

Operator: Welcome to the Grupo Éxito's first quarter 2021 results conference call. My name is Hilda and I'll be your operator for today. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session. During the question and answer session, if you have a question, please press star (*) and then one (1) using your touch-tone phone. Please note that this conference is being recorded. I will now turn the call over to Mr. Roy Souza, Chief Financial Officer. Mr. Souza, you may begin.

Roy Souza: Thank you, Hilda. Good morning everyone. Thank you for joining us today for Grupo Éxito's first quarter 2021 results. At this time, I'm pleased to present our Chief Executive Officer, Mr. Carlos Mario Giraldo.

I'd like now to move forward to slide number three to see the agenda. We will cover Grupo Éxito's financial and operating highlights, performance by country and consolidated financial results for the first quarter and also operations in Colombia, Uruguay and Argentina. Thank you for your attention. I'll now turn the call over to Carlos Mario. Go on, Carlos Mario, please.

Carlos Mario Giraldo: Thank you, Ruy, and I welcome you all to this call and thank you for your attention. If we go to slide number four, and we start the presentation, we report a very strong profitability quarter, even sales were negative at FX impacts at -2.5% same-store sales, impacted by the COVID food base plus, especially, by the closures that we received mainly during half of the month of January.

Our EBITDA margin came to 8%, that is, +154 basis points. Our net income at COP \$85,000 million, that is, multiplied by 3.9x against the last quarter of last year and +158 basis points.

Omni-channel sales have been in the past quarters and years especially strong and gave us a sustainable market share. The share of omni-channel sales was, again, above double digits, that is in Colombia 13% and at a consolidated level 10.7% and that is multiplied by 2.1x against the last quarter.

This quarter saw a special positive contribution from our complementary businesses, that is, real estate and credit. Both had an outstanding performance. We have to highlight the performance of the real estate recurrent development activity, which contributed at net COP 61,000 million to the recurrent EBITDA of the company.

As you know, in our real estate business we have three recurrent activities which are done every year. One is development of real estate spaces inside stores and in shopping malls. The second one is commercialization of spaces and the third one is operation of our galleries and shopping malls. This one came from the development of our shopping malls.

Grupo Éxito is the best performing Latam food retailer in the S&P Sustainability Yearbook for the second straight year. This is very important because of the purpose that our people had in working for the sustainability of the countries where we work. Merco survey, which is the most reputable surveys about corporate reputation, found that Éxito was seen by the people and by stakeholders as the third most responsible company during the COVID period in Colombia.

Going to slide number five, we speak about sales in Colombia, the main market for Éxito. Here, same-store sales decreased 3.6%. If we subtract the impact of COVID, which we revealed in the first quarter of last year, the impact of sales would have been a positive growth of 2.5%, that is above the level of inflation in Colombia. If we compare it against 2019, which was the last normal year, I would say, in comparable basis, we would have an increase in sales of 4.1% during the first quarter.

In this quarter, I would say the negative effect impacts came from lockdowns and the store closures that we had during the month of January and we had, in the positive side, a very solid contribution from omni-channel, from innovative formats, and from the income coming from complementary businesses.

Going to slide number six, where we see the sales in Colombia opened by segments and by brands. First, the Éxito brand, of course, the most important brand in sales for the company. We have now 11 Éxito WOW hypermarkets, the most important hypermarkets of the company. They contributed with a growth of 9 percentage points above the rest of the stores with the Éxito brand, which reinforces the importance of this WOW innovation format. Non-food was also positive for sales. It benefited, first, a comparison, because last quarter of last year for non-food was not good and second, because of the omni-channel. Non-food business had a growth of 14.9%. If we look Éxito brand as a whole, compared with 2019, sales had a growth of 6.3%, that is way above the combination of inflation of both years.

Going to Carulla, the FreshMarket innovation format had a growth of 7.5 percentage points above the rest of the Carulla stores. Omni-channel is key for Carulla. In Carulla, it has the largest share of any of the important brands of the company, with a share of 15% of sales coming from home delivery and e-commerce. In the first quarter, sales of Carulla against 2019 had a very good dynamic growth of 9.5%.

