Almacenes Éxito S.A.

Separate financial statements

At December 31, 2021 and at December 31, 2020

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At December 31, 2021 and at December 31, 2020

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

Envigado, February 21, 2022

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., each of us duly empowered and under whose responsibility the accompanying financial statements have been prepared, do hereby certify that the separate financial statements of the Company at December 31, 2021 and at December 31, 2020 have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

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

2. All economic events achieved by the Company during the annual periods ended December 31, 2021 and December 31, 2020, have been recognized in the separate financial statements.

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

4. All items have been recognized at adequate values.

5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate financial statements.

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

Further, the undersigned Legal Representative of Almacenes Éxito S.A., does hereby certify that the separate financial statements and the operations of the Company at December 31, 2021 and December 31, 2020, are free from fault, inaccuracy or misstatement that prevent users of the information from having a true view of its financial position.

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

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

	Notes	December 31 2021	December 31 2020
Current assets			
Cash and cash equivalents	6	2,063,528	1,969,470
Trade receivables and other accounts receivable	7	434,945	292,941
Prepaid expenses	8	16,353	18,287
Accounts receivable from related parties	9	82,068	94,277
Inventories, net	10	1,680,108	1,583,972
Other financial assets	11	14,214	2,527
Tax assets	25	386,997	339,539
Non-current assets held for trading	46	8,261	8,526
Total current assets		**4,686,474**	**4,309,539**
Non-current assets			
Trade receivables and other accounts receivable	7	56,346	31,757
Prepaid expenses	8	5,939	7,377
Accounts receivable from related parties	9	59,717	51,488
Other non-financial assets with related parties	9	24,495	20,266
Other financial assets	11	20,064	39,847
Property, plant and equipment, net	12	1,984,771	1,909,426
Investment property, net	13	78,586	89,246
Use rights, net	14	1,609,599	1,570,161
Goodwill	15	1,453,077	1,453,077
Intangible assets other than goodwill, net	16	191,559	166,511
Investments accounted for using the equity method, net	17	4,085,625	3,618,703
Deferred tax assets, net	25	165,820	200,284
Other non-financial assets		398	398
Total non-current assets		**9,735,996**	**9,158,541**
Total assets		**14,422,470**	**13,468,080**
Current liabilities			
Financial liabilities	19	136,184	647,934
Employee benefits	20	2,482	2,516
Other provisions	21	16,368	23,003
Accounts payable to related parties	22	183,295	128,472
Trade payables and other accounts payable	23	4,249,804	3,931,085
Lease liabilities	24	239,831	230,240
Tax liabilities	25	76,238	68,274
Other financial liabilities	26	66,817	81,366
Other non-financial liabilities	27	166,116	197,917
Total current liabilities		**5,137,135**	**5,310,807**
Non-current liabilities			
Financial liabilities	19	742,084	325,770
Employee benefits	20	17,884	20,365
Other provisions	21	10,991	51,846
Trade payables and other accounts payable	23	49,850	-
Lease liabilities	24	1,580,954	1,554,725
Other financial liabilities	26	-	94
Other non-financial liabilities	27	2,167	610
Total non-current liabilities		**2,403,930**	**1,953,410**
Total liabilities		**7,541,065**	**7,264,217**
Shareholders' equity, see accompanying statement		**6,881,405**	**6,203,863**
Total liabilities and shareholders' equity		**14,422,470**	**13,468,080**

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

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

	Notes	January 1 to December 31, 2021	January 1 to December 31, 2020
Continuing operations			
Revenue from ordinary activities under contracts with customers	30	12,769,382	11,962,340
Cost of sales	10	(9,913,824)	(9,407,570)
Gross profit		**2,855,558**	**2,554,770**
Distribution expenses	31	(1,436,206)	(1,341,840)
Administration and sales expenses	31	(182,278)	(161,637)
Employee benefit expenses	32	(672,567)	(657,254)
Other operating revenue	33	32,173	45,278
Other operating expenses	33	(33,323)	(101,939)
Other (losses), net	33	(21,378)	(11,702)
Profit from operating activities		**541,979**	**325,676**
Financial revenue	34	93,679	143,253
Financial expenses	34	(287,047)	(403,570)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	35	226,362	185,777
Profit from continuing operations before income tax		**574,973**	**251,136**
Tax (expense)	25	(100,292)	(20,264)
Net period profit from continuing operations		**474,681**	**230,872**
Earnings per share (*)			
Earnings per basic share (*)			
Earnings per basic share from continuing operations	36	1,060.49	515.80
Earnings per diluted share (*)			
Earnings per diluted share from continuing operations	36	1,060.49	515.80

(*) Amounts expressed in Colombian pesos.

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

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

	Notes	January 1 to December 31, 2021	January 1 to December 31, 2020
Net income for the period		**474,681**	**230,872**
Other comprehensive income for the period			
Components of other comprehensive income that will not be reclassified to period results, net of taxes			
Gain (loss) from new measurements of defined benefit plans		1,812	(542)
(Loss) gain from investments in equity instruments		(583)	1,210
Total other comprehensive income that will not be reclassified to period results, net of taxes		**1,229**	**668**
Components of other comprehensive income that will be reclassified to period results, net of taxes			
Gain (loss) from translation exchange differences (1)	29	110,122	(267,185)
(Loss) from investment hedging in foreign businesses	29	(5,755)	(14,236)
Gain (loss) from the hedging of cash flows	29	4,909	(797)
Total other comprehensive income that will be reclassified to period results, net of taxes		**109,276**	**(282,218)**
Total other comprehensive income		**110,505**	**(281,550)**
Total comprehensive income		**585,186**	**(50,678)**
Earnings per share (*)			
Earnings per basic share (*):			
Earnings (loss) per basic share from continuing operations	36	1,307.38	(113.22)
Earnings per diluted share (*):			
Earnings (loss) per diluted share from continuing operations	36	1,307.38	(113.22)

(*) Amounts expressed in Colombian pesos.

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

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

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Cash flows provided by operating activities		
Net income for the period	**474,681**	**230,872**
Adjustments to reconcile income for the period		
Current income tax	71,810	67,525
Deferred income tax	28,482	(47,261)
Financial costs	52,081	74,423
Impairment of receivables	22,732	20,812
Reversal of receivable impairment	(18,173)	(16,757)
Impairment of inventories	-	1,982
Reversal of inventory impairment	(7,180)	-
Impairment of property, plant and equipment, investment properties and intangible assets	6,355	9,378
Employee benefit provisions	2,468	1,535
Other provisions	39,220	95,145
Reversal of other provisions	(49,181)	(22,692)
Expense from depreciation of property, plant and equipment, use rights and investment property	424,912	397,583
Expense from amortization of intangible assets	14,898	17,233
(Gain) from the application of the equity method	(226,362)	(185,777)
Loss from the disposal of non-current assets	15,902	10,823
Other adjustments from items other than cash	37,406	(2,001)
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(12,078)	(16,173)
Operating income before changes in working capital	**877,973**	**636,650**
(Increase) in trade receivables and other accounts receivable	(169,692)	(95,024)
Decrease in prepaid expenses	3,372	9,388
(Increase) decrease in receivables from related parties	(17,714)	20,441
(Increase) in inventories	(87,914)	(29,472)
(Increase) in tax assets	(77,161)	(80,796)
(Decrease) in employee benefits	(2,655)	(3,298)
(Decrease) in other provisions	(37,529)	(64,736)
Increase (decrease) in trade payables and other accounts payable, and lease liabilities	134,359	(146,014)
Increase (decrease) in accounts payable to related parties	45,061	(15,413)
Increase in tax liabilities	7,963	2,005
(Decrease) increase in other non-financial liabilities	(30,244)	37,591
Net cash flows provided by operating activities	**645,819**	**271,322**
Cash flows provided by investment activities		
Cash flows used to maintain control over subsidiaries and joint ventures	(24,495)	(40,249)
Cash flows provided by reimbursement of contributions in subsidiaries or other businesses	(9,990)	-
Acquisition of property, plant and equipment	(339,156)	(115,916)
Acquisition of other assets	-	(32)
Acquisition of investment property	(604)	(428)
Acquisition of intangible assets	(39,258)	(33,663)
Proceeds of the sale of property, plant and equipment	182	13,447
Dividends received	169,238	73,108
Net cash flows (used in) provided by investment activities	**(244,083)**	**(103,733)**
Cash flows provided by financing activities		
Cash flows provided by changes in interests in subsidiaries that do not result in loss of control	22	(703)
Decrease in other financial assets	8,096	32,987
(Decrease) in other financial liabilities	(7,183)	(15,494)
(Decrease) increase in financial liabilities	(88,587)	765,890
(Decrease) in liabilities from finance leases	(6,849)	(3,184)
Dividends paid	(173,174)	(1,125,518)
Financial yields	12,078	16,173
Interest paid	(52,081)	(74,423)
Net cash flows (used in) financing activities	**(307,678)**	**(404,272)**
Net increase (decrease) in cash and cash equivalents	**94,058**	**(236,683)**
Cash and cash equivalents at the beginning of period	**1,969,470**	**2,206,153**
Cash and cash equivalents at the end of period	**2,063,528**	**1,969,470**

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

	Issued share capital	**Premium on the issue of shares**	**Treasury shares repurchased**	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Other Reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total Shareholders' equity**
	(Note 28)	(Note 28)	(Note 28)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)		
Balance at December 31, 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 42)	-	-	-	-	(1,091,259)	-	-	-	(1,091,259)	-	-	-	(1,091,259)
Net period results	-	-	-	-	-	-	-	-	-	-	230,872	-	230,872
Other comprehensive income	-	-	-	-	-	-	-	-	-	(281,550)	-	-	(281,550)
Appropriation for reserves	-	-	-	-	57,602	-	-	-	57,602	-	(57,602)	-	-
(Decrease) from changes in interest in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(2,055)	(2,055)
Other net increase (decrease) in shareholders' equity (1)	-	-	-	-	(2,583)	-	-	138,384	135,801	-	(147,995)	163,521	151,327
Balance at December 31, 2020	**4,482**	**4,843,466**	**(2,734)**	7,857	734,782	22,000	155,412	337,664	**1,257,715**	**(1,350,662)**	**643,306**	**808,290**	**6,203,863**
Balance at December 31, 2020	**4,482**	**4,843,466**	**(2,734)**	7,857	734,782	22,000	155,412	337,664	**1,257,715**	**(1,350,662)**	**643,306**	**808,290**	**6,203,863**
Cash dividend declared (Note 42)	-	-	-	-	(49,609)	-	-	-	(49,609)	-	(123,614)	-	(173,223)
Net period results	-	-	-	-	-	-	-	-	-	-	474,681	-	474,681
Other comprehensive income	-	-	-	-	-	-	-	-	-	110,505	-	-	110,505
Appropriation for reserves	-	-	-	-	107,258	-	-	-	107,258	-	(107,258)	-	-
(Decrease) from changes in interest in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(5,506)	(5,506)
Other net increase (decrease) in shareholders' equity (2)	-	-	-	-	(784)	-	-	(8,135)	(8,919)	-	1,530	278,474	271,085
Balance at December 31, 2021	**4,482**	**4,843,466**	**(2,734)**	7,857	791,647	22,000	155,412	329,529	**1,306,445**	**(1,240,157)**	**888,645**	**1,081,258**	**6,881,405**

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

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

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

Note 1. General information

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

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

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

The 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 Companhia Brasileira de Distribuição - CBD. At December 31, 2021, the controlling entity has a 91.57% interest (December 31, 2020 - 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 separate financial statements for the annual periods ended December 31, 2021 and December 31, 2020 have been prepared in accordance with accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131, on December 22, 2017 by Regulatory Decree 2170 and on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. The Company did not apply any of the exceptions to the IFRS contained in such Decrees.

Accompanying financial statements

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

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

Statement of accountability

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

Accounting estimates and judgments

Company's estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the attached separate financial statements. Basically, such estimations refer to:

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

Such estimates 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 estimates 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 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 separate financial statements have been prepared on the accounting accrual basis, except for information on cash flows.

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Fair value measurement

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

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used to determine the measurements:

- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

The accompanying separate financial statements at December 31, 2021 have been prepared using the same accounting policies, measurements and bases used to present the separate financial statements at December 31, 2020, except for the standards mentioned in note 4.2 that came into effect as of January 1, 2021, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained.

The adoption of the new standards in force as of January 1, 2021 mentioned in Note 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, 2020 and no significant effect resulted from adoption thereof.

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

Investments in subsidiaries, associates and joint arrangements

Subsidiaries are entities under Company's control.

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

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

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

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

Investments in subsidiaries, associates and joint ventures are recognized using the equity method.

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

Wherever the Company's share of the losses of a subsidiary, associate and joint venture equals or exceeds its interest therein, the Company ceases to recognize its share of further losses. A provision is recognized once the Company's interest comes to zero, only in as much as the Company has incurred legal or implicit liabilities.

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

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

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

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

Related parties

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

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

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

Business combinations and goodwill

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

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

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

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

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

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

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

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

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

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

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

Intangible assets

They refer to identifiable non-monetary assets, without physical substance, controlled by the Company as a result of past events and from which future economic benefit may be expected.

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

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

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

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

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

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

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

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

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

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

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

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of individual projects are recognized as intangible assets wherever the Company is in the capacity of demonstrating:
- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and the ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

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

Property, plant and equipment

The name property, plant and equipment is given to all of Company's tangible assets held for use in production or in the provision of goods and services, or for administration purposes, and which are further expected to be used over one period, that is to say, more than one year, and that meet the following conditions:
- It is probable that the Company will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Company has taken the risks and benefits arising from the use or possession of the asset, and
- Their individual acquisition cost exceeds 50 UVT (Tax-Value Units), except for those assets defined by Company management as related to the core business purpose and there is an interest in controlling them given that the Company procures them frequently and in significant amounts.

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

The cost of property, plant and equipment elements includes price of acquisition, import duties, non-recoverable indirect taxes, future dismantling costs, if any, costs from loans directly attributable to the acquisition of a suitable asset and the costs individually attributable to place an asset on the site and usage conditions foreseen by Company management, net of trade discounts and rebates.

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

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

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

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

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

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

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

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

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

Investment property

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

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

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

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

Situations that can lead to transfer are:

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

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

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

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

Non-current assets held for trading

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

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

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

Operating leases

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

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

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

Use rights

Use rights assets are assets representing the right of the Company as a lessee to use an underlying asset during the term of a lease agreement.

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

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

The Company does not carry assets regarding use rights under:
- Lease agreements whose underlying assets are low-cost assets such as furniture and fixtures, computers, machinery and equipment and office equipment,
- Lease agreements for underlying assets with a term of less than one year,
- Lease agreements covering intangible assets.

Loan costs

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

Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

Inventories

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

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

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

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

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

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

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

Financial assets

Financial assets are recognized in the statement of financial position when the Company becomes a party pursuant to the terms and conditions of the instrument. Financial assets are classified under the following categories:

- Financial assets at fair value through income;
- Financial assets measured at amortized cost, and
- Financial assets at fair value through other comprehensive income.

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

a. Financial assets measured at fair value through income

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

b. Financial assets measured at amortized cost

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

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

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

c. Financial assets at fair value through other comprehensive income

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

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

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

d. Derecognition

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

e. Effective interest method

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

f. Impairment of financial assets

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

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

g. Loans and accounts receivable

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

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

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

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

h. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, investments should meet the following criteria:

- Short-term investments, in other words, with terms less than or equal to three months as of acquisition date;
- High-liquidity investments;
- Readily converted into cash, and
- Subject to low risk of change in value.

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

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Company becomes a party pursuant to the contract terms and conditions governing an instrument. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities measured at amortized cost.

a. Financial liabilities measured at fair value through income

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

b. Financial liabilities measured at amortized cost

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

c. Derecognition

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

d. Effective interest method

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

Embedded derivatives

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

Derivative financial instruments

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

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

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

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

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

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

Forwards and swaps that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

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

Hedge accounting

The Company carries out hedge transactions under future-performance *forward and swap* contracts, to cover the risks associated with changes in the exchange rates applicable to its investments and in the exchange rates and interests rates applicable to its liabilities.

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

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

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

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

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

- Cash flow hedges: this category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction whose occurrence is highly probable and may have an impact on period results.

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

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

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

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

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

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

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

  The effective portion of the changes in the fair value of derivative instruments defined as instruments to hedge a net investment abroad is recognized in other comprehensive income. The gain or loss related to the non-effective portion is promptly recognized in the statement of income.
  If the Company would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Employee benefits

a. Defined contribution plans

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

b. Defined post-employment benefit plans

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

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

c. Long-term employee benefits

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

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

d. Short-term employee benefits

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

e. Employee termination benefits

The Company pays to employees certain benefits upon termination wherever it decides to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

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

Lease liabilities

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

Provisions, contingent assets and liabilities

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

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

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

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

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

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

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

Taxes

Taxes include liabilities payable to Government by the Company, estimated on the basis of private assessments made during the relevant taxable periods, and include, among other: income tax, real estate tax, and industry and trade tax.

