**Almacenes Éxito S.A.**

**Interim consolidated financial statements**

**At March 31, 2020 and at December 31, 2019**

**Almacenes Éxito S.A.**
**Interim consolidated financial statements**
At March 31, 2020 and at December 31, 2019

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

Envigado, May 11, 2020

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered and under whose responsibility the accompanying financial statements have been prepared, do hereby certify that regarding the consolidated financial statements of the Parent and its subsidiaries, at March 31, 2020 and at December 31, 2019, the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the interim consolidated financial statements of the Company do exist, and all transactions included in said interim consolidated financial statements have been carried out during the three-month period ended March 31, 2020 and during the annual period ended December 31, 2019.

2. All economic events achieved by the Parent and its subsidiaries during the three-month period ended March 31, 2020 and during the annual period ended December 31, 2019, have been recognized in the consolidated 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 Parent and its subsidiaries at March 31, 2020 and at December 31, 2019.

4. All items have been recognized at proper values.

5. All economic events affecting the Parent and its subsidiaries have been properly classified, described and disclosed in the consolidated 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., Parent company, does hereby certify that the interim consolidated financial statements and the operations of the Parent and its subsidiaries at March 31, 2020 and at December 31, 2019, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

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

| | |
|---|---|
| Carlos Mario Giraldo Moreno | Jorge Nelson Ortiz Chica |
| Parent's Legal Representative | Parent's Head Accountant |
| | Professional Card 67018-T |

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

| | Notes | March 31, 2020 | December 31, 2019 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 7 | 2,074,662 | 2,562,674 |
| Trade receivables and other accounts receivable | 8 | 344,528 | 379,921 |
| Prepaid expenses | 9 | 44,578 | 43,351 |
| Accounts receivable from related parties | 10 | 41,291 | 55,044 |
| Inventories, net | 11 | 2,051,518 | 1,900,660 |
| Other financial assets | 12 | 124,234 | 43,237 |
| Tax assets | 25 | 409,986 | 333,850 |
| Non-current assets held for trading | 44 | 40,189 | 37,928 |
| **Total current assets** | | **5,130,986** | **5,356,665** |
| **Non-current assets** | | | |
| Trade receivables and other accounts receivable | 8 | 33,235 | 34,310 |
| Prepaid expenses | 9 | 9,117 | 9,631 |
| Other non-financial assets with related parties | 10 | 5,000 | 15,000 |
| Other financial assets | 12 | 50,567 | 48,329 |
| Property, plant and equipment, net | 13 | 3,923,514 | 3,845,092 |
| Investment property, net | 14 | 1,676,931 | 1,626,220 |
| Use rights, net | 15 | 1,276,959 | 1,303,648 |
| Goodwill | 16 | 3,050,449 | 2,929,751 |
| Intangible assets other than goodwill, net | 17 | 326,824 | 304,215 |
| Investments accounted for using the equity method | 18 | 197,090 | 210,487 |
| Deferred tax assets | 25 | 184,840 | 177,269 |
| Other non-financial assets | | 398 | 398 |
| **Total non-current assets** | | **10,734,924** | **10,504,350** |
| **Total assets** | | **15,865,910** | **15,861,015** |
| **Current liabilities** | | | |
| Financial liabilities | 19 | 1,288,949 | 616,822 |
| Employee benefits | 20 | 3,379 | 2,978 |
| Other provisions | 21 | 33,633 | 14,420 |
| Accounts payable to related parties | 22 | 1,101,216 | 80,995 |
| Trade payables and other accounts payable | 23 | 3,553,831 | 4,662,801 |
| Lease labilities | 24 | 213,352 | 222,177 |
| Tax liabilities | 25 | 72,979 | 72,910 |
| Other financial liabilities | 26 | 97,392 | 114,871 |
| Other non-financial liabilities | 27 | 94,723 | 118,240 |
| **Total current liabilities** | | **6,459,454** | **5,906,214** |
| **Non-current liabilities** | | | |
| Financial liabilities | 19 | 285,920 | 43,531 |
| Employee benefits | 20 | 20,920 | 20,920 |
| Other provisions | 21 | 20,128 | 18,998 |
| Trade payables and other accounts payable | 23 | - | 114 |
| Lease labilities | 24 | 1,299,804 | 1,308,054 |
| Deferred tax liabilities | 25 | 144,060 | 116,503 |
| Tax liabilities | 25 | 923 | 800 |
| Other financial liabilities | 26 | - | 370 |
| Other non-financial liabilities | 27 | 654 | 669 |
| **Total non-current liabilities** | | **1,772,409** | **1,509,959** |
| **Total liabilities** | | **8,231,863** | **7,416,173** |
| **Shareholders' equity, see accompanying statement** | | **7,634,047** | **8,444,842** |
| **Total liabilities and shareholders' equity** | | **15,865,910** | **15,861,015** |

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

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See accompanying certificate)

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See accompanying certificate)

Ángela Jaimes Delgado
Parent's Statutory Auditor
Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated May 11, 2020)

**Almacenes Éxito S.A.**
**Interim consolidated statements of income**
For the three-month periods ended March 31, 2020 and March 31, 2019
(Amounts expressed in millions of Colombian pesos)

| | Notes | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) | January 1 to March 31, 2019 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| Revenue from ordinary activities under contracts with customers | 30 | 4,052,431 | 3,693,763 | 14,275,209 |
| Cost of sales | 11 | (3,051,309) | (2,715,101) | (10,967,956) |
| **Gross profit** | | **1,001,122** | **978,662** | **3,307,253** |
| Distribution expenses | 31 | (444,514) | (440,428) | (1,377,518) |
| Administration and sales expenses | 31 | (107,403) | (102,035) | (237,515) |
| Employee benefit expenses | 32 | (322,573) | (331,298) | (1,175,351) |
| Other operating revenue | 33 | 9,314 | 22,185 | 39,071 |
| Other operating expenses | 33 | (36,158) | (22,919) | (47,470) |
| Other net gains (losses) | 33 | 5,097 | (1,701) | (18,521) |
| **Profit from operating activities** | | **104,885** | **102,466** | **489,949** |
| Financial revenue | 34 | 112,973 | 177,219 | 210,871 |
| Financial expenses | 34 | (147,301) | (279,370) | (563,568) |
| Share of profits in associates and joint ventures accounted for using the equity method | 35 | (23,398) | (2,179) | (16,696) |
| **Gain (loss) from continuing operations before income tax** | | **47,159** | **(1,864)** | **120,556** |
| Tax (expense) revenue | 25 | (4,517) | 740 | (35,739) |
| **Net gain (loss) for the period from continuing operations** | | **42,642** | **(1,124)** | **84,817** |
| Net (loss) gain for the period from discontinued operations | 44 | (254) | 159,548 | 73,607 |
| **Net income for the period** | | **42,388** | **158,424** | **158,424** |
| **Gain is attributable to:** | | | | |
| **Gain (loss) attributable to the shareholders of the controlling entity** | | **21,987** | **(13,574)** | **(13,574)** |
| Gain attributable to non-controlling interests | | 20,401 | 171,998 | 171,998 |
| **Earnings per share (*)** | | | | |
| **Earnings per basic share (*):** | | | | |
| Earnings (loss) per basic share attributable to the shareholders of the controlling entity | 36 | 49.12 | (30.33) | (30.33) |
| Earnings (loss) per basic share from continuing operations attributable to the shareholders of the controlling entity | 36 | 49.69 | (41.65) | (34.73) |
| (Loss) earnings per basic share from discontinued operations attributable to the shareholders of the controlling entity | 36 | (0.57) | 11.33 | 4.40 |
| **Earnings per diluted share (*):** | | | | |
| Earnings (loss) per diluted share attributable to the shareholders of the controlling entity | 36 | 49.12 | (30.33) | (30.33) |
| Earnings (loss) per diluted share from continuing operations attributable to the shareholders of the controlling entity | 36 | 49.69 | (41.65) | (34.73) |
| (Loss) earnings per diluted share from discontinued operations attributable to the shareholders of the controlling entity | 36 | (0.57) | 11.33 | 4.40 |

(1) Amounts include the effect of the reclassification of revenue, costs and expenses of Companhia Brasileira de Distribuição - CBD, Ségisor S.A., Wilkes Partipações S.A. (companies sold on November 27, 2019) and of subsidiary Gemex O&W S.A.S. to the net income from discontinued operations for the period, for comparison to the three-month period ended March 31, 2020 interim consolidated statement of income. See Note 44 for a detail of the results of these companies.

(*) Amounts expressed in Colombian pesos.

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

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Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated May 11, 2020)

**Almacenes Éxito S.A.**
**Interim consolidated statements of comprehensive income**
For the three-month periods ended March 31, 2020 and March 31, 2019
(Amounts expressed in millions of Colombian pesos)

| | Notes | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|---|
| **Net income for the period** | | **42,388** | **158,424** |
| **Other comprehensive income for the period** | | | |
| **Components of other comprehensive income that will not be reclassified to period results, net of taxes** | | | |
| (Loss) from investments in equity instruments | 29 | (1,089) | (6,547) |
| **Total other comprehensive income that will not be reclassified to period results, net of taxes** | | **(1,089)** | **(6,547)** |
| **Components of other comprehensive income that will be reclassified to period results, net of taxes** | | | |
| Gain (loss) from translation exchange differences | 29 | 211,635 | (740,316) |
| Gain from investment hedging abroad | 29 | 3,634 | - |
| (Loss) gain from cash flow hedging | 29 | (29) | 360 |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results | 29 | - | (9,997) |
| **Total other comprehensive income that will be reclassified to period results, net of taxes** | | **215,240** | **(749,953)** |
| **Total other comprehensive income** | | **214,151** | **(756,500)** |
| **Total comprehensive income** | | **256,539** | **(598,076)** |
| **Gain is attributable to:** | | | |
| **Gain (loss) attributable to the shareholders of the controlling entity** | | **230,507** | **(296,321)** |
| Gain (loss) attributable to non-controlling interests | | 26,032 | (301,755) |
| **Earnings per share (*)** | | | |
| **Earnings per basic share (*):** | | | |
| Earnings (loss) per basic share from continuing operations | 36 | 514.98 | (662.01) |
| **Earnings per diluted share (*):** | | | |
| Earnings (loss) per diluted share from continuing operations | 36 | 514.98 | (662.01) |

(*) Amounts expressed in Colombian pesos.

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

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(See accompanying report dated May 11, 2020)

**Almacenes Éxito S.A.**
**Interim consolidated statements of cash flows**
For the three-month periods ended March 31, 2020 and March 31, 2019
(Amounts expressed in millions of Colombian pesos)

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Cash flows provided by operating activities** | | |
| **Net income for the period** | **42,388** | **158,424** |
| **Adjustments to reconcile income for the period** | | |
| Current income tax | 13,237 | 87,182 |
| Deferred income tax | (8,720) | (51,443) |
| Financial costs | 7,579 | 287,328 |
| Impairment of receivables | 6,368 | 120,342 |
| Reversal of receivable impairment | (3,645) | (14,762) |
| Inventory impairment | 2,764 | 2,824 |
| Reversal of inventory impairment | (761) | (3,788) |
| Employee benefit provisions | 401 | 646 |
| Other provisions | 36,515 | 310,809 |
| Reversal of other provisions | (2,754) | (213,243) |
| Expense from depreciation of property, plant and equipment, use rights and investment property | 119,190 | 409,654 |
| Amortization of intangible assets expense | 4,850 | 38,712 |
| Share-based payments | - | 10,002 |
| Loss from application of the equity method | 23,398 | 16,696 |
| (Gain) loss from the disposal of non-current assets | (3,209) | 21,487 |
| Other adjustments for which the effects on cash are cash flows provided by investment or financing activities | (32,715) | (141,494) |
| Other adjustment from items other than cash | 6,235 | - |
| **Operating income before changes in working capital** | **211,121** | **1,039,376** |
| Decrease in trade receivables and other accounts receivable | 49,621 | 1,737,869 |
| Decrease (increase) in prepaid expenses | 585 | (131,330) |
| Decrease (increase) in receivables from related parties | 13,964 | (180,877) |
| (Increase) decrease in inventories | (118,137) | 140,183 |
| (Increase) in tax assets | (82,274) | (218,542) |
| (Decrease) in other provisions | (13,538) | (168,571) |
| (Decrease) in trade payables and other accounts payable, and lease liabilities | (1,245,578) | (1,933,997) |
| (Decrease) in accounts payable to related parties | (1,426) | (38,046) |
| (Decrease) in tax liabilities | (3,589) | (32,711) |
| (Decrease) in other non-financial liabilities | (26,237) | (53,159) |
| Decrease in non-current assets held for trading | - | 3,421 |
| (Decrease) in non-current liabilities held for trading | - | (3,771,593) |
| **Net cash flows (used in) operating activities** | **(1,215,488)** | **(3,607,977)** |
| **Cash flows provided by investment activities** | | |
| Cash flows used to maintain control over subsidiaries | - | 9 |
| Acquisition of property, plant and equipment | (38,218) | (376,760) |
| Acquisition of investment property | (4,731) | (23,171) |
| Acquisition of intangible assets | (8,850) | (83,406) |
| Proceeds of the sale of property, plant and equipment | 263 | 2,103 |
| **Net cash flows (used in) investment activities** | **(51,536)** | **(481,225)** |
| **Cash flows provided by financing activities** | | |
| Cash flows provided by changes in interest in subsidiaries that do not result in loss of control | - | 283,950 |
| (Increase) decrease in other financial assets | (82,954) | 27,767 |
| (Decrease) increase in other financial liabilities | (17,997) | 690,615 |
| Increase in financial liabilities | 881,135 | 249,817 |
| Increase (decrease) in financial liabilities under *lease agreements* | 1,303 | (99,466) |
| Dividends paid | (44,830) | (34,066) |
| Financial yields | 32,715 | 143,544 |
| Interest paid | (7,579) | (293,665) |
| Transactions with non-controlling entities | (1,127) | 152 |
| Other cash (outflows) | (2,893) | (34,787) |
| **Net cash flows provided by financing activities** | **757,773** | **933,861** |
| **Net (decrease) in cash and cash equivalents** | **(509,251)** | **(3,155,341)** |
| **Effects of the variation in exchange rates** | **21,239** | **(34,105)** |
| **Cash and cash equivalents at the beginning of period** | **2,562,674** | **5,973,764** |
| **Cash and cash equivalents at the end of period** | **2,074,662** | **2,784,318** |

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Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated May 11, 2020)

**Almacenes Éxito S.A.**
**Interim consolidated statements of changes in shareholders' equity**
At March 31, 2020 and at December 31, 2019
(Amounts expressed in millions of Colombian pesos)

| | **Issued share capital** | **Premium on the issue of shares** | **Treasury shares repurchased** | Legal reserve | Occasional reserve | Reacquisition of shares | Future dividends | Other reserves | **Total reserves** | **Other accumulated comprehensive income** | **Retained earnings** | **Other equity components** | **Total equity of the controlling entity** | **Changes in non-controlling interests** | **Total in net 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, 2018** | **4,482** | **4,843,466** | **(2,734)** | 7,857 | 1,772,571 | 22,000 | 15,710 | 25,412 | **1,843,550** | **(704,375)** | **1,000,655** | **426,171** | **7,411,215** | **11,051,254** | **18,462,469** |
| Cash dividend declared | - | - | - | - | (139,706) | - | - | - | (139,706) | - | - | - | (139,706) | (75,368) | (215,074) |
| Net income for the period | - | - | - | - | - | - | - | - | - | - | (13,574) | - | (13,574) | 171,998 | 158,424 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | (282,747) | - | - | (282,747) | (473,753) | (756,500) |
| Appropriation for reserves | - | - | - | - | 139,701 | - | 139,702 | - | 279,403 | - | (279,403) | - | - | - | - |
| Increase from changes in the ownership of subsidiaries that do not result in loss of control | - | - | - | - | - | - | - | - | - | - | - | 2,245 | 2,245 | 276,028 | 278,273 |
| Other developments in shareholders' equity | - | - | - | - | (1,544) | - | - | 11,954 | 10,410 | - | 12,101 | (58,838) | (36,327) | 30,912 | (5,415) |
| **Balance at March 31, 2019** | **4,482** | **4,843,466** | **(2,734)** | 7,857 | 1,771,022 | 22,000 | 155,412 | 37,366 | **1,993,657** | **(987,122)** | **719,779** | **369,578** | **6,941,106** | **10,981,071** | **17,922,177** |
| | | | | | | | | | | | | | | | |
| **Balance at December 31, 2019** | **4,482** | **4,843,466** | **(2,734)** | 7,857 | 1,771,022 | 22,000 | 155,412 | 199,280 | **2,155,571** | **(1,069,112)** | **618,031** | **646,824** | **7,196,528** | **1,248,314** | **8,444,842** |
| Cash dividend declared | - | - | - | - | (1,091,259) | - | - | - | (1,091,259) | - | - | - | (1,091,259) | (11,027) | (1,102,286) |
| Net income for the period | - | - | - | - | - | - | - | - | - | - | 21,987 | - | 21,987 | 20,401 | 42,388 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | 208,520 | - | - | 208,520 | 5,631 | 214,151 |
| Appropriation for reserves | - | - | - | - | 57,602 | - | - | - | 57,602 | - | (57,602) | - | - | - | - |
| Increase from changes in the ownership of subsidiaries that do not result in loss of control | - | - | - | - | - | - | - | - | - | - | - | (1,126) | (1,126) | 1,989 | 863 |
| Other developments in shareholders' equity | - | - | - | - | (1,603) | - | - | - | (1,603) | - | (10,109) | 49,298 | 37,586 | (3,497) | 34,089 |
| **Balance at March 31, 2020** | **4,482** | **4,843,466** | **(2,734)** | 7,857 | 735,762 | 22,000 | 155,412 | 199,280 | **1,120,311** | **(860,592)** | **572,307** | **694,996** | **6,372,236** | **1,261,811** | **7,634,047** |

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

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See accompanying certificate)

Jorge Nelson Ortiz Chica
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Ángela Jaimes Delgado
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(See accompanying report dated May 11, 2020)

## Note 1. General information

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

The Parent is listed on the Colombia Stock Exchange (BVC) since 1994 and is under the control of the Financial Superintendence of Colombia.

The Parent's main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide ancillary 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 final controlling entity of the Parent is Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD. At March 31, 2020, the controlling entity had a 96.57% interest (December 31, 2019 - 96.57%) in the share capital of the Parent.

The Parent registered before the Aburrá Sur Chamber of Commerce a situation of entrepreneurial Group regarding its subsidiaries.

