 3. In these events, the interests previously held in the joint operation are not remeasured".

- IAS 12 - Income Tax. Modifies the basis for the conclusions regarding the consequences of payments for financial instruments classified as equity in the income tax.

- IAS 23 - Loan Costs. Paragraph 14 is amended as follows: "Where funds are part of a general pool, and they are used to obtain a qualifying asset, such entity will determine the amount of costs eligible for capitalization by applying a capitalization rate to payouts related to that asset. The capitalization rate will be the weighted average of loan costs applicable to all loans received by the entity that are outstanding during the period. Nevertheless, an entity will exclude from this calculation the loan costs applicable to loans specifically obtained to fund a qualifying asset until all activities required to prepare such asset for its foreseen use or sale have been completed. The amount of borrowing costs that an entity is entitled to capitalize during the period shall not exceed total loan costs incurred during the same period.

No material effects resulted from application of these improvements.

Note 5. Business combinations

No business combinations were carried out at December 31, 2019 and at December 31, 2018.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	December 31, 2019	December 31, 2018
Cash at hand and in banks	2,145,246	1,869,999
Fiduciary rights (1)	60,907	15,869
Total cash and cash equivalents	**2,206,153**	**1,885,868**

(1) The balance represents:

	December 31, 2019	December 31, 2018
Fiducolombia S.A.	20,236	5,306
Fondo de Inversión Colectiva Abierta Occirenta	20,215	5,225
Fiduciaria Bogotá S.A.	10,036	87
Corredores Davivienda S.A.	6,062	5,105
BBVA Asset S.A.	4,297	49
Credicorp Capital	61	97
Total fiduciary rights	**60,907**	**15,869**

At December 31, 2019, the Company recognized yields from cash and cash equivalents in amount of $10,418 (December 31, 2018 - $8,982), which were recorded as financial revenue as detailed in Note 34.

At December 31, 2019 and December 31, 2018, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 7. Trade receivables and other accounts receivable

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

	December 31, 2019	December 31, 2018
Trade accounts receivable (Note 7.1)	119,921	105,206
Other accounts receivable (Note 7.2)	112,679	136,080
Total trade receivables and other accounts receivable	**232,600**	**241,286**
Current (Note 7.3)	**199,712**	**218,109**
Non-current (Note 7.3)	**32,888**	**23,177**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	December 31, 2019	December 31, 2018
Trade accounts	97,519	98,471
Rental fees and concessions receivable	12,129	8,458
Sale of real-estate project inventories (1)	10,124	-
Employee funds and lending	7,714	6,606
Impairment of receivables (2)	(7,565)	(8,329)
Total trade receivables	**119,921**	**105,206**

(1) The balance receivable represents the sale of the Copacabana real-estate project.

(2) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Company is of the opinion that these balances are recoverable, given the extensive credit risk analysis conducted on customers, including credit ratings when they are available in credit databases recognized in the market. During the annual period ended December 31, 2019 the net effect of the impairment of receivables in the statement of income represents an impairment loss in amount of $1,403 (December 31, 2018 - $2,703).

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

Balance at December 31, 2018	**8,329**
Impairment loss recognized during the period	19,554
Reversal of impairment losses	(18,151)
Receivables written-off	(2,167)
Balance at December 31, 2019	**7,565**

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31, 2019	December 31, 2018
Employee funds and lending	65,480	75,619
Business agreements	28,421	26,877
Other accounts receivable (1)	11,058	12,797
Money remittances	4,202	6,938
Money transfer services	1,991	572
Tax claims	1,360	1,360
Taxes collected receivable	164	352
Sale of property, plant and equipment (2)	3	11,565
Total other accounts receivable	**112,679**	**136,080**

(1) The balance is comprised of:

	December 31, 2019	December 31, 2018
Factoring of trade receivables	3,912	5,995
Attachment orders receivable	1,446	1,815
Shortfalls receivable from employees	445	599
Other minor balances	5,255	4,388
Total	**11,058**	**12,797**

(2) The balance includes balances receivable from the following third parties:

	December 31, 2019	December 31, 2018
Arquitectura y Comercio S.A.	3	10,993
Tacmo S.A.S.	-	2
Permoda Ltda.	-	570
Total	**3**	**11,565**

Note 7.3. Trade receivables and other accounts receivable classified as current and non-current

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

	December 31, 2019	December 31, 2018
Trade accounts	97,519	98,471
Other employee funds and lending	46,257	55,104
Business agreements	28,420	26,877
Rental fees and concessions receivable	12,129	8,458
Employee funds and lending	7,714	6,606
Money remittances	4,202	6,938
Money transfer services	1,991	572
Tax claims	1,360	1,360
Sale of real-estate project inventories	121	-
Sale of property, plant and equipment	3	11,565
Taxes receivable	165	352
Other	7,396	10,135
Impairment of receivables	(7,565)	(8,329)
Total current	**199,712**	**218,109**
Other employee funds and lending	19,224	20,515
Sale of real-estate project inventories	10,002	-
Other	3,662	2,662
Total non-current	**32,888**	**23,177**

Note 7.4. Trade receivables and other accounts receivable by age

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

			Overdue				
Period	**Total**	**Not due**	**Less than 30 days**	**From 31 to 60 days**	**From 61 to 90 days**	**More than 90 days**
December 31, 2019	240,165	138,872	62,816	14,921	985	22,571
December 31, 2018	249,615	90,278	100,312	50,612	1,502	6,911

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	December 31, 2019	December 31, 2018
Insurance (1)	12,517	11,526
Maintenance (2)	10,706	5,415
Leases (3)	10,185	11,052
Other advance payments	1,644	777
Total prepaid expenses	**35,052**	**28,770**
Current	**25,421**	**18,539**
Non-current	**9,631**	**10,231**

(1) Represents multi-risk insurance, $9,425 (December 31, 2018 - $8,873); civil and third-party liability insurance $949 (December 31, 2018 - $774); life insurance $621 (December 31, 2018 - $653); transport insurance $574 (December 31, 2018 - $412); and other insurance $948 (December 31, 2018 - $814).

(2) Represents advance payments on account of software maintenance and support, $4,801 (December 31, 2018 - $5,226); advance payments on cloud-based service support, $4,675 (December 31, 2018 - $0); and advance payments on hardware maintenance and support, $1,230 (December 31, 2018 - $189).

(3) Includes (a) rental fees paid in advance for the Éxito San Martin premises in amount of $4,937 (December 31, 2018 - $5,344), covering the lease contract until 2034, and (b) rental fees paid in advance for the Carulla Castillo Grande premises in amount of $4,583 (December 31, 2018 $5,000), covering the lease contract from September 2019 to September 2023.

Note 9. 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, 2019	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Subsidiaries (1)	90,537	45,770	4,786	-
Joint ventures (2)	43,322	58,311	14,997	-
Grupo Casino companies (3)	8,003	4,770	-	-
Controlling entity (4)	195	3,907	-	-
Total	**142,057**	**112,758**	**19,783**	**-**
Current	**92,900**	**108,951**	**-**	**-**
Non-current	**49,157**	**3,807**	**19,783**	**-**

(1) The balance of accounts receivable is made as follows:
- Loan granted to Libertad S.A. in amount of $50,466, bearing Libor 12M + 13.5% interest and maturing in 2024 (December 31, 2018 - $-);
- Administration services, reimbursement of expenses and loans from Gemex O & W S.A.S. in amount of $ 24,311 (December 31, 2018 - $22,459);
- Strategic direction services from Libertad S.A. in amount of $ 6,293 (December 31, 2018 - $3,112);
- Transfer of the put option contract from Spice Investments Mercosur S.A. in amount of $3,876 (December 31, 2018 - $3,856);
- Collection of dividends declared, administration services and reimbursement of expenses from Patrimonios Autónomos in amount of $ 3,869 (December 31, 2018 - $10,991);
- Direct transactions with Almacenes Éxito Inversiones S.A.S. where Almacenes Éxito S.A. acts as the payor to third parties under a mandate agreement, in amount of $615 (December 31, 2018 - $3,720);
- Retail sales, administration services and reimbursement of expenses from Logística, Transporte y Servicios Asociados S.A.S. in amount of $575 (December 31, 2018 - $510);
- Reimbursement of expenses from Supermercados Disco del Uruguay S.A. in amount of $262 (December 31, 2018 - $-)
- Reimbursement of expenses from Éxito Viajes y Turismo S.A.S. in amount of $141 (December 31, 2018 - $142);
- Purchase of goods, marketplace and other services from Éxito Industrias S.A.S. in amount of $127 (December 31, 2018 - $231);
- Reimbursement of expenses from Devoto Hermanos S.A. in amount of $1 (December 31, 2018 - $0); and
- Reimbursement of expenses from Depósitos y Soluciones Logísticas S.A.S. in amount of $1 (December 31, 2018 - $-).

Additionally, at December 31, 2018, the balance included accounts receivable as follows:
- A charge for a loan disbursed to Onper Investment 2015 S.L. in amount of $520;
- A charge for personnel expenses from Companhia Brasileira de Distribuição - CBD in amount of $135, and
- Reimbursement of expenses from Carulla Vivero Holding Inc, in amount of $94.

The balance of other non-financial assets represents:
- A payment to Gemex O & W S.A.S. for a future subscription of shares under the Company's strategic plan to discontinue the operation of this subsidiary.

(2) The balance of accounts receivable is made as follows:
- Involvement in a corporate collaboration agreement $13,523 (December 31, 2018 - $7,019) and reimbursement of shared expenses, collection of coupons and other items $7,566 (December 31, 2018 - $36,078) from Compañía de Financiamiento Tuya S.A.
- Redemption of points in amount of $ 21,596 (December 31, 2018 - $14,804) and other services in amount of $ 637 (December 31, 2018 - $410) from Puntos Colombia S.A.S.

The balance of other non-financial assets represents:
- A payment made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that at December 31, 2019 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed was not recognized as an investment in such company.

(3) Mainly relates to the balance on account of expatriate payments receivable from Casino International in amount of $4,248 (December 31, 2018 - $4,151), from Distribution Casino France in amount of $101, (December 31, 2018 - $82) and from Casino Services in amount of $8 (December 31, 2018 - $8); for services provided under the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*) in amount of $3,622 (December 31, 2018 - $-); for energy efficiency services received from Greenyellow Energía de Colombia S.A.S. in amount of $24 (December 31, 2018 - $527); for lower value of the purchase commission from International Retail Trade and Services in amount of $- (December 31, 2018 - $1) and for damaged goods discounts from Monoprix Exploitation in amount of $- (December 31, 2018 - $1).

(4) At December 31, 2019 represented the balance of personnel expenses receivable from Companhia Brasileira de Distribuição - CBD (*). At December 31, 2018 relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*).

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 10. Inventories, net and Cost of sales

Note 10.1. Inventories, net

The net balance of inventories is as follows:

	December 31, 2019	December 31, 2018
Inventories available for trading	1,435,360	1,268,067
Inventories of property under construction (1)	87,800	105,461
Inventories in transit	30,816	34,333
Raw materials	11,700	2,680
Materials, small spares, accessories and consumable packaging.	3,544	3,487
Production in process	705	589
Inventory impairment (2)	(14,060)	(15,893)
Total inventories, net	**1,555,865**	**1,398,724**

(1) At December 31, 2019 the balance represents the Montevideo real estate project.

At December 31, 2018 the balance represented Montevideo and Copacabana real estate projects in amount of $96,483 and $8,978, respectively, the latter sold during 2019.

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

Balance at December 31, 2018	**15,893**
Reversal of impairment provisions (10.2)	(1,833)
Balance at December 31, 2019	**14,060**

At December 31, 2019 and at December 31, 2018 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 December 31, 2019 there is a purchase-sale promise under the following terms: delivery of 24.6% in 2020, 14.4% in 2021 and 52% in 2022. 9% was sold during 2019.

Further, inventories are properly insured against all risks.

Pursuant to Company 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 10.2. 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, 2019	January 1 to December 31, 2018 (1) (2)
Cost of goods sold (3) (2)	9,941,315	9,438,220
Trade discounts and purchase rebates	(1,510,176)	(1,388,044)
Logistics costs (1) (4)	408,754	398,076
Damage and loss	144,749	140,062
(Reversal) impairment recognized during the period (5)	(1,833)	(3,218)
Total cost of sales	**8,982,809**	**8,585,096**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this logistics cost account relates to the derecognition of fixed payments under lease agreements and the recognition of depreciation of use rights. Differences are detailed in Note 49.

See detail of this account under section (3) below in this same Note 10.2.

(2) As of January 1, 2019, based on reviews to Company operations, certain items related with food preparation operating processes that until December 31, 2018 were shown as administration expenses and employee benefit expenses, are carried under the cost of goods sold. Such items in amount of $177.031 were reclassified in the financial statements at December 31, 2018 only for comparison to the financial statements at December 31, 2019. Such reclassification had no material effects on the gross profit.

(3) At December 31, 2019 includes $9,328 of depreciation and amortization cost (December 31, 2018 - $4,222).

(4) The following is a detail of items included in logistics costs:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (a)
Employee benefits	235,371	220,876
Public utilities	130,794	126,913
Leases (a)	(570)	7,120
Depreciation and amortization (a)	43,159	43,167
Total logistics costs	**408,754**	**398,076**

(a) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Differences are detailed in Note 49.

(4) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage area at the distribution center, delimiting the exposure of goods at the warehouses. Also, they relate to a change in the management of physical counts (which are now managed through general inventories instead of revolving inventories), increase in post-season critical controls, assessment of critical merchandise and supplementary activities.

Note 11. Other financial assets

The balance of other financial assets is as follows:

	December 31, 2019	December 31, 2018
Financial assets measured at amortized cost (1)	39,839	39,821
Derivative financial instruments (2)	23,357	113,541
Financial assets at fair value through other comprehensive income (3)	10,393	9,930
Financial assets measured at fair value through income (4)	1,295	1,201
Derivative financial instruments designated as hedge instruments (5)	476	480
Total other financial assets	**75,360**	**164,973**
Current	**27,031**	**89,022**
Non-current	**48,329**	**75,951**

(1) Financial assets measured at amortized cost mainly relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A. which the Company has the intention and capability of maintaining to maturity to obtain contractual cash flows. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At December 31, 2019 the nominal value amounts to $39,500 (December 31, 2018 - $39,500) and maturities go from 5 to 8 years yielding CPI + 6%.

(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 its statement of financial position, the Company measures derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at December 31, 2019 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	3,409	-	5,730	2,775	-	11,914
Swap	-	(1,353)	3,753	9,043	-	11,443
	3,409	**(1,353)**	**9,483**	**11,818**	**-**	**23,357**

The detail of maturities of these instruments at December 31, 2018 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	21,145	13,060	4,470	-	-	38,675
Swap	-	-	22,423	24,409	28,034	74,866
	21,145	**13,060**	**26,893**	**24,409**	**28,034**	**113,541**

(3) 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, 2019	December 31, 2018
Cnova N.V.	9,222	9,222
Fideicomiso El Tesoro stages 4A and 4C 448	923	448
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
Carnes y Derivados de Occidente S.A.S.	-	12
Total	**10,393**	**9,930**

(4) Financial assets measured at fair value through income include investments in equity securities of Fondo Valorar Futuro 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.

(5) Derivative instruments designated as hedge instruments reflect swap transactions carried out by the Company 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, 2019, relates to the following transactions:

	Nature of risk insured	Hedged item	Range of rates for the item hedged	Range of rates for hedging instruments	Fair value
Swap	Interest rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	476

The detail of maturities of these hedging instruments at December 31, 2019 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	-	-	-	-	476	476

At December 31, 2018, relates to the following transactions:

	Nature of risk insured	Hedged item	Range of rates for the item hedged	Range of rates for hedging instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	4.4% - 6.0%	480

The detail of maturities of these hedging instruments at December 31, 2018 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	-	-	-	-	480	480

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

	December 31, 2019	December 31, 2018
Derivative financial instruments	23,357	85,507
Financial assets measured at amortized cost	3,674	3,515
Total current	**27,031**	**89,022**
Financial assets measured at amortized cost	36,165	36,306
Financial assets measured at fair value through other comprehensive income	10,393	9,930
Financial assets measured at fair value through income	1,295	1,201
Derivative financial instruments designated as hedge instruments	476	480
Derivative financial instruments	-	28,034
Total non-current	**48,329**	**75,951**

At December 31, 2019 and at December 31, 2018 there are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company's investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of Tarjeta Éxito's business collaboration agreement.

None of the assets was impaired at December 31, 2019 and at December 31, 2018.