Current income tax

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

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

Deferred income tax

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

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

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

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

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

Share capital

The Company's contributed capital is made of common shares.

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

Revenue from ordinary activities under contracts with customers

Revenue from ordinary activities under contracts with customers include retail sales at stores, provision of services, sales of real estate projects and inventories and supplementary businesses such as insurance, lease, collaboration agreements and financing to customers, among other.

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

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

Revenue from the provision of services is recognized in the period of realization provided the performance obligations agreed upon with the customer have been satisfied. If performance obligations of the provision of services are subject to compliance with a number of commitments, then the adequate time for recognition is assessed, either over the time of service provision or at a single time. Consequently, revenue from the provision of services can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided or the commitment is fulfilled.

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

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Company acts as principal and when as a commission agent.

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

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

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

Revenue from interest is recognized using the effective interest method.

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

Costs and expenses

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

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

Earnings per basic and diluted share

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

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

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

Note 4. New and modified Standards and Interpretations

Note 4.1. Standards issued during the annual period ended December 31, 2021

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

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

During the annual period ended December 31, 2021, the International Accounting Standards Board IASB issued the following new standards and amendments:

- Amendment to IAS 1, applicable as of January 2023.
- Amendment to IAS 8, applicable as of January 2023.
- Amendment to IFRS 16, applicable as of April 1, 2021.
- Amendment to IAS 12, to be applied as of January 1, 2023 with early adoption permitted.
- Amendment to IFRS 17, applicable as of January 1, 2023.

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

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

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

Amendment to IAS 8 - Definition of Accounting Estimates (issued in February 2021)

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

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

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

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

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

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

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

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

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

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

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

No material effects are expected from the application of this Amendment given that the Company does not apply IFRS 17.

Note 4.2. Standards applied as of 2021, issued prior to January 1, 2021

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

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

Note 4.3. Standards applied as of 2021, issued in 2021

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

Note 4.4. Standards adopted earlier during the annual period ended December 31, 2021

During the annual period ended December 31, 2021, the Company did not apply any Standards earlier.

Note 4.5. Standards not yet in force at December 31, 2021, issued prior to January 1, 2021

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

Note 4.6 Standards issued during the annual period ended December 31, 2020

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

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

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

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

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

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

Amendment to IFRS 16 - Leases (issued May 2020)

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

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

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

This Amendment does not apply to lessors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 4.7 Standards applied as of 2020, issued prior to January 1, 2020

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

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

Note 4.8 Standards applied as of 2020, issued in 2020

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

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

Note 4.9 Standards adopted earlier during the annual period ended December 31, 2020

During the annual period ended December 31, 2020, the Company did not apply any Standards earlier.

Note 4.10 Standards not yet in force at December 31, 2020, issued prior to January 1, 2020

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

IFRS 17 - Insurance Contracts (issued in 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 5. Business combinations

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

Note 6. Cash and cash equivalents

The balance of cash and of cash equivalents is as follows:

	December 31 2021	December 31 2020
Cash at hand and in banks (1)	1,995,563	1,874,803
Fiduciary rights (2)	67,965	91,822
Term deposit certificates (3)	-	2,845
Total cash and cash equivalents	**2,063,528**	**1,969,470**

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

(2) The balance represents:

	December 31 2021	December 31 2020
Fondo de Inversión Colectiva Abierta Occirenta	20,408	20,410
BBVA Asset S.A.	18,311	20,413
Fiducolombia S.A.	15,419	20,408
Fiduciaria Bogotá S.A.	13,655	17,323
Corredores Davivienda S.A.	151	13,267
Credicorp Capital	21	1
Total fiduciary rights	**67,965**	**91,822**

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

At December 31, 2021, the Company recognized yields from cash and cash equivalents in amount of $5,510 (December 31, 2020 - $12,735), which were recorded as financial revenue as detailed in Note 34.

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

Note 7. Trade receivables and other accounts receivable

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

	December 31 2021	December 31 2020
Trade receivables (Note 7.1)	216,642	173,077
Other accounts receivable (Note 7.2)	274,649	151,621
Total trade receivables and other accounts receivable	**491,291**	**324,698**
Current (Note 7.3)	**434,945**	**292,941**
Non-current (Note 7.3)	**56,346**	**31,757**

Note 7.1. Trade receivables

The balance of trade receivables is as follows:

	December 31 2021	December 31 2020
Trade accounts (1)	138,213	129,348
Sale of real-estate project inventories (2)	67,434	34,715
Rental fees and concessions receivable	11,442	12,230
Employee funds and lending	6,838	6,865
Impairment of receivables (3)	(7,285)	(10,081)
Total trade receivables	**216,642**	**173,077**

(1) The increase basically represents higher collections in the sales channels compared to the previous period resulting from the increase in sales, specifically in negotiations with government entities, with family welfare agencies and in liquor inventory negotiations with third parties.

(2) Represents an account receivable from the sale of inventories of the Montevideo and Copacabana real estate projects. The increase results from the sale of the Montevideo real estate project completed in 2021 per sale schedule as mentioned in Note 10.1.

(3) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Company is of the opinion that these balances are recoverable, given the extensive credit risk analysis conducted on customers, including credit ratings when they are available in credit databases recognized in the market. During the annual period ended December 31, 2021, the net effect of the impairment of receivables in the statement of income represents an impairment loss in amount of $4,559 (December 31, 2020 - $4,055).

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

Balance at December 31, 2020	**10,081**
Impairment loss recognized during the period	22,732
Reversal of impairment losses (Note 33)	(18,173)
Receivables written-off	(7,355)
Balance at December 31, 2021	**7,285**

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31 2021	**December 31 2020**
Business agreements (1)	81,636	31,824
Other personnel funds and lending (2)	76,431	62,149
Money transfer services (3)	63,811	21,959
Taxes collected receivable (4)	31,146	10,014
Money remittances	8,205	6,006
Tax claims	1,360	1,360
Sale of property, plant and equipment	109	352
Other accounts receivable (5)	11,951	17,957
Total other accounts receivable	**274,649**	**151,621**

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

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

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

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

(5) The balance is comprised of:

	December 31 2021	**December 31 2020**
Factoring of trade receivables (a)	4,374	9,851
Negotiation with foreign suppliers	1,552	593
Guarantee deposits	1,072	1,068
Cash shortfalls receivable from employees	497	378
Attachment orders receivable (b)	330	1,921
Long-term receivables	5	1,669
Other minor balances	4,121	2,477
Total other accounts receivable	**11,951**	**17,957**

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

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

Note 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:

	December 31 2021	December 31 2020
Trade accounts	138,213	129,348
Business agreements	81,636	31,824
Money transfer services	63,811	21,959
Other employee funds and lending	59,081	43,444
Taxes receivable	31,146	10,014
Sale of real estate project inventories	30,383	25,319
Rental fees and concessions receivable	11,442	12,230
Money remittances	8,205	6,006
Tax claims	1,360	1,360
Employee funds and lending	6,838	6,865
Sale of property, plant and equipment	109	352
Other accounts receivable	10,006	14,301
Impairment of receivables	(7,285)	(10,081)
Total current	**434,945**	**292,941**
Sale of real estate project inventories	37,051	9,396
Other employee funds and lending	17,350	18,705
Other accounts receivable	1,945	3,656
Total non-current	**56,346**	**31,757**

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:

Period	Total	Less than 30 days	From 31 to 60 days	From 61 to 90 days	More than 90 days
December 31, 2021	498,576	438,852	2,632	267	56,825
December 31, 2020	334,779	293,834	7,909	154	32,882

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	December 31 2021	December 31 2020
Insurance (1)	14,384	14,473
Leases (2)	6,277	7,808
Total maintenance paid in advance (3)	138	2,718
Other advance payments	1,493	665
Total prepaid expenses	**22,292**	**25,664**
Current	**16,353**	**18,287**
Non-Current	**5,939**	**7,377**

(1) Represents the following contracts:

	December 31 2021	December 31 2020
Multi-risk insurance	9,621	10,838
Life insurance	757	689
Third party liability insurance	754	797
Transport insurance	282	591
Other insurance	2,970	1,558
Total insurance	**14,384**	**14,473**

(2) Represents lease instalments paid in advance for the following stores:

	December 31 2021	December 31 2020
Éxito San Martín store (a)	4,194	4,475
Carulla Castillo Grande store (b)	2,083	3,333
Total lease payments	**6,277**	**7,808**

(a) Advance covering the term of the lease through 2034.

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

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

	December 31 2021	December 31 2020
Software	138	2,633
Cloud services	-	78
Hardware	-	7
Total maintenance paid in advance	**138**	**2,718**

Note 9. Accounts receivable and Other non-financial assets with related parties

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

	Accounts receivable		Other non-financial assets	
	December 31 2021	December 31 2020	December 31 2021	December 31 2020
Subsidiaries (1)	87,068	108,095	-	5,769
Joint ventures (2)	47,536	30,327	24,495	14,497
Grupo Casino companies (3)	6,893	7,055	-	-
Controlling entity (4)	288	288	-	-
Total	**141,785**	**145,765**	**24,495**	**20,266**
Current	**82,068**	**94,277**	**-**	**-**
Non-Current	**59,717**	**51,488**	**24,495**	**20,266**

(1) Balances relate to the following subsidiaries and items:

- The balance of receivables by each subsidiary is as follows:

	December 31 2021	December 31 2020
Libertad S.A. (a)	68,695	59,287
Patrimonios Autónomos (Stand-alone trust funds)	17,008	23,530
Logística, Transporte y Servicios Asociados S.A.S.	357	370
Éxito Industrias S.A.S.	255	359
Almacenes Éxito Inversiones S.A.S.	406	974
Éxito Viajes y Turismo S.A.S.	252	185
Marketplace Internacional Éxito S.L.	78	-
Marketplace Internacional Éxito y Servicios S.A.S.	15	-
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2) (b)	1	23,203
Devoto Hermanos S.A.	1	1
Supermercados Disco del Uruguay S.A.	-	185
Depósitos y Soluciones Logísticas S.A.S.	-	1
Total accounts receivable from subsidiaries	**87,068**	**108,095**

(a) Includes loans granted in amount of $61,116 (December 31, 2020 - $52,747) at the rate of Libor 12M + 13.5% maturing in 2024. (Note 48).

(b) The decrease is because during 2021 this subsidiary was capitalized by the Company in amount of $40,862; such capitalization included balances of accounts receivable amounting to $23,464.

- The balance of accounts receivable from subsidiaries is made as follows:

	December 31 2021	December 31 2020
Loans granted	62,467	53,059
Charge for dividends declared	14,870	22,315
Strategic direction services	6,228	6,228
Administrative services	2,152	5,352
Reimbursement of expenses	1,210	13,104
Sale of goods	135	8,026
Other services	6	11
Total accounts receivable from subsidiaries	**87,068**	**108,095**

- The balance of other non-financial assets by each subsidiary is as follows:

	December 31 2021	December 31 2020
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2) (a) (b)	-	5,137
Marketplace Internacional Éxito y Servicios S.A.S. (a) (c)	-	632
Total other non-financial assets of subsidiaries	**-**	**5,769**

(a) Represents payments made for future subscription of shares.

(b) The decrease is because during 2021 this subsidiary was capitalized by the Company in amount of $40,862; such capitalization included the balance pending capitalization at December 2020.

(c) The decrease is because the shares that were pending at December 2020 were subscribed in April 2021.

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

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

	Compañía de Financiamiento Tuya S.A.		Puntos Colombia S.A.S.	
Description	**December 31 2021**	**December 31 2020**	**December 31 2021**	**December 31 2020**
Involvement in corporate collaboration agreement	10,494	-	-	-
Reimbursement of shared expenses, collection of coupons and other	4,327	6,004	-	-
Redemption of points	-	-	30,356	24,061
Other services	2,229	-	130	262
Total accounts receivable	**17,050**	**6,004**	**30,486**	**24,323**

- Other non-financial assets:

The balance of other non-financial assets in amount of $24,495 at December 31, 2021 relates to payments made during the year to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to December 31, 2021 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company.

The balance of $14,497 other non-financial assets at December 31, 2020 relates to payments made during the year to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to December 31, 2020 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company. During the annual period ended December 31, 2021, Compañía de Financiamiento Tuya S.A. obtained authorization to register a capital increase and based on such authorization the balance was recognized as investment.

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

	December 31 2021	December 31 2020
Casino International	6,729	6,703
Distribution Casino France	49	244
Casino Services	7	7
Greenyellow Energía de Colombia S.A.S.	108	101
Total Grupo Casino companies	**6,893**	**7,055**

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

Note 10. Net inventories and Cost of sales

Note 10.1. Inventories, net

The net balance of inventories is as follows:

	December 31 2021	December 31 2020
Inventories available for trading	1,572,556	1,493,627
Inventories in transit	59,002	24,716
Production in process	25,230	5,684
Real estate project inventories (1)	17,519	50,228
Raw materials	10,501	21,484
Materials, small spares, accessories and consumable packaging.	4,162	4,275
Inventory impairment (2)	(8,862)	(16,042)
Total inventories, net	**1,680,108**	**1,583,972**

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

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

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

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

Balance at December 31, 2020	**16,042**
Reversal of impairment loss (Note 10.2)	(7,180)
Balance at December 31, 2021	**8,862**

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

Inventories are properly insured against all risks.

Pursuant to 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 losses, and reversals of impairment recognized in inventories:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Cost of goods sold (1)	10,965,765	10,395,758
Trade discounts and purchase rebates	(1,590,497)	(1,537,420)
Logistics costs (2)	415,298	413,482
Damage and loss	130,438	133,768
(Reversal) impairment loss recognized during the period (Note 10.1)	(7,180)	1,982
Total cost of sales	**9,913,824**	**9,407,570**

(1) At December 31, 2021 includes $21,341 of depreciation and amortization cost (December 31, 2020 - $19,869).

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Employee benefits	238,650	233,795
Services	127,113	135,962
Depreciation and amortization	48,318	42,644
Leases	1,198	1,076
Maintenance and repairs	19	-
Fuels	-	5
Total logistics costs	**415,298**	**413,482**

Note 11. Other financial assets

The balance of other financial assets is as follows:

	December 31 2021	December 31 2020
Derivative financial instruments (1)	11,057	4
Financial assets measured at fair value through other comprehensive income (2)	10,676	10,637
Derivative financial instruments designated as hedge instruments (3)	6,023	566
Financial assets measured at amortized cost (4)	5,046	29,699
Financial assets measured at fair value through income (5)	1,476	1,468
Total other financial assets	**34,278**	**42,374**
Current	**14,214**	**2,527**
Non-Current	**20,064**	**39,847**

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

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

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

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

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

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

	December 31 2021	December 31 2020
Cnova N.V.	9,222	9,222
Fideicomiso El Tesoro stages 4A and 4C 448	1,206	1,167
Associated Grocers of Florida, Inc.	113	113
Central de Abastos del Caribe S.A.	71	71
La Promotora S.A.	50	50
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Financial assets measured at fair value through other comprehensive income	**10,676**	**10,637**

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

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

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

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

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

Given that this instrument involves cash inflows and outflows, on certain dates the calculations reflect the need for making payments prior to the final settlement of the instrument.

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

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

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

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

(4) Financial assets measured at amortized cost relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A. which the Company has the intention and capability of maintaining to maturity to obtain contractual cash flows. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At December 31, 2021, the nominal value amounts to $5,000 (December 31, 2020 - $29,500) maturing in 5 years and yielding CPI + 6%.

The decrease arises from the maturity of a portion of the investment in amount of $24,500, which was used to capitalize this joint business; at December 31, 2021, it is included in the balance of Other non-financial assets (Note 9).

(5) Financial assets measured at fair value through income are comprised of 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:

	December 31 2021	December 31 2020
Derivative financial instruments	11,057	4
Derivative financial instruments designated as hedge instruments	2,691	193
Financial assets measured at amortized cost	466	2,330
Total current	**14,214**	**2,527**
Financial assets measured at fair value through other comprehensive income	10,676	10,637
Financial assets measured at amortized cost	4,580	27,369
Derivative financial instruments designated as hedge instruments	3,332	373
Financial assets measured at fair value through income	1,476	1,468
Total non-current	**20,064**	**39,847**

At December 31, 2021 and at December 31, 2020 there are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company's investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of Tarjeta Éxito corporate collaboration agreement.