Going to our low-cost segment, that is, Surtimayorista, Super Inter, Surtimax and also Aliados, having a gradual recovery, it has been impacted last year still to date by the HoReCa business, that is, hotels, restaurants, cafeterias, most of them closed or restricted, and it had a decrease of 9.7% compared with the first quarter of 2019.

Going to slide number seven, we speak again in a consistent way about our innovation models. When we look at some of the WOW Éxito stores and Carulla FreshMarkets and we put them against the complete sales of the company in Colombia, they now account for 19.7% of sales, that is quite material. Éxito WOW stores is, as you know, a model of experience, high experience for customers and high omni-channelity solutions in a hypermarket. It is the best merge between digital and physical. We will get by the end of this year to 19 stores with the WOW concept. Today, they account for 23% of the banner sales and by the end of the year we calculate they will account to near to 30% of the total sales of the Éxito brand. This is very important for profitability, considering that the ROI of the Éxito transformations to WOW is around 30%. We have a potential of 33 additional conversions and we are doing pilots for the Éxito WOW economic format for middle-class and with these pilots we will have an additional potential of around 100 stores in the country.

Going to the Carulla FreshMarket, as you know, Carulla FreshMarket has been described by different retail associations as one of the formats for premium customers in the world that you have to visit. Carulla FreshMarket is all about premium fresh products, sustainable propositions. We will end the year with around 21 stores with the Carulla FreshMarket name and proposition. Today, they represent a material 31% of the sales of the banner and they will represent by the end of the year near to 40% that is as material as it is today in Uruguay, where the concept was first deployed within Latin America.

We had the first carbon neutral supermarket in Colombia, that is a Carulla store in Bogota, which I would say is a very important advance in our sustainable proposition.

The potential for expansion in Carulla FreshMarket is an additional conversion of 20 stores of full size and 46 stores of mid-size Carullas.

Going to slide number eight, in the low-cost segment we continue to target consistently the base of the pyramid in Colombia. It now accounts to around 14.4% of total sales of the company. I will start with Surtimayorista. We will go to 36 stores by the end of the year, which will account between 4.4% – 4.5% of the total sales of the company and what is very important in a popular format, it is a double-digit ROI format, which is scarce in the Colombian environment in popular formats and it is, of course, a profitable wholesale format going to end consumers and at the same time to professional customers.

Super Inter is having an innovation format that we call Vecino. A Vecino is a popular store with a strong value proposition in fresh products, that is, meat, fruit, vegetables, prepared food and also in basic grains, in basic food like rice, etc., to our customers. The Vecino format, which is the innovation for Super Inter, now has seven stores implemented and it will end with 21 stores implemented by the end of the year and that will account for around one third of the sales of Super Inter in Colombia.

In Aliados, we continue with 1,500 Aliados. We established a digital B2B application for the Aliados, which we think is going to help us a lot to deepen the alliance that we have with the main mom-and-pops in Colombia.

Going to slide number nine, it's very important to make a deep dive on our omni-channel strategy, which we call omni-customer, because we believe that today is all about having the customer decide if he wants to be served in the physical or in the virtual, digital home delivery way. Normally, what we are finding is that the customers have both needs in different moments of the week and of their lives. Summing all omni-channel home deliveries, they now come to a 13% share of Éxito sales. It is top in Latin America within omni-channel players. We sold in the first quarter COP \$364,000 million, which had an increase of a 118% in this type of service, 2 million orders, growing in order of 60%. We remember last year, which was top in omni-channelity share for all retailers in the region, we came to a very high 12.5%. The good news is that during the first quarter this continues to be a sustainable trend and that we came to 13%, maintaining as we said when we gave the guidance for this year of more than double digit share in sales.