**Note 1.1. Stock ownership in subsidiaries included in the consolidated financial statements**

Below is a detail of the stock ownership in subsidiaries included in the interim consolidated financial statements at March 31, 2020 and December 31, 2019:

| Name | Segment | Country | Currency currency | Stock ownership 2020 Direct | Stock ownership 2020 Indirect | Stock ownership 2020 Total | Stock ownership 2019 Direct | Stock ownership 2019 Indirect | Stock ownership 2019 Total |
|---|---|---|---|---|---|---|---|---|---|
| Almacenes Éxito Inversiones S.A.S. | Colombia | Colombia | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Logística, Transporte y Servicios Asociados S.A.S. | Colombia | Colombia | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Marketplace Internacional Éxito y Servicios S.A.S. | Colombia | Colombia | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Depósitos y Soluciones Logísticas S.A.S. | Colombia | Colombia | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Marketplace Internacional Éxito S.L. | Colombia | Spain | Euro | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Fideicomiso Lote Girardot | Colombia | Colombia | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Gemex O&W S.A.S. | Colombia | Colombia | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Éxito Industrias S.A.S. | Colombia | Colombia | Colombian peso | 94.53% | 3.42% | 97.95% | 94.53% | 3.42% | 97.95% |
| Éxito Viajes y Turismo S.A.S. | Colombia | Colombia | Colombian peso | 51.00% | 0.00% | 51.00% | 51.00% | 0.00% | 51.00% |
| Patrimonio Autónomo Viva Malls | Colombia | Colombia | Colombian peso | 51.00% | 0.00% | 51.00% | 51.00% | 0.00% | 51.00% |
| Patrimonio Autónomo Iwana | Colombia | Colombia | Colombian peso | 51.00% | 0.00% | 51.00% | 51.00% | 0.00% | 51.00% |
| Patrimonio Autónomo Centro Comercial Viva Barranquilla | Colombia | Colombia | Colombian peso | 0.00% | 45.90% | 45.90% | 0.00% | 45.90% | 45.90% |
| Patrimonio Autónomo Viva Laureles | Colombia | Colombia | Colombian peso | 0.00% | 40.80% | 40.80% | 0.00% | 40.80% | 40.80% |
| Patrimonio Autónomo Viva Sincelejo | Colombia | Colombia | Colombian peso | 0.00% | 26.01% | 26.01% | 0.00% | 26.01% | 26.01% |
| Patrimonio Autónomo Viva Villavicencio | Colombia | Colombia | Colombian peso | 0.00% | 26.01% | 26.01% | 0.00% | 26.01% | 26.01% |
| Patrimonio Autónomo San Pedro Etapa I | Colombia | Colombia | Colombian peso | 0.00% | 26.01% | 26.01% | 0.00% | 26.01% | 26.01% |
| Patrimonio Autónomo Centro Comercial | Colombia | Colombia | Colombian peso | 0.00% | 26.01% | 26.01% | 0.00% | 26.01% | 26.01% |
| Patrimonio Autónomo Viva Palmas | Colombia | Colombia | Colombian peso | 0.00% | 26.01% | 26.01% | 0.00% | 26.01% | 26.01% |
| Spice Investment Mercosur S.A. | Uruguay | Uruguay | Uruguayan peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Devoto Hermanos S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Mercados Devoto S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Larenco S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Geant Inversiones S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Lanin S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| 5 Hermanos Ltda. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Sumelar S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Tipsel S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Tedocan S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Raxwy Company S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Supermercados Disco del Uruguay S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Grupo Disco del Uruguay S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| | Uruguay | Uruguay | Uruguayan peso | | | | | | |
| | | | | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |

| Name | Segment | Country | Currency currency | Stock ownership 2020 Direct | Stock ownership 2020 Indirect | Stock ownership 2020 Total | Stock ownership 2019 Direct | Stock ownership 2019 Indirect | Stock ownership 2019 Total |
|---|---|---|---|---|---|---|---|---|---|
| Ameluz S.A. | | | | | | | | | |
| Fandale S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Odaler S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| La Cabaña S.R.L. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Ludi S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Semin S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Randicor S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Setara S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Hiper Ahorro S.R.L. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 62.49% | 62.49% | 0.00% | 62.49% | 62.49% |
| Ciudad del Ferrol S.C. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 61.24% | 61.24% | 0.00% | 61.24% | 61.24% |
| Mablicor S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 31.87% | 31.87% | 0.00% | 31.87% | 31.87% |
| Maostar S.A. | Uruguay | Uruguay | Uruguayan peso | 0.00% | 31.25% | 31.25% | 0.00% | 31.25% | 31.25% |
| Onper Investment 2015 S.L. | Argentina | Spain | Colombian peso | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% |
| Vía Artika S. A. | Argentina | Uruguay | Uruguayan peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Spice España de Valores Americanos S.L. | Argentina | Spain | Euro | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Libertad S.A. | Argentina | Argentina | Argentine peso | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Gelase S. A. | Argentina | Belgium | Euro | 0.00% | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |

**Note 1.2. Colombian and foreign operating subsidiaries**

The accompanying interim consolidated financial statements at March 31, 2020 include the same Colombian operating subsidiaries and the same largest operating subsidiaries located abroad as included in the consolidated financial statements for the annual period ended December 31, 2019.

As part of its operating strategy, in August 2019 the Parent decided to close the commercial operation of subsidiary Gemex O&W S.A.S. On the grounds of this decision, retained earnings of this subsidiary at March 31, 2020 are shown in the interim consolidated statement of income under the net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries. Amounts in the interim consolidated statement of income for the three-month period ended March 31, 2019 have been restated for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020, to comply with the requirements of IFRS 5.

The corporate purpose and other information regarding the following Colombian operating subsidiaries and largest foreign operating subsidiaries were disclosed in the consolidated financial statements for the annual period ended December 31, 2019:

- Almacenes Éxito Inversiones S.A.S.
- Logística, Transporte y Servicios Asociados S.A.S.
- Marketplace Internacional Éxito y Servicios S.A.S.
- Depósitos y Soluciones Logísticas S.A.S.
- Marketplace Internacional Éxito S.L.
- Fideicomiso Lote Girardot
- Gemex O&W S.A.S.
- Éxito Industrias S.A.S.
- Éxito Viajes y Turismo S.A.S.
- Patrimonio Autónomo Viva Malls
- Patrimonio Autónomo Iwana
- Patrimonio Autónomo Centro Comercial Viva Barranquilla
- Patrimonio Autónomo Viva Laureles
- Patrimonio Autónomo Viva Sincelejo
- Patrimonio Autónomo Viva Villavicencio
- Patrimonio Autónomo San Pedro Etapa I
- Patrimonio Autónomo Centro Comercial
- Patrimonio Autónomo Viva Palmas
- Devoto Hermanos S.A.
- Mercados Devoto S.A.
- Supermercados Disco del Uruguay S.A.
- Libertad S.A.

**Note 1.3. Subsidiaries with material non-controlling interests**

At March 31, 2020 and December 31, 2019, the following subsidiaries, taken as reporting entities, have been included in the consolidated financial statements as subsidiaries with material non-controlling interests:

| | Material non-controlling ownership percentage (1) | |
|---|---|---|
| | March 31, 2020 | December 31, 2019 |
| Patrimonio Autónomo Viva Palmas | 73.99% | 73.99% |
| Patrimonio Autónomo Viva Sincelejo | 73.99% | 73.99% |
| Patrimonio Autónomo Viva Villavicencio | 73.99% | 73.99% |
| Patrimonio Autónomo San Pedro Etapa I | 73.99% | 73.99% |
| Patrimonio Autónomo Centro Comercial | 73.99% | 73.99% |
| Patrimonio Autónomo Viva Laureles | 59.20% | 59.20% |
| Patrimonio Autónomo Centro Comercial Viva Barranquilla | 54.10% | 54.10% |
| Patrimonio Autónomo Iwana | 49.00% | 49.00% |
| Éxito Viajes y Turismo S.A.S. | 49.00% | 49.00% |
| Patrimonio Autónomo Viva Malls | 49.00% | 49.00% |
| Grupo Disco del Uruguay S.A. | 37.51% | 37.51% |

(1) Total non-controlling interest, considering the Parent's direct and indirect interest.

**Note 1.4. Restrictions on the transfer of funds**

At March 31, 2020 and at December 31, 2019 there are no restrictions on the capability of subsidiaries to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

## Note 2. Basis for preparation

The interim consolidated financial statements for the three-month periods ended March 31, 2020 and March 31, 2019, and for the annual period ended December 31, 2019 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) as an official translation authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. Neither the Parent nor its subsidiaries have applied any of the exceptions to the IFRS contained in such decrees.

**Accompanying financial statements**

These Parent's and its subsidiaries' interim consolidated financial statements are made of the statements of financial position at March 31, 2020 and at December 31, 2019, and the statements of income, statements of comprehensive income, statements of cash flows and statements of changes in shareholders' equity for the three-month periods ended March 31, 2020 and March 31, 2019.

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

**Statement of accountability**

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

**Accounting estimates and judgments**

The estimates made by the Parent and its subsidiaries have been used when preparing the accompanying interim consolidated financial statements to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained. 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 define the indicators of 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.
- The time estimated to depreciate use rights; hypotheses used in the calculation of growth rates in lease contracts registered as use rights, and variables used to measure lease liabilities.

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

The Parent and its subsidiaries present their current and non-current assets, as well as their current and non-current liabilities, as separate categories in their 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 Parent and each subsidiary define their functional currency and their transactions are measured in such currency. The Parent's functional currency is the Colombian peso, and the functional currencies of subsidiaries are disclosed in Note 1.1.

**Hyperinflation**

Functional currencies of the Parent and of each of its subsidiaries belong to non-hyperinflationary economies, exception made of Argentina whose accumulated inflation rate at March 31, 2020 calculated using different consumer price index combinations has exceeded 100%, reason why the interim consolidated financial statements include inflation adjustments.

Domestic forecasts for such country suggest that there is low probability that the inflation rate would significantly decrease under 100% during 2020. For these reasons, Argentina economy is hyperinflationary.

Subsidiaries in Argentina present their financial statements adjusted for inflation as provided for in IAS 29 "Financial Reporting in Hyperinflationary Economies".

**Reporting currency**

The interim consolidated financial statements are expressed in Colombian pesos, functional currency of the Parent, which is the currency used in the prime economic environment where it rules. Figures shown have been stated in millions of Colombian pesos.

The financial statements of subsidiaries that are carried in a functional currency other than the Colombian peso have been translated into Colombian pesos. Transactions and balances are translated as follows:

- Assets and liabilities are translated into Colombian pesos at the period closing exchange rate;
- Income-related items are translated into Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated into Colombian pesos at the exchange rate in force on the date of each transaction.

Exchange differences arising from the translation are directly recognized in a separate component of equity and are reclassified to the statement of income upon sale of the investment in the subsidiary.

**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 statement of income.

Monetary balances at period closing expressed in a currency other than the functional currency are updated based on the exchange rate at the closing of the reporting period, and the resulting exchange differences are recognized as part of the net financial results in the statement of income. For this purpose, monetary balances are translated into the functional currency using the market representative exchange rate (*).

Non-monetary items are not translated at period closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forward and swap financial instruments, which are translated using the exchange rates in force on the date of measurement of the fair value thereof.

(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of Changes in Foreign Exchange Rates, as the spot exchange rate in force at the closing of the reporting period.

**Accounting accrual basis**

The interim consolidated financial statements have been prepared on the accounting accrual basis, except for information on cash flows.

**Materiality**

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

When preparing the interim consolidated financial statements, including the notes thereto, the materiality for presentation 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 interim consolidated financial statements, only if they arise from the same transaction, there is an enforceable legal right on the closing date that makes it mandatory to receive or pay recognized amounts at net value, and wherever there is an intention to offset on a net basis towards realizing assets and settling liabilities simultaneously.

**Classification as liability or equity**

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

**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. Basis for consolidation

The interim consolidated financial statements include the financial statements of the Parent and all its subsidiaries. Subsidiaries (including special-purpose vehicles) are entities over which the Parent has direct or indirect control. Special-purpose vehicles (SPV) are stand-alone trust funds (Patrimonios Autónomos) established with a defined purpose or limited term. A listing of subsidiaries is included in Note 1.

"Control" is the power to govern relevant activities, such as the financial and operating policies of a controlled company (subsidiary). Control is reached when the Parent has power over a controlled company, is exposed to variable benefits from its involvement and has the capability of influencing the amount of benefits. Power arises from rights, generally along with the holding of 50% or more of voting rights, even though it sometimes is more complex and results from one or more contracts, reason why there may be entities not having such interest percentage but whose activities are understood to be carried out to the benefit of the Parent and the Parent is exposed to all risks and benefits attached to the controlled company.

Wherever there is control, the consolidation method applied is that of global integration method. Under this method, all of subsidiaries' assets, liabilities, shareholders' equity and income are incorporated into the Parent's financial statements, after elimination of equity investments in such subsidiaries, intercompany balances and intercompany transactions.

All significant transactions and material balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented by third parties' ownership interests in subsidiaries (non-controlling interests) have been recognized and separately included in the consolidated shareholders' equity.

At the time of assessing whether the Parent has control over a subsidiary, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as of the date on which control is transferred to the Parent and excluded from consolidation upon termination of control.

All controlled companies are consolidated into the Parent's financial statements, regardless the ownership interest percentage.

Transactions involving a change in the Parent's ownership percentage without loss of control are recognized in shareholders' equity, given that there is no change of control over the business entity. Cash flows provided by changes in ownership interests not resulting in a loss of control are classified as financing activities in the statement of cash flows.

In transactions involving a loss of control, the entire ownership interest in the subsidiary is derecognized, retained interests are recognized at fair value and the gain or loss arising from the transaction is recognized in period income, including the relevant items of other comprehensive income. Cash flows from the acquisition or loss of control over a subsidiary are classified as investment activities in the statement of cash flows.

Wherever a subsidiary is made available for sale or its operation is discontinued, but control over is it is still maintained, its assets and liabilities are classified under non-current assets held for trading, upon reciprocal offsetting of balances and are not part of the global integration of assets and liabilities in the consolidation process. A subsidiary's income is neither part of the global integration of income in the consolidation process and it is presented, after offsetting of reciprocal transactions, in the line item provided for net income of discontinued operations, separate from all other consolidated income of Parent and its subsidiaries.

Period income and each component in other comprehensive income are attributed to the owners of the controlling entity and to non-controlling ownership interests.

In consolidating the financial statements, all subsidiaries apply the same policies and accounting principles implemented by the Parent, pursuant to accounting and financial reporting standards accepted in Colombia, set out by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270 without applying any of the exceptions to the IFRS therein contained.

Subsidiaries' assets and liabilities, revenue and expenses, as well as the Parent's revenue and expenses in foreign currency, have been translated into Colombian pesos at observable market exchange rates on each closing date and at period average, as follows:

| | **Closing rates** | | **Average rates** | | |
|---|---|---|---|---|---|
| | **March 31, 2020** | **December 31, 2019** | **March 31, 2020** | **March 31, 2019** | **December 31, 2019** |
| US Dollar | 4,064.81 | 3,277.14 | 3,535.78 | 3,137.26 | 3,281.09 |
| Uruguayan peso | 94.53 | 87.57 | 89.33 | 95.63 | 93.17 |
| Argentine peso | 63.13 | 54.73 | 57.41 | 80.61 | 69.68 |
| Euro | 4,460.16 | 3,678.63 | 3,895.64 | 3,561.96 | 3,671.68 |

## Note 4. Significant accounting policies

The accompanying interim consolidated financial statements at March 31, 2020 have been prepared using the same accounting policies, measurements and basis used to present the consolidated financial statements for the annual period ended December 31, 2019, except for the standards mentioned in note 5.2 that came into effect as of January 1, 2020, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained.

The adoption of the new standards in force as of January 1, 2020 mentioned in Note 5.2. did not result in significant changes in these accounting policies as compared to those applied in preparing the financial statements at December 31, 2019 and no significant effect resulted from adoption thereof.

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

- Investments in associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options *granted to the holders of non-controlling interests*
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Finance leases
- Operating leases
- Use rights
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
- Financial liabilities
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
- Employee benefits
- Lease liabilities
- Provisions, contingent assets and liabilities
- Taxes
- Share capital
- Revenue from ordinary activities under contracts with customers
- Loyalty programs
- Costs and expenses
- Earnings per basic and diluted share
- Operation segments

## Note 5. New and modified standards and interpretations

### Note 5.1. Standards issued during the three-month period ended March 31, 2020

No new Regulatory Decrees enabling the application of new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the three-month period ended March 31, 2020.

During the three-month period ended March 31, 2020, the International Accounting Standards Board IASB issued the following standards and amendments:
- Amendment to IAS 1, applicable as of January 2022.

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.

**Note 5.2. Standards applied as of 2020, issued prior to January 1, 2020**

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

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

**Note 5.3. Standards applied earlier during the three-month period ended March 31, 2020**

During the three-month period ended March 31, 2020 the Company did not apply the early adoption of standards.

**Note 5.4. Standards not yet in force at March 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 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 5.5. Standards issued during the annual period ended December 31, 2019**

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

During the annual period ended December 31, 2019 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IFRS 9 - Financial Instruments, applicable as of January 2020.

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

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

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

**Note 5.6 Standards applied as of 2019, issued prior to January 1, 2019**

The following standards started to be applied as of January 1, 2019 according to the adoption date set by the IASB:
- IFRS 16 - Leases
- Amendment to IAS 28 - Investments in Associates and Joint Ventures
- Amendment to IFRS 9
- Annual improvement to IFRS Cycle 2015-2017
- Amendment to IAS 19 - Employee Benefits
- IFRIC 23 - Uncertainties over Income Tax Treatments. Applicable in Colombia as of January 1, 2020.

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

**Note 5.7 Standards adopted earlier during the annual period ended December 31, 2019**

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

**Note 5.8 Standards not yet in force at December 31, 2019, issued prior to January 1, 2019**

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

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

## Note 6. Business combinations

**Note 6.1. Business combinations carried out during the three-month period ended March 31, 2020**

No business combinations were carried out during the three-month period ended 31 March 2020.

**Note 6.2. Business combinations completed during the three-month period ended March 31, 2020**

No business combinations were completed during the three-month period ended March 31, 2020.

**Note 6.3. Business combinations carried out and completed during the annual period ended December 31, 2019**

The following business combinations were carried out and completed during the annual period ended December 31, 2019:

**Note 6.3.1. Ardal S.A. business combination**

Seeking to expand operations in Uruguay, on January 3, 2019 subsidiary Mercados Devoto S.A. acquired 100% of the shares of Ardal S.A., a company engaged in the general products self-service business.

Acquisition price on the date of acquisition amounted to $1,742 and was fully allocated to goodwill.

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of stores acquired in this country.

Expenses associated with acquisition of this company amounted to $129 and relate to professional fees.

