Almacenes Éxito S.A.

Interim consolidated financial statements

At June 30, 2020 and at December 31, 2019

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

Envigado, July 27, 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 prior to making the consolidated financial statements of the Parent and its subsidiaries at June 30, 2020 and at December 31, 2019 available to you and to third parties, the following assertions therein contained have been verified:

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

2. All economic events achieved by the Parent and its subsidiaries during the six-month period ended June 30, 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 June 30, 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 June 30, 2020 and at December 31, 2019, are free from fault, inaccuracy or misstatement that prevent users from having a view of its true financial position.

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

ORIGINAL SIGNED

Carlos Mario Giraldo Moreno
Parent's Legal Representative

ORIGINAL SIGNED

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T

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

	Notes	June 30, 2020	December 31, 2019
Current assets			
Cash and cash equivalents	7	1,489,079	2,562,674
Trade receivables and other accounts receivable	8	373,541	379,921
Prepaid expenses	9	36,211	43,351
Accounts receivable from related parties	10	32,886	55,044
Inventories, net	11	2,015,637	1,900,660
Other financial assets	12	48,751	43,237
Tax assets	25	449,951	333,850
Non-current assets held for trading	44	21,652	37,928
Total current assets		4,467,708	5,356,665
Non-current assets			
Trade receivables and other accounts receivable	8	32,675	34,310
Prepaid expenses	9	8,374	9,631
Other non-financial assets with related parties	10	22,502	15,000
Other financial assets	12	39,729	48,329
Property, plant and equipment, net	13	3,821,120	3,845,092
Investment property, net	14	1,643,523	1,626,220
Use rights, net	15	1,858,148	1,303,648
Goodwill	16	2,964,179	2,929,751
Intangible assets other than goodwill, net	17	318,911	304,215
Investments accounted for using the equity method	18	195,050	210,487
Deferred tax assets	25	207,671	177,269
Other non-financial assets		398	398
Total non-current assets		11,112,280	10,504,350
Total assets		15,579,988	15,861,015
Current liabilities			
Financial liabilities	19	1,625,723	616,822
Employee benefits	20	3,780	2,978
Other provisions	21	14,702	14,420
Accounts payable to related parties	22	52,186	80,995
Trade payables and other accounts payable	23	3,524,737	4,662,801
Lease labilities	24	180,617	222,177
Tax liabilities	25	50,897	72,910
Other financial liabilities	26	79,073	114,871
Other non-financial liabilities	27	109,824	118,240
Total current liabilities		5,641,539	5,906,214
Non-current liabilities			
Financial liabilities	19	367,972	43,531
Employee benefits	20	20,920	20,920
Other provisions	21	16,138	18,998
Trade payables and other accounts payable	23	75	114
Lease labilities	24	1,906,816	1,308,054
Deferred tax liabilities	25	127,639	116,503
Tax liabilities	25	780	800
Other financial liabilities	26	-	370
Other non-financial liabilities	27	639	669
Total non-current liabilities		2,440,979	1,509,959
Total liabilities		8,082,518	7,416,173
Shareholders' equity, see accompanying statement		7,497,470	8,444,842
Total liabilities and shareholders' equity		15,579,988	15,861,015

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

ORIGINAL SIGNED	ORIGINAL SIGNED	ORIGINAL SIGNED
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 July 27, 2020)

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

	Notes	January 1 to June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Continuing operations					
Revenue from ordinary activities under contracts with customers	30	7,740,887	7,344,086	3,688,456	3,650,323
Cost of sales	11	(5,827,890)	(5,491,997)	(2,776,581)	(2,777,390)
Gross profit		1,912,997	1,852,089	911,875	872,933
Distribution expenses	31	(834,126)	(828,804)	(389,612)	(387,756)
Administration and sales expenses	31	(171,789)	(179,151)	(64,386)	(77,116)
Employee benefit expenses	32	(617,232)	(605,075)	(294,659)	(273,777)
Other operating revenue	33	21,523	42,071	12,209	19,886
Other operating expenses	33	(76,720)	(35,552)	(40,562)	(12,633)
Other net gains (losses)	33	3,891	(914)	(1,206)	787
Profit from operating activities		238,544	244,664	133,659	142,324
Financial revenue	34	150,369	247,142	37,396	69,923
Financial expenses	34	(270,108)	(468,833)	(122,807)	(189,495)
Share of profits in associates and joint ventures accounted for using the equity method	35	(30,438)	(7,329)	(7,040)	(5,150)
Profit from continuing operations before income tax		88,367	15,644	41,208	17,602
Tax (expense) revenue	25	(2,585)	(6,870)	1,932	(8,879)
Net period profit from continuing operations		85,782	8,774	43,140	8,723
Net (loss) gain for the period from discontinued operations	44	(831)	626,423	(577)	466,876
Net income for the period		84,951	635,197	42,563	475,599
Gain is attributable to:					
Gain (loss) attributable to the shareholders of the controlling entity		34,774	(30,552)	12,787	(18,211)
Gain attributable to non-controlling interests		50,177	665,749	29,776	493,810
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share attributable to the shareholders of the controlling entity	36	77.69	(68.26)	28.57	(40.69)
Earnings (loss) per basic share from continuing operations attributable to the shareholders of the controlling entity	36	79.55	(90.85)	29.86	(51.96)
Earnings (loss) per basic share from discontinued operations attributable to the shareholders of the controlling entity	36	(1.86)	22.59	(1.29)	11.27
Earnings per diluted share (*):					
Earnings (loss) per diluted share attributable to the shareholders of the controlling entity	36	77.69	(68.26)	28.57	(40.69)
Earnings (loss) per diluted share from continuing operations attributable to the shareholders of the controlling entity	36	79.55	(90.85)	29.86	(51.96)
(Loss) earnings per diluted share from discontinued operations attributable to the shareholders of the controlling entity	36	(1.86)	22.59	(1.29)	11.27

(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 for the period from discontinued operations, for comparison to the interim consolidated statements of income for the three-month and six-month periods ended June 30, 2020. 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 interim consolidated financial statements.

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(See accompanying report dated July 27, 2020)

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

	Notes	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net income for the period		84,951	635,197	42,563	475,599
Other comprehensive income for the period					
Components of other comprehensive income that will not be reclassified to period results, net of taxes					
(Loss) from new measurements of defined benefit plans	29	-	(48)	-	(48)
Gain from investments in equity instruments	29	597	14,951	1,686	21,498
Total other comprehensive income that will not be reclassified to period results, net of taxes		597	14,903	1,686	21,450
Components of other comprehensive income that will be reclassified to period results, net of taxes					
Gain (loss) from translation exchange differences	29	2,269	(304,431)	(209,366)	501,915
(Loss) from investment hedges abroad	29	(4,722)	-	(8,356)	-
(Loss) gain from cash flow hedging	29	(36)	570	(7)	210
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	29	-	(21,126)	-	7,294
Total other comprehensive income that will be reclassified to period results, net of taxes		(2,489)	(324,987)	(217,729)	520,379
Total other comprehensive income		(1,892)	(310,084)	(216,043)	541,829
Total comprehensive income		83,059	325,113	(173,480)	1,017,428
Gain is attributable to:					
Gain (loss) attributable to the shareholders of the controlling entity		31,808	(296,312)	(198,699)	94,719
Gain attributable to non-controlling interests		51,251	621,425	25,219	922,709
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations	36	71.06	(662.00)	(443.92)	211.61
Earnings per diluted share (*):					
Earnings (loss) per diluted share from continuing operations	36	71.06	(662.00)	(443.92)	211.61

(*) Amounts expressed in Colombian pesos.