It is very balanced because in non-food the share is 18.2%, but very importantly and something that distinguishes us from others is the food share. In food and consumer goods, the share is 10.1%. The click-and-collect service, which is key for service and convenience to our customers but also for profitability, had a share of 31% of omni-channelity and is now established in 430 stores and also in 12 shopping malls of the company, also to give the service and to facilitate the sales to our tenants in our shopping malls.

Marketplace is a complete focus for us. We are now an important marketplace player in non-food in Colombia. It accounts for a growth during the quarter of 53% of the gross merchandise volume, the GMV, and a share in total omnichannel sales of 14%.

Now, I'll go to slide number ten, where I'll speak about our traffic and asset monetization, which is also a very important part of the Éxito business model. In Viva malls, where we are the top operator of commercial shopping malls in Colombia, our occupancy level went up to 92%, that is, 20 basis points against the end of last year. We had a very important contribution, as I also said, in the development of shopping malls, coming from the remuneration, the compensation the company receives for the development of the shopping malls of Envigado and Tunja.

If we go to Puntos Colombia, it is very satisfying to say that Puntos Colombia continues as the most important loyalty coalition and monetization strategy of customers in Colombia, a second currency that is shared by the customers of Éxito and Bancolombia but also now by a more than 100 allies that had that issuance and redemption of points within their stores and their commercial proposition.

Puntos Colombia has currently near to 17 million customers. Of them, near to 5 million have already given the Habeas Data, which means the express authorization for the responsible use of their data in the Big Data strategy of the organization. This 17 million customers represent that almost one of every three Colombians has Puntos Éxito in their wallet, being digital wallet or physical presence in the stores. This is very important because it really turns Puntos Colombia into a second currency.

Tuya had a good quarter, which compared against a very difficult quarter last year had a non-performing loan above 30 days in a single digit. That is completely controlled and this is good news and we had an emphasis on deploying Tuya Pay wallet in the market, where the wallets are having an important space so now this organization has its own wallet through Tuya Pay, which is different from other wallets, not only carrying and transporting Colombian pesos, but also Puntos Colombia.

In slide number 11, we keep looking for new initiatives of monetization. As we told in the past, we launched last year Éxito Media. The most important retailers in the world, Canadians, UK, US retailers are launching media businesses because of the importance of the targeted data that we have with our customers and the deep know-how about our customers. This is a digital media, on and off campaigns with our customers, with our suppliers, but also with third parties that want to have access to this information and to this commercial opportunity. Revenue went up 84% in the first quarter and this is all about the targeted publicity.

We also deployed, starting the year, the payment platform in alliance with Redeban. This is one of the most important payment platforms in Colombia, with a huge potential and the first two months have some transactions of more than 13 million customers. That is very important as a start for this additional monetization strategy.

So I will now turn it to Ruy and I will come later with final conclusions before going to the Q&A.

Roy Souza: Thank you, Carlos Mario. Let's continue on slide 12 to review the main highlights in terms of financial performance in Colombia, where we had a solid operational margin improvement driven mainly by the complementary businesses but also by a resilient retail operation.

Starting from top line, net revenues decreased 2.8% in this Q1, while sales decreased 5.7%. As we saw before, we are publishing Colombian sales in three segments, Éxito, Carulla and low cost. We had Éxito and Carulla growing above inflation in terms of two-year growth and the low cost segment affected by the pandemic basically since last year. Isolating the COVID effects on the basis, the decrease of Colombian sales would have been 2.1% versus last year and in like-for-like terms, also excluding COVID from the basis, same-store sales would have been stable versus last year and then comparing sales with first quarter of 2019, sales grew 4.1% for the total Colombian perimeter.

The positive aspects that contributed to sales evolution were, again, the omni-channel growth, 2.2x, and the innovative formats performance, as well as the non-food category growth in this first quarter of 2021. The main negative impacts came from the mobility constraints we had during the beginning of January and also the last few days of March. In terms of other revenues, we can see a good evolution driven by income related to real estate development activity and also the reactivation of Tuya royalties.

