Almacenes Éxito S.A.

Interim separate financial statements

At June 30, 2020 and at December 31, 2019

Almacenes Éxito S.A.
Interim separate financial statements
At June 30, 2020 and at December 31, 2019

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

Envigado, July 27, 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 June 30, 2020 and at December 31, 2019 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 interim separate financial statements do exist, and all transactions included in said interim consolidated financial statements have been carried out during the six-month period ended June 30, 2020 and during the annual period ended December 31, 2019.

2. All economic events achieved by the Company during the six-month period ended June 30, 2020 and during the annual period ended December 31, 2019, 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 June 30, 2020 and at December 31, 2019.

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 interim separate financial statements and the operations of the Company at June 30, 2020 and at December 31, 2019, 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.

ORIGINAL SIGNED

Carlos Mario Giraldo Moreno
Legal Representative

ORIGINAL SIGNED

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.
Interim separate statements of financial position
At June 30, 2020 and at December 31, 2019
(Amounts expressed in millions of Colombian pesos)

	Notes	June 30, 2020	December 31, 2019
Current assets			
Cash and cash equivalents	6	1,145,644	2,206,153
Trade receivables and other accounts receivable	7	205,204	199,712
Prepaid expenses	8	22,222	25,421
Accounts receivable from related parties	9	73,387	92,900
Inventories, net	10	1,674,275	1,555,865
Other financial assets	11	29,400	27,031
Tax assets	24	413,135	314,736
Non-current assets held for trading	42	9,270	26,648
Total current assets		**3,572,537**	**4,448,466**
Non-current assets			
Trade receivables and other accounts receivable	7	30,370	32,888
Prepaid expenses	8	8,374	9,631
Accounts receivable from related parties	9	56,344	49,157
Other non-financial assets with related parties	9	27,643	19,783
Other financial assets	11	39,729	48,329
Property, plant and equipment, net	12	1,972,642	2,027,180
Investment property, net	13	89,959	91,889
Use rights, net	14	2,266,267	1,411,410
Goodwill	15	1,453,077	1,453,077
Intangible assets other than goodwill, net	16	167,090	159,225
Investments accounted for using the equity method, net	17	3,709,123	3,614,639
Deferred tax assets, net	24	182,368	153,141
Other non-financial assets		398	398
Total non-current assets		**10,003,384**	**9,070,747**
Total assets		**13,575,921**	**13,519,213**
Current liabilities			
Financial liabilities	18	1,191,216	204,705
Employee benefits	19	3,774	2,973
Other provisions	20	10,401	12,365
Accounts payable to related parties	21	123,097	177,615
Trade payables and other accounts payable	22	2,870,218	3,901,549
Lease liabilities	23	164,531	224,492
Tax liabilities	24	35,162	66,270
Other financial liabilities	25	73,305	95,437
Other non-financial liabilities	26	149,284	161,672
Total current liabilities		**4,620,988**	**4,847,078**
Non-current liabilities			
Financial liabilities	18	349,134	6,293
Employee benefits	19	20,897	20,897
Other provisions	20	53,469	53,056
Lease liabilities	23	2,312,356	1,394,323
Other financial liabilities	25	-	370
Other non-financial liabilities	26	639	668
Total non-current liabilities		**2,736,495**	**1,475,607**
Total liabilities		**7,357,483**	**6,322,685**
Shareholders' equity, see accompanying statement		**6,218,438**	**7,196,528**
Total liabilities and shareholders' equity		**13,575,921**	**13,519,213**

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

ORIGINAL SIGNED	ORIGINAL SIGNED	ORIGINAL SIGNED
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 accompanying report dated July 27, 2020)

Almacenes Éxito S.A.
Interim separate statements of income
For the six-month and three-month periods ended June 30, 2020 and June 30, 2019
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Continuing operations					
Revenue from ordinary activities under contracts with customers	29	5,788,314	5,437,086	2,799,027	2,706,256
Cost of sales	10	(4,587,566)	(4,311,513)	(2,210,468)	(2,193,137)
Gross profit		**1,200,748**	**1,125,573**	**588,559**	**513,119**
Distribution expenses	30	(634,335)	(617,223)	(302,022)	(285,142)
Administration and sales expenses	30	(81,867)	(83,424)	(37,788)	(41,172)
Employee benefit expenses	31	(333,333)	(319,201)	(153,421)	(128,599)
Other operating revenue	32	18,465	23,544	11,021	7,978
Other operating expenses	32	(58,022)	(30,833)	(31,318)	(11,355)
Other net gains (losses)	32	3,670	(416)	(1,146)	(403)
Profit from operating activities		**115,326**	**98,020**	**73,885**	**54,426**
Financial revenue	33	109,591	221,787	27,726	55,579
Financial expenses	33	(233,149)	(436,903)	(111,687)	(165,784)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	34	29,763	63,441	16,144	28,520
Gain (loss) from continuing operations before income tax		**21,531**	**(53,655)**	**6,068**	**(27,259)**
Tax revenue	24	13,243	23,103	6,719	9,048
Net gain (loss) for the period from continuing operations		**34,774**	**(30,552)**	**12,787**	**(18,211)**
Earnings per share (*)					
Earnings per basic share (*)					
Earnings (loss) per basic share from continuing operations	35	77.69	(68.26)	28.57	(40.69)
Earnings per diluted share (*)					
Earnings (loss) per diluted share from continuing operations	35	77.69	(68.26)	28.57	(40.69)

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Interim separate statements of comprehensive income
For the six-month and three-month periods ended June 30, 2020 and June 30, 2019
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net profit (loss) for the period		**34,774**	**(30,552)**	**12,787**	**(18,211)**
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		-	(48)	-	(48)
Gain from investments in equity instruments		339	3,348	1,028	4,257
Total other comprehensive income that will not be reclassified to period results, net of taxes		**339**	**3,300**	**1,028**	**4,209**
Components of other comprehensive income that will be reclassified to period results, net of taxes					
Gain (loss) from translation exchange differences	28	1,453	(251,302)	(204,151)	108,511
(Loss) from investment hedging in foreign businesses	28	(4,722)	-	(8,356)	-
(Loss) gain from cash flow hedging	28	(36)	570	(7)	210
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	28	-	(18,328)	-	-
Total other comprehensive income that will be reclassified to period results, net of taxes		**(3,305)**	**(269,060)**	**(212,514)**	**108,721**
Total other comprehensive income		**(2,966)**	**(265,760)**	**(211,486)**	**112,930**
Total comprehensive income		**31,808**	**(296,312)**	**(198,699)**	**94,719**
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations	35	71.06	(662.00)	(443.92)	211.61
Earnings per diluted share (*):					
Earnings (loss) per diluted share from continuing operations	35	71.06	(662.00)	(443.92)	211.61

(*) 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.
Interim separate statements of cash flows
For the six-month periods ended June 30, 2020 and June 30, 2019
(Amounts expressed in millions of Colombian pesos)

	January 1 to June 30, 2020	January 1 to June 30, 2019
Cash flows provided by operating activities		
Net profit (loss) for the period	**34,774**	**(30,552)**
Adjustments to reconcile profit (loss) for the period		
Current income tax	18,130	10,292
Deferred income tax	(31,373)	(33,395)
Financial costs	33,776	318,774
Impairment of receivables	8,221	12,902
Reversal of receivable impairment	(6,408)	(11,724)
Reversal of inventory impairment	-	(2,349)
Inventory impairment	1,219	-
Employee benefit provisions	801	851
Reversal of employee benefit provisions	-	(6,831)
Other provisions	36,335	35,793
Reversal of other provisions	(6,904)	(4,897)
Expense from depreciation of property, plant and equipment, use rights and investment property	193,250	195,926
Amortization of intangible assets expense	8,467	8,989
(Gain) from the application of the equity method	(29,763)	(63,441)
(Gain) loss from the disposal of non-current assets	(1,397)	4,294
Other cash (outflows)	(1,455)	(3,283)
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(11,966)	(177,557)
Operating income before changes in working capital	**245,707**	**253,792**
(Increase) decrease in trade receivables and other accounts receivable	(4,206)	39,868
Decrease in prepaid expenses	4,456	1,438
Decrease in receivables from related parties	19,512	37,631
(Increase) in inventories	(119,629)	(68,237)
(Increase) in tax assets	(112,027)	(129,664)
(Decrease) in other provisions	(32,693)	(19,969)
(Decrease) in trade payables and other accounts payable, and lease liabilities	(1,118,023)	(815,349)
(Decrease) increase in accounts payable to related parties	(20,788)	9,761
(Decrease) in tax liabilities	(31,108)	(19,111)
(Decrease) in other non-financial liabilities	(11,018)	(69,823)
Net cash flows (used in) operating activities	**(1,179,817)**	**(779,663)**
Cash flows provided by investment activities		
Cash flows used to maintain control over subsidiaries and joint ventures	(22,857)	(12,193)
Cash flows provided by reimbursement of contributions in subsidiaries or other businesses	(1,085)	-
Acquisition of property, plant and equipment	(46,530)	(83,000)
Acquisition of investment property	(645)	(615)
Acquisition of intangible assets	(16,207)	(14,112)
Proceeds of the sale of property, plant and equipment	11,380	-
Dividends received	29,491	74,838
Net cash flows (used in) investment activities	**(46,453)**	**(35,082)**
Cash flows provided by financing activities		
Cash flows provided by changes in interests in subsidiaries that do not result in loss of control	40	11,364
Decrease in other financial assets	6,231	55,242
(Decrease) increase in other financial liabilities	(22,548)	3,247
Increase (decrease) in financial liabilities	1,329,886	(54,560)
(Decrease) in liabilities from finance leases	(534)	(1,839)
Dividends paid	(1,125,504)	(62,118)
Financial yields	11,966	177,557
Interest paid	(33,776)	(318,774)
Net cash flows provided by (used in) financing activities	**165,761**	**(189,881)**
Net (decrease) in cash and cash equivalents	**(1,060,509)**	**(1,004,626)**
Cash and cash equivalents at the beginning of period	**2,206,153**	**1,885,868**
Cash and cash equivalents at the end of period	**1,145,644**	**881,242**

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Almacenes Éxito S.A.
Separate statements of changes in shareholders' equity
For the six-month periods ended June 30, 2020 and June 30, 2019
(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 27)	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)		
Balance at December 31, 2018	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,282)**	**1,000,550**	**426,171**	**7,411,203**
Cash dividend declared (Note 40)	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)
Net period results	-	-	-	-	-	-	-	-	-	-	(30,552)	-	(30,552)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(265,760)	-	-	(265,760)
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	-	-	-	-	-	-	-	-	-	-	-	(998)	(998)
Other net increase (decrease) in shareholders' equity (1)	-	-	-	-	(1,544)	-	-	119,900	118,356	-	(100,952)	113,663	131,067
Balance at June 30, 2019	**4,482**	**4,843,466**	**(2,734)**	7,857	1,771,022	22,000	155,412	145,312	**2,101,603**	**(970,042)**	**589,643**	**538,836**	**7,105,254**
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**
Cash dividend declared (Note 40)	-	-	-	-	(1,091,259)	-	-	-	(1,091,259)	-	-	-	(1,091,259)
Net period results	-	-	-	-	-	-	-	-	-	-	34,774	-	34,774
Other comprehensive income	-	-	-	-	-	-	-	-	-	(2,966)	-	-	(2,966)
Appropriation for reserves	-	-	-	-	57,602	-	-	-	57,602	-	(57,602)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(1,691)	(1,691)
Other net increase (decrease) in shareholders' equity (1)	-	-	-	-	(1,603)	-	-	100,394	98,791	-	(101,264)	85,525	83,052
Balance at June 30, 2020	**4,482**	**4,843,466**	**(2,734)**	7,857	735,762	22,000	155,412	299,674	**1,220,705**	**(1,072,078)**	**493,939**	**730,658**	**6,218,438**

(1) Includes certain reclassifications and adjustments regarding appropriations to reserve accounts and hyperinflation-related adjustments made by foreign 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 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.

The ultimate controlling entity of the Company is Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD. At June 30, 2020, the controlling entity has a 96.57% interest (December 31, 2019 - 96.57%) 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 interim consolidated financial statements for the six-month and three-month periods ended June 30, 2020 and June 30, 2019, and for the annual period ended December 31, 2019 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) as an official translation 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. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

Accompanying financial statements

These interim separate financial statements of the Company are made of the statements of financial position at June 30, 2020 and at December 31, 2019, the statements of income and of comprehensive income for the six-month and three-month periods ended June 30, 2020 and June 30, 2019, and the statements of changes in shareholders' equity and the statements of cash flows for the six-month periods ended June 30, 2020 and June 30, 2019.

These interim separate financial statements are based on interim information as required by IAS 34 and do not include all financial reporting disclosures required for annual financial statements under IAS 1. All disclosures required for annual financial statements were properly included in the separate financial statements at December 31, 2019.