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

	January 1 to June 30, 2020	January 1 to June 30, 2019
Cash flows provided by operating activities		
Net income for the period	84,951	635,197
Adjustments to reconcile income for the period		
Current income tax	36,747	118,358
Deferred income tax	(34,162)	(28,412)
Financial costs	36,649	499,468
Impairment of receivables	15,417	250,184
Reversal of receivable impairment	(8,443)	(263,713)
Inventory impairment	3,366	2,290
Reversal of inventory impairment	(1,878)	(4,707)
Employee benefit provisions	802	851
Reversal of employee benefit provisions	-	(6,931)
Other provisions	39,672	567,254
Reversal of other provisions	(7,136)	(385,879)
Expense from depreciation of property, plant and equipment, use rights and investment property	238,918	823,650
Amortization of intangible assets expense	9,421	62,459
Share-based payments	-	19,825
Loss from application of the equity method	30,438	29,508
(Gain) loss from the disposal of non-current assets	(1,619)	36,009
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(40,481)	(209,290)
Other adjustment from items other than cash	10,665	-
Operating income before changes in working capital	413,327	2,146,121
Decrease in trade receivables and other accounts receivable	2,799	2,701,675
Decrease (increase) in prepaid expenses	8,428	(78,551)
Decrease in receivables from related parties	22,149	13,799
(Increase) decrease in inventories	(114,560)	108,305
(Increase) in tax assets	(143,614)	(228,962)
(Decrease) in other provisions	(35,243)	(330,622)
(Decrease) in trade payables and other accounts payable, and lease liabilities	(1,227,766)	(2,931,080)
Increase in accounts payable to related parties	4,903	5,607
(Decrease) in tax liabilities	(26,664)	(73,309)
(Decrease) in other non-financial liabilities	(7,389)	(86,455)
(Increase) in non-current assets held for trading	-	(759,275)
(Decrease) in non-current liabilities held for trading	-	(2,255,099)
Net cash flows (used in) operating activities	(1,103,630)	(1,767,846)
Cash flows provided by investment activities		
Cash flows from the loss of control over subsidiaries or other businesses	-	1,974,311
Cash flows used to maintain control over subsidiaries and joint ventures	(22,502)	(3,807)
Acquisition of property, plant and equipment	(75,261)	(896,573)
Acquisition of investment property	(5,609)	(41,581)
Acquisition of intangible assets	(17,849)	(159,469)
Proceeds of the sale of property, plant and equipment	315	14,468
Net cash flows (used in) provided by investment activities	(120,906)	887,349
Cash flows provided by financing activities		
Decrease in other financial assets	4,047	19,956
(Decrease) increase in other financial liabilities	(36,261)	697,214
Increase (decrease) in financial liabilities	1,325,624	(22,527)
(Decrease) in financial liabilities under *lease agreements*	(533)	(1,839)
Dividends paid	(1,147,374)	(195,882)
Financial yields	40,481	206,368
Interest paid	(36,649)	(512,908)
Transactions with non-controlling entities	284	(17,978)
Other cash (outflows) inflows	(2,763)	13,901
Net cash flows provided by financing activities	146,856	186,305
Net (decrease) in cash and cash equivalents	(1,077,680)	(694,192)
Effects of the variation in exchange rates	4,085	(87,643)
Cash and cash equivalents at the beginning of period	2,562,674	5,973,764
Cash and cash equivalents at the end of period	1,489,079	5,191,929

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(See accompanying report dated July 27, 2020)

Almacenes Éxito S.A.
Interim consolidated statements of changes in shareholders' equity
For the six-month periods ended June 30, 2019 and June 30, 2019
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Treasury shares repurchased	Legal reserve	Occasional reserve	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 Shareholders' equity
	Note 28	Note 28	Note 28	Note 29	Note 29	Note 29	Note 29	Note 29	Note 29	Note 29	Note 29				
Balance at December 31, 2018	4,482	4,843,466	(2,734)	7,857	1,772,571	22,000	15,710	25,412	1,843,550	(704,282)	1,000,550	426,171	7,411,203	11,051,266	18,462,469
Cash dividend declared	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)	(116,156)	(255,862)
Net income for the period	-	-	-	-	-	-	-	-	-	-	(30,552)	-	(30,552)	665,749	635,197
Other comprehensive income	-	-	-	-	-	-	-	-	-	(265,760)	-	-	(265,760)	(44,324)	(310,084)
Appropriation for reserves	-	-	-	-	139,701	-	139,702	-	279,403	-	(279,403)	-	-	-	-
Effects of the sale of Via Varejo S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,298,716)	(2,298,716)
Increase from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(998)	(998)	2,266	1,268
Other developments in shareholders' equity (1)	-	-	-	-	(1,544)	-	-	119,900	118,356	-	(100,952)	113,663	131,067	19,825	150,892
Balance at June 30, 2019	4,482	4,843,466	(2,734)	7,857	1,771,022	22,000	155,412	145,312	2,101,603	(970,042)	589,643	538,836	7,105,254	9,279,910	16,385,164
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)	(20,841)	(1,112,100)
Net income for the period	-	-	-	-	-	-	-	-	-	-	34,774	-	34,774	50,177	84,951
Other comprehensive income	-	-	-	-	-	-	-	-	-	(2,966)	-	-	(2,966)	1,074	(1,892)
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	-	-	-	-	-	-	-	-	-	-	-	(1,691)	(1,691)	1,970	279
Other developments in shareholders' equity (1)	-	-	-	-	(1,603)	-	-	100,394	98,791	-	(101,264)	85,525	83,052	(1,662)	81,390
Balance at June 30, 2020	4,482	4,843,466	(2,734)	7,857	735,762	22,000	155,412	299,674	1,220,705	(1,072,078)	493,939	730,658	6,218,438	1,279,032	7,497,470

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

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

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Parent's Statutory Auditor
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Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated July 27, 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 June 30, 2020, the controlling entity has 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 June 30, 2020 and December 31, 2019:

			Currency	Stock ownership 2020			Stock ownership 2019		
Name	Segment	Country	currency	Direct	Indirect	Total	Direct	Indirect	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%
Depósito 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%
Ameluz S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
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%

Name	Segment	Country	Currency currency	Stock ownership 2020 Direct	Indirect	Total	Stock ownership 2019 Direct	Indirect	Total
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 attached interim consolidated financial statements at June 30, 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 June 30, 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 statements of income for the six-month period ended June 30, 2019 have been restated for comparison to the interim consolidated statements of income for the six-month period ended June 30, 2020, as required by 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.
- Depósito 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 June 30, 2020 and at 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)	
	June 30, 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 June 30, 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 six-month periods ended June 30, 2020 and June 30, 2019, and for the annual period ended December 31, 2019 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) as an official translation authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. Neither the Parent nor its subsidiaries have applied any of the exceptions to the IFRS contained in such decrees.

Accompanying financial statements

These interim consolidated financial statements of the Parent and its subsidiaries are made of the statements of financial position at June 30, 2020 and December 31, 2019, the statements of income and of comprehensive income for the six-month periods ended June 30, 2020 and June 30, 2019, and the statements of cash flows and the statements of changes in shareholders' equity for the six-month periods ended June 30, 2020 and June 30, 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 or 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 June 30, 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. Amounts 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		
	June 30, 2020	December 31, 2019	June 30, 2020	June 30, 2019	December 31, 2019
US Dollar	3,758.91	3,277.14	3,690.82	3,189.40	3,281.09
Uruguayan peso	89.07	87.57	89.16	94.29	93.17
Argentine peso	53.35	54.73	57.18	77.20	69.68
Euro	4,221.83	3,678.63	4,064.42	3,602.28	3,671.68

Note 4. Significant accounting policies

The accompanying interim consolidated financial statements at June 30, 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 June 30, 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 six-month period ended June 30, 2020

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

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

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

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

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

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

Amendment to IFRS 16 - Leases (issued May 2020)

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

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

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

This Amendment does not apply to lessors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 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 as of 2020, issued in 2020

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

This Amendment has not been enacted in Colombia.

Note 5.4. Standards applied earlier during the six-month period ended June 30, 2020

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

Note 5.5. Standards not yet in force at June 30, 2020, issued prior to January 1, 2020

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

IFRS 17 - Insurance Contracts (issued May 2017)

This IFRS sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts, and supersedes IFRS 4 - Insurance Contracts.

This standard requires a company issuing insurance contracts to disclose such contracts in the statement of financial position as the aggregate of: (a) cash flows from compliance less current estimates of the amounts the company expects to collect on premiums, as well as expected claims, benefits and expense payouts, including an adjustment relevant to the timeliness and risk attached to such amounts; and (b) the contract margin associated with the service less the expected gain from providing the insurance coverage.

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

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

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

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

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

Note 5.6 Standards issued during the annual period ended December 31, 2019

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

During the annual period ended December 31, 2019 the International Accounting Standards Board IASB issued the following new standards and amendments:

- Amendment to IFRS 9 - Financial Instruments, applicable as of January 2020.

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

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

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

Note 5.7 Standards applied as of 2019, issued prior to January 1, 2019

The following standards started to be applied as of January 1, 2019 according to the adoption date set by the IASB:

- IFRS 16 - Leases.
- Amendment to IAS 28 - Investments in Associates and Joint Ventures
- Amendment to IFRS 9
- Annual improvement to IFRS Cycle 2015-2017
- Amendment to IAS 19 - Employee Benefits
- IFRIC 23 - Uncertainties over Income Tax Treatments. Applicable in Colombia as of January 1, 2020.

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

Note 5.8 Standards adopted earlier during the annual period ended December 31, 2019

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

Note 5.9 Standards not yet in force at December 31, 2019, issued prior to January 1, 2019

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following amendments:

- Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, to be applied as of January 2020.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.

During the annual period ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:

- IFRS 17 - Insurance Contracts, to be applied as of January 2021.

Note 6. Business combinations

Note 6.1. Business combinations carried out during the six-month period ended June 30, 2020

No business combinations were carried out during the six-month period ended June 30, 2020.

Note 6.2. Business combinations completed during the six-month period ended June 30, 2020

No business combinations were completed during the six-month period ended June 30, 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 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:

	June 30, 2020	December 31, 2019
Cash at hand and in banks	1,460,940	2,460,847
Other cash equivalents (1)	19,104	2,649
Term deposit certificates (2)	6,036	16,979
Fiduciary rights (3)	2,999	82,199
Total cash and cash equivalents	1,489,079	2,562,674

(1) 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.

(2) The balance is of Uruguayan subsidiary Geant Inversiones S.A. in amount of $643 (December 31, 2019 - $559) and of subsidiary Libertad S.A. in amount of $5,393 (December 31, 2019 - $16,420).