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

Note 12. Property, plant and equipment, net

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

	December 31 2021	December 31 2020
Land	449,842	449,842
Buildings	926,054	911,075
Machinery and equipment	749,208	694,959
Furniture and fixtures	468,105	429,813
Assets under construction	9,073	25,344
Improvements to third-party properties	366,792	325,811
Vehicles and transportation equipment	8,892	9,047
Computers	253,889	160,472
Other property, plant and equipment	16,050	16,050
Total cost of property, plant and equipment	**3,247,905**	**3,022,413**
Accumulated depreciation	(1,262,895)	(1,112,987)
Impairment loss	(239)	-
Total net property, plant and equipment	**1,984,771**	**1,909,426**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Vehicles and transportation equipment	Computers	Other	Total
Balance at December 31, 2020	**449,842**	**911,075**	**694,959**	**429,813**	**25,344**	**325,811**	**9,047**	**160,472**	**16,050**	**3,022,413**
Additions (1)	-	15,519	100,281	55,395	-	42,403	-	125,558	-	339,156
(Decrease) from contribution to Patrimonios Autónomos	-	-	(4,058)	-	(230)	(61)	-	-	-	(4,349)
(Disposal and derecognition) of property, plant and equipment (2)	-	(3,742)	(24,868)	(13,130)	(74)	(6,673)	(587)	(12,369)	-	(61,580)
Increase (decrease) from movements between property, plant and equipment	-	3,822	(2,417)	3,089	(11,907)	6,294	432	687	-	-
(Decrease) from transfers (to) investment property	-	-	-	-	(3,087)	-	-	-	-	(3,087)
(Decrease) from transfers (to) other balance sheet accounts - Tax assets	-	(483)	(14,650)	(7,062)	(1,079)	(982)	-	(20,496)	-	(44,752)
Other minor developments	-	-	(39)	-	106	-	-	37	-	104
Balance at December 31, 2021	**449,842**	**926,054**	**749,208**	**468,105**	**9,073**	**366,792**	**8,892**	**253,889**	**16,050**	**3,247,905**
Accumulated depreciation										
Balance at December 31, 2020	**-**	**176,233**	**367,205**	**259,287**	**-**	**182,043**	**6,463**	**116,959**	**4,797**	**1,112,987**
Depreciation expense/cost	-	27,012	67,320	47,661	-	25,229	889	26,786	788	195,685
(Decrease) from contribution to Patrimonios Autónomos	-	-	(494)	-	-	-	-	-	-	(494)
(Disposals and derecognition) of depreciation (2)	-	(1,165)	(18,368)	(9,441)	-	(4,147)	(457)	(11,705)	-	(45,283)
Balance at December 31, 2021	**-**	**202,080**	**415,663**	**297,507**	**-**	**203,125**	**6,895**	**132,040**	**5,585**	**1,262,895**
Impairment loss										
Balance at December 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment loss expense	-	756	-	-	-	239	-	-	-	995
(Disposal and derecognition) of impairment (2)	-	(756)	-	-	-	-	-	-	-	(756)
Balance at December 31, 2021	**-**	**-**	**-**	**-**	**-**	**239**	**-**	**-**	**-**	**239**

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

(2) Mainly represents:
- Derecognition because of closure of stores in amount of $4,412;
- Derecognition of machinery and equipment in amount of $858, furniture and fixtures $293 and computer equipment $2, as a result of the changes introduced, and derecognition from the sale of construction in progress in amount of $74, vehicles in amount of $35 and machinery and equipment $2;
- Derecognition because of physical damage of machinery and equipment in amount of $3,613, of buildings in amount of $1,128, of furniture and fixtures in amount of $450, of computers in amount of $334 and of vehicles in amount of $97.
- Derecognition of assets resulting from the reconciliation of physical counts in amount of $3,905 and derecognition of assets from reconciliation of other balance sheet accounts in amount of $128;
- Derecognition of assets from damages arising from acts against the infrastructure of stores throughout the country in amount of $208;

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

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

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

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

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

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

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

During the annual period ended December 31, 2021, no compensations were received for damaged assets, and no payment acceptances by insurance companies to compensate for damaged assets were recognized.

At December 31, 2021, impairment was recognized in amount of $995 on trade premises: $756 at Centro Comercial San Mateo and $239 on improvements to leased property at Carulla Torre del Reloj; other property, plant and equipment did not show signs of impairment. At December 31, 2020 no impairment of property, plant and equipment was recognized.

Information about the methodology applied to test for impairment is disclosed in Notes 38 and 39.

Note 13. Investment property, net

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

The net balance of investment properties is made as follows:

	December 31 2021	December 31 2020
Land	57,481	57,653
Buildings	26,062	31,951
Construction in progress	807	5,176
Total cost of investment property	**84,350**	**94,780**
Accumulated depreciation	(5,676)	(5,422)
Impairment loss	(88)	(112)
Total investment property, net	**78,586**	**89,246**

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

Cost	**Land**	**Buildings**	**Constructions in progress**	**Total**
Balance at December 31, 2020	**57,653**	**31,951**	**5,176**	**94,780**
Additions	604	-	-	604
(Decrease) from contribution to Patrimonios Autónomos	-	(5,889)	(1,894)	(7,783)
Increase (decrease) from transfers from (to) property, plant and equipment	-	5,384	(2,297)	3,087
(Decrease) from transfers (to) real estate project inventories	(776)	-	-	(776)
(Disposal and derecognition) of investment property	-	(5,384)	-	(5,384)
Other changes	-	-	(178)	(178)
Balance at December 31, 2021	**57,481**	**26,062**	**807**	**84,350**

Accumulated depreciation	Buildings
Balance at December 31, 2020	**5,422**
Depreciation expense	794
(Decrease) from contribution to Patrimonios Autónomos	(540)
Balance at December 31, 2021	**5,676**

Impairment loss	Land	Buildings	Total
Balance at December 31, 2020	**1**	**111**	**112**
Impairment loss expense (recovery)	(1)	5,361	5,360
(Disposal and derecognition) of impairment	-	(5,384)	(5,384)
Balance at December 31, 2021	**-**	**88**	**88**

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

At December 31, 2021 and at December 31, 2020, the 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.

At December 31, 2021, impairment was recognized for total $5,384, e.g. $2,591 on the Viva Suba property and $2,793 on the Surtimax Cota property; recovery of impairment was recognized for total $24, e.g. $23 on Centro Comercial Pereira Plaza trade premises and $1 on Lote 111 Rincón de Las Lomas trade premises; other investment properties were not impaired.

At December 31, 2020 properties were impaired in amount of $112, as follows: Lote 111 Rincón de Las Lomas in amount of $1 and trade premises at Centro Comercial Pereira Plaza in amount of $111; other investment properties were not impaired.

Information on methodology applied to test for impairment is disclosed in Note 38 and Note 39 discloses the fair value of investment property, based on the appraisal carried out by an independent third party.

During the annual periods ended December 31, 2021 and December 31, 2020, the income at the Company from the use of investment property is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Revenue from leases (Note 43)	4,587	3,361
Operation expenses related to revenue-generating investment properties	(447)	(367)
Operating expenses related to non-revenue-generating investment properties	(2,075)	(1,681)
Net gain from the use of investment properties	**2,065**	**1,313**

Note 14. Use rights, net

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

	December 31 2021	December 31 2020
Use rights	2,798,618	2,561,463
Total use rights	**2,798,618**	**2,561,463**
Accumulated depreciation	(1,189,019)	(991,302)
Total use rights, net	**1,609,599**	**1,570,161**

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

Cost	
Balance at December 31, 2020	**2,561,463**
Increase from new contracts	83,946
Increase from new measurements (1)	198,626
Derecognition and reversals (2)	(45,417)
Balance at December 31, 2021	**2,798,618**

Accumulated depreciation	
Balance at December 31, 2020	**991,302**
Depreciation cost/expense	228,433
Derecognition and reversals (2)	(30,716)
Balance at December 31, 2021	**1,189,019**

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

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

Note 15. Goodwill

The balance of goodwill is as follows:

	December 31 2021	December 31 2020
Carulla Vivero S.A. (1)	827,420	827,420
Súper Ínter (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 asset impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $80,134, to Carulla $29,075 and to Surtimax $13,010. Since 2019 and as results of the transformation of Surtimax to the Surtimayorista banner, $4,174 have been allocated to this new format for the purpose of impairment testing.

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

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

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

Information about the methodology applied to test for impairment is disclosed in Notes 38 and 39.

Note 16. Intangible assets other than goodwill, net

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

	December 31 2021	December 31 2020
Trademarks	81,131	81,131
Computer software	220,442	185,442
Rights	20,491	26,986
Other	22	22
Total cost of intangible assets other than goodwill	**322,086**	**293,581**
Accumulated amortization	(130,527)	(117,804)
Impairment loss	-	(9,266)
Total intangible assets other than goodwill, net	**191,559**	**166,511**

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

Cost	**Trademarks (1)**	**Computer software (2)**	**Rights (3)**	**Other**	**Total**
Balance at December 31, 2020	**81,131**	**185,442**	**26,986**	**22**	**293,581**
Additions	-	36,487	2,771	-	39,258
(Decrease) from contribution to Patrimonios Autónomos	-	(606)	-	-	(606)
(Disposal and derecognition) of intangible assets	-	(2,138)	(9,266)	-	(11,404)
Other minor developments	-	1,257	-	-	1,257
Balance at December 31, 2021	**81,131**	**220,442**	**20,491**	**22**	**322,086**

Accumulated amortization	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
Balance at December 31, 2020	**-**	**117,804**	**-**	**-**	**117,804**
Amortization expense/cost	-	14,898	-	-	14,898
(Decrease) from contribution to Patrimonios Autónomos	-	(236)	-	-	(236)
(Disposal and derecognition) of intangible assets	-	(1,939)	-	-	(1,939)
Balance at December 31, 2021	**-**	**130,527**	**-**	**-**	**130,527**
Impairment loss					
Balance at December 31, 2020	**-**	**-**	**9,266**	**-**	**9,266**
(Disposal and derecognition) of intangible assets (4)	-	-	(9,266)	-	(9,266)
Balance at December 31, 2021	**-**	**-**	**-**	**-**	**-**

(1) 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:

	December 31 2021	December 31 2020
Order manager (a)	30,803	20,418
WMS	9,777	8,576
Discount Manager (a)	9,590	4,951
Product manager (a)	9,037	8,377
Direct trade (Éxito app, Carulla app and Mi Descuento app) (a)	7,512	4,970
E-commerce Manager	4,076	4,119
Sinemax	2,174	2,794
Space profitability	2,128	505
Price management and communication	1,156	-
Database	1,106	1,941
POS electronic biller	1,075	-
Carulla Freshmarket App	1,071	1,419
Paga Facil	785	-
Virtual wallet	551	180
Fashion App Éxito	400	-
Distribuidora Aliados App	387	42
Self-registration (b)	382	565
Food court (b)	375	555
Rotar	296	465
GUI for customers (b)	284	426
Image-based sales (b)	273	410
Central equipment virtualizer	220	512
Post mobile II (b)	199	249
Digital purchase strip	196	261
Sistema de información comercial (Sinco)	111	171
Innovation at points of payment	98	148
Demand forecasts	63	940
System application and products (SAP)	45	807
Pos and pin pads	45	115
Customer home	22	30
Post mobile I (b)	8	12
Single customer (b)	-	194
Slotting	-	25
Other minor items	5,670	3,461
Total computer software, net	**89,915**	**67,638**
Computer software, cost	**220,442**	**185,442**
Computer software, accumulated depreciation	**(130,527)**	**(117,804)**

(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) Recognition of contracts executed in December 2021 in amount of $2,771, December 2017 in amount of $2,226, December 2016 in amount of $11,522 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises. Exploitation rights on trade premises impaired during 2020 were derecognized at December 31, 2021 in amount of $9,266.

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

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

(4) None of the intangible assets other than goodwill was impaired at December 31, 2021. The amount of $9,266 accumulated at December 31, 2020 was derecognized at December 31, 2021 along with derecognition of the cost of the right to exploit trade premises mentioned in subsection (3) above. At December 31, 2020, there was an impairment in the value of rights to the exploitation of trade premises in amount of $9,266 because of the closure of stores (Éxito $2,136, Surtimax $1,524 and Súper Ínter $5,606).

Information about the methodology applied to test for impairment is disclosed in Notes 38 and 39.

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

Note 17. Investments accounted for using the equity method

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

Company	Classification	December 31 2021	December 31 2020
Spice Investment Mercosur S.A.	Subsidiary	1,766,671	1,607,594
Patrimonio Autónomo Viva Malls	Subsidiary	974,979	967,463
Onper Investment 2015 S.L. (1)	Subsidiary	831,007	576,664
Compañía de Financiamiento Tuya S.A.	Joint venture	279,753	259,915
Éxito Industrias S.A.S.	Subsidiary	176,925	160,628
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	18,617	14,476
Puntos Colombia S.A.S.	Joint venture	9,601	7,707
Marketplace Internacional Éxito y Servicios S.A.S.	Subsidiary	6,777	4,788
Depósitos y Soluciones Logísticas S.A.S.	Subsidiary	5,233	5,373
Éxito Viajes y Turismo S.A.S.	Subsidiary	4,545	6,005
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana	Subsidiary	3,134	3,200
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2)	Subsidiary	2,204	-
Almacenes Éxito Inversiones S.A.S.	Subsidiary	2,176	995
Gestión y Logistica S.A. (Note 17.2)	Subsidiary	153	-
Marketplace Internacional Éxito S.L.	Subsidiary	-	45
Total investments accounted for using the equity method		**4,085,625**	**3,618,703**

(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.

Note 17.1. Non-financial information regarding investments accounted for using the equity method

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

Company	Country	Functional currency	Primary economic activity	Ownership percentage equity method		Number of shares	
				December 31 2021	December 31 2020	December 31 2021	December 31 2020
Spice Investment Mercosur S.A.	Uruguay	Uruguayan peso	Holding	100%	100%	6.550.177.757	6.550.177.757
Patrimonio Autónomo Viva Malls	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Onper Investment 2015 S.L.	Spain	Euro	Holding	100%	100%	3.000	3.000
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50%	50%	11.084.732.098	10.316.462.520
Éxito Industrias S.A.S.	Colombia	Colombian peso	Trade	97.95%	97.95%	3.990.707	3.990.707
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombian peso	Transport	100%	100%	6.774.786	6.774.786
Puntos Colombia S.A.S.	Colombia	Colombian peso	Services	50%	50%	9.000.000	9.000.000
Marketplace Internacional Éxito y Servicios S.A.S.	Colombia	Colombian peso	Trade	100%	100%	8.000.000	5.000.000
Depósitos y Soluciones Logísticas S.A.S.	Colombia	Colombian peso	Trade	100%	100%	5.500.000	5.500.000
Éxito Viajes y Turismo S.A.S.	Colombia	Colombian peso	Services	51%	51%	2.500.000	2.500.000
Fideicomiso Lote Girardot	Colombia	Colombian peso	Real Estate	100%	100%	N/A	N/A
Patrimonio Autónomo Iwana	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2)	Colombia	Colombian peso	Services	100%	100%	42.357.100	1.494.945
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombian peso	Telephone services	100%	100%	300.000	300.000
Gestión y Logística S.A. (Note 17.2)	Panama	Colombian peso	Trade	100%	-	500	-
Marketplace Internacional Éxito S.L.	Spain	Euro	Trade	100%	100%	3.000	3.000

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

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

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Spice Investment Mercosur S.A.	689,919	2,132,546	1,174,315	199,228	1,448,922	2,672,393	114,063	114,063
Patrimonio Autónomo Viva Malls	98,750	2,044,814	58,791	-	2,084,773	288,858	116,412	116,412
Onper Investment 2015 S.L.	314,484	1,008,084	257,445	234,116	831,007	1,218,469	8,843	8,843
Compañía de Financiamiento Tuya S.A.	3,851,907	113,490	1,956,776	1,484,265	524,356	1,074,933	10,681	10,681
Éxito Industrias S.A.S.	134,859	146,477	42,163	51,254	188,019	111,964	19,486	19,486
Logística, Transporte y Servicios Asociados S.A.S.	26,158	16,599	17,747	6,393	18,617	167,556	4,141	4,141
Puntos Colombia S.A.S.	167,340	11,320	151,408	8,051	19,201	259,482	3,787	3,787
Marketplace Internacional Éxito y Servicios S.A.S.	2,385	5,234	842	-	6,777	3,648	395	395
Depósitos y Soluciones Logísticas S.A.S.	4,974	267	9	-	5,232	820	(141)	(141)
Éxito Viajes y Turismo S.A.S.	39,518	3,049	33,683	406	8,478	20,669	4,626	4,626
Fideicomiso Lote Girardot	-	3,850	-	-	3,850	-	-	-
Patrimonio Autónomo Iwana	68	5,668	43	-	5,693	333	(125)	(125)
Transacciones Energéticas S.A.S. E.S.P. (1)	2,286	-	82	-	2,204	-	(851)	(851)
Almacenes Éxito Inversiones S.A.S.	8,800	5,107	9,448	-	4,459	31,589	1,181	1,181
Gestión y Logística S.A. (2)	185	-	32	-	153	-	(34)	(34)
Marketplace Internacional Éxito S.L.	8	-	103	-	(95)	154	(138)	(138)