Statement of accountability

Company Management is responsible for the information contained in these interim 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, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained, requires management judgment to apply the accounting policies.

Accounting estimates and judgments

Estimations made by the Company to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the accompanying interim 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 or 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 interim separate financial statements are presented in Colombian pesos, which is the Company's functional currency. Amounts shown have been stated in millions of Colombian pesos.

The functional currency used by the Company is not part of a highly inflationary economy, and consequently these interim 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 such update, 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 interim 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 interim 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 in the interim separate financial statements, only if they arise from the same transaction, there is an enforceable legal right on the closing date that makes it mandatory to receive or pay recognized amounts at net value, and wherever there is an intention to offset on a net basis towards realizing assets and settling liabilities simultaneously.

Classification as liability or equity

Debt and equity instruments are classified as financial liabilities or as equity, following the substance of the 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 interim separate financial statements at June 30, 2020 have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2019, except for the standards mentioned in note 4.2 that came into effect as of January 1, 2020, 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.The Company did not apply any of the exceptions to the IFRS contained in such Decrees.

The adoption of the new standards in force as of January 1, 2020 mentioned in Note 4.2. did not result in significant changes in these accounting policies as compared to those applied in preparing the separate financial statements at December 31, 2019 and no significant effect resulted from adoption thereof.

The most significant policies applied to prepare the accompanying interim separate financial statements at June 30, 2020 were the following, regarding which a summary was included in the separate financial statements for the annual period ended December 31, 2019:

- Investments in subsidiaries, associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading
- Finance leases
- Operating leases
- Use rights
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
- Financial liabilities
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
- Employee benefits
- Lease liabilities
- Provisions, contingent assets and liabilities

- Taxes
- Share capital
- Revenue from ordinary activities under contracts with customers
- Costs and expenses
- Earnings per basic and diluted share

Note 4. New and modified standards and interpretations

Note 4.1. Standards issued during the six-month period ended June 30, 2020

No Regulatory Decrees enabling the application of new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the six-month period ended June 30, 2020.

During the six-month period ended June 30, 2020 the International Accounting Standards Board IASB issued the following new standards and amendments:

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

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

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

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

Amendment to IFRS 16 - Leases (issued May 2020)

The Amendment, called "Covid-19 Related Rent Concessions" has been issued to make it easier for lessees the accounting recognition of potential changes in lease agreements that may arise in relation with the Covid-19 pandemic.

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

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

This Amendment does not apply to lessors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 4.2. Standards applied as of 2020, issued prior to January 1, 2020

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

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

Note 4.3. Standards applied as of 2020, issued in 2020

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

This Amendment has not been enacted in Colombia.

Note 4.4. Standards applied earlier during the six-month period ended June 30, 2020

During the six-month period ended June 30, 2020 the Company did not apply the early adoption of standards.

Note 4.5. Standards not yet in force at June 30, 2020, issued prior to January 1, 2020

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

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 expected claims, benefits and expense payouts, including an adjustment relevant to the timeliness and risk attached to such amounts; and (b) the contract margin associated with the service less the expected gain from providing the insurance coverage.

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

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

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

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

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

Note 4.6 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.

<u>Amendment to IFRS 9 "Financial Instruments" (September 2019)</u>

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 4.7 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. Applicable in Colombia as of January 1, 2020.

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 the 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 4.8 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 4.9 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 amendments:

- Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, 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 5. Business combinations

No business combinations were carried out at June 30, 2020 and December 31, 2019.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	June 30, 2020	December 31, 2019
Cash at hand and in banks	1,143,536	2,145,246
Fiduciary rights (1)	2,108	60,907
Total cash and cash equivalents	**1,145,644**	**2,206,153**

(1) The balance represents:

	June 30, 2020	December 31, 2019
Fiducolombia S.A.	414	20,236
Fondo de Inversión Colectiva Abierta Occirenta	409	20,215
Fiduciaria Bogotá S.A.	376	10,036
Corredores Davivienda S.A.	221	6,062
BBVA Asset S.A.	687	4,297
Credicorp Capital	1	61
Total fiduciary rights	**2,108**	**60,907**

The decrease represents the transfer of the balance of these rights to cash at hand and in banks to be used in the ordinary development of the cash cycle and Company operation.

At June 30, 2020, the Company recognized yields from cash and cash equivalents in amount of $9,292 (June 30, 2018 - $3,498), which were recorded as financial revenue, as detailed in Note 33.

At June 30, 2020 and at December 31, 2019, 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:

	June 30, 2020	December 31, 2019
Trade receivables (Note 7.1)	126,867	119,921
Other accounts receivable (Note 7.2)	108,707	112,679
Total trade receivables and other accounts receivable	**235,574**	**232,600**
Current (Note 7.3)	**205,204**	**199,712**
Non-current (Note 7.3)	**30,370**	**32,888**

Note 7.1. Trade receivables

The balance of trade receivables is as follows:

	June 30, 2020	December 31, 2019
Trade accounts	108,963	97,519
Rental fees and concessions receivable	11,354	12,129
Sale of real-estate project inventories	10,186	10,124
Employee funds and lending	5,357	7,714
Impairment of receivables (1)	(8,993)	(7,565)
Total trade receivables	**126,867**	**119,921**

(1) 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 six-month period ended June 30, 2020, the net effect of the impairment of receivables on the statement of income represents an impairment expense of $1,813) (June 30, 2019 - $264 recovery revenue).

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

Balance at December 31, 2019	**7,565**
Impairment loss recognized during the period	8,221
Reversal of impairment losses (Note 32)	(6,408)
Receivables written-off	(385)
Balance at June 30, 2020	**8,993**

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2020	December 31, 2019
Other employee funds and lending	47,124	65,480
Business agreements	23,446	28,421
Money transfer services	15,056	1,991
Taxes collected receivable	8,262	164
Money remittances	2,496	4,202
Tax claims	1,360	1,360
Sale of property, plant and equipment	5	3
Other accounts receivable (1)	10,958	11,058
Total other accounts receivable	**108,707**	**112,679**

(1) The balance is comprised of:

	June 30, 2020	December 31, 2019
Factoring of trade receivables	2,401	3,912
Negotiation with foreign suppliers	1,954	264
Long-Term receivables	1,669	1,665
Attachment orders receivable	1,390	1,446
Guarantee deposits	1,053	1,032
Cash shortfalls receivable from employees	465	445
Other minor balances	2,026	2,294
Total	**10,958**	**11,058**

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

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

	June 30, 2020	December 31, 2019
Trade accounts	108,962	97,519
Other employee funds and lending	29,751	46,256
Business agreements	23,446	28,421
Money transfer services	15,057	1,991
Rental fees and concessions receivable	11,354	12,129
Taxes receivable	8,262	164
Employee funds and lending	5,357	7,714
Money remittances	2,496	4,202
Tax claims	1,360	1,360
Sale of property, plant and equipment	5	3
Sale of real-estate project inventories	856	122
Other accounts receivable	7,291	7,396
Impairment of receivables	(8,993)	(7,565)
Total current	**205,204**	**199,712**
Other employee funds and lending	17,372	19,224
Sale of real-estate project inventories	9,330	10,002
Other accounts receivable	3,668	3,662
Total non-current	**30,370**	**32,888**

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**
June 30, 2020	244,567	114,095	63,863	14,466	1,461	50,682
December 31, 2019	240,165	138,872	62,816	14,921	985	22,571

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	June 30, 2020	December 31, 2019
Maintenance (1)	17,570	10,706
Leases (2)	8,845	10,185
Insurance (3)	1,751	12,517
Other advance payments	2,430	1,644
Total prepaid expenses	**30,596**	**35,052**
Current	**22,222**	**25,421**
Non-Current	**8,374**	**9,631**

(1) Represents advance payments on cloud-based service support, $10,846 (December 31, 2019 - $4,675); advance payments on account of software maintenance and support, $6,528 (December 31, 2019 - $4,801) and advance payments on hardware maintenance and support, $196 (December 31, 2019 - $1,230).

(2) Includes (a) rental fees paid in advance for the Éxito San Martin premises in amount of $4,710 (December 31, 2019 - $4,937), covering the lease contract until 2034, and (b) rental fees paid in advance for the Carulla Castillo Grande premises in amount of $3,958 (December 31, 2019 - $4,583), covering the lease contract from September 2019 to September 2023.

(3) Represents transport insurance $577 (December 31, 2019 - $574); civil and third-party liability insurance $331 (December 31, 2019 - $949); life insurance $256 (December 31, 2019 - $621); multi-risk insurance, $37 (December 31, 2019 - $9,425); and other insurance $550 (December 31, 2019 - $948).

Note 9. Accounts receivable from 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	
	June 30, 2020	**December 31, 2019**	**June 30, 2020**	**December 31, 2019**
Subsidiaries (1)	99,286	90,537	5,146	4,786
Joint ventures (2)	23,898	43,322	22,497	14,997
Grupo Casino companies (3)	6,352	8,003	-	-
Controlling entity (4)	195	195	-	-
Total	**129,731**	**142,057**	**27,643**	**19,783**
Current	**73,387**	**92,900**	**-**	**-**
Non-Current	**56,344**	**49,157**	**27,643**	**19,783**

(1) The balance of accounts receivable is made as follows:
- Loans granted in amount of $62,209, at a rate of Libor 12M + 13.5% and a term of up to 2024 (December 31, 2019 - $50,466) and $7,110 reimbursement of expenses (December 31, 2019 - $-) to Libertad S.A.
- Administration services, reimbursement of expenses and loans from Gemex O & W S.A.S. in amount of $24,819 (December 31, 2019 - $24,311);
- Collection of dividends declared, administration services and reimbursement of expenses to Patrimonios Autónomos in amount of $2,974 (December 31, 2019 - $3,869);
- Purchase of goods, marketplace and other services from Éxito Industrias S.A.S. in amount of $978 (December 31, 2019 - $127);
- Direct transactions with Almacenes Éxito Inversiones S.A.S. where the Company acts as the payor to third parties under a mandate agreement, in amount of $440 (December 31, 2019 - $615);
- Retail sales, administration services and reimbursement of expenses from Logística, Transporte y Servicios Asociados S.A.S. in amount of $431 (December 31, 2019 - $575);
- Reimbursement of expenses from Supermercados Disco del Uruguay S.A. in amount of $244 (December 31, 2019 - $262);
- Reimbursement of expenses from Éxito Viajes y Turismo S.A.S. in amount of $80 (December 31, 2018 - $141);
- Strategic direction to Libertad S.A. in amount of $- (December 31, 2019 - $6,293);
- Transfer of the put option contract to Spice Investments Mercosur S.A. in amount of $- (December 31, 2019 - $3,876);
- Reimbursement of expenses from Devoto Hermanos S.A. in amount of $1 (December 31, 2019 - $1); and

- Reimbursement of expenses from Depósitos y Soluciones Logísticas S.A.S. in amount of $- (December 31, 2019 - $1).

The balance of other non-financial assets at June 30, 2020 and at December 31, 2019 represents payments to Gemex O&W S.A.S. for future subscription of shares, as part of the Company's strategic plan to discontinue the operation of this subsidiary.

(2) The balance of accounts receivable is made as follows:
- Redemption of points in amount of $19,347 (December 31, 2019 - $21,596) and other services in amount of $342 (December 31, 2019 - $637) from Puntos Colombia S.A.S.
- Involvement in a corporate collaboration agreement $- (December 31, 2019 - $13,523) and reimbursement of shared expenses, collection of coupons and other items $4,209 (December 31, 2019 - $7,566) from Compañía de Financiamiento Tuya S.A.

The balance of other non-financial assets at June 30, 2020 relates to payments made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to June 30, 2020 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company.

The balance of other non-financial assets at December 31, 2019 related to a payment made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to December 31, 2019 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company. However, during the six-month period ended June 30, 2020, Compañía de Financiamiento Tuya S.A. obtained authorization to register a capital increase, and based on such authorization the balance was recognized as an investment.

(3) Mainly relates to the balance receivable for expatriate payments from Casino International in amount of $6,256 (December 31, 2019 - $4,248), from Distribution Casino France in amount of $65, (December 31, 2019 - $101) and from Casino Services in amount of $8 (December 31, 2019 - $8); for energy efficiency services from Greenyellow Energía de Colombia S.A.S. in amount of $23 (December 31, 2019 - $24), and for services provided under the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. in amount of $- (December 31, 2019 - $3,622).

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

Note 10. Inventories, net and Cost of sales

Note 10.1. Inventories, net

The net balance of inventories is as follows:

	June 30, 2020	December 31, 2019
Inventories available for trading	1,534,903	1,435,360
Real estate project inventories (1)	64,105	87,800
Inventories in transit	57,925	30,816
Raw materials	26,948	11,700
Materials, small spares, accessories and consumable packaging.	4,083	3,544
Production in process	1,590	705
Inventory impairment (2)	(15,279)	(14,060)
Total inventories, net	**1,674,275**	**1,555,865**

(1) Montevideo real estate project.