(3) The balance represents:

	June 30, 2020	December 31, 2019
Fiducolombia S.A.	1,256	36,637
BBVA Asset S.A.	686	4,297
Fondo de Inversión Colectiva Abierta Occirenta	409	20,215
Fiduciaria Bogota S.A.	376	10,036
Corredores Davivienda S.A.	271	10,952
Credicorp Capital	1	62
Total fiduciary rights	2,999	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.

At June 30, 2020, the Parent and its subsidiaries recognized yields from cash at hand and in banks and cash equivalents in amount of $17,816 (June 30, 2019 - $12,624), 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 June 30, 2020 is 2.23% E.A.R.

At June 30, 2020 and at December 31, 2019, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 8. Trade receivables and other accounts receivable

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

	June 30, 2020	December 31, 2019
Trade accounts receivable (Note 8.1)	256,468	279,130
Other accounts receivable (Note 8.2)	149,748	135,101
Total trade receivables and other accounts receivable	406,216	414,231
Current	373,541	379,921
Non-Current	32,675	34,310

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	June 30, 2020	December 31, 2019
Trade accounts	200,945	225,112
Rentals and dealers	63,227	54,282
Sale of real-estate project inventories	10,186	10,124
Employee funds and lending	9,061	11,076
Other trade receivables	-	467
Impairment of receivables (1)	(26,951)	(21,931)
Trade accounts receivable	256,468	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 six-month period ended June 30, 2020, the net effect of the impairment of receivables on the statement of income represents an expense of $5,631 ($16,821 revenue at June 30, 2019).

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

Balance at December 31, 2019	21,931
Recognized impairment loss	15,417
Reversals to write off receivables	(1,343)
Reversal of impairment loss	(8,443)
Reclassifications to non-current assets held for trading	(488)
Effect of exchange difference from translation into reporting currency	(123)
Balance at June 30, 2020	26,951

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2020	December 31, 2019
Employee funds and lending	48,433	66,884
Business agreements	35,269	32,017
Taxes receivable	22,627	5,568
Money transfer services	15,056	1,991
Money remittances	2,496	4,201
Tax claims	1,360	1,360
Sale of fixed assets, intangible assets and other assets	757	720
Other accounts receivable (1)	23,750	22,360
Total other accounts receivable	149,748	135,101

(1) The balance is comprised of:

	June 30, 2020	December 31, 2019
Maintenance fees	7,417	3,576
Long-Term receivables	2,530	4,509
Factoring of trade receivables	2,401	3,912
Negotiation with foreign suppliers	1,954	265
Loans to third parties	1,793	625
Guarantee deposits	1,565	1,726
Attachment orders receivable	1,390	1,446
Advance purchases from airlines and airfare commissions	1,098	1,402
Indemnification on lease contracts	989	1,010
Cash shortfalls receivable from employees	499	445
Interest	341	433
Other minor balances	1,773	3,011
Total	23,750	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:

	June 30, 2020	December 31, 2019
Trade accounts receivable	200,945	225,112
Rentals and dealers	63,227	54,282
Employee funds and lending	40,121	58,636
Business agreements	35,269	32,017
Taxes receivable	22,627	5,568
Money transfer services	15,056	1,991
Money remittances	2,496	4,201
Tax claims	1,360	1,360
Sale of real-estate project inventories	856	122
Sale of property, plant and equipment, intangible assets and other assets	757	720
Other	17,778	17,843
Impairment of receivables	(26,951)	(21,931)
Total current	373,541	379,921
Employee funds and lending	17,373	19,325
Sale of real-estate project inventories	9,330	10,002
Other	5,972	4,983
Total non-current	32,675	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:

Period	Total	Less than 30 days	From 31 to 60 days	From 61 to 90 days	More than 90 days
June 30, 2020	433,167	324,567	20,680	6,321	81,599
December 31, 2019	436,162	365,434	17,446	3,511	49,771

Note 9. Prepaid expenses

The balance of prepaid expenses is:

	June 30, 2020	December 31, 2019
Maintenance (1)	21,790	14,812
Leases (2)	12,517	14,430
Advertising	2,088	2,552
Insurance (3)	2,084	15,680
Taxes	92	71
Other advance payments	6,014	5,437
Total prepaid expenses	44,585	52,982
Current	36,211	43,351
Non-Current	8,374	9,631

(1) Represents advance payments by the Parent for software maintenance and support in amount of $6,528 (December 31, 2019 - $4,801), cloud support services, $10,846 (December 31, 2019 - $4,675) and hardware maintenance and support, $196 (December 31, 2019 - $1,230; payments by subsidiary Almacenes Éxito Inversiones S.A.S. for cloud support services in amount of $736 (December 31, 2019 - $1,005); payments by subsidiary Libertad S.A. for miscellaneous supplies in amount of $3,484 (December 31, 2019 - $3,101).

(2) Includes (a) lease instalments paid in advance for the Éxito San Martin premises in amount of $4,710 (December 31, 2019 - $4,937), covering the lease contract until 2034, (b) lease instalments paid in advance for the Carulla Castillo Grande premises in amount of $3,958 (December 31, 2019 $4,583), covering the lease contract from September 2019 to September 2023, both payments made by the Parent; and (c) lease instalments paid in advance by Spice Investment Mercosur S.A. and its subsidiaries in Uruguay in amount of $3,672 (December 31, 2019 - $4,245).

(3) Mainly represents the Parent's transport insurance policy, $577 (December 31, 2019 - $574); third-party liability insurance, $331 (December 31, 2019 - $949); life insurance, $256 (December 31, 2019 - $621); multi-risk insurance policy, $37 (December 31, 2019 - $9,425); and other insurance policies, $550 (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	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Joint ventures (1)	24,120	44,534	22,502	15,000
Grupo Casino companies (2)	8,571	10,123	-	-
Controlling entity (3)	195	387	-	-
Total	32,886	55,044	22,502	15,000
Current	32,886	55,044	-	-
Non-Current	-	-	22,502	15,000

(1) The balance of accounts receivable is made as follows:
- Redemption of points in amount of $19,347 (December 31, 2019 - $21,596) and other services in amount of $562 (December 31, 2019 - $637) from Puntos Colombia S.A.S.
- Involvement in a corporate collaboration agreement $- (December 31, 2019 - $13,523) and reimbursement of shared expenses, collection of coupons and other items $4,211 (December 31, 2019 - $8,778) from Compañía de Financiamiento Tuya S.A.

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

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

(2) Mainly relates to the balance receivable (a) for expatriate payments from Casino International in amount of $6,749 (December 31, 2019 - $4,677), from Distribution Casino France in amount of $65, (December 31, 2019 - $101) and from Casino Services in amount of $8 (December 31, 2019 - $7); (b) for energy efficiency services from Greenyellow Energía de Colombia S.A.S. in amount of $23 (December 31, 2019 - $34), (c) for suppliers achievements with International Retal and Trade Services in amount of $1,423 (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:

	June 30, 2020	December 31, 2019
Inventories available for trading	1,857,176	1,758,095
Real-estate project inventories (1)	64,105	87,800
Inventories in transit	74,578	50,331
Raw materials	27,646	11,958
Materials, small spares, accessories and consumable packaging.	8,359	8,095
Production in process	1,604	779
Inventory impairment (2)	(17,831)	(16,398)
Total inventories	2,015,637	1,900,660

(1) Montevideo real estate project.

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

Balance at December 31, 2019	16,398
Reversal of impairment provisions (Note 11.2)	(1,878)
Impairment loss recognized during the period (Note 11.2)	3,366
Effect of exchange difference from translation into reporting currency	(55)
Balance at June 30, 2020	17,831

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

Inventories are properly insured against all risks.

Pursuant to 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 June 30, 2020	January 1 to June 30, 2019 (3)	April 1 to June 30, 2020	April 1 to June 30, 2019 (3)
Cost of goods sold (1)	5,826,402	5,493,684	2,777,096	2,778,221
(Reversal) impairment loss, net (2)	1,488	(1,687)	(515)	(831)
Total cost of sales	5,827,890	5,491,997	2,776,581	2,777,390

(1) Includes $33,954 of depreciation and amortization cost (June 30, 2019 - $29,379).

(2) At June 30, 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.

(3) Amounts include the effect of the reclassification of costs 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 six and three-month periods ended June 30, 2020.

Note 12. Other financial assets

The balance of other financial assets is as follows:

	June 30, 2020	December 31, 2019
Financial assets measured at amortized cost (1)	31,514	41,392
Financial assets measured at fair value through other comprehensive income (2)	28,035	24,914
Derivative financial instruments (3)	25,987	23,357
Derivative financial instruments designated as hedge instruments (4)	1,509	476
Financial assets measured at fair value through income (5)	1,435	1,427
Total other financial assets	88,480	91,566
Current	48,751	43,237
Non-Current	39,729	48,329

(1) Financial assets measured at amortized cost represent (a) investments in bonds in amount of $29,737 (December 31, 2019 - $39,839) issued by Compañía de Financiamiento Tuya S.A., which the Company has the intention and capability of holding to obtain contract cash flows until maturity; such investments are part of the corporate collaboration agreement on Éxito Credit Card; nominal value at June 30, 2020 is $29,500 (December 31, 2019 - $39,500) yielding PCI + 6% with terms from 5 to 8 years, and (b) National Treasury Bonds in amount of $1,777 (December 31, 2019 - $1,553) of subsidiary Grupo Disco del Uruguay S.A.