The consolidation of Ardal S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $4,984.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at December 31, 2019:

| | |
|---|---|
| Goodwill from the acquisitions at January 3, 2019 | 1,742 |
| Effect of exchange differences | (221) |
| Goodwill at December 31, 2019 (Note 16) | 1,521 |

## Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Cash at hand and in banks | 2,069,729 | 2,460,847 |
| Fiduciary rights (1) | 2,346 | 82,199 |
| Term deposit certificates (2) | 696 | 16,979 |
| Other cash equivalents (3) | 1,891 | 2,649 |
| **Total cash and cash equivalents** | **2,074,662** | **2,562,674** |

(1) The balance represents:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Fiducolombia S.A. | 1,447 | 36,637 |
| Corredores Davivienda S.A. | 484 | 10,952 |
| Fondo de Inversión Colectiva Abierta Occirenta | 151 | 20,215 |
| Fiduciaria Bogota S.A. | 132 | 10,036 |
| BBVA Asset S.A. | 131 | 4,297 |
| Credicorp Capital | 1 | 62 |
| **Total fiduciary rights** | **2,346** | **82,199** |

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

(2) The balance is of Uruguayan subsidiary Geant Inversiones S.A. in amount of $696 (December 31, 2019 - $559) and of subsidiary Libertad S.A. in amount of $- (December 31, 2019 - $16,420).

(3) The balance represents Monetary Regulation Drafts issued by the Central Bank of Uruguay and subscribed by subsidiaries Grupo Disco del Uruguay S.A. and Devoto Hermanos S.A. maturing in less than three months.

At March 31, 2020, the Parent and its subsidiaries recognized yields from cash at hand and in banks and cash equivalents in amount of $8,224 (March 31, 2019 - $7,669), which were recorded as financial revenue as detailed in Note 34. The effective interest rate of yields generated by cash at hand and in banks and by cash equivalents at December 31, 2020 is 0.85% E.A.R.

At March 31, 2020 and at December 31, 2019, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

## Note 8. Trade receivables and other accounts receivable

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Trade accounts receivable (Note 8.1) | 240,583 | 279,130 |
| Other accounts receivable (Note 8.2) | 137,180 | 135,101 |
| **Total trade receivables and other accounts receivable** | **377,763** | **414,231** |
| **Current** | **344,528** | **379,921** |
| **Non-Current** | **33,235** | **34,310** |

**Note 8.1. Trade accounts receivable**

The balance of trade receivables is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Trade accounts | 190,016 | 225,112 |
| Rentals and dealers | 50,627 | 54,282 |
| Employee funds and lending | 13,624 | 11,076 |
| Sale of real-estate project inventories | 10,160 | 10,124 |
| Other trade receivables | 9 | 467 |
| Impairment of receivables (1) | (23,853) | (21,931) |
| **Trade accounts receivable** | **240,583** | **279,130** |

(1) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Parent and its subsidiaries are of the opinion that these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings when they are available in credit databases recognized in the market. During the three-month period ended March 31, 2020, the net effect of the impairment of receivables in the statement of income represents an expense of ($1,505) (at March 31, 2019 represented $16,821 revenue).

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

| | |
|---|---|
| **Balance at December 31, 2019** | **21,931** |
| Recognized impairment loss | 6,368 |
| Receivables written-off | (1,218) |
| Reversal of impairment loss | (3,645) |
| Reclassifications to non-current assets held for trading | (388) |
| Effect of exchange difference from translation into reporting currency | 805 |
| **Balance at March 31, 2020** | **23,853** |

**Note 8.2. Other accounts receivable**

The balance of other accounts receivable is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Employee funds and lending | 63,246 | 66,884 |
| Business agreements | 23,713 | 32,017 |
| Taxes receivable | 19,306 | 5,568 |
| Money remittances | 1,519 | 4,201 |
| Tax claims | 1,360 | 1,360 |
| Sale of fixed assets, intangible assets and other assets | 840 | 720 |
| Money transfer services | 821 | 1,991 |
| Other accounts receivable (1) | 26,375 | 22,360 |
| **Total other accounts receivable** | **137.180** | **135,101** |

(1) The balance is comprised of:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Maintenance fees | 4,475 | 3,576 |
| Negotiation with foreign suppliers | 3,634 | 265 |
| Factoring of trade receivables | 2,546 | 3,912 |
| Long-Term receivables | 1,669 | 1,665 |
| Advance purchases from airlines and airfare commissions | 1,459 | 1,402 |
| Attachment orders receivable | 1,443 | 1,446 |
| Guarantee deposits | 1,038 | 1,032 |
| Indemnification on lease contracts | 1,000 | 1,010 |
| Cash shortfalls receivable from employees | 552 | 483 |
| Interest | 402 | 433 |
| Other minor balances | 8,157 | 7,136 |
| **Total** | **26,375** | **22,360** |

**Note 8.3. 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:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Trade accounts receivable | 190,016 | 225,112 |
| Employee funds and lending | 58,785 | 58,636 |
| Rentals and dealers | 50,627 | 54,282 |
| Business agreements | 23,713 | 32,017 |
| Taxes receivable | 19,306 | 5,568 |
| Money remittances | 1,519 | 4,201 |
| Tax claims | 1,360 | 1,360 |
| Sale of property, plant and equipment, intangible assets and other assets | 840 | 720 |
| Money transfer services | 821 | 1,991 |
| Sale of real-estate project inventories | 158 | 122 |
| Other | 21,236 | 17,843 |
| Impairment of receivables | (23,853) | (21,931) |
| **Total current** | **344,528** | **379,921** |
| Employee funds and lending | 18,085 | 19,325 |
| Sale of real-estate project inventories | 10,002 | 10,002 |
| Other | 5,148 | 4,983 |
| **Total non-current** | **33,235** | **34,310** |

**Note 8.4. Trade receivables and other accounts receivable by age**

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

| | | | Overdue | | | |
|---|---|---|---|---|---|---|
| **Period** | **Total** | **Not due** | **< 30 days** | **31 - 60 days** | **61 - 90 days** | **> 90 days** |
| March 31, 2020 | 401,616 | 246,079 | 78,826 | 12,263 | 6,666 | 57,782 |
| December 31, 2019 | 436,162 | 289,127 | 76,307 | 17,446 | 3,511 | 49,771 |

## Note 9. Prepaid expenses

The balance of prepaid expenses is:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Maintenance (1) | 21,402 | 14,812 |
| Leases (2) | 14,236 | 14,430 |
| Insurance (3) | 8,712 | 15,680 |
| Advertising | 2,503 | 2,552 |
| Taxes | 101 | 71 |
| Other advance payments | 6,741 | 5,437 |
| **Total prepaid expenses** | **53,695** | **52,982** |
| **Current** | **44,578** | **43,351** |
| **Non-Current** | **9,117** | **9,631** |

(1) Represents advance payments by the Parent for software maintenance and support in amount of $9,510 (December 31, 2019 - $4,801), cloud support services, $6,544 (December 31, 2019 - $4,675) and hardware maintenance and support, $575 (December 31, 2019 - $1,230); payments by subsidiary Almacenes Éxito Inversiones S.A.S. for cloud support services in amount of $870 (December 31, 2019 - $1,005); payments by subsidiary Libertad S.A. for miscellaneous supplies in amount of $3,903 (December 31, 2019 - $3,101).

(2) Includes (a) lease instalments paid in advance for the Éxito San Martin premises in amount of $4,823 (December 31, 2019 - $4,937), covering the lease contract until 2034, and (b) lease instalments paid in advance for the Carulla Castillo Grande premises in amount of $4,271 (December 31, 2018 $4,583), covering the lease contract from September 2019 to September 2023, both payments made by the Parent; and lease instalments paid in advance by Spice Investment Mercosur S.A. and its subsidiaries in Uruguay in amount of $4,477 (December 31, 2019 - $4,245).

(3) Mainly represents the Parent's multi-risk insurance policy, $4,663 (December 31, 2019 - $9,425); third-party liability insurance, $641 (December 31, 2018 - $949); life insurance, $433 (December 31, 2019 - $621); transport insurance, $410 (December 31, 2019 - $574) and other insurance policies, $653 (December 31, 2019 - $948).

## Note 10. 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 | |
|---|---|---|---|---|
| | **March 31, 2020** | **December 31, 2019** | **March 31, 2020** | **December 31, 2019** |
| Joint ventures (1) | 33,220 | 44,534 | 5,000 | 15,000 |
| Grupo Casino companies (2) | 7,876 | 10,123 | - | - |
| Controlling entity (3) | 195 | 387 | - | - |
| **Total** | **41,291** | **55,044** | **5,000** | **15,000** |
| **Current** | **41,291** | **55,044** | **-** | **-** |
| **Non-Current** | **-** | **-** | **5,000** | **15,000** |

(1) The balance of accounts receivable is made as follows:

- Involvement in a corporate collaboration agreement $- (December 31, 2019 - $13,523) and reimbursement of shared expenses, collection of coupons and other items $22,726 (December 31, 2019 - $8,778) from Compañía de Financiamiento Tuya S.A.
- Redemption of points in amount of $10,038 (December 31, 2019 - $21,596) and other services in amount of $456 (December 31, 2019 - $637) from Puntos Colombia S.A.S.

The balance of other non-financial assets at December 31, 2019 relates to payments made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that prior to March 31, 2020 and prior to December 31, 2019 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, amounts disbursed were not recognized as an investment in such company. However, during the three-month period ended March 31, 2020 Compañía de Financiamiento Tuya S.A. obtained authorization to register a capital increase, and based on such authorization a payment in amount of $10,000 was recognized as investment.

(2) Mainly relates to the balance receivable (a) for expatriate payments from Casino International in amount of $5,883 (December 31, 2019 - $4,677), from Distribution Casino France in amount of $111, (December 31, 2019 - $101) and from Casino Services in amount of $15 (December 31, 2019 - $7); (b) for energy efficiency services from Greenyellow Energía de Colombia S.A.S. in amount of $28 (December 31, 2019 - $34), (c) for suppliers achievements with International Retail and Trade Services in amount of $1,510 (December 31, 2019 - $1,399) and (d) for services provided under the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*) in amount of $- (December 31, 2019 - $3,622).

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

## Note 11. Inventories, net and Cost of sales

### Note 11.1. Inventories, net

The net balance of inventories is as follows:

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Inventories available for trading | 1,901,364 | 1,758,095 |
| Sale of real-estate project inventories (1) | 75,669 | 87,800 |
| Inventories in transit | 66,244 | 50,331 |
| Raw materials | 17,137 | 11,958 |
| Materials, small spares, accessories and consumable packaging. | 9,113 | 8,095 |
| Production in process | 728 | 779 |
| Inventory impairment (2) | (18,737) | (16,398) |
| **Total inventories** | **2,051,518** | **1,900,660** |

(1) Montevideo real estate project.

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

| | |
|---|---|
| **Balance at December 31, 2019** | **16,398** |
| Reversal of impairment provisions (Note 11.2) | (761) |
| Impairment loss recognized during the period (Note 11.2) | 2,764 |
| Effect of exchange difference from translation into reporting currency | 336 |
| **Balance at March 31, 2020** | **18,737** |

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

Inventories are properly insured against all risks.

Pursuant to Parent's and its subsidiaries' 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 11.2. Cost of sales**

The following is the information related with the cost of sales, impairment and reversals of impairment recognized in inventories:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| Cost of goods sold (1) | 3,051,994 | 2,714,122 |
| (Reversal) impairment loss, net (2) | (685) | 979 |
| **Total cost of sales** | **3,051,309** | **2,715,101** |

(1) Includes $16,387 of depreciation and amortization cost (March 31, 2019 - $13,035).

(2) At March 31, 2020, the reversal of impairment results from the management of physical counts of inventories that are conducted monthly on various marketing product lines of subsidiary Libertad S.A., to manage an increase in post-season critical controls, assess critical goods and other ancillary activities.

## Note 12. Other financial assets

The balance of other financial assets is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Derivative financial instruments (1) | 100,704 | 23,357 |
| Financial assets measured at amortized cost (2) | 42,732 | 41,392 |
| Financial assets at fair value through other comprehensive income (3) | 27,513 | 24,914 |
| Derivative financial instruments designated as hedge instruments (4) | 2,546 | 476 |
| Financial assets measured at fair value through income (5) | 1,306 | 1,427 |
| **Total other financial assets** | **174,801** | **91,566** |
| **Current** | **124,234** | **43,237** |
| **Non-Current** | **50,567** | **48,329** |

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

The detail of maturities of these instruments at March 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* | 7,551 | 12,720 | 9,267 | - | - | 29,538 |
| *Swap* | - | 42,787 | 28,379 | - | - | 71,166 |
| | **7,551** | **55,507** | **37,646** | **-** | **-** | **100,704** |

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

| | Less than 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 12 months | More than 12 months | Total |
|---|---|---|---|---|---|---|
| *Forward* | 3,409 | - | 5,730 | 2,775 | - | 11,914 |
| *Swap* | - | (1,353) | 3,753 | 9,043 | - | 11,443 |
| | **3,409** | **(1,353)** | **9,483** | **11,818** | **-** | **23,357** |

(2) Financial assets measured at amortized cost mainly relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Parent has the intention and capability of holding until maturity to obtain contractual cash flows. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At March 31, 2020, the nominal value amounts to $39,500 (December 31, 2019 - $39,500) and maturities go from 5 to 8 years yielding CPI + 6%.

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Investment in bonds | 17,040 | 14,521 |
| Cnova N.V. | 9,222 | 9,222 |
| Fideicomiso El Tesoro stages 4A and 4C 448 | 1,003 | 923 |
| Associated Grocers of Florida, Inc. | 113 | 113 |
| Central de Abastos del Caribe S.A | 71 | 71 |
| La Promotora S.A. | 50 | 50 |
| Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P. | 14 | 14 |
| **Total** | **27,513** | **24,914** |

(4) Derivative instruments designated as hedge instrument reflect swap transactions carried out by the Parent 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 March 31, 2020 relates to the following transactions:

| | Nature of risk hedged | Hedged item | Range of rates for the item hedged | Range of rates for hedging instruments | Fair value |
|---|---|---|---|---|---|
| *Swap* | Interest rate | Financial liabilities | Libor USD 1M + 2.22% | 9.06% | 2,546 |

The detail of maturities of these hedging instruments at March 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* | 74 | 121 | 178 | 405 | 1,768 | 2,546 |

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

| | Nature of Risk hedged | Hedged item | Range of rates for hedged item | Range of rates for hedging instruments | Fair value |
|---|---|---|---|---|---|
| *Swap* | Interest rate | Financial liabilities | Libor USD 1M + 2.22% | 9.06% | 476 |

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

| | Less than 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 12 months | More than 12 months | Total |
|---|---|---|---|---|---|---|
| *Swap* | - | - | - | - | 476 | 476 |

(5) Financial assets measured at fair value through income represent investments of the Parent in equity securities of Fondo Valorar Futuro to manage liquidity in amount of $1,210 (December 31, 2019 - $1,295), 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. It also includes legal deposits in amount of $96 (December 31, 2019 - $132) relevant to subsidiary Libertad S.A.

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Derivative financial instruments | 100,704 | 23,357 |
| Financial assets measured at fair value through other comprehensive income | 17,040 | 14,521 |
| Financial assets measured at amortized cost | 5,686 | 5,227 |
| Derivative financial instruments designated as hedging instruments | 778 | 0 |
| Financial assets measured at fair value through income | 26 | 132 |
| **Total current** | **124,234** | **43,237** |
| Financial assets measured at amortized cost | 37,046 | 36,165 |
| Financial assets measured at fair value through other comprehensive income | 10,473 | 10,393 |
| Derivative financial instruments designated as hedging instruments | 1,768 | 476 |
| Financial assets measured at fair value through income | 1,280 | 1,295 |
| **Total non-current** | **50,567** | **48,329** |

At March 31, 2020 and at December 31, 2019, there are no restrictions or liens imposed on other financial assets that restrict the tradability or realization thereof, exception made of (a) the investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of the business collaboration agreement on Tarjeta Éxito, and (b) legal deposits relevant to subsidiary Libertad S.A.

None of the assets was impaired at March 31, 2020 and at December 31, 2019.

## Note 13. Property, plant and equipment, net

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Land | 1,059,545 | 1,013,078 |
| Buildings | 1,965,692 | 1,901,719 |
| Machinery and equipment | 957,204 | 951,405 |
| Furniture and fixtures | 630,152 | 604,591 |
| Assets under construction | 97,664 | 82,196 |
| Premises | 122,950 | 113,362 |
| Improvements to third party properties | 569,944 | 553,014 |
| Vehicles | 20,699 | 19,006 |
| Computers | 235,911 | 224,545 |
| Other property, plant and equipment | 16,050 | 16,050 |
| **Total property, plant and equipment** | **5,675,811** | **5,478,966** |
| Accumulated depreciation | (1,747,245) | (1,629,026) |
| Impairment loss | (5,052) | (4,848) |
| **Total net property, plant and equipment** | **3,923,514** | **3,845,092** |

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

| Cost | Land | Buildings | Machinery and equipment | Furniture and fixtures | Assets under construction | Premises | Improvements to third party properties | Vehicles | Computers | Other property, plant and equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2019** | **1,013,078** | **1,901,719** | **951,405** | **604,591** | **82,196** | **113,362** | **553,014** | **19,006** | **224,545** | **16,050** | **5,478,966** |
| Additions | - | 1,393 | 2,306 | 1,229 | 30,153 | 460 | 1,336 | - | 1,310 | - | 38,187 |
| Increase (decrease) from movements between property, plant and equipment accounts | - | 1,182 | (2,496) | 12,324 | (14,772) | 85 | 2,337 | 343 | 997 | - | - |
| (Disposal) of property, plant and equipment | - | (3) | (93) | (1) | (70) | - | - | (1) | - | - | (168) |
| (Derecognition) of property, plant and equipment | - | - | (5,521) | (1,848) | - | (5) | (2,898) | (78) | (200) | - | (10,550) |
| (Decrease) from transfers (to) non-current assets held for trading | (102) | - | 253 | 54 | (307) | - | - | - | - | - | (102) |
| Effect of exchange differences from translation into presentation currency | 35,513 | 47,967 | 10,437 | 12,256 | 2,940 | 9,048 | 16,165 | 966 | 7,150 | - | 142,442 |
| (Decrease) from transfers (to) other balance sheet accounts - Tax assets | - | 16 | (725) | (85) | (2,895) | - | (10) | - | 134 | - | (3,565) |
| Net monetary position result | 11,056 | 13,418 | 1,638 | 1,632 | 419 | - | - | 463 | 1,975 | - | 30,601 |
| **Balance at March 31, 2020** | **1,059,545** | **1,965,692** | **957,204** | **630,152** | **97,664** | **122,950** | **569,944** | **20,699** | **235,911** | **16,050** | **5,675,811** |
| **Accumulated depreciation** | | | | | | | | | | | |
| **Balance at December 31, 2019** | | **326,935** | **443,859** | **350,634** | | **61,124** | **260,343** | **12,968** | **169,154** | **4,009** | **1,629,026** |
| Depreciation expense/cost | | 11,732 | 21,854 | 14,912 | - | 1,974 | 8,302 | 624 | 5,833 | 197 | 65,428 |
| Increase (decrease) from movements between property, plant and equipment accounts | | - | (6,634) | 6,300 | - | - | 422 | (55) | (33) | - | - |
| (Disposal and derecognition) of property, plant and equipment (1) | | (3) | (3,292) | (1,071) | - | (3) | (2,269) | (51) | (193) | - | (6,882) |
| Effect of exchange differences from translation into presentation currency | | 12,873 | 7,617 | 9,978 | - | 4,976 | 6,937 | 692 | 5,955 | - | 49,028 |
| Other minor changes | | 116 | - | (3) | - | - | - | - | 131 | - | 244 |
| Net monetary position result | | 5,217 | 1,469 | 1,360 | - | - | - | 337 | 2,018 | - | 10,401 |
| **Balance at March 31, 2020** | | **356,870** | **464,873** | **382,110** | **-** | **68,071** | **273,735** | **14,515** | **182,865** | **4,206** | **1,747,245** |
| **Impairment** | | | | | | | | | | | |
| **Balance at December 31, 2019** | **1,280** | **1,007** | **-** | **-** | **-** | **-** | **2,561** | **-** | **-** | **-** | **4,848** |
| Effect of exchange differences from translation into presentation currency | - | - | - | - | - | - | 204 | - | - | - | 204 |
| **Balance at March 31, 2019** | **1,280** | **1,007** | **-** | **-** | **-** | **-** | **2,765** | **-** | **-** | **-** | **5,052** |

No loan costs were recognized at the closing of March 31, 2020.