I'd like to take a minute to detail this income from the real estate development activity. Grupo Éxito develops real estate assets and in almost all projects it is responsible for elaborating the project, managing the construction and also commercializing the assets or the spaces. It is a key operating part of Éxito recurrent real estate business. It has been generating value to shareholders and other stakeholders throughout the years. We also had income from this activity on previous quarters and also in 2019 as we disclosed before, for example with the ongoing development and property sale of Montevideo logistics compound in Bogota.

For the first quarter of 2021, as Carlos Mario just mentioned, we were able to close and deliver two major projects: the shopping centers Viva Envigado and Viva Tunja, which basically generated big income for Éxito as developer. We continue to perform this activity as we have been doing during the last years and we hope to have additional income in the upcoming quarters.

In terms of gross margin, the gross margin posted in Q1 was also driven by this complementary businesses income, with the retail business having a stable gross margin

compared to previous years. We had the gross margin mainly 24.4%, 240 bps above last year and the gross profit growing 7.8%.

In terms of SG&A, we were below last year in COP, with an evolution considerably below inflation. This was thanks to several productivity initiatives that have been implemented since last year. And finally, in terms of EBITDA, this one shows good results and an evolution of 35.8% and 232 basis points of margin, reaching COP \$241,000 million. When comparing to the first quarter of last year, complementary businesses contributed with additional COP \$83,000 million, while retail with negative COP \$19,000 million, basically due to the volume loss effect. The recurring EBITDA, isolating the income from the real estate development activity in both years was stable in cash and improved 21 basis points in terms of margin.

Moving on to the next slide, number 13, let's review the performance in Uruguay. Despite being negatively impacted by a slow holiday season, due mainly to border closures, posted a solid 10.3% recurring EBITDA margin. Net revenues in Uruguay decreased 11.2% in the first quarter, strongly affected by the FX effect of -7.8%. In local currency, same-store sales decreased 4.5%, being negatively impacted by the border closures I just mentioned and also a strong first quarter of 2020. Nevertheless, we saw positive performance in omni-channel sales that grew 1.3x, reaching 3.3% penetration and also positive evolution in non-food category that grew 6.1%.

In terms of gross margin in Uruguay, we made an important effort in markdown and logistic costs, and this was enough to have gross margin improving 130 basis points versus last year. Expenses in this country grew 3 percentage points below inflation in local currency and this was thanks to several operational efficiencies and finally, we were able to maintain a high level of EBITDA margin at 10.3%, with EBITDA reaching COP \$65,000 million for the first quarter.

In the next slide, number 14, we will review Argentina performance, which is still very negatively impacted by the macroeconomic context and also by the constraints from the pandemic. In Argentina, net revenues decreased by 23.7%, also strongly affected by the FX effect, in this case, -35.6. Same-store sales in local currency grew 21.3%, which is below inflation, impacted by first, a higher basis from last year's stock-up; second, by mobility restrictions this year, also by the extension of the price increase restriction and lastly, by imports constraints.

Real estate revenue in Argentina has been impacted also by this context and by the level of discounts that we granted to the tenants but we were able to sustain occupancy rates at 89% for the first quarter closure.

Gross margin evolved positively, improving 153 bps, benefited by lower share of promotional events and an accurate price strategy. However, we still saw this negative impact from the restrictions I just mentioned and also from lower real estate contribution. Expenses in Argentina also grew below inflation in Argentinean pesos but deteriorated 371 bps in terms of rate. That led EBITDA levels to close roughly in 0%, with a 170 basis points margin decrease. Nevertheless, efforts in working capital and CAPEX helped protect the cash position in this operation.

To review our consolidated results, let's move forward to the next slide, number 15. Here we can see that our EBITDA grew 16.7%, with a solid contribution from complementary businesses, as we saw in Colombia, and also a resilient retail with dropping volumes but stable gross margins.