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

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Spice Investment Mercosur S.A.	594,957	1,919,297	994,750	181,545	1,337,959	2,682,661	119,718	119,718
Patrimonio Autónomo Viva Malls	105,970	2,049,430	65,317	-	2,090,083	251,174	82,464	82,464
Onper Investment 2015 S.L.	244,783	715,595	207,260	176,454	576,664	874,213	(27,908)	(27,908)
Compañía de Financiamiento Tuya S.A.	3,104,242	131,233	1,058,139	1,692,661	484,675	1,164,209	26,665	26,665
Éxito Industrias S.A.S.	115,858	155,604	42,266	59,653	169,543	97,831	7,221	7,221
Logística, Transporte y Servicios Asociados S.A.S.	24,485	19,650	19,237	10,422	14,476	166,392	4,746	4,746
Puntos Colombia S.A.S.	135,435	15,336	129,616	5,740	15,415	238,215	12,669	12,669
Marketplace Internacional Éxito y Servicios S.A.S.	882	4,926	1,002	18	4,788	965	134	134
Depósitos y Soluciones Logísticas S.A.S.	5,005	1,770	493	909	5,373	634	(56)	(56)
Éxito Viajes y Turismo S.A.S.	31,098	4,400	23,479	1,101	10,918	13,597	1,921	1,921
Fideicomiso Lote Girardot	-	3,850	-	-	3,850	-	-	-
Patrimonio Autónomo Iwana	52	5,815	44	-	5,823	411	(46)	(46)
Transacciones Energéticas S.A.S. E.S.P. (1)	689	-	33,052	5,137	(37,500)	-	(1,199)	(1,199)
Almacenes Éxito Inversiones S.A.S.	7,248	5,169	9,139	-	3,278	31,353	730	730
Marketplace Internacional Éxito S.L.	63	-	18	-	45	171	(199)	(199)

(1) At December 31, 2021 and as part of the transition process of its business operation it underwent in December 2021, the subsidiary changed its corporate name, its corporate purpose and its business operation. Its new main corporate purpose is the trading of electric power. Additionally, it was capitalized by the Company in $40,862, which overcame the special grounds for dissolution existing in December 2020. On February 16, 2021, the subsidiary changed its previous corporate name to Transacciones Energéticas S.A.S. E.S.P.

At December 31, 2020, the subsidiary accrued losses amounting to $38,995 that decreased its net equity below 50% of its share capital and resulted in negative capital of $37,500, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Company management together with subsidiary management ceased the trading and operating activities relating to the direct sale of products through sales catalogues. At December 31, 2020, the subsidiary was undergoing a transition process regarding its trading operation.

(2) Subsidiary created on September 7, 2021. (Note 17.3).

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

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

Note 17.3. Corporate purpose of investments accounted for using the equity method

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

Spice Investments Mercosur S.A.

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

Patrimonio Autónomo Viva Malls

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

Onper Investments 2015 S.L.

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

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

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

Compañía de Financiamiento Tuya S.A.

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

Éxito Industrias S.A.S.

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

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

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

Puntos Colombia S.A.S.

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

Marketplace Internacional Éxito y Servicios S.A.S.

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

Depósitos y Soluciones Logísticas S.A.S.

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

Éxito Viajes y Turismo S.A.S.

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

Fideicomiso Lote Girardot

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

Patrimonio Autónomo Iwana

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

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

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

Almacenes Éxito Inversiones S.A.S.

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

Gestión y Logistica S.A.

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

Marketplace Internacional Éxito S.L.

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

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

At December 31, 2021 and at December 31, 2020 the following are associates and joint ventures with material non-controlling interests:

Investment	Material Non-controlling interests December 31 2021	December 31 2020
Joint venture		
Compañía de Financiamiento Tuya S.A.	50%	50%
Puntos Colombia S.A.S.	50%	50%

Below is a summary of financial information regarding associates and joint ventures with material non-controlling interests at December 31, 2021:

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

Below is a summary of financial information regarding associates and joint ventures with material non-controlling interests at December 31, 2020:

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

Note 18. Changes in the classification of financial assets

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

Note 19. Financial liabilities

The balance of financial liabilities is as follows:

	December 31 2021	December 31 2020
Bank loans	878,268	966,855
Finance leases	-	6,849
Total financial liabilities	**878,268**	**973,704**
Current	**136,184**	**647,934**
Non-Current	**742,084**	**325,770**

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

Balance at December 31, 2020 (1)	**973,704**
Increase from disbursements and novation (2)	810,000
Increase from reappraisals and interest	46,161
Exchange difference	725
(Decrease) from repayments or principal, interest and novation (3)	(952,322)
Balance at December 31, 2021	**878,268**

(1) At December 31, 2020, the balance includes $253,750 and $570,000 representing two bilateral credit agreements executed on March 27, 2020, $135,000 representing a bilateral credit agreement executed on June 3, 2020, and $6,849 of financial leases.

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

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

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

In March 2021, the Company novated $540,000 of the bilateral credit in amount of $570,000 executed on March 27, 2020, of which $30,000 had been already repaid, with three new bilateral credit agreements in amounts of $200,000, $190,000 and $150,000 executed on March 26, 2021.

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

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

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

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

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

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:

	December 31 2021	**December 31 2020**
Bank loans	136,184	644,123
Finance leases	-	3,811
Total current	**136,184**	**647,934**
Bank loans	742,084	322,732
Finance leases	-	3,038
Total non-current	**742,084**	**325,770**

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

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

Note 19.1. Obligations acquired under credit agreements obtained during the annual period ended December 31, 2021

a. Financial liabilities: Obligations acquired during the annual period ended December 31, 2021 fall under the same covenant model than those acquired during 2020. Measurement of this indicator at December 31, 2021 is disclosed in Note 19.3

Note 19.2. Obligations acquired under credit agreements obtained during the annual period ended December 31, 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 indicator will be measured annually based on separate financial statements audited at each annual period closing. Measurement of this indicator at December 31, 2021 is disclosed in Note 19.3.

Note 19.3. Financial leverage ratio

The following is the estimation of the financial leverage ratio:

	December 31 2021	December 31 2020
Current (liabilities) assets		
Current financial (liabilities) (1)	(136,184)	(647,934)
Other current financial (liabilities) (2) (Note 26)	(834)	(18,469)
Other current financial assets (3) (Note 11)	13,748	197
Non-current (liabilities) assets		
Non-current financial (liabilities) (1)	(742,084)	(325,770)
Other non-current financial (liabilities) (2) (Note 26)	-	(94)
Other non-current financial assets (3) (Note 11)	3,332	373
Total liabilities (assets), net	**(862,022)**	**(991,697)**
Adjusted recurring Ebitda	**1,203,015**	**910,450**
Net liabilities/Adjusted recurring Ebitda	**0.72**	**1.09**

(1) Current financial liabilities:

	December 31 2021	December 31 2020
Bank loans	136,184	644,123
Finance leases	-	3,811
Total current financial liabilities	**136,184**	**647,934**

Non-current financial liabilities:

	December 31 2021	December 31 2020
Bank loans	742,084	322,732
Finance leases	-	3,038
Total non-current financial liabilities	**742,084**	**325,770**

(2) Other current financial liabilities:

	December 31 2021	December 31 2020
Derivative financial instruments	592	17,317
Derivative financial instruments designated as hedge instruments	242	1,152
Total other current financial liabilities	**834**	**18,469**

Other non-current financial liabilities:

	December 31 2021	December 31 2020
Derivative financial instruments designated as hedge instruments	-	94
Total other non-current financial liabilities	**-**	**94**

(3) Other current financial assets:

	December 31 2021	December 31 2020
Derivative financial instruments designated as hedge instruments	2,691	193
Derivative financial instruments	11,057	4
Total other current financial assets	**13,748**	**197**

Other non-current financial assets:

	December 31 2021	December 31 2020
Derivative financial instruments designated as hedge instruments	3,332	373
Total other non-current financial assets	**3,332**	**373**

(4) Under contract terms, the estimation of the Ebitda is as follows:
- Recurring operating income of the last 12 months, measured pursuant to IFRS 16,
- Plus depreciation and amortization, and all other expenses not involving cash outflows, accrued during the same 12-month period, including those arising from the depreciation of use rights pursuant to IFRS 16
- Plus dividends distributed by subsidiaries, directly or through special-purpose vehicles, under control of the Company, effectively received,
- Plus proforma dividends of subsidiaries acquired during the last 12 months of activity. Proforma dividends are those dividends that would have been received if the Parent had acquired or maintained under control a subsidiary during the entire 12-month period.

Note 20. Employee benefits

The balance of employee benefits is as follows:

	December 31 2021	December 31 2020
Defined benefit plans	18,793	21,125
Long-term benefit plan	1,573	1,756
Total employee benefits	**20,366**	**22,881**
Current	**2,482**	**2,516**
Non-Current	**17,884**	**20,365**

Note 20.1. Defined benefit plans

The Company has implemented the following defined benefit plans:

a. Retirement pension plan

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

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

b. Retroactive severance pay plan

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

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

<u>Balances and development:</u>

The following are balances and development of defined benefit plans:

	Retirement pensions	Retroactive severance pay	Total
Balance at December 31, 2020	**20,542**	**583**	**21,125**
Cost of service	-	15	15
Cost of past service	1,226	-	1,226
Interest expense	1,145	24	1,169
Actuarial loss (gain) from changes in experience	675	(57)	618
Actuarial (loss) from financial assumptions	(2,915)	(31)	(2,946)
Benefits directly (paid) by the Company	(2,242)	(172)	(2,414)
Balance at December 31, 2021	**18,431**	**362**	**18,793**

Variables used to make the calculations:

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

	December 31, 2021		December 31, 2020	
	Retirement pensions	Retroactive severance pay	Retirement pensions	Retroactive severance pay
Discount rate	8.50%	7.80%	5.90%	4.80%
Annual salary increase rate	3.5%	3.5%	3.25%	3.25%
Future annuities increase rate	3.5%	0.00%	3.25%	0.00%
Annual inflation rate	3.5%	3.5%	3.25%	3.25%
Death rate - men (years)	60-62	60-62	60-62	60-62
Death rate - women (years)	55-57	55-57	55-57	55-57
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disability and early retirement rates:

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

Sensitivity analysis:

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

	December 31, 2021		December 31, 2020	
Variation expressed in basis points	Retirement pensions	Retroactive severance pay	Retirement pensions	Retroactive severance pay
Discount rate + 25	(283)	(4)	(352)	(6)
Discount rate - 25	292	4	364	6
Discount rate + 50	(558)	(7)	(692)	(12)
Discount rate - 50	594	7	740	13
Discount rate + 100	(1,083)	(14)	(1,341)	(24)
Discount rate - 100	1,226	15	1,532	26
Annual salary increase rate + 25	N/A	7	N/A	11
Annual salary increase rate - 25	N/A	(7)	N/A	(11)
Annual salary increase rate + 50	N/A	13	N/A	21
Annual salary increase rate - 50	N/A	(13)	N/A	(21)
Annual salary increase rate + 100	N/A	27	N/A	43
Annual salary increase rate - 100	N/A	(26)	N/A	(41)

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

	December 31, 2021		December 31, 2020	
Year	Retirement pensions	Retroactive severance pay	Retirement pensions	Retroactive severance pay
2021	-	-	2,195	84
2022	2,256	5	2,186	6
2023	2,249	50	2,148	113
2024	2,218	4	2,096	49
>2025	31,798	448	25,708	473
Total	**38,521**	**507**	**34,333**	**725**

Other considerations:

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

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

The defined contribution plan expense during the annual period ended December 31, 2021 amounted to $46,125 (December 31, 2020 - $41,282).

Note 20.2. Long-term benefit plan

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

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

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

Balances and development:

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

Balance at December 31, 2020	**1,756**
Cost of service	73
Interest expense	88
Actuarial gain from changes in experience	83
Benefits directly (paid) by the Company	(241)
Actuarial (loss) from financial assumptions	(186)
Balance at December 31, 2021	**1,573**

Variables used to make the calculations:

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

	December 31 2021	**December 31 2020**
Discount rate	8.10%	5.40%
Annual salary increase rate	3.5%	3.25%
Annual inflation rate	3.5%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

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

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

Sensitivity analysis:

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

Variation expressed in basis points	**December 31 2021**	**December 31 2020**
Discount rate + 25	(18)	(23)
Discount rate - 25	18	24
Discount rate + 50	(36)	(46)
Discount rate - 50	38	49
Discount rate + 100	(71)	(90)
Discount rate - 100	77	100
Annual salary increase rate + 25	16	25
Annual salary increase rate - 25	(15)	(24)
Annual salary increase rate + 50	32	50
Annual salary increase rate - 50	(31)	(48)
Annual salary increase rate + 100	65	101
Annual salary increase rate - 100	(60)	(93)

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

Year	December 31 2021	December 31 2020
2021	-	237
2022	221	201
2023	169	160
2024	295	259
>2025	1,802	1,591
Total	**2,487**	**2,448**

<u>Other considerations:</u>

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

The Company has not devoted specific assets to guarantee payment of the time-of-service bonus.

The defined contribution plan expense at December 31, 2021 amounted to $117 (December 31, 2020 - $13).

Note 21. Other provisions

The balance of other provisions is made as follows:

	December 31 2021	December 31 2020
Legal proceedings (1)	12,835	13,039
Reorganization (2)	878	1,182
Taxes other than income tax (3)	3,407	6,680
Other (4)	10,239	53,948
Total other provisions	**27,359**	**74,849**
Current (Note 21.1)	**16,368**	**23,003**
Non-current (Note 21.1)	**10,991**	**51,846**

At December 31, 2021 and at December 31, 2020, the Company did not recognize provisions for contracts for consideration.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements.

	December 31 2021	December 31 2020
Labor legal proceedings (a)	7,915	9,764
Civil legal proceedings (b)	4,920	3,275
Total legal proceedings	**12,835**	**13,039**

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

	December 31 2021	December 31 2020
Health and retirement pension	3,100	4,575
Indemnifications	2,730	2,806
Labor relation and solidarity	1,810	1,768
Salary and mandatory payment adjustments	195	565
Collective matters	80	50
Total provisions for labor lawsuits	**7,915**	**9,764**

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

	December 31 2021	December 31 2020
Data protection	560	600
Premise conditions	428	302
Third party liability	10	212
Real estate proceedings	239	239
Metrology and technical regulations	206	224
Consumer protection	345	115
Other minor proceedings	3,132	1,583
Total provisions for civil lawsuits	**4,920**	**3,275**

(2) The provision for reorganization represents:

(a) Reorganization processes announced to the employees of stores, industry and corporate that will affect Company activities in amount of $878. During the annual period ended December 31, 2021, the expense recorded for this concept amounts to $7,689, which was recognized in period results as other operating expenses.

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

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

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

	December 31 2021	December 31 2020
Value added tax payable	3,166	3,166
Real estate tax	241	1,297
Industry and trade tax, and complementary ads and boards tax	-	2,217
Total provision for taxes other than income tax	**3,407**	**6,680**

(4) The balance of other provisions represents:

	December 31 2021	December 31 2020
Provision for Montevideo real estate project(a)	3,500	3,500
Closure of stores	2,925	2,290
Urban improvements	2,215	-
Reduction for merchandise *VMI*	1,031	826
Marketplace Internacional Éxito S.L. (b)	95	-
Other minor balances	473	-
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2) (b)	-	37,500
Provision of contributions to retirement pensions (c)	-	9,832
Total other provisions	**10,239**	**53,948**

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

(b) Represents liabilities carried to recognize additional losses of these subsidiaries that exceed 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. The decrease in the balance of subsidiary Transacciones Energéticas S.A.S. is because in August 2021 and in October 2021 this subsidiary was capitalized in amounts of $38,362 and $2,500, respectively.