Note 12. Property, plant and equipment, net

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

	December 31, 2019	December 31, 2018
Land	436,773	436,670
Buildings	901,885	868,735
Machinery and equipment	715,892	712,647
Furniture and fixtures	443,554	401,251
Assets under construction	39,022	27,551
Improvements to third party properties	323,589	286,352
Vehicles and transportation equipment	8,760	4,983
Computers	153,688	154,457
Other property, plant and equipment	16,050	16,050
Total cost of property, plant and equipment	**3,039,213**	**2,908,696**
Accumulated depreciation	(1,012,033)	(852,817)
Total net property, plant and equipment	**2,027,180**	**2,055,879**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Vehicles and transportation equipment	Computers	Other	Total
Balance at December 31, 2018	**436,670**	**868,735**	**712,647**	**401,251**	**27,551**	**286,352**	**4,983**	**154,457**	**16,050**	**2,908,696**
Additions	103	28,383	49,735	36,710	33,619	40,583	172	11,105	-	200,410
(Decrease) from contribution to Patrimonios Autónomos	-	(1,327)	-	-	-	-	-	-	-	(1,327)
(Disposal and derecognition) of property, plant and equipment (1)	-	(5,387)	(22,332)	(10,403)	(10,354)	(7,875)	(440)	(12,677)	-	(69,468)
Increase (decrease) from movements between property, plant and equipment accounts	-	11,229	(24,165)	15,996	(11,794)	4,529	4,045	160	-	-
Other minor changes	-	252	7	-	-	-	-	643	-	902
Balance at December 31, 2019	**436,773**	**901,885**	**715,892**	**443,554**	**39,022**	**323,589**	**8,760**	**153,688**	**16,050**	**3,039,213**
Accumulated depreciation										
Balance at December 31, 2018		**123,397**	**296,465**	**183,138**		**139,263**	**3,623**	**103,710**	**3,221**	**852,817**
Depreciation expense/cost		26,483	72,464	48,124		30,394	585	21,183	788	200,021
(Disposals and derecognition) of depreciation (1)		(118)	(16,240)	(7,421)		(4,051)	(403)	(12,658)	-	(40,891)
Increase (decrease) from movements between property, plant and equipment accounts		11	(11,522)	10,018		97	1,832	(436)	-	-
Other minor changes		-	6	-		-	-	80	-	86
Balance at December 31, 2019		**149,773**	**341,173**	**233,859**		**165,703**	**5,637**	**111,879**	**4,009**	**1,012,033**

(1) Represents the closure of the following stores: Portal Libertador $1,824, Surtimax la 8 $556, Carulla Express Pontevedra $413, Surtimax Andes $335, Super Inter Express Mercar $308, Éxito Express Hacaritama $276, Surtimax Olarte $136, Surtimax Metrocar $98, Surtimax Funza $97, Surtimax Santo Tomas $96, Éxito Express Pilarica $71, Éxito Castilla $69, Éxito Express Simon Bolivar $65, Súper Inter Tequendama $26, Éxito Express Villa Ligia $25, Súper Inter Las Pilas $23, Surtimax La Victoria $23, Surtimax Centro $20, Surtimax Condado Castilla $15, Surtimax Calle 48 $12, Surtimax Choconta $6 and Éxito Avenida Chile $5. It also includes derecognition of assets arising from the reconciliation of physical counts in amount of $7,903; derecognition of machinery and equipment, furniture and fixtures and computers due to damages in amount of $779; derecognition of machinery and equipment and furniture and fixtures of service stations in amount of $225 and derecognition of machinery and equipment, furniture and fixtures and computers from casualties at Carulla La Mina and other premises in amount of $21.

Assets under construction are represented by those assets not ready for their intended use as expected by Company management and on which costs directly attributable to the construction process continue to be capitalized.

The carrying amounts of property, plant and equipment under finance lease are as follows:

	December 31, 2019	December 31, 2018
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**15,761**	**15,761**
Accumulated depreciation	(4,006)	(3,218)
Total net property, plant and equipment	**11,755**	**12,543**

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

At December 31, 2019 and at December 31, 2018, 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 periods ended December 31, 2019 and December 31, 2018, no compensations were received for damaged assets, and no payment acceptances by insurance companies to compensate for damaged assets were recognized.

No impairment of property, plant and equipment was recognized at December 31, 2019 and at December 31, 2018. Information about the methodology applied to test for impairment is contained in Note 38.

Note 13. Investment property, net

Investment properties are business premises and plots of land held to generate revenue from operating lease agreements or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

	December 31, 2019	December 31, 2018
Land	57,452	55,716
Buildings	31,321	39,341
Construction in progress	7,619	6,471
Total cost of investment property	**96,392**	**101,528**
Accumulated depreciation	(4,503)	(3,848)
Total investment property, net	**91,889**	**97,680**

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2018	**55,716**	**39,341**	**6,471**	**101,528**
Additions	1,736	552	1,148	3,436
(Decrease) from contribution to Patrimonios Autónomos (1)	-	(8,572)	-	(8,572)
Balance at December 31, 2019	**57,452**	**31,321**	**7,619**	**96,392**

Accumulated depreciation	Buildings
Balance at December 31, 2018	**3,848**
Depreciation expense	655
Balance at December 31, 2019	**4,503**

(1) Relates to contributions related with Villa Barranquilla building that was delivered to Patrimonio Autónomo Viva Malls as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia.

At December 31, 2019 and December 31, 2018 there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At December 31, 2019 and at December 31, 2018 the Company is 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.

Investment property was not impaired at December 31, 2019 and at December 31, 2018. Information about the methodology applied to test for impairment is contained in Note 38.

Note 39 discloses the fair values of investment property, based on the appraisal carried out by an independent third party.

During the annual periods ended December 31, 2019 and December 31, 2018 the income at the Company from the use of investment property are as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Revenue from leases	5,263	4,636
Operation expenses related to revenue-generating investment properties	(379)	(354)
Operating expenses related to non-revenue-generating investment properties	(2,641)	(5,004)
Net gain from investment properties	**2,243**	**(722)**

Note 14. Use rights, net

The Company started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standards requires recognizing a use right-related asset and a lease liability.

The Company elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

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

	December 31, 2019	December 31, 2018
Use rights	2,507,840	2,243,136
Total use rights	**2,507,840**	**2,243,136**
Accumulated depreciation	(1,096,430)	(943,590)
Total use rights, net	**1,411,410**	**1,299,546**

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

Cost

Balance at December 31, 2018	**2,243,136**
Increase from creations	106,363
Increase from new measurements	205,433
Derecognition	(47,092)
Balance at December 31, 2019	**2,507,840**

Accumulated depreciation

Balance at December 31, 2018	**943,590**
Depreciation cost and expense	192,422
Derecognition	(39,582)
Balance at December 31, 2019	**1,096,430**

Note 15. Goodwill

The balance of goodwill is as follows:

	December 31, 2019	December 31, 2018
Carulla Vivero S.A. (1)	827,420	827,420
Súper Inter (2)	453,649	453,649
Cafam (3)	122,219	122,219
Other (4)	49,789	49,789
Total goodwill	**1,453,077**	**1,453,077**

(1) Relates to goodwill from the business combination carried out in 2007 resulting from the merger with Carulla Vivero S.A. 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.

(2) Includes $179,412 from the acquisition of 19 business establishments carried out in September 2014; $264,027 from the acquisition of 29 business establishment 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.

(3) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that had been operated by the Company since 2010. Business establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores. For 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.

(4) Minor acquisitions of other business establishments that were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $10,540, to Surtimax $28,566 and to Súper Inter $10,683.

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

Goodwill was not impaired at December 31, 2019 and at December 31, 2018. Information about the methodology applied to test for impairment is contained in Note 38.

Note 16. Intangible assets other than goodwill, net

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

	December 31, 2019	December 31, 2018
Trademarks	81,131	81,131
Computer software	152,099	117,754
Rights	26,986	26,986
Other	22	19
Total cost of intangible assets other than goodwill	**260,238**	**225,890**
Accumulated amortization	(101,013)	(81,645)
Total intangible assets other than goodwill, net	**159,225**	**144,245**

The development of intangible assets other than goodwill during the reporting period is as follows:

Cost	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
Balance at December 31, 2018	**81,131**	**117,754**	**26,986**	**19**	**225,890**
Additions	-	37,011	-	-	37,011
Other changes	-	(2,666)	-	3	(2,663)
Balance at December 31, 2019	**81,131**	**152,099**	**26,986**	**22**	**260,238**
Accumulated amortization					
Balance at December 31, 2018		**81,645**			**81,645**
Amortization expense/cost		19,453			19,453
Other changes		(85)			(85)
Balance at December 31, 2019		**101,013**			**101,013**

(1) Represents Surtimax trademark in amount of $17,427 acquired upon the merger with Carulla Vivero S.A., and Super Inter trademark acquired upon the business combination with Comercializadora Giraldo Gómez y Cía. S.A. in amount of $63,704.

Such trademarks have indefinite useful life on the grounds of the Company's considerations thereon, and consequently they are not amortized.

(2) Represents the net value of the following computer software, used by the Company in its business operation:

	December 31, 2019	December 31, 2018
WMS	12,368	6,955
Order manager (a)	8,021	-
Product manager (a)	4,880	-
Direct trade (Éxito app, Carulla app and Mi Descuento app)	3,228	996
Databases	3,137	3,164
System application and products (SAP)	2,911	7,442
E-commerce manager (a)	2,527	-
Demand forecasts	2,084	3,228
Discount manager (a)	1,674	-
Central equipment virtualizer	805	1,098
Trade information system (Sinco)	738	5,973
Single customer	719	1,897
Rotar	683	865
Self-checkout (b)	492	-
Food court (b)	484	-
Pos and pin pads	394	720
Image-based sales (b)	390	-
Digital purchase strip (b)	383	-
GUI for customers (b)	344	-
Innovation at points of payment	199	250
Slotting	194	432
Sinemax	169	535
Post mobile II (b)	164	-
Customer home (b)	38	-
Post mobile I (b)	10	-
Carulla Freshmarket App (b)	3	-
Market Place Pragma (*Seller Center*)	-	1,000
Other minor items	4,047	1,554
Total computer software, net	**51,086**	**36,109**

(a) Computer software attached to the Company's omni-channel strategic project.

(b) Computer software attached to the Company's digital transformation strategic project.

(3) Recognitions of contracts executed in December 2017 in amount of $2,226, December 2016 in amount of $11,552 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

Given the relevant usage considerations that the Company has thereon, such rights have indefinite useful life, and consequently they are not amortized.

At December 31, 2019 and December 31, 20178 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.

None of the intangible assets other than goodwill were impaired at December 31, 2019. A loss was incurred at December 31, 2018 arising from the impairment of computer software, as follows: Surtido y Espacio $708, Pricing $1,904 and other minor amounting to $695 as disclosed in Note 33; except for the above, no impairment was recognized on intangible assets other than goodwill. Information about the methodology applied to test for impairment is contained in Note 38.

Note 17. 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, 2019	December 31, 2018 (1)
Spice Investment Mercosur S.A. (1)	Subsidiary	1,651,188	1,857,998
Patrimonio Autónomo Viva Malls (1)	Subsidiary	955,638	962,533
Onper Investment 2015 S.L. (1) ((2)	Subsidiary	609,525	4,545,348
Compañía de Financiamiento Tuya S.A.	Joint venture	209,088	203,679
Éxito Industrias S.A.S. (1)	Subsidiary	157,140	146,901
Logística, Transporte y Servicios Asociados S.A.S. (1)	Subsidiary	9,730	7,546
Depósito y Soluciones Logísticas S.A.S. (3)	Subsidiary	5,429	-
Éxito Viajes y Turismo S.A.S. (1)	Subsidiary	4,838	4,146
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana (1)	Subsidiary	3,220	3,284
Marketplace Internacional Éxito y Servicios S.A.S.	Subsidiary	3,138	20
Puntos Colombia S.A.S.	Joint venture	1,372	5,600
Almacenes Éxito Inversiones S.A.S.	Subsidiary	265	231
Marketplace Internacional Éxito S.L. (4)	Subsidiary	218	-
Carulla Vivero Holding Inc. (5)	Subsidiary	-	4,834
Total investments accounted for using the equity method		**3,614,639**	**7,745,970**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the investment balance as shown in each subsidiary's shareholders' equity. Differences are detailed in Note 49.

(2) A subsidiary which in turn is the parent of the following subsidiaries:

Company	December 31, 2019	December 31, 2018 (a)
Libertad S.A. (b)	609,525	632,035
Companhia Brasileira de Distribuição CBD (a) (c)	-	4,630,029
Wilkes Partipações S.A. (c)	-	45
Ségisor S.A. (c)	-	(716,761)
Total	**609,525**	**4,545,348**

(a) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the equity of this subsidiary. Differences are detailed in Note 49.

(b) Represents the balance of subsidiaries Via Artika S.A., Gelase S.A., Spice España de Valores Americanos S.L. and Libertad S.A.

(c) On September 12, 2019, the General Meeting of Shareholders endorsed the authorization given by the Board of Directors to the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A. On the grounds of such approval, on September 30, 2019 these subsidiaries were classified under non-current assets held for trading. The offer was achieved later, on November 27, 2019, and the shares that the Company indirectly held in operating subsidiary Companhia Brasileira de Distribuição - CBD and in holding subsidiaries Ségisor S.A. y Wilkes Partipações S.A. were then sold.

Previously, on June 15, 2019, subsidiary Companhia Brasileira de Distribuição – CBD had sold the shares it held in Via Varejo S.A., a subsidiary until then classified as non-current asset held for trading.

(3) A subsidiary incorporated on June 21, 2019.

(4) A subsidiary incorporated on October 9, 2019.

(5) On September 16, 2019 the Board of Directors of this subsidiary declared dividends against retained earnings and against company's share capital. As a result of such dividend declaration, the carrying amount of shareholders' equity of this subsidiary decreased to zero $-.

Note 17.1. 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 method		Number of shares	
				December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Spice Investment Mercosur S.A.	Uruguay	Uruguayan peso	Holding	100%	100%	6.550.177.757	6.550.177.757
Patrimonio Autónomo Viva Malls	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Onper Investment 2015 S.L.	Spain	Euro	Holding	100%	100%	3.000	3.000
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50%	50%	8.481.789.234	7.912.031.150
Éxito Industrias S.A.S.	Colombia	Colombian peso	Trade	97.95%	97.95%	3,990,707	3,990,707
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombian peso	Transport	100%	100%	5.774.786	5.774.786
Depósito y Soluciones Logísticas S.A.S.	Colombia	Colombian peso	Trade	100%	-	5.500.000	-
Éxito Viajes y Turismo S.A.S.	Colombia	Colombian peso	Public utilities	51%	51%	2.500.000	2.500.000
Fideicomiso Lote Girardot	Colombia	Colombian peso	Real Estate	100%	100%	N/A	N/A
Patrimonio Autónomo Iwana	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Marketplace Internacional Éxito y Servicios S.A.S.	Colombia	Colombian peso	Trade	100%	100%	1.200.000	20.000
Puntos Colombia S.A.S.	Colombia	Colombian peso	Public utilities	50%	50%	9.000.000	9.000.000
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombian peso	Telephone services	100%	100%	300.000	300.000
Marketplace Internacional Éxito S.L.	Spain	Colombian peso	Trade	100%	-	3.000	-
Carulla Vivero Holding Inc.	British Virgin Islands	Colombian peso	Investment	-	100%	-	385.900
Gemex O & W S.A.S.	Colombia	Colombian peso	Trade	100%	85%	1.494.945	1.270.703

Note 17.2. Financial information regarding investments accounted for using the equity method

Financial information regarding investments accounted for using the equity method at December 31, 2019:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Spice Investment Mercosur S.A.	594,720	2,003,119	991,509	177,663	1,428,667	2,580,175	122,057	122,057
Patrimonio Autónomo Viva Malls	53,541	2,068,137	26,870	-	2,094,808	288,528	123,220	123,220
Onper Investment 2015 S.L.	243,024	725,893	182,194	177,197	609,526	970,814	(14,318)	(14,318)
Compañía de Financiamiento Tuya S.A.	3,207,963	81,336	1,160,326	1,745,967	383,006	1,178,777	(11,753)	(11,753)
Éxito Industrias S.A.S.	122,625	162,725	48,054	73,974	163,322	112,747	9,406	9,429
Logística, Transporte y Servicios Asociados S.A.S.	19,575	20,472	15,245	15,072	9,730	162,307	2,183	2,177
Depósito y Soluciones Logísticas S.A.S.	5,604	1,984	1,015	1,144	5,429	-	(71)	(71)
Éxito Viajes y Turismo S.A.S.	35,820	5,032	29,812	2,043	8,997	31,951	9,125	9,125
Fideicomiso Lote Girardot	-	3,850	-	-	3,850	-	-	-
Patrimonio Autónomo Iwana	89	5,961	124	-	5,926	331	(84)	(84)
Marketplace Internacional Éxito y Servicios S.A.S.	88	3,116	12	54	3,138	-	(78)	(78)
Puntos Colombia S.A.S.	130,551	24,873	143,867	8,812	2,745	191,725	(6,273)	(6,273)
Almacenes Éxito Inversiones S.A.S.	6,345	5,232	9,029	-	2,548	28,764	34	34
Marketplace Internacional Éxito S.L.	221	-	4	-	217	-	(3)	(3)
Carulla Vivero Holding Inc.	-	-	-	-	-	-	339	339
Gemex O & W S.A.S. (1)	2,851	-	34,366	4,786	(36,301)	15,006	(11,463)	(11,463)

(1) At December 31, 2019, the subsidiary accrued losses amounting to $37,796 ($26,333 at December 31, 2018) that decreased its net equity below 50% of its share capital resulting in $36,301 negative shareholders' equity (December 31, 2018 - $24,838), thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Company management together with subsidiary management ceased the trading and operating activities relating to the direct sale of products through sales catalogues. At December 31, 2019 it undergoes a transition process regarding its trading operation.

Financial information regarding investments accounted for using the equity method at December 31, 2018:

Companies	Current assets	Non-current assets	Current Liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Spice Investment Mercosur S.A.	638,260	2,245,393	1,257,975	-	1,625,678	2,571,308	147,522	82,624
Patrimonio Autónomo Viva Malls	92,004	2,076,119	42,345	-	2,125,778	206,885	81,473	81,473
Onper Investment 2015 S.L.	33,735,462	24,233,980	31,409,707	12,215,772	14,343,963	41,242,199	946,545	348,064
Compañía de Financiamiento Tuya S.A.	2,836,770	-	2,464,644	-	372,126	1,094,747	84,258	84,258
Éxito Industrias S.A.S.	112,356	174,119	43,143	89,417	153,915	252,149	14,789	14,810
Logística, Transporte y Servicios Asociados S.A.S.	17,494	11,234	15,925	5,256	7,547	145,576	2,923	2,917
Éxito Viajes y Turismo S.A.S.	27,070	5,149	22,112	2,417	7,690	24,439	5,448	5,448
Fideicomiso Lote Girardot	-	3,850	-	-	3,850	-	-	-
Patrimonio Autónomo Iwana	127	6,107	160	-	6,074	310	(131)	(131)
Marketplace Internacional Éxito y Servicios S.A.S.	20	-	-	-	20	-	-	-
Puntos Colombia S.A.S.	65,639	30,808	82,331	5,095	9,021	35,489	(5,405)	(5,405)
Almacenes Éxito Inversiones S.A.S.	9,018	5,156	11,660	-	2,514	33,475	(521)	(521)
Carulla Vivero Holding Inc.	4,928	-	94	-	4,834	-	395	395
Gemex O & W S.A.S.	11,795	1,704	34,306	4,031	(24,838)	24,418	(12,826)	(12,826)

There are no restrictions on the capability of the subsidiaries to transfer funds to the Company in the form of cash dividends, or loan repayments or advance payments. Additionally, the Company has no contingent liabilities incurred related to its participation therein.