Starting from net revenues, we see a decrease of 5.8% in the first quarter, negatively impacted by 3.9 percentage points of FX effects. Isolating that, net revenues evolution was -1.9%. Sales, as I mentioned before, was positively impacted by omni-channel evolution and innovative formats, while negatively impacted by a higher basis last year and also new lockdowns during the first quarter of this year across the three countries.

Other revenues grew 50%, driven by real estate development income and also driven by Tuya royalties' reactivation. Gross margin in Q1 landed at 26.6%, almost 200 bps above last year, driven mainly by the complementary business but I would like also to highlight the evolution of margin in the retail businesses was positive by 18 bps during the first quarter.

In terms of total expenses, we saw all three countries growing below local inflation and a consolidated figure, 3.7% below last year in COP. This was thanks to the productivity initiatives that have been implemented in all three countries since last year. Recurring EBITDA reached COP \$307,000 million, 16.7% above last year, with retail generating COP \$34,000 million less EBITDA than last year from volume effect despite the stability in gross margin that I mentioned and with the complementary businesses generating additional COP \$78,000 versus last year. EBITDA margin landed at 8%, 154 basis points above first quarter of 2020. Finally, group share net results grew almost four times, as we saw before, to reach COP \$85,000 million in the first quarter and improved 158 basis points versus last year.

In the next slide we will present the net results evolution. This evolution accounts from COP \$22,000 million last year to COP \$85,000 million in the first quarter of 2021. This is mainly explained by a positive operational contribution of COP \$39,000 million. Plus COP \$78,000 from complementary businesses. Minus COP \$39,000 from retail, basically due to volume effect. Positive contribution regarding income from associates by COP \$36,000 million. Tuya last year had a negative COP \$24,000 million impact for Grupo Éxito and both Puntos Colombia and Tuya had positive contribution in this quarter.

We also saw some reduction in the non-recurring expenses, positively impacting financial expenses by COP \$21,000 million. Non-recurring expenses was also below 2019 levels and our forecast is to maintain that, as I mentioned before. Financial expenses were COP \$2,000 million higher than last year due to higher indebtedness. The negative variation in income tax that we see is mainly related to the impacts that I just mentioned.

Going on to slide 17, regarding our cash and debt situation at holding level, I would like to highlight the following. Cash position by the end of first quarter was positive at COP \$514,000 million and gross debt at the closing of first quarter was COP \$1 billion, reducing around COP \$100,000 million versus last year. The total net debt variation that we see versus first quarter of 2020 is explained totally by the extraordinary dividends paid in April last year.

That's all for the financial side. Now I'll turn the call back to Carlos Mario to go on with our main conclusions for the quarter. Thank you.

Carlos Mario Giraldo: Thank you, Ruy. I will go rapidly through the conclusions. The first one is profitability is strong. As you see, the net profit multiplied by near four times against the same quarter of last year and the EBITDA margin increasing by 154 basis points in a very tough quarter, because in this quarter we had to go through lockdowns, something that we are seeing even in a more difficult way in quarter number two, as you have all seen, and second, given that tough comparison that we had in consumer goods, in food, against the last quarter.

I would say that it is important to highlight the good thing that Éxito has a balanced strategy with complementary businesses, because last year we had a very negative impact from the credit business because of the provisions that had to be done and also from the real estate low activity in the initial months. This year, on the contrary, we had a positive impact of Tuya credits and also we had a very important positive impact of the development part of the business, of our real estate to the shopping mall developments.

In Colombia, I would say it's important to highlight that our omni-channelity goes from near 6% last year to 13%. It is a very top share in Latin America. Innovative formats continue to perform in the best way, with WOW and FreshMarket growing much more than the rest of the brand and also representing now near to 20% of total sales of the company. And in Uruguay what I would say is the resilience of the operation, with a margin above 10% in EBITDA, even if one of the most important events in every first quarter for Uruguay, which is the summer tourism that was reduced in more than 1 million customers, near to 1.5 million customers, which is material for Uruguay.