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

	June 30, 2020	December 31, 2019
Investment in bonds	17,482	14,521
Cnova N.V.	9,222	9,222
Fideicomiso El Tesoro stages 4A and 4C 448	1,083	923
Associated Grocers of Florida, Inc.	113	113
Central de Abastos del Caribe S.A	71	71
La Promotora S.A.	50	50
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Total	28,035	24,914

(3) 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 June 30, 2020 is as follows:

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

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

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

(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 June 30, 2020 relates to the following transactions:

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

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

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

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

	Nature of risk hedged	Hedged item	Range of rates for 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 hedge instruments at December 31, 2019 is as follows:

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

(5) Financial assets measured at fair value through income represent investments of the Parent in equity securities of Fondo Valorar Futuro to manage liquidity in amount of $1,343 (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 $92 (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:

	June 30, 2020	December 31, 2019
Derivative financial instruments	25,987	23,357
Financial assets measured at fair value through other comprehensive income	17,482	14,521
Financial assets measured at amortized cost	4,388	5,227
Derivative financial instruments designated as hedge instruments	802	0
Financial assets measured at fair value through income	92	132
Total current	48,751	43,237
Financial assets measured at amortized cost	27,126	36,165
Financial assets measured at fair value through other comprehensive income	10,553	10,393
Financial assets measured at fair value through income	1,343	1,295
Derivative financial instruments designated as hedge instruments	707	476
Total non-current	39,729	48,329

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

Note 13. Property, plant and equipment, net

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

	June 30, 2020	December 31, 2019
Land	1,043,386	1,013,078
Buildings	1,927,616	1,901,719
Machinery and equipment	952,766	951,405
Furniture and fixtures	623,999	604,591
Assets under construction	104,644	82,196
Premises	116,915	113,362
Improvements to third party properties	559,348	553,014
Vehicles	20,040	19,006
Computers	232,762	224,545
Other property, plant and equipment	16,050	16,050
Total property, plant and equipment	5,597,526	5,478,966
Accumulated depreciation	(1,771,513)	(1,629,026)
Impairment loss	(4,893)	(4,848)
Total net property, plant and equipment	3,821,120	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	-	3,092	2,984	1,817	61,471	1,459	2,213	21	2,171	-	75,228
Increase (decrease) from movements between property, plant and equipment accounts	-	2,168	1,781	14,269	(26,764)	147	5,248	590	2,561	-	-
Increase (decrease) from transfers from (to) investment property	-	-	855	(29)	(8,890)	-	-	-	-	-	(8,064)
(Disposal and derecognition) of property, plant and equipment	-	(3)	(8,055)	(2,084)	(103)	(5)	(4,634)	(169)	(228)	-	(15,281)
Increase (decrease) from transfers from (to) non-current assets held for trading (1)	13,345	(966)	-	-	3,041	-	-	-	-	-	15,420
Effect of exchange differences from translation into presentation currency	(724)	156	968	1,395	238	1,952	3,501	(145)	60	-	7,401
(Decrease) from transfers (to) other balance sheet accounts - Tax assets	-	(28)	(690)	1,425	(7,216)	-	6	-	476	-	(6,027)
Net monetary position result	17,687	21,478	3,518	2,615	671	-	-	737	3,177	-	49,883
Balance at June 30, 2020	1,043,386	1,927,616	952,766	623,999	104,644	116,915	559,348	20,040	232,762	16,050	5,597,526
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		23,616	44,061	29,986	-	3,950	16,341	954	11,633	394	130,935
Increase (decrease) from movements between property, plant and equipment accounts		-	(7,736)	7,388	-	-	422	26	(100)	-	-
(Disposal and derecognition) of property, plant and equipment		(3)	(4,756)	(1,228)	-	(3)	(3,517)	(113)	(210)	-	(9,830)
Effect of exchange differences from translation into presentation currency		(331)	627	1,258	-	1,049	1,492	(104)	31	-	4,022
Other minor changes		114	(114)	(3)	-	-	(141)	114	11	-	(19)
Net monetary position result		8,596	2,545	2,265	-	-	-	636	3,337	-	17,379
Balance at June 30, 2020		358,927	478,486	390,300	-	66,120	274,940	14,481	183,856	4,403	1,771,513
Impairment											
Balance at December 31, 2019	1,280	1,007	-	-	-	-	2,561	-	-	-	4,848
Effect of exchange differences from translation into presentation currency	-	-	-	-	-	-	45	-	-	-	45
Balance at June 30, 2020	1,280	1,007	-	-	-	-	2,606	-	-	-	4,893

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

No loan costs were recognized at the closing of June 30, 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:

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

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

At June 30, 2020 and at December 31, 2019, no restrictions or liens have been imposed on items of property, plant and equipment that limit realization or tradability thereof, and there are no commitments to acquire, build or develop property, plant and equipment.

During the six-month period ended June 30, 2020 and during the annual period ended December 31, 2019, no compensations were received for damaged assets, and no payment acceptances by insurance companies to compensate for damaged assets were recognized.

At June 30, 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:

	June 30, 2020	December 31, 2019
Land	317,051	313,899
Buildings	1,506,547	1,470,745
Construction in progress	10,097	8,223
Total cost of investment property	1,833,695	1,792,867
Accumulated depreciation	(186,708)	(163,183)
Impairment loss	(3,464)	(3,464)
Total investment property, net	1,643,523	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	-	1,580	4,029	5,609
Disposals	(12)	-	-	(12)
Increase (decrease) from transfers from (to) property, plant and equipment	-	9,963	(1,899)	8,064
Effect of exchange differences on translation into reporting currency	549	(4,816)	(16)	(4,283)
Increase from transfers to non-current assets held for trading (1)	-	597	-	597
Net monetary position result	2,615	28,478	74	31,167
Other changes	-	-	(314)	(314)
Balance at June 30, 2020	317,051	1,506,547	10,097	1,833,695

Accumulated depreciation	Buildings
Balance at December 31, 2019	163,183
Depreciation expense	15,900
Effect of exchange differences on translation into reporting currency	(628)
Increase from transfers to non-current assets held for trading (1)	41
Net monetary position result	8,212
Balance at June 30, 2020	186,708

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

At June 30, 2020 and at December 31, 2019, there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At June 30, 2020 and at December 31, 2019, the 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 June 30, 2020, no impairment of investment property 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:

	June 30, 2020	December 31, 2019
Use rights	2,936,462	2,413,037
Total use rights	2,936,462	2,413,037
Accumulated depreciation	(1,078,314)	(1,109,389)
Total use rights, net	1,858,148	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	42,978
Increase from new measurements (1)	666,704
Derecognition	(190,588)
Effect of exchange differences from translation into reporting currency	4,331
Balance at June 30, 2020	2,936,462

Accumulated depreciation

Balance at December 31, 2019	1,109,389
Depreciation cost and expense	92,083
Derecognition	(124,587)
Effect of exchange differences from translation into reporting currency	1,706
Other changes	(277)
Balance at June 30, 2020	1,078,314

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

Note 16. Goodwill

The balance of goodwill is as follows:

	June 30, 2020	December 31, 2019
Spice Investment Mercosur S.A. (1)	1,320,578	1,303,092
Carulla Vivero S.A. (2)	827,420	827,420
Súper Inter (3)	453,649	453,649
Libertad S.A. (4)	190,524	173,582
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Total goodwill	2,965,196	2,930,768
Impairment loss (7)	(1,017)	(1,017)
Total goodwill, net	2,964,179	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 $230,955 (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 $795,074 (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 $1,069 (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 $2,323 (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 $562 (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 $1,203 (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 $1,548 (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 from the acquisition of business establishments 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 from translation into reporting currency	13,104
Net monetary position result	21,324
Balance at June 30, 2020	2,965,196

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

At June 30, 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:

	June 30, 2020	December 31, 2019
Trademarks (1)	226,016	219,923
Computer software	189,884	172,044
Rights (2)	27,039	27,034
Other	92	86
Total cost of intangible assets other than goodwill	443,031	419,087
Accumulated amortization	(124,120)	(114,872)
Total intangible assets other than goodwill, net	318,911	304,215

(1) The balance relates to the following trademarks:

Operating segment	Banner	Useful life	June 30, 2020	December 31, 2019
Uruguay	Miscellaneous (a)	Indefinite	94,329	92,732
Surtimax-Súper Inter	Súper Inter (b)	Indefinite	63,704	63,704
Argentina	Libertad (c)	Indefinite	50,556	46,060
Surtimax-Súper Inter	Surtimax (d)	Indefinite	17,427	17,427
			226,016	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 $53 (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	-	17,849	-	-	17,849
Effect of exchange differences on translation into the reporting currency	435	273	(2)	(2)	704
Net monetary position result	5,658	-	8	8	5,674
Transfers	-	16	-	-	16
Disposals and derecognition	-	(593)	(1)	-	(594)
Other changes	-	295	-	-	295
Balance at June 30, 2020	226,016	189,884	27,039	92	443,031
Accumulated amortization					
Balance at December 31, 2019		114,792	40	40	114,872
Amortization expense/cost		9,409	1	11	9,421
Effect of exchange differences on translation into the reporting currency		231	(1)	(1)	229
Net monetary position result		-	7	(1)	6
Disposals and derecognition		(400)	(1)	-	(401)
Other changes		(7)	-	-	(7)
Balance at June 30, 2020		124,025	46	49	124,120

At June 30, 2020 and at December 31, 2019, intangible assets other than goodwill are not limited or subject to lien that would restrict realization or tradability thereof. In addition, there are no commitments to acquire or develop intangible assets other than goodwill.