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

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

	Legal proceedings	Taxes other than income tax	Reorganization	Other	Total
Balance at December 31, 2020	**13,039**	**6,680**	**1,182**	**53,948**	**74,849**
Increase	12,028	-	12,793	14,399	39,220
Payments	(8,837)	-	(11,994)	(16,698)	(37,529)
Reversal of unused amounts	(3,395)	(3,273)	(1,103)	(548)	(8,319)
Reversal upon capitalization	-	-	-	(40,862)	(40,862)
Balance at December 31, 2021	**12,835**	**3,407**	**878**	**10,239**	**27,359**

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

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

	December 31 2021	December 31 2020
Taxes other than income tax	3,166	3,166
Legal proceedings	2,180	2,207
Reorganization	878	1,182
Other	10,144	16,448
Total current	**16,368**	**23,003**
Legal proceedings	10,655	10,832
Taxes other than income tax	241	3,514
Other	95	37,500
Total non-current	**10,991**	**51,846**

Note 21.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is liable at December 31, 2021 are:

	Legal proceedings	Taxes other than income tax	Reorganization	Other	Total
Less than 12 months	2,180	3,166	878	10,144	**16,368**
More than one year	10,655	241	-	95	**10,991**
Total forecasted payments	**12,835**	**3,407**	**878**	**10,239**	**27,359**

Note 22. Accounts payable to related parties

Note 22.1. Accounts payable

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

	December 31 2021	December 31 2020
Subsidiaries (1)	128,576	87,931
Joint ventures (2)	42,495	36,290
Grupo Casino companies (3)	12,224	4,243
Controlling entity	-	8
Total accounts payable	**183,295**	**128,472**

(1) Balances relate to the following subsidiaries and items:

- The balance of payables by each subsidiary is as follows:

	December 31 2021	December 31 2020
Éxito Industrias S.A.S.	110,966	75,554
Logística, Transporte y Servicios Asociados S.A.S.	10,066	6,959
Almacenes Éxito Inversiones S.A.S.	2,778	3,305
Patrimonios Autónomos (Stand-alone trust funds)	2,461	1,755
Marketplace Internacional Éxito y Servicios S.A.S.	2,023	227
Éxito Viajes y Turismo S.A.S.	161	61
Depósitos y Soluciones Logísticas S.A.S.	121	70
Total accounts payable to subsidiaries	**128,576**	**87,931**

- The balance payable to subsidiaries relates to:

	December 31 2021	December 31 2020
Purchase of assets and inventories	110,552	74,239
Transportation Service	10,066	6,959
Lease of property	3,083	2,174
Mobile recharge collection service	2,778	3,305
Capital contribution liabilities	2,024	227
Purchase of tourist trips	44	61
Other services received	29	641
Tax withholdings on earnings declared	-	325
Total accounts payable to subsidiaries	**128,576**	**87,931**

(2) Represents an 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 $42,495 (December 31, 2020 - $35,488).

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

	December 31 2021	December 31 2020
Greenyellow Energía de Colombia S.A.S.	9,352	1,546
Casino Services	1,637	229
Casino Guichard Perrachon S.A.	847	562
Distribution Casino France	224	1,834
International Retail and Trade Services IG	164	72
Total Grupo Casino companies	**12,224**	**4,243**

Note 22.2. Lease liabilities

The balance of lease liabilities with related parties is as follows:

	December 31 2021	December 31 2020
Subsidiaries	506,195	503,122
Total lease liabilities (Note 24)	**506,195**	**503,122**
Current	**43,454**	**39,801**
Non-Current	**462,741**	**463,321**

The balance of lease liabilities relates to lease contracts entered with the following subsidiaries:

	December 31 2021	December 31 2020
Éxito Industrias S.A.S.	41,957	30,029
Patrimonios Autónomos (Stand-alone trust funds)	464,238	473093
Total lease liabilities	**506,195**	**503,122**

Note 22.3. Other financial liabilities

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

	December 31 2021	December 31 2020
Joint ventures (1)	17,441	15,909
Subsidiaries (2)	12,279	11,451
Total other financial liabilities	**29,720**	**27,360**

(1) 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 26).

(2) Represents monies collected from subsidiaries as part of the in-house cash program (Note 26).

Note 23. Trade payables and other accounts payable

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

	December 31 2021	December 31 2020
Suppliers	3,598,423	3,365,644
Costs and expenses payable	362,190	318,186
Employee benefits	141,854	136,462
Purchase of assets	62,490	24,771
Tax withholdings payable	49,919	36,541
Purchase of assets (1)	49,850	-
Dividends payable	2,119	2,070
Taxes collected payable	1,067	25,425
Other	31,742	21,986
Total trade payables and other accounts payable	**4,299,654**	**3,931,085**
Current	**4,249,804**	**3,931,085**
Non-Current	**49,850**	**-**

(1) Represents the acquisition of computers related with the technological upgrade of the "*Clearpath*" platform (Note 12). Payment is due in 2027.

Note 24. Lease liabilities

The balance of lease liabilities is as follows:

	December 31 2021	December 31 2020
Lease liabilities (1)	1,820,785	1,784,965
Current	**239,831**	**230,240**
Non-Current	**1,580,954**	**1,554,725**

(1) Includes $506,195 (December 31, 2020 - $503,122) liabilities arising from leases contracted with related parties (Note 22).

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

Up to one year	344,635
From 1 to 5 years	1,162,077
More than 5 years	970,741
Minimum lease liability payments	**2,477,453**
Future financing (expenses)	(896,499)
Total minimum net lease liability payments	1,580,954

Note 25. Income tax

Tax rules applicable to the Company

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

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

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

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

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

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

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

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

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

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

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

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

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

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

l. As of 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 31% for management or administration services.

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

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

Tax credits

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

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

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

At March 31, 2021 and at December 31, 2020, the Company assessed its income tax by applying the ordinary income system.

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

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

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

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

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

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

Finality of tax returns

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

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

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

Transfer pricing

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

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.

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

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

The following are the most significant amendments regarding the income tax applicable to the Company, in effect as of 2022:

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

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

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

Note 25.1. Current tax assets and liabilities

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

Current tax assets

	December 31 2021	December 31 2020
Total income tax balance receivable (1)	223,035	210,303
Tax discounts (2)	84,490	63,249
Industry and trade tax advances and withholdings	55,573	51,057
Tax discounts from taxes paid abroad	23,899	14,930
Total current tax assets	**386,997**	**339,539**

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

	December 31 2021	December 31 2020
Income tax withholdings	223,035	217,775
Tax discounts (a)	71,716	44,967
Subtotal	**294,751**	**262,742**
Income tax (expense) (Note 25.2)	(71,716)	(52,439)
Total income tax balance receivable	**223,035**	**210,303**

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

(2) Tax discounts are comprised of:

	December 31 2021	December 31 2020
VAT on productive real assets	71,720	29,614
Industry and trade tax	12,770	33,606
Other minor items	-	29
Total tax discounts	**84,490**	**63,249**

Current tax liabilities

	December 31 2021	December 31 2020
Industry and trade tax payable	75,722	67,859
Real estate tax	516	415
Total current tax liabilities	**76,238**	**68,274**

Note 25.2. Income tax

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Earnings before income tax	**574,973**	**251,136**
Add		
Non-deductible expenses	16,239	30,241
Tax on financial transactions	6,348	8,716
Fines, penalties and litigation	5,340	1,004
Reimbursement of deduction for income-generating fixed assets	1,617	1,499
Taxes taken on and revaluation	1,310	903
Accounting provision and receivables written off	1,174	5,993
Net income - recovery of depreciation of fixed assets sold	35	695
Selling price of fixed assets held less than two years	34	-
IFRS adjustments with no tax effects (1)	-	33,464
Less		
IFRS adjustments with no tax effects (1)	(116,610)	-
Goodwill tax deduction, in addition to the accounting deduction	(21,895)	(20,606)
Deduction of ICA tax paid after filing of the income tax return	(5,476)	(6,760)
Untaxed dividends of subsidiaries	(3,604)	-
Recovery of costs and expenses	(2,572)	(2,535)
Deduction from hiring of handicapped employees	(2,375)	(1,598)
Special deduction on donation to food banks and other	(1,918)	(1,494)
30% additional deduction on salaries paid to apprentices hired at Company will	(1,206)	(1,422)
Non-deductible taxes	(411)	(349)
Derecognition of gain from the sale of fixed assets reported as occasional gain	(69)	(74,117)
Net income	**450,934**	**224,770**
Offsetting (2)	(171,454)	-
Net (loss) income after offsetting	**279,480**	**224,770**
Presumptive income current period (3)	**-**	**19,023**
Taxable net income	**279,480**	**224,770**
Income tax rate	31%	32%
Subtotal income tax (expense)	**(86,639)**	**(71,927)**
Occasional gains tax (expense)	-	(2,906)
Tax discounts	14,923	22,394
Total income tax (expense)	**(71,716)**	**(52,439)**
Prior year tax adjustment (4)	**(94)**	**(15,086)**
Total current income tax (expense)	**(71,810)**	**(67,525)**

(1) IFRS adjustments with no tax effects are:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Taxed leases	101,836	70,270
Taxed dividends of subsidiaries	93,245	126,126
Accounting provisions	41,838	136,164
Exchange difference, net	18,158	7,732
Untaxed dividends of subsidiaries	3,604	-
Taxed actuarial estimation	1,646	2,260
Net results using the equity method	(226,362)	(185,777)
Recovery of provisions	(52,644)	(85,858)
Excess tax depreciation over accounting depreciation	(42,557)	(37,148)
Other non-tax accounting (revenue) expense, net	(21,907)	6,579
Non-accounting costs for tax purposes	(21,751)	6,238
Excess personnel expenses for tax purposes over accounting personnel expenses	(9,576)	(53,405)
Other accounting expenses with no tax effects	(1,896)	40,579
Non-deductible taxes	(244)	(294)
Non-deductible fines and penalties	-	(2)
IFRS adjustments with no tax effects	**(116,610)**	**33,464**

(2) Offsetting of presumptive income against net income for the period

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

Presumptive income was assessed as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Net Shareholders' equity	-	3,951,494
Less net shareholders' equity to be excluded	-	(146,810)
Net shareholders' equity base	**-**	**3,804,684**
Presumptive income	**-**	**19,023**

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

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Current income tax (expense)	(71,810)	(67,525)
Deferred income tax (expense) revenue (Note 25.3)	(28,482)	47,261
Total income tax (expense)	**(100,292)**	**(20,264)**

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

	December 31 2021	Rate	December 31 2020	Rate
Earnings before income tax	**574,973**		**251,136**	
Tax (expense) at applicable tax rate	(178,241)	(31%)	(80,364)	(32%)
Tax effect of adjustment to current taxes from prior periods	(14,182)	(2%)	16,623	7%
Tax effect of non-deductible expenses on the estimation of tax losses	(10,741)	(2%)	(14,062)	(6%)
Other tax effects from the reconciliation of accounting income to tax expense	65,643	11%	71,053	28%
Tax effect from changes in tax rates	36,134	7%	(14,780)	(6%)
Tax effect of untaxed revenue on the estimation of tax losses	1,095	0%	1,266	1%
Total income tax (expense)	**(100,292)**	**(17%)**	**(20,264)**	**(8%)**

Note 25.3. Deferred tax

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

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

	December 31, 2021			December 31, 2020		
	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	637,274	-	637,274	537,792	-	537,792
Tax losses	258,391	-	258,391	221,478	-	221,478
Excess presumptive income	121,296	-	121,296	155,404	-	155,404
Tax credits	82,257	-	82,257	76,692	-	76,692
Other provisions	8,435	-	8,435	21,703	-	21,703
Trade and other payables	8,392	-	8,392	334	-	334
Trade and other receivables	3,918	-	3,918	4,743	-	4,743
Inventories	3,593	-	3,593	5,904	-	5,904
Employee benefit provisions	1,154	-	1,154	1,614	-	1,614
Prepaid expenses	747	-	747	886	-	886
Other financial liabilities	292	-	292	5,754	-	5,754
Non-current assets held for trading	3	-	3	-	(286)	(286)
Financial liabilities	-	-	-	1,435	-	1,435
Accounts payable to related parties	-	-	-	22	-	22
Cash and cash equivalents	-	-	-	-	(2)	(2)
Other non-financial liabilities	-	(139)	(139)	-	(139)	(139)
Real estate projects	-	(176)	(176)	-	(225)	(225)
Investments in subsidiaries and joint ventures	-	(385)	(385)	308	-	308
Construction in progress	-	(460)	(460)	-	(4,247)	(4,247)
Accounts receivable from related parties	-	(3,756)	(3,756)	-	(346)	(346)
Intangible assets other than goodwill	-	(4,004)	(4,004)	-	(3,573)	(3,573)
Land	-	(4,322)	(4,322)	-	(5,124)	(5,124)
Other financial assets	-	(5,182)	(5,182)	-	(6,293)	(6,293)
Other property, plant and equipment	-	(22,320)	(22,320)	-	(25,751)	(25,751)
Investment property	-	(45,990)	(45,990)	-	(39,957)	(39,957)
Goodwill	-	(144,997)	(144,997)	-	(145,302)	(145,302)
Buildings	-	(164,841)	(164,841)	-	(128,802)	(128,802)
Use rights	-	(563,360)	(563,360)	-	(473,738)	(473,738)
Total	**1,125,752**	**(959,932)**	**165,820**	**1,034,069**	**(833,785)**	**200,284**

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Deferred income tax (expense) revenue	(29,030)	39,306
Deferred occasional gain tax revenue	548	7,955
Total deferred income tax (expense) revenue	**(28,482)**	**47,261**

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

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

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

	January 1 to December 31, 2021
Deferred tax (expense) recognized in income for the period	(28,482)
(Expense) from deferred tax recognized in other comprehensive income for the period.	(5,982)
Total development of net deferred tax between December 31, 2021 and December 31, 2020	**(34,464)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at December 31, 2021 amount to $1,286,610 (December 31, 2020 -$ 893,282).

Note 26. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31 2021	December 31 2020
Collections received on behalf of third parties (1)	65,983	62,897
Derivative financial instruments (2)	592	17,317
Derivative financial instruments designated as hedge instruments (3)	242	1,246
Total other financial liabilities	**66,817**	**81,460**
Current	**66,817**	**81,366**
Non-Current	**-**	**94**

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

	December 31 2021	December 31 2020
Non-banking correspondent	28,058	27,005
Éxito Card collections (a)	17,441	15,909
In-house cash (b)	12,279	11,451
Direct trading (*marketplace*)	5,594	5,245
Other collections	2,611	3,287
Total	**65,983**	**62,897**

(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 22.3).

(b) Represents monies collected for subsidiaries as part of the in-house cash program (Note 22.3). A detail by subsidiary is as follows:

	December 31 2021	December 31 2020
Logística, Transporte y Servicios Asociados S.A.S.	10,902	10,999
Éxito Industrias S.A.S.	1,354	289
Almacenes Éxito Inversiones S.A.S.	21	161
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2)	2	2
Total	**12,279**	**11,451**

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

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

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

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

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

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

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

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

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

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

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

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	242	-	-	-	**242**

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

Hedge instrument	Nature of risk hedged	Hedged item	Range of rates for the hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	2.0545% - 2.145%	1,246
					1,246

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

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	114	407	631	94	**1,246**

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

	December 31 2021	December 31 2020
Collections received on behalf of third parties	65,983	62,897
Derivative financial instruments	592	17,317
Derivative financial instruments designated as hedge instruments	242	1,152
Total current	**66,817**	**81,366**
Derivative financial instruments designated as hedge instruments	-	94
Total non-current	**-**	**94**

Note 27. Other non-financial liabilities

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

	December 31 2021	December 31 2020
Revenue received in advance (1)	165,046	121,967
Advance payments under lease agreements and other projects	2,878	1,321
Instalments received under "plan resérvalo"	260	292
Repurchase coupon	99	9
Advance payments for real estate projects (2)	-	74,938
Total other non-financial liabilities	**168,283**	**198,527**
Current	**166,116**	**197,917**
Non-Current	**2,167**	**610**

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

	December 31 2021	December 31 2020
Gift card	74,476	65,580
Cafam comprehensive card	11,097	10,106
Exchange card	4,723	4,046
Fuel card	743	775
Other (a)	74,007	41,460
Total	**165,046**	**121,967**

(a) The balance includes:

	December 31 2021	December 31 2020
Advances received from domestic customers	41,380	24,184
Redeemable coupons	26,613	10,114
Other advance payments received from third parties	6,014	7,162
Total other	**74,007**	**41,460**

(2) At December 31, 2020, represented an advance payment received as part of the contract for the construction of real estate projects; at that date the Company had contracts pending legalization to complete the final settlement of the construction of the projects. The advance payment was legalized and the corresponding fees were recognized in March 2021.

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

	December 31 2021	December 31 2020
Revenue received in advance	165,046	121,967
Advance payments under lease agreements and other projects	711	711
Instalments received under "plan resérvalo"	260	292
Repurchase coupon	99	9
Advance payments for real estate projects	-	74,938
Total current	**166,116**	**197,917**
Advance payments under lease agreements and other projects	2,167	610
Total non-current	**2,167**	**610**

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

At December 31, 2021 and at December 31, 2020 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 December 31, 2021 and at December 31, 2020. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account as result of the issue of a share-based dividend.