And in Argentina, all our work in a tough macroeconomic environment to protect the debt position of the company and the cash generation. Those would be the main conclusions and we can open it now to the Q&A.

Operator: Thank you. We will now begin the question and answer session. If you have a question, please press star (*) and then one (1) on your touch-tone phone. If you wish to be removed from the question queue, please press the pound sign or the hash key (#). If you are using a speakerphone, you may need to pick up the handset first before pressing the numbers.

We have a question from Nicolas Larrain, from JP Morgan.

Nicolas Larrain: Good morning, Carlos Mario and Ruy. Thank you for the call and thank you for taking my question. I have a couple on this quarter. First of all, I wanted to understand a bit how is it that you're seeing trends now in April and the recent announcement in the news of some social unrest in some cities in Colombia. I wanted to understand how are you seeing that impact on operations. I remember that for example in Chile, we had some damages to stores at some point. I was wondering if you have suffered some of the same over there. And also, on the real estate front, thank you for explaining the mechanics there, but I want to understand what has been the income from these development operations over the past two

years and how should we expect this going forward. What do you expect to get income from this type of activity over the next two years, for example? Thank you very much.

Carlos Mario Giraldo: Ok, Nicolas. Thank you for your questions. I will go to the first one and then I will hand it over to Ruy to make a little history of our real estate development, which has been there for the last years and what we look forward.

First, what I would say is April did not start well. I think it has been a month where probably we have had the toughest restrictions in COVID in Colombia during all the complete COVID section. The mayors of Bogota, Medellin, Cali, Bucaramanga, Pereira, Barranquilla, Cartagena, have done mostly restrictions, that is, they are opening the stores four days and closing three days, the weekend. At first, they were completely closed. Now, they open only to essential food but with a lot of transit restrictions because only two identification numbers or three maximum can go per day to the stores. This obviously has an impact and anyway, we have the advantage, Éxito has the advantage of a very strong home delivery service, both through our partner, Rappi, but also our own service, which now accounts for near 45% of all home deliveries. So it compensates partially these closures and this give us an edge in the market.

Number two. Last Wednesday, we started with a national protest. Some of them pacific; some of them non pacific. Today, we have a very important day. There is going to be a national movement. We have had a very close and discrete relationship with the Minister of Defense, with the Police and with the Army even, and we have been able to reduce the impact on our stores. I would say there has been some impact, but minor to what has happened. Mostly, in one store in Cali, Simon Bolivar, which is near to the transportation system, and other minor stores. But we haven't had destruction of a store, only looting, and we are keeping this very close relationship with the authorities. The tax reform, which was initially the ignition of this, was retired and it will be redeveloped and redesigned, but anyway the protest continues and of course, through our association we are helping, teaming with the government, to try to find constructive solutions to this. What I can tell you is that we are well prepared. We have the best risk management capacity, obviously, insurance that covers all this type of activities, but our most important priority today is the conservation of the integrity and security of our customers and employees and that is what we have been doing until now.

I believe that we have the fundamentals for the year. We keep our guideline and our outlook that we are going to improve our EBITDA margin by the end of the year. We had a very good start these quarters so that gives us the good lead into that. We continue to have a forecast of cash generation, important cash generation on Éxito, which is very important, and keeping our net financial debt/EBITDA ratio completely controlled and not increasing our debt. We believe that will permit us continue with our expansion and with our transformations, which include between 35 and 40 projects for the rest of the year. So of course, we have to look at the short term, and that's a reality and nobody can cover it for all the retail environment and the business environment in Colombia, but within them I think we have advantages, we have innovation continuing, we have CapEx continuing, we have a complete reinforcement of our logistics and IT platforms, we have a strong CapEx which still remains at around USD \$100 million for the rest of the year, and we have an omni-channel capability which is unique in Colombia and in the region.

I will hand it now to Ruy.