Embedded obligations acquired by the Company on behalf of its subsidiaries, whose losses are higher than the investment therein held are described in Note 21 Other provisions.

Note 17.3. 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:

Spice Investments Mercosur S.A.

A Uruguayan closed stock company, with nominative share titles. Its core purpose is investing in general, pursuant to section 47 of Uruguayan Law 16060, and it may develop investment activities in the country and abroad. Its main place of business is at Avenida General José María Paz No. 1404, Montevideo, Uruguay.

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.

Onper Investments 2015 S.L.

A subsidiary with domicile in Spain, Parent of Oregon LLC, Pincher LLC and Bengal LLC (companies domiciled in the United States of America) wherein it holds an interest equivalent to 50% of the share capital, Parent of Libertad S.A., Ceibotel S.A. and Geant Argentina S.A. (companies domiciled in Argentina), Vía Artika S.A. (a company domiciles in Uruguay), Spice España de Valores Americanos S.L. (a company domiciled in Spain) and Gelase S.A. (a company domiciled in Belgium) wherein it holds 100% of share capital.

Until November 27, 2019 it was the Parent of Companhia Brasileira de Distribuição - CBD (a company domiciled in Brazil) where it held 18.70% of the share capital and 49.97% of the voting rights, of Wilkes Partipações S.A. (a company domiciled in Brazil) and of Ségisor S.A. (a company domiciled in France).

Based on the endorsement given by the General Meeting of Shareholders on September 12, 2019 to the authorization of the Board regarding the offer submitted by Casino Guichard-Perrachon S.A. on the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição - CND through Ségisor S.A., on November 27, 2019 the offer was accomplished and the shares held by the Company in the operating subsidiary Companhia Brasileira de Distribuição – CBD and in holding subsidiaries Ségisor S.A. and Wilkes Partipações S.A. were sold.

The subsidiary's corporate purpose is to carry out the following activities, in Spain and abroad:

- Manage and administer securities representing the funds of non-resident entities in Spanish territory, through the organization of physical and human resources. CNAE Code 66.30/64.20.
- Purchase, subscribe, hold, manage, administer, barter and sell domestic and foreign movable securities on its own without intermediation, through the organization of physical and human resources. CNAE Code 66.12.
- Promote and develop all kinds of real estate, urban or soil management plans, whether for industrial, commercial or housing purposes. This shall include purchasing, holding, managing, administering, bartering and selling all kinds of real estate assets. CNAE Code 4110 and 683.2.
- Perform all kinds of economic, financial and commercial surveys, as well as real estate-related surveys including those regarding the management, administration, merger and concentration of companies, and the provision of trade and entrepreneurial services. CNAE Code 69.20.
- Exception is made of activities reserved by Law to Collective Investments Institutions, as well as those expressly reserved by the Stock Exchange Law to stockbroking agents and/or companies.
- Should legal provisions require a certain professional title, administrative authorization or filing with public registers to perform any of the activities included in the corporate purpose, such activities shall be carried out by individuals holding such title and, as the case may be, shall not be initiated without compliance with administrative requirements.

The company may carry out the mentioned activities, in full or in part, indirectly through investments in other companies having the same or similar corporate purpose as that described above, or under any form pursuant to the Law.

<u>Compañía de Financiamiento Tuya S.A.</u>

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.

<u>Éxito Industrias S.A.S.</u>

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.

<u>Logística, Transporte y Servicios Asociados S.A.S.</u>

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.

<u>Depósito y Soluciones Logísticas S.A.S.</u>

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.

<u>Éxito Viajes y Turismo S.A.S.</u>

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.

<u>Fideicomiso Lote Girardot</u>

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.

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.

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

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.

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.

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

Carulla Vivero Holding Inc.

A subsidiary incorporated on September 14, 2000 under the laws of the British Virgin Islands; Its corporate purpose is carrying out businesses to invest, buy, hold, acquire at any title, sell, assign and manage any chattels or real estate not forbidden or regulated by the laws of the British Virgin Islands.

Gemex O & W S.A.S.

Incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services. Its main place of business is at Carrera 43 No. 31 - 166, Medellín, Colombia. The company's life span is indefinite.

Note 17.4. Investments in associates and joint ventures with material non-controlling interests

At December 31, 2019 and at December 31, 2018 the following are associates and joint ventures with material non-controlling interests:

Significant non-controlling interests

Investment	December 31, 2019	December 31, 2018
Joint venture		
Compañía de Financiamiento Tuya S.A.	50%	50%
Puntos Colombia S.A.S.	50%	50%

Below is a summary of financial information on associates and joint ventures with material non-controlling interests at December 31, 2019:

Companies	Current assets	Non-current Assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Compañía de Financiamiento Tuya S.A.	3,207,963	81,336	1,160,326	1,745,967	383,006	1,178,777	(11,753)	(11,753)
Puntos Colombia S.A.S.	130,551	24,872	143,866	8,812	2,745	191,725	(6,273)	(6,273)

Below is a summary of financial information on associates and joint ventures with material non-controlling interests at December 31, 2018:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Compañía de Financiamiento Tuya S.A.	2,836,770	-	2,464,644	-	372,126	1,094,747	84,258	84,258
Puntos Colombia S.A.S.	65,768	29,734	82,171	4,293	9,038	35,491	(5,388)	(5,388)

Note 18. Changes in the classification of financial assets

During the year ended December 31, 2019, there were no material changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 19. Financial liabilities

The balance of financial liabilities is as follows:

	December 31, 2019	December 31, 2018
Bank loans (1)	200,965	1,038,942
Finance leases	3,740	3,839
Total current financial liabilities	**204,705**	**1,042,781**
Bank loans (1)	-	2,828,936
Finance leases	6,293	9,497
Total non-current financial liabilities	**6,293**	**2,838,433**

(1) In August 2015, the Company entered into credit agreements with local banks in amount of $3.25 trillion and with foreign banks in amount of $1.21 trillion (USD 400 million at the exchange rate of $3,027.20 Colombian pesos) for the acquisition of the operations in Brazil and Argentina through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of $14,332.

Under both agreements, the Company commits to request approval from the banks if it requires to carry out the following transactions: encumber assets, enter into extraordinary agreements with any affiliated company, incur additional liabilities wherever the result is breach of the credit agreement and/or without prior authorization from creditors; creditors will automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Company, among others.

During January 2016 and April 2016, the Company requested disbursements in amount of $400,000 and $100,000, respectively, against the revolving trench under the credit agreement executed in July 2015. The revolving credit in amount of $500,000 with a term of two years, and the revolving cash credit with a term of one year, were restructured in August 2016.

$97,495 of the balance of non-current bank loans were repaid in August 2016; $55,000 and $500,000 of current bank loans were repaid in November 2016 and December 2016, respectively.

In February 2017 the Company obtained a loan in amount of $530,000; in March 2017, $70,000; in April 2017, $158,380; in May 2017, $79,216; and in September $120,000.

In February 2017 and in August 2017, $194,990 ($97,495 each month) were repaid of the outstanding balance of non-current bank loans; other repayments: in June 2017 $200,000; in August 2017 $50,000; in October 2017 120,000; in November 2017 $100,000 and in December 2017 $150,000 of current bank loans (syndicated revolving credit).

On December 22, 2017 the Company obtained a new syndicated revolving credit in amount of USD 450 million, maturing in December 2020. These resources allowed paying in advance the US Dollar syndicated credit outstanding at that date in the same amount, maturing in December 2018. Also, the peso revolving syndicated credit in amount of $500,000 was restructured to extend maturity from August 2018 to August 2020; all other contract conditions remain unchanged. The Company's debt level after the above two transactions does not vary; however, the average term of the debt goes from 2.2 years to 2.9 years, optimizing the Company's future payment outflows.

The Company requested disbursements in amount of $120,000, $350,000 and $30,000 during January, February and May 2018, respectively, against the syndicated revolving credit.

$97,495, $73,015, $97,495 and $73,015 of the non-current bank loan balance were repaid in February, June, August and December 2018, respectively.

$120,000 and $380,000 of the balance of syndicated revolving loans were repaid in July and August 2018, respectively.

During February and March 2019, the Company requested disbursements in amount of $70,000 and $30,000, respectively, against the revolving trench under the credit agreement executed on December 21, 2018. The Company requested disbursements in amount of $50,000, $160,000, $100,000 and $120,000 during February, April, June and August 2019, respectively, against the syndicated revolving credit.

In April 2019 a portion of the bilateral credit was extended to April 29, 2021, in amount of $158,380.

During February and August 2019, respectively, the Company repaid $97,495 and $97,495 of the non-current bank loan balance and $84,540 of the US Dollar bilateral current loan balance. $156,355 of the current bank loan balance were repaid in June 2019.

The disbursements in amounts of $160,000, $100,000, $120,000 and $50,000 against the syndicated revolving credit requested in February, April, July and August 2019 were repaid in October and November 2019.

The outstanding principal balance of the syndicated credit in US Dollars in amount of USD 450 million obtained in December 2017, the credit in amount of $158,380 obtained in April 2017, the outstanding balance of the current bank loan in amount of $535,616 and the outstanding balance of the non-current bank loan in amount of $1,167,535 were repaid in advance in December 2019. Such early payments were made based on existing terms and conditions of the debt agreements in force at that time, regarding mandatory repayments as result of the sale of assets.

Below is a detail of annual maturities of non-current financer leases outstanding at December 31, 2019, discounted at present value:

Year	Total
2021	3,546
2022	2,747
	6,293

Note 19.1. Commitments undertaken under credit contracts (financial obligations)

The purpose of commitments undertaken under credit contracts is to ensure compliance with the financial clauses applicable to debt and loans obtained in August 2015 and December 2017 that define the capital structure requirements (covenants) and other debtor obligations. Failure to comply with such financial clauses would result in the banks' promptly claiming repayment of debt and loans. At December 31, 2019 no failure to comply with financial clauses has been reported regarding any interest-bearing debt or loan during the current period.

The principal outstanding balance of the US Dollar loan acquired in December 2017 was early repaid in December 2019. All commitments acquired at the time the credits were obtained were extinguished upon payment of such liability. However, obligations acquired remain in force, given that credit agreements in Colombian pesos remain outstanding (Note 19.2).

Note 19.2. Obligations undertaken under credit contracts (financial obligations)

a. Financial: The Company is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio will be measured annually on April 30 based on audited consolidated financial statements at each period closing.

b. Indebtedness: The Company is committed to refrain from: (i) incurring new debts in the event of being in default of the financial liability and/or in the event that incurring the new debt would result in failure to comply with an existing financial liability, and (ii) incurring additional debt without the authorization of creditors.

   In the event that the Company intends to incur additional debt, it will require the prior authorization of creditors, authorization that will be deemed automatically granted if the Company complies with the occurrence indicator (Net financial debt / adjusted Ebitda = less than 3.5x), which will be measured based on the latest separate financial statements submitted to the National Register of Securities and Issuers.

Note 20. Employee benefits

The balance of employee benefits is as follows:

	December 31, 2019	December 31, 2018
Defined benefit plans	22,057	29,335
Long-term benefit plan	1,813	1,873
Total employee benefits	**23,870**	**31,208**
Current	**2,973**	**3,648**
Non-current	**20,897**	**27,560**

Note 20.1. Defined benefit plans

The Company has implemented the following defined benefit plans:

a. Retirement pension plan

   Under the plan, each of Company'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 depends on factors such as: employee age, time of service and salary.

   The Company 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 to whom labor laws applicable are those prior to Law 50 of 1990, and who did not migrate to the new system. Under the plan, the Company 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.

c. Retirement bonus upon meeting the requirements to obtain an old-age pension

   Up to December 31, 2018 wherever an employee of the Company met the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he/she was granted a single $1 cash bonus upon the employee's completion of his/her time of service. The old-age retirement bonus was granted under a collective bargain agreement. However, during 2019 Company and employees agreed on the elimination of the retirement pension bonus benefit.

d. Retirement bonus upon meeting the requirements to obtain a disability pension

   Wherever an employee of the Company is granted a disability pension by the relevant pension administration entity, he/she will be granted a single retirement bonus in amount of $4, provided a loss of 50% or more of capacity for work was qualified during the term of the labor relation with the Company. The disability pension bonus is granted under a collective bargain agreement.

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, 2019 there were no material changes in the methods or assumptions applied when preparing the estimations and sensitivity analyses.

Balances and development:

The following are balances and development of defined benefit plans:

	Retirement pensions	Severance pay	Disability retirement bonus	Total
Balance at December 31, 2018	**21,037**	**1,125**	**7,173**	**29,335**
Cost of service	-	29	178	207
Cost of past service	-	-	(6,865)	(6,865)
Interest expense	1,415	67	216	1,698
Actuarial (loss) from changes in experience	(221)	(96)	(45)	(362)
Actuarial gain from demographic changes	-	-	18	18
Actuarial gain from financial assumptions	702	11	13	726
Benefits directly (paid) by the Company	(2,212)	(184)	(304)	(2,700)
Balance at December 31, 2019	**20,721**	**952**	**384**	**22,057**

Variables used to make the calculations:

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

	December 31, 2019			December 31, 2018		
	Retirement pensions	Severance pay	Disability retirement bonus	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus
Discount rate	6.60%	6.10%	6.40%	7.10%	6.50%	7.10%
Annual salary increase rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Future annuity increase rate	3.50%	0.00%	0.00%	3.50%	-	-
Annual inflation rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Death rate - men (years)	60-62	60-62	60-62	60-62	60-62	60-62
Death rate - women (years)	55-57	55-57	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%	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%	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disability and early retirement rates:

Years of service	December 31, 2019	December 31, 2018
From 0 to less than 5	29.98%	34.26%
From 5 to less than 10	14.60%	16.68%
From 10 to less than 15	8.59%	9.82%
From 15 to less than 20	6.41%	7.32%
From 20 to less than 25	4.92%	5.62%
25 and more	3.71%	4.24%

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:

Variation expressed in basis points	December 31, 2019 Retirement pensions	December 31, 2019 Severance pay	December 31, 2019 Old-age pension and disability retirement bonus	December 31, 2018 Retirement pensions	December 31, 2018 Severance pay	December 31, 2018 Old-age pension and disability retirement bonus
Discount rate + 25	(357)	(7)	(5)	(360)	(9)	(133)
Discount rate - 25	368	7	6	372	10	137
Discount rate + 50	(702)	(13)	(11)	(709)	(19)	(261)
Discount rate - 50	749	14	11	757	19	279
Discount rate + 100	(1,359)	(26)	(21)	(1,375)	(36)	(506)
Discount rate - 100	1,551	28	23	1,567	39	577
Annual salary increase rate + 25	N/A	12	N/A	N/A	16	N/A
Annual salary increase rate - 25	N/A	(12)	N/A	N/A	(16)	N/A
Annual salary increase rate + 50	N/A	25	N/A	N/A	33	N/A
Annual salary increase rate - 50	N/A	(24)	N/A	N/A	(32)	N/A
Annual salary increase rate + 100	N/A	50	N/A	N/A	66	N/A
Annual salary increase rate - 100	N/A	(48)	N/A	N/A	(63)	N/A

Contributions for the next years funded with Company's own resources are foreseen as follows:

Year	December 31, 2019 Retirement pensions	December 31, 2019 Severance pay	December 31, 2019 Disability retirement bonus	December 31, 2018 Retirement pensions	December 31, 2018 Severance pay	December 31, 2018 Old-age pension and disability retirement bonus
2019	-	-	-	2,355	205	744
2020	2,318	271	59	2,354	137	535
2021	2,326	194	51	2,350	267	579
2022	2,309	65	47	2,331	104	671
>2023	34,894	631	442	35,132	727	11,394
Total	**41,847**	**1,161**	**599**	**44,522**	**1,440**	**13,923**

Other considerations:

The average duration of the liability for defined benefit plans at December 31, 2019 is 7.5 years (December 31, 2018 - 7.6 years).

The Company has no specific assets intended for guaranteeing the defined benefit plans.

The defined contribution plan expense at December 31, 2019 amounted to $48,116 (December 31, 2018 - $57,341).

Note 20.2. Long-term benefit plan

The long-term benefit plan involves a time-of-service bonus payable to employees, which is a benefit associated with time of service.

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, 2019 there were no material changes in the methods or assumptions applied when preparing the estimations and sensitivity analyses.

Since 2015 the Company has reached agreement with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Balances and development:

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

Balance at December 31, 2018	**1,873**
Cost of service	81
Interest expense	115
Actuarial (gain) from changes in experience	23
Actuarial (gain) from demographic changes	48
Benefits directly (paid) by the Company	(361)
Actuarial loss from financial assumptions	43
Other	(9)
Balance at December 31, 2019	**1,813**

Variables used to make the calculations:

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

	December 31, 2019	**December 31, 2018**
Discount rate	6.30%	6.80%
Annual salary increase rate	3.50%	3.50%
Annual inflation rate	3.50%	3.50%
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, 2019**	**December 31, 2018**
From 0 to less than 5	29.98%	34.26%
From 5 to less than 10	14.60%	16.68%
From 10 to less than 15	8.59%	9.82%
From 15 to less than 20	6.41%	7.32%
From 20 to less than 25	4.92%	5.62%
25 and more	3.71%	4.24%

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, 2019**	**December 31, 2018**
Discount rate + 25	(23)	(23)
Discount rate - 25	24	23
Discount rate + 50	(45)	(45)
Discount rate - 50	48	47
Discount rate + 100	(89)	(87)
Discount rate - 100	98	96
Annual salary increase rate + 25	24	24
Annual salary increase rate - 25	(24)	(23)
Annual salary increase rate + 50	49	48
Annual salary increase rate - 50	(47)	(46)
Annual salary increase rate + 100	100	98
Annual salary increase rate - 100	(92)	(91)

Contributions for the next years funded with Company's own resources are foreseen as follows:

Year	**December 31, 2019**	**December 31, 2018**
2019	-	342
2020	325	302
2021	223	231
2022	192	175
>2023	1,906	1,730
Total	**2,646**	**2,780**

Other considerations:

The average duration of the liability for long-term benefits at December 31, 2019 is 5.4 years (December 31, 2018 - 5.2 years).