Note 29. Reserves, Retained earnings and Other comprehensive income

<u>Reserves</u>

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.

<u>Retained earnings</u>

Retained earnings include the effect on shareholders' equity of the convergence to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131, on December 22, 2017 by Regulatory Decree 2170, on November 5, 2020 by Regulatory Decree 1432, on August 19, 2021 by Regulatory Decree 938 and on December 9, 2021 by Regulatory Decree 1670, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270.

Other accumulated comprehensive income

The balance of each component of other comprehensive income in the statement of financial position is as follows:

	December 31, 2021			December 31, 2020		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Measurement of financial assets at fair value through other comprehensive income (1)	(1,858)	-	(1,858)	(1,275)	-	(1,275)
Measurement of defined benefit plans (2)	(3,582)	1,257	(2,325)	(5,910)	1,773	(4,137)
Translation exchange differences (3)	(1,218,439)	-	(1,218,439)	(1,328,561)	-	(1,328,561)
(Loss) from the hedge of investments in foreign businesses	(18,312)	(3,138)	(21,450)	(15,474)	(221)	(15,695)
(Loss) from the hedge of cash flows (4)	6,023	(2,108)	3,915	(1,435)	441	(994)
Total other accumulated comprehensive income	**(1,236,168)**	**(3,989)**	**(1,240,157)**	**(1,352,655)**	**1,993**	**(1,350,662)**

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

(2) Represents the accumulated value of actuarial gains or losses arising from the 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 of assets, liabilities, equity and results of foreign operations into the Company's reporting currency. 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 hedged non-financial item.

Note 30. Revenue from ordinary activities under contracts with customers

The amount of revenue from ordinary activities under contracts with customers is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Total retail sales (1)	12,290,994	11,649,896
Service revenue (2)	284,278	261,474
Other ordinary revenue (3)	194,110	50,970
Total revenue from ordinary activities under contracts with customers	**12,769,382**	**11,962,340**

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Retail sales, net of sales returns and rebates	12,234,233	11,582,641
Sale of real estate project inventories (a)	56,761	67,255
Total retail sales	**12,290,994**	**11,649,896**

(a) At December 31, 2021, represents the sale of a percentage of the Montevideo real estate project inventory in amount of $56,306 and the sale of a percentage of La Secreta real estate project inventory in amount of $455. At December 31, 2020, represent the sale of a percentage of the Montevideo real estate project inventory in amount of $66,200 and the sale of a percentage of La Secreta real estate project inventory in amount of $1,055.

(2) The amount of service revenue relates to:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Distributors	85,993	81,938
Advertising	75,484	77,568
Lease of real estate	23,928	16,708
Lease of physical space	23,500	16,115
Commissions	17,924	18,191
Non-banking correspondent	16,392	15,144
Transport	14,336	907
Administration of real estate	13,211	8,339
Money transfers	7,474	6,500
Other services	6,036	20,064
Total service revenue	**284,278**	**261,474**

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Exploitation of assets (a)	86,489	13,453
Involvement in collaboration agreement (b)	63,742	1,090
Marketing events	18,305	21,813
Royalties	14,526	9,098
Financial services	3,134	2,859
Use of parking spaces	1,468	771
Technical assistance	1,452	976
Other	4,994	910
Total other ordinary revenue	**194,110**	**50,970**

(a)For 2021, mainly represents revenue from fees on the development and construction of real estate projects in amount of $74,938.

(b) Represents the involvement in the following collaboration agreements:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Compañía de Financiamiento Tuya S.A.	59,050	-
Kiire	3,106	-
Éxito Media	1,586	1,090
Total involvement in collaboration agreements	**63,742**	**1,090**

Note 31. Distribution expenses and Administration and sales expenses

The amount of distribution expenses is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Depreciation and amortization	333,491	320,589
Fuels and power	137,980	128,751
Repairs and maintenance	116,246	90,338
Taxes other than income tax	114,227	117,991
Advertising	93,259	85,076
Security services	70,884	67,409
Leases	60,704	53,757
Services	53,815	49,486
Commissions on debit and credit cards	53,339	58,631
Transport	42,427	47,227
Administration of trade premises	42,050	39,040
Cleaning services	41,683	41,685
Professional fees	29,239	28,222
Insurance	27,545	23,432
Packaging and marking materials	16,268	14,172
Impairment expense	12,112	8,457
Cleaning and cafeteria	8,315	8,455
Outsourced employees	7,167	8,610
Other provision expenses	5,916	17,330
Legal expenses	5,654	6,392
Ground transportation	5,111	4,401
Stationery	4,093	4,186
Other commissions	3,878	8,149
Travel expenses	3,049	1,425
Autos Éxito collaboration agreement	805	-
Other	146,949	108,629
Total distribution expenses	**1,436,206**	**1,341,840**

The amount of administration and sales expenses is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Professional fees	37,735	32,952
Depreciation and amortization	36,660	31,714
Repairs and maintenance	22,720	18,162
Taxes other than income tax	12,364	12,978
Other provision expenses	12,028	5,552
Impairment expenses	10,620	12,416
Services	8,266	7,579
Commissions	7,272	4,090
Insurance	7,118	4,991
Travel expenses	5,986	4,242
Outsourced employees	4,363	4,421
Other commissions	3,042	2,283
Fuels and power	2,580	2,487
Administration of trade premises	1,682	1,315
Leases	1,020	5,604
Contributions and affiliations	987	994
Transport	472	1,393
Entertainment	337	398
Ground transportation	287	-
Fines, penalties and litigation	1	1,589
Other	6,738	6,477
Total administration and sales expenses	**182,278**	**161,637**

Note 32. Employee benefit expense

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Wages and salaries	563,686	555,053
Contributions to the social security system	8,383	8,763
Other short-term employee benefits	38,776	37,909
Total short-term employee benefit expense	**610,845**	**601,725**
Post-employment benefit expenses, defined contribution plans	46,125	41,282
Post-employment benefit expenses, defined benefit plans	1,174	(472)
Total post-employment benefit expenses	**47,299**	**40,810**
Termination benefit expenses	449	316
Other long-term employee benefits	(117)	13
Other personnel expenses	14,091	14,390
Total employee benefit expenses	**672,567**	**657,254**

Note 33. Other operating revenue, other operating expenses and other net (losses)

Other operating revenue, other operating expenses and other net gains (losses) 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 expenses and other net (losses), is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Other operating revenue		
Recurring		
Recovery of allowance for trade receivables (Note 7.1)	18,173	16,757
Reimbursement of tax-related costs and expenses	3,272	861
Recovery of other provisions related with labor lawsuits	2,786	1,624
Compensation from insurance companies	2,300	1,157
Recovery of costs and expenses from taxes other than income tax	1,774	3,874
Recovery of other provisions related with civil lawsuits	609	2,644
Recovery of other provisions	548	774
Other revenue	-	793
Total recurring	**29,462**	**28,484**
Non-recurring		
Compensation from insurance companies	1,608	-
Recovery of other provisions related with reorganization processes	1,103	16,789
Other revenue	-	5
Total non-recurring	**2,711**	**16,794**
Total other operating revenue	**32,173**	**45,278**
Other operating expenses		
Other expenses (1)	(20,530)	(19,340)
Reorganization expenses (2)	(12,793)	(60,233)
Social emergency-related expenses (3)	-	(22,366)
Total other operating expenses	**(33,323)**	**(101,939)**
Other (loss) gains, net		
Derecognition of property, plant and equipment (4)	(14,754)	(23,435)
Impairment of investment property (5)	(5,360)	(112)
Impairment of property, plant and equipment (6)	(995)	-
(Expense) revenue from early termination of lease contracts (7)	(342)	19,893
Gain from the sale of property, plant and equipment	73	417
Impairment of intangible assets other than goodwill (8)	-	(9,266)
Other minor income	-	801
Total other net (losses)	**(21,378)**	**(11,702)**

(1) The following is a detail of other expenses:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Special projects (a)	5,325	7,401
Closure of stores	5,079	11,634
Inventory derecognition (b)	3,164	-
Suramérica project	2,100	-
Health plan (c)	1,707	-
Implementation of IFRS 16 - Leases	218	217
Reorganization of stores	87	-
Bricks II project	-	88
Other extraordinary expenses (b)	2,850	-
Total other expenses	**20,530**	**19,340**

(a) Represents expenses relevant to special projects carried out by the Company as part of its analysis of other business units and implementation of standards and laws.

(b) Represents derecognition of inventories and other extraordinary expenses arising from acts against the infrastructure of stores in different cities of the country.

(c) Represents expenses incurred on occasion of the national employee health plan established by the National Government.

(2) The following is a detail of expenses from reorganization:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Company reorganization plan (a)	7,689	60,223
Transfer of the Cedi Montevideo operation reorganization plan	5,104	-
Total reorganization expenses	**12,793**	**60,223**

(a) Expenses from the Company's restructuring plan provision, which include the purchase of the operating excellence plan and corporate retirement plan.

(3) 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.

(4) The following is a detail of derecognition of property, plant and equipment:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Derecognition of machinery and equipment from physical damage	4,473	3,587
Derecognition of assets from the reconciliation of physical counts	3,905	16,709
Derecognition of assets from the closure of stores	3,866	-
Derecognition of buildings from physical damage	1,128	1,325
Derecognition of furniture and fixtures from physical damage	743	1,384
Derecognition of computers from physical damage	334	118
Derecognition from insurance claims	208	37
Derecognition of vehicles from physical damage	97	92
Derecognition of improvements to leased property from physical damage	-	26
Derecognition due to obsolescence	-	157
Total derecognition of property, plant and equipment	**14,754**	**23,435**

(5) For 2021 represents the impairment of the properties Viva Suba in amount of $2,591 and Surtimax Cota in amount of $2,793 and the recovery of impairment of the trade premises at Centro Comercial Pereira Plaza in amount of $23 and Lote Rincón de las Lomas in amount of $1 (Note 13).

For 2020 represents the impairment of investment properties at Centro Comercial Pereira Plaza in amount of $111 and Lote Rincón de las Lomas in amount of $1 (Note 13).

(6) For 2021 represents the impairment of trade premises at Centro Comercial San Mateo in amount of $756 and improvements to leased property at Carulla Torre del Reloj in amount of $239 (Note 12).

(7) In 2021 represents expenses and in 2020 represents revenue arising from the derecognition of use rights and lease liabilities upon early termination of contracts and changes in contract terms.

(8) In 2020 represents the impairment of the rights to exploit trade premises in amount of $9,266 (Note 16).

Note 34. Financial revenue and expenses

The amount of financial revenue and expenses is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Gain from derivative financial instruments	53,548	77,418
Gain from exchange difference	21,703	38,184
Revenue from interest on cash and cash equivalents (Note 6)	5,510	12,735
Other financial revenue	12,918	14,916
Total financial revenue	**93,679**	**143,253**
Interest expense on lease liabilities	(107,227)	(156,464)
Expenses arising from interest on loans and finance leases.	(80,209)	(109,724)
Loss from exchange difference	(73,641)	(49,908)
Loss from derivative financial instruments	(16,343)	(76,337)
Commission expense	(4,680)	(3,587)
Other financial expenses	(4,947)	(7,550)
Total financial expenses	**(287,047)**	**(403,570)**

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

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

	January 1 to December 31, 2021	January 1 to December 31, 2020
Spice Investments Mercosur S.A.	114,063	119,718
Patrimonio Autónomo Viva Malls	67,853	54,882
Éxito Industrias S.A.S.	21,718	14,375
Onper Investments 2015 S.L.	8,843	(27,908)
Compañía de Financiamiento Tuya S.A.	5,340	13,332
Logística, Transporte y Servicios Asociados S.A.S.	4,141	4,746
Éxito Viajes y Turismo S.A.S.	2,160	1,146
Puntos Colombia S.A.S.	1,894	6,335
Almacenes Éxito Inversiones S.A.S.	1,181	730
Marketplace Internacional Éxito y Servicios S.A.S.	396	(135)
Gestión y Logística S.A.	(34)	-
Patrimonio Autónomo Iwana	(64)	10
Marketplace Internacional Éxito S.L.	(138)	(199)
Depósitos y Soluciones Logísticas S.A.S.	(140)	(56)
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2)	(851)	(1,199)
Total	**226,362**	**185,777**

Note 36. 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 December 31, 2021 and at December 31, 2020, the Company has not carried out transactions with potential ordinary shares, neither after the closing date nor at the date of release of these financial statements.

Below is information regarding earnings and number of shares used in the calculation of basic and diluted earnings per basic and diluted share:

In period results:

	January 1 to December 31, 2020	January 1 to December 31, 2020
Net gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**474,681**	**230,872**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share (in Colombian pesos)	**1,060.49**	**515.80**

In total comprehensive income for the period:

	January 1 to December 31, 2020	January 1 to December 31, 2020
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**585,186**	**(50,678)**
Weighted average of the number of ordinary shares attributable to earnings (loss) per share (basic and diluted)	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in Colombian pesos)	**1,307.38**	**(113.22)**

Note 37. Transactions with related parties

Note 37.1. Key management personnel compensation

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

Compensation of key management personnel is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Short-term employee benefits	54,817	51,823
Post-employment benefits	2,108	2,277
Termination benefits	-	1,192
Total key personnel compensation	**56,925**	**55,292**

Note 37.2. Revenue, costs and expenses with related parties

The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue	
	January 1 to December 31, 2021	January 1 to December 31, 2020
Joint ventures (1)	132,109	65,650
Subsidiaries (2)	48,629	56,066
Grupo Casino companies (3)	7,265	7,891
Controlling entity (4)	-	93
Total	**188,003**	**129,700**

	Costs and expenses	
	January 1 to December 31, 2021	January 1 to December 31, 2020
Subsidiaries (2)	365,678	363,527
Joint ventures (1)	88,713	87,161
Grupo Casino companies (3)	58,136	44,363
Controlling entity (4)	9,777	9,848
Members of the Board	1,574	1,736
Total	**523,878**	**506,635**

(1) The amount of revenue and costs and expenses with each joint venture is as follows:

Revenue:

Description	Compañía de Financiamiento Tuya S.A.		Puntos Colombia S.A.S.	
	January 1 to December 31, 2021	**January 1 to December 31, 2020**	**January 1 to December 31, 2021**	**January 1 to December 31, 2020**
Involvement in corporate collaboration agreement	59,049	-	-	-
Commercial activation recovery	52,047	43,739		
Yield on bonus, coupons and energy	14,224	14,122	-	-
Lease of real estate	4,886	5,247	-	-
Services	923	1,836	980	706
Total revenue	**131,129**	**64,944**	**980**	**706**

Costs and expenses:

Description	Compañía de Financiamiento Tuya S.A.		Puntos Colombia S.A.S.	
	January 1 to December 31, 2021	**January 1 to December 31, 2020**	**January 1 to December 31, 2021**	**January 1 to December 31, 2020**
Cost of customer loyalty program	-	-	83,063	83,014
Commissions on means of payment	5,650	4,147	-	-
Total costs and expenses	**5,650**	**4,147**	**83,063**	**83,014**

(2) Revenue relates to the provision of administration services to Éxito Industria S.A.S., to Almacenes Éxito Inversiones S.A.S., to Transacciones Energéticas S.A.S. E.S.P., to Logística, Transporte y Servicios Asociados S.A.S., to Depósito y Soluciones Logísticas S.A.S., and to Patrimonios Autónomos (stand-alone trust funds); and to the 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 amount of revenue with each subsidiary is as follows:

	January 1 to December 31, 2021	**January 1 to December 31, 2020**
Patrimonios Autónomos (Stand-alone trust funds)	18,111	24,341
Almacenes Éxito Inversiones S.A.S. (a)	17,990	19,095
Libertad S.A.	8,047	8,782
Logística, Transporte y Servicios Asociados S.A.S.	2,458	1,667
Éxito Viajes y Turismo S.A.S. (b)	1,198	909
Éxito Industrias S.A.S. (c)	424	347
Transacciones Energéticas S.A.S. E.S.P. (Note 17.2)	396	805
Depósitos y Soluciones Logísticas S.A.S.	5	-
Supermercados Disco del Uruguay S.A.	-	120
Total revenue	**48,629**	**56,066**

(a) Includes $16,708 of VMI sales of telephony plans (December 31, 2020 - $17,849) and $1,282 relating to other operating transactions (December 31, 2020 - $1,246).

(b) Includes $744 lease revenue (December 31, 2020 - $543) and $454 relating to other operating transactions (December 31, 2020 - $366).

(c) Includes $182 for early lease cancellations (December 31, 2020 - $-) and $242 relating to other operating transactions (December 31, 2020 - $347).