Ruy Souza: Nicolas, thanks for your question. This is a very important question we have in our business real estate development. Basically, two sources of income. We have projects that we develop and we sell the assets, and we have projects that we develop and sell the spaces and operate the assets. Last year, and also in 2019, we had income from this activity related to the first source, which was development and sales of the assets. We had, for example, in 2019 first quarter, COP \$2,000 million impact in EBITDA, and then on the fourth quarter of 2019 we had COP \$6,000 million impact in EBITDA. And last year, for example, on the first quarter we had a positive income from this activity of almost COP \$10,000 million, which compares to the COP \$75 that we had this quarter. So it is a recurrent income we have been having throughout the last two years. For example, for the whole year of 2020 the impact in EBITDA is almost COP \$25,000 million but the thing is that the projects that we delivered on the first quarter, that we legalized and booked on the first quarter of 2021, were the biggest ones, Viva Envigado and Viva Tunja. That's why this income was much higher than the previous quarters.

So we have been having this kind of income throughout the last two years. One of the main projects that is on the pipeline, which is a development and sale of assets, which is our logistics compound called Montevideo, in Bogota, It is still an ongoing project. We expect to have income from this project on the following quarters. Maybe on the fourth quarter of this year because the schedule is to deliver this project by November and we are also seeking for new opportunities for the upcoming years. I cannot forecast anything for 2022 or 2023 but this is an ongoing opportunity and we will certainly have additional projects for the upcoming years.

I don't know if this clears up your doubt.

Nicolas Larrain: Sure. Thank you, Ruy and Carlos Mario. Have a nice day.

Operator: Thank you. As a reminder, if you have a question, please press star (*) and then one (1). The next question comes from Irma Sgarz, from Goldman Sachs.

Irma Sgarz: Yes. Hi. Thank you for taking my question. Regarding the Éxito formats in which the non-food sales are more relevant share as any of the other formats, and successfully you've shifted part of the sales online during the pandemic, but as you think about reopening trends, are some of those categories maybe staying online to a larger degree or maybe will continue to shift online to a larger degree, how do you think about to some extent repurposing the sales area that you've used within some of your larger stores for these non-food items? Do you see any other non-food categories sort of strengths inside the store, maybe something like electronic appliances and online to a larger degree? Or do you even see opportunities for sometimes reducing some of the area within the store and maybe using that for food galleries or renting it out or maybe offering some services in the stores? So I'm trying to understand how you think about this most structural shape. Thank you.

Carlos Mario Giraldo: Irma, that's a very good question and let me open it in various things. The first one is that our non-food business is today around 30% of the total of the company and when you look at Éxito brand, it is more towards 40%. So it's really important.

Second, when you look at the Colombian non-food environment, it is very different from what you see in the US or in Mexico or in Brazil because really the existence of specialists, especially in the digital parts of non-food, is very scarce. In Colombia, we only have one specialist, which is Alkosto. It doesn't have presence in all the country and really today Alkosto and Éxito lead in a national basis the electronics business. So we are the specialists, we are the destination. So we continue to reinforce the experience of this type of business within our stores. That doesn't mean that we are not promoting e-commerce and marketplace, and as you see, our share in this businesses was 18%, which is quite good.

Then, when we go to the other non-food business, which is historic for Éxito, that is textiles. Apparel is in the history, in the birth of Éxito. We have very important non-food private brands like Arkitekt, Bronzini and People, which account for near 50% of the sales of apparel. We sell more than 50 million apparel pieces per year and here, our competitors are the department stores like Falabella, Saga, and the other specialist brands in Colombia. But really, here we have an opportunity. Clearly, our share in the online business is not that big as it should be and is one of the emphasis the company is doing but our presence inside the stores, both of the national brands, international brands, and our own brands, is very important and we want to keep it that way.

And in home products, we are not the specialist but we have selected some categories in which we are deep and we can compete with specialists like Homecenter.

After having given this description, what I would say is we are doing some reduction in spaces only where we find that there's a very important opportunity of a real estate combination, or with a shopping mall, or with a real estate partner like for example developing formats like Dollar City or Decathlon, which have been partners with the company, entering and creating power centers. So it's exceptional.