None of the intangible assets other than goodwill were impaired at June 30, 2020 or at December 31, 2019.

Note 18. Investments accounted for using the equity method

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

Company	Classification	June 30, 2020	December 31, 2019
Compañía de Financiamiento Tuya S.A.	Joint venture	190,702	209,115
Puntos Colombia S.A.S.	Joint venture	4,348	1,372
Total investments accounted for using the equity method		195,050	210,487

Note 19. Financial liabilities

The balance of financial liabilities is as follows:

	June 30, 2020	December 31, 2019
Bank loans	1,593,344	260,606
Put option	386,075	379,538
Finance leases	9,499	10,033
Letters of credit	4,777	10,176
Total financial liabilities	1,993,695	660,353
Current	1,625,723	616,822
Non-Current	367,972	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)	1,572,621
Changes in the fair value of the put option recognized in investments	6,537
Increase from reappraisals and interest	31,547
Exchange difference	2,021
Translation difference	181
(Decrease) from repayments or principal and interest (3)	(279,565)
Balance at June 30, 2020	1,993,695

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

- Put option contract of Spice Investments Mercosur S.A. in amount of $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 21, 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.

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

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

In May 2020, subsidiary Libertad S.A. requested a disbursement in amount of $22,955.

During the half-year period ended June 30, 2020, subsidiary Spice Investments Mercosur S.A. and its subsidiaries requested letters of credit in amount of $24,666.

(3) In May 2020, subsidiary Industrias Éxito S.A.S. repaid principal in amount of $20,000.

During the half-year period ended June 30, 2020, subsidiary Spice Investments Mercosur S.A. and its subsidiaries paid letters of credit in amount of $30,872.

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

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

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

	June 30, 2020	December 31, 2019
Bank loans	1,230,702	223,368
Put option	386,075	379,538
Letters of credit	4,777	10,176
Finance leases	4,169	3,740
Total current	1,625,723	616,822
Bank loans	362,642	37,238
Finance leases	5,330	6,293
Total non-current	367,972	43,531

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

Year	Total
2021	193,684
2022	52,342
2023	45,549
>2024	76,397
	367,972

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 30th 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, obtained at June 30, 2020

a. Financial: As long as 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:

	June 30, 2020	December 31, 2019
Defined benefit plans	22,773	22,062
Long-term benefit plan	1,927	1,836
Total employee benefits	24,700	23,898
Current	3,780	2,978
Non-Current	20,920	20,920

Note 21. Other provisions

The balance of other provisions is made as follows:

	June 30, 2020	December 31, 2019
Legal proceedings (1)	14,769	14,889
Taxes other than income tax (2)	7,571	8,552
Restructuring (3)	1,965	269
Other (4)	6,535	9,708
Total other provisions	30,840	33,418
Current (Note 21.1)	14,702	14,420
Non-current (Note 21.1)	16,138	18,998

At June 30, 2020 and at December 31, 2019 the Parent and its subsidiaries did not recognize provisions for onerous contracts.

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

	June 30, 2020	December 31, 2019
Labor legal proceedings (a)	10,054	10,831
Civil legal proceedings (b)	4,715	4,058
Total legal proceedings	14,769	14,889

(a) At June 30, 2020 represent:
- Lawsuits filed against the Parent on the grounds of health and retirement pensions in amount of $5,285; indemnifications $2,019; labor relations and solidarity $1,780; salary adjustments and legal benefits $460, and collective matters $20.
- Lawsuits filed against subsidiary Libertad S.A. in amount of $307.
- Lawsuits filed against subsidiary Spice Investment Mercosur S.A. and its subsidiaries in amount of $153.
- 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 June 30, 2020 represent:
- Lawsuits filed against the Parent in cases related with foreign exchange proceedings $1,779, data protection proceedings $400, third-party liability proceedings $277, real-estate related $200, real-estate proceedings on the grounds of infrastructure conditions $349, metrology and technical regulations proceedings $254, consumer protection proceedings $40, and other minor proceedings $1,071.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $10.
- Lawsuits filed against Colombian subsidiaries $335.

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 $6,679 (December 31, 2019 - $7,540) for tax proceedings of the Parent and $892 (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 $- (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 $133 (December 31, 2019 - $145), to the employees of Colombian subsidiaries in amount of $359 (December 31, 2019 - $124) and to the employees of subsidiary Libertad S.A. in amount of $1,473 (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. During the six-month period ended June 30, 2020, expenses recognized in relation with the plan amount to $32,089 and final disbursements and completion of the plan are foreseen during 2020. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provisions at June 30, 2020 relates to:
- Provision to protect against reduction of goods "VMI" at the Parent in amount of $308.
- Other minor provisions at Colombian subsidiaries in amount of $502.
- Other minor at subsidiary Libertad S.A. in amount of $665.
- Closing of Parent stores in amount of $5,060.

The balance of other provisions at December 31, 2019 relates to:
- Provision to protect against reduction of goods "VMI" at the Parent in amount of $1,607.
- Other minor provisions at Colombian subsidiaries in amount of $523.
- 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	3,326	-	32,089	4,257	39,672
Uses	(8)	(94)	(2,070)	-	(2,172)
Payments	(1,772)	-	(24,774)	(6,525)	(33,071)
Reversals (not used)	(1,820)	(861)	(3,550)	(905)	(7,136)
Effect of exchange differences from translation into reporting currency	1	(26)	-	(9)	(34)
Other reclassifications	153	-	1	9	163
Balance at June 30, 2020	14,769	7,571	1,965	6,535	30,840

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:

	June 30, 2020	December 31, 2019
Legal proceedings	2,539	3,678
Restructuring	1,965	269
Taxes other than income tax	3,663	765
Other	6,535	9,708
Total current	14,702	14,420
Taxes other than income tax	3,908	7,787
Legal proceedings	12,230	11,211
Total non-current	16,138	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 June 30, 2020 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	2,539	3,663	1,965	6,535	14,702
From 1 to 5 years	12,230	3,908	-	-	16,138
Total forecasted payments	14,769	7,571	1,965	6,535	30,840

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	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Joint ventures (1)	36,674	34,806	21,163	39,619
Grupo Casino companies (2)	15,402	12,413	-	-
Members of the Board	110	47	-	-
Controlling entity (3)	-	33,729	-	-
Total	52,186	80,995	21,163	39,619

(1) 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 $36,674 (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).

(2) Mainly represents services received in relation with energy efficiency solutions and intermediation in the import of goods in amount of $4,358 (December 31, 2019 - $3,267) provided by Green Yellow Colombia S.A.S., Casino Services, Distribution Casino France and International Retail and Trade Services IG and to consultancy and technical assistance services provided by Casino Guichard Perrachon S.A., Euris and Geant International B.V. in amount of $10,997 (December 31, 2019 - $9,146).

(3) Represents dividends payable to shareholders.

Note 23. Trade payables and other accounts payable

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

	June 30, 2020	December 31, 2019
Suppliers	2,730,301	3,859,345
Costs and expenses payable	293,086	378,537
Employee benefits	218,187	238,232
Tax withholdings payable	208,119	60,851
Taxes collected payable	23,829	46,074
Purchase of assets	20,390	41,447
Dividends payable	7,019	8,205
Other	23,806	30,110
Total current trade payables and other accounts payable	3,524,737	4,662,801
Other	75	114
Total non-current trade payables and other accounts payable	75	114

Note 24. Lease liabilities

The balance of lease liabilities is as follows:

	June 30, 2020	December 31, 2019
Lease liabilities	2,087,433	1,530,231
Current	180,617	222,177
Non-Current	1,906,816	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 that have entered double-taxation agreements with Colombia.

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

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

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

<u>Tax credits of the Parent and its Colombian subsidiaries</u>

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

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

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

In application of sections 188 and 189 of the Tax Code, at June 30, 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 June 30, 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 June 30, 2020, the Parent has accrued $527,525 (December 31, 2018 - $506,677) excess presumptive income over net income.