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

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Other property, plant and equipment | 15,761 | 15,761 |
| **Total cost of property, plant and equipment** | **15,761** | **15,761** |
| Accumulated depreciation | (4,203) | (4,006) |
| **Total net property, plant and equipment** | **11,558** | **11,755** |

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

Except for the above, at March 31, 2020 and at December 31, 2019, no restrictions or liens have been imposed on items of property, plant and equipment that limit realization or tradability thereof, and there are no commitments to acquire, build or develop property, plant and equipment.

During the three-month period ended March 31, 2020 and during the annual period ended December 31, 2019, no compensations were received for damaged assets, and no payment acceptances by insurance companies to compensate for damaged assets were recognized.

At March 31, 2020, no impairment of property, plant and equipment was recognized. At December 31, 2019 subsidiaries Patrimonio Autónomo Viva Palmas and Patrimonio Autónomo Viva Sincelejo showed impairment losses on property, plant and equipment in amount of $394 (land $106 and buildings $288), and $1,893 (land $1,174 and buildings $719), respectively.

## Note 14. Investment property, net

The Parent's and its subsidiaries' investment properties are business premises and plots of land held to generate income from operating lease activities or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Land | 323,798 | 313,899 |
| Buildings | 1,530,408 | 1,470,745 |
| Construction in progress | 11,315 | 8,223 |
| **Total cost of investment property** | **1,865,521** | **1,792,867** |
| Accumulated depreciation | (185,126) | (163,183) |
| Impairment loss | (3,464) | (3,464) |
| **Total investment property, net** | **1,676,931** | **1,626,220** |

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

| Cost | Land | Buildings | Constructions in progress | Total |
|---|---|---|---|---|
| **Balance at December 31, 2019** | **313,899** | **1,470,745** | **8,223** | **1,792,867** |
| Additions | - | 1,526 | 3,205 | 4,731 |
| Disposals | (12) | - | - | (12) |
| Effect of exchange differences on translation into reporting currency | 8,276 | 40,337 | 94 | 48,707 |
| Net monetary position result | 1,635 | 17,800 | 47 | 19,482 |
| Other changes | - | - | (254) | (254) |
| **Balance at March 31, 2020** | **323,798** | **1,530,408** | **11,315** | **1,865,521** |

| Accumulated depreciation | Buildings |
|---|---|
| **Balance at December 31, 2019** | **163,183** |
| Depreciation expense | 8,020 |
| Effect of exchange differences on translation into reporting currency | 9,003 |
| Net monetary position result | 4,920 |
| **Balance at March 31, 2020** | **185,126** |

At March 31, 2020 and at December 31, 2019 there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At March 31, 2020 and at December 31, 2019 the Parent and its subsidiaries are 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 March 31, 2020, no impairment of property, plant and equipment was recognized. At December 31, 2019, subsidiaries Patrimonio Autónomo Viva Palmas and Patrimonio Autónomo Viva Sincelejo showed impairment losses on investment property in amount of $1,273 (land $306 and buildings $966), and $2,191 (land $853 and buildings $1,339), respectively.

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

## Note 15. Use rights, net

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Use rights | 2,327,792 | 2,413,037 |
| **Total use rights** | **2,327,792** | **2,413,037** |
| Accumulated depreciation | (1,050,833) | (1,109,389) |
| **Total use rights, net** | **1,276,959** | **1,303,648** |

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

**Cost**

| | |
|---|---|
| **Balance at December 31, 2019** | **2,413,037** |
| Increase from creations | 42,566 |
| Increase from new measurements | 29,321 |
| Derecognition | (177,689) |
| Effect of exchange differences on translation into reporting currency | 20,802 |
| Other changes | (245) |
| **Balance at March 31, 2020** | **2,327,792** |

**Accumulated depreciation**

| | |
|---|---|
| **Balance at December 31, 2019** | **1,109,389** |
| Depreciation cost and expense | 45,742 |
| Derecognition | (112,407) |
| Effect of exchange differences on translation into reporting currency | 8,354 |
| Other changes | (245) |
| **Balance at March 31, 2020** | **1,050,833** |

## Note 16. Goodwill

The balance of goodwill is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Spice Investment Mercosur S.A. (1) | 1,383,845 | 1,303,092 |
| Carulla Vivero S.A. (2) | 827,420 | 827,420 |
| Súper Inter (3) | 453,649 | 453,649 |
| Libertad S.A. (4) | 213,527 | 173,582 |
| Cafam (5) | 122,219 | 122,219 |
| Other (6) | 50,806 | 50,806 |
| **Total goodwill** | **3,051,466** | **2,930,768** |
| Impairment loss (7) | (1,017) | (1,017) |
| **Total goodwill, net** | **3,050,449** | **2,929,751** |

(1) The balance represents:

- The business combination accomplished by the Parent in 2011 for the acquisition of Uruguayan Spice Investments Mercosur S.A. in amount of $287,844 (December 31, 2019 - $287,844). The value is the deemed cost shown in the opening balance sheet in exercise of the exemption of not to restate business combinations.

- Goodwill recognized by Spice Investments Mercosur S.A. in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1 in amount of $245,103 (December 31, 2019 - $227,045).

- Goodwill from the business combination carried out by the Parent with Grupo Disco del Uruguay S.A. resulting from the acquisition of control at January 1, 2015 in amount of $843,781 (December 31, 2019 - $781,612).

- Goodwill from the business combination carried out by Mercados Devoto S.A. to acquire Sumelar S.A. in 2016 in amount of $1,134 (December 31, 2019 - $1,050).

- Goodwill from the business combination carried out in 2016 and completed in 2017 by Mercados Devoto S.A. to acquire 5 Hermanos Ltda. in amount of $2,465 (December 31, 2019 - $2,283).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tipsel S.A. in amount of $597 (December 31, 2019 - $553).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tedocan S.A. in amount of $1,278 (December 31, 2019 - $1,184).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Ardal S.A. in amount of $1,643 (December 31, 2019 - $1,521).

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

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

(4) Refers to goodwill generated from the business combination completed in August 2015 for the acquisition of the operations of Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L.

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that had been operated by the Company since 2010. Business establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $80,134, to Carulla $29,075 and to Surtimax $13,010.

(6) The balance represents (a) goodwill acquired upon the business combination with Gemex O&W S.A.S. in amount of $1,017 and (b) the balance of minor acquisitions of other business establishments that were later turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $10,540, to Surtimax $28,566 and to Súper Inter $10,683.

(7) At December 31, 2019, the goodwill related with Gemex O&W S.A.S. in amount of $1,017, was fully impaired.

The development of goodwill during the reporting period is as follows:

**Cost**

| | |
|---|---|
| **Balance at December 31, 2019** | **2,930,768** |
| Effect of exchange differences on translation into reporting currency | 107,369 |
| Net monetary position result | 13,329 |
| **Balance at March 31, 2020** | **3,051,466** |

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

At March 31, 2020, no impairment of goodwill was recognized. Except for that mentioned in subsection (7) above, at December 31, 2019 goodwill was not impaired.

## Note 17. Intangible assets other than goodwill, net

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

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Trademarks (1) | 237,898 | 219,923 |
| Computer software | 182,470 | 172,044 |
| Rights (2) | 27,045 | 27,034 |
| Other | 101 | 86 |
| **Total cost of intangible assets other than goodwill** | **447,514** | **419,087** |
| Accumulated amortization | (120,690) | (114,872) |
| **Total intangible assets other than goodwill, net** | **326,824** | **304,215** |

(1) The balance relates to the following trademarks:

| Operating segment | Banner | Useful life | March 31, 2020 | December 31, 2019 |
|---|---|---|---|---|
| Uruguay | Miscellaneous (a) | Indefinite | 100,108 | 92,732 |
| Surtimax-Súper Inter | Súper Inter (b) | Indefinite | 63,704 | 63,704 |
| Argentina | Libertad (c) | Indefinite | 56,659 | 46,060 |
| Surtimax-Súper Inter | Surtimax (d) | Indefinite | 17,427 | 17,427 |
| | | | **237,898** | **219,923** |

(a) Refers to trademarks of Grupo Disco del Uruguay S.A.

(b) Trademark acquired upon the business combination with Comercializadora Giraldo Gómez y Cía S.A.

(c) Relates to trademarks of subsidiary Libertad S.A. These trademarks were registered during 2016 as result of the progress and further completion of the Purchase Price Allocation process as part of the acquisition of control over such subsidiary.

(d) Trademark received upon the merger with Carulla Vivero S.A.

Such trademarks have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

(2) The balance refers to the following rights:

(a) Rights of Libertad S.A. in amount of $59 (December 31, 2019 - $48).

(b) Contracts executed by the Parent in December 2017 in amount of $2,226, December 2016 in amount of $11,522 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

Such rights have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

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

| Cost | Trademarks | Computer software | Rights | Other | Total |
|---|---|---|---|---|---|
| **Balance at December 31, 2019** | **219,923** | **172,044** | **27,034** | **86** | **419,087** |
| Additions | - | 8,850 | - | - | 8,850 |
| Effect of exchange differences on translation into the reporting currency | 14,438 | 1,286 | 7 | 10 | 15,741 |
| Net monetary position result | 3,537 | - | 4 | 5 | 3,546 |
| Transfers | - | 19 | - | - | 19 |
| Disposals and derecognition | - | (24) | - | - | (24) |
| Other changes | - | 295 | - | - | 295 |
| **Balance at March 31, 2020** | **237,898** | **182,470** | **27,045** | **101** | **447,514** |
| **Accumulated amortization** | | | | | |
| **Balance at December 31, 2019** | | **114,792** | **40** | **40** | **114,872** |
| Amortization expense/cost | | 4,733 | 116 | 1 | 4,850 |
| Effect of exchange differences on translation into the reporting currency | | 1,094 | 6 | 6 | 1,106 |
| Net monetary position result | | - | 4 | 5 | 9 |
| Transfers | | (7) | - | - | (7) |
| Disposals and derecognition | | (24) | - | - | (24) |
| Other changes | | - | (116) | - | (116) |
| **Balance at March 31, 2020** | | **120,588** | **50** | **52** | **120,690** |

At March 31, 2020 and at December 31, 2019, intangible assets other than goodwill are not limited or subject to lien that would restrict realization or tradability thereof. In addition, there are no commitments to acquire or develop intangible assets other than goodwill.

None of the intangible assets other than goodwill were impaired at March 31, 2020 and at December 31, 2019.

## Note 18. Investments accounted for using the equity method

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

| Company | Classification | March 31, 2020 | December 31, 2019 |
|---|---|---|---|
| Compañía de Financiamiento Tuya S.A. | Joint venture | 194,674 | 209,115 |
| Puntos Colombia S.A.S. | Joint venture | 2,416 | 1,372 |
| **Total investments accounted for using the equity method** | | **197,090** | **210,487** |

## Note 19. Financial liabilities

The balance of financial liabilities is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Bank loans | 1,150,534 | 260,606 |
| Put option | 409,726 | 379,538 |
| Finance leases | 11,335 | 10,033 |
| Letters of credit | 3,274 | 10,176 |
| **Total financial liabilities** | **1,574,869** | **660,353** |
| **Current** | **1,288,949** | **616,822** |
| **Non-Current** | **285,920** | **43,531** |

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

| | |
|---|---|
| **Balance at December 31, 2019 (1)** | **660,353** |
| Increase from disbursements (2) | 890,000 |
| Changes in the fair value of the put option recognized in investments | 30,188 |
| Increase from reappraisals and interest | 4,478 |
| Exchange difference | 2,220 |
| (Decrease) from repayments or principal and interest | (12,370) |
| **Balance at March 31, 2020** | **1,574,869** |

(1) The balance at December 31, 2019 includes:

-(2) Put option contract of Spice Investments Mercosur S.A. in amount of $409,726 (December 31, 2019 - $379,538) entered with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of this option is based on a previously determined formula and the option may be exercised at any time. This option is measured at fair value. Development is shown in Note 39.

-- $100,000 representing a disbursement of the revolving trench of a credit facility agreement entered by the Parent on June 16,2017, $70,000 representing a disbursement requested in February 2019 and $30,000 representing a disbursement requested in March 2019, both under the revolving trench of the credit facility agreement entered by the Parent on December 31, 2018.

-- $60,000 representing a loan from Éxito Industrias S.A.S. obtained in June 2017.

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Bank loans | 871,391 | 223,368 |
| Put option | 409,726 | 379,538 |
| Finance leases | 4,558 | 3,740 |
| Letters of credit | 3,274 | 10,176 |
| **Total current** | **1,288,949** | **616,822** |
| Bank loans | 279,143 | 37,238 |
| Finance leases | 6,777 | 6,293 |
| **Total non-current** | **285,920** | **43,531** |

Below is a detail of annual maturities of outstanding non-current bank loans at March 31, 2020, discounted at present value:

| Year | Total |
|---|---|
| 2021 | 72,266 |
| 2022 | 68,656 |
| 2023 | 48,334 |
| >2024 | 96,664 |
| | **285,920** |

**Note 19.1. Liabilities acquired under credit contracts outstanding at December 31, 2019**

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

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

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

**Note 19.2. Liabilities acquired under credit contracts outstanding at March 31, 2020**

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

## Note 20. Employee benefits

The balance of employee benefits is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Defined benefit plans | 22,418 | 22,062 |
| Long-term benefit plan | 1,881 | 1,836 |
| **Total employee benefits** | **24,299** | **23,898** |
| **Current** | **3,379** | **2,978** |
| **Non-Current** | **20,920** | **20,920** |

## Note 21. Other provisions

The balance of other provisions is made as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Legal proceedings (1) | 15,273 | 14,889 |
| Taxes other than income tax (2) | 8,101 | 8,552 |
| Restructuring (3) | 26,170 | 269 |
| Other (4) | 4,217 | 9,708 |
| **Total other provisions** | **53,761** | **33,418** |
| **Current (Note 21.1)** | **33,633** | **14,420** |
| **Non-current (Note 21.1)** | **20,128** | **18,998** |

At March 31, 2020 and at December 31, 2019 the Parent and its subsidiaries 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 lawsuits brought against the Parent and its subsidiaries, related with labor, civil, administrative and regulatory matters, which are assessed based on the best estimation of cash outflows required to settle a liability on the date of preparation of the financial statements. The balance is comprised of

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Labor legal proceedings (a) | 10,521 | 10,831 |
| Civil legal proceedings (b) | 4,752 | 4,058 |
| **Total legal proceedings** | **15,273** | **14,889** |

(a) At March 31, 2020 represent:
- Lawsuits filed against the Parent on the grounds of collective claims $20, indemnifications $2,096, salary adjustments and social benefits $460, health and retirement pensions $5,485 and labor relation and solidarity $1,980.
- Lawsuits filed against subsidiary Libertad S.A. in amount of $196.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $254.
- Lawsuits filed against Colombian subsidiaries $30.

At December 31, 2019 represent:
- Lawsuits filed against the Parent on the grounds of collective claims $40, indemnifications $2,350, salary adjustments and social benefits $475, health and retirement pensions $5,724 and labor relation and solidarity $1,955.
- Lawsuits filed against subsidiary Libertad S.A. in amount of $86.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $171.
- Lawsuits filed against Colombian subsidiaries $30.

(b) At March 31, 2020 represent:
- Lawsuits filed against the Parent in cases related with foreign exchange proceedings $1,779, data protection proceedings $400, third-party liability proceedings $244, real-estate proceedings$200, proceedings brought on the grounds of infrastructure conditions $330, metrology and technical regulations proceedings $269, consumer protection proceedings $30, and other minor proceedings $1,164.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $10.
- Lawsuits filed against Colombian subsidiaries $326.

At December 31, 2019 represent:
- Lawsuits filed against the Parent in cases related with third party liability in amount of $485, real estate-related proceedings $319, premises condition-related proceedings $1,412, metrology and technical regulations $269, customer protection $10 and other minor legal proceedings in amount of $1,240.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $9.
- Lawsuits filed against Colombian subsidiaries $314.

(2) Provisions for taxes other than income tax represent $6,934 (December 31, 2019 - $7,540) for tax proceedings of the Parent and $1,167 (December 31, 2019 - $1,012) for other proceedings of subsidiary Libertad S.A.

Parent's legal proceedings relate to:
- Industry and trade tax-related proceedings in amount of $2,217 (December 31, 2019 - $2,217).
- Real estate tax-related proceedings in amount of $1,296 (December 31, 2019 - $1,296).
- Value added tax-related proceedings in amount of $3,166 (December 31, 2019 - $3,772).
- VAT payable on beer-related tax proceedings in amount of $255 (December 31, 2019 - $255).

(3) The restructuring provision relates to the reorganization processes announced to Parent's employees of stores and distribution centers in amount of $17,053 (December 31, 2019 - $145), to the employees of Colombian subsidiaries in amount of $2,221 (December 31, 2019 - $124) and to the employees of subsidiary Libertad S.A. in amount of $6,896 (December 31, 2019 - $-) that will have an effect on the Parent's and its subsidiaries' activities and operations. The provision is based on cash outflows required, directly associated with the restructuring plan. Disbursement and plan implementation are expected to be completed during 2020. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provisions at March 31, 2020 relates to:
- Provision to protect against reduction of goods "VMI" at the Parent in amount of $651.
- Other minor provisions at Colombian subsidiaries in amount of $523.
- Other minor at subsidiary Libertad S.A. in amount of $449.
- Closing of Parent stores in amount of $2,594.