And the other exceptional change in space is that we have to dedicate some space within the stores to reinforce the areas for omni-channel crossover activities with our customers and picking and packing delivery of both non-food and food home deliveries, which is normal, something like what Best Buy or Walmart are doing in a very good way in the U.S.

But the straight answer is no, we don't have a need to reduce space for non-food. Yes, there are punctual moments in which we will reduce some space, but not only for non-food but for the complete assortment in very big stores of 10,000 or 8,000 square meters because we have to reinforce the areas for omni-channel cross activities, and also to enter some partners that will drive attractive real estate income.

Irma Sgarz: Thank you.

Operator: Thank you. We have a follow-up question from Irma Sgarz, from Goldman Sachs.

Irma Sgarz: Yes. Thank you for giving me another opportunity. Within the home delivery, which I think you said your own home delivery was now accounting for 45% of the home delivery segment, how much of it is from the stores directly versus a centralized facility? And how do you see that balance developing over time? Thank you.

Carlos Mario Giraldo: I don't have the exact percentage but what I would say is our model is, home delivery in food, almost all, is delivered from stores. And we think is the right way to do it, first, because it contains fresh products, and fresh products are not produced to be delivered centrally and second, because what we do is a referenciation of the stores with the households that are asking for the command, so it makes that the delivery store is very near to the household and that makes us that today, for example, the direct contribution to EBITDA of e-commerce is between 6% and 7%, which is very important.

That's different in non-food. In non-food, we have the delivery mostly centralized in central delivery buildings and facilities, except the click-and-collect, which has become very important in our service. It is now around 30% of the total sales and it is one of the big advantages that a player like Éxito has against the pure players in the non-food business.

Irma Sgarz: Great. Thank you.

Operator: Thank you. And at this moment we show no other questions. Do you have any final remarks?

Carlos Mario Giraldo: Yes. Thank you for giving me the word. What I would tell you is, we have a business model which has shown to be consistently profitable in our region, especially in Colombia and Uruguay. We are going through difficult moments, as everybody, but now concentrated in Colombia, with lockdowns and social unrest, but the company is prepared both operationally and financially to go through that. If you look at the Colombian retail environment, you've seen that our profitability is a very important advantage and that is key for sustainability today and to maintain the confidence, especially from our suppliers, that are giving us full support.

Omni-channelity in Éxito is here to stay. We thought that 12% last year was the top we could get but we continue increasing that share or at least maintaining it at that high level and that is very good because that puts us in a very competitive position against other players and even pure players.

Innovation is more important than ever, especially when formats like WOW and FreshMarket have ROIs that can go from 15% to 30% so it's an important contribution to the company.

And another thing that makes us different is our customer monetization and asset monetization and when you look at the potential that things like Puntos Colombia have, it is amazing what we are seeing there for the future.

Finally, I would say Éxito is a heart brand. It is in the center of the hearts and the minds of the Colombians and going through COVID and going through difficult moments for our people and high unemployment rates, we have reinforced our solidarity, contributing highly

to child nutrition with more than 250,000 nutritional packages last year and continuing this year and now, for example, we are doing something that has us very happy and enthusiast, as being a vaccination massive solution in our shopping malls today. Viva Barranquilla, in the north coast, Viva Villavicencio and Viva Guajira are centers for vaccination in collaboration with the authorities and tomorrow I'm going to announce publically, jointly with the Gobernador de Antioquia, and with Suramericana de Seguros, that Viva Envigado is going to be the most important vaccination massive center in the metropolitan area of Medellin, so we have to combine this because at the end we have to have a sustainable business that is sustainable financially, sustainable socially, and sustainable for the planet, in the environment areas of our business.

I thank you all for being here and hope to see you in the next conference.

Operator: Thank you. Ladies and gentlemen, this concludes today's conference. Thank you for your participation. You may now disconnect.