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

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

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

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

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

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

(b) Tax credits of Colombian subsidiaries

At June 30, 2020, the Colombian subsidiaries have accrued $339 (December 31, 2019 - $-) excess presumptive income over net income. The detail of excess presumptive income over net income is as follows:

	June 30, 2020	December 31, 2019
Éxito Industrias S.A.S.	313	-
Depósitos y Soluciones Logísticas S.A.S.	14	-
Marketplace Internacional Éxito y Servicios S.A.S.	8	-
Almacenes Éxito Inversiones S.A.S.	4	-
Total	339	-

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

Balance at December 31, 2019	-
Éxito Industrias S.A.S.	313
Depósitos y Soluciones Logísticas S.A.S.	14
Marketplace Internacional Éxito y Servicios S.A.S.	8
Almacenes Éxito Inversiones S.A.S.	4
Balance at June 30, 2020	339

At June 30, 2020, the subsidiaries have accrued tax losses amounting to $32,429 (December 31, 2019 - $27,647). The detail of tax losses is as follows:

	June 30, 2020	December 31, 2019
Éxito Industrias S.A.S.	30,331	27,460
Almacenes Éxito Inversiones S.A.S.	1,352	-
Marketplace Internacional Éxito y Servicios S.A.S.	510	106
Depósitos y Soluciones Logísticas S.A.S.	236	81
Total	32,429	27,647

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

Balance at December 31, 2019	27,647
Almacenes Éxito Inversiones S.A.S.	1,352
Depósitos y Soluciones Logísticas S.A.S.	154
Éxito Industrias S.A.S.	2,872
Marketplace Internacional Éxito y Servicios S.A.S.	404
Balance at June 30, 2020	32,429

Subsidiary Gemex O&W S.A.S., whose revenue, costs and expenses are presented in the interim consolidated statement of income under the "net results from discontinued operations" line item, separate from all other Parent's and its subsidiaries' consolidated results, has accrued tax losses amounting to $33,022 (December 31, 2019 $29,391),

<u>Closing of tax returns</u>

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.

For the Parent, the income tax returns for 2019 showing tax losses and a balance receivable are open for review during 5 years as of filing of the balance receivable; the income tax returns for 2018, 2017 and 2016 where tax losses and a balance receivable were assessed 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.

For subsidiary Éxito Industrias S.A.S., the income tax return for 2019, where tax losses were offset and a balance receivable was accrued is open for review during 5 year as of the filing of the balance receivable; 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; 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 2019, 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 Logística, Transporte y Servicios Asociados S.A.S., the income tax return for 2019 where a balance receivable was assessed, is open for review for 3 years as of filing of the balance receivable; 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 2019, 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 return for 2019 where tax losses were assessed, is open for review during 5 years as of filing date; the income tax review for 2018 is open for review during 3 years as of filing date.

For subsidiary Depósitos y Soluciones Logísticas S.A.S., the income tax return for 2019 where tax losses and a balance receivable were assessed, is open for reviews during 5 years as of filing of the balance receivable.

For subsidiary Gemex O&W S.A.S., whose revenue, costs and expenses are shown in the interim consolidated statement of income under the "net results from discontinued operations" line item, separate from other consolidated results of the Parent and its subsidiaries, the income tax return for 2019 where tax losses and a balance receivable were assessed is open for review during 5 years as of the filing of the relevant balance receivable; the income tax returns for 2018, 2017 and 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 returns for 2016 is open for review during 12 years as of filing date. The income tax for equality CREE returns for 2014 and 2015 are open for review during 5 years as of the 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 for which a provision has been recorded at June 30, 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

	June 30, 2020	December 31, 2019
Income tax balance receivable by the Parent and its Colombian subsidiaries (1)	305,529	200,696
Tax discounts applied by the Parent and its Colombian subsidiaries (2)	80,812	72,239
Industry and trade tax advances and withholdings of Parent and its Colombian subsidiaries	29,311	47,067
Other current tax assets of subsidiary Spice Investment Mercosur S.A.	11,876	6,098
Current income tax assets of subsidiary Onper Investment 2015 S.L. (3)	11,973	2,935
Tax discounts of Parent from taxes paid abroad	9,990	3,738
Other current tax assets of subsidiary Onper Investment 2015 S.L. (4)	460	438
Current income tax assets of subsidiary Spice Investments Mercosur S.A. (5)	-	639
Total current tax assets	449,951	333,850

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

	June 30, 2020	December 31, 2019
Balance receivable from income tax of prior years.	201,362	660
Income tax withholdings (a)	110,539	222,228
Less income tax (expense) (Note 26.4)	(6,372)	(27,845)
Tax discounts	-	5,653
Income tax balance receivable by Parent and its Colombian subsidiaries	305,529	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:

	June 30, 2020	December 31, 2019
Industry and trade tax	55,447	51,281
VAT on productive real assets	24,984	20,609
Other	381	349
Total tax discounts applied by the Parent and its Colombian subsidiaries	80,812	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:

	June 30, 2020	December 31, 2019
Current income tax assets	11,973	7,598
Current income tax liabilities	-	(4,663)
Total	11,973	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:

	June 30, 2020	December 31, 2019
Current income tax assets	-	2,902
Current income tax liabilities	-	(2,263)
Total	-	639

Current tax liabilities

	June 30, 2020	December 31, 2019
Industry and trade tax payable of the Parent and its Colombian subsidiaries	34,313	68,200
Taxes of subsidiary Spice Investments Mercosur S.A. other than income tax	689	1,471
Tax on real estate of the Parent and its Colombian subsidiaries	8,056	199
Taxes of subsidiary Onper Investment 2015 S.L. other than income tax (1)	3,138	3,040
Income tax of subsidiary Spice Investments Mercosur S.A.	4,701	-
Total current tax liabilities	50,897	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 net income (loss), and the tax expense estimation are as follows:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Earnings before income tax	88,367	15,644	41,208	17,602	171,134
Add					
Non-deductible expenses	13,978	11,893	7,619	5,468	24,106
Tax on financial transactions	6,265	4,440	3,647	1,951	10,526
Fines, penalties and litigation	1,642	1,662	99	1,227	4,927
Receivables written-off	1,049	2,150	(169)	2,150	3,245
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	570	-	570	-	-
Taxes taken on and revaluation	321	904	210	564	1,653
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
Non-deductible inventory losses	-	93	(97)	93	38
Less					
Effect of accounting results of foreign subsidiaries	(65,047)	(63,225)	(34,828)	79,145	(119,316)
IFRS adjustments with no tax effects (2)	(34,586)	(30,871)	(9,673)	(118,610)	(71,629)
Goodwill tax deduction, in addition to the accounting deduction	(10,303)	(11,916)	(5,151)	(11,110)	(23,832)
Recovery of provisions	(1,882)	(5,878)	(905)	(3,467)	(4,304)
2019 ICA deduction paid in 2020 after filing of the income tax return	(1,147)	-	(1,147)	-	-
Disabled employee deduction	(799)	(833)	(399)	(417)	(1,665)
30% additional deduction on salaries paid to apprentices hired at Company will	(711)	(869)	(356)	(434)	(1,740)
Non-deductible taxes	(408)	20,492	201	10,193	37,475
Tax-exempt dividends received from subsidiaries	-	(1,500)	2,167	-	(3,987)
Recovery of receivables	-	-	-	206	-
Donation to food banks	-	-	-	-	(1,420)
Net income (loss)	(2,611)	(57,814)	2,996	(15,439)	25,544
Offsetting of tax losses and excess presumptive income	-	(117)	-	1,838	(13,544)
Total net (loss) income after offsetting	(2,611)	(57,931)	2,996	(13,601)	12,000
Presumptive income of the Parent and of certain Colombian subsidiaries for the current period	9,850	30,721	4,872	15,331	61,416
Net income for the current period of certain Colombian subsidiaries	10,062	11,210	5,176	6,805	24,211
Taxable net income	19,912	41,931	10,048	22,136	85,627
Income tax rate	32%	33%	32%	33%	33%
Subtotal income tax (expense)	(6,372)	(13,837)	(3,216)	(7,305)	(28,257)
Tax discounts	-	161	-	161	412
Total income tax (expense)	(6,372)	(13,676)	(3,216)	(7,144)	(27,845)
(Expense) from previous year tax	(14,767)	(237)	(14,767)	(237)	(237)
Total income tax (expense) of the Parent and its Colombian subsidiaries	(21,139)	(13,913)	(17,983)	(7,381)	(28,082)
Total current tax (expense) of foreign subsidiaries (1)	(15,608)	(24,272)	(5,527)	(15,267)	(48,175)
Total current income tax (expense)	(36,747)	(38,185)	(23,510)	(22,648)	(76,257)

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Uruguay segment	(21,938)	(28,118)	(10,141)	(28,118)	(44,336)
Argentina segment	6,330	3,846	4,614	12,851	(3,839)
Total current tax (expense)	(15,608)	(24,272)	(5,527)	(15,267)	(48,175)

(2) IFRS adjustments with no tax effects are:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Accounting provisions	63,462	43,454	27,959	20,495	76,121
Taxed leases	45,785	48,084	17,695	24,037	50,067
Other accounting expenses with no tax effects (a)	19,366	7,963	31,458	3,769	52,927
Exchange difference, net	5,081	10,180	12,170	23,533	17,630
Taxed actuarial estimation	721	797	490	276	2,938
Untaxed dividends of subsidiaries	-	1,500	(2,167)	-	3,987
Taxed dividends of subsidiaries	-	-	-	-	49,610
Recovery of provisions	(38,378)	(23,781)	(24,486)	(15,866)	(39,690)
Other accounting (not for tax purposes) (revenue), net	(30,737)	(1,734)	(24,815)	(123,475)	(1,680)
Net results using the equity method	(29,763)	(63,441)	(16,142)	(28,516)	(159,949)
Excess personnel expenses for tax purposes over accounting personnel expenses	(26,732)	(18,538)	(19,910)	(14,682)	(34,762)
Higher tax depreciation over accounting depreciation	(24,643)	(18,104)	(11,087)	(8,464)	(54,864)
Non-accounting costs for tax purposes	(18,552)	(16,994)	(670)	482	(33,427)
Non-deductible taxes	(196)	(242)	(168)	(199)	(508)
Non-deductible fines and penalties	-	(15)	-	-	(29)
Total	(34,586)	(30,871)	(9,673)	(118,610)	(71,629)