The Company has 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 during the annual period ended December 31, 2019 was $89 revenue (December 31, 2018 - $93 revenue).

Note 21. Other provisions

The balance of other provisions is made as follows:

	December 31, 2019	December 31, 2018 (a)
Legal proceedings (1)	14,279	13,771
Taxes other than income tax (2)	7,540	8,632
Restructuring (3)	145	911
Other (4) (a)	43,457	27,766
Total other provisions	**65,421**	**51,080**
Current Note21.1	**12,365**	**12,292**
Non-current Note21.1	**53,056**	**38,788**

(a) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See detail of the difference in this account in section (4) below under this same Note 21.

At December 31, 2019 and at December 31, 2018 the Company did not recognize provisions for contracts for consideration.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of $10,544 (December 31, 2018 - $10,049) for labor lawsuits and $3,735 (December 31, 2018 - $3,722) for civil lawsuits.

Provisions for labor lawsuits filed against the Company represent health and retirement pension issues in amount of $5,724 (December 31, 2018 - $5,135); indemnifications in amount of $2,350 (December 31, 2018 - $2,524); labor relations and solidarity issues in amount of $1,955 (December 31, 2018 - $2,200); salary and mandatory payment adjustments in amount of $475 (December 31, 2018 - $160), and collective issues in amount of $40 (December 31, 2018 - $30).

Provisions for civil lawsuits filed against the Company in cases related with premises condition-related proceedings $1,412 (December 31, 2018 - $87), third party liability in amount of $485 (December 31, 2018 - $1,145), real estate-related proceedings $319 (December 31, 2018 - $557), , metrology and technical regulations $269 (December 31, 2018 - $112), customer protection $10 (December 31, 2018 - $873) and other minor legal proceedings in amount of $1,240 (December 31, 2018 - $948).

(2) Provisions for taxes other than income tax relate to value added tax payable in amount of $3,772 (December 31, 2018 - $3,234); industry and trade tax in amount of $2,217 (December 31, 2018 - $2,217); real estate tax in amount of $1,296 (December 31, 2018 - $2,926), and value added on beer in amount of $255 (December 31, 2018 - $255).

(3) The restructuring provision relates to reorganization processes announced to the employees of stores, industry and corporate during the first quarter of 2019 that will affect Company activities. The provision is based on cash outflows required, directly associated with the restructuring plan. The disbursement and completion date of the plan are expected during the first quarter of 2020. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provisions represents:

	December 31, 2019	December 31, 2018 (a)
Gemex O&W S.A.S. (a) (b)	34,590	20,097
Closure of stores	7,260	5,432
Reduction for merchandise *VMI*	1,607	2,237
Total other provisions	**43,457**	**27,766**

(a) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the recognition as provision of the effects of applying this IFRS on the equity of the subsidiary, given that its losses exceed the investment amount. Differences are detailed in Note 49.

(b) Represents liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in it by the Company. In compliance with legal regulations in force, Company Management decided to carry such liabilities to recognize cash outflows likely required to settle the liabilities of these subsidiaries.

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

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2018	**13,771**	**8,632**	**911**	**27,766**	**51,080**
Increase	5,382	588	29,283	23,727	58,980
Transactions with minority shareholders				3,726	3,726
Uses	-	-	-	(925)	(925)
Payments	(1,560)	(1,630)	(27,886)	(9,465)	(40,541)
Reversal of unused amounts	(3,314)	(50)	(2,163)	(1,372)	(6,899)
Balance at December 31, 2019	**14,279**	**7,540**	**145**	**43,457**	**65,421**

Note 21.1. Other provisions classified as current and non-current

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

	December 31, 2019	December 31, 2018
Legal proceedings	3,098	3,457
Restructuring	145	911
Taxes other than income tax	255	255
Other	8,867	7,669
Total current	**12,365**	**12,292**
Legal proceedings	11,181	10,314
Taxes other than income tax	7,285	8,377
Other	34,590	20,097
Total non-current	**53,056**	**38,788**

Note 21.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is liable at December 31, 2019 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	3,098	255	145	8,867	12,365
More than one year	11,181	7,285	-	34,590	53,056
Total estimated payments	**14,279**	**7,540**	**145**	**43,457**	**65,421**

Note 22. Accounts payable to related parties

Note 22.1. Accounts payable and lease liabilities

The balance of accounts payable to related parties and the balance of lease financial liabilities under contracts with related parties is:

	Accounts payable		Lease liabilities	
	December 31, 2019	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Subsidiaries (1)	105,008	89,505	346,160	339,802
Joint ventures (2)	34,779	9,909	-	-
Controlling entity (3)	33,729	15,285	-	-
Grupo Casino companies (4)	4,052	6,260	-	-
Members of the Board	47	13	-	-
Total	**177,615**	**120,972**	**346,160**	**339,802**
Current	**177,615**	**120,972**	**33,062**	**28,755**
Non-current	**-**	**-**	**313,098**	**311,047**

(1) The balance of accounts payable relates to:
- Lease of premises and procurement of inventories and assets to Éxito Industrias S.A.S. in amount of $ 89,679 (December 31, 2018 - $ 71,280);
- Transport services received from Logística, Transporte y Servicios Asociados S.A.S. in amount of $ 8,408 (December 31, 2018 - $4,535);
- Mobile phones refill collection services to Almacenes Éxito Inversiones S.A.S. in amount of $ 2,906 (December 31, 2018 - $3,997);
- Leases and tax withholdings on dividends declared by Patrimonios Autónomos in amount of $1,943 (December 31, 2018 - $2,819);
- Reimbursement of expenses to Gemex O & W S.A.S. in amount of $1,979 (December 31, 2018 - $1,624);
- Collections, purchase of tourist packages and redemption of points to Éxito Viajes y Turismo S.A.S. in amount of $55 (December 31, 2018 - $106);
- Capital contribution for the incorporation of subsidiary Marketplace Internacional Éxito y Servicios S.A.S. in amount of $38 (December 31, 2018 - $20);
- Loan received from Carulla Vivero Holding Inc. in amount of $- (December 31, 2018 - $4,930);
- Reimbursement of expenses to Companhia Brasileira de Distribuição - CBD in amount of $- (December 31, 2018 - $194).

The balance of lease liabilities represents lease contracts entered with subsidiaries.

(2) The balance of accounts payable relates to:
(-) Balance payable to Puntos Colombia S.A.S. arising from the issue of points (accumulations) in line with the change in the loyalty program implemented by the Company in amount of $34,779 (December 31, 2018 - $9,906);
- Balance payable to Compañía de Financiamiento Tuya S.A. arising from intermediation fees in amount of $- (December 31, 2018 - $3).

(3) At December 31, 2019 the balance relates to dividends payable to shareholders in amount of $33,729. At December 31, 2018 represents dividends payable to shareholders in amount of $15,050 and consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (*) and Geant International B.V. in amount of $235.

(4) Mainly relates to services received in relation with energy optimization and intermediation in the import of goods in amount of $3,267 (December 31, 2018 - $3,260). In addition, it includes consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (*) and Géant International B.V. in amount of $785 (December 31, 2018 - $0).

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 22.2. Other financial liabilities and other non-financial liabilities

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

	Other financial liabilities		Other non-financial liabilities	
	December 31, 2019	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Subsidiaries (1)	2,642	10	76,033	108,597
Joint ventures (2)	39,619	44,860	-	-
Total current	**42,261**	**44,870**	**76,033**	**108,597**

(1) The balance of other financial liabilities at December 31, 2019 represents monies collected and payable to subsidiaries as part of the "in house cash" program (Note 26).

The balance of other non-financial assets relates to an advance payment from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 27).

(2) The balance of other financial liabilities represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 26).

Note 23. Trade payables and other accounts payable

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

	December 31, 2019	December 31, 2018
Suppliers	3,331,210	2,940,874
Costs and expenses payable	328,264	319,170
Employee benefits	129,170	124,701
Tax withholdings payable	37,974	44,549
Purchase of assets	34,284	78,741
Taxes collected payable	10,405	20,918
Dividends payable	2,599	13,538
Other	27,643	25,036
Total trade payables and other accounts payable	**3,901,549**	**3,567,527**

Note 24. Lease liabilities

The Company started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standards requires recognizing a use right-related asset and a lease liability.

The Company elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of lease liabilities is as follows:

	December 31, 2019	December 31, 2018
Lease liabilities (1)	1,618,815	1,506,796
Current	**224,492**	**179,392**
Non-current	**1,394,323**	**1,327,404**

(1) Includes $346,160 (December 31, 2018 - $339,802) liabilities arising from leases contracted with related parties (Note 22).

Below is a forecast of lease liabilities-related fixed payments at December 31, 2019:

Up to one year	331,380
From 1 to 5 years	992,347
More than 5 years	981,178
Minimum lease liability payments	**2,304,905**
Future financing (expense)	(686,090)
Total minimum net lease liability payments	**1,618,815**

Note 25. Income tax

Tax rules applicable to the Company

a. The income tax rate for legal entities is 33% for 2019, 32% for taxable 2020, 31% for taxable 2021 and 30% from taxable 2022 onwards.

   For 2018 the income tax rate applicable was 33%.

   The income tax surcharge levied on domestic companies was eliminated for 2019.

   For 2018, the income tax surcharge for domestic companies was 4% applicable on taxable profits higher than $800.

b. For 2019, the taxable base to assess the income tax under the presumptive income model is 1.5% of the net equity held on the last day of the immediately preceding taxable period; for taxable 2020 the base will be 0.5% and 0% as of taxable 2021.

   For 2018, the taxable base to assess the income tax under the presumptive income model was 3.5% of the net equity held on the last day of the 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 individual resident in Colombia was established for 2019 at a rate of 15%, triggered when the amount distributed is higher than 300 UVT (equivalent to $10 in 2019) when such dividends have been taxed upon the distributing companies. For domestic companies, non-resident individuals and foreign companies, the tax rate is 7.5% 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 rates applicable to shareholders are 33% for 2019, 32% for 2020, 31% for 2021 and 30% as of 2022.

   A tax on dividends paid to individual resident in Colombia was established as of 2020 at a rate of 10%, triggered when the amount distributed is higher than 300 UVT ($11 for 2020) 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 non-resident individuals and 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 32% for 2020, 31% for 2021 and 30% as of 2022.

   During 2018, a tax on dividends paid to individuals resident in Colombia was levied at a rate of 5% triggered when the amount distributed was between 600 UVT ($20 for 2018) and 1000 UVT ($33 for 2018) and 10% on higher amounts when such dividends have been taxed upon the distributing companies. For non-resident individuals and foreign companies, the tax rate is 5% 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 35%.

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, 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 accounting effects of the opening balance upon adoption of these standards.

f. The tax on financial transactions is a permanent tax. 50% of this tax is tax-deductible.

g. As of 2019, taxes, levies and contributions actually paid during the taxable year or period are 100% deductible if they are related with the company's economic activity including 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. 100% can be taken as a tax discount as of 2022.

i. Regarding contributions to employee education, payments meeting the following conditions shall be deductible as of 2019: (a) 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 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 33% for management or administration services.

   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 with which Colombia has entered double-taxation agreements.

l. As of 2019, taxes paid abroad shall be deemed tax discounts during the taxable year of payment, or during any subsequent taxable period.

m. The annual adjustment applicable at December 31, 2019 to the cost of movable assets and real estate deemed fixed assets is 3.36%.

<u>Tax credits</u>

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 directly related with the generation of taxable income, will be offset against the taxpayer's net income.

Pursuant to sections 188 and 189 of the Tax Code, at December 31, 2019 and at December 31, 2018 the Company assessed its income tax liability by applying the presumptive income system.

At December 31, 2019 the Company has accrued $506,677 (December 31, 2018 - $445,924) excess presumptive income over net income.

The development of the Company's excess presumptive income over net income during de annual period ended December 31, 2019 is as follows:

Balance at December 31, 2018	**445,924**
Excess presumptive income generated during the period	61,416
Adjustment to excess presumptive income for previous periods	(663)
Balance at December 31, 2019	**506,677**

At December 31, 2019, the Company has accrued tax losses amounting to $643,898 (December 31, 2018 - $624,344).

The development of tax losses at the Company during the annual period ended December 31, 2019 is as follows:

Balance at December 31, 2018	**624,344**
Offsetting against taxable income generated during the period	4,910
Adjustment to tax losses from prior periods	14,644
Balance at December 31, 2019	**643,898**

Closing of tax returns

As of 2017 and up to 2019, the general term to close tax returns is 3 years, and 6 years for taxpayers required to report transfer pricing information. Tax returns where tax losses are assessed will be closed in 12 years and those including offsetting of tax losses will be closed in 6 years.

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

Income tax returns for 2018, 2017 and 2016 showing tax losses and a balance receivable are open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where tax losses a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable.

Tax advisors and Company management are of the opinion that no additional taxes payable will be assessed, other than those for which a provision has been recorded at December 31, 2019.

Transfer pricing

Company transactions with its parent, subsidiaries and/or foreign related parties 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 forth 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 2018. For this purpose, the Company filed an information statement and has the mentioned survey available as of July 11, 2019.

Foreign controlled entities

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.

Note 25.1. 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, 2019	December 31, 2018
Total income tax balance receivable (1)	195,506	145,812
Tax discounts (2)	69,441	-
Industry and trade tax advances and withholdings	46,051	22,810
Tax discounts from taxes paid abroad	3,738	285
Total current tax assets	**314,736**	**168,907**

(1) The balance is comprised of:

	December 31, 2019	December 31, 2018
Income tax withholdings	210,706	192,146
Tax discounts	4,686	11,892
Subtotal	**215,392**	**204,038**
Income tax (expense) (Note 25.2)	(19,886)	(58,226)
Total income tax balance receivable	**195,506**	**145,812**

(2) At December 31, 2019 represents industry and trade tax in amount of $51,024; VAT on productive real assets in amount of $18,068, and other minor in amount of $349.

Current tax liabilities

	December 31, 2019	December 31, 2018
Industry and trade tax payable	66,071	50,313
Real estate tax	199	145
Total current tax liabilities	**66,270**	**50,458**

Note 25.2. Income tax

The reconciliation of accounting income to taxable (loss), and the tax expense estimation are as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Earnings before income tax	**30,333**	**204,408**
Add		
Non-deductible taxes	36,235	427
Non-deductible expenses	18,542	44,309
Tax on financial transactions	9,773	7,102
Fines, penalties and litigation	4,624	1,532
Accounting provision and receivables written off	3,737	4,832
Taxes taken on and revaluation	1,281	50,220
Net income - recovery of depreciation of fixed assets sold	468	27,794
Inventory loss	-	315
Selling price of fixed assets held less than two years	-	25,147
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	-	33,798
Less		
IFRS adjustments with no tax effects (1) (2)	(72,969)	(272,758)
Goodwill tax deduction, in addition to the accounting deduction	(23,832)	(20,351)
Recovery of provisions	(4,155)	(193)
Untaxed dividends of subsidiaries	(3,987)	(27,739)
Deduction additional 30% on salaries paid to apprentices hired at Company will	(1,740)	(1,739)
Disabled employee deduction	(1,665)	(445)
Special deduction on donation to food banks and other	(1,420)	-
Derecognition of gain from the sale of fixed assets reported as occasional gain	(135)	(26,585)
Cost of fixed assets held less than two years	-	(77,138)
Net (loss)	**(4,910)**	**(27,064)**
Presumptive income for current period	**61,416**	**148,666**
Net taxable income	**61,416**	**148,666**
Income tax rate	33%	33%
Subtotal income tax (expense)	**(20,267)**	**(49,060)**
Income tax surcharge (expense)	-	(5,914)
Occasional gains tax (expense)	-	(3,625)
Tax discounts	381	373
Total income tax (expense)	**(19,886)**	**(58,226)**
(Expense) revenue from recovery of prior year tax	**(319)**	**2,293**
Total current income tax (expense)	**(20,205)**	**(55,933)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See detail under section (2) below in this same Note 25.2.

(2) IFRS adjustments with no tax effects are:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (a)
Accounting provisions	71,814	78,232
Taxed leases	50,067	74,227
Other accounting expenses with no tax effects (a)	49,654	33,454
Taxed dividends of subsidiaries	49,610	65,819
Exchange difference, net	17,624	36,973
Untaxed dividends of subsidiaries	3,987	27,739
Taxed actuarial estimation	2,933	2,274
Net results using the equity method	(159,949)	(396,749)
Higher tax depreciation over accounting depreciation	(52,750)	(42,625)
Recovery of provisions	(39,366)	(55,612)
Excess personnel expenses for tax purposes over accounting personnel expenses	(33,447)	(40,727)
Non-accounting costs for tax purposes, net	(30,054)	(26,221)
Other accounting (not for tax purposes) (revenue), net	(2,555)	(26,410)
Non-deductible taxes	(508)	(3,132)
Non-deductible fines and penalties	(29)	-
Total	**(72,969)**	**(272,758)**

(a) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account results from the tax effect from the non-deductibility of depreciation of use rights and the financial cost of lease liabilities. Differences are detailed in Note 49.

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

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Current income tax (expense)	(20,205)	(55,933)
Deferred income tax revenue (Note 25.3) (1)	47,474	104,693
Total revenue from income tax	**27,269**	**48,760**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Differences are detailed in Note 49.