The balance of other provisions at December 31, 2018 relates to:
- Provision to protect against reduction of goods "VMI" at the Parent in amount of $1,697.
- Other minor provisions at Colombian subsidiaries in amount of $433.
- Other minor at subsidiary Libertad S.A. in amount of $318.
- Closing of Parent stores in amount of $7,260.

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

| | Legal proceedings | Taxes other than income tax | Restructuring | Other | Total |
|---|---|---|---|---|---|
| **Balance at December 31, 2019** | **14,889** | **8,552** | **269** | **9,708** | **33,418** |
| Increase | 3,187 | - | 32,563 | 765 | 36,515 |
| Uses | (2) | - | (130) | (179) | (311) |
| Payments | (1,520) | - | (6,532) | (5,175) | (13,227) |
| Reversals (not used) | (1,312) | (606) | - | (836) | (2,754) |
| Effect of exchange differences from translation into reporting currency | 31 | 155 | - | 49 | 235 |
| Other reclassifications | - | - | - | (115) | (115) |
| **Balance at March 31, 2020** | **15,273** | **8,101** | **26,170** | **4,217** | **53,761** |

**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:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Legal proceedings | 2,402 | 3,678 |
| Restructuring | 26,170 | 269 |
| Taxes other than income tax | 844 | 765 |
| Other | 4,217 | 9,708 |
| **Total current** | **33,633** | **14,420** |
| | | |
| Taxes other than income tax | 7,257 | 7,787 |
| Legal proceedings | 12,871 | 11,211 |
| **Total non-current** | **20,128** | **18,998** |

**Note 21.2. Forecasted payments of other provisions**

Forecasted payments of other provisions for which the Parent and its subsidiaries are responsible at March 31, 2020 are:

| | Legal proceedings | Taxes other than income tax | Restructuring | Other | Total |
|---|---|---|---|---|---|
| Less than 12 months | 2,402 | 844 | 26,170 | 4,217 | 33,633 |
| From 1 to 5 years | 12,871 | 7,257 | - | - | 20,128 |
| **Total estimated payments** | **15,273** | **8,101** | **26,170** | **4,217** | **53,761** |

## Note 22. Accounts payable to related parties

The balance of accounts payable to related parties and the balance of other financial liabilities with related parties is:

| | Accounts payable | | Other financial liabilities | |
|---|---|---|---|---|
| | March 31, 2020 | December 31, 2019 | March 31, 2020 | December 31, 2019 |
| Controlling entity (1) | 1,053,842 | 33,729 | - | - |
| Joint ventures (2) | 27,405 | 34,806 | 6,438 | 39,619 |
| Grupo Casino companies (3) | 19,884 | 12,413 | - | - |
| Members of the Board | 85 | 47 | - | - |
| **Total** | **1,101,216** | **80,995** | **6,438** | **39,619** |

(1) At March 31, 2020 and at December 31, 2019, the balance relates to dividends payable to shareholders.

(2) Balance payable to Puntos Colombia S.A.S. arising from the issue of points (accumulations) that have been realized in line with the change in the loyalty program implemented by the Company in amount of $27,405 (December 31, 2019 - $34,806);

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

(3) Mainly represents services received in relation with energy efficiency solutions and import of goods in the amount of $5,515 (December 31, 2019 - $3,267) and to consultancy and technical assistance services provided by Casino Guichard Perrachon S.A. and Geant International B.V. in amount of $14,369 (December 31, 2019 - $9,146).

## Note 23. Trade payables and other accounts payable

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Suppliers | 2,787,916 | 3,859,345 |
| Costs and expenses payable | 296,977 | 378,537 |
| Employee benefits | 209,707 | 238,232 |
| Tax withholdings payable | 136,387 | 60,851 |
| Dividends payable | 45,474 | 8,205 |
| Taxes collected payable | 33,607 | 46,074 |
| Purchase of assets | 23,943 | 41,447 |
| Other | 19,820 | 30,110 |
| **Total current trade payables and other accounts payable** | **3,553,831** | **4,662,801** |
| Other | - | 114 |
| **Total non-current trade payables and other accounts payable** | **-** | **114** |

## Note 24. Lease liabilities

The balance of lease liabilities is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Lease liabilities | 1,513,156 | 1,530,231 |
| **Current** | **213,352** | **222,177** |
| **Non-Current** | **1,299,804** | **1,308,054** |

## Note 25. Income tax

### Note 25.1. Tax regulations applicable to the Parent and to its Colombian subsidiaries

Income tax regulations in force applicable to the Parent and its Colombian subsidiaries:

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

   For 2019 the income tax rate applicable was 33%.

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

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

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

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

d. A tax on dividends paid to individuals resident in Colombia was established as of 2020 at a rate of 10%, triggered when the amount distributed is higher than 300 UVT (equivalent to $11 for 2020) when such dividends have been taxed upon the distributing companies. For domestic companies, the tax rate is 7.5% when such dividends have been taxed upon the distributing companies. For individuals not residents of Colombia and for foreign companies, the tax rate is 10% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 32% for 2020, 31% for 2021 and 30% as of 2022.

A tax on dividends paid to individuals resident in Colombia was established for 2019 at a rate of 15%, triggered when the amount distributed is higher than 300 UVT (equivalent to $10 in 2019) when such dividends have been taxed upon the distributing companies. For domestic companies, non-resident individuals and foreign companies, the tax rate is 7.5% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 33% for 2019.

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

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

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

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

i. Regarding contributions to employee education, the payments that meet the following conditions shall be 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 with which Colombia has entered double-taxation agreements.

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

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

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

Tax credits of the Parent and its Colombian subsidiaries

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.

In application of sections 188 and 1898 of the Tax Code, at March 31, 2020 the Parent and its subsidiaries Éxito Industrias S.A.S., Almacenes Éxito Inversiones S.A.S., Depósitos y Soluciones Logísticas S.A.S., Marketplace Internacional Éxito y Servicios S.A.S. and at December 31, 2019 the Parent and its subsidiary Marketplace Internacional Éxito y Servicios S.A.S., assessed their tax liability using the presumptive income method.

Pursuant to sections 188 and 189 of the Tax Code, at March 31, 2020 subsidiaries Éxito Viajes y Turismo S.A.S., Logística, Transporte y Servicios Asociados S.A.S., and at December 31, 2019 subsidiaries Éxito Industrias S.A.S., Logística, Transporte y Servicios Asociados S.A.S., Depósitos y Soluciones Logísticas S.A.S., Almacenes Éxito Inversiones S.A.S. and Éxito Viajes y Turismo S.A.S. assessed their income tax liability using the ordinary income method.

(a) Parent's tax credits

At March 31, 2020, the Parent has accrued $511,452 (December 31, 2019 - $506,677) excess presumptive income over net income.

The development of the Parent's excess presumptive income over net income during de three-month period ended March 31, 2020 is as follows:

| | |
|---|---|
| **Balance at December 31, 2019** | **506,677** |
| Excess presumptive income generated during the period | 4,775 |
| **Balance at March 31, 2020** | **511,452** |

At March 31, 2020, the Parent has accrued tax losses amounting to $653,081(December 31, 2019 - $643,898).

The development of tax losses at the Parent during the three-month period ended March 31, 2020 is as follows:

| | |
|---|---|
| **Balance at December 31, 2019** | **643,898** |
| Tax loss accrued during the period | 9,183 |
| **Balance at March 31, 2020** | **653,081** |

(b) Tax credits of Colombian subsidiaries

At March 31, 2020, the Colombian subsidiaries have accrued $204 (December 31, 2019 - $-) excess presumptive income over net income. The detail of excess presumptive income over net income is as follows:

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Éxito Industrias S.A.S. | 191 | - |
| Depósitos y Soluciones Logísticas S.A.S. | 7 | - |
| Marketplace Internacional Éxito y Servicios S.A.S. | 4 | - |
| Almacenes Éxito Inversiones S.A.S. | 2 | - |
| **Total** | **204** | **-** |

The development of the excess presumptive income over net income of Colombian subsidiaries during de three-month period ended March 31, 2020 is as follows:

| | |
|---|---|
| **Balance at December 31, 2019** | **-** |
| Éxito Industrias S.A.S. | 191 |
| Depósitos y Soluciones Logísticas S.A.S. | 7 |
| Marketplace Internacional Éxito y Servicios S.A.S. | 4 |
| Almacenes Éxito Inversiones S.A.S. | 2 |
| **Balance at March 31, 2020** | **204** |

At March 31, 2020, the subsidiaries have accrued tax losses amounting to $58,359 (December 31, 2019 - $57,038). The detail of tax losses is as follows:

| | **March 31, 2020** | **December 31, 2019** |
|---|---|---|
| Gemex O&W S.A.S. | 29,468 | 29,391 |
| Éxito Industrias S.A.S. | 27,614 | 27,460 |
| Almacenes Éxito Inversiones S.A.S. | 769 | - |
| Depósitos y Soluciones Logísticas S.A.S. | 255 | 81 |
| Marketplace Internacional Éxito y Servicios S.A.S. | 253 | 106 |
| **Total** | **58,359** | **57,038** |

The development of tax losses at Colombian subsidiaries during the three-month period ended March 31, 2020 is as follows:

| | |
|---|---|
| **Balance at December 31, 2019** | **57,038** |
| Almacenes Éxito Inversiones S.A.S. | 769 |
| Depósitos y Soluciones Logísticas S.A.S. | 174 |
| Éxito Industrias S.A.S. | 154 |
| Marketplace Internacional Éxito y Servicios S.A.S. | 147 |
| Gemex O&W S.A.S. | 77 |
| **Balance at March 31, 2020** | **58,359** |

Closing of tax returns

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

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

Given the filing dates established by Colombian tax authorities, the income tax return of the Company for 2019 has not been filed at March 31, 2020.

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

For subsidiary Éxito Industrias S.A.S., the income tax returns for 2018 and 2017, where tax losses were offset and a balance receivable was accrued are open for review during 6 year as of the filing of the balance receivable; the income tax return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax returns for 2014 and 2015 and the tax for equality CREE returns for 2014 and 2015 where tax losses and a balance receivable were assessed, are open for review during 5 years as of filing of the balance receivable.

For subsidiary Éxito Inversiones S.A.S., the income tax returns for 2018, 2017 and 2016, where a balance receivable was accrued are open for review during 3 year as of the filing of the balance receivable; the income tax return for 2015 where tax losses and a balance receivable were assessed is open for review during 5 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where a balance receivable was assessed is open for review during 3 years as of filing of the balance receivable; the tax for equality CREE returns for 2015 where tax losses and a balance receivable were assessed, are open for review during 5 years as of filing of the balance receivable.

For subsidiary Gemex O&E S.A.S., the income tax returns for 2018, 2017 and 2016 showing tax losses and a balance receivable are open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 is open for review during 12 years as of filing of the balance receivable. The income tax for equality CREE returns for 2014 and 2015 are open for review during 5 years as of the filing date.

For subsidiary Logística, Transporte y Servicios Asociados S.A.S., the income tax returns for 2018 and 2017 where tax losses were offset and resulted in a balance receivable are open for review for 6 years as of filing of the balance receivable; the income tax return for 2016 where tax losses and a balance receivable were assessed is open for review for 12 years as of filing of the balance receivable; the income tax return for 2015 where tax losses and a balance receivable were assessed is open for review for 5 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 showing a balance receivable is open for review for 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2015 showing a balance receivable is open for review for 5 years as of filing of the balance receivable.

For subsidiary Éxito Viajes y Turismo S.A.S., the income tax returns for 2018 and 2017 are open for review during 3 years as of filing date; the income tax return and the income tax for equality CREE return for 2016 were tax losses were offset is open for review during 6 years as of filing date; the income tax returns and income tax for equality CREE returns for 2014 and 2015 are open for review during 5 years as of filing date.

For subsidiary Marketplace Internacional Éxito y Servicios S.A.S., the income tax review for 2018 is open for review during 3 years as of filing date.

Tax advisors and management of the Parent and its subsidiaries are of the opinion that no additional taxes will be assessed, other than those carried at March 31, 2020.

Transfer pricing

Parent transactions with its controlling entity and foreign related parties have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set 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 2019. For this purpose, the Company will file an information statement and will make the mentioned survey available by mid July 2020.

Foreign controlled entities

Under the special regime applicable to foreign subsidiaries that are investment vehicles, as of 2017 the standard sets out that passive revenue obtained by such vehicles must be included in the year of accrual and not in the year of effective distribution of profits.

**Note 25.2. Tax regulations applicable to foreign subsidiaries**

Tax regulations in force applicable to foreign subsidiaries foresee the following income tax rates:
- Subsidiaries domiciled in Uruguay apply a 25% rate;
- Subsidiaries domiciled in Argentina apply a 35% rate.

**Note 25.3. Current tax assets and liabilities**

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

Current tax assets

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Income tax balance receivable by Parent and its Colombian subsidiaries (1) | 252,924 | 200,696 |
| Tax discounts applied by the Parent and its Colombian subsidiaries (2) | 85,970 | 72,239 |
| Industry and trade tax advances and withholdings of Parent and its Colombian subsidiaries | 39,298 | 47,067 |
| Other current tax assets of subsidiary Spice Investment Mercosur S.A. | 20,373 | 6,098 |
| Current income tax assets of subsidiary Onper Investment 2015 S.L. (3) | 6,108 | 2,935 |
| Tax discounts of Parent from taxes paid abroad | 4,789 | 3,738 |
| Other current tax assets of subsidiary Onper Investment 2015 S.L. (4) | 524 | 438 |
| Current income tax assets of subsidiary Spice Investments Mercosur S.A. (5) | - | 639 |
| **Total current tax assets** | **409,986** | **333,850** |

(1) The income tax balance receivable of the Parent and its Colombian subsidiaries is comprised of:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Balance receivable from income tax of prior years. | 202,278 | 660 |
| Income tax withholdings (a) | 56,288 | 222,228 |
| Less income tax (expense) (Note 26.4) | (3,156) | (27,845) |
| Income tax payable from previous year | (2,486) | - |
| Tax discounts | - | 5,653 |
| **Income tax balance receivable by Parent and its Colombian subsidiaries** | **252,924** | **200,696** |

(a) Includes the net of income tax payable and balances receivable and taxes withheld applicable to the Parent's and its Colombian subsidiaries' income tax.

(2) Tax discounts applied by the Parent and its Colombian subsidiaries are as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Industry and trade tax | 61,939 | 51,281 |
| VAT on productive real assets | 23,703 | 20,609 |
| Other | 328 | 349 |
| **Total tax discounts applied by the Parent and its Colombian subsidiaries** | **85,970** | **72,239** |

(3) The balance of current income tax of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Argentina segment, is comprised of:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Current income tax assets | 9,766 | 7,598 |
| Current income tax liabilities | (3,658) | (4,663) |
| **Total** | **6,108** | **2,935** |

(4) Balance of other current taxes of subsidiaries in the Argentina segment.

(5) The balance of current income tax assets of subsidiary Spice Investments Mercosur S.A. is comprised of:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Current income tax assets | - | 2,902 |
| Current income tax liabilities | - | (2,263) |
| **Total** | **-** | **639** |

Current tax liabilities

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Industry and trade tax payable of the Parent and its Colombian subsidiaries | 43,581 | 68,200 |
| Taxes of subsidiary Spice Investments Mercosur S.A. other than income tax | 12,435 | 1,471 |
| Tax on real estate of the Parent and its Colombian subsidiaries | 12,005 | 199 |
| Taxes of subsidiary Onper Investment 2015 S.L. other than income tax (1) | 2,480 | 3,040 |
| Income tax of subsidiary Spice Investments Mercosur S.A. | 2,478 | - |
| **Total current tax liabilities** | **72,979** | **72,910** |

(1) Balance of taxes of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Argentina segment.

**Note 25.4. Income tax**

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 | January 1 to December 31, 2019 |
|---|---|---|---|
| **Earnings (loss) before income tax** | **47,159** | **(1,864)** | **171,134** |
| **Add** | | | |
| Non-deductible expenses | 6,359 | 6,425 | 24,106 |
| Tax on financial transactions | 2,618 | 2,489 | 10,526 |
| Fines, penalties and litigation | 1,543 | 435 | 4,927 |
| Receivables written-off | 1,218 | - | 3,245 |
| Taxes taken on and revaluation | 111 | 340 | 1,653 |
| Non-deductible inventory losses | 97 | - | 38 |
| Derecognition of gain from the sale of fixed assets reported as occasional gain | 76 | - | (135) |
| Net income - recovery of depreciation of fixed assets sold | 4 | - | 468 |
| **Less** | | | |
| Effect of accounting results of foreign subsidiaries | (30,219) | (142,464) | (119,316) |
| IFRS adjustments with no tax effects (1) | (24,913) | 87,739 | (71,629) |
| Goodwill tax deduction, in addition to the accounting deduction | (5,152) | (806) | (23,832) |
| Tax-exempt dividends received from subsidiaries | (2,167) | (1,500) | (3,987) |
| Recovery of provisions | (977) | (2,411) | (4,304) |
| Non-deductible taxes | (609) | 10,299 | 37,475 |
| Disabled employee deduction | (400) | (416) | (1,665) |
| Deduction additional 30% on salaries paid to apprentices hired at Company will | (355) | (435) | (1,740) |
| Recovery of receivables | - | (206) | - |
| Donation to food banks | - | - | (1,420) |
| **Net income (loss)** | **(5,607)** | **(42,375)** | **25,544** |
| Offsetting of tax losses and excess presumptive income | - | (1,955) | (13,544) |
| **Total net (loss) income after offsetting** | **(5,607)** | **(44,330)** | **12,000** |
| **Presumptive income of the Parent and of certain Colombian subsidiaries for the current period** | **4,978** | **15,390** | **61,416** |
| **Net income for the current period of certain Colombian subsidiaries** | **4,886** | **4,405** | **24,211** |
| **Taxable net income** | **9,864** | **19,795** | **85,627** |
| Income tax rate | 32% | 33% | 33% |
| **Subtotal income tax (expense)** | **(3,156)** | **(6,532)** | **(28,257)** |
| Tax discounts | - | - | 412 |
| **Total income tax (expense)** | **(3,156)** | **(6,532)** | **(27,845)** |
| **(Expense) from previous year tax** | **-** | **-** | **(237)** |
| **Total income tax (expense) of the Parent and its Colombian subsidiaries** | **(3,156)** | **(6,532)** | **(28,082)** |
| **Total current tax (expense) of foreign subsidiaries** | **(10,081)** | **(9,005)** | **(48,175)** |
| **Total current income tax (expense)** | **(13,237)** | **(15,537)** | **(76,257)** |

(1) IFRS adjustments with no tax effects are:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 | January 1 to December 31, 2019 |
|---|---|---|---|
| Other accounting expenses with no tax effects (a) | 73,724 | 3,936 | 49,156 |
| Accounting provisions | 35,503 | 22,959 | 76,121 |
| Untaxed dividends of subsidiaries | 2,167 | 1,500 | 3,987 |
| Taxed actuarial estimation | 230 | 521 | 2,938 |
| Taxed leases | (57,536) | 23,821 | 50,067 |
| Non-accounting costs for tax purposes | (18,074) | (18,512) | (30,163) |
| Recovery of provisions | (13,892) | (6,456) | (39,690) |
| Higher tax depreciation over accounting depreciation | (13,178) | (9,640) | (52,551) |
| Net results using the equity method | (13,620) | (34,925) | (159,949) |
| Exchange difference, net | (7,089) | (13,354) | 17,630 |
| Excess personnel expenses for tax purposes over accounting personnel expenses | (6,822) | (3,853) | (34,760) |
| Other accounting (not for tax purposes) (revenue), net | (6,299) | 121,800 | (3,488) |
| Non-deductible taxes | (27) | (43) | (508) |
| Non-deductible fines and penalties | - | (15) | (29) |
| Taxed dividends of subsidiaries | - | - | 49,610 |
| **Total** | **(24,913)** | **87,739** | **(71,629)** |

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 | January 1 to December 31, 2019 |
|---|---|---|---|
| Current income tax (expense) | (13,237) | (15,537) | (76,257) |
| Deferred income tax revenue (Note 25.5) | 8,720 | 16,277 | 52,961 |
| **Total income tax (expense)** | **(4,517)** | **740** | **(23,296)** |

A detail of the current tax expense of foreign subsidiaries is as follows:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 | January 1 to December 31, 2019 |
|---|---|---|---|
| Uruguay segment | (11,797) | - | (44,336) |
| Argentina segment | 1,716 | (9,005) | (3,839) |
| **Total current tax (expense)** | **(10,081)** | **(9,005)** | **(48,175)** |

The estimation of the presumptive income of the Parent and of certain Colombian subsidiaries is as follows:

| | March 31, 2020 | March 31, 2019 | December 31, 2019 |
|---|---|---|---|
| Net shareholders' equities | 1,149,221 | 1,047,618 | 4,199,870 |
| Less net shareholders' equities to be excluded | (37,862) | (21,636) | (105,475) |
| **Base shareholders' equities** | **1,111,359** | **1,025,982** | **4,094,395** |
| **Presumptive income** | **4,978** | **15,390** | **61,416** |
| **Total presumptive income** | **4,978** | **15,390** | **61,416** |

**Note 25.5. Deferred tax**

The Parent and its subsidiaries recognize 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 is made of whether the Parent and its subsidiaries will generate enough taxable income in future that allow offsetting the asset, in full or in part.