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019	January 1 to December 31, 2019
Current income tax (expense)	(36,747)	(38,185)	(23,510)	(22,648)	(76,257)
Deferred income tax revenue (Note 25.5)	34,162	31,315	25,442	13,769	52,961
Total income tax (expense)	(2,585)	(6,870)	1,932	(8,879)	(23,296)

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

	June 30, 2020	June 30, 2019	December 31, 2019
Net shareholders' equities	2,112,337	2,101,219	4,199,870
Less net shareholders' equities to be excluded	(74,559)	(53,175)	(105,475)
Base shareholders' equities	2,037,778	2,048,044	4,094,395
Presumptive income	9,850	30,721	61,416
Total presumptive income	9,850	30,721	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:

	June 30, 2020		December 31, 2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Lease liabilities	780,220	-	509,927	-
Tax losses	223,505	-	198,834	-
Excess presumptive income	158,257	-	156,459	-
Tax credits	66,516	-	66,535	-
Other provisions	18,130	-	18,661	-
Inventories	5,925	-	4,444	-
Other financial liabilities	5,070	-	4,913	-
Trade and other receivables	2,961	-	3,371	-
Accounts payable to related parties	2,155	-	8	-
Employee benefit provisions	1,992	-	1,736	-
Financial liabilities	1,948	-	622	-
Prepaid expenses	1,264	-	943	-
Investments in subsidiaries and joint ventures	308	-	308	-
Other non-financial liabilities	-	(95)	-	(2,725)
Non-current assets held for trading	-	(295)	-	(294)
Accounts receivable from related parties	-	(2,079)	128	-
Real estate projects	-	(3,046)	-	(5,894)
Intangible assets other than goodwill	-	(3,700)	-	(3,957)
Construction in progress	-	(4,222)	-	(4,180)
Land	-	(7,070)	-	(7,070)
Trade and other payables	-	(7,076)	-	(5,537)
Other financial assets	-	(8,519)	-	(7,343)
Other property, plant and equipment	-	(28,177)	-	(29,146)
Investment property	-	(36,880)	-	(35,671)
Buildings	-	(125,548)	-	(122,035)
Goodwill	-	(145,302)	-	(145,302)
Use rights	-	(713,874)	-	(444,594)
Total Parent	1,268,251	(1,085,883)	966,889	(813,748)
Colombian subsidiaries	29,534	(31,108)	29,497	(32,907)
Total Colombia segment	1,297,786	(1,116,991)	996,386	(846,655)
Uruguay segment	26,877	-	27,538	-
Argentina segment	-	(127,639)	8,373	(124,876)
Total	1,324,663	(1,244,630)	1,032,297	(971,531)

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

	June 30, 2020		December 31, 2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Colombia segment	180,794	-	149,731	-
Uruguay segment	26,877	-	27,538	-
Argentina segment	-	(127,639)	-	(116,503)
Total	207,671	(127,639)	177,269	(116,503)

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

	January 1 to June 30, 2020	January 1 to June 30, 2019
Deferred income tax revenue	29,016	20,926
Deferred tax (expense) on occasional gains	5,146	10,389
Total deferred income tax revenue	34,162	31,315

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

	January 1 to June 30, 2020	January 1 to June 30, 2019
(Expense) from derivative financial instruments designated as hedging instruments and other	(2,146)	(283)
Total deferred income tax expense	(2,146)	(283)

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

	January 1 to June 30, 2020
Revenue from deferred tax recognized in income for the period	34,162
(Expense) from deferred tax recognized in other comprehensive income for the period.	(2,146)
Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1)	(12,750)
Total increase in net deferred tax between June 30, 2020 and December 31, 2019	19.266

(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 June 30, 2020 amounted to $9,660 (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

At December 31, 2019, the balance of $780 (December 31, 2019 - $800) 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:

	June 30, 2020	December 31, 2019
Collections received on behalf of third parties (1)	63,230	99,887
Derivative financial instruments (2)	15,822	15,334
Derivative financial instruments designated as hedging instruments (3)	21	20
Total	79,073	115,241
Current	79,073	114,871
Non-Current	-	370

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

	June 30, 2020	December 31, 2019
Éxito Card collections (a)	21,163	39,619
Non-banking correspondent	13,437	26,075
Revenue received on behalf of third parties (b)	12,565	22,076
Direct trading (*marketplace*)	9,500	3,269
Other collections	6,565	8,848
Total	63,230	99,887

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

(b) 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 $11,168 (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 $1,366 (December 31, 2019 - $2,621).

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

(2) 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 June 30, 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	12,611	605	-	-	13,216
Swap	924	1,002	680	-	2,606
					15,822

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

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

(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 June 20, 2020 and at December 31, 2019 finance bartering is used to hedge exchange and/or interest risks of financial liabilities taken to acquire property, plant and equipment.

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

At June 30, 2020 relates to the following transactions:

Hedge instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	21
					21

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

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

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

Hedge instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	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 hedge instruments at December 31, 2019 is as follows:

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

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

	June 30, 2020	December 31, 2019
Collections received on behalf of third parties	63,230	99,887
Derivative financial instruments	15,822	14,964
Derivative financial instruments designated as hedging instruments	21	20
Total current	79,073	114,871
Derivative financial instruments	-	370
Total non-current	-	370

Note 27. Other non-financial liabilities

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

	June 30, 2020	December 31, 2019
Revenue received in advance (1)	67,256	81,763
Customer loyalty programs (2)	28,776	27,106
Advance payments under contracts and other projects	14,163	9,725
Instalments received under "plan resérvalo"	257	230
Repurchase coupon	11	85
Total other non-financial liabilities	110,463	118,909
Current	109,824	118,240
Non-Current	639	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. The detail is as follows:

	June 30, 2020	December 31, 2019
Gift card	34,791	61,854
Cafam comprehensive card	9,072	8,364
Exchange card	3,730	3,620
Data and telephone minutes purchased in advance	809	957
Fuel card	772	807
Other	18,082	6,161
Total	67,256	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:

	June 30, 2020	December 31, 2019
"Hipermillas" and "Tarjeta Más" programs	28,562	25,658
Club Libertad	142	310
“Puntos Éxito” and “Supercliente Carulla” programs	72	1,138
Total	28,776	27,106

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

	June 30, 2020	December 31, 2019
Revenue received in advance	67,256	81,763
Customer loyalty programs	28,776	27,106
Advance payments under contracts and other projects	13,524	9,056
Instalments received under "plan resérvalo"	257	230
Repurchase coupon	11	85
Total current	109,824	118,240
Advance payments under contracts and other projects	639	669
Total non-current	639	669

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

At June 30, 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 June 30, 2020 and at December 31, 2019. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the 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:

	June 30, 2020			June 30, 2019			December 31, 2019		
	Gross amount Gross amount	Tax effect Tax effect	Gross amount Net amount	Gross amount Gross amount	Tax effect Tax effect	Gross amount Net amount	Gross amount Gross amount	Tax effect Tax effect	Gross amount Net amount
Measurement of financial assets at fair value through other comprehensive income (1)	(12,606)	-	(12,606)	7,751	-	7,751	(13,203)	-	(13,203)
Measurement of defined benefit plans (2)	(5,136)	1,541	(3,595)	(4,808)	1,432	(3,376)	(5,136)	1,541	(3,595)
Translation exchange differences (3)	(1,104,179)	-	(1,104,179)	(902,345)	-	(902,345)	(1,106,448)	-	(1,106,448)
(Loss) from the hedge of cash flows (4)	(336)	103	(233)	(5,125)	1,671	(3,454)	(290)	93	(197)
(Loss) from the hedge of foreign business investments	(4,502)	(1,679)	(6,181)	-	-	-	(1,936)	477	(1,459)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	-	-	-	(62,612)	-	(62,612)	-	-	-
Total other accumulated comprehensive income	(1,126,759)	(35)	(1,126,794)	(967,139)	3,103	(964,036)	(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 $12,750 (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 June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Retail sales (Note 43)	7,459,944	6,999,029	3,560,056	3,471,900
Service revenue (2)	240,138	282,397	100,854	146,131
Other ordinary revenue (3)	40,805	62,660	27,546	32,292
Total revenue from ordinary activities under contracts with customers	7,740,887	7,344,086	3,688,456	3,650,323

(1) Amounts include the effect of the reclassification of costs 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 six and three-month periods ended June 30, 2020.