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

Balance at December 31, 2019	**14,060**
Impairment loss (10.2)	1,219
Balance at June 30, 2020	**15,279**

At June 30, 2020 and at December 31, 2019, there are no restrictions or liens on the inventories that limit tradability or realization thereof, except for the Montevideo real estate project, regarding which at the closing of both periods reported there is an open purchase-sale promise under the following terms: delivery of 24.6% in 2020, 14.4% in 2021 and 52% in 2022. 24.6% was sold at June 30, 2020 and 9% was sold during 2019.

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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Cost of goods sold (1)	5,017,437	4,751,556	2,411,205	2,417,151
Trade discounts and purchase rebates	(713,767)	(719,885)	(340,579)	(363,624)
Logistics costs (2)	211,307	204,808	102,946	103,992
Damage and loss	71,370	77,383	37,335	36,504
(Reversal) impairment loss recognized during the period	1,219	(2,349)	(439)	(886)
Total cost of sales	**4,587,566**	**4,311,513**	**2,210,468**	**2,193,137**

(1) Includes $5,701 of depreciation and amortization cost (June 30, 2019 - $4,065).

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Employee benefits	116,781	116,018	56,940	59,719
Services	71,439	63,735	33,668	31,801
Depreciation and amortization	22,644	20,330	12,020	10,007
Leases	443	4,725	318	2,465
Total logistics costs	**211,307**	**204,808**	**102,946**	**103,992**

Note 11. Other financial assets

The balance of other financial assets is as follows:

	June 30, 2020	December 31, 2019
Financial assets measured at amortized cost (1)	29,737	39,839
Derivative financial instruments (2)	25,987	23,357
Financial assets at fair value through other comprehensive income (3)	10,553	10,393
Derivative financial instruments designated as hedge instruments (4)	1,509	476
Financial assets measured at fair value through income (5)	1,343	1,295
Total other financial assets	**69,129**	**75,360**
Current	**29,400**	**27,031**
Non-Current	**39,729**	**48,329**

(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 June 30, 2020, the nominal value amounts to $29,500 (December 31, 2019 - $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 June 30, 2020 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	4,782	494	310	-	-	5,586
Swap	-	20,401	-	-	-	20,401
	4,782	**20,895**	**310**	**-**	**-**	**25,987**

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**

(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:

	June 30, 2020	December 31, 2019
Cnova N.V.	9,222	9,222
Fideicomiso El Tesoro stages 4A and 4C 448	1,083	923
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
Total	**10,553**	**10,393**

(4) Derivative instruments designated as hedge instrument 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 June 30, 2020 relates to the following transactions:

	Nature of risk hedged	Hedged item	Range of rates for the item hedged	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	1,509

The detail of maturities of these hedge instruments at June 30, 2020 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	26	77	102	597	707	1,509

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

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

The detail of maturities of these hedge 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

(5) 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.

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

	June 30, 2020	December 31, 2019
Derivative financial instruments	25,987	23,357
Financial assets measured at amortized cost	2,611	3,674
Derivative financial instruments designated as hedge instruments	802	-
Total current	**29,400**	**27,031**
Financial assets measured at amortized cost	27,126	36,165
Financial assets measured at fair value through other comprehensive income	10,553	10,393
Derivative financial instruments designated as hedge instruments	707	476
Financial assets measured at fair value through income	1,343	1,295
Total non-current	**39,729**	**48,329**

At June 30, 2020 and at December 31, 2019 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 Tuya S.A.'s bonds, which were issued as part of the business collaboration agreement on Tarjeta Éxito.

None of the assets was impaired at June 30, 2020 or at December 31, 2019.

Note 12. Property, plant and equipment, net

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

	June 30, 2020	December 31, 2019
Land	450,118	436,773
Buildings	904,799	901,885
Machinery and equipment	708,616	715,892
Furniture and fixtures	457,374	443,554
Assets under construction	43,004	39,022
Improvements to third party properties	326,348	323,589
Vehicles and transportation equipment	9,182	8,760
Computers	156,619	153,688
Other property, plant and equipment	16,050	16,050
Total cost of property, plant and equipment	**3,072,110**	**3,039,213**
Accumulated depreciation	(1,099,468)	(1,012,033)
Total net property, plant and equipment	**1,972,462**	**2,027,180**

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, 2019	**436,773**	**901,885**	**715,892**	**443,554**	**39,022**	**323,589**	**8,760**	**153,688**	**16,050**	**3,039,213**
Additions	-	758	274	477	42,643	2,137	-	207	-	46,496
(Disposal and derecognition) of property, plant and equipment (1)	-	-	(7,896)	(2,112)	(8,938)	(4,634)	(168)	(228)	-	(23,976)
Increase in assets upon reclassification from non-current assets held for trading (2)	13,345	-	-	-	3,041	-	-	-	-	16,386
Increase (decrease) from movements between property, plant and equipment accounts	-	2,168	1,035	14,030	(25,548)	5,248	590	2,477	-	-
(Decrease) from transfers (to) other balance sheet accounts - Tax assets	-	(12)	(689)	1,425	(7,216)	8	-	475	-	(6,009)
Balance at June 30, 2020	**450,118**	**904,799**	**708,616**	**457,374**	**43,004**	**326,348**	**9,182**	**156,619**	**16,050**	**3,072,110**
Accumulated depreciation										
Balance at December 31, 2019		**149,773**	**341,173**	**233,859**	**-**	**165,703**	**5,637**	**111,879**	**4,009**	**1,012,033**
Depreciation expense/cost		13,348	35,170	25,183	-	13,377	478	9,240	393	97,189
(Disposals and derecognition) of depreciation (1)		-	(4,698)	(1,227)	-	(3,517)	(110)	(210)	-	(9,762)
Increase (decrease) from movements between property, plant and equipment accounts		-	(7,760)	7,430	-	422	25	(117)	-	-
Other minor changes		141	-	(3)	-	(141)	-	11	-	8
Balance at June 30, 2020		**163,262**	**363,885**	**265,242**	**-**	**175,844**	**6,030**	**120,803**	**4,402**	**1,099,468**

(1) Includes the closure of the following stores: Surtimax Caucasia $535, Surtimax Planeta Rica $369, Surtimax Metrocentro $355, Surtimax La Playa $207, Surtimax Corozal Carrera 25 $198, Surtimax Mercadito $154, Surtimax Primavera $129, Super Inter Aranzazu $104, Surtimax Portal de Soledad $98, Carulla Calle 72 $38, Surtimax Malambo $22, Surtimax Casa Blanca $15, Surtimax Cereté $15, Surtimax Boston $13, Surtimax La Paz Bosa $12, Surtimax Plazade las Américas $6 and Surtimax Madrid $4. It also includes derecognition of machinery and equipment due to damages at Super Inter Jamundí in amount of $10 and derecognition from the sale of construction in progress in amount of $8,938, sale of machinery and equipment in amount of $107, sale of furniture and fixtures in amount of $28 and sale of vehicles in amount of $27. Further it includes derecognition arising from physical damage of machinery and equipment in amount of $1,740, of furniture and fixtures in amount of $328, of vehicles in amount of $29 and of computers in amount of $19. Finally, it includes derecognition of assets arising from the reconciliation of physical counts in amount of $714.

(2) At June 30, 2020 and given the impossibility of achieving the sale, the Hotel Cota plot of land and real estate project were transferred back to property, plant and equipment.

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:

	June 30, 2020	December 31, 2019
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**15,761**	**15,761**
Accumulated depreciation	(4,400)	(4,006)
Total net property, plant and equipment	**11,361**	**11,755**

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 June 30, 2020 and at December 31, 2019, 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 six-month period ended June 30, 2020 and during the annual period ended December 31, 2019, 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 June 30, 2020 and at December 31, 2019.

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:

	June 30, 2020	December 31, 2019
Land	57,452	57,452
Buildings	31,870	31,321
Construction in progress	5,594	7,619
Total cost of investment property	**94,916**	**96,392**
Accumulated depreciation	(4,957)	(4,503)
Total investment property, net	**89,959**	**91,889**

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, 2019	**57,452**	**31,321**	**7,619**	**96,392**
Additions	-	-	645	645
(Disposal and derecognition) of investment property	-	(2,404)	-	(2,404)
Movements between investment property accounts	-	2,356	(2,356)	-
Increase in assets upon reclassification from non-current assets held for trading (1)	-	597	-	597
Other changes	-	-	(314)	(314)
Balance at June 30, 2020	**57,452**	**31,870**	**5,594**	**94,916**

Accumulated depreciation	Buildings
Balance at December 31, 2019	**4,503**
Depreciation expense	413
Increase in assets upon reclassification from non-current assets held for trading (1)	41
Balance at June 30, 2020	**4,957**

(1) At June 30, 2020 and given the impossibility of achieving the sale, the Pereira Plaza Trade Premises were transferred back to property, plant and equipment.

At June 30, 2020 and at December 31, 201, there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At June 30, 2020 and at December 31, 2019, 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 June 30, 2020 or December 31, 2019.

Note 38 discloses the fair values of investment property, based on the appraisal carried out by an independent third party.

Note 14. Use rights, net

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

	June 30, 2020	December 31, 2019
Use rights	3,333,984	2,507,840
Total use rights	**3,333,984**	**2,507,840**
Accumulated depreciation	(1,067,717)	(1,096,430)
Total use rights, net	**2,266,267**	**1,411,410**

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

Cost

Balance at December 31, 2019	**2,507,840**
Increase from creations	53,737
Increase from new measurements (1)	962,787
Derecognition	(190,380)
Balance at June 30, 2020	**3,333,984**

Accumulated depreciation

Balance at December 31, 2019	**1,096,430**
Depreciation cost/expense	95,648
Derecognition	(124,361)
Balance at June 30, 2020	**1,067,717**

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

Note 15. Goodwill

The balance of goodwill is as follows:

	June 30, 2020	December 31, 2019
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 June 30, 2020 or at December 31, 2019.

Note 16. Intangible assets other than goodwill, net

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

	June 30, 2020	December 31, 2019
Trademarks	81,131	81,131
Computer software	168,024	152,099
Rights	26,986	26,986
Other	22	22
Total cost of intangible assets other than goodwill	**276,163**	**260,238**
Accumulated amortization	(109,073)	(101,013)
Total intangible assets other than goodwill, net	**167,090**	**159,225**

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, 2019	**81,131**	**152,099**	**26,986**	**22**	**260,238**
Additions	-	16,207	-	-	16,207
(Disposal and derecognition) of intangible assets	-	(577)	-	-	(577)
Other changes	-	295	-	-	295
Balance at June 30, 2020	**81,131**	**168,024**	**26,986**	**22**	**276,163**
Accumulated amortization					
Balance at December 31, 2019		**101,013**			**101,013**
Amortization expense/cost		8,467			8,467
(Disposal and derecognition) of intangible assets		(400)			(400)
Other changes		(7)			(7)
Balance at June 30, 2020		**109,073**			**109,073**

(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 lives 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:

	June 30, 2020	December 31, 2019
Order manager (a)	15,721	8,021
WMS	10,227	12,368
Product manager (a)	6,895	4,880
Discount manager (a)	3,404	1,674
Direct trade (Éxito app, Carulla app and Mi Descuento app)	3,046	3,228
E-commerce manager (a)	2,666	2,527
Databases	2,495	3,137
Carulla Freshmarket App (b)	1,592	3
System application and products (SAP)	1,569	2,911
Demand forecasts	1,512	2,084
Central equipment virtualizer	659	805
Self-check out (b)	592	492
Rotar	592	683
Food court (b)	516	484
GUI for customers (b)	406	344
Single customer	397	719
Image-based sales (b)	375	390
Sistema de información comercial (Sinco)	328	738
Digital purchase strip (b)	293	383
Pos and pin pads	232	394
Post mobile II (b)	199	164
Innovation at points of payment	174	199
Slotting	78	194
Sinemax	68	169
Customer home (b)	34	38
Post mobile I (b)	11	10
Other minor items	4,870	4,047
Total computer software, net	**58,951**	**51,086**

(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 $11,522 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 lives, and consequently they are not amortized.

At June 30, 2020 and at December 31, 2019, 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 June 30, 2020 or at December 31, 2019.