Deferred tax assets and liabilities are made as follows:

| | March 31, 2020 | | December 31, 2019 | |
|---|---|---|---|---|
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Lease liabilities | 512,362 | - | 509,927 | - |
| Tax losses | 201,599 | - | 198,834 | - |
| Excess presumptive income | 157,881 | - | 156,459 | - |
| Tax credits | 66,516 | - | 66,535 | - |
| Other provisions | 22,862 | - | 18,661 | - |
| Other financial liabilities | 16,662 | - | 4,913 | - |
| Accounts payable to related parties | 11,648 | - | 8 | - |
| Inventories | 6,031 | - | 4,444 | - |
| Trade and other receivables | 3,281 | - | 3,371 | - |
| Financial liabilities | 2,347 | - | 622 | - |
| Employee benefit provisions | 1,864 | - | 1,736 | - |
| Real estate projects | 1,801 | - | - | (5,894) |
| Prepaid expenses | 957 | - | 943 | - |
| Investments in subsidiaries and joint ventures | 308 | - | 308 | - |
| Non-current assets held for trading | - | (308) | - | (294) |
| Intangible assets other than goodwill | - | (3,798) | - | (3,957) |
| Construction in progress | - | (4,242) | - | (4,180) |
| Other non-financial liabilities | - | (4,942) | - | (2,725) |
| Accounts receivable from related parties | - | (5,509) | 128 | - |
| Trade and other payables | - | (5,537) | - | (5,537) |
| Land | - | (7,070) | - | (7,070) |
| Other property, plant and equipment | - | (29,257) | - | (29,146) |
| Other financial assets | - | (32,735) | - | (7,343) |
| Investment property | - | (36,208) | - | (35,671) |
| Buildings | - | (123,831) | - | (122,035) |
| Goodwill | - | (145,302) | - | (145,302) |
| Use rights | - | (449,679) | - | (444,594) |
| **Total Parent** | **1,006,119** | **(848,418)** | **966,889** | **(813,748)** |
| **Colombian subsidiaries** | **29,838** | **(32,321)** | **29,497** | **(32,907)** |
| **Total Colombia segment** | **1,035,957** | **(880,739)** | **996,386** | **(846,655)** |
| **Uruguay segment** | **29,622** | **-** | **27,538** | **-** |
| **Argentina segment** | **-** | **(144,060)** | **8,373** | **(124,876)** |
| **Total** | **1,065,579** | **(1,024,799)** | **1,032,297** | **(971,531)** |

The breakdown of deferred tax assets and liabilities for the three geographical segments (four in 2018) in which the Parent and its subsidiaries operations are grouped is as follows:

| | March 31, 2020 | | December 31, 2019 | |
|---|---|---|---|---|
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Colombia segment | 155,218 | - | 149,731 | - |
| Uruguay segment | 29,622 | - | 27,538 | - |
| Argentina segment | - | (144,060) | - | (116,503) |
| **Total** | **184,840** | **(144,060)** | **177,269** | **(116,503)** |

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| Deferred income tax revenue | 3,413 | 5,876 |
| Deferred tax (expense) on occasional gains | 5,307 | 10,401 |
| **Total deferred income tax revenue** | **8,720** | **16,277** |

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| (Expense) from derivative financial instruments designated as hedge instruments and other | (3,492) | (185) |
| **Total deferred income tax expense** | **(3,492)** | **(185)** |

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

| | January 1 to March 31, 2020 |
|---|---|
| Revenue from deferred tax recognized in income for the period | 8,720 |
| (Expense) from deferred tax recognized in other comprehensive income for the period. | (3,492) |
| Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1) | (25,214) |
| **Total increase in net deferred tax between March 31, 2020 and December 31, 2019** | **(19.986)** |

(1) Such effect resulting from the translation at the closing rate of deferred tax assets and liabilities of foreign subsidiaries is included in the line item "Exchange difference from translation" in Other comprehensive income (Note 30).

Temporary differences related to investments in associates and joint ventures, for which no deferred taxes have been recognized at March 31, 2020 amounted to $16,700 (December 31, 2019 - $40,098).

**Note 25.6. Effects of the distribution of dividends on income tax.**

Pursuant to Colombian tax regulations in force, neither the distribution of dividends nor retained earnings influence the income tax rate.

**Note 25.7. Non-Current tax liabilities**

Non-Current tax liabilities

The balance relates to taxes payable of subsidiary Libertad S.A. for federal taxes and incentive program by instalments.

## Note 26. Other financial liabilities

The balance of other financial liabilities is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Derivative financial instruments (1) | 52,049 | 15,334 |
| Collections received on behalf of third parties (2) | 45,323 | 99,887 |
| Derivative financial instruments designated as hedging instruments (3) | 20 | 20 |
| **Total** | **97,392** | **115,241** |
| **Current** | **97,392** | **114,871** |
| **Non-Current** | **-** | **370** |

(1) Derivative financial instruments reflect the fair value of *forward and swap* contracts to cover the fluctuation in the exchange 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 the statement of financial position, the Parent and its subsidiaries measure the derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

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

| Derivative | Less than 3 months | From 3 to 6 months | From 6 to 12 months | More than 12 months | Total |
|---|---|---|---|---|---|
| *Forward* | 32,794 | 16,520 | - | - | 49,314 |
| *Swap* | 977 | 745 | 1,013 | - | 2,735 |
| | | | | | **52,049** |

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

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

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Revenue received on behalf of third parties (a) | 17,650 | 22,076 |
| Non-banking correspondent | 8,701 | 26,075 |
| Éxito Card collections (b) | 6,438 | 39,619 |
| Direct trading (*marketplace*) | 6,044 | 3,269 |
| Other collections | 6,490 | 8,848 |
| **Total** | **45,323** | **99,887** |

(a) The balance relates to:

- Collections received on behalf of third parties for hotel services, ground transportation, car rentals and reservation of air tickets as part of the intermediation of subsidiary Éxito Viajes y Turismo S.A.S. as a travel agency in amount of $15,902 (December 31, 2019 - 19,428).

- Collections received on behalf of third parties from Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. in amount of $1,7,21 (December 31, 2019 - $2,621).

- Collections received on behalf of third parties from Patrimonios Autónomos in amount of $27 (December 31, 2019 - $27).

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

(3) Derivative instruments designated as hedging instrument reflect swap transactions carried out by the Parent 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 March 31, 2020 and at December 31, 2019 finance bartering is used to hedge exchange and/or interest risks of financial liabilities taken to acquire property, plant and equipment.

The Parent and its subsidiaries document accounting hedging relationships and conduct efficacy testing from initial recognition and over the time of the hedging relationship until derecognition thereof. No inefficacy has been identified during the periods reported.

At March 31, 2020 relates to the following transactions:

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

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

| | Less than 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 12 months | More than 12 months | Total |
|---|---|---|---|---|---|---|
| *Swap* | - | 20 | - | - | - | **20** |

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

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

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

| | Less than 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 12 months | More than 12 months | Total |
|---|---|---|---|---|---|---|
| *Swap* | - | - | 20 | - | - | **20** |

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Collections received on behalf of third parties | 45,323 | 99,887 |
| Derivative financial instruments | 52,049 | 14,964 |
| Derivative financial instruments designated as hedging instruments | 20 | 20 |
| **Total current** | **97,392** | **114,871** |
| | | |
| Derivative financial instruments designated as hedging instruments | - | 370 |
| **Total non-current** | **-** | **370** |

## Note 27. Other non-financial liabilities

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Revenue received in advance (1) | 58,706 | 81,763 |
| Customer loyalty programs (2) | 29,892 | 27,106 |
| Advance payments under contracts and other projects | 6,474 | 9,725 |
| Instalments received under "plan resérvalo" | 302 | 230 |
| Repurchase coupon | 3 | 85 |
| **Total other non-financial liabilities** | **95,377** | **118,909** |
| **Current** | **94,723** | **118,240** |
| **Non-Current** | **654** | **669** |

(1) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment, lease of premises and strategic alliances.

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Gift card | 37,815 | 61,854 |
| Cafam comprehensive card | 8,731 | 8,364 |
| Exchange card | 3,464 | 3,620 |
| Data and telephone minutes purchased in advance | 872 | 957 |
| Fuel card | 787 | 807 |
| Other | 7,037 | 6,161 |
| **Total** | **58,706** | **81,763** |

(2) Relates to customer loyalty programs “Puntos Éxito” and “Supercliente Carulla” of the Parent; “Hipermillas” of subsidiary Mercados Devoto S.A.; “Tarjeta Más” of subsidiary Supermercados Disco del Uruguay S.A. and "Club Libertad" of subsidiary Libertad S.A.

The following are the balances of these programs included in the statement of financial position:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| "Hipermillas" and "Tarjeta Más" programs | 29,130 | 25,658 |
| “Puntos Éxito” and “Supercliente Carulla” programs | 578 | 1,138 |
| Club Libertad | 184 | 310 |
| **Total** | **29,892** | **27,106** |

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

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Revenue received in advance | 58,706 | 81,763 |
| Customer loyalty programs | 29,892 | 27,106 |
| Advance payments under contracts and other projects | 5,820 | 9,056 |
| Instalments received under "plan resérvalo" | 302 | 230 |
| Repurchase coupon | 3 | 85 |
| **Total current** | **94,723** | **118,240** |
| | | |
| Advance payments under contracts and other projects | 654 | 669 |
| **Total non-current** | **654** | **669** |

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

At March 31, 2020 and at December 31, 2019, the Parent'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. Additionally, there are no option contracts on Parent 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 March 31, 2020 and at December 31, 2019. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transfer of a portion of such premium to a capital account as result of the issue of a share-based dividend.

## Note 29. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations made by the Parent's General Meeting of Shareholders on the results of prior periods. In addition to the legal reserve, there is an occasional reserve, a reserve for the reacquisition of shares and a reserve for payment of future dividends.

Retained earnings

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

Other accumulated comprehensive income

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

| | March 31, 2020 | | | March 31, 2019 | | | December 31, 2019 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Gross amount** | **Tax effect** | **Net amount** | **Gross amount** | **Tax effect** | **Net amount** | **Gross amount** | **Tax effect** | **Net amount** |
| Measurement of financial assets at fair value through other comprehensive income (1) | (14,292) | - | (14,292) | (114,279) | - | (114,279) | (13,203) | - | (13,203) |
| Measurement of defined benefit plans (2) | (5,136) | 1,541 | (3,595) | (4,760) | 1,432 | (3,328) | (5,136) | 1,541 | (3,595) |
| Translation exchange differences (3) | (894,813) | - | (894,813) | (1,150,317) | - | (1,150,317) | (1,106,448) | - | (1,106,448) |
| (Loss) from the hedging of cash flows (4) | (325) | 99 | (226) | (5,433) | 1,769 | (3,664) | (290) | 93 | (197) |
| (Loss) from hedging of foreign business investments | 5,196 | (3,021) | 2,175 | - | - | - | (1,936) | 477 | (1,459) |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5) | - | - | - | (48,346) | - | (48,346) | - | - | - |
| **Total other accumulated comprehensive income** | **(909,370)** | **(1,381)** | **(910,751)** | **(1,323,135)** | **3,201** | **(1,319,934)** | **(1,127,013)** | **2,111** | **(1,124,902)** |

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

(2) Represents the accumulated value of actuarial gains or losses arising from the Parent's and its subsidiaries' defined benefit plans. 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 Parent's presentation currency. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation. Includes the effect of translating deferred tax assets and liabilities in amount of $24,214 (Note 25).

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

(5) Parent's share of the other comprehensive income from its investments in associates and joint ventures through direct investment or through subsidiaries.

## Note 30. Revenue from ordinary activities under contracts with customers

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) |
|---|---|---|
| Retail sales (Note 43) | 3,899,888 | 3,527,129 |
| Service revenue (2) | 139,284 | 136,266 |
| Other ordinary revenue (3) | 13,259 | 30,368 |
| **Total revenue from ordinary activities under contracts with customers** | **4,052,431** | **3,693,763** |

(1) Amounts include the effect of the reclassification of accumulated revenue of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

(2) The balance of service revenue relates to:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (a) |
|---|---|---|
| Leases and real estate management | 55,366 | 55,730 |
| Distributors | 26,544 | 27,019 |
| Advertising | 16,193 | 11,331 |
| Lease of physical space | 10,800 | 10,993 |
| Commissions | 7,406 | 7,548 |
| Telephone services | 7,245 | 6,144 |
| Non-banking correspondent | 4,094 | 5,006 |
| Transport | 4,301 | 4,693 |
| Travel administration fees | 1,558 | 1,985 |
| Money transfers | 1,575 | 1,669 |
| Other revenue from the provision of services | 4,202 | 4,148 |
| **Total service revenue** | **139,284** | **136,266** |

(a) Amounts include the effect of the reclassification of accumulated revenue of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income for the period from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

(3) Other ordinary revenue relates to:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (a) |
|---|---|---|
| Exploitation of assets | 1,217 | 1,416 |
| Royalty revenue | 2,210 | 3,761 |
| Marketing events | 3,469 | 3,410 |
| Revenue from financial services | 412 | 848 |
| Involvement in collaboration agreement (b) | - | 14,503 |
| Latam strategic direction (Note 37) | - | 2,083 |
| Other | 5,951 | 4,347 |
| **Total other ordinary revenue** | **13,259** | **30,368** |

(a) Amounts include the effect of the reclassification of accumulated revenue of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income for the period from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

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

## Note 31. Distribution expenses and Administration and sales expenses

The balance of distribution expenses is as follows:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) |
|---|---|---|
| Depreciation and amortization | 91,136 | 100,282 |
| Taxes other than income tax | 72,465 | 63,041 |
| Services | 54,154 | 50,932 |
| Fuels and power | 49,354 | 56,743 |
| Repairs and maintenance | 33,130 | 33,911 |
| Advertising | 32,761 | 28,361 |
| Commissions on debit and credit cards | 22,669 | 19,695 |
| Transport | 10,454 | 9,839 |
| Packaging and marking materials | 10,055 | 10,891 |
| Leases | 8,945 | 8,100 |
| Administration of trade premises | 8,761 | 8,825 |
| Professional fees | 6,789 | 7,012 |
| Outsourced employees | 6,682 | 6,565 |
| Insurance | 5,988 | 5,973 |
| Legal expenses | 3,495 | 1,616 |
| Impairment expense | 2,677 | 6,697 |
| Travel expenses | 978 | 1,427 |
| Other provisions expense | 657 | 424 |
| Contributions and affiliations | 98 | 476 |
| Other | 23,266 | 19,618 |
| **Total distribution expenses** | **444,514** | **440,428** |

The balance of administration and sales expenses is as follows:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) |
|---|---|---|
| Taxes other than income tax | 41,912 | 38,660 |
| Depreciation and amortization | 19,363 | 19,067 |
| Professional fees | 12,375 | 10,502 |
| Repairs and maintenance | 6,987 | 4,801 |
| Impairment expense | 3,641 | 9,715 |
| Services | 3,389 | 2,971 |
| Other provisions expense | 3,207 | 1,143 |
| Travel expenses | 2,423 | 2,127 |
| Fuels and power | 2,401 | 2,086 |
| Outsourced employees | 2,219 | 2,099 |
| Insurance | 1,742 | 1,541 |
| Administration of trade premises | 981 | 712 |
| Leases | 658 | 2,157 |
| Contributions and affiliations | 598 | 529 |
| Transport | 396 | 555 |
| Legal expenses | 167 | 239 |
| Advertising | 113 | 101 |
| Packaging and marking materials | 39 | 104 |
| Other | 4,792 | 2,926 |
| **Total administration and sales expenses** | **107,403** | **102,035** |

(1) Amounts include the effect of the reclassification of accumulated expenses of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income for the period from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

## Note 32. Employee benefit expenses

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) |
|---|---|---|
| Wages and salaries | 269,204 | 273,338 |
| Contributions to the social security system | 9,324 | 9,439 |
| Other short-term employee benefits | 11,711 | 12,739 |
| **Total short-term employee benefit expense** | **290,239** | **295,516** |
| | | |
| Post-employment benefit expenses, defined contribution plans | 26,272 | 27,681 |
| Post-employment benefit expenses, defined benefit plans | 528 | 717 |
| **Total post-employment benefit expenses** | **26,800** | **28,398** |
| | | |
| Termination benefit expenses | 1,054 | 1,765 |
| Other long-term employee benefits | 78 | 103 |
| Other personnel expenses | 4,402 | 5,516 |
| **Total employee benefit expenses** | **322,573** | **331,298** |

(1) Amounts include the effect of the reclassification of accumulated expenses of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income for the period from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

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

Other operating revenue, other operating expenses and other net gains include the effects of the most significant events occurred during the period which would distort the Parent's and its subsidiaries' recurrent profitability analysis; these are defined as significant elements of unusual revenue and expense whose occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of recurring operating performance of the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the effect of business combinations, among other.