Presumptive income was determined as follows:

	December 31, 2019	December 31, 2018
Net shareholders' equity	4,199,850	4,330,108
Less net shareholders' equity to be excluded	(105,475)	(83,340)
Net shareholders' equity base	**4,094,375**	**4,246,768**
Presumptive income	**61,416**	**148,637**
Add: Taxed dividends	-	29
Total presumptive income over net equity	**61,416**	**148,666**

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

	December 31, 2019	Rate	December 31, 2018	Rate
Earnings before income tax	**30,333**		**204,408**	
Tax expense at applicable tax rate	(10,010)	(33%)	(75,599)	(37%)
Tax effect of non-deductible expenses to determine taxable loss	(24,638)	(81%)	(40,201)	(20%)
Tax effect of adjustment of current taxes from prior periods	(319)	(1%)	2,293	1%
Other tax effects from the reconciliation of accounting income to tax expense	32,040	106%	15,767	8%
Tax effect of untaxed revenue to determine taxable loss	26,767	88%	80,279	40%
Tax effect from changes in tax rates	1,809	6%	(3,245)	(2%)
Tax effect of tax losses	1,620	5%	69,466	34%
Total income tax revenue	**27,269**	**90%**	**48,760**	**24%**

Note 25.3. Deferred tax

The Company recognizes 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 will be made of whether the Company will generate enough taxable income in future to offset the asset, in full or in part.

Deferred tax carried in the statement of financial position and the breakdown of deferred tax assets and liabilities are as follows:

	December 31, 2019			December 31, 2018 (1)		
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets and (liabilities), net	Deferred tax assets	Deferred tax liabilities	Deferred tax assets and (liabilities), net
Lease liabilities (1)	509,927	-	509,927	474,641	-	474,641
Tax losses	198,834	-	198,834	196,376	-	196,376
Excess presumptive income	156,459	-	156,459	140,258	-	140,258
Tax credits	66,535	-	66,535	56,282	-	56,282
Other provisions	18,661	-	18,661	14,896	-	14,896
Financial liabilities	622	-	622	46,168	-	46,168
Other financial liabilities	4,913	-	4,913	2,850	-	2,850
Inventories	4,444	-	4,444	5,275	-	5,275
Trade and other receivables	3,371	-	3,371	4,113	-	4,113
Employee benefit provisions	1,736	-	1,736	3,642	-	3,642
Prepaid expenses	943	-	943	3,681	-	3,681
Investments in subsidiaries and joint ventures	308	-	308	-	(60,657)	(60,657)
Accounts receivable from related parties	128	-	128	-	(523)	(523)
Accounts payable to related parties	8	-	8	8,196	-	8,196
Other non-financial assets	-	-	-	-	(20)	(20)
Non-current assets held for trading	-	(294)	(294)	401	-	401
Other non-financial liabilities	-	(2,725)	(2,725)	3,386	-	3,386
Intangible assets other than goodwill	-	(3,957)	(3,957)	-	(7,654)	(7,654)
Construction in progress	-	(4,180)	(4,180)	-	(915)	(915)
Trade and other payables	-	(5,537)	(5,537)	-	(1,209)	(1,209)
Real estate projects	-	(5,894)	(5,894)	-	(12,372)	(12,372)
Land	-	(7,070)	(7,070)	-	(9,623)	(9,623)
Other financial assets	-	(7,343)	(7,343)	-	(37,331)	(37,331)
Other property, plant and equipment	-	(29,146)	(29,146)	-	(26,512)	(26,512)
Investment property	-	(35,671)	(35,671)	-	(9,517)	(9,517)
Buildings	-	(122,035)	(122,035)	-	(91,758)	(91,758)
Goodwill	-	(145,302)	(145,302)	-	(185,781)	(185,781)
Use rights	-	(444,594)	(444,594)	-	(409,357)	(409,357)
Total	**966,889**	**(813,748)**	**153,141**	**960,165**	**(853,229)**	**106,936**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities. Differences are detailed in Note 49.

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

	January 1 to December 31, 2019	January 1 to December 31, 2018
Deferred income tax revenue	186,335	102,619
Deferred occasional gain tax (expense) revenue	(138,861)	2,074
Total deferred income tax revenue	**47,474**	**104,693**

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

	January 1 to December 31, 2019	January 1 to December 31, 2018
(Expense) from derivative financial instruments designated as hedge instruments and other	(1,383)	(4,486)
Revenue (expense) from measurement of defined benefit plans	114	(40)
Total deferred income tax expense	**(1,269)**	**(4,526)**

The reconciliation of the development of deferred tax to the statement of income and the statement of comprehensive income between December 31, 2018 and December 31, 2017 is as follows:

	January 1 to December 31, 2019
Revenue from deferred tax recognized in income for the period	47,474
(Expense) from deferred tax recognized in other comprehensive income for the period.	(1,269)
Total increase in net deferred tax between December 31, 2019 and December 31, 2018	**46,205**

No deferred tax assets generated by certain Colombian and foreign subsidiaries and other minor investments that have shown losses during the current or prior periods have been recognized. The amount of losses is as follows:

	December 31, 2019	December 31, 2018
Other minor investments	(15,980)	(212,032)
Total	**(15,980)**	**(212,032)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at December 31, 2019 amount to $1,043,487 (December 31, 2018 -$1,464,354).

Note 26. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31, 2019	December 31, 2018
Collections received on behalf of third parties (1)	80,453	104,039
Derivative financial instruments (2)	14,964	1,770
Derivative financial instruments designated as hedge instruments (3)	20	5,460
Total current	**95,437**	**111,269**
Derivative financial instruments (2)	370	-
Derivative financial instruments designated as hedge instruments (3)	-	1,451
Total non-current	**370**	**1,451**

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

	December 31, 2019	December 31, 2018
Éxito Card collections (a)	39,619	44,860
Non-banking correspondent	26,075	47,340
In-house cash (b)	2,642	-
Direct trading (marketplace)	3,269	5,000
Other collections	8,848	6,839
Total	**80,453**	**104,039**

(a) Represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 22).

(b) Represents monies collected for subsidiaries as part of the in-house cash program (Note 22). A detailed balance by subsidiary is as follows:

	December 31, 2019
Logística, Transportes y Servicios Asociados S.A.S.	2,519
Almacenes Éxito Inversiones S.A.S.	83
Éxito Industrias S.A.S.	39
Gemex O & W S.A.S.	1
Total	**2,642**

(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 its statement of financial position, the Company measures derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at December 31, 2019 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	12,495	1,224	-	-	13,719
Swap	282	721	242	370	1,615
					15,334

The detail of maturities of these instruments at December 31, 2018 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	192	1,506	-	-	1,698
Swap	-	72	-	-	72
					1,770

(3) Derivative instruments designated as hedge instruments reflect swap transactions carried out by the Company 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, 2019 finance bartering is used to hedge exchange and/or interest risks of financial liabilities taken to acquire property, plant and equipment. At December 31, 2018, they were also used to hedge exchange rate and/or interest rate risks of financial liabilities arising from the business combinations of Companhia Brasileira de Distribuição - CBD and of Libertad S.A. The coverage ratio is 100% of the item hedged, this being the total or a portion of the relevant financial liability.

The Company maintains supporting evidence of accounting hedging relationships and conducts efficacy testing from initial recognition and along the hedging relationship to its derecognition. No inefficacy has been identified during the periods reported.

At December 31, 2019, relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	20
					20

The detail of maturities of these hedging instruments at December 31, 2019 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	-	-	20	-	-	**20**

At December 31, 2018, relates to the following transactions:

Hedging instrument	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	5.1% - 6.0%	6,890
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	21
					6,911

The detail of maturities of these hedging instruments at December 31, 2018 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	-	295	2,752	2,413	1,451	**6,911**

Note 27. Other non-financial liabilities

The balance of other non-financial liabilities is as follows:

	December 31, 2019	December 31, 2018
Revenue received in advance (1)	77,419	68,772
Advance payments for real estate projects (2)	76,033	108,597
Advance payments under lease agreements and other projects	6,767	977
Customer loyalty programs (3)	1,138	18,539
Instalments received under "plan resérvalo"	230	647
Repurchase coupon	85	176
Total current	**161,672**	**197,708**
Advance payments under lease agreements and other projects	668	727
Total non-current	**668**	**727**

(1) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment and strategic alliances. The detail is as follows:

	December 31, 2019	December 31, 2018
Gift card	61,854	57,199
Cafam comprehensive card	8,364	7,210
Exchange card	3,620	3,492
Fuel card	807	820
Other	2,774	51
Total	**77,419**	**68,772**

(2) Relates to advance payments from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 22). At December 31, 2019 and at December 31, 2018, the Company has construction contracts pending legalization for the purpose of finally settling the construction of buildings, which is expected during the first quarter of 2020. The relevant fees will be recognized after legalization.

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At December 31, 2019, the effect of the redemption and expiry of points related with these programs was a higher value in sales revenue in amount of $17,400 (December 31, 2018 - lower value in sales revenue in amount of $19,258). The decrease in liabilities is due to the change in the loyalty program implemented by the Company since 2017 by means of the Puntos Colombia S.A. joint business.

Note 28. Share capital, treasury shares repurchased and premium on the issue of shares

At December 31, 2019 and at December 31, 2018 the Company'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 they restricted in any way. Additionally, there are no option contracts on Company 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, 2019 and at December 31, 2018. 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 transferring of a portion of such premium to a capital account as result of the issue of a share-based dividend.

Note 29. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations of prior period results by the General Meeting of Shareholders. 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 and on December 22, 2017 by Regulatory Decree 2170 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, 2019			December 31, 2018 (1)		
	Gross amount	**Tax effect**	**Net amount**	**Gross amount**	**Tax effect**	**Net amount**
Measurement of financial assets at fair value through other comprehensive income (2)	(2,485)	-	(2,485)	(7,200)	-	(7,200)
Measurement of defined benefit plans (3)	(5,141)	1,546	(3,595)	(4,760)	1,432	(3,328)
Translation exchange differences (4)	(1,061,376)	-	(1,061,376)	(648,336)	-	(648,336)
(Loss) from hedging of foreign business	(1,459)	-	(1,459)	-	-	-
(Loss) from the hedging of cash flows (5)	(768)	571	(197)	(5,978)	1,954	(4,024)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (6)	-	-	-	(41,487)	-	(41,487)
Total other accumulated comprehensive income	**(1,071,229)**	**2,117**	**(1,069,112)**	**(707,761)**	**3,386**	**(704,375)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Differences are detailed in Note 49.

(2) 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 income for the period.

(3) Represents the accumulated value of actuarial gains or losses arising from the Company's and its subsidiaries' defined benefit plans under the equity method. The net amount of the new measurements is transferred to retained earnings and is not reclassified to income for the period.

(4) Represents the accumulated value of exchange differences arising from the translation to the Company's presentation currency of assets, liabilities, equity and results of operations abroad under the equity method. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation.

(5) 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 non-financial hedged item.

(6) Value of the other comprehensive income allocated to the Company from its investments in associates and joint ventures through direct investment or through subsidiaries.

Note 30. 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, 2019	**January 1 to December 31, 2018**
Total retail sales (1)	11,044,128	10,619,523
Service revenue (2)	276,869	280,821
Other ordinary revenue (3)	163,275	120,791
Total revenue from ordinary activities	**11,484,272**	**11,021,135**

(1) The amount of retail sales represents the sale of goods and real estate projects net of returns and rebates. Includes the following items:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Sale of goods, net of sales returns and rebates	11,017,828	10,619,523
Sale of real-estate project inventories (a)	26,300	-
Total retail sales	**11,044,128**	**10,619,523**

(a) Represents the sale of the inventory of Montevideo real estate project in amount of $15,300 and the inventory of Copacabana real estate project in amount of $11,000.

(2) The amount of service revenue relates to:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Distributors	96,383	98,361
Advertising	80,600	69,515
Commissions	21,226	21,154
Non-banking correspondent	20,149	17,970
Lease of real estate	16,784	51,378
Administration of real estate	11,863	6,715
Lease of physical space	10,833	1,625
Money transfer	7,162	7,483
Other services	11,869	6,620
Total service revenue	**276,869**	**280,821**

(3) The amount of other ordinary revenue relates to:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Involvement in collaboration agreement (a)	88,641	67,465
Exploitation of assets (b)	27,692	9,796
Royalties	16,184	10,440
Marketing events	12,971	14,526
Latam strategic direction (Note 37)	10,932	10,492
Financial services	3,020	2,389
Use of parking spaces	1,301	1,431
Technical assistance	1,066	950
Other	1,468	3,302
Total other ordinary revenue	**163,275**	**120,791**

(a) Relates to the involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A.

(b) Information for the annual period ended December 31, 2019 includes $18,030 relevant to indemnification received related with the acquisition contract.

Note 31. Distribution expenses and Administration and sales expenses

The amount of distribution expenses is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2)
Depreciation and amortization (2)	322,955	322,881
Fuels and power	141,146	129,523
Taxes other than income tax	118,482	153,207
Advertising	104,399	105,107
Repairs and maintenance	94,036	87,467
Security services	67,057	63,992
Administration of trade premises	42,135	40,781
Public utilities	41,827	35,124
Cleaning services	40,509	38,846
Commissions on debit and credit cards	35,572	28,465
Transport	28,075	27,870
Professional fees	23,544	24,547
Leases (2)	36,228	27,804
Insurance	22,931	20,396
Packaging and marking materials	14,165	16,552
Impairment expense	13,003	9,282
Cleaning and cafeteria	9,524	9,633
Outsourced employees	8,622	13,043
Travel expenses	5,855	5,329
Other provisions expense	5,724	7,019
Other commissions	5,304	5,556
Ground transportation	4,834	4,380
Stationery	4,390	4,701
Legal expenses	3,266	3,501
Other	78,257	57,941
Total distribution expenses	**1,271,840**	**1,242,947**

(1) As of January 1, 2019, based on reviews to Company operations, certain items related with food preparation operating processes that until December 31, 2018 were shown as distribution expenses and employee benefit expenses, are carried under the cost of goods sold. Such items in amount of $58,645 were reclassified in the financial statements at December 31, 2018 only for comparison to the financial statements at December 31, 2019. Such reclassification had no material effects on the gross profit.

The amount of administration and sales expenses is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (2)
Professional fees	43,226	42,498
Depreciation and amortization (2)	37,109	36,758
Repairs and maintenance	14,744	9,721
Leases (2)	12,565	17,469
Taxes other than income tax	12,075	16,468
Impairment expense	6,551	5,236
Public utilities	5,886	9,824
Other provisions expense	5,971	6,404
Travel expenses	5,561	5,551
Outsourced employees	4,294	3,849
Insurance	4,132	3,256
Commissions	3,329	2,438
Fines, penalties and litigation	3,103	588
Fuels and power	3,066	2,665
Transport	1,403	1,609
Other commissions	1,577	906
Administration of trade premises	1,132	969
Entertainment	1,072	1,160
Contributions and affiliations	1,017	1,100
Other	5,626	5,551
Total administration and sales expenses	**173,439**	**174,020**

(2) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts is due to the recognition of depreciation of use rights and derecognition of fixed expenses under lease agreements. Differences are detailed in Note 49.

Note 32. Employee benefit expense

The amount of employee benefit expenses incurred by each significant category is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Wages and salaries	561,403	535,405
Contributions to the social security system	9,055	9,947
Other short-term employee benefits	40,087	44,110
Total short-term employee benefit expense	**610,545**	**589,462**
Post-employment benefit expenses, defined contribution plans	48,116	57,341
Post-employment benefit expenses, defined benefit plans (2)	(6,693)	300
Total post-employment benefit expenses	**41,423**	**57,641**
Termination benefit expenses	1,510	2,494
Other long-term employee benefits	89	(93)
Other personnel expenses	17,374	15,279
Total employee benefit expenses	**670,941**	**664,783**

(1) As of January 1, 2019, based on reviews to Company operations, certain items related with food preparation operating processes that until December 31, 2018 were shown as distribution expenses and employee benefit expenses, are carried under the cost of goods sold. Such items in amount of $118,386 were reclassified in the financial statements at December 31, 2018 only for comparison to the financial statements at December 31, 2019. Such reclassification had no material effects on the gross profit.

(2) During 2019, the Company agreed with the employees on the elimination of the retirement pension-related bonus benefit, which resulted in a significant change in post-employment benefits and defined benefit plans, showing a decrease of $6,684 at December 31, 2019.

Note 33. Other operating revenue, other operating expenses and other net gains

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 analysis of the Company's recurrent profitability; these are defined as unusual revenue and expense significant elements whose occurrence is exceptional and the effects arising from items that given its nature are not included in an assessment of recurring operating performance of the Company, such as impairment losses, disposal of non-current assets and the effects of business combinations, among other.

The net amount of other operating revenue, other operating expense and other net gains, is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Other operating revenue		
Recurring		
Recovery of allowance for trade receivables (Note 7.1)	18,151	11,815
Recovery of costs and expenses from taxes other than income tax	4,032	193
Recovery of other provisions related to civil lawsuits	2,367	2,414
Recovery of other provisions	1,372	3,012
Compensation from insurance companies	1,616	2,998
Recovery of other provisions related to labor lawsuits	946	1,553
Reimbursement of tax provision expenses	50	1,911
Other revenue	364	-
Total recurring	**28,898**	**23,896**
Non-recurring		
Recovery of provisions related with reorganization processes	2,163	2,665
Recovery of other provisions	1,050	41
Total non-recurring	**3,213**	**2,706**
Total other operating revenue	**32,111**	**26,602**
Other operating expenses		
Other expenses (2)	(34,037)	(11,752)
Restructuring expenses (3)	(29,283)	(37,855)
Provision for tax proceeding expenses	-	(255)
Total other operating expenses	**(63,320)**	**(49,862)**
Other net gains (losses)		
Derecognition of property, plant and equipment (4)	(9,532)	(19,182)
Impairment of non-current assets (5)	(1,017)	(3,307)
Expenses from the disposition of assets	(13)	(291)
Gain (loss) from the sale of property, plant and equipment	50	(769)
Derecognition of lease agreements (1)	244	177
Total other net (losses)	**(10,268)**	**(23,372)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account is due to the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements. Differences are detailed in Note 49.

(2) At December 31, 2019, represents expenses from the restructuring of stores in amount of $2,012; expenses related with the Europa project in amount of $20,336; IRFS 6 - Leases implementation expenses in amount of $1,578; Bricks II project expenses in amount of $1,009 and expenses related with the closure of stores in amount of $9,102.