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	June 30, 2020	December 31, 2019
Spice Investment Mercosur S.A.	Subsidiary	1,720,270	1,651,188
Patrimonio Autónomo Viva Malls	Subsidiary	969,310	955,638
Onper Investment 2015 S.L. (1)	Subsidiary	633,671	609,525
Compañía de Financiamiento Tuya S.A.	Joint venture	190,672	209,088
Éxito Industrias S.A.S.	Subsidiary	156,653	157,140
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	11,447	9,730
Éxito Viajes y Turismo S.A.S.	Subsidiary	6,335	4,838
Depósito y Soluciones Logísticas S.A.S.	Subsidiary	5,333	5,429
Puntos Colombia S.A.S.	Joint venture	4,348	1,372
Marketplace Internacional Éxito y Servicios S.A.S.	Subsidiary	3,959	3,138
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana	Subsidiary	3,163	3,220
Marketplace Internacional Éxito S.L.	Subsidiary	112	218
Almacenes Éxito Inversiones S.A.S. (2)	Subsidiary	-	265
Total investments accounted for using the equity method		**3,709,123**	**3,614,639**

(1) The balance relates to subsidiary Libertad S.A. and its subsidiaries Via Artika S.A., Gelase S.A. and Spice España de Valores Americanos S.L.

(2) The carrying amount of the recurring losses from this investment has decreased to zero $-.

Embedded obligations acquired by the Company on behalf of its subsidiaries, whose losses are higher than the investment therein held are described in Note 20.

Note 18. Financial liabilities

The balance of financial liabilities is as follows:

	June 30, 2020	December 31, 2019
Bank loans	1,530,851	200,965
Finance leases	9,499	10,033
Total financial liabilities	**1,540,350**	**210,998**
Current	**1,191,216**	**204,705**
Non-Current	**349,134**	**6,293**

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

Balance at December 31, 2019 (1)	**210,998**
Increase from disbursements (2)	1,525,000
Increase from reappraisals and interest	29,773
Exchange difference	1,396
(Decrease) from repayments or principal and interest (3)	(226,817)
Balance at June 30, 2020	**1,540,350**

(1) At December 31, 2019, the balance includes $100,000 representing a disbursement of the revolving trench of a credit facility agreement entered on June 16, 2017; $70,000 representing a disbursement requested in February 2019 and $30,000 representing a disbursement requested in March 2019, both under the revolving trench of the credit facility agreement entered on December 21, 2018.

(2) In March 2020, the Company requested disbursements in amounts of $600,000 and $290,000 representing two new bilateral credit contracts entered on March 27, 2020.

In April 2020, the Company requested disbursements in amount of $350,000 and $150,000 against de syndicated revolving credit amended in December 2017.

In June 2020, the Company requested a disbursement in amount of $135,000 under a new bilateral credit contract entered on June 3, 2020.

(3) In June 2020, the Company repaid (a) $100,000 to the revolving trench under the credit contract entered in June 2017; (b) $70,000 to a disbursement requested in February 2019; (c) $30,000 to a disbursement requested in March 2019; (d) $12,083 to the bilateral credit contract in amount of $290,000 entered on March 27, 2020; and (e) $2,726 to finance leases.

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

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

	June 30, 2020	December 31, 2019
Bank loans	1,187,047	200,965
Finance leases	4,169	3,740
Total current	**1,191,216**	**204,705**
Bank loans	343,804	-
Finance leases	5,330	6,293
Total non-current	**349,134**	**6,293**

Below is a detail of annual maturities of outstanding non-current financial liabilities at June 30, 2020 discounted at present value:

Year	Total
2021	174,846
2022	52,342
2023	45,549
>2024	76,397
	349,134

Note 18.1. Liabilities acquired under credit contracts outstanding at December 31, 2019

a. Financial: The Company is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio will be measured annually on April 30th based on audited consolidated financial statements at each annual 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 18.2. Liabilities acquired under credit contracts, obtained at June 30, 2020

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

Note 19. Employee benefits

The balance of employee benefits is as follows:

	June 30, 2020	December 31, 2019
Defined benefit plans	22,768	22,057
Long-term benefit plan	1,903	1,813
Total employee benefits	**24,671**	**23,870**
Current	**3,774**	**2,973**
Non-Current	**20,897**	**20,897**

Note 20. Other provisions

The balance of other provisions is made as follows:

	June 30, 2020	December 31, 2019
Restructuring (1)	133	145
Legal proceedings (2)	13,934	14,279
Taxes other than income tax (3)	6,679	7,540
Other (4)	43,124	43,457
Total other provisions	**63,870**	**65,421**
Current (Note 20.1)	**10,401**	**12,365**
Non-current (Note 20.1)	**53,469**	**53,056**

At June 30, 202 and at December 31, 2019, the Company did not recognize provisions for onerous contracts.

The detail of provisions is as follows:

(1) The restructuring provision relates to reorganization processes announced to the employees of stores, industry and corporate that will affect Company activities. The provision is based on cash outflows required, directly associated with the restructuring plan. During the six-month period ended June 30, 2020, expenses recognized in relation with the plan amount to $28,125 and final disbursements and completion of the plan are foreseen during 2020. The restructuring provision was recognized in period results as other expenses.

(2) 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 $9,564 (December 31, 2019 - $10,544) for labor lawsuits and $4,370 (December 31, 2019 - $3,735) for civil lawsuits.

    Provisions for labor lawsuits represent claims related with health and retirement pension issues in amount of $5,285 (December 31, 2019 - $5,724); indemnifications in amount of $2,019 (December 31, 2019 - $2,350); labor relations and solidarity issues in amount of $1,780 (December 31, 2019 - $1,955); salary and mandatory payment adjustments in amount of $460 (December 31, 2019 - $475), and collective issues in amount of $20 (December 31, 2019 - $40).

Provisions for civil lawsuits are related with foreign exchange issues in amount of $1,779 (December 31, 2019 - $-); data protection issues in amount of $400 (December 31, 2019 - $250); condition of premises, in amount of $349 (December 31, 2019 - $1,412); third-party liability issues in amount of $277 (December 31, 2019 - $485); real-estate issues in amount of $200 (December 31, 2019 - $319); metrology and technical regulations in amount of $254 (December 31, 2019 - $269); consumer protection issues in amount of $40 (December 31, 2019 - $10); and other minor proceedings in amount of $1,071 (December 31, 2019 - $990).

(3) Provisions for taxes other than income tax relate to value added tax payable in amount of $3,166 (December 31, 2019 - $3,772); industry and trade tax in amount of $2,217 (December 31, 2019 - $2,217); real estate tax in amount of $1,296 (December 31, 2019 - $1,296), and value added on beer in amount of $- (December 31, 2019 - $255).

(4) The balance of other provisions represents:

	June 30, 2020	December 31, 2019
Gemex O&W S.A.S. (a)	37,130	34,590
Closure of stores	5,060	7,260
Almacenes Éxito Inversiones S.A.S. (a)	626	-
Reduction for merchandise *VMI*	308	1,607
Total other provisions	**43,124**	**43,457**

(a) Represents liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in them 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, 2019	**14,279**	**7,540**	**145**	**43,457**	**65,421**
Increase	2,955	-	28,125	5,255	36,335
Transactions with minority shareholders	-	-	-	1,711	1,711
Uses	-	-	-	-	-
Payments	(1,581)	-	(24,587)	(6,525)	(32,693)
Reversal of unused amounts	(1,719)	(861)	(3,550)	(774)	(6,904)
Balance at June 30, 2020	**13,934**	**6,679**	**133**	**43,124**	**63,870**

Note 20.1. Other provisions classified as current or non-current

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

	June 30, 2020	December 31, 2019
Legal proceedings	1,734	3,098
Restructuring	133	145
Taxes other than income tax	3,166	255
Other	5,368	8,867
Total current	**10,401**	**12,365**
Legal proceedings	12,200	11,181
Taxes other than income tax	3,513	7,285
Other	37,756	34,590
Total non-current	**53,469**	**53,056**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is liable at June 30, 2020 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	1,734	3,166	133	5,368	10,401
More than one year	12,200	3,513	-	37,756	53,469
Total forecasted payments	**13,934**	**6,679**	**133**	**43,124**	**63,870**

Note 21. Accounts payable to related parties

Note 21.1. 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	
	June 30, 2020	**December 31, 2019**	**June 30, 2020**	**December 31, 2019**
Controlling entity (1)	-	33,729	-	-
Subsidiaries (2)	81,768	105,008	652,317	346,160
Joint ventures (3)	36,674	34,779	-	-
Grupo Casino companies (4)	4,545	4,052	-	-
Members of the Board	110	47	-	-
Total	**123,097**	**177,615**	**652,317**	**346,160**
Current	**123,097**	**177,615**	**18,940**	**33,062**
Non-Current	**-**	**-**	**633,377**	**313,098**

(1) Represents dividends payable to shareholders.

(2) 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 $66,533 (December 31, 2019 - $89,679);
- Transport services received from Logística, Transporte y Servicios Asociados S.A.S. in amount of $8,918 (December 31, 2019 - $8,408);
- Leases and tax withholdings on dividends declared by Patrimonios Autónomos in amount of $2,549 (December 31, 2019 - $1,943);
- Reimbursement of expenses to Gemex O & W S.A.S. in amount of $1,979 (December 31, 2019 - $1,979);
- Mobile phones refill collection services to Almacenes Éxito Inversiones S.A.S. in amount of $1,412 (December 31, 2019 - $2,906);
- Collections, purchase of tourist packages and redemption of points to Éxito Viajes y Turismo S.A.S. in amount of $303 (December 31, 2019 - $55);
- Account payable arising from the purchase of goods to Depósitos y Soluciones Logísticas S.A.S., in amount of $74 (December 31, 2019 - $-)
- Capital contribution for the incorporation of subsidiary Marketplace Internacional Éxito y Servicios S.A.S. in amount of $- (December 31, 2019 - $38);

The balance of lease liabilities relates to lease contracts entered with the following subsidiaries:
- Éxito Industrias S.A.S., in amount of $64,361 (December 31, 2019 - $ 27,889);
- Patrimonios Autónomos, in amount of $587,956 (December 31, 2019 - $318,271).

(3) Account 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 $36,674 (December 31, 2019 - $34,779);

(2) Mainly represents services received in relation with energy efficiency solutions and intermediation in the import of goods in amount of $3,462 (December 31, 2019 - $3,267) provided by Green Yellow Colombia S.A.S., Casino Services, Distribution Casino France and International Retail and Trade Services IG and to consultancy and technical assistance services provided by Casino Guichard Perrachon S.A., Euris and Geant International B.V. in amount of $1,083 (December 31, 2019 - $785).

Note 21.2. 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	
	June 30, 2020	**December 31, 2019**	**June 30, 2020**	**December 31, 2019**
Joint ventures (1)	21,163	39,619	-	-
Subsidiaries (2)	6,797	2,642	75,244	76,033
Total current	**27,960**	**42,261**	**75,244**	**76,033**

(1) 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 25).

(2) The balance of other financial liabilities represents monies collected on behalf of subsidiaries as part of the "in house cash" program (Note 25).

The balance of other non-financial liabilities relates to an advance payment received from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 26).

Note 22. Trade payables and other accounts payable

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

	June 30, 2020	December 31, 2019
Suppliers	2,295,875	3,331,210
Costs and expenses payable	246,454	328,264
Tax withholdings payable	173,349	37,974
Employee benefits	118,943	129,170
Dividends payable	2,083	2,599
Taxes collected payable	1,041	10,405
Purchase of assets	14,813	34,284
Other	17,660	27,643
Total trade payables and other accounts payable	**2,870,218**	**3,901,549**

Note 23. Lease liabilities

The balance of lease liabilities is as follows:

	June 30, 2020	December 31, 2019
Lease liabilities (1)	2,476,887	1,618,815
Current	**164,531**	**224,492**
Non-Current	**2,312,356**	**1,394,323**

(1) Includes $652,317 (December 31, 2019 - $346,160) liabilities arising from leases contracted with related parties (Note 21).

Note 24. Income tax

Tax rules applicable to the Company

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

   For 2019 the income tax rate applicable was 33%.

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

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

   For taxable 2019 the base to assess the income tax under the presumptive income model was 1.5% of the net equity held on the last day of the immediately preceding taxable period.

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

d. A tax on dividends paid to individuals resident in Colombia was established as of 2020 at a rate of 10%, triggered when the amount distributed is higher than 300 UVT (equivalent to $11 for 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 individuals not residents of Colombia and for foreign companies, the tax rate is 10% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 32% for 2020, 31% for 2021 and 30% as of 2022.

   A tax on dividends paid to individuals 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 rate applicable to shareholders is 33% for 2019.

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 as long as they are related with proceeds of company's economic activity accrued during the same taxable year or period, including affiliation fees paid to business associations.

h. 50% of the industry and trade tax can be taken as a tax discount for taxable 2019 to 2021. 100% can be taken as a tax discount as of 2022.

i. Regarding contributions to employee education, the payments that meet the following conditions are deductible as of 2019: (a) those devoted for scholarships and education forgivable loans to the benefit of employees, (b) payments to programs or care centers for the children of employees and (c) payments to primary, secondary, technical, technological and higher education institutions.