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) |
|---|---|---|
| **Other operating revenue** | | |
| **Recurring** | | |
| Recovery of allowance for trade receivables | 3,554 | 14,492 |
| Reimbursement of ICA-related costs and expenses | 2,543 | 2,917 |
| Recovery of other provisions related with civil lawsuits | 509 | 646 |
| Compensation from insurance companies | 367 | 425 |
| Recovery of other provisions | 836 | 1,226 |
| Recovery of other provisions related with labor lawsuits | 715 | 208 |
| Reimbursement of tax-related costs and expenses | 606 | 50 |
| Other recurring revenue | 184 | 362 |
| **Total recurring** | **9,314** | **20,326** |
| **Non-recurring** | | |
| Recovery of other provisions | - | 1,859 |
| **Total non-recurring** | **-** | **1,859** |
| **Total other operating revenue** | **9,314** | **22,185** |
| **Other operating expenses** | | |
| Restructuring expenses (2) | (32,563) | (21,951) |
| Other expenses (3) | (3,595) | (968) |
| **Total other operating expenses** | **(36,158)** | **(22,919)** |
| **Other net gains (losses)** | | |
| Derecognition of lease contracts upon early termination | 6,794 | - |
| Derecognition of property, plant and equipment | (1,687) | (1,880) |
| Gain (loss) from the sale of property, plant and equipment | (10) | 767 |
| Loss from disposal of other assets | - | (588) |
| **Total other gains (loss), net** | **5,097** | **(1,701)** |

(1) Amounts include the effect of the reclassification of other operating revenue. other operating expenses and other net income of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income for the period from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

(2) Represents expenses arising from the provision in relation with the plan to restructure the Parent and its Colombian subsidiaries that includes the acquisition of the operating excellence plan and corporate retirement plan in amount of $25,666 (March 31, 2019 - $18,765) and expenses incurred under plan to restructure subsidiary Libertad S.A. in amount of $6,897 (March 31, 2019 - $3,186).

(3) For 2020, includes $2,074 relevant to special projects carried out by the Parent as part of its analysis of other business units

## Note 34. Financial revenue and expenses

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 (1) |
|---|---|---|
| Gain from derivative financial instruments | 60,804 | 47,080 |
| Gain from exchange difference | 39,528 | 119,276 |
| Revenue from interest, cash and cash equivalents | 8,224 | 7,669 |
| Other financial revenue | 4,417 | 3,194 |
| **Total financial revenue** | **112,973** | **177,219** |
| | | |
| Loss from exchange difference | (77,843) | (75,172) |
| Interest expense from lease liabilities | (28,852) | (29,809) |
| Loss from derivative financial instruments | (19,569) | (95,885) |
| Interest, loans and finance lease expenses | (11,594) | (73,057) |
| Net monetary position results, effect of the statement of financial position (2) | (6,488) | (2,272) |
| Net monetary position results, effect of the statement of income (2) | (1,287) | (213) |
| Commissions expense | (982) | (1,388) |
| Other financial expenses | (686) | (1,574) |
| **Total financial expenses** | **(147,301)** | **(279,370)** |

(1) Amounts include the effect of the reclassification of financial revenue and financial expenses of Companhia Brasileira de Distribuição - CBD, and Gemex O&W S.A.S. to the net income for the period from discontinued operations, for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020.

(2) Represents results arising from the net monetary position of the financial statements of subsidiary Libertad S.A.

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

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

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| Puntos Colombia S.A.S. | 1,044 | (1,226) |
| Compañía de Financiamiento Tuya S.A. | (24,442) | (953) |
| **Total** | **(23,398)** | **(2,179)** |

## Note 36. Earnings per share

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

At March 31, 2020 and at December 31, 2019, the Parent has not carried out transactions with potential ordinary shares, nor after the closing date or at the date of release of these financial statements.

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

In period results:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Net gain (loss) attributable to the shareholders of the controlling entity** | **21,987** | **(13,574)** |
| Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted) | 447.604.316 | 447.604.316 |
| **Earnings (loss) per basic and diluted share attributable to the shareholders of the controlling entity (in Colombian pesos)** | **49.12** | **(30.33)** |

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Net gain (loss) for the period from continuing operations** | **42,642** | **(1,124)** |
| Less: net income from continuing operations attributable to non-controlling interests | 20,401 | 17,517 |
| **Net gain (loss) profit from continuing operations attributable to the shareholders of the controlling entity** | **22,241** | **(18,641)** |
| Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted) | 447.604.316 | 447.604.316 |
| **Earnings (loss) per basic and diluted share from continuing operations attributable to the shareholders of the controlling entity (in Colombian pesos)** | **49.69** | **(41.65)** |

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Net (loss) gain for the period from discontinued operations** | **(254)** | **159,548** |
| Less: net income from discontinued operations attributable to non-controlling interests | - | 154,481 |
| **Net (loss) gain from discontinued operations attributable to the shareholders of the controlling entity** | **(254)** | **5,067** |
| Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted) | 447.604.316 | 447.604.316 |
| **(Loss) earnings per basic and diluted share from discontinued operations attributable to the shareholders of the controlling entity (in Colombian pesos)** | **(0.57)** | **11.33** |

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Net gain (loss) for the period from continuing operations** | **42,642** | **(1,124)** |
| Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted) | 447.604.316 | 447.604.316 |
| **Earnings (loss) per basic and diluted share from continuing operations (in Colombian pesos)** | **95.27** | **(2.51)** |

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Net (loss) gain for the period from discontinued operations** | **(254)** | **159,548** |
| Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted) | 447.604.316 | 447.604.316 |
| **(Loss) earnings per basic and diluted share from discontinued operations (in Colombian pesos)** | **(0.57)** | **356.45** |

In total comprehensive income for the period:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| **Net gain (loss) attributable to the shareholders of the controlling entity** | **230,507** | **(296,321)** |
| Weighted average of the number of ordinary shares attributable to the basic (loss) per share (basic and diluted) | 447.604.316 | 447.604.316 |
| **Earnings (loss) per basic and diluted share in total comprehensive income (in Colombian pesos)** | **514.98** | **(662.01)** |

## Note 37. Transactions with related parties

### Note 37.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements executed by and between the parties.

Compensation of key management personnel is as follows:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| Short-term employee benefits (1) | 18,739 | 33,029 |
| Post-employment benefits | 793 | 496 |
| Termination benefits | 447 | - |
| Long-term employee benefits | - | 11 |
| Share-based payment plan | - | 4,158 |
| **Total** | **19,979** | **37,694** |

(1) A portion of short-term employee benefits is reimbursed by Casino Guichard Perrachon S.A. under a Latin American strategic direction service agreement entered with the Parent. Revenue from Latam strategic direction was recognized during the three-month period ended March 31, 2020 in amount of $- (March 31, 2019 - $2,083) as described in Note 30.

### Note 37.2. Transactions with related parties

Transactions with related parties relate to revenue from retail sales and other services, as well as to costs and expenses related to risk management and technical assistance support, purchase of goods and services received.

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

| | Revenue | | Costs and expenses | |
|---|---|---|---|---|
| | January 1 to March 31, 2020 | January 1 to March 31, 2019 | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
| Joint ventures (1) | 5,734 | 19,606 | 21,936 | 17,298 |
| Grupo Casino companies (2) | 1,231 | 26,995 | 14,457 | 20,992 |
| Associates (3) | - | 31,305 | - | - |
| Controlling entity (4) | 277 | 2,713 | - | 43,059 |
| Members of the Board | - | - | 562 | 286 |
| **Total** | **7,242** | **80,619** | **36,955** | **81,635** |

(1) Revenue represents the yield of bonds and coupons and energy in amount of $3,776 (March 31, 2019 - $3,903), involvement in the corporate collaboration agreement in amount of $- (March 31, 2019 - $14,503), lease of real estate property in amount of $1,232 (March 31, 2019 - $1,096), and other services in amount of $546 (March 31, 2019 - $-) with Compañía de Financiamiento Tuya S.A. and other services in amount of $180 (March 31, 2019 - $104) with Puntos Colombia S.A.S.

Costs and expenses represent the cost of the loyalty program and liability management of Puntos Colombia S.A.S. in amount of $20,443 (March 31, 2019 - $16,610), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $1,493 (March 31, 2019 - $ 688).

(2) Revenue mainly refers to sales of products to Distribution Casino France, provision of services to Casino International and to Greenyellow Energía de Colombia S.A.S. and to a supplier centralized negotiation with International Retail Trade and Services.

Costs and expenses mainly refer to the cost of energy optimization services received and intermediation in the import of goods.

(3) At March 31, 2019 revenue mainly comes from the reimbursement of expenses arising from the infrastructure contract, commissions on the sale of financial products and lease of property, transactions carried out with FIC Promotora de Vendas Ltda.

(4) At March 31, 2020, represents a charge to Companhia Brasileira de Distribuição – CBD as consideration for the use of textile own brands in Brazil. At March 31, 2019 revenue relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*).

At March 31, 2019 costs and expenses with the controlling entity mainly represent the reimbursement of expenses incurred by professionals and companies of Grupo Casino for the benefit of Companhia Brasileira de Distribuição - CBD (*) under a "*cost sharing agreement*" and to costs incurred by the Parent for consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (*) and Geant International B.V.

(*) As of November 27, 2019, Casino Guichard-Perrachon S.A. ceased to be the controlling entity to become a company of the Grupo Casino; and Companhia Brasileira de Distribuição -CBD became a subsidiary of the controlling entity.

## Note 38. Impairment of assets

### Note 38.1. Financial assets

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

### Note 38.2. Non-financial assets

No indication of impairment of non-financial assets was identified at March 31, 2020.

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

## Note 39. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities and of non-financial assets and liabilities of the Parent and its subsidiaries at March 31, 2020 and at December 31, 2019 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying amounts are very close to their 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.

| | March 31, 2020 | | December 31, 2019 | |
|---|---|---|---|---|
| | **Book value** | **Fair value** | **Book value** | **Fair value** |
| **Financial assets** | | | | |
| Trade receivables and other accounts receivable at amortized cost | 34,408 | 32,516 | 37,018 | 34,859 |
| Investments in private equity funds (Note 12) | 1,210 | 1,210 | 1,295 | 1,295 |
| Forward contracts measured at fair value through income (Note 12) | 29,538 | 29,538 | 11,914 | 11,914 |
| Swap contracts measured at fair value through income (Note 12) | 71,166 | 71,166 | 11,443 | 11,443 |
| Derivative *swap* contracts denominated as hedging instruments (Note 12) | 2,546 | 2,546 | 476 | 476 |
| Investment in bonds (Note 12) | 42,732 | 40,428 | 41,392 | 39,602 |
| Investment in bonds through other comprehensive income (Note 12) | 17,040 | 17,040 | 14,521 | 14,521 |
| Equity investments (Note 12) | 10,473 | 10,473 | 10,393 | 10,393 |
| **Non-financial assets** | | | | |
| Investment property (Note 14) | 1,676,931 | 2,309,328 | 1,626,220 | 2,309,328 |
| Property, plant and equipment, and investment property held for trading (Note 44) | 40,189 | 40,189 | 37,928 | 37,928 |
| **Financial liabilities** | | | | |
| Financial liabilities and finance leases (Note 19) | 1,165,373 | 1,162,566 | 280,815 | 281,403 |
| Put option (1) (Note 19) | 409,726 | 409,726 | 379,538 | 379,538 |
| Swap contracts denominated as hedging instruments (Note 26) | 20 | 20 | 20 | 20 |
| Forward contracts measured at fair value through income (Note 26) | 49,314 | 49,314 | 13,719 | 13,719 |
| Derivative swap contracts measured at fair value through income (Note 26) | 2,735 | 2,735 | 1,615 | 1,615 |
| **Non-financial liabilities** | | | | |
| Customer loyalty liability (Note 27) | 29,892 | 29,892 | 27,106 | 27,106 |

(1) The development of the put option measurement during the period was:

| | |
|---|---|
| **Balance at December 31, 2019** | **379,538** |
| Changes in fair value recognized in investments | 30,188 |
| **Balance at March 31, 2020** | **409,726** |

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.<br>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.<br>Market representative exchange rate on the date of valuation.<br>Forward points of the Peso-US Dollar forward market on the date of valuation.<br>Number of days between valuation date and maturity date.<br>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.<br>Zero-coupon TES curve.<br>Swap *LIBOR curve.*<br>Treasury Bond curve.<br>12-month CPI |
| Derivative *swap* contracts denominated as hedge instruments | Level 2 | Discounted cash flows method | The fair value is calculated based on forecasted future cash flows of transactions using IDC curves and discounting them at present value, using *swap* IDC market rates, both as displayed by BM&FBovespa. | IDC curve<br>IDC rate for swaps |
| Equity investments | Level 1 | Market quote prices | The fair value of such investments is determined as reference to the prices listed in active markets if companies are listed; in all other cases, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants may generate costs higher than the value of benefits. | N/A |
| Investment in bonds | Level 2 | Discounted cash flows method | Future cash flows are discounted at present value using the market rate for investments under similar conditions on the date of measurement in accordance with maturity days. | CPI 12 months + Basis points negotiated |
| Investment property | Level 1 | Comparison or market method | This technique involves establishing the fair value of goods from a survey of recent offers or transactions for goods that are similar and comparable to those being appraised. | N/A |
| 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 | Weighted average cost of capital<br>Growth in lessee sales<br>Vacancy |

| | Hierarchy level | Valuation technique | Description of the valuation technique | Significant input data |
|---|---|---|---|---|
| **Assets** | | | | |
| | | | 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. | Growth in income |
| Investment property | Level 3 | Realizable-value method | This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market. | Realizable value |
| Investment property | Level 3 | Replacement cost method | The valuation method consists in calculating the value of a brand-new property, built at the date of the report, having the same quality and comforts as that under evaluation. Such value is called replacement value; then an analysis is made of property impairment arising from the passing of time and the careful or careless maintenance the property has received, which is called depreciation. | Physical value of building and land. |
| Non-current assets classified as held for trading | Level 2 | Realizable-value method | This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market. | Realizable Value |

| | Hierarchy level | Valuation technique | Description of the valuation technique | Significant input data |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Financial liabilities and finance leases measured at amortized cost | Level 2 | Discounted cash flows method | Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days. | Reference Banking Index (RBI) + Negotiated basis points.<br>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.<br>Zero-coupon TES curve.<br>Swap *LIBOR curve.*<br>Treasury Bond curve.<br>12-month CPI |
| Derivative instruments measured at fair value through income | Level 2 | *Peso-US Dollar forward* | The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask"). | Peso/US Dollar exchange rate set out in the forward contract.<br>Market representative exchange rate on the date of valuation.<br>Forward points of the Peso-US Dollar forward market on the date of valuation.<br>Number of days between valuation date and maturity date.<br>Zero-coupon interest rate. |
| Derivative *swap* contracts denominated as hedge instruments | Level 2 | Discounted cash flows method | The fair value is calculated based on forecasted future cash flows of transactions using market curves and discounting them at present value, using *swap* market rates. | Swap curves calculated by Forex Finance<br>Market Representative Exchange Rate (TRM) |
| Customer loyalty liability | Level 3 | Market value | The customer loyalty liability is updated in accordance with the point average market value for the last 12 months and the effect of the expected redemption rate, determined on each customer transaction. | Number of points redeemed, expired and issued.<br>Point value.<br>Expected redemption rate. |
| Bonds issued | Level 2 | Discounted cash flows method | Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity days. | 12-month CPI |
| 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. |
| Put option | Level 3 | Given formula | Measured at fair value using a given formula under an agreement executed with non-controlling interests of Grupo Disco, using level 3 input data. | Net income of Supermercados Disco del Uruguay S.A. at 31 December 2014 and 2015<br>US Dollar-Uruguayan peso exchange rate on the date of valuation |

| | Hierarchy level | Valuation technique | Description of the valuation technique | Significant input data |
|---|---|---|---|---|
| **Liabilities** | | | | |
| | | | | US Dollar-Colombian peso exchange rate on the date of valuation<br>Total shares Supermercados Disco del Uruguay S.A. |

Material non-perceptible input data and a valuation sensitivity analysis on the valuation of the "*put option contract*" refer to:

| | Material non-observable input data | Range (weighted average) | Sensitivity of the input data on the estimation of the fair value |
|---|---|---|---|
| Put option | Net income of Supermercados Disco del Uruguay S.A. at December 31, 2019 | $102,115 | A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value. |
| | Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 12 months | $146,837 | |
| | Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months | ($131,523) | |
| | Fixed contract price | $454,431 | |
| | US Dollar-Uruguayan peso exchange rate on the date of valuation | $37.31 | |
| | US Dollar-Colombian peso exchange rate on the date of valuation | $3,277.14 | |
| | Total shares Supermercados Disco del Uruguay S.A. | 443.071.575 | |

The Parent identifies whether transfers between fair value hierarchy levels have occurred, through a change in valuation techniques, in such a way that the new measurement is the most accurate picture of the new fair value of the appraised asset or liability.

Changes in hierarchies may occur if new information is available, certain information used for valuation is no longer available, there are changes resulting in the improvement of valuation techniques or changes in market conditions.

There were no transfers between level 1 and level 2 hierarchies during the year.

## Note 40. Contingent assets and liabilities

### Note 40.1. Contingent assets

The Parent and its subsidiaries have not recognized material contingent assets at March 31, 2020 and at December 31, 2019.

### Note 40.2. Contingent liabilities

Contingent liabilities at March 31, 2020 and at December 31, 2019 are as follows:

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

- Administrative discussion with DIAN amounting to $27,698 (December 31, 2019 - $27,360) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015.
- Resolutions by means of which the District Tax Direction of Bogotá issued to the Company an official revision settlement of the industry and trade tax for the bimonthly periods 4, 5 and 6 of 2011 on the grounds of alleged inaccuracy in payments, in amount of $11,830 (December 31, 2019 - $11,830).
- Resolutions issued by the District Finance Direction of Bogotá by means of which the industry and trade tax return of the Company for the bimonthly periods 2, 3, 4, 5 and 6 of 2012 were amended on the grounds of alleged inaccuracy in payments in amount of $5,000 (December 31, 2019 - $5,000).
- Official assessment No. 21 of June 19, 2019 issued by the Official Sub-directorate of the Cundinamarca Governor's Office, by means of which such authority defined an official return regarding consumption of beers, siphons, refajos and beer mixtures with less than 2.5 degrees of alcohol for the period January to December 2016 and levied a penalty of $4,099 (December 31, 2018 - $4,099) on the grounds of not having filed the consumption tax return.
- Claim on the grounds of failure to comply with contract conditions, asking for damages arising from the purchase-sale of a property in amount of $2,600 (December 31, 2019 - $2,600).
- Resolutions by means of which a penalty was imposed on the grounds of inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (December 31, 2019 - $1,088).
- Resolution and official assessment imposing penalties on the Parent on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $940 (December 31, 2018 - $940).