At December 31, 2018 represents expenses incurred in the closure of shops and stores in amount of $3,172; reorganization of stores $1,592; advisory expenses $754; expenses incurred in establishing real estate vehicles $463; provision for the closure of stores $5,432 and other minor expenses $339.

(3) Refers to expenses from the Company's restructuring plan provision, which include the purchase of the operating excellence plan and corporate retirement plan.

(4) At December 31, 2019 includes the closure of the following stores: Carulla Express Pontevedra $411, Surtimax Funza $97, Éxito Castilla $69, Surtimax Metrocar $15 and Surtimax Calle 48 $12. It also includes derecognition of machinery and equipment furniture and fixtures, improvements to leased property and computers arising from the physical count of inventories of properties, plant and equipment in amount of $7,903; derecognition of machinery and equipment, furniture and fixtures and computers arising from damage in amount of $779; derecognition of machinery and equipment of service stations in amount of $225 and derecognition of machinery and equipment, furniture and fixtures, and computers arising from casualty at Carulla La Mina and at other buildings in amount of $21.

At December 31, 2018, includes the closure of stores Éxito Barranquilla Alto Prado $3,007, Carulla Express Olaya Herrera $473, Surtimax San Carlos $389, Éxito Express Altos de la Carolina $319, Surtimax Los Olivos $309, Éxito Express Ciudadela $291, Éxito Express Costa de Oro $232, Éxito Mini Barzal $201, Éxito Express Avenida 60 $196, Surtimax El Real $184, Surtimax Ciudad Bolivar $167, Éxito Mini Parque de las Cigarras $132, Éxito Mini Yerbabuena $121, Surtimax Olaya $587, Surtimax Villa Luz $77, Surtimax Torices $363 and Surtimax Baranoa $232. It also includes derecognition of machinery and equipment, furniture and fixtures, improvements to third party properties and computers arising from the physical inventory of property, plant and equipment, in amount of $11,105.

(5) At December 31, 2019 represents goodwill impairment at subsidiary Gemex O & W S.A.S. For 2018, represents impairment of computer software (Note 16).

Note 34. Financial revenue and expenses

The amount of financial revenue and expenses is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Gain from exchange difference	308,728	32,543
Gain from derivative financial instruments	264,364	219,389
Revenue from interest on cash and cash equivalents (Note 6)	10,418	8,982
Other financial revenue	9,012	7,566
Total financial revenue	**592,522**	**268,480**
Loss from derivative financial instruments	(250,183)	(105,839)
Expenses arising from interest on loans and finance leases.	(299,848)	(317,090)
Loss from exchange difference	(381,140)	(195,974)
Interest expense on lease liabilities (1)	(124,408)	(129,654)
Commission expense	(5,695)	(4,326)
Other financial expenses	(4,630)	(5,059)
Total financial expenses	**(1,065,904)**	**(757,942)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the recognition of interest expense upon measurement of lease liabilities using the effective interest method. Differences are detailed in Note 49.

Note 35. Share of income in subsidiaries, associates and joint ventures that are accounted for using the equity method

The share of income in subsidiaries, associates and joint ventures that are accounted for using the equity method is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Spice Investments Mercosur S.A. (1)	84,346	105,600
Patrimonio Autónomo Viva Malls (1)	63,289	40,281
Onper Investments 2015 S.L. (1)	14,629	172,735
Éxito Industrias S.A.S. (1)	10,823	17,466
Éxito Viajes y Turismo S.A.S. (1)	4,364	2,849
Logística, Transportes y Servicios Asociados S.A.S. (1)	2,183	2,923
Carullla Vivero Holding Inc.	339	395
Almacenes Éxito Inversiones S.A.S.	34	(652)
Marketplace Internacional Éxito S.L.	(3)	-
Patrimonio Autónomo Iwana (1)	(31)	(48)
Depositos y Soluciones Logisticas S.A.S.	(71)	-
Marketplace Internacional Éxito y Servicios S.A.S.	(78)	-
Puntos Colombia S.A.S.	(4,218)	(1,613)
Compañía de Financiamiento Tuya S.A.	(5,905)	42,129
Gemex O & W S.A.S. (1)	(9,752)	(10,902)
Patrimonio Autónomo Viva Villavicencio (2)	-	8,630
Patrimonio Autónomo Centro Comercial (2)	-	2,940
Patrimonio Autónomo Viva Sincelejo (2)	-	2,410
Patrimonio Autónomo Fideicomiso San Pedro Etapa I (2)	-	1,070
Total	**159,949**	**386,213**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the results of each subsidiary. Differences are detailed in Note 49.

(2) On December 28, 2018, these stand-alone trust funds were contributed to Patrimonio Autónomo Viva Malls.

Note 36. Earnings per share

Earnings per share are classified as basic and diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the Company'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 Company taking into consideration the dilutive effect (decrease in profits or increase in losses) of outstanding potential ordinary shares during the period.

At December 31, 2019 and at December 31, 2018 the Company 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 share:

In period results:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**57,602**	**253,168**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share (in Colombian pesos)	**128.69**	**565.61**

In total period comprehensive income:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**(307,135)**	**(400,938)**
Weighted average of the number of ordinary shares attributable to the (loss) per share (basic and diluted	447.604.316	447.604.316
(Loss) per basic and diluted share (in Colombian pesos)	**(686.17)**	**(895.74)**

Note 37. Transactions with related parties

Note 37.1. Key management personnel compensation

Transactions between the Company and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered between the parties.

Compensation of key management personnel is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Short-term employee benefits (1)	44,255	43,977
Post-employment benefits	1,685	1,637
Termination benefits	374	1,289
Long-term employee benefits	11	167
Total	**46,325**	**47,070**

(1) A portion of short-term employee benefits is being reimbursed by Casino Guichard Perrachon S.A. and Libertad S.A. under a Latin American strategic direction service agreement entered with these companies. Revenue from Latam strategic direction was recognized during the annual period ended December 31, 2019 in amount of $10,932 (December 31, 2018 - $10,492) as described in Note 30.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 37.2. Transactions with related parties

Transactions with related parties relate to revenue from the sale of goods and other services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services received. The amount of revenue, costs and expenses and other, and transactions with related parties, is as follows:

	Revenue	
	January 1 to December 31, 2019	**January 1 to December 31, 2018**
Joint ventures (1)	111,192	90,407
Subsidiaries (2)	44,743	24,991
Grupo Casino companies (3)	14,042	4,660
Controlling entity (4)	60	7,389
Total	**170,037**	**127,447**

	Costs and expenses	
	January 1 to December 31, 2019	**January 1 to December 31, 2018**
Subsidiaries (2)	363,631	464,486
Joint ventures (1)	98,029	39,823
Grupo Casino companies (3)	61,902	28,672
Members of the Board	1,465	1,464
Controlling entity (4)	-	29,041
Total	**525,027**	**563,486**

	Other transactions	
	January 1 to December 31, 2019	**January 1 to December 31, 2018**
Subsidiaries	-	788
Total	**-**	**788**

(1) Revenue represents yields on bonds and coupons and energy with Compañía de Financiamiento Tuya S.A., $15,076 (December 31, 2018 - $15,119); involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A., $88,641 (December 31, 2018 - $67,465); lease of property to Compañía de Financiamiento Tuya S.A., $5,272 (December 31, 2018 - $4,417); other services provided to Compañía de Financiamiento Tuya S.A., $1,566 (December 31, 2018 - $3,250) and services provided to Puntos Colombia S.A.S., $637 (December 31, 2018 - $156).

Costs and expenses represent the cost of the loyalty program and liability management paid to Puntos Colombia S.A.S. in amount of $94,569 (December 31, 2018 - $37,729), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $3,460 (December 31, 2018 - $2,094).

(2) Revenue relates to retail sales to Éxito Industrias S.A.S.; provision of administration services to Almacenes Éxito Inversiones S.A.S., Gemex O & W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos (stand-alone trust funds), and instalments on lease of property to Patrimonios Autonomos and to Éxito Viajes y Turismo S.A.S.

Costs and expenses mainly refer to the purchase of goods for trading from Éxito Industrias S.A.S.; transportation services provided by Logística, Transporte y Servicios Asociados S.A.S.; leases and real estate management activities with Patrimonios Autónomos; purchase of corporate plans from Almacenes Éxito Inversiones S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

The following is the detail of revenue, cost and expense transactions for each subsidiary:

	Revenue		Costs and expenses	
	January 1 to December 31, 2019	January 1 to December 31, 2018	January 1 to December 31, 2019	January 1 to December 31, 2018
Patrimonios Autónomos (Stand-alone trust funds)	31,812	11,330	92,310	70,457
Libertad S.A.	4,474	3,103	-	-
Almacenes Éxito Inversiones S.A.S.	2,848	2,666	792	1,360
Gemex O & W S.A.S.	2,347	2,760	1,789	1,167
Éxito Viajes y Turismo S.A.S.	1,334	1,392	269	298
Logística, Transporte y Servicios Asociados S.A.S.	987	1,002	143,067	131,706
Éxito Industrias S.A.S.	636	2,667	104,596	237,053
Supermercados Disco del Uruguay S.A.	262	-	-	-
Onper Investment 2015 S.L.	32	9	-	-
Devoto Hermanos S.A.	11		-	-
Companhia Brasileira de Distribuição - CBD (*)	-	62	-	304
Spice Investment Mercosur S.A.	-	-	1	-
Total	**44,743**	**24,991**	**342,824**	**442,345**

(3) 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 and procurement of goods.

The following is the detail of revenue, cost and expense transactions for each company:

	Revenue		Costs and expenses	
	January 1 to December 31, 2019	January 1 to December 31, 2018	January 1 to December 31, 2019	January 1 to December 31, 2018
Casino Guichard Perrachon S.A. (*)	7,851	-	1,511	-
Casino International	4,443	3,846	-	-
Greenyellow Energía de Colombia S.A.S.	1,149	814	20,747	17,485
Distribution Casino France	599	-	7,196	7,769
Geant International	-	-	28,409	-
Casino Services	-	-	2,471	2,098
International Retail Trade and Services	-	-	1,340	-
Monoprix Exploitation	-	-	228	1,296
Cdiscount S.A.	-	-	-	24
Total	**14,042**	**4,660**	**61,902**	**28,672**

(4) At December 31, 2019 the revenue of the controlling entity represents reimbursement of personnel expenses received from Companhia Brasileira de Distribuição – CBD (*). At December 31, 2018 revenue relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*).

Costs and expenses accrued with the controlling entity arise from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (*) and Geant International B.V.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 38. Impairment of assets

Note 38.1. Financial assets

No material losses from the impairment of financial assets were identified at December 31, 2019 and at December 31, 2018.

Note 38.2. Non-financial assets

At December 31, 2019

The book value of the groups of cash-generating units is made of the balances of goodwill, investments, property, plant and equipment, investment property, other intangible assets other than goodwill, net working capital and related financial lease liabilities.

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 Inter**	**Surtimayorista**	**Total**
Goodwill (Note 15)	90,674	856,495	37,402	464,332	4,174	**1,453,077**
Trademarks with indefinite useful life (Note 16)	-	-	17,427	63,704	-	**81,131**
Rights with indefinite useful life (Note 16)	19,856	-	1,524	5,606	-	**26,986**

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 15.

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 Company management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses from historic 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%. According to the Company, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might influence growth.

The tax rate included in the forecast of cash flows is the rate that the Company is expected to pay as taxes during the next years. Tax rates used to estimate the impairment of goodwill of cash-generating units was 32% for 2020, 31% for 2021 and 30% for 2022, rates in force in Colombia at December 31, 2019.

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 8.6% for 2020, 7.9% for 2021 and 8% 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 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.

No impairment in the carrying amount of the groups of cash-generating units was found as a result of this analysis, exception made of the balance of investment in Gemex O&W S.A.S., which was impaired in $1,017 properly carried with charge to income as detailed in Note 33.

<u>At December 31, 2018</u>

At December 31, 2018 the Company completed the annual impairment testing by cash-generating units, which is duly supported in the financial statements at the closing of such year. No impairment of the carrying amounts of the groups of cash-generating units resulted from this analysis.

However, at September 30, 2018 as part of the current modernization process of certain technological platforms, the Company tested for impairment certain computer software. Based on the analyses conducted, it was identified that such assets show a high degree of obsolescence, they are useless for the operation, do not provide economic benefit and additionally the estimated remaining useful life does not reflect the expected time for realization of the asset. Consequently, the recoverable value of such assets was defined as $0, and the Company recognized a $3,307 impairment loss in its financial statements.

Note 39. Fair value measurement

Below is a comparison of book values to fair values of financial assets and liabilities and non-financial assets of the Company at December 31, 2019 and at December 31, 2018 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying values 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, 2019		December 31, 2018	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	37,018	34,859	36,130	34,064
Investments in private equity funds (Note 11)	1,295	1,295	1,201	1,201
Equity investments (Note 11)	10,393	10,393	9,930	9,930
Investment in bonds (Note 11)	39,839	39,470	39,821	39,983
Forward contracts measured at fair value through income (Note 11)	11,914	11,914	38,675	38,675
Swap contracts measured at fair value through income (Note 11)	11,443	11,443	74,866	74,866
Swap contracts denominated as hedge instruments (Note 11)	476	476	480	480
Non-financial assets				
Investment property (Note 13)	91,889	180,778	97,680	163,617
Financial liabilities				
Financial liabilities at amortized cost (Note 19)	200,965	201,213	3,867,878	3,882,015
Finance leases at amortized cost (Note 19)	10,033	10,006	13,336	13,324
Forward contracts measured at fair value through income (Note 26)	13,719	13,719	1,698	1,698
Swap contracts measured at fair value through income (Note 26)	1,615	1,615	72	72
Swap contracts denominated as hedge instruments (Note 26)	20	20	6,911	6,911
Non-financial liabilities				
Customer loyalty liability (Note 27)	1,138	1,138	18,539	18,539

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 determined 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. CPI 12 months
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
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of properties from a survey of recent offers or transactions for assets that are similar and comparable to those being appraised.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
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 revenue
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

	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. CPI 12 months
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 determined 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 of transactions using 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 (1)	Level 3	Market value	The customer loyalty liability is updated on an ongoing basis 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.
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.

(1) The development of the measurement of customer loyalty liability during the period is as follows:

Balance at December 31, 2018	**18,539**
Issue	-
Maturity	(12,319)
Redemption	(5,082)
Balance at December 31, 2019	**1,138**

The Company determines 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, 2019.

Note 40. Contingent assets and liabilities

Note 40.1. Contingent assets

The Company has not recognized material contingent assets at December 31, 2019 and at December 31, 2018.

Note 40.2. Contingent liabilities

Contingent liabilities at December 31, 2019 and at December 31, 2018 are:

a. The following proceedings are underway, seeking that the Company be exempted from paying the amounts claimed by the complainant entity:

    - Administrative discussion with DIAN amounting to $27,360 (December 31, 2018 - $18,483) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015.

    - Resolutions by means of which the District Tax Direction of Bogotá issued to the Company 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, 2018 - $11,830).

    - Resolutions issued by the District Finance Direction of Bogotá by means of which the industry and trade tax return of the Company 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 $5,000 (December 31, 2018 - $5,000).

    - Official assessment No. 21 of June 19, 2019 issued by the Official Sub-directorate of the Cundinamarca Governor's Office, by means of which such authority defined an official return regarding consumption of beers, siphons, refajos and beer mixtures with less than 2.5 degrees of alcohol for the period January to December 2016 and levied a penalty of $4,099 (December 31, 2018 - $0) on the grounds of not having filed the consumption tax return.

    - 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, 2018 - $-).

    - Resolutions by means of which a penalty was imposed on the grounds of inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (December 31, 2018 - $1,088).

    - Resolution and official assessment imposing penalties on the Company on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $940 (December 31, 2018 - $940).

b. Other proceedings:

    - Third party liability lawsuit amounting to $1,800 (December 31, 2018 - $1,531) for alleged injuries to a customer at Éxito Santa Marta store premises.

c. Other contingent liabilities:

    - On June 1, 2017 the Company granted a collateral on behalf of Almacenes Éxito Inversiones S.A.S. in amount of $2,631 to cover a potential failure to comply with its obligations.

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 41. Offsetting of financial assets and liabilities

Below is a detail of financial assets and 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
2019	Derivative financial instruments and hedging (Note 11) (1)	-	-	23,833
2018	Derivative financial instruments and hedging (Note 11) (1)	-	-	114,021

Year	Financial liabilities	Gross value of financial liabilities recognized	Gross value of related financial assets recognized	Net value of financial liabilities recognized
2019	Derivative financial instruments and hedging (Note 26) (1)	-	-	15,354
	Trade payables and other accounts payable (2)	1,369,121	139,438	1,229,683
2018	Derivative financial instruments and hedging (Note 26) (1)	-	-	8,681
	Trade payables and other accounts payable (2)	1,216,651	106,614	1,110,037

(1) The Company carries out derivative and hedge *forward* and *swap* transactions to hedge against fluctuation in exchange rates and interest rates of accounts payable and financial liabilities. These items are measured at fair value; fair values of these financial instruments are disclosed in Note 39. For 2019, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, reason why right and obligation may not be individualized.

(2) The Company has entered offsetting agreements with suppliers, arising from the procurement of inventories. Such items are included in trade payables.

The Company's statement of financial position shows no uncleared amounts related to collaterals or other financial instruments.

Note 42. Dividends declared and paid

At December 31, 2019

The Company's General Meeting of Shareholders held on March 27, 2019, declared a dividend of $139,706, equivalent to an annual dividend of $312.12 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2019, and January 2020.

Dividends paid during the annual period ended December 31, 2019 amounted to $131,967.

(*) Expressed in Colombian pesos.

At December 31, 2018

The Company's General Meeting of Shareholders held on March 23, 2018, declared a dividend of $108,857, equivalent to an annual dividend of $243.20 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2018, and January 2019.

Dividends paid during the annual period ended December 31, 2018 amounted to $87,072.

(*) Expressed in Colombian pesos.

Note 43. Leases

Note 43.1. Finance leases when the Company acts as the lessee

The Company has 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, 2019	December 31, 2018
Up to one year	3,819	3,932
From 1 to 5 years	6,784	10,628
Minimum instalments under finance leases	**10,603**	**14,560**
Future financing expense	(570)	(1,223)
Total net minimum instalments on finance leases	**10,033**	**13,337**

No contingent instalments were recognized in income during the reporting periods.