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

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

l. As of 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 33% for management or administration services.

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

n. The annual adjustment applicable at December 31, 2019 to the cost of furniture 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 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 June 30, 2020 and at December 31, 2019 the Company assessed its income tax by applying the presumptive income system.

At June 30, 2020, the Company has accrued $527,525 (December 31, 2018 - $506.,677) excess presumptive income over net income.

The development of the Company's excess presumptive income over net income during de six-month period ended June 30, 2020 is as follows:

Balance at December 31, 2019	**506,677**
Excess presumptive income generated during the period	9,512
Adjustment to excess presumptive income for previous periods	11,336
Balance at June 30, 2020	**527,525**

At June 30, 2020, the Company has accrued $745,018 (December 31, 2019 - $643,898) tax losses.

The development of Company tax losses during the six-month period ended June 30, 2020 is as follows:

Balance at December 31, 2019	**643,898**
Tax loss accrued during the period	6,757
Adjustment to tax losses from prior periods (1)	94,363
Balance at June 30, 2020	**745,018**

(1) Represents the application of the tax adjustment to the balance of tax losses accrued at December 31, 2016. The adjustment percentage applied is that defined by the authorities for 2017.

Closing of tax returns

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.

Up to 2019, the general term to close tax returns was 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.

The income tax return for 2019 showing tax losses and a balance receivable is open for review during 5 years as of filing of the balance receivable; the income tax returns for 2018, 2017 and 2016 where tax losses and a balance receivable were assessed 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 and 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 will be assessed, other than those for which a provision has been recorded at June 30, 2020.

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 2019. For this purpose, the Company will file an information statement and will make the mentioned survey available by mid July 2020.

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 24.1. Current tax assets and liabilities

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

Current tax assets

	June 30, 2020	**December 31, 2019**
Total income tax balance receivable (1)	297,677	195,506
Tax discounts (2)	76,903	69,441
Industry and trade tax advances and withholdings	28,565	46,051
Tax discounts from taxes paid abroad	9,990	3,738
Total current tax assets	**413,135**	**314,736**

(1) The balance receivable on account of income tax is made of:

	June 30, 2020	**December 31, 2019**
Balance receivable from income tax of the preceding year	194,964	-
Income tax withholdings	105,757	210,706
Tax discounts	-	4,686
Subtotal	**300,721**	**215,392**
Income tax (expense) (Note 24.2)	(3,044)	(19,886)
Total income tax balance receivable	**297,677**	**195,506**

(2) At June 30, 2020 represents industry and trade tax in amount of $53,938 (December 31,2019 - $51,024); VAT on productive real assets in amount of $22,584 (December 31, 2019 - $18,068) and other minor balances totaling $381 (December 31, 2019 - $349).

Current tax liabilities

	June 30, 2020	December 31, 2019
Industry and trade tax payable	33,410	66,071
Real estate tax	1,752	199
Total current tax liabilities	**35,162**	**66,270**

Note 24.2. Income tax

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Earnings (loss) before income tax	**21,531**	**(53,655)**	**6,068**	**(27,259)**	**30,333**
Add					
Non-deductible expenses	12,387	10,989	5,823	5,361	18,542
Tax on financial transactions	6,142	3,973	3,611	1,739	9,773
Fines, penalties and litigation	1,624	1,430	98	999	4,624
Accounting provision and receivables written off	997	1,329	(166)	1,329	3,737
Reimbursement of deduction for income-generating fixed assets	570	-	570	-	-
Taxes taken on and revaluation	291	610	198	314	1,281
Gain from the sale of fixed assets reported as occasional gain	76	-	-	-	-
Net income - recovery of depreciation of fixed assets sold	4	-	-	-	468
Non-deductible taxes	-	19,910	202	9,611	36,235
Less					
IFRS adjustments with no tax effects (1)	(35,175)	(30,170)	(8,092)	3,866	(72,969)
Goodwill tax deduction, in addition to the accounting deduction	(10,303)	(11,916)	(5,151)	(11,110)	(23,832)
Recovery of provisions	(1,841)	(5,700)	(902)	(3,408)	(4,155)
2019 ICA deduction paid after filing of the income tax return	(1,147)	-	(1,147)	-	-
Disabled employee deduction	(799)	(832)	(399)	(416)	(1,665)
30% additional deduction on salaries paid to apprentices hired at		(870)		(435)	
Company will	(713)		(357)		(1,740)
Non-deductible taxes	(401)	-	-	-	-
Untaxed dividends of subsidiaries	-	(1,500)	2,167	-	(3,987)
Inventory loss	-	-	(97)	-	-
Allowance for doubtful accounts	-	-	-	544	-
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)
Net (loss) income	**(6,757)**	**(66,402)**	**2,426**	**(5,865)**	**(4,910)**
Presumptive income for current period	**9,512**	**30,708**	**4,737**	**15,325**	**61,416**
Taxable net income	**9,512**	**30,708**	**4,737**	**15,325**	**61,416**
Income tax rate	32%	33%	32%	33%	33%
Subtotal income tax (expense)	**(3,044)**	**(10,134)**	**(1,516)**	**(5,058)**	**(20,267)**
Tax discounts	-	161	-	161	381
Total income tax (expense)	**(3,044)**	**(9,973)**	**(1,516)**	**(4,897)**	**(19,886)**
(Expense) from recovery of prior year tax	**(15,086)**	**(319)**	**(15,086)**	**(319)**	**(319)**
Total current income tax (expense)	**(18,130)**	**(10,292)**	**(16,602)**	**(5,216)**	**(20,205)**

(1) IFRS adjustments with no tax effects are:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Accounting provisions	58,866	42,753	25,589	19,812	71,814
Taxed leases	45,785	48,084	17,695	24,037	99,568
Other accounting expenses with no tax effects	16,891	7,397	29,488	3,482	153
Exchange difference, net	5,121	9,950	13,081	23,283	17,624
Taxed actuarial estimation	720	796	360	277	2,933
Untaxed dividends of subsidiaries	-	1,500	(2,167)	-	3,987
Taxed dividends of subsidiaries	-	-	-	-	49,610
Recovery of provisions	(38,378)	(23,485)	(24,486)	(15,640)	(39,366)
Other accounting (not for tax purposes) (revenue), net	(33,736)	(2,036)	(26,055)	(1,187)	(2,555)
Net results using the equity method	(29,763)	(63,441)	(16,143)	(28,513)	(159,949)
Excess personnel expenses for tax purposes over accounting personnel expenses	(25,098)	(17,921)	(18,276)	(14,348)	(33,447)
Higher tax depreciation over accounting depreciation	(22,748)	(17,030)	(9,725)	(7,878)	(52,750)
Non-accounting costs for tax purposes	(12,639)	(16,480)	2,716	740	(30,054)
Non-deductible taxes	(196)	(242)	(169)	(199)	(508)
Non-deductible fines and penalties	-	(15)	-	-	(29)
Total	**(35,175)**	**(30,170)**	**(8,092)**	**3,866**	**(72,969)**

Components of the income tax revenue recognized in the statement of income are:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Current income tax (expense)	(18,130)	(10,292)	(16,602)	(5,216)	(20,205)
Deferred income tax revenue (Note 24.3)	31,373	33,395	23,321	14,264	47,474
Total revenue from income tax	**13,243**	**23,103**	**6,719**	**9,048**	**27,269**

Presumptive income was assessed as follows:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Net shareholders' equity	1,975,747	2,099,925	984,044	1,052,973	4,199,850
Less net shareholders' equity to be excluded	(73,405)	(52,738)	(36,679)	(31,329)	(105,475)
Net shareholders' equity base	**1,902,342**	**2,047,187**	**947,365**	**1,021,644**	**4,094,375**
Presumptive income	**9,512**	**30,708**	**4,737**	**15,325**	**61,416**

Note 24.3. 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:

	June 30, 2020			December 31, 2019		
	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	780,220	-	780,220	509,927	-	509,927
Tax losses	223,505	-	223,505	198,834	-	198,834
Excess presumptive income	158,257	-	158,257	156,459	-	156,459
Tax credits	66,516	-	66,516	66,535	-	66,535
Other provisions	18,130	-	18,130	18,661	-	18,661
Inventories	5,925	-	5,925	4,444	-	4,444
Other financial liabilities	5,070	-	5,070	4,913	-	4,913
Trade and other receivables	2,961	-	2,961	3,371	-	3,371
Accounts payable to related parties	2,155	-	2,155	8	-	8
Employee benefit provisions	1,992	-	1,992	1,736	-	1,736
Financial liabilities	1,948	-	1,948	622	-	622
Prepaid expenses	1,264	-	1,264	943	-	943
Investments in subsidiaries and joint ventures	308	-	308	308	-	308
Other non-financial liabilities	-	(95)	(95)	-	(2,725)	(2,725)
Non-current assets held for trading	-	(295)	(295)	-	(294)	(294)
Accounts receivable from related parties	-	(2,079)	(2,079)	128	-	128
Real estate projects	-	(3,046)	(3,046)	-	(5,894)	(5,894)
Intangible assets other than goodwill	-	(3,700)	(3,700)	-	(3,957)	(3,957)
Construction in progress	-	(4,222)	(4,222)	-	(4,180)	(4,180)
Land	-	(7,070)	(7,070)	-	(7,070)	(7,070)
Trade and other payables	-	(7,076)	(7,076)	-	(5,537)	(5,537)
Other financial assets	-	(8,519)	(8,519)	-	(7,343)	(7,343)
Other property, plant and equipment	-	(28,177)	(28,177)	-	(29,146)	(29,146)
Investment property	-	(36,880)	(36,880)	-	(35,671)	(35,671)
Buildings	-	(125,548)	(125,548)	-	(122,035)	(122,035)
Goodwill	-	(145,302)	(145,302)	-	(145,302)	(145,302)
Use rights	-	(713,874)	(713,874)	-	(444,594)	(444,594)
Total	**1,268,251**	**(1,085,883)**	**182,368**	**966,889**	**(813,748)**	**153,141**

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Deferred income tax revenue	26,227	23,006	23,482	14,276
Deferred occasional gain tax revenue	5,146	10,389	(161)	(12)
Total deferred income tax revenue	**31,373**	**33,395**	**23,321**	**14,264**

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
(Expense) from derivative financial instruments designated as hedge instruments and other	(3,492)	(283)	(3,492)	(98)
Total deferred income tax expense	**(3,492)**	**(283)**	**(3,492)**	**(98)**

The reconciliation of the development of deferred tax to the statement of income and the statement of comprehensive income between June 30, 2020 and December 31, 2019 is as follows:

	January 1 to June 30, 2020
Revenue from deferred tax recognized in income for the period	31,373
(Expense) from deferred tax recognized in other comprehensive income for the period.	(2,146)
Total increase in net deferred tax assets between June 30, 2020 and December 31, 2019	**29,227**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at June 30, 2020 amount to $949,657 (December 31, 2019 - $1,032,967).

Note 25. Other financial liabilities

The balance of other financial liabilities is as follows:

	June 30, 2020	December 31, 2019
Collections received on behalf of third parties (1)	57,462	80,453
Derivative financial instruments (2)	15,822	15,334
Derivative financial instruments designated as hedge instruments (3)	21	20
Total other financial liabilities	**73,305**	**95,807**
Current	**73,305**	**95,437**
Non-Current	**-**	**370**

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

	June 30, 2020	December 31, 2019
Éxito Card collections (a)	21,163	39,619
Non-banking correspondent	13,437	26,075
Direct trading (*marketplace*)	9,500	3,269
In-house cash (b)	6,797	2,642
Other collections	6,565	8,848
Total	**57,462**	**80,453**

(a) Represents collections received from third parties related with the use of Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 21).

(b) Represents monies collected for subsidiaries as part of the in-house cash program (Note 21). A detailed balance by subsidiary is as follows:

	June 30, 2020	December 31, 2019
Logística, Transporte y Servicios Asociados S.A.S.	6,579	2,519
Éxito Industrias S.A.S.	215	39
Gemex O&W S.A.S.	2	1
Almacenes Éxito Inversiones S.A.S.	1	83
Total	**6,797**	**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 June 30, 2020 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	12,611	605	-	-	13,216
Swap	924	1,002	680	-	2,606
					15,822

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

(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 June 20, 2020 and 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.