The amount of costs and expenses with each subsidiary is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Logística, Transporte y Servicios Asociados S.A.S.	149,262	147,751
Éxito Industrias S.A.S. (a)	104,974	95,035
Patrimonios Autónomos (Stand-alone trust funds)	91,091	101,883
Almacenes Éxito Inversiones S.A.S. (b)	16,124	17,148
Marketplace Internacional Exito y Servicios S.A.S.	3,266	527
Depósitos y Soluciones Logísticas S.A.S.	820	602
Éxito Viajes y Turismo S.A.S.	139	580
Spice Investment Mercosur S.A.	2	1
Total costs and expenses	**365,678**	**363,527**

(a) Includes $15,866 of amortization of use rights and lease liability interest (December 31, 2020 - $16,822) and $89,108 for other operating transactions (December 31, 2020 - $78,213).

(b) Includes $15,520 of cost of VMI sales of telephone plans (December 31, 2020 - $16,607) and $604 for other operating transactions (December 31, 2020 - $541).

(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, procurement of goods and consultancy services.

Revenue by each company is as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Casino International	6,783	6,941
Greenyellow Energía de Colombia S.A.S.	434	444
Distribution Casino France	48	499
Casino Services	-	7
Total revenue	**7,265**	**7,891**

Costs and expenses by each company are as follows:

	January 1 to December 31, 2021	January 1 to December 31, 2020
Greenyellow Energía de Colombia S.A.S.	35,232	23,145
Casino Guichard Perrachon S.A.	12,975	10,242
Distribution Casino France	3,685	6,760
Casino Services	2,778	1,288
Euris	1,742	1,669
International Retail Trade and Services IG	1,681	1,259
Cdiscount S.A.	43	-
Total costs and expenses	**58,136**	**44,363**

(4) Revenue represents a charge to Companhia Brasileira de Distribuição – CBD as consideration for the use of textile own brands in Brazil. Costs and expenses with the controlling entity represent consultancy services provided by Companhia Brasileira de Distribuição - CBD.

Note 38. Impairment of assets

Note 38.1. Financial assets

No material losses from the impairment of financial assets were identified at December 31, 2021 and at December 31, 2020.

Note 38.2. Non-financial assets

December 31, 2021

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

For the purposes of impairment testing, the goodwill obtained via business combinations, trademarks and the rights to exploit trade premises with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units					
	Éxito	**Carulla**	**Surtimax**	**Súper Inter**	**Surtimayorista**	**Total**
Goodwill (Note 15)	90,674	856,495	37,402	464,332	4,174	**1,453,077**
Trademarks with indefinite useful life (Note 16)	-	-	17,427	63,704	-	**81,131**
Rights with indefinite useful life (Note 16)	17,720	2,771	-	-	-	**20,491**

Even if trade establishments allocated to Surtimayorista cash-generating unit do not have goodwill acquired through business combinations, this value allocated for the purpose of impairment testing results from the change of stores in the Surtimax format to this new format; goodwill allocated to trade establishments of the Surtimax cash-generating unit comes from the business combination in 2007 under the merger with Carulla Vivero S.A. as disclosed in Note 15.

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by Company management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses based on past results, expansion plans, strategic projects to increase sales, and optimization plans.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Company, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth.

The tax rate included in the forecast of cash flows is the rate that the Company is expected to pay as taxes during the next years. Tax rates used to estimate the impairment of goodwill of cash-generating units was 35% for 2022 onwards, rates in force in Colombia at December 31, 2020.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the Company operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 7.40% for 2022 onwards.

The variables that have the greater impact on the determination of the value in use of the cash-generating units are the discount rate and the perpetual growth rate. These variables are defined as follows:

(a) Growth rate in perpetuity: The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

(b) Discount rate: The estimate of the discount rate is based on an analysis of the market indebtedness for the Company; a change is deemed reasonable if the discount rate would increase by 1%, in which event no impairment in the value of the groups of cash-generating units would arise.

The impairment of property, plant and equipment is the book value that exceeds the recoverable value; in turn, the recoverable value is the higher of the value in use and the fair value less costs to sell. Assets are grouped into stores, which generate independent cash flows. The method used to calculate the recoverable value was the income approach (value in use) given its adequate approximation to the recoverable value of these assets.

As a result of signs of impairment and the application of this test, there was an impairment in the value of the trade premises of the Centro Comercial San Mateo in amount of $756 and of the improvements in leased property of Carulla Torre del Reloj in amount of $239, as detailed in Note 12; the impairment was properly accounted for with a charge to income for the period as detailed in Note 33.

The method used to test the impairment of investment properties was the revenue approach given its proximity to the fair value of such real-estate property.

As a result of this test, the following properties were identified as impaired: Viva Suba $2,591 and Surtimax Cota $2,793 and recovery of impairment of the trade premises at Centro Comercial Pereira Plaza in amount of $23 and Lote Rincón de las Lomas in amount of $1, as detailed in Note 13; the impairment was properly accounted for with a charge to income for the period as detailed in Note 33.

Except for the above, no impairment in the carrying amounts of cash-generating units was identified.

<u>December 31, 2020</u>

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

For the purposes of impairment testing, the goodwill obtained via business combinations, trademarks and the rights to exploit trade premises with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units					
	Éxito	**Carulla**	**Surtimax**	**Súper Inter**	**Surtimayorista**	**Total**
Goodwill (Note 15)	90,674	856,495	37,402	464,332	4,174	**1,453,077**
Trademarks with indefinite useful life (Note 16)	-	-	17,427	63,704	-	**81,131**
Rights with indefinite useful life (Note 16)	17,720	-	-	-	-	**17,720**

Even if trade establishments allocated to Surtimayorista cash-generating unit do not have goodwill acquired through business combinations, this value allocated for the purpose of impairment testing results from the change of stores in the Surtimax format to this new format; goodwill allocated to trade establishments of the Surtimax cash-generating unit comes from the business combination in 2007 under the merger with Carulla Vivero S.A. as disclosed in Note 15.

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by Company management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses based on past results, expansion plans, strategic projects to increase sales, and optimization plans.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Company, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth.

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

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the Company operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 5.63% for 2021, 6.55% for 2022 and 2023, 6.46% for 2024 and 6.55% for 2025 onwards.

The variables that have the greater impact on the determination of the value in use of the cash-generating units are the discount rate and the perpetual growth rate. These variables are defined as follows:

(a) Growth rate in perpetuity: The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

(b) Discount rate: The estimate of the discount rate is based on an analysis of the market indebtedness for the Company; a change is deemed reasonable if the discount rate would increase by 1%, in which event no impairment in the value of the groups of cash-generating units would arise.

As a result of this analysis, impairment in amount of $9,266 was identified in the rights to exploit commercial premises, due to the closure of such premises at Éxito in amount of $2,136, Surtimax $1,524 and Súper Ínter $5,606, as detailed in Note 16; the impairment was properly accounted for with a charge to period results as detailed in Note 33.

Except for the above, no impairment in the carrying amounts of cash-generating units was identified.

Note 39. 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 December 31, 2021 and at December 31, 2020 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	December 31, 2021		December 31, 2020	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	22,363	20,871	37,618	35,491
Investment in bonds (Note 11)	5,046	4,978	29,699	29,706
Equity investments (Note 11)	10,676	10,676	10,637	10,637
Forward contracts measured at fair value through income (Note 11)	11,057	11,057	4	4
Swap contracts denominated as hedge instruments (Note 11)	6,023	6,023	566	566
Investments in private equity funds (Note 11)	1,476	1,476	1,468	1,468
Non-financial assets				
Investment property (Note 13)	78,586	169,930	89,246	170,703
Financial liabilities				
Financial liabilities at amortized cost (Note 19)	878,268	875,315	966,855	967,211
Finance leases at amortized cost (Note 19)	-	-	6,849	6,845
Forward contracts measured at fair value through income (Note 26)	592	592	16,492	16,492
Swap contracts measured at fair value through income (Note 26)	-	-	825	825
Swap contracts denominated as hedge instruments (Note 26)	242	242	1,246	1,246

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 property market.	Realizable value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. 12-month CPI
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows provided by the operation upon market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)
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.

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 enhancement of valuation techniques or changes in market conditions.

There were no transfers between level 1 and level 2 hierarchies during the annual period ended December 31, 2021.

Note 40. Contingent assets and liabilities

Note 40.1. Contingent assets

The Company has not recognized material contingent assets at December 31, 2021 and at December 31, 2020.

Note 40.2. Contingent liabilities

Contingent liabilities at December 31, 2021 and at December 31, 2020 are:

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

    - Administrative discussion with DIAN amounting to $32,225 (December 31, 2020 - $29,963) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the 2015 income tax return. In September 2021, the Company received a new notice from DIAN, confirming their proposal. However, external advisors regard the proceeding as a contingent liability.

    - Resolutions by means of which the District Tax Direction of Bogotá issued to the 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, 2020 - $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 $- (December 31, 2020 - $5,000). This contingency was classified as of remote occurrence in June 2021.

    - Claim on the grounds of failure to comply with contract conditions, asking for damages arising from the purchase-sale of a property in amount of $2,600 (December 31, 2020 - $2,600).

    - Resolution and official assessment imposing penalties on the Company on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $- (December 31, 2020 - $940). In June 2021, this contingency was classified as probable and carried under other provisions.

b. Other proceedings:

    - Third-party liability lawsuit for alleged injuries to a customer at Éxito Santa Marta store premises, $- (December 31, 2020 - $500).

c. Other contingent liabilities:

    - Since June 1, 2017, the Company granted a collateral on behalf of Almacenes Éxito Inversiones S.A.S. to cover a potential failure to comply with its obligations. On August 11, 2021 the amount was updated to $2,935.

    - The Company acts as the principal of a bank guarantee in amount of $95 in favor of Bolsa Mercantil de Colombia.

    - As required by some insurance companies and as a requirement for the issuance of compliance bonds, during 2021 the Company granted certain guarantees to such third parties as a joint and several debtor of some subsidiaries. Below a detail of guarantees granted:

Type of guarantee	Description and detail of the guarantee	Insurance company
Unlimited promissory note	Compliance bond The Company acts as joint and several debtor of Patrimonio Autónomo Centro Comercial Viva Barranquilla	Seguros Generales Suramericana S.A.

These contingent liabilities, whose nature is that of potential liabilities, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Note 41. Offsetting of financial assets and liabilities

Below is a detail of financial assets and financial liabilities that are shown offset in the statement of financial position:

Year	Financial assets	Gross value of financial assets recognized	Gross value of related financial liabilities recognized	Net value of financial assets recognized
2021	Derivative financial instruments designated as hedge instruments (Note 11)	-	-	6,023
	Derivative financial instruments (Note 11)	-	-	11,057
2020	Derivative financial instruments designated as hedge instruments (Note 11)	-	-	566
	Derivative financial instruments (Note 11)	-	-	4

Year	Financial liabilities	Gross value of financial liabilities recognized	Gross value of related financial assets recognized	Net value of financial liabilities recognized
2021	Derivative financial instruments (Note 26) (1)	-	-	592
	Derivative financial instruments designated as hedge instruments (Note 26) (1)	-	-	242
	Trade payables and other accounts payable (2)	3,740,287	356,375	3,383,912
2020	Derivative financial instruments (Note 26) (1)	-	-	17,317
	Derivative financial instruments designated as hedge instruments (Note 26) (1)	-	-	1,246
	Trade payables and other accounts payable (2)	3,570,700	385,437	3,185,263

(1) The Company carries out derivative and hedge *forward* and *swap* transactions to hedge against fluctuation in exchange rates and interest rates of accounts payable and financial liabilities. These items are measured at fair value; fair values of these financial instruments are disclosed in Note 39. At December 31, 2021, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, and consequently rights and obligations may not be individualized.

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

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

Note 42. Dividends declared and paid

At December 31, 2021

The General Meeting of Shareholders held on March 25, 2021, declared a dividend of $173,223, equivalent to an annual dividend of $387 per share (*), payable as follows:

a. To minor shareholders (non-controlling interests) in one single payment on April 5, 2021, and

b. To the major shareholder in two instalments: 33% payable on April 5, 2021 and 67% payable on September 1, 2021.

Dividends paid during the annual period ended December 31, 2021 amounted to $173,174.

(*) Expressed in Colombian pesos.

At December 31, 2020

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 annual period ended December 31, 2020 amounted to $1,125,518.

(*) Expressed in Colombian pesos.

Note 43. Leases

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

The Company has executed finance lease agreements on property, plant and equipment. Total minimum instalments and present values thereof under finance lease agreements are as follows:

	December 31 2021	December 31 2020
Up to one year	-	3,857
From 1 to 5 years	-	3,143
Minimum instalments under finance leases	**-**	**7,000**
Future financing expense	-	(152)
Total net minimum instalments on finance leases (1)	**-**	**6,848**

(1) During 2021 the Company terminated early the finance lease agreement on the lease of property, plant and equipment.

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

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

Contracts recognized as operating leases relate to leases whose underlying assets are low-cost assets, such as furniture and fixtures, computers, machinery and equipment and office equipment, lease contracts regarding all underlying assets with terms of less than one year, and lease contracts on intangible assets, which were exempted from the requirements of IFRS 16. Lease contracts on stores with a variable lease instalment are also recognized as operating leases, which are exempted from the requirements of IFRS 16.

At December 31, 2021, the lease expense and cost arising from the operating lease contracts recognized in income amounted to $62,922 (December 31, 2020 - $60,437).

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

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

	December 31 2021	December 31 2020
Up to one year	16,385	13,702
From 1 to 5 years	22,358	26,883
More than 5 years	25,602	36,293
Total minimum instalments under irrevocable operating leases	**64,345**	**76,878**

The Company made an analysis and concluded that operating lease agreements may not be cancelled during its term. Prior agreement of the parties is needed to terminate and a minimum cancellation payment is required ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining term.

During the annual period ended December 31, 2021, revenue from leases recognized in income amounted to $23,928 (December 31, 2020 - $16,708) including revenue from the lease of investment property in amount of $4,587 (December 31, 2020 - $3,361) (Note 13). Contingent instalments included in the revenue from leases amounted to $5,969 (December 31, 2020 - $2,726).

Note 44. Seasonality of transactions

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

Note 45. Financial risk management policy

Net financial exposure

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

The Company maintains instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Company uses derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

At December 31, 2021 and at December 31, 2020, Company's financial instruments were represented by:

	December 31 2021	December 31 2020
Financial assets		
Cash and cash equivalents (Note 6)	2,063,528	1,969,470
Trade receivables and other accounts receivable (Note 7)	491,291	324,698
Accounts receivable from related parties (Note 9) (1)	141,785	145,765
Other financial assets (Note 11)	34,278	42,374
Total financial assets	**2,730,882**	**2,482,307**
Financial liabilities		
Total financial liabilities (Note 19)	878,268	973,704
Accounts payable to related parties (Note 22) (1)	183,295	128,472
Trade payables and other accounts payable (Note 23)	4,299,654	3,931,085
Lease liabilities (Note 24)	1,820,785	1,784,965
Other financial liabilities (Note 26)	66,817	81,460
Total financial liabilities	**7,248,819**	**6,899,686**
Net (passive) financial exposure	**(4,517,937)**	**(4,417,379)**

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

Considerations of risk factors that might have an effect on Company business

General risk management framework

The Company has implemented a Comprehensive Risk Management system that covers the various risk management levels: strategic, tactic or business-related and operating.

Activities, roles and accountabilities are defined in the risk management model implemented by the Company and endorsed by the Audit and Risk Committee, in the context of risk policy guidelines.

During 2021, in compliance with the comprehensive risk management policy and in order to ensure the continuity and sustainability of the business and the operation, an analysis of the main risks and trends was conducted in light of the internal and external context and global and industry risk trends, with the participation and leadership of Senior Management, where a new strategic risk profile was obtained and risk management strategies were defined and implemented. Risks at this level were reviewed by the Audit and Risk Committee and endorsed by the Board of Directors. Likewise, such analysis was applied to the various businesses of the Company.

The Company made progress in the process of redefining the new governance, risk and compliance model (GRC Model), seeking to integrate risk management into the Company's control architecture and developing operational risk management as part of the self-control program.

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

Some of the monitoring mechanisms put in place to achieve control purposes are:
- A compliance process from which the system for the prevention and control of money-laundering and the financing of terrorism, the transparency program and the system for protection of personal data are managed in a comprehensive manner;
- Periodic risk management reports;
- An assessment of operating effectiveness of controls arising from the implementation of the Sox Act, and
- The self-control program, currently being redesigned, which allows a self-assessment of the most critical risks and key controls by process leaders, and a definition of corrective action plans wherever deviations are identified;
- All other control systems managed from the various processes that make the first and second defense line.

Risk management and internal control system reporting bodies:
- At a strategic level: Board of Directors, Audit and Risk Committee, Presidency Committee and Senior Management Committee.
- Tactic level: Those accountable for the business.
- At an operating level: Process owners through self-control.