(2) The balance of service revenue relates to:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Lease of real estate	86,727	110,402	31,361	54,678
Distributors	44,756	52,955	18,212	25,935
Advertising	36,051	29,198	19,858	17,867
Lease of physical space	15,389	27,176	4,589	16,183
Telephone services	14,400	12,889	7,155	6,745
Commissions	12,221	14,709	4,815	7,161
Transport	8,564	9,585	4,263	4,892
Non-banking correspondent	7,623	9,756	3,529	4,750
Money transfers	3,254	3,450	1,679	1,781
Travel administration fees	1,571	3,799	13	1,814
Other revenue from the provision of services	9,582	8,478	5,380	4,325
Total service revenue	240,138	282,397	100,854	146,131

(3) Other ordinary revenue relates to:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Marketing events	8,809	-	5,344	(3,401)
Royalty revenue	4,588	7,952	2,378	4,192
Exploitation of assets	3,532	3,250	2,072	1,752
Revenue from financial services	818	1,188	406	340
Latam strategic direction (Note 37)	-	4,240	-	2,157
Involvement in collaboration agreement (a)	-	25,013		10,510
Other	23,058	21,017	17,346	16,742
Total other ordinary revenue	40,805	62,660	27,546	32,292

(a) 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 June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Depreciation and amortization	182,093	188,183	90,957	87,901
Taxes other than income tax	111,683	113,519	39,218	50,478
Services	104,246	100,513	50,092	49,581
Fuels and power	89,805	94,866	40,451	38,123
Repairs and maintenance	64,926	63,554	31,796	29,643
Advertising	58,039	64,209	25,278	35,848
Commissions on debit and credit cards	46,036	37,975	23,367	18,280
Transport	25,706	20,197	15,252	10,358
Packaging and marking materials	17,147	20,327	7,092	9,436
Administration of trade premises	16,639	17,750	7,878	8,925
Leases	13,733	9,320	4,788	600
Professional fees	13,615	14,389	6,826	7,377
Insurance	11,642	12,543	5,654	6,570
Outsourced employees	9,753	11,920	3,071	5,355
Impairment expense	5,783	11,927	3,106	5,230
Legal expenses	4,950	2,585	1,455	969
Other provisions expense	1,063	2,018	406	1,594
Travel expenses	980	2,944	2	1,517
Commissions	162	2	93	2
Other	56,125	40,063	32,830	19,969
Total distribution expenses	834,126	828,804	389,612	387,756

The balance of administration and sales expenses is as follows:

	January 1 to June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Taxes other than income tax	46,918	41,267	5,006	2,607
Depreciation and amortization	38,157	38,615	18,794	19,548
Professional fees	22,891	26,096	10,516	15,594
Repairs and maintenance	14,658	10,282	7,671	5,481
Impairment expense	9,568	22,192	5,927	12,477
Services	6,478	6,525	3,089	3,554
Outsourced employees	4,534	4,718	2,315	2,619
Fuels and power	3,622	4,553	1,221	2,467
Insurance	3,614	3,193	1,872	1,652
Other provisions expense	3,546	2,593	339	1,450
Travel expenses	3,373	4,314	950	2,187
Administration of trade premises	1,657	1,381	676	669
Contributions and affiliations	1,276	1,027	678	498
Leases	1,093	3,942	435	1,785
Transport	907	1,060	511	505
Advertising	344	181	231	80
Legal expenses	200	454	33	215
Packaging and marking materials	138	148	99	44
Other	8,815	6,610	4,023	3,684
Total administration and sales expenses	171,789	179,151	64,386	77,116

(1) Amounts include the effect of the reclassification of costs 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 six and three-month periods ended June 30, 2020.

Note 32. Employee benefit expenses

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

	January 1 to June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Wages and salaries	516,267	501,037	247,063	227,699
Contributions to the social security system	17,819	17,919	8,495	8,480
Other short-term employee benefits	24,328	24,686	12,617	11,947
Total short-term employee benefit expense	558,414	543,642	268,175	248,126
Post-employment benefit expenses, defined contribution plans	44,018	50,264	17,746	22,583
Post-employment benefit expenses, defined benefit plans	1,253	(5,530)	725	(6,247)
Total post-employment benefit expenses	45,271	44,734	18,471	16,336
Termination benefit expenses	3,082	3,588	2,028	1,823
Other long-term employee benefits	144	238	66	135
Other personnel expenses	10,321	12,873	5,919	7,357
Total employee benefit expenses	617,232	605,075	294,659	273,777

(1) Amounts include the effect of the reclassification of costs 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 six and three-month periods ended June 30, 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 June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Other operating revenue				
Recurring				
Recovery of allowance for trade receivables	8,443	27,288	4,794	12,796
Reimbursement of ICA-related costs and expenses	4,741	6,162	2,198	3,245
Recovery of other provisions related with labor lawsuits	1,189	473	474	265
Recovery of other provisions	905	1,251	69	25
Reimbursement of tax-related costs and expenses	861	50	255	-
Compensation from insurance companies	781	1,003	414	578
Recovery of other provisions related with civil lawsuits	601	2,183	92	1,537
Other recurring revenue	400	362	311	-
Total recurring	17,921	38,772	8,607	18,446
Non-recurring				
Recovery of provisions related with reorganization processes	3,550	1,412	3,550	1,412
Revenue from government help	46	-	46	-
Recovery of other provisions	6	1,887	6	28
Total non-recurring	3,602	3,299	3,602	1,440
Total other operating revenue	21,523	42,071	12,209	19,886
Other operating expenses				
Social emergency expenses (2)	(37,349)	-	(36,668)	-
Restructuring expenses (3)	(32,090)	(32,789)	473	(10,838)
Other expenses (4)	(6,974)	(2,569)	(4,060)	(1,601)
Tax on wealth expense	(307)	(194)	(307)	(194)
Total other operating expenses	(76,720)	(35,552)	(40,562)	(12,633)
Other net gains (losses)				
Derecognition of lease contracts upon early termination	6,961	6	167	6
Gain from the sale of property, plant and equipment	10	2,067	20	1,300
Derecognition of property, plant and equipment (5)	(3,080)	(2,068)	(1,393)	(188)
Loss from disposal of other assets	-	(675)	-	(87)
Impairment of non-current assets	-	(225)	-	(225)
Cost of sales for use rights	-	(19)	-	(19)
Total other gains (loss), net	3,891	(914)	(1,206)	787

(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 six-month and three-month period ended June 20, 2020.

(2) For 2020 represents expenses incurred by the Parent and its subsidiaries because of the Covid-19 declaration of emergency.

For the Parent and Colombian subsidiaries, expenses incurred because of the health emergency declared by the Ministry of Health amount to $24,489. Expenses include the acquisition of protective elements for $10,235; bonuses, surcharges and overtime paid to the employees of stores and other areas in amount of $8,015; external and internal communication as a result of the emergency in amount of $1,611; donations to third parties in amount of $1,968; acquisition of protection acrylic items and handwashers for the stores in amount of $910; abnormal production excess as a result of the adequation of productive processes in amount of $656, lease installment discounts granted to third parties in amount of $609, lease of furniture and equipment for $35, transport for the protection of employees at high-transmission areas in amount of $158, receivables written off in amount of $74 and other out of pocket expenses in amount of $292.

For subsidiary Spice Investment Mercosur S.A. and subsidiaries, expenses amount to $5,200. Include gift card donation-related expenses in amount of $1,458; personnel-related expenses $51, consumables in amount of $2,522, disinfection-related expenses $246 and acquisition of biosafety items in amount of $923.

For m subsidiary Libertad S.A., expenses amount to $7,586. Include extra payments to collaborators in amount of $3,022; cleaning and security at promenades in amount of $2,326; hiring of sanitation and cleaning personnel $1,269; decrease in merchandise $418, transport related with the protection of employees in amount of $359 and other out of pocket expenses for $192.

(3) Represents expenses arising from the provision in relation with the plan to restructure the Parent and its Colombian subsidiaries that include the acquisition of the operating excellence plan and corporate retirement plan in amount of $30,617 (June 30, 2019 - $28,952) and expenses incurred under plan to restructure subsidiary Libertad S.A. in amount of $1,473 (June 30, 2019 - $3,837).

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

In 2019, represents expenses from the restructuring of stores in amount of $1,559; expenses from implementation of IRFS 6 - Leases in amount of $748 and Bricks II project expenses in amount of $63.

(5) In 2020 represents the derecognition at the Parent due to physical damage of machinery and equipment in amount of $1,740; furniture and fixtures $329; vehicles $29 and computers $19; derecognition of machinery and equipment due to the casualty at Super Inter Jamundí in amount of $10 and derecognition of assets arising from the reconciliation of physical counts in amount of $714. It also includes derecognition of software in amount of $193 due to obsolescence.

In 2019 represents the closure of Éxito Castilla, $69; Surtimax Calle 48, $12 and Surtimax Funza, $97 at the Parent. It also includes the derecognition of a building at Patrimonio Autónomo Centro Comercial Viva Barranquilla in amount of $1,860 and the derecognition of machinery and equipment and furniture and fixtures of the Parent's service stations in amount of $225.

Note 34. Financial revenue and expenses

	January 1 to June 30, 2020	January 1 to June 30, 2019 (1)	April 1 to June 30, 2020	April 1 to June 30, 2019 (1)
Gain from derivative financial instruments	76,221	92,976	15,417	45,896
Gain from exchange difference	44,733	134,384	5,205	15,108
Revenue from interest, cash and cash equivalents	17,