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 June 30, 2020 relates to the following transactions:

Hedge 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%	21
					21

The detail of maturities of these hedge instruments at June 30, 2020 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	21	-	-	-	**21**

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

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

The detail of maturities of these hedge 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**

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

	June 30, 2020	December 31, 2019
Collections received on behalf of third parties	57,462	80,453
Derivative financial instruments	15,822	14,964
Derivative financial instruments designated as hedge instruments	21	20
Total current	**73,305**	**95,437**
Derivative financial instruments	-	370
Total non-current	**-**	**370**

Note 26. Other non-financial liabilities

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

	June 30, 2020	December 31, 2019
Advance payments for real estate projects (1)	75,244	76,033
Revenue received in advance (2)	62,399	77,419
Advance payments under lease agreements and other projects	11,940	7,435
Instalments received under "plan resérvalo"	257	230
Customer loyalty programs (3)	72	1,138
Repurchase coupon	11	85
Total other non-financial liabilities	**149,923**	**162,340**
Current	**149,284**	**161,672**
Non-Current	**639**	**668**

(1) Relates to advance payments received from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 21). At June 30, 2020 and at December 31, 2019, the Company has construction contracts pending legalization for the purpose of finally settling the construction of buildings, which is expected to happen during the first half of 2020. The relevant fees will be recognized after legalization.

(2) 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:

	June 30, 2020	December 31, 2019
Gift card	34,791	61,854
Cafam comprehensive card	9,072	8,364
Exchange card	3,730	3,620
Fuel card	772	807
Other	14,034	2,774
Total	**62,399**	**77,419**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At June 30, 2020, the effect of the redemption and expiry of points related with these programs, in Company results, was a higher value in retail sales revenue in amount of $1,066 (June 30, 2019 - higher value in retail sales revenue in amount of $14,017). 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.

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

	June 30, 2020	December 31, 2019
Revenue received in advance	62,399	77,419
Advance payments for real estate projects	75,244	76,033
Advance payments under lease agreements and other projects	11,301	6,767
Instalments received under "plan resérvalo"	257	230
Customer loyalty programs	72	1,138
Repurchase coupon	11	85
Total current	**149,284**	**161,672**
Advance payments under lease agreements and other projects	639	668
Total non-current	**639**	**668**

Note 27. Share capital, treasury shares repurchased and premium on the issue of shares

At June 30, 2020 and December 31, 2019 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 the shares restricted in any way. Further, 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 June 30, 2020 and at December 31, 2019. 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 28. 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:

	June 30, 2020			June 30, 2019			December 31, 2019		
	Gross value	Tax effect	Net Value	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Measurement of financial assets at fair value through other comprehensive income (1)	(2,146)	-	(2,146)	(3,852)	-	(3,852)	(2,485)	-	(2,485)
Measurement of defined benefit plans (2)	(5,136)	1,541	(3,595)	(4,808)	1,432	(3,376)	(5,136)	1,541	(3,595)
Translation exchange differences (3)	(1,059,923)	-	(1,059,923)	(899,546)	-	(899,546)	(1,061,376)	-	(1,061,376)
(Loss) from hedging of investment in foreign business	(4,502)	(1,679)	(6,181)	-	-	-	(1,936)	477	(1,459)
(Loss) from the hedge of cash flows (4)	(336)	103	(233)	(5,125)	1,671	(3,454)	(290)	93	(197)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	-	-	-	(59,814)	-	(59,814)	-	-	-
Total other accumulated comprehensive income	**(1,072,043)**	**(35)**	**(1,072,078)**	**(973,145)**	**3,103**	**(970,042)**	**(1,071,223)**	**2,111**	**(1,069,112)**

(1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity, less amounts transferred to retained earnings upon sale of such investments. Changes in fair value are not reclassified to income for the period.

(2) 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.

(3) 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.

(4) Represents the accumulated value of the effective portion of gains or losses arising from changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transaction has an effect on period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged item.

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

Note 29. 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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Total retail sales (1)	5,653,741	5,259,483	2,734,938	2,614,852
Service revenue (2)	117,193	123,910	55,118	65,239
Other ordinary revenue (3)	17,380	53,693	8,971	26,165
Total revenue from ordinary activities	**5,788,314**	**5,437,086**	**2,799,027**	**2,706,256**

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Sale of goods, net of sales returns and rebates	5,611,191	5,248,483	2,714,563	2,614,852
Sale of real estate project inventories (a)	42,550	11,000	20,375	-
Total retail sales	**5,653,741**	**5,259,483**	**2,734,938**	**2,614,852**

(a) At June 30, 2020 represents the sale of a percentage of the Montevideo real estate project inventory in amount of $41,750 and a percentage of La Secreta real estate project inventory in amount of $800. At June 30, 2019 represented the sale of the Copacabana real estate project inventory in amount of $11,000.

(2) The amount of service revenue relates to:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Distributors	40,258	48,278	16,375	23,585
Advertising	32,451	28,481	17,663	17,498
Commissions	9,489	11,349	4,021	5,582
Non-banking correspondent	7,623	9,756	3,529	4,750
Lease of real estate	7,072	7,995	2,064	4,177
Lease of physical space	5,111	3,998	3,436	2,905
Administration of real estate	3,793	5,346	1,210	2,295
Money transfers	3,254	3,450	1,679	1,781
Other services	8,142	5,257	5,141	2,666
Total service revenue	**117,193**	**123,910**	**55,118**	**65,239**

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Marketing events	8,813	6,098	5,344	2,688
Royalties	4,306	7,951	2,436	4,191
Exploitation of assets	2,249	5,993	1,167	4,495
Financial services	818	1,188	406	340
Technical assistance	486	498	204	245
Use of parking spaces	255	794	21	342
Involvement in collaboration agreement (a)	-	25,013	-	10,510
Latam strategic direction (Note 36)	-	5,757	(862)	3,183
Other	453	401	255	171
Total other ordinary revenue	**17,380**	**53,693**	**8,971**	**26,165**

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

Note 30. Distribution expenses and Administration and sales expenses

The amount of distribution expenses is as follows:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Depreciation and amortization	157,474	162,730	76,920	80,034
Taxes other than income tax	70,339	68,056	23,093	26,090
Fuels and power	63,894	69,222	30,099	26,070
Repairs and maintenance	46,362	43,711	22,985	19,724
Advertising	41,106	44,051	18,536	25,272
Security services	34,724	32,741	16,983	16,234
Services	23,863	20,903	12,190	10,079
Commissions on debit and credit cards	22,002	14,194	12,640	7,080
Administration of trade premises	20,090	21,262	9,417	10,636
Cleaning services	20,988	20,305	10,387	10,117
Transport	19,873	13,347	13,159	6,953
Leases	17,141	11,344	6,125	2,157
Professional fees	12,702	13,016	6,415	6,642
Insurance	9,767	10,821	4,727	5,689
Packaging and marking materials	7,461	8,107	3,989	4,399
Legal expenses	4,517	1,961	1,326	621
Other commissions	4,041	2,605	2,493	1,365
Cleaning and cafeteria	3,556	5,126	1,301	2,915
Impairment expense	3,383	8,885	2,037	3,148
Outsourced employees	3,244	3,817	1,532	1,255
Ground transportation	2,286	2,109	1,098	1,112
Stationery	2,080	2,150	801	1,304
Travel expenses	880	2,668	29	1,376
Other provisions expense	856	2,028	350	1,624
Contributions and affiliations	76	141	23	(228)
Commissions	25	-	25	-
Other	41,605	31,923	23,342	13,474
Total distribution expenses	**634,335**	**617,223**	**302,022**	**285,142**

The amount of administration and sales expenses is as follows:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Professional fees	17,216	20,630	7,858	13,107
Depreciation and amortization	15,898	17,790	7,671	9,002
Repairs and maintenance	9,085	6,065	4,682	3,234
Taxes other than income tax	7,966	7,235	2,528	2,193
Impairment expense	4,854	4,017	3,094	(266)
Leases	4,263	6,864	2,517	3,329
Services	3,346	2,913	1,655	1,544
Other provisions expense	2,954	2,097	49	1,091
Travel expenses	2,623	3,090	894	1,474
Insurance	2,401	2,044	1,267	1,082
Outsourced employees	1,883	2,249	1,144	1,141
Commissions	1,556	1,490	548	716
Fines, penalties and litigation	1,470	1,090	15	943
Fuels and power	1,332	1,472	560	931
Other commissions	952	661	432	470
Administration of trade premises	668	606	236	343
Contributions and affiliations	604	358	390	259
Transport	600	668	335	368
Entertainment	223	371	64	216
Telephone services	100	433	41	110
Legal expenses	85	195	(16)	130
Packaging and marking materials	61	78	59	8
Advertising	1	8	1	8
Other	1,726	1,000	1,764	(261)
Total administration and sales expenses	**81,867**	**83,424**	**37,788**	**41,172**

Note 31. Employee benefit expense

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Wages and salaries	285,932	267,888	133,680	109,689
Contributions to the social security system	4,517	4,544	2,156	1,940
Other short-term employee benefits	19,317	19,746	9,641	8,671
Total short-term employee benefit expense	**309,766**	**292,178**	**145,477**	**120,300**
Post-employment benefit expenses, defined contribution plans	17,918	23,756	5,452	9,190
Post-employment benefit expenses, defined benefit plans	1,253	(5,430)	725	(6,146)
Total post-employment benefit expenses	**19,171**	**18,326**	**6,177**	**3,044**
Termination benefit expenses	38	883	(5)	364
Other long-term employee benefits	144	232	66	129
Other personnel expenses	4,214	7,582	1,706	4,762
Total employee benefit expenses	**333,333**	**319,201**	**153,421**	**128,599**

Note 32. 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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Other operating revenue				
Recurring				
Recovery of allowance for trade receivables (Note 7.1)	6,408	11,724	4,122	1,712
Recovery of costs and expenses from taxes other than income tax	4,005	5,578	1,993	2,753
Recovery of other provisions related with labor lawsuits	1,189	473	474	265
Reimbursement of tax provision expenses	861	50	255	-
Recovery of other provisions	774	1,214	-	(1)
Compensation from insurance companies	654	933	287	602
Recovery of other provisions related with civil lawsuits	529	2,024	29	1,461
Other revenue	495	362	311	-
Total recurring	**14,915**	**22,358**	**7,471**	**6,792**
Recovery of provisions related with reorganization processes	3,550	1,186	3,550	1,186
Total non-recurring	**3,550**	**1,186**	**3,550**	**1,186**
Total other operating revenue	**18,465**	**23,544**	**11,021**	**7,978**
Other operating expenses				
Restructuring expenses (1)	(28,126)	(28,435)	(4,739)	(9,951)
Social emergency expenses (2)	(22,922)	-	(22,519)	
Other expenses (3)	(6,974)	(2,398)	(4,060)	(1,404)
Total other operating expenses	**(58,022)**	**(30,833)**	**(31,318)**	**(11,355)**
Other net gains (losses)				
Derecognition of lease contracts upon early termination	6,828	-	248	-
Derecognition of property, plant and equipment (4)	(3,034)	(403)	(1,394)	(403)
Gain (loss) from the sale of property, plant and equipment	(124)	-	-	-
Expenses from the disposition of assets	-	(13)	-	-
Total other gains (loss), net	**3,670**	**(416)**	**(1,146)**	**(403)**

(1) For 2020 and 2019, refers to expenses from the Company's restructuring plan provision, which include the purchase of the operating excellence plan and corporate retirement plan.

(2) In 2020 represents expenses incurred by the Company arising from the declaration of health emergency by the Ministry of Health because of the Covid-19 pandemic.

Expenses include the acquisition of protective elements in amount of $10,010; bonuses, surcharges and overtime paid to the employees of stores and other areas in amount of $7,674; external and internal communication as a result of the emergency in amount of $1,611; donations to third parties in amount of $1,143; acquisition of protection acrylic items and handwashers for the stores in amount of $856; abnormal production excess as a result of the adequation of productive processes in amount of $656, lease installment discounts granted to third parties in amount of $487, lease of furniture and equipment for $35, transport for the protection of employees at high-transmission areas in amount of $158, and other out of pocket expenses in amount of $292.

(3) In 2020 represents expenses incurred on special projects of the Company as part of its analyses of other business units in amount of $3,670; expenses arising from the implementation of IFRS 16 - Leases in amount of $183; expenses incurred upon the closure of stores $3,033, and other out-of-pocket expenses in amount of $88.

In 2019, represents expenses from the restructuring of stores in amount of $1,559; expenses from implementation of IRFS 16 - Leases in amount of $748 and Bricks II project expenses in amount of $63.

(4) Represents the derecognition of machinery and equipment due to physical damage in amount of $1,740; furniture and fixtures $329; vehicles $29 and computers $19; derecognition of machinery and equipment due to the casualty at Super Inter Jamundí in amount of $10 and derecognition of assets arising from the reconciliation of physical counts in amount of $714. It also includes derecognition of software in amount of $193 due to obsolescence.

In 2019 represents the closure of Éxito Castilla, $69; Surtimax Calle 48, $12 and Surtimax Funza, $97. It also includes the derecognition of machinery and equipment and of furniture and fixtures of service stations, in amount of $225.