Note 43.2. Operating leases when the Company acts as the lessee

At December 31, 2018 the Company and its subsidiaries carried operating leases as lessee, mainly related with trade premises, vehicles and machinery. During 2019, such lease contracts were accounted for as required by IFRS 16, which was retrospectively adopted as of January 1, 2019.

Contracts that continue to be 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 of stores with a variable rental instalment are also recognized as operating leases and are excepted from the requirements of IFRS 16.

At December 31, 2019 the lease expense and cost arising from the operating lease contracts recognized in income amounted to $48,233 (December 31, 2018 - $52,393).

Note 43.3. Operating leases when the Company acts as the lessor

The Company has entered into operating lease agreements to third parties on investment properties. Total future minimum installments under irrevocable operating lease agreements for the reporting periods are:

	December 31, 2019	December 31, 2018
Up to one year	11,894	10,224
From 1 to 5 years	22,406	18,698
More than 5 years	32,645	20,818
Total minimum instalments under irrevocable operating leases	**66,945**	**48,740**

The Company made an analysis and concluded that operating lease agreements may not 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, 2019 revenue from leases recognized in income amounted to $16,784 (December 31, 2018 - $39,886) including revenue from the lease of investment property in amount of $5,263 (December 31, 2018 - $4,636). Contingent instalments included in the revenue from leases amounted to $1,180 (December 31, 2018 - $2,677).

Note 44. Seasonality of transactions

Company's operating cycles show certain seasonality in operating and financial results, with a concentration during the last quarter of the year, mainly due to Christmas and "Special Price Days", which is the second most important promotional event of the year.

Note 45. Financial risk management policy

Net financial exposure

The Company's financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued.

The Company maintains 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 Company uses 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, 2019 and at December 31, 2018 Company's financial instruments were represented by:

	December 31, 2019	December 31, 2018
Financial assets		
Cash and cash equivalents (Note 6)	2,206,153	1,885,868
Trade receivables and other accounts receivable (Note 7)	232,600	241,286
Accounts receivable from related parties (Note 9) (1)	142,057	112,758
Other financial assets (Note 11)	75,360	164,973
Total financial assets	**2,656,170**	**2,404,885**
Financial liabilities		
Total financial liabilities (Note 19)	210,998	3,881,214
Accounts payable to related parties (Note 22) (1)	177,615	120,972
Trade payables and other accounts payable (Note 23)	3,901,549	3,567,527
Lease liabilities (Note 24)	1,618,815	1,506,796
Other financial liabilities (Note 26)	95,807	112,720
Total financial liabilities	**6,004,784**	**9,189,229**
Net (passive) financial exposure	**(3,348,614)**	**(6,784,344)**

(1) Transactions with related parties refer to transactions between the Company and its subsidiaries and other related parties, and are carried in accordance with market prices and general terms and conditions.

Considerations of risk factors that might influence Company business

General risk management framework

The Company 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 Company and endorsed by the Audit and Risk Committee, in the context of risk policy guidelines.

During 2019 an amendment to the strategic risk matrix was submitted for consideration based on the updating of the Company's strategy, which resulted in changes in risk categories, creation of an additional category related with compliance with the protection of personal data and changes in the matrix qualification. Risks at this level were reviewed by the Audit and Risk Committee and endorsed by the Board of Directors.

In accordance with such architecture, controls have been implemented at all levels, processes and areas of the Company, through a set of defined principles, policies, regulations, procedures and verification and assessment mechanisms.

Some of the monitoring mechanisms put in place to achieve control purposes are:

- The self-control program, which allows a self-assessment of the most critical risks and key controls, carried out half-yearly by process leaders, and a definition of corrective action plans wherever deviations are identified.
- 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.
- And 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, conducted a risk-based assessment of compliance with business goals, focused on improving risk management, control and governance for the Company's most significant processes, systems and/or projects.

The Board of Directors, through the Audit and Risk Committee, supervised information and financial reporting processes; risk management comprehensive management; internal control system and architecture, including monitoring of Internal Audit's and Statutory Audit's activities; compliance with rules applicable to the Company, transparency program, personal data protection system and system for the prevention and control of money-laundering and financing or 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 Company'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 to finance the Company's operations and maintain proper levels of working capital and net financial debt.

The most significant of the Company's financial assets include loans, trade debtors and other accounts receivable, as well as cash and short-term placements directly resulting from routine transactions. In addition, the Company carries other investments classified as financial assets measured at fair value, which, according to the business model, have effects on period results or on other comprehensive income. Further, other rights may arise from transactions with derivative instruments and will be carried as financial assets.

The Company has an exposure to market, credit and liquidity risks. Company management monitors the way such risks are managed, through the relevant levels of the organization. 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 Company 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 related to all transactions with derivative instruments is carried out by teams of specialists with the required skills and experience who are supervised by the organizational structure. Pursuant to the Company's corporate policies, no transactions with derivative instruments may be carried out solely for speculation. Even if accounting hedge 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 Company is exposed to credit risk arising from its operating activities (particularly from trade debtors) and from its 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 Company sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Company's 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.

Guarantees

The Company does 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 Company or its subsidiaries. At December 31, 2019 the Company has executed a blank promissory note in favor of a third party who stands surety for Almacenes Éxito Inversiones S.A. in amount of $2,631 to cover a potential failure to comply.

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 Company 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 Company's 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 Company.

Most of the Company's financial liabilities are indexed to market variable rates. To manage the risk, the Company enters into financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which it agrees on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated on an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Financial assets and liabilities by type of interest rate:

	December 31, 2019		December 31, 2018	
	Variable-income rate	Fixed-income rate	Variable-income rate	Fixed-income rate
Financial assets	2,232,452	414,496	2,001,798	393,865
Financial liabilities	226,352	4,159,617	3,889,895	3,792,538

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. Company's exposure to exchange rate risk is attached, in the first place, to passive transactions in foreign currency associated with long-term liabilities and with the Company's operating activities (wherever revenue and expenses are denominated in a currency other than the functional currency), as well as with Company's net investments in foreign subsidiaries.

The Company manages its 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, the Company's 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, Company 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 Company to variations in exchange rates.

At 31 December 2019 and at December 321, 2018, the Company had hedged almost 100% of its purchases and liabilities in foreign currency.

Financial assets and liabilities in foreign currency:

	December 31, 2019		December 31, 2018	
	Euro	US Dollar	Euro	US Dollar
Financial assets	11,664	124,350	3,213,708	18,120,120
Financial liabilities	27,317	262,544	13,349,145	479,778,221

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 price of Company stock. The main purpose of managing the Company's share capital is to maximize the value to shareholders.

The Company manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements of financial clauses. In order to maintain and adjust its capital structure, the Company 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 Company might face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. The Company'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 and stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Company manages liquidity risks by daily monitoring its cash flows and maturities of financial assets and liabilities, and by maintaining proper relations with the relevant financial institutions.

The purpose of the Company is maintaining a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions and finance leases, among other mechanisms. Approximately 97% of Company debt will mature in less than one year as of December 31, 2019 (December 31, 2018 - 27%) taking into consideration the book value of loans included in these financial statements.

The outstanding principal balance of the syndicated credit in US Dollars in amount of USD 450 million obtained in December 2017, the credit in amount of $158,380 obtained in April 2017, the outstanding balance of the current bank loan in amount of $535,616 and the outstanding balance of the non-current bank loan in amount of $1,167,535 were repaid in advance in December 2019, which decreases the liquidity risk and negotiation restrictions on new debts.

The Company has 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, 2019. Access to financing sources is properly assured.

The following table shows a profile of maturities of the Company's financial liabilities based on non-discounted contract payments arising from the relevant agreements.

At December 31, 2019	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Finance lease liabilities, gross	3,819	6,784	-	10,603
Other relevant contractual liabilities	203,494	-	-	203,494
Total	**207,313**	**6,784**	**-**	**214,097**
At December 31, 2018	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Finance lease liabilities, gross	3,932	10,628	-	14,560
Other relevant contractual liabilities	1,074,703	2,949,358	417,129	4,441,190
Total	**1,078,635**	**2,959,986**	**417,129**	**4,455,750**

Sensitivity analysis for 2019 balances

From a statistical standpoint, the Company assessed the potential changes in interest rates of financial liabilities and other significant contractual 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 2018.
- Scenario II: An increase of 0.4134% is assumed for the Banking Reference Rate and an increase of 0.1763% is assumed for LIBOR at 90 days. All increases on the latest published interest rate.
- Scenario III: A reduction of 0.4134% is assumed for the Banking Reference Rate and a reduction of 0.1763% is assumed for LIBOR at 90 days. All reductions 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, 2019**	**Market forecast**		
			Scenario I	**Scenario II**	**Scenario III**
Loans	Changes in interest rates	200,965	200,965	200,965	200,965
Finance leases	Changes in interest rates	10,033	9,970	9,993	9,946
Total		**210,998**	**210,935**	**210,958**	**210,911**

d. Insurance policies

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.

Insurance lines of coverage	Coverage limits	Coverage
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 Company uses derivative financial instruments to hedge risk exposure, with the main purpose of hedging its exposure to interest rate risk and exchange rate risk, turning the financial debt into fixed interest rates and domestic exchange rates.

At December 31, 2019, the reference value of these contracts amounted to USD 266.85 million and EUR 2.45 million (December 31, 2018 – USD 568.09 million and EUR 5.35 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 Company limits and policies.

Pursuant to Company policies, swaps may be acquired with restriction, with prior authorization of Company management.

The Company has 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 interim 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 46. Non-current assets held for trading

As of June 2018, Company Management started a plan to sell certain property to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Company. 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 at December 31, 2019 and at December 31, 2018 as included in the statement of financial position is as follows:

	December 31, 2019	December 31, 2018
Property, plant and equipment (1)	16,489	16,489
Investment property (2)	10,159	10,119
Total	**26,648**	**26,608**

(1) Represents the Cota Plot of Land and Hotel project.

(2) Represents the following real estate property:

	December 31, 2019	December 31, 2018
Lote La Secreta (land)	5,960	5,960
Kennedy trade premises (building)	1,640	1,640
Kennedy trade premises (land)	1,229	1,229
Lote Casa Vizcaya (land)	595	595
Pereira Plaza trade premises (building)	556	556
Lote La Secreta (construction in progress)	179	139
Total	**10,159**	**10,119**

The Company believes that such assets will be sold during the first half of 2020.

No revenue or expense have been recognized in income or in other comprehensive income related with the group of assets for disposal.

Note 46.1 Facts and circumstances that extend to more than one year the selling period of non-current assets held for trading.

Progress in the selling process

At December 31, 2019, external factors out of the control of Company management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and of benefit to the Company caused management to reconsider the original selling schedule whose completion had been forecasted for the first half of 2019.

Some of the external factors that influenced the sale transaction schedule at the closing of December 31, 2019 were:

- During the end of 2018, the national politics environment arising from the most polarized nation-wide elections in the recent history of the country, namely the elections to the National Congress on March 11, 2018 and the Presidential Elections on May 27, 2018 (first round) and on June 17, 2018 (second round), resulted in the general uncertainty of investors and the decrease of investors' appetite for real-estate property.

- Economic indicators relevant to construction as prepared by the National Department of Statistics (DANE by its Spanish acronym) evidenced that at the closing of 2018 the sector reached a weak 0.3% YTD growth as compared to 2017, and only grew by 0.9% during the last quarter of 2018.

- The beginning of 2019 was not positive; the real-estate market expected recovery signs and particularly the construction industry; general dynamics contracted and resulted in a decrease in proposals of potential investors willing to acquire assets. During the first quarter of 2019, the industry contracted even more (-5.6%) as compared to the same period of 2018 (-0.9%). According to economic studies by the Cámara Colombiana de la Construcción – CAMACOL, even if the granting of housing and other construction licenses slowly recovered by 1.2% as compared to the first quarter of 2018, a significant decrease (-11.8%) was carried forward.

- Neither the Economic Indicators Around Construction (IEAC) prepared by the National Department of Statistics - DANE were encouraging since they showed that during the first quarter of 2019 (January to March), the GDP at constant prices grew by 2.8% as compared to the same quarter of 2018; however, a 5.6% decrease in the added value of the construction segment was identified when analyzing the result of the added value by large segments of the industry. Such result is mainly explained by the annual negative variation in the subsegments of construction of residential and non-residential buildings (-8.8%) and the added value of specialized activities (-5.9%).

Since June 2018, actions taken by management to accomplish the sale of real-estate assets have been concrete and focused on each property, seeking to guarantee the feasibility of the sale, ensure that property is cured and obtain added-value economic proposals.

In pursuing this effort, the Company retained independent realtors who joined the internal teams of experts in the market potential. Developments are as follows:

(a) Lote La Secreta: negotiated with buyer for delivery during the first quarter of 2020.

(b) Kennedy Trade Premises: the independent retailer has been hired and is in the process of offering the property to the present lessor in pursuance of the preferential rights under the lease contract.

(c) Pereira Plaza Trade Premises: in process of analyzing offers submitted by interested parties.

(d) Hotel Cota plot of land and project: analysis of offers by interested parties in process.

(e) Lote Casa Vizcaya: negotiated with buyer for delivery during the first quarter of 2020.

The Company continues strongly committed to the selling process of such assets.

Note 47. Relevant facts

At December 31, 2019

Ordinary meeting of the General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 28, 2019, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2018 and approval of dividend distribution to shareholders.

Proposal to acquire the interest held by the Company in subsidiary Companhia Brasileira de Distribuição -CBD by its controlling entity Casino Guichard-Perrachon S.A.

On July 24, 2019, as part of its plan to simplify the investment structure, Casino Guichard-Perrachon S.A. submitted to the Company a proposal to purchase, through Segisor S.A., the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD at a price set from BRL 109 per share.

Takeover bid issued by its subsidiary Companhia Brasileira de Distribuição - CBD

On July 24, 2019, subsidiary Companhia Brasileira de Distribuição - CBD issued, through one of its subsidiaries, a takeover bid on 100% of the shares of its Parent Almacenes Éxito S.A., at a price of $18,000 (*) per share.

This takeover bid shall be filed with the Colombian Financial Superintendence once the Company has approved the offer of Casino Guichard-Perrachon S.A. to buy the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD.

(*) Expressed in Colombian pesos.

Start of the process to assess the sale of the shares held in Companhia Brasileira de Distribuição -CBD

The Audit and Risk Committee of the Company met on July 30, 2019 to start the process of assessing the sale of the indirect interest in and control over Companhia Brasileira de Distribuição -CBD, in accordance with the terms of the purchase proposal submitted by Casino Guichard-Perrachon S.A. Independent financial and legal advisors were appointed as part of the process to analyze the purchase proposal and present recommendations to the Board of the Company no later than August 31, 2019.

Amendment to the proposal to acquire the interest held by the Company in subsidiary Companhia Brasileira de Distribuição -CBD by its controlling entity Casino Guichard-Perrachon S.A.

On August 19, 2019, Casino Guichard-Perrachon S.A. submitted to the Company a new offer amending that originally submitted on July 24, 2019 regarding the purchase of the indirect interest and control over its subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A. The new price offered is BRL 113 per share, translated into US Dollars at the average exchange rate of the 30 common days ending on the fifth calendar day prior to the closing of the transaction.

Completion of the process to assess the sale of the shares held in Companhia Brasileira de Distribuição -CBD

On August 26, 2019 the Audit and Risk Committee of the Company issued a positive assessment to the Board of Directors regarding the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase at BRL 113 per share of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A., on the grounds that the offer meets the standards, principles and criteria set by the Policy on Transactions with Related Parties of the Company, corporate guidelines and the law.

Call to an extraordinary meeting of the General Meeting of Shareholders

On August 27, 2019, and as a result of the positive assessment by the Audit and Risk Committee of the Company regarding the offer submitted by Casino Guichard-Perrachon S.A. on the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A., the Board of Directors and the CEO of the Company called an extraordinary meeting of the General Meeting of Shareholders to be held on September 12, 2019.

Authorization to accept the offer on the sale of the shares held in Companhia Brasileira de Distribuição – CBD

On September 12, 2019 the Board of Directors held a meeting to deliberate on and assess the terms and conditions of the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

As part of the deliberation and assessment process regarding the terms and conditions of the offer, the Board took into consideration the assessment carried out by the Audit and Risk Committee and the opinions of independent advisors retained by the Company as well as the principles and criteria set by the Policy on Transactions with Related Parties, and other aspects such as the classification of the transaction under assessment, the price thereof, the coincidence with market conditions and the convenience of the transaction to the Company.

On the grounds of the analysis carried out, the Board of Directors adopted the assessment, conclusions and recommendations of the Audit and Risk Committee of the Company regarding the transaction, as the Board considered that the transaction meets the standards, principles and criteria set by the Policy on Transactions with Related Parties, corporate guidelines and the law, and consequently it proposed the approval thereof by the General Meeting of Shareholders.

Based on the above, the Board of Directors approved the transaction and authorized the CEO and the legal representatives of the Company to enter and execute, without limitation as to the amounts, all actions required to complete the transaction.

<u>Extraordinary meeting of the General Meeting of Shareholders</u>

During an extraordinary meeting held on September 12, 2019, the General Meeting of Shareholders decided, among other, on the following matters:

- Authorized the Board of Directors of the Company to deliberate and decide on the authorization to approve the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

- Approved the authorization by the Board of Directors of the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

- Authorized the CEO and the legal representatives of the Company to enter and execute, without limitation as to the amounts, all actions required to complete the transaction.

<u>Classification of subsidiary Companhia Brasileira de Distribuição – CBD as a non-current asset held for trading</u>

Based on the approval granted by the General Meeting of Shareholders to the Board of Directors regarding the sale of the indirect interest in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A., the balance of such investments carried in these subsidiaries was classified under non-current assets held for trading at September 30, 2019.