(b) Other proceedings:

- Parent's third-party liability lawsuit amounting to $1,800 (December 31, 2019 - $1,800) for alleged injuries to a customer at Éxito Santa Marta store premises.

(c) Other contingent liabilities:

- On June 1, 2017, the Parent granted a guarantee on behalf of its subsidiary Almacenes Éxito Inversiones S.A.S. in amount of $2,631 to cover a potential failure to comply with its obligations with one of its main suppliers.
- On August 15, 2019 and October 31, 2018 subsidiary Éxito Viajes y Turismo S.A.S. issued guarantees in amount of $341 and $1,634, respectively, to certain suppliers to protect against potential failure in issuing travel tickets.

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. Dividends declared and paid

At March 31, 2020

The Parent'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 three-month period ended March 31, 2020 amounted to $34,911.

(*) Expressed in Colombian pesos.

Dividends declared and paid during the three-month period ended March 31, 2020 to the owners of non-controlling interests in the following subsidiaries are as follows:

| | Dividends declared | Dividends paid |
|---|---|---|
| Patrimonio Autónomo Viva Malls | 6,011 | 6,011 |
| Éxito Viajes y Turismo S.A.S. | 2,082 | - |
| Patrimonio Autónomo Viva Villavicencio | 1,533 | 1,733 |
| Patrimonio Autónomo Centro Comercial | 444 | 776 |
| Patrimonio Autónomo Viva Sincelejo | 86 | 164 |
| Grupo Disco del Uruguay S.A. | 393 | 371 |
| Patrimonio Autónomo Viva Laureles | 276 | 375 |
| Patrimonio Autónomo San Pedro Etapa I | 202 | 231 |
| Patrimonio Autónomo Centro Comercial Viva Barranquilla | - | 258 |
| **Total** | **11,027** | **9,919** |

At December 31, 2019

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

(*) Expressed in Colombian pesos.

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

Dividends declared and paid during the annual period ended December 31, 2019 to the owners of non-controlling interests in subsidiaries are as follows:

| | Dividends declared | Dividends paid |
|---|---|---|
| Companhia Brasileira de Distribuição - CBD (*) | 90,225 | 5,870 |
| Patrimonio Autónomo Viva Malls | 20,834 | 20,834 |
| Grupo Disco del Uruguay S.A. | 20,222 | 19,019 |
| Patrimonio Autónomo Viva Villavicencio | 7,564 | 7,998 |
| Éxito Viajes y Turismo S.A.S. | 3,831 | 3,831 |
| Patrimonio Autónomo Centro Comercial | 3,522 | 4,466 |
| Patrimonio Autónomo Viva Laureles | 1,566 | 1,638 |
| Patrimonio Autónomo Centro Comercial Viva Barranquilla | 1,476 | 3,355 |
| Patrimonio Autónomo Viva Sincelejo | 1,392 | 1,772 |
| Patrimonio Autónomo San Pedro Etapa I | 1,243 | 1,418 |
| **Total** | **151,875** | **70,201** |

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

## Note 42. Seasonality of transactions

The Parent's and it subsidiaries'' operation cycles indicate certain seasonality in operating and financial results; for the Parent and its Colombian subsidiaries, there is a concentration during the last quarter of the year, mainly because of Christmas and "Special Price Days", which is the second most important promotional event of the year; for foreign subsidiaries there is a concentration during the first half of the year, mainly arising from carnivals and Easter, and during the last quarter of the year, because of Christmas.

## Note 43. Information on operating segments

Total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

For organizational and management purposes, until September 30, 2019 the Parent and its subsidiaries were focused on seven operating segments divided in four geographic segments, namely Colombia (Éxito, Carulla, Surtimax-Súper Inter and B2B), Brazil (Food), Uruguay and Argentina. For each of these segments there was financial information that was used on an ongoing basis by senior management for making decisions on the operations, allocation of monetary resources and strategic approach. As of November 27, 2019, Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity.

As result of the above, reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Carulla.
- Surtimax-Súper Inter: The most significant products and services in this segment come solely from retailing activities, with stores under the banners Surtimax and Súper Inter.
- B2B: The most significant products and services in this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Argentina:

- The most significant products and services in this segment come solely from retailing activities in Argentina, with stores under the banners Libertad and Mini Libertad.

Uruguay:

- The most significant products and services in this segment come solely from retailing activities in Uruguay, with stores under the banners Disco, Devoto and Géant.

Accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

The sales of each segment for the three-month periods ended March 31, 2020 and March 31, 2019 are as follows:

| Geographic segment | Operating segment | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|---|
| Colombia | Éxito | 1,996,808 | 1,833,350 |
| | Carulla | 425,473 | 366,262 |
| | Surtimax-Súper Inter | 309,653 | 289,907 |
| | B2B | 181,678 | 149,409 |
| Argentina | | 282,276 | 219,880 |
| Uruguay | | 704,000 | 668,321 |
| **Consolidated total (Note 30)** | | **3,899,888** | **3,527,129** |

Below is additional information by geographic segment:

| | At March 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | **Colombia** | **Argentina (1)** | **Uruguay (1)** | **Total** | **Eliminations (2)** | **Total** |
| Retail sales | 2,913,612 | 282,276 | 704,000 | 3,899,888 | - | 3,899,888 |
| Trade margin | 672,129 | 91,925 | 237,929 | 1,001,983 | (861) | 1,001,122 |
| Total recurring expenses | (603,648) | (91,646) | (170,743) | (866,037) | 861 | (865,176) |
| ROI | 68,481 | 279 | 67,186 | 135,946 | - | 135,946 |
| Recurring Ebitda | 177,786 | 4,900 | 80,146 | 262,832 | - | 262,832 |

| | At March 31, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | **Colombia** | **Argentina (1)** | **Uruguay (1)** | **Total** | **Eliminations (2)** | **Total** |
| Retail sales | 2,638,928 | 219,880 | 668,321 | 3,527,129 | - | 3,527,129 |
| Trade margin | 671,747 | 74,463 | 233,128 | 979,338 | (676) | 978,662 |
| Total recurring expenses | (598,340) | (82,830) | (172,941) | (854,111) | 676 | (853,435) |
| ROI | 73,407 | (8,367) | 60,187 | 125,227 | - | 125,227 |
| Recurring Ebitda | 183,304 | 1,534 | 72,773 | 257,611 | - | 257,611 |

(1) For information reporting purposes, non-operating companies (holding companies that hold interests in the operating companies) are allocated by segments to the geographic area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is allocated to the most significant operating company.

(2) Relates to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.

## Note 44. Non-current assets held for trading and Discontinued operations

Non-current assets held for trading

As of June 2018, Parent management started a plan to sell certain property to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Parent. Consequently, certain property, plant and equipment and certain investment property were classified as non-current assets held for trading.

The balance of non-current assets held for trading, included in the statement of financial position, is as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Property, plant and equipment (1) | 30,365 | 27,773 |
| Investment property (2) | 9,824 | 10,155 |
| **Total** | **40,189** | **37,928** |

(1) Represents the following real estate property:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Hotel Cota plot of land and project | 16,489 | 16,489 |
| Lote Villa Maria | 13,876 | 11,284 |
| **Total** | **30,365** | **27,773** |

(2) Represents the following real estate property:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Lote La Secreta (land) | 5,609 | 5,960 |
| Kennedy trade premises (building) | 1,640 | 1,640 |
| Kennedy trade premises (land) | 1,229 | 1,229 |
| Lote Casa Vizcaya (land) | 595 | 595 |
| Pereira Plaza trade premises (building) | 556 | 556 |
| Lote La Secreta (construction in progress) | 195 | 175 |
| **Total** | **9,824** | **10,155** |

The Parent and its subsidiaries believe that such assets will be sold during the first half of 2020.

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

Discontinued operations

In August 2019, the Parent decided to close the commercial operation of subsidiary Gemex O&W S.A.S. On the grounds of this decision, retained earnings of this subsidiary for the three-month period ended March 31, 2020 are shown in the consolidated statement of income under the net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries. Also, and for comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020, the accumulated results of this subsidiary for the three-month period ended March 31, 2019 are shown in the consolidated statement of income under the net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries.

As of November 27, 2019, based on the sale by the Parent of the shares it indirectly held in the operative subsidiary Companhia Brasileira de Distribuição – CBD and in holding subsidiaries Ségisor S.A. and Wilkes Partipações S.A., Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity. For comparison to the interim consolidated statement of income for the three-month period ended March 31, 2020, the accumulated results of this company for the three-month period ended March 31, 2019 are shown in the consolidated statement of income under the net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries.

The effect of such discontinued operations in the consolidated statement of income is as follows:

| | January 1 to March 31, 2020 | January 1 to March 31, 2019 |
|---|---|---|
| Net income of Via Varejo S.A. (Note 44.1) | - | 73,607 |
| Net income of Companhia Brasileira de Distribuição - CBD (Note 44.2) | - | 87,835 |
| Net (loss) of Gemex O & W S.A.S. (Note 44.3) | (254) | (1,894) |
| **Net gain (loss) from discontinued operations** | **(254)** | **159,548** |

**Note 44.1. Via Varejo S.A.**

The assets and liabilities of Via Varejo S.A. that were classified as available for trading were sold on June 15, 2019. The effects of such sale were properly disclosed in the annual financial statements at the closing of 2019.

Below is the result of Via Varejo S.A.'s discontinued operation at March 31, 2019:

| | **January 1 to March 31, 2019** |
|---|---|
| Revenue from ordinary activities | 5,260,269 |
| Cost of sales | (3,795,016) |
| **Gross profit** | **1,465,253** |
| Distribution, administration and sales expenses | (1,053,009) |
| Gain from investments accounted for using the equity method | 8,321 |
| Other (expenses), net | (63,003) |
| **Profit from operating activities** | **357,562** |
| Net financial (expenses) | (213,007) |
| **Earnings before income tax** | **144,555** |
| Tax (expense) | (70,948) |
| **Net period profit from the discontinued operation** | **73,607** |
| **Profit is attributable to:** | |
| **Shareholders of the controlling entity** | **1,968** |
| Non-controlling interests | **71,639** |

**Note 44.2. Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A.**

The assets and liabilities of Companhia Brasileira de Distribuição – CBD and of holding subsidiaries Ségisor S.A. and Wilkes Partipações S.A. that were classified as available for trading were sold on November 27, 2019. The effects of such sale were properly disclosed in the annual financial statements at the closing of 2019.

Below is the result of the discontinued operation of Companhia Brasileira de Distribuição – CBD at March 31, 2019:

| | **January 1 to March 31, 2019** |
|---|---|
| Revenue from ordinary activities | 10,575,996 |
| Cost of sales | (8,249,882) |
| **Gross profit** | **2,326,114** |
| Distribution, administration and sales expenses | (1,912,897) |
| Gain from investments accounted for using the equity method | (14,517) |
| Other (expenses), net | (24,486) |
| **Profit from operating activities** | **374,214** |
| Net financial expenses | (250,137) |
| **Earnings before income tax** | **124,077** |
| Tax (expense) | (36,242) |
| **Net period profit from the discontinued operation** | **87,835** |
| **Profit is attributable to:** | |
| **Shareholders of the controlling entity** | **4,710** |
| Non-controlling interests | **83,125** |

**Note 44.3. Gemex O & W S.A.S.**

Below is the result of the discontinued operation of Gemex O & W S.A.S.:

| | **January 1 to March 31, 2020** | **January 1 to March 31, 2019** |
|---|---|---|
| Revenue from ordinary activities | - | 5,449 |
| Cost of sales | - | (2,972) |
| **Gross profit** | **-** | **2,477** |
| Distribution, administration and sales expenses | (27) | (3,725) |
| **(Loss) from operating activities** | **(27)** | **(1,248)** |
| Net financial expenses | (227) | (409) |
| **(Loss) before income tax** | **(254)** | **(1,657)** |
| Tax (expense) | - | (237) |
| **Net period (loss) from the discontinued operation** | **(254)** | **(1,894)** |
| **(Loss) attributable to:** | | |
| **Shareholders of the controlling entity** | **(254)** | **(1,610)** |
| Non-controlling interests | **-** | **(284)** |

## Note 45. Facts and circumstances that extend to more than one year the selling period of property, plant and equipment and investment properties held for trading

At March 31, 2020, external factors beyond the control of management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and profitable caused management to reconsider the original selling schedule whose completion had been forecasted for the first half of 2019.

Some of the external factors that influenced the sale transaction schedule at the closing of March 31, 2020 were:

- Consumer confidence has sharply fallen during the first quarter of 2020, reaching levels of (23.8%) according to the estimates of Fedesarrollo.

- Lockdown measures issued by the national government facing the Covid-19 emergency have greatly impacted the consumption expenditure

- According to DANE (National Department of Statistics), the real-estate industry was the most affected during the first quarter of 2020 in terms of consumption.

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

Since June 2018, during 2019, and during the three-month period ended March 31, 2020, actions taken by management and their in-house teams aware of the real-estate market potential jointly with independent realtors to accomplish the sale of real-estate assets have been concrete and focused on each property, seeking to guarantee the feasibility of the sale, ensure that property is cured and obtain added-value economic proposals.

Developments in the selling process at March 31, 2020 are as follows:

a) La Secreta plot of land: negotiated with buyer during 2019; 7.47% of the property was delivered at March 31, 2020; the remaining of the asset will be physically delivered as follows: 4.25% in 2020, 2.38% in 2021, 23.39% in 2022, 20.43% in 2023, 1.19% in 2024 and 40.88% in 2025.

(b) Kennedy Trade Premises: the independent realtor has been hired and is in the process of offering the property to the present lessor in pursuance of the right of first refusal under the lease contract.

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

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

(e) Casa Vizcaya plot of land: negotiated with buyer for delivery during the second quarter of 2020.

The Parent continues strongly committed to the sale of such assets.

## Note 46. Relevant facts

**At March 31, 2020**

Ordinary meeting of the General Meeting of Shareholders

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

Closing of investigation at Via Varejo S.A.

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

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

Covid-19 pandemic

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 county 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 has an effect on domestic and international economy. The effects of this emergency that may interfere with our supply and service chain are beyond the control of the Parent and consequently are impossible to predict. Risks that may have an impact on the operation and results of the Parent and its subsidiaries 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 Parent and its subsidiaries have implemented a series of measures and good practices to address this situation, with which they seek to minimize the risks observed that can impact the operation, protect the health and integrity of employees, keep the country supplied and allow access to food for the most needy, as well as give peace of mind, confidence and support to its stakeholders during the situation generated by this pandemic.

Below are some of the most significant strategies and actions implemented by the Parent and its Colombian subsidiaries:

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 Parent will donate $5,000 (*), which will be allocated to a social work.
   - Creation of the "White Line" for home service as a priority, free of charge and exclusively for health professionals.
   - Extension of shop hours and exclusive care for the most at-risk group, such as older adults, pregnant women and people with disabilities.

   (*) Expressed in Colombian pesos

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

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

4. Regarding the supply of products:
   - Dedicate two stores, in Bogotá and Medellín, for the exclusive distribution and supply of the products in greatest demand during the situation.
   - Ensure access to products by setting unit purchase limits per customer on products such as masks, antibacterial gel, alcohol and gloves.
   - The Parent 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 ensure order and social distance. With this union, the Parent reaffirms its commitment to the protection of public health, food security, the supply of staples, the preservation of employment and economic activity for the proper management of the emergency.

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

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

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

Below are some of the most significant strategies and actions implemented by foreign subsidiaries:

- Ongoing dialogue with the authorities, national and provincial, to align all health and safety provisions and establish mechanisms for their proper enforcement.
- Compliance with the measures issued by the authorities in relation to special hours for risk groups, the limit on access to stores to ensure adequate space between them, with demarcation of the distance between persons.
- Provision of staff with basic hygiene safety features.
- Provision and installation of acrylic separators for cash registers.
- Control of the stock of products at the stores and distribution centers through an appropriate purchasing and supply plan.
- Massification of remote work for employees of central administration offices.

As noted in the financial information disclosed in all accompanying Notes to these interim consolidated financial statements at March 31, 2020, there have been no significant negative impacts on the financial position and results of Company operations, affecting its continuity and operation, except for the decrease in operating revenue related to the involvement in the corporate participation agreement with Compañía de Financiamiento Tuya S.A., as observed in Note 30 and the decrease in revenue from the operations of subsidiaries Patrimonio Autónomo Viva Malls and Éxito Viajes y Turismo S.A.S.

The Parent and its subsidiaries continue to develop and carry out their activities and operations, protecting the health of customers and employees and preserving employment, while working with their suppliers to contribute with a solution to their needs at these times.

**At December 31, 2019**

General Meeting of Shareholders

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

Sale of Via Varejo S.A.

As result of the efforts made over more than one year, on June 15, 2019 the assets and liabilities of Via Varejo S.A, classified under assets held for trading, were sold. The effects of this transaction are disclosed in Note 44.1.

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

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

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

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

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

(*) Expressed in Colombian pesos.

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

The Audit and Risk Committee of the Parent met on July 30, 2019 to start the process of assessing the sale of the indirect interest in and control over Companhia Brasileira de Distribuição -CBD, in accordance with the terms of the purchase proposal submitted by Casino Guichard-Perrachon S.A. Independent financial advisors and counsels were appointed as part of the process to analyze the purchase proposal and present recommendations to the Board of the Parent not later than August 31, 2019.

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

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

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

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

Call to an extraordinary meeting of the General Meeting of Shareholders

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On November 27, 2019, the Parent sold its indirect interest in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. y Wilkes Partipações S.A. The effects of such transaction are disclosed in Note 48.2.

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

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

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

Investigation at Via Varejo S.A.

On June 15, 2019 the Parent, through its subsidiary Companhia Brasileira de Distribuição – CBD (*), sold the 6.778% interest it held in subsidiary Via Varejo S.A. Retained earnings of this company were shown in the consolidated statement of income under net results of discontinued operations, as an item separate from the consolidated results of the Parent and its subsidiaries, and assets and liabilities were shown in the consolidated statement of financial position as part of the non-current assets held for trading and non-current liabilities held for trading, as items separate from other consolidated assets and liabilities of the Parent and its subsidiaries as required by IFR5.

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

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

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

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

Based on the report regarding the second phase of the independent investigation, the Investigations Committee defined a third phase of the investigation to continue assessing the effect of the potential adjustments on the financial statements. At December 31, 2019, the process to identify the effect of potential accounting adjustments has not been completed.

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

## Note 47. 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 Parent and its subsidiaries.