Note 33. Financial revenue and expenses

The amount of financial revenue and expenses is as follows:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Gain from derivative financial instruments	76,221	92,976	15,417	45,896
Gain from exchange difference	16,077	120,860	4,416	6,522
Revenue from interest on cash and cash equivalents (Note 6)	9,292	3,498	3,867	588
Other financial revenue	8,001	4,453	4,026	2,573
Total financial revenue	**109,591**	**221,787**	**27,726**	**55,579**
Interest expense on lease liabilities	(80,192)	(62,252)	(49,421)	(31,036)
Loss from derivative financial instruments	(53,660)	(134,376)	(34,091)	(38,491)
Expenses arising from interest on loans and finance leases.	(46,049)	(144,594)	(33,293)	(73,222)
Loss from exchange difference	(45,945)	(91,851)	10,841	(21,234)
Commissions expense	(1,763)	(2,379)	(880)	(1,081)
Other financial expenses	(5,540)	(1,451)	(4,843)	(720)
Total financial expenses	**(233,149)**	**(436,903)**	**(111,687)**	**(165,784)**

Note 34. 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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Spice Investments Mercosur S.A.	67,704	48,967	23,540	14,444
Patrimonio Autónomo Viva Malls	21,014	25,397	18,735	20,890
Puntos Colombia S.A.S.	2,975	(1,771)	1,931	(545)
Logística, Transporte y Servicios Asociados S.A.S.	1,717	1,151	984	558
Éxito Viajes y Turismo S.A.S.	1,523	2,497	845	1,684
Éxito Industrias S.A.S.	576	975	(2,630)	(1,168)
Patrimonio Autónomo Iwana	(42)	(18)	2	42
Depositos y Soluciones Logisticas S.A.S. (2)	(96)	-	17	-
Marketplace Internacional Éxito S.L. (1)	(133)	-	(131)	-
Marketplace Internacional Éxito y Servicios S.A.S.	(279)	(15)	(183)	(15)
Gemex O & W S.A.S.	(829)	(3,284)	(574)	(1,675)
Almacenes Éxito Inversiones S.A.S.	(891)	(500)	(353)	(388)
Onper Investments 2015 S.L. (3)	(30,063)	(4,334)	(17,068)	(747)
Compañía de Financiamiento Tuya S.A.	(33,413)	(5,558)	(8,971)	(4,605)
Carulla Vivero Holding Inc.	-	(66)	-	45
Total	**29,763**	**63,441**	**16,144**	**28,520**

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

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

(3) Represents the share in the income of the following subsidiaries:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Libertad S.A. (a)	(30,063)	(17,636)	(17,068)	(6,153)
Companhia Brasileira de Distribuição - CBD (b)	-	32,825	-	8,196
Ségisor S.A. (b)	-	(14,557)	-	(6,356)
Wilkes Partipações S.A. (b)	-	(4,966)	-	3,566
	(30,063)	**(4,334)**	**(17,068)**	**(747)**

(a) The balance relates to subsidiary Libertad S.A. and its subsidiaries Via Artika S.A., Gelase S.A. and Spice España de Valores Americanos S.L.

(b) Subsidiaries sold on November 27, 2019.

Note 35. Earnings per share

Earnings per share are classified as basic or diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the 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 June 30, 2020 and at December 31, 2019, 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 basic and diluted share:

<u>In period results:</u>

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**34,774**	**(30,552)**	**12,787**	**(18,211)**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in Colombian pesos)	**77.69**	**(68.26)**	**28.57**	**(40.69)**

<u>In total comprehensive income for the period:</u>

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**31,808**	**(296,312)**	**(198.699)**	**94,719**
Weighted average of the number of ordinary shares attributable to the (loss) per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in Colombian pesos)	**71.06**	**(662.00)**	**(443.92)**	**211.61**

Note 36. Transactions with related parties

Note 36.1. 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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Short-term employee benefits (1)	22,212	19,390	12,025	10,183
Post-employment benefits	1,469	825	761	412
Termination benefits	647	216	200	216
Long-term employee benefits	-	11	-	-
Total	**24,328**	**20,442**	**12,986**	**10,811**

(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 six-month period ended June 30, 2020 in amount of $- (June 30, 2019 - $5,757) as described in Note 29.

Note 36.2. 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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Subsidiaries (1)	33,005	12,564	19,612	7,311
Joint ventures (2)	10,945	36,135	5,333	16,529
Grupo Casino companies (3)	2,388	2,572	1,160	1,597
Controlling entity (4)	-	4,364	-	2,530
Total	**46,338**	**55,635**	**26,105**	**27,967**

	Costs and expenses			
	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Subsidiaries (1)	182,353	153,354	100,851	76,872
Joint ventures (2)	42,508	46,278	20,572	28,980
Grupo Casino companies (3)	21,372	15,770	7,489	9,312
Members of the Board	889	638	327	357
Controlling entity (4)	-	14,810	-	9,985
Total	**247,122**	**230,850**	**129,239**	**125,506**

(1) 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 Autónomos 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			
	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Patrimonios Autónomos (Stand-alone trust funds)	17,524	7,708	13,713	4,269
Almacenes Éxito Inversiones S.A.S.	9,328	680	3,727	629
Libertad S.A.	4,377	1,517	1,365	1,026
Logística, Transporte y Servicios Asociados S.A.S.	622	316	315	197
Éxito Viajes y Turismo S.A.S.	477	531	118	267
Gemex O&W S.A.S.	444	1,291	215	650
Éxito Industrias S.A.S.	233	418	159	170
Companhia Brasileira de Distribuição - CBD	-	60	-	60
Devoto Hermanos S.A.	-	43	-	43
Total	**33,005**	**12,564**	**19,612**	**7,311**

	Costs and expenses			
	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Logística, Transporte y Servicios Asociados S.A.S.	73,990	67,981	37,461	34,904
Patrimonios Autónomos (Stand-alone trust funds)	54,077	34,785	35,254	18,369
Éxito Industrias S.A.S.	45,397	39,617	24,468	17,922
Almacenes Éxito Inversiones S.A.S.	8,433	10,507	3,255	5,591
Éxito Viajes y Turismo S.A.S.	266	75	245	75
Depósito y Soluciones Logísticas S.A.S.	189	-	167	-
Spice Investment Mercosur S.A.	1	-	1	-
Gemex O&W S.A.S.	-	389	-	11
Total	**182,353**	**153,354**	**100,851**	**76,872**

(2) Revenue represents the yields of bonds and coupons and energy in amount of $7,559 (June 30, 2019 - $7,575), involvement in the business collaboration agreement in amount of $- (June 30, 2019 - $25,013), lease of real estate in amount of $2,530 (June 30, 2019 - $2,745), and other services in amount of $537 (June 30, 2019 - $473) with Compañía de Financiamiento Tuya S.A. and other services in amount of $319 (June 30, 2019 - $329) with Puntos Colombia S.A.S.

Costs and expenses represent the cost of the loyalty program and liability management of Puntos Colombia S.A.S. in amount of $40,451 (June 30, 2019 - $44,792), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $2,057 (June 30, 2019 - $1,486).

(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			
	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Casino International	2,001	1,557	988	754
Greenyellow Energía de Colombia S.A.S.	199	1,015	99	843
Distribution Casino France	174	-	73	-
Casino Services	14	-	-	-
Total	**2,388**	**2,572**	**1,160**	**1,597**

	Costs and expenses			
	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Greenyellow Energía de Colombia S.A.S.	11,774	3,818	5,870	(782)
Casino Guichard Perrachon S.A. (*)	4,566	-	406	-
Distribution Casino France	2,747	690	1,189	(1,089)
Casino Services	862	292	703	213
Euris	823	-	823	-
International Retail Trade and Services	600	-	192	-
Casino International	-	10,970	-	10,970
Geant International	-	-	(1,694)	-
Total	**21,372**	**15,770**	**7,489**	**9,312**

(4) At June 30, 2019 revenue relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*).

At June 30, 2019, 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.

(*) As of November 27, 2019, Casino Guichard-Perrachon S.A. ceased to be the controlling entity to become a company of the Grupo Casino.

Note 37. Impairment of assets

Note 37.1. Financial assets

No material losses from the impairment of financial assets were identified at June 30, 2020 and at December 31, 2019.

Note 37.2. Non-financial assets

No indication of impairment of non-financial assets was identified at June 30, 2020.

At December 31, 2019, the Company completed the annual impairment testing by cash-generating units, which is duly supported in the annual financial statements presented at the closing of such year.

Note 38. Fair value measurement

Below is a comparison of book values to fair values of financial assets and liabilities and non-financial assets and liabilities of the Company at June 30, 2020 and at December 31, 2019 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying amounts are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	June 30, 2020		December 31, 2019	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	35,725	33,761	37,018	34,859
Investment in bonds (Note 11)	29,737	29,491	39,839	39,470
Swap contracts measured at fair value through income (Note 11)	20,401	20,401	11,443	11,443
Equity investments (Note 11)	10,553	10,553	10,393	10,393
Forward contracts measured at fair value through income (Note 11)	5,586	5,586	11,914	11,914
Swap contracts denominated as hedge instruments (Note 11)	1,509	1,509	476	476
Investments in private equity funds (Note 11)	1,343	1,343	1,295	1,295
Non-financial assets				
Investment property (Note 13)	89,403	181,423	91,889	180,778
Financial liabilities				
Financial liabilities at amortized cost (Note 18)	1,530,851	1,531,523	200,965	201,213
Forward contracts measured at fair value through income (Note 25)	13,216	13,216	13,719	13,719
Finance leases at amortized cost (Note 18)	9,499	9,496	10,033	10,006
Swap contracts measured at fair value through income (Note 25)	2,606	2,606	1,615	1,615
Swap contracts denominated as hedge instruments (Note 25)	21	21	20	20
Non-financial liabilities				
Customer loyalty liability (Note 26)	72	72	1,138	1,138

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. 12-month CPI
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 reported 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 income
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. 12-month CPI
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is 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, 2019	**1,138**
Issue	-
Maturity	(662)
Redemption	(404)
Balance at June 30, 2020	**72**

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 six-month period ended June 30, 2020.

Note 39. Contingent assets and liabilities

Note 39.1. Contingent assets

The Company has no significant contingent assets at June 30, 2020 and at December 31, 2019.

Note 39.2. Contingent liabilities

The following are the contingent liabilities at June 30, 2020 and December 31, 2019:

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 $24,856 (December 31, 2019 - $27,360) 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, 2019 - $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, 2019 - $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, 2019 - $4,099) 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, 2019 - $2,600).

    - 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, 2019 - $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, 2019 - $940).

b. Other proceedings:

    - Third-party liability lawsuit amounting to $1,800 (December 31, 2019 - $1,800) 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 40. Dividends declared and paid

<u>At June 30, 2020</u>

The Company's General Meeting of Shareholders held on March 19, 2020, declared a dividend of $1,091,259, equivalent to an annual dividend of $2,438 per share (*), payable in one single instalment between the first and the eleventh working day of April 2020.

Dividends paid during the six-month period ended June 30, 2020 amounted to $1,125,504.

(*) Expressed in Colombian pesos.

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.

Note 41. 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 42. 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, included in the statement of financial position, is as follows:

	June 30, 2020	**December 31, 2019**
Investment property (1)	9,270	10,159
Property, plant and equipment (2)	-	16,489
Total	**9,270**	**26,648**

(1) Represents the following real estate property:

	June 30, 2020	**December 31, 2019**
Lote La Secreta (land)	5,609	5,960
Kennedy trade premises (building)	1,640	1,640
Kennedy trade premises (land)	1,229	1,229
Lote Casa Vizcaya (land)	595	595
Lote La Secreta (construction in progress)	197	179
Pereira Plaza trade premises (building) (a)	-	556
Total	**9,270**	**10,159**

(a) At June 30, 2020 and given the impossibility of achieving the sale, the property was transferred back to investment property.

(2) At December 31, 2019 represented the Cota Plot of Land and Hotel project. (a)At June 30, 2020 and given the impossibility of achieving the sale, the property was transferred back to property, plant and equipment.

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

No revenue or expense have been recognized in income or in other comprehensive income related with the use of these assets.

Note 42.1. Facts and circumstances that extend the selling period of non-current assets held for trading to more than one year.

At June 30, 2020, external factors beyond the control of management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and profitable caused management to reconsider the original selling schedule 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 June 30, 2020 were:

- Consumer confidence has sharply fallen during the first half of 2020, reaching levels of (23.8%) according to the estimates of Fedesarrollo.
- Lockdown measures issued by the national government facing the Covid-19 emergency have greatly impacted the consumption expenditure
- According to DANE (National Department of Statistics), the real-estate industry was the most affected during the first half of 2020 in terms of consumption.

- The current crisis is having a negative impact on all economic sectors, which according to the World Bank estimates would result in a 2% decrease of the GDP.