Internal audit, in an independent and objective manner, assesses the organizational internal control and risk management system.

The Board of Directors, through the Audit and Risk Committee, supervised the information and financial reporting processes, comprehensive risk management, review of the progress and significant situations in the implementation of the Sox Act, review of the internal control system and architecture, including follow-up on the management of the Internal Audit and Statutory Auditor, compliance with the regulations applicable to the Company, the transparency program, the personal data protection system and the system for the prevention and control of money laundering and financing of terrorism. Also, transactions among related parties and the resolution of conflicts of interests between senior management and the Board of Directors were submitted to the Audit Committee for consideration.

Financial risk management

Besides derivative instruments, the most significant of the Company's financial liabilities include debt, finance lease liabilities and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is to finance the Company's operations and maintain proper levels of working capital and net financial debt.

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

The Company has an exposure to market, credit and liquidity risks. Company management monitors the manner in which such risks are managed, through the relevant levels of the organization. The scope of the Board of Directors' activities includes a financial committee that oversees such financial risks and the financial risk management corporate framework that is most appropriate. The financial committee supports Company Management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management activities related to all transactions with derivative instruments are carried out by teams of specialists with the required skills and experience, who are supervised by the organizational structure. Pursuant to the Company's corporate policies, no transactions with derivative instruments may be carried out solely for speculation. Even if hedge accounting models not always are applied, derivatives are negotiated based on an underlying element that in fact requires such hedging in accordance with internal analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

a. Credit risk

A credit risk is the risk that a counterpart fails to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Company is exposed to credit risk arising from its operating activities (particularly from trade debtors) and from its financial activities, including deposits in banks and institutions and other financial instruments. The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial entities is managed pursuant to corporate policies defined for such purpose. Surplus funds are only invested with counterparties approved by the Board of Directors and within previously established jurisdictions. On an ongoing basis, management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Company sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Company's exposure to risk. In addition, there are administrative collections departments that permanently monitor ratios, figures, payment behaviors and risk models by each third party.

There are no trade receivables that individually are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Collaterals

The Company does not grant guarantees, collaterals or letters of credit, nor they issue filled-in or blank securities, or other liens or contingent rights in favor of third parties. Exceptionally they may impose liens, depending on the relevancy of the business, the amount of the contingent liability and the benefit to the Company or its subsidiaries. In addition, there are certain promissory notes used in the regular course of the operation with banks and treasury. As of December 31, 2021, the Company is listed as grantor of a guarantee in favor of its subsidiary Almacenes Éxito Inversiones S.A.S. in amount of $2,935 to cover possible default of its obligations, acts as principal of a bank guarantee in amount of $95 in favor of Bolsa Mercantil de Colombia and acts as joint and several debtor of subsidiary Patrimonio Autónomo Centro Comercial Viva Barranquilla at the request of some insurance companies and as a requirement for the issuance of compliance bonds.

b. Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on the Parent's and its subsidiaries' revenue or on the value of the financial instruments it holds. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the risk that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Company.

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

The following are the financial assets and liabilities by type of interest rate:

	December 31, 2021		December 31, 2020	
	Variable-income rate	Fixed-income rate	Variable-income rate	Fixed-income rate
Financial assets	2,092,760	638,122	1,982,145	500,162
Financial liabilities	2,699,887	4,548,932	2,777,232	4,122,454

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. Company's exposure to exchange rate risk is attached, in the first place, to passive transactions in foreign currency associated with long-term liabilities and with the Company's operating activities (wherever revenue and expenses are denominated in a currency other than the functional currency), as well as with Company's net investments in foreign subsidiaries.

The Company manages its exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, the Company's policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. Not all financial derivatives are classified as hedging transactions; however, Company policy is not to carry out transactions solely for speculation, and consequently even if not classified as accounting hedges, derivative financial instruments are associated to an underlying element and a notional amount that expose the Company to variations in exchange rates.

At 31 December 2021 and at December 31, 2020, the Company had hedged almost 100% of its purchases and liabilities in foreign currency.

The following are the financial assets and liabilities in foreign currency:

	December 31, 2021		December 31, 2020	
	Euro	US Dollar	Euro	US Dollar
Financial assets	8,709	83,695	8,338	83,738
Financial liabilities	35,370	404,015	25,837	224,798

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the price of Company stock. The main purpose of managing the Company's share capital is to maximize the value to shareholders.

The Company manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements of financial clauses. In order to maintain and adjust its capital structure, the Company may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

c. Liquidity risk

Liquidity risk is the risk that the Company might face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. The Company's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary and stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

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

The purpose of the Company is maintaining a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions and finance leases, among other mechanisms. At December 31, 2021, approximately 16% of Company debt will mature in less than one year (December 31, 2020 - 67%) considering the book value of loans included in these financial statements.

The Company has rated as low the concentration of the liquidity risk with no great restriction for the payment of financial liabilities maturing within twelve months of the closing of the annual period ended December 31, 2021. Access to financing sources is properly assured.

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

At December 31, 2021	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Other relevant contractual liabilities	139,774	772,052	83,445	995,271
Total	**139,774**	**772,052**	**83,445**	**995,271**
At December 31, 2020				
Finance lease liabilities, gross	3,857	3,144	-	7,001
Other relevant contractual liabilities	639,262	360,344	24,680	1,024,286
Total	**643,119**	**363,488**	**24,680**	**1,031,287**

Sensitivity analysis for 2021 balances

From a statistical standpoint, the Company assessed the potential changes in interest rates of financial liabilities and other significant contractual liabilities.

Assuming complete normality and considering 10% variation in interest rates, three scenarios have been assessed:

- Scenario I: Latest interest rates known at the closing of 2021.
- Scenario II: An increase of 0.3418% is assumed for the Banking Reference Rate. This increase is on the latest published interest rate.
- Scenario III: A decrease of 0.3418% is assumed for the Banking Reference Rate. This reduction is on the latest published interest rate.

The sensitivity analysis did not result in significant variance among the three scenarios and consequently they are not perceptible when rounding amounts to millions. Potential changes are as follows:

Operations	**Risk**	**Balance at December 31, 2021**	**Market forecast**		
			Scenario I	**Scenario II**	**Scenario III**
Borrowings	Changes in interest rates	878,268	877,859	884,387	874,600
Total		**878,268**	**877,859**	**884,387**	**874,600**

d. Insurance policies

At 31 December 2021, the Company has acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, damages and loss of profits	In accordance with replacement and reconstruction amounts, with a maximum limit of liability for each policy.	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, facility improvements, loss of profits and other property of the insured party.
Transport of goods and money	In accordance with the statement of transported values and a maximum limit per dispatch. Differential limits and sub-limits apply by coverage.	Property and goods owned by the insured that are in transit, including those on which it has an insurable interest.
Third party liability	Differential limits and sub-limits apply by coverage.	Covers damages to third parties in development of the operation.
Director's and officers' third party liability insurance	Differential limits and sub-limits apply by coverage.	Covers claims against directors and officers arising from error or omission while in office.
Deception and financial risks	Differential limits and sub-limits apply by coverage.	Loss of money or securities in premises or in transit. Willful misconduct of employees that result in financial loss.
Group life insurance and personal accident insurance	The insured amount relates to the number of wages defined by the Company.	Death and total and permanent disability arising from natural or accidental events.
Vehicles	There is a defined ceiling per each coverage	Third party liability. Total and partial loss - Damages. Total and partial loss - Theft Earthquake Other coverages as described in the policy.
Cyber risk	Differential limits and sub-limits apply by coverage.	Direct losses arising from malicious access to the network and indirect losses from third party liability whose personal data have been affected by an event covered by the policy.

e. Derivative financial instruments

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

At December 31, 2021, the reference value of these contracts amounted to COP 302.71 million (interest rate swaps), USD 104.5 million and EUR 6.83 million (December 31, 2020 – USD 54.49 million and EUR 5.25 million). Such transactions are generally contracted under identical conditions regarding amounts, terms and transaction costs and, preferably, with the same financial institutions, always in compliance with Company limits and policies.

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

The Company has designed and implemented internal controls to ensure that these transactions are carried out in compliance with previously defined policies.

f. Fair value of derivative financial instruments

The fair value of derivative financial instruments is estimated under the operating cash flow forecast model, using government treasury security curves in each country and discounting them at present value, using market rates for swaps as disclosed by the relevant authorities in such countries.

Swap market values were obtained by applying market exchange rates valid on the date of the financial information available, and the rates are forecasted by the market based on currency discount curves. A convention of 365 consecutive days was used to calculate the coupon of foreign currency indexed positions.

Note 46. Non-current assets held for trading

Company management started a plan to sell certain property seeking to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Company. As a result of the plan, certain property, plant and equipment and certain investment property were classified as non-current assets held for trading.

The balance of non-current assets held for trading, included in the statement of financial position, is as follows:

	December 31 2021	December 31 2020
Investment property (1)	8,261	8,526
Total	**8,261**	**8,526**

(1) Represents the following properties:

	December 31 2021	December 31 2020
Lote La Secreta (land) (Note 46.1)	5,208	5,465
Kennedy trade premises (building) (Note 46.1) (a)	1,640	1,640
Kennedy trade premises (land) (Note 46.1) (a)	1,229	1,229
Lote La Secreta (construction in progress) (Note 46.1)	184	192
Total	**8,261**	**8,526**

(a) Company management believes that this asset will be sold during the first half of 2022.

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

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

At December 31, 2021, external factors beyond the control of management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and profitable caused management to reconsider the original selling schedule for certain non-current assets held for trading.

Some of the external factors that had an effect on the sale transaction schedule at the closing of December 31, 2021 were:

- Consumer confidence declined sharply during 2020, reaching levels of -41.3% in months such as April. Although in the last months of that year there was some recovery, during 2021 it continued negative and the last measurement of December 2021 stood at -7.0%, according to Fedesarrollo's estimates.

- Consumption expenditure has been greatly impacted by the Covid-19 emergency and further reduction was experienced during the first half of 2021 due to new peaks of the pandemic.

- Devaluation of the Colombian peso against the dollar was 14.2% in 2021, placing the Colombian peso as the most devalued currency in the world, above countries such as Turkey and Argentina.

- The country risk measured through Credit Default Swaps (CDS), which is the country's credit spread, increased 100 basis points, from 130 to 230, which means that foreigners perceive a country with higher risk.

- Personnel employed by retail trade, measured on a twelve-month basis at November 2021 decreased 1.9%.

During 2020 and 2021 the actions developed by senior management and its internal teams knowledgeable of the real estate market potential in conjunction with independent real estate commission agents to finalize the sale of real estate assets have been specific and focused on each property to guarantee the feasibility of the sale, ensure that properties are free from legal issues, and obtain value-added economic proposals.

Developments in the selling process at December 31, 2021 are as follows:

- Lote La Secreta. Negotiation closed with buyer during 2019. At December 31, 2021, 14.10% of the payment for the property has been delivered and received. The remainder of the asset will be delivered coincident with the asset payments to be received with the following schedule: 23.39% in 2022, 20.43% in 2023, 1.19% in 2024 and 40.88% in 2025. The public deed of contribution to the trust was granted on December 1, 2020 and taken to public record on December 30, 2020.

- Kennedy trade premises. The preemptive right of the lessee expired during the third quarter of 2020. As a consequence of such expiry, the property may undergo a public offering process with the support of brokerage firms. Upon termination of the contract, a new monthly lease fee was negotiated with the tenant, which has generated better expectations of the value of the property in the market and in the current sale process because it is a property with a better return on investment for potential buyers.

The Company continues strongly committed to the delivery and sale process of such assets.

Note 47. Relevant facts

December 31, 2021

Ordinary meeting of the General Meeting of Shareholders

The General Meeting of Shareholders was held on March 25, 2021, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2020 and approval of dividend distribution to shareholders.

Corporate reorganization of Companhia Brasileira de Distribuição - CBD

The corporate reorganization of Companhia Brasileira de Distribuição - CBD was completed on December 31, 2020. As a result of this reorganization, Companhia Brasileira de Distribuição – CBD became the controlling of the Company with 96.57% interest in its share capital. Based on Colombian commercial regulations, the Company had fallen in grounds for dissolution since more than 95% of its capital stock was held by one single shareholder at December 31, 2020.

In March 2021, Companhia Brasileira de Distribuição - CBD overcame the grounds for dissolution through a transfer of shares of the Company to another third party (GPA2 Empreendimentos E Participacoes), thus its new shareholding in the Company's capital stock is 91.57%.

December 31, 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.

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 neediest, as well as give peace of mind, confidence and support to its stakeholders during the situation generated by this pandemic.

Below are some of the most 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.
   - 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. With regard to expansion and investment plans:
   - Crisis committees established with the aim of monitoring the emergency and government decisions and making appropriate decisions to ensure continuity of operations.
   - Reduction of expansion plans as a mechanism for cash protection, with emphasis on projects that were ongoing at the time of the declaration of the emergency.
   - Reassignment of investment plans focusing the strategy on strengthening the omnichannel strategic projects of the 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 pick-up" service by means of 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, 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, protecting the health and integrity of employees, maintaining the supply in the country and providing tranquility, confidence and support to their stakeholders.

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.

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

- The 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 income of the joint venture Compañía de Financiamiento Tuya S.A. has resulted in expense from the involvement in this joint venture upon measurement using the equity method, and additionally has prevented the recognition of revenue from the involvement in the collaboration agreement.

Finally, the 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.

<u>Covid-19 pandemic, during the third and fourth quarters 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 until September 1, 2020.

As a result of such situation and the gradual reactivation of the country's economy, the Company did not incur additional expenses of the same kind as those incurred up to June 30, 2020 to implement the measures required to face the mentioned state of emergency.

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

- The Company granted discounts to their lessees, which were recognized as a lower value of revenue. During the annual period ended December 31, 2020, total discounts granted amounted to $11,274.
- The decrease in income of the joint venture Compañía de Financiamiento Tuya S.A. has resulted in expense from the involvement in this joint venture upon measurement using the equity method, and additionally has prevented the recognition of revenue from the involvement in the collaboration agreement.

<u>Corporate reorganization of Sendas Distribuidora S.A. and of Companhia Brasileira de Distribuição - CBD</u>

On December 31, 2020 corporate reorganization carried out by Sendas Distribuidora S.A. and Companhia Brasileira de Distribuição - CBD was completed, one of which effects was the transfer of the shares of the Company held by Sendas Distribuidora S.A. to Companhia Brasileira de Distribuição - CBD. With this reorganization, Companhia Brasileira de Distribuição – CBD became the controlling of the Company with 96.57% interest in its share capital.

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.

Implementation of the Sarbanes Oxley Act

During 2020, the Company took on the challenge of implementing the Sarbanes Oxley (SOX) Act. As an essential part of the implementation of the annual SOX program, a process was developed to identify, analyze and evaluate risks that could have a material adverse effect on the ability of the Company to record, process, consolidate and report its financial statements. This process involved the participation of external consultants and an internal team dedicated to the identification, design, implementation and evaluation of sufficient and relevant internal controls to minimize these risks, in order to strengthen the internal control system over financial reporting, reduce the Company's exposure to the materialization of errors and inaccuracies in the processes and financial statements, advance in the continuous improvement of information systems and technology, and consolidate financial credibility with shareholders and investors. The activities involved in implementing the annual SOX program include, among others (a) the identification of subsidiaries, accounts, processes and information systems material to the Company's financial statements, (b) the assessment of the risks of material misstatement and fraud in these material components, and (c) the design, implementation and enhancement of control activities that mitigate these risks. Additionally, the effectiveness of the internal control system over the financial reporting of the Company was evaluated, and training was provided to the personnel of the Company and to the Internal Audit on topics related with the definition of an internal control based on Sox, the documents required to minimize the materialization of risks of errors in the financial statements and the responsibility of Management in the maintenance of these Sox controls, among others. Finally, there was ongoing communication with the Board of Directors and the Audit Committee on the progress of the project. As a result of these activities, it was possible to create a culture among employees focused on demonstrating transparency in the processes and quality of information.

Note 48. 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.

However, subsequent events did occur after the date of the reporting period that do not affect the financial position but which, due to their relevance, are required to be disclosed in the financial statements:

Receipt of compensation from insurance companies

On January 10, 2022 the insurance company that was in charge of covering the losses arising from damages caused by the acts carried out against the infrastructure of stores in different cities of the country paid $1,494 as part of the compensation for damages. The charge to income in 2021 was properly carried under the other non-recurring operating revenue account as detailed in Note 33.

Capitalization of account receivable from a loan to subsidiary Libertad S.A.

The outstanding balance of the loan carried with subsidiary Libertad S.A. was capitalized on January 31, 2022. (Note 9).