<u>Filing before the Colombian Financial Superintendence of the takeover bid by subsidiary Companhia Brasileira de Distribuição – CBD for the shares of the Company</u>

On October 19, 2019 Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD, published in Colombia the first takeover bid notice regarding Company shares.

Upon publication of such notice, subsequent to the authorization granted on October 17, 2019 by the Colombian Financial Superintendence, and as foreseen in sections 6.2.1 and 6.2.2 of the share purchase agreement executed with Casino Guichard-Perrachon S.A. on September 12, 2019 regarding the purchase of the indirect interest and control held over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A, the French shareholders agreement, the shareholders agreement with Wilkes and the shareholders agreement with CBD automatically terminated with no further formalities, with the consequence that as of October 17, 2019 the Company handed over the indirect control it held on subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

<u>Sale of subsidiary Companhia Brasileira de Distribuição – CBD</u>

On November 27, 2019 the Company sold its indirect interest in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. y Wilkes Partipações S.A.

<u>Acceptance of the takeover bid.</u>

On November 27, 2019, based on the results of the takeover bid dated July 24, 2019, Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD became the Company's controlling entity with a share of 96.57% in its capital stock.

Because of such change in control, and based on Colombian commercial regulations, the Company 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 in was created.

Investigation at Via Varejo S.A.

On June 15, 2019 the Company, through its subsidiary Companhia Brasileira de Distribuição - CBD (*), which in turn is a subsidiary of Onper Investment 2015 S.L., also a subsidiary of the Company, sold the 6.778% interest held in subsidiary Via Varejo S.A. Retained earnings in this subsidiary were recognized in the separate financial statements of the Company using the equity method. This subsidiary results are included in the balance of the investment of subsidiary Onper Investment 20156 S.L., as disclosed in Note 17.

On December 12, 2019 Via Varejo S.A. published a relevant fact and communicated that, during the second phase of an independent investigation conducted as a response to anonymous complaints regarding alleged accounting irregularities, the Investigations Committee informed management of the finding of hints of fraud and deficiencies in internal controls that might result in material misstatements in its financial statements. Based in this report, the Investigations Committee appointed by Via Varejo S.A. defined a third phase of the investigation to continue assessing the effect of the potential adjustments on the financial statements.

At December 31, 2019 the process to identify the effect of the accounting adjustments has not been completed.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity.

At December 31, 2018

Ordinary meeting of the General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 23, 2018, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2017 and approval of dividend distribution to shareholders.

Contribution to Patrimonio Autónomo Viva Malls

On December 28, 2018 the Company made an additional contribution of the following assets to Patrimonio Autónomo Viva Malls, as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia:

Fiduciary interests:
- Patrimonio Autónomo Viva Villavicencio,
- Patrimonio Autónomo Centro Comercial,
- Patrimonio Autónomo Viva Sincelejo, and
- Patrimonio Autónomo San Pedro Etapa I.

Real estate property:
- Lote Sincelejo, and
- Fontibón real estate property

With the mentioned contributions, the Company remains the trustor with 51% of interest in Patrimonio Autónomo Viva Malls, but changed its interest in contributed Patrimonios from 51% to 26.01%

Note 48. Events after the reporting period

No events have occurred after the reporting period that entail significant changes in the Company.

Note 49. Information regarding the adoption of IFRS 16

The Company started to apply IFRS 16 - Leases as of January 1, 2019. This standard requires recognizing a use right asset and a lease liability.

Use rights assets are assets representing the right of the Company as lessee to use an underlying asset during the term of a lease agreement. The liability represents future payments under the lease agreement.

The Company elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements. For comparison purposes, the Company prepared the financial statements of prior periods including the effects of adopting IFRS 16.

As a result of adoption:
- Use right assets were recognized;
- Lease liabilities were recognized;
- Lease expenses were eliminated (fixed payments under lease agreements);
- Depreciation of use rights was recognized;
- Interest expense was recognized upon measurement of lease liabilities using the effective interest method.
- Fixed payments made and new amendments to the lease agreement were recognized under lease liabilities.
- The effects on deferred tax arising from temporary differences resulting upon recognition of use rights and lease liabilities were recognized.

The effects shown in the statement of financial position at December 31, 2018 are:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16	Difference	
Total current assets	**3,914,728**	**3,914,728**	**-**	
Non-current assets				
Trade receivables and other accounts receivable	23,177	23,177		
Prepaid expenses	10,231	10,231		
Accounts receivable from related parties	3,807	3,807		
Other financial assets	66,729	66,729		
Property, plant and equipment, net	2,055,879	2,055,879		
Investment property, net	97,680	97,680		
Use rights, net	1,299,546	-	1,299,546	(1)
Goodwill	1,453,077	1,453,077		
Intangible assets other than goodwill, net	144,245	144,245		
Investments accounted for using the equity method, net	7,755,192	7,851,746	(96,554)	(2)
Deferred tax assets, net	106,936	41,652	65,284	(3)
Other non-financial assets	398	398		
Total non-current assets	**13,016,897**	**11,748,621**	**1,268,276**	
Total assets	**16,931,625**	**15,663,349**	**1,268,276**	
Current liabilities				
Accounts payable to related parties	120,972	120,972		
Financial liabilities	1,042,781	1,042,781		
Employee benefits	3,648	3,648		
Other provisions	12,292	12,292		
Trade payables and other accounts payable	3,567,527	3,567,527		
Lease liabilities	179,392	-	179,392	(1)
Tax liabilities	50,458	50,458		
Other financial liabilities	111,269	111,269		
Other non-financial liabilities	197,708	197,708		
Total current liabilities	**5,286,047**	**5,106,655**	**179,392**	
Non-current liabilities				
Financial liabilities	2,838,433	2,838,433		
Employee benefits	27,560	27,560		
Other provisions	38,788	38,783	5	(4)
Lease liabilities	1,327,404	-	1,327,404	(1)
Other financial liabilities	1,451	1,451		
Other non-financial liabilities	727	727		
Total non-current liabilities	**4,234,363**	**2,906,954**	**1,327,409**	
Total liabilities	**9,520,410**	**8,013,609**	**1,506,801**	
Shareholders' equity	**7,411,215**	**7,649,740**	**(238,525)**	
Total liabilities and shareholders' equity	**16,931,625**	**15,663,349**	**1,268,276**	

(1) The adjustment relates to the recognition of use rights and lease liabilities.

(2) The adjustment represents the recognition of the effects of application of this standard on the equity of investments accounted for using the equity method. The differences as compared to the figures shown on December 31, 2018 are as follows:

Company	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Spice Investment Mercosur S.A.	1,857,998	1,900,098
Patrimonio Autónomo Viva Malls	962,533	940,411
Onper Investment 2015 S.L. (a)	4,545,348	4,620,336
Compañía de Financiamiento Tuya S.A.	203,679	203,679
Éxito Industrias S.A.S.	146,901	148,515
Logística, Transporte y Servicios Asociados S.A.S.	7,546	7,852
Cnova N.V.	9,222	9,222
Fideicomiso Lote Girardot	3,850	3,850
Éxito Viajes y Turismo S.A.S.	4,146	4,000
Patrimonio Autónomo Iwana	3,284	3,098
Marketplace Internacional Éxito y Servicios S.A.S.	20	20
Carulla Vivero Holding Inc.	4,834	4,834
Puntos Colombia S.A.S.	5,600	5,600
Almacenes Éxito Inversiones S.A.S.	231	231
Total investments accounted for using the equity method	**7,755,192**	**7,851,746**

(a) A subsidiary which in turn is the parent of the following subsidiaries:

Company	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Libertad S.A.	632,035	632,035
Companhia Brasileira de Distribuição - CBD	4,630,029	4,705,017
Wilkes Partipações S.A.	45	45
Segisor S.A.	(716,761)	(716,761)
Total	**4,545,348**	**4,620,336**

(3) The adjustment represents the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IRFS 16			December 31, 2018 without IRFS 16		
	Deferred tax assets	Deferred tax liabilities	Net deferred income tax assets (liabilities)	Deferred tax assets	Deferred tax liabilities	Net deferred income tax assets (liabilities)
Lease liabilities	474,641	-	474,641	-	-	-
Tax losses	196,376	-	196,376	196,376	-	196,376
Excess presumptive income	140,258	-	140,258	140,258	-	140,258
Financial liabilities	46,168	-	46,168	46,168	-	46,168
Tax credits	56,282	-	56,282	56,282	-	56,282
Other provisions	14,896	-	14,896	14,896	-	14,896
Inventories	5,360	-	5,360	5,360	-	5,360
Prepaid expenses	3,681	-	3,681	3,681	-	3,681
Trade and other receivables	4,113	-	4,113	4,113	-	4,113
Employee benefit provisions	3,642	-	3,642	3,642	-	3,642
Other financial liabilities	2,850	-	2,850	2,850	-	2,850
Accounts payable to related parties	8,196	-	8,196	8,196	-	8,196
Investments in subsidiaries and joint ventures	-	(60,657)	(60,657)	-	(60,657)	(60,657)
Other non-financial assets	-	(20)	(20)	-	(20)	(20)
Other non-financial liabilities	3,386	-	3,386	3,386	-	3,386
Non-current assets held for trading	-	(555)	(555)	-	(555)	(555)
Accounts receivable from related parties	-	(523)	(523)	-	(523)	(523)
Construction in progress	-	(915)	(915)	-	(915)	(915)
Trade and other payables	-	(1,209)	(1,209)	-	(1,209)	(1,209)
Land	-	(9,623)	(9,623)	-	(9,623)	(9,623)
Intangible assets other than goodwill	-	(7,654)	(7,654)	-	(7,654)	(7,654)
Real estate projects	-	(12,457)	(12,457)	-	(12,457)	(12,457)
Other property, plant and equipment	-	(26,512)	(26,512)	-	(26,512)	(26,512)
Investment property	-	(8,561)	(8,561)	-	(8,561)	(8,561)
Other financial assets	-	(37,331)	(37,331)	-	(37,331)	(37,331)
Buildings	-	(91,758)	(91,758)	-	(91,758)	(91,758)
Goodwill	-	(185,781)	(185,781)	-	(185,781)	(185,781)
Use rights	-	(409,357)	(409,357)	-	-	-
Total	**959,849**	**(852,913)**	**106,936**	**485,208**	**(443,556)**	**41,652**

(4) The adjustment represents the recognition of the effects of applying this standard on the equity of subsidiary Gemex O&W S.A.S., which shows negative equity. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Restructuring	911	911
Legal proceedings	13,771	13,771
Taxes other than income tax	8,632	8,632
Other (a)	27,766	27,761
Total other provisions	**51,080**	**51,075**

(a) Below is a detail of items included in this account:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Gemex O&W S.A.S.	20,097	20,092
Reduction for merchandise VMI	2,237	2,237
Closure of stores	5,432	5,432
Total other provisions	**27,766**	**27,761**

The effects shown in the statement of income for the annual period ended December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16	Difference	
Continuing operations				
Revenue from ordinary activities under contracts with customers	11,021,135	11,021,135		
Cost of sales	(8,585,096)	(8,600,978)	15,882	(5)
Gross profit	**2,436,039**	**2,420,157**		
Distribution expenses	(1,242,947)	(1,333,504)	90,557	(5)
Administration and sales expenses	(174,020)	(174,140)	120	(5)
Employee benefit expenses	(664,783)	(664,783)		
Other operating revenue	26,602	26,602		
Other operating expenses	(49,862)	(49,862)		
Other (losses), net	(23,372)	(23,549)	177	(6)
Profit from operating activities	**307,657**	**200,921**		
Financial revenue	268,480	268,480		
Financial expenses	(757,942)	(628,288)	(129,654)	(7)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	386,213	396,749	(10,536)	(8)
Profit from continuing operations before income tax	**204,408**	**237,862**		
Tax revenue	48,760	41,541	7,219	(9)
Net period profit from continuing operations	**253,168**	**279,403**		

(5) The adjustment relates to the derecognition of fixed payments under lease agreements and the recognition of the depreciation of use rights. The differences as compared to the figures shown on December 31, 2018 are as follows:

Cost of sales:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Cost of goods sold	9,435,852	9,435,852
Trade discounts and purchase rebates	(1,388,044)	(1,388,044)
Logistics costs (a)	400,444	416,326
Damage and loss	140,062	140,062
(Reversal) impairment recognized during the period	(3,218)	(3,218)
Total cost of sales	**8,585,096**	**8,600,978**

(a) The following is a detail of items included in logistics costs:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Employee benefits	220,876	220,876
Public utilities	126,913	126,913
Depreciation and amortization	45,535	15,894
Lease expenses	7,120	52,643
Total logistics costs	**400,444**	**416,326**

Distribution expenses:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Depreciation and amortization	322,881	160,295
Fuels and power	129,523	129,523
Taxes other than income tax	153,207	153,207
Advertising	105,107	105,107
Repairs and maintenance	87,466	87,466
Security services	63,992	63,992
Public utilities	48,134	48,134
Administration of trade premises	40,781	40,781
Cleaning services	38,846	38,846
Commissions on debit and credit cards	28,465	28,465
Transport	27,860	27,860
Lease expenses	27,816	280,959
Professional fees	24,547	24,547
Insurance	20,396	20,396
Packaging and marking materials	16,552	16,552
Cleaning and cafeteria	9,633	9,633
Impairment expense	9,282	9,282
Other commissions	5,556	5,556
Travel expenses	5,329	5,329
Stationery	4,701	4,701
Ground transportation	4,380	4,380
Legal expenses	3,501	3,501
Contributions and affiliations	1,311	1,311
Other	63,681	63,681
Total distribution expenses	**1,242,947**	**1,333,504**

Administration and sales expenses:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Professional fees	42,498	42,498
Depreciation and amortization	36,758	36,023
Leases (1)	17,469	18,324
Taxes other than income tax	16,468	16,468
Public utilities	9,824	9,824
Repairs and maintenance	9,721	9,721
Legal provision expense	6,404	6,404
Travel expenses	5,551	5,551
Impairment expense	5,236	5,236
Outsourced employees	3,849	3,849
Insurance	3,256	3,256
Fuels and power	2,665	2,665
Commissions	2,438	2,438
Telephone services	1,722	1,722
Transport	1,609	1,609
Entertainment	1,160	1,160
Contributions and affiliations	1,100	1,100
Administration of trade premises	969	969
Other commissions	906	906
Fines, penalties and litigation	514	514
Legal expenses	328	328
Packaging and marking materials	100	100
Other	3,475	3,475
Total administration and sales expenses	**174,020**	**174,140**

(6) The adjustment represents the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	**January 1 to December 31, 2018 without IFRS 16**
Derecognition of property, plant and equipment	(19,182)	(19,182)
Impairment of non-current assets	(3,307)	(3,307)
(Loss) from the sale of property, plant and equipment	(769)	(769)
Expenses from the disposition of assets	(291)	(291)
Derecognition of lease agreements	177	-
Total other net (losses)	**(23,372)**	**(23,549)**

(7) The adjustment represents the recognition of interest expense upon measurement of lease liabilities using the effective interest method. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	**January 1 to December 31, 2018 without IFRS 16**
Expenses arising from interest on loans and finance leases.	(317,090)	(317,090)
Loss from exchange difference	(195,974)	(195,974)
Interest expense on lease liabilities	(129,654)	-
Loss from derivative financial instruments	(105,839)	(105,839)
Commission expense	(4,326)	(4,326)
Other financial expenses	(5,059)	(5,059)
Total financial expenses	**(757,942)**	**(628,288)**

(8) The adjustment represents the recognition of the effects of application of this IFRS on the income of subsidiaries that are accounted for using the equity method. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	**January 1 to December 31, 2018 without IFRS 16**
Onper Investments 2015 S.L.	172,735	183,666
Spice Investments Mercosur S.A.	105,600	113,712
Compañía de Financiamiento Tuya S.A.	42,129	42,129
Patrimonio Autónomo Viva Malls	40,281	31,924
Éxito Industrias S.A.S.	17,466	17,253
Patrimonio Autónomo Viva Villavicencio	8,630	8,630
Patrimonio Autónomo Centro Comercial	2,940	2,940
Éxito Viajes y Turismo S.A.S.	2,849	2,803
Logística, Transportes y Servicios Asociados S.A.S.	2,923	3,032
Patrimonio Autónomo Viva Sincelejo	2,410	2,410
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	1,070	1,070
Carullla Vivero Holding Inc.	395	395
Patrimonio Autónomo Iwana	(48)	(67)
Almacenes Éxito Inversiones S.A.S.	(652)	(652)
Puntos Colombia S.A.S.	(1,613)	(1,613)
Gemex O & W S.A.S.	(10,902)	(10,883)
Total	**386,213**	**396,749**

(9) The adjustment represents the recognition of the effects of application of this IFRS on deferred tax revenue. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	**January 1 to December 31, 2018 without IFRS 16**
Current income tax (expense)	(55,933)	(55,933)
Deferred income tax revenue (a)	104,693	97,474
Total revenue from income tax	**48,760**	**41,541**

(a) The difference as compared to the figures shown at December 31, 2018 regarding the effect of the deferred income tax on the statement of income are as follows:

	January 1 to December 31, 2018 with IFRS 16	**January 1 to December 31, 2018 without IFRS 16**
Deferred income tax	102,619	95,400
Deferred occasional gains tax	2,074	2,074
Total deferred income tax revenue	**104,693**	**97,474**

The effects shown in the statement of comprehensive income for the annual period ended December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	**January 1 to December 31, 2018 without IFRS 16**
Net income for the period	**253,168**	**279,403**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
(Loss) from new measurements of defined benefit plans	(351)	(351)
(Loss) from investments in equity instruments	(4,224)	(4,224)
Total other comprehensive income that will not be reclassified to period results, net of taxes	**(4,575)**	**(4,575)**
Components of other comprehensive income that will be reclassified to period results, net of taxes		
(Loss) from translation exchange differences	(628,857)	(633,751)
Gain from the hedging of cash flows	9,052	9,052
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	(29,726)	(29,724)
Total other comprehensive income that will be reclassified to period results, net of taxes	**(649,531)**	**(654,423)**
Total other comprehensive income	**(654,106)**	**(658,998)**
Total comprehensive income	**(400,938)**	**(379,595)**