

**Audit and Risk Committee of the Board of Directors of Grupo Éxito, composed exclusively by independent directors, gives positive recommendation to the sale of Grupo Pão de Açúcar shares**

**Board of Directors and CEO of the Company summon an Extraordinary Shareholders Meeting to lift existing conflicts of interest and decide on the transaction**

**The sale value contained in the offer is 113 BRL per GPA share, which represents a premium of 29.7% against the market value**

**The transaction will include a price equalization clause in the event that during the 15 months following its closing, Casino sells GPA shares for a value greater than 113 BRL**

**The sale of GPA shares would allow Grupo Éxito to strengthen its financial position and business strategy in Colombia**

Within the framework of compliance with the strictest corporate governance standards, today the members of the Audit and Risk Committee of the Board of Directors of Grupo Éxito, positively recommended the sale to the Casino Group of the shares held by the company in GPA (Grupo Pão de Açúcar from Brazil). This committee is made up exclusively of the four independent directors of the Board: Luis Fernando Alarcón Mantilla (Chairman of the Board), Felipe Ayerbe Muñoz, Ana María Ibáñez Londoño and Daniel Cortés McAllister.

According to the Corporate Governance Code, the transaction is classified as Material and Non-Recurring, therefore, it was up to the Committee to evaluate it in advance and submit recommendations to the Board of Directors. According to Chapter 7 of said code, the evaluation should be framed among other things in the following principles:

- a. Satisfaction of the Company's interests and lack of any harm
- b. Providing a better service, price or conditions for clients
- c. Value generation for the Company
- d. Lack of any hinderance in, or risk to, the Company's capacity to service its debt and fulfill its obligations with third parties
- e. Protection of minority shareholders
- f. Transparency
- g. Promotion of synergies

Likewise, the Audit and Risk Committee evaluated, among others, the importance of the transaction, the value offered compared to market conditions, and the conditions of disclosure to the market.

For the analysis, evaluation, conclusions and recommendations of the transaction, the Audit and Risk Committee had the support of INVERLINK and Jorge G. Pinzón Sánchez, as independent financial and legal advisors, respectively. Both advisers met the criteria of independence and suitability set by the Committee and are widely known for their relevant experience and technical solvency, as well as for their good personal and professional reputation.

The Audit and Risk Committee concluded that the transaction complies with the principles and criteria established in chapter seven of the Corporate Governance Code for related party transactions. Likewise, the legal advisor indicated that the transaction is in market conditions and is consistent with Colombian legislation, with the Company Bylaws and with the Corporate Governance instruments of the Company.

It's important to remember that on August 19 Grupo Casino presented a modified offer to the one announced on July 24, in which the value per GPA share offered increased from 109 to 113 BRL, representing a 29, 7% premium against the market value of the shares on the date of presentation of said modified offer. Likewise, the new offer contemplates a price equalization clause, according to which if, from the announcement of the transaction and within 15 months after the closing of the transaction, Casino were to sell or transfer directly or indirectly to a third party GPA shares acquired from Éxito at a value higher than the one agreed upon, Grupo Éxito will receive 80% of the net tax difference. Grupo Éxito today indirectly owns 49,809,614 shares of Grupo Pão de Açúcar.

Currently Grupo Éxito controls Grupo Pão de Açúcar through Segisor Company and the final payment of Casino to Grupo Éxito will discount Segisor's indebtedness corresponding to Éxito's participation.

***“This transaction was analyzed by the members of the Audit Committee under the strictest parameters of corporate governance, information transparency and respect for the interests of minority shareholders. In this evaluation process, we were accompanied by high-level advisors and after weeks of a judicious analysis we concluded that the transaction meets the criteria established in the Corporate Governance Code and is in the best interest of Grupo Éxito and the future of its business”***, said Luis Fernando Alarcón Mantilla, Chairman of the Audit and Risk Committee and of the Board of Directors of Grupo Éxito.

### **Transaction passes to approval of the Shareholders Meeting**

After the concept with a favorable and unanimous vote of the members of the Audit and Risk Committee in relation to the sale of Grupo Pão de Açúcar shares to Casino,

the Board of Directors and the CEO, summoned an Extraordinary Shareholders Meeting for 12 September at 8:00 am, to submit for consideration the following authorizations related to the potential conflicts of interest of the Board and Éxito's administrators:

- a. Authorization to the Board of Directors to deliberate and decide on the approval of the Transaction,
- b. Approval of the Transaction by the General Shareholders Meeting
- c. Authorization for the CEO and, if necessary, for the other legal representatives of the Company, to sign and execute, without any limit as to the amount, all the acts required to carry out the Transaction

If the transaction is completed, and after the discount of Segisor's debt in the proportion that corresponds to Éxito, and taking into account the exchange rates, the Company would receive approximately 4 billion pesos. According to current estimates, these resources would allow Grupo Éxito to pay the debt and consequently strengthen its investment capacity in the strategic business plan in Colombia, for retail, real estate, e-commerce and the latest mile. Likewise, the Company would stop incurring in financial expenses.

In the real estate business, opportunities would be generated to accelerate its expansion project with important projects as Suba, Cúcuta, Puerta del Norte, San Diego in Cartagena and a possibility that is being explored in Calle 80 Bogotá. If completed, these projects would involve an investment close to 800 billion pesos over the next four years.

In physical retail, the planned investments for Éxito now, Carulla Fresh Market and Surtimayorista would double. It is worth remembering the important results that these formats have presented in recent quarters.

Alongside, the technological investments for the development of the marketplace (electronic commerce platform for allied suppliers that offer their products in our e-commerce site), the logistics for the last mile attention, which is a global trend, the development of digital catalogs and digital transformation would be reinforced.

Additionally, Grupo Éxito would continue with the strengthening of premium and express formats in Uruguay and the real estate business in Argentina.

***“I want to finally highlight how this transaction has been analyzed by the independent directors of Éxito within the strictest parameters of good corporate governance and great respect from the controlling shareholder. This transaction, offered in attractive economic conditions, would allow Éxito to double the pace of development of powerful formats for its clients, such as***

***Wow, Fresh and Cash & Carry, and accelerate the development of its technological and logistic platforms for virtual commerce and in-home services. Colombia today shows a stable growth potential, with an additional space for several of our profitable real estate projects, with investments close to 800 billion pesos over the next 4 years. In the midst of all the synergies in Latin America that have brought us so much value, innovation, productivity and good practices would continue”***, said Carlos Mario Giraldo Moreno, CEO of Grupo Éxito.