Since June 2018, during 2019, and during the six-month period ended June 30, 2020, actions taken by management and their in-house teams aware of the real-estate market potential jointly with independent realtors 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.

Developments in the selling process at June 30, 2020 are as follows:

- Lote La Secreta. Negotiation closed with buyer during 2019. 7.47% of the property was delivered at June 30, 2020; the remaining of the asset will be physically delivered as follows: 4.25% in 2020, 2.38% in 2021, 23.39% in 2022, 20.43% in 2023, 1.19% in 2024 and 40.88% in 2025. Execution of sale deed is still pending at June 30, 2020, and is expected to be completed between July and August 2020.

- Kennedy trade premises. The independent realtor has been retained and termination of the preemptive right with lessor is in progress.

- Casa Vizcaya Plot of Land. 100% payment of the building has been received and the assignment of fiduciary rights is under way to be completed in July 2020 to issue the bill of sale for the premises. Payment received was carried as other non-financial liabilities.

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

Note 43. Relevant facts

At June 30, 2020

Ordinary meeting of the General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 19, 2020, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2019 and approval of dividend distribution to shareholders.

Closing of investigation at Via Varejo S.A.

On March 26, 2020, Via Varejo S.A. published a relevant fact informing that, as a conclusion of the third phase of the independent investigation it was carrying out, and which at December 31, 2019 had not been completed, regarding alleged indication of accounting irregularities and deficiencies in internal controls and the potential impact of those issues on the financial statements for the periods during which Companhia Brasileira de Distribuição - CBD (*) was Via Varejo S.A.'s direct controlling entity, there was no need to restate the financial statements at December 31, 2018 given that upon an analysis of the results of the investigation and taking qualitative and quantitative aspects into consideration, conclusion was reached that the effects on such financial statements of the accounting adjustments resulting from the investigation are non-material. This conclusion was ratified by the current and former independent auditors of Via Varejo S.A.

(*) As of November 27, 2019, Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity.

Covid-19 pandemic, during the first quarter of 2020

On January 30, 2020, the World Health Organization declared the outbreak of the new coronavirus which first appeared in Wuhan, province of Hubei, China, called Covid-19, as a public health emergency of international significance. Later, on March 11, 2020 and because of the alarming levels of dissemination of the virus around the world, Covid-19 was described as a pandemic.

Since the outbreak and global dissemination, countries have taken different measures such as ordering quarantines and mandatory social isolation, the closing of borders, travel restriction, limitation of public meetings and suspension of all social activities, among other.

In Colombia, the Ministry of Health declared the health emergency because of the Covid-19 on March 12, 2020. Later, on March 17, 2020, by means of Decree 417, the President of the Republic declared the state of economic, social and environmental emergency across the entire country to contain the spread of the pandemic and help to mitigate associated risks.

Trade activities and the results of the operations might be negatively affected in as much as this pandemic influences domestic and international economy. The effects of this emergency that may interfere with our supply and service chain are beyond the control of the Company and consequently are impossible to predict. Risks that may have an impact on the operation and results of the Company include the effects on sales of certain products and services, both at import and export levels, on revenue from the real-estate business, on domestic and international travelling, on employee productivity, on maintaining employment, on the fall of the stock market, on the volatility of the prices of certain products and exchange rates and on any other related trade activity with a disruptive effect on the business, on financial markets or on the country's economy.

The Company has implemented a series of measures and good practices to address this situation, with which it seeks to minimize the risks observed that can impact the operation, protect the health and integrity of employees, keep the country supplied and allow access to food for the most needy, as well as give peace of mind, confidence and support to its stakeholders during the situation generated by this pandemic.

Below are some of the most relevant strategies and actions that have been implemented:

1. Regarding the promotion of solidarity:
   - Offer of 500,000 markets with 12 commodities at cost, so that customers with better economic conditions can show solidarity with those in a vulnerable situation.
   - Possibility to donate Colombia points to Fundación Éxito so that customers can direct resources to those who need them most.
   - Delivery of staples for early childhood through Fundación Éxito, with contributions from employees who donated one day of their salary, and donations made by customers through the "little drops" program.
   - Launch of the "Mercado para Colombia" card, which can be purchased physically or virtually. For every $50,000 (*) of sales on these cards, the Company will donate $5,000 (*), which will be allocated to a social work.
   - Creation of the "White Line" for home service as a priority, free of charge and exclusively for health professionals.
   - Extension of shop hours and exclusive care for the most at-risk group, such as older adults, pregnant women and people with disabilities.

   (*) Expressed in Colombian pesos

2. In relation to customers, their physical integrity in warehouses and social distance:
   - Provision of staff in stores with a basic hygiene kit with masks, gloves, hydration, acrylic lenses and antibacterial gel for their permanent hygiene protocols, with the aim of ensuring their safety and that of customers.
   - Disinfection and permanent cleaning of points of sale, bathrooms, high-traffic areas and market carts and baskets.
   - Compliance with capacity rules to allow circulation with prudent distances for the protection of health.
   - Signage at pay stations of the minimum distance between customers in line with current regulations.

3. Regarding suppliers and support for their work:
   - Advance payment to small and medium-sized suppliers of payments due in April, with the aim of improving their cash flow and facilitating the continuity of their operation and the preservation of employment.
   - The textile suppliers have arranged for the manufacture and production of masks, which allows them to protect the work of their employees.

4. Regarding the supply of products:
   - Dedicate two stores, in Bogotá and Medellín, for the exclusive distribution and supply of the products in greatest demand during the situation.
   - Ensure access to products by setting unit purchase limits per customer on products such as masks, antibacterial gel, alcohol and gloves.
   - The Company joined the Colombian trade self-regulation agreement signed by FENALCO with its affiliated merchants in order to call on all members of the supply chain (suppliers, producers, distributors and marketers) to manage prices rationally and to regulate trade in order to guarantee public order and social distance. With this union, the Company reaffirms its commitment to the protection of public health, food security, the supply of staples, the preservation of employment and economic activity aiming at the proper management of the emergency.

5. Regarding employees, their care and employment stability:
   - Information and constant communication of the recommendations of health authorities for self-care and protocol facing the virus spread.
   - Massification of remote work for employees of corporate headquarters.
   - Provision, to the staff of the financial areas who are working remotely, of all the necessary tools to ensure the timely and reliable issuance and integrity of the separate and consolidated financial statements.
   - Assignment of employees of business units that are being affected by the emergency to reinforce the tasks of the other operating business units.
   - Special bonus and benefits for store and distribution center employees, as a recognition of their effort and commitment.

6. Regarding expansion and investment plans:
   - Crisis committees established with the aim of monitoring the emergency and government decisions and making appropriate decisions to ensure continuity of operations.
   - Reduction of expansion plans as a mechanism for cash protection, with emphasis on projects that were ongoing at the time of the declaration of the emergency.
   - Reassignment of investment plans focusing the strategy on strengthening the omnichannel strategic projects of the Company.

7. Regarding the operations of the Company:
   - Strengthening e-commerce sales channels, home deliveries and applications with the aim of facilitating purchases without leaving home.
   - Reinforcement of the price review process in stores and with suppliers to have control and avoid unjustified rises.
   - Prioritization of purchases towards products less affected by the dollar increase.
   - Strengthening of other sales services, such as the "buy and collect" service through which customers order products through different channels and then move to the different sites arranged for pick-up, thus minimizing the risk of contact and complying with all hygiene, cleaning and disinfection protocols.
   - Home delivery prioritizing the use of electric vehicles to help mitigate air pollution, in Bogotá and Medellín.

<u>Covid-19 pandemic, during the second quarter of 2020</u>

The state of economic, social and environmental emergency across the entire country declared as of March 17, 2020 by the President of the Republic along all national territory to contain the spread of the pandemic and help to mitigate associated risks was in force during the second quarter of 2020.

As a result of this situation, the Company continued incurring expenses to implement measures to face this situation, aimed at minimizing the risks that may have a negative effect on the operation, protect the health and integrity of employees, maintain the supply in the countries and provide tranquility, confidence and support to their stakeholders. Expenses incurred have been detailed in Note 32.

In addition, the Company assessed the potential effects of the economic emergency on its financial statements. Following the assessment, the Company did not identify specific situations or negative material effects on the value of its investments, on the measurement of inventories, on the depreciation of properties, plants and equipment, on the measurement of the impairment of trade receivables, on provision liabilities or on reorganization plans, on the measurement of employee benefits, on the estimation and recognition of the deferred income tax, on the fair value hierarchy, on transactions with related parties, on the impairment of assets, on revenue from ordinary activities arising from contracts with customers, on lease contracts, on non-current assets held for trading, on discontinued operations, and generally on all of its liabilities, that might have an effect on the financial position or on the results of the operations, or that might impair its sustainability and operation.

However, there are certain situations, which do not affect or give rise to significant changes in assets that entail impairment, and which are property carried in the financial statements:

- The Company granted discounts to their lessees, which were recognized as a lower value of revenue. At June 30, 2020, the amount of discounts granted amounted to $2,344.
- The decrease in the results of the joint venture Compañía de Financiamiento Tuya S.A. has resulted in expense from the involvement in this joint venture upon measurement using the equity method, and additionally has prevented the recognition of revenue from the involvement in the collaboration agreement. Please refer to Notes 29 and 34 for a comparison to revenue recorded from the involvement in the collaboration agreement and the accounting using the equity method, respectively, at June 30, 2019.

Finally, the Company has concluded that the consequences of this impact do not affect the ability to continue as a going concern, as evidenced from the results of its operations.

At December 31, 2019

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

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.

<u>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.</u>

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.

<u>Takeover bid issued by its subsidiary Companhia Brasileira de Distribuição - CBD</u>

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.

Extraordinary meeting of the General Meeting of Shareholders

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 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.

- 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.

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

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.

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

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.

Sale of subsidiary Companhia Brasileira de Distribuição – CBD

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.

Acceptance of the takeover bid.

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 it first appeared.

Investigation at Via Varejo S.A.

On June 15, 2019, the Company, through its subsidiary Companhia Brasileira de Distribuição - CBD (*), a subsidiary of Onper Investment 2015 S.L., also a subsidiary of the Company, sold the 6.778% interest it held in Via Varejo S.A. The retained earnings of this company were recognized in the separate financial statements using the equity method, and have been included as part of the balance of the investment of subsidiary Onper Investment 2015 S.L.

In a relevant fact published on November 13, 2019, Via Varejo S.A. informed that it had received anonymous complaint regarding alleged accounting irregularities. The company's administration immediately established an Investigation Committee to conduct an independent and detailed investigation into the allegations. This committee has been taking the necessary steps in relation to the diligent conduct of the investigation, having defined a two-phase action plan. Because of the work in the first phase, the allegations of accounting irregularities contained in the complaints have not been confirmed and in the second phase of the investigation, which was ongoing at that time, nothing within the scope drew the attention of the administration that could alter the outcome of the first phase. Considering that so far there has been no confirmation of what is stated in the anonymous allegations, the company preliminarily concluded that there are no material effects on the financial information, under the scope of the investigation. As soon as the second phase of the investigation is completed, the Investigation Committee must present its conclusions directly to the Board of Directors of Via Varejo S.A. and any additional measures applicable will be evaluated.

On December 12, 2019, Via Varejo S.A. published a relevant fact and communicated that, during the second phase of the independent investigation conducted as a response to anonymous complaints received regarding alleged accounting irregularities and mentioned in the preceding paragraph, the Investigations Committee informed management of the finding of hints of fraud and deficiencies in internal controls that might result in errors in the financial statements for the periods during which Companhia Brasileira de Distribuição - CBD (*) was the direct controlling entity of Via Varejo S.A.

On December 12, 2019, Companhia Brasileira de Distribuição - CBD (*) informed the market that (a) when it was the controlling entity of Via Varejo S.A. there was strict compliance with applicable accounting rules and standards under best governance practices, and (b) the financial statements of that company were consistently approved, without qualification, by all control, inspection and approval bodies, including the Financial Committee, the Audit Committee, the Permanent Fiscal Council and the Board of Directors; these control bodies always had a significant representation of persons elected by the current shareholders of Via Varejo S.A.

At December 31, 2019, the management of the Company and the management of Companhia Brasileira de Distribuição - CBD (*) have not been informed by the management of Via Varejo S.A. of the existence of alleged irregularities in its financial statements. Consequently, the management of the Company and the management of Companhia Brasileira de Distribuição - CBD (*) are of the opinion that the separate financial statements at December 31, 2019 fairly present its financial position and the result of its operations.

Based on the report regarding the second phase of the independent investigation, the Investigations Committee 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 potential accounting adjustments has not been completed.

(*) As of November 27, 2019, Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity.

Note 44. Events after the reporting period

No events have occurred after the date of the reporting period that entail significant changes in the financial position and the operations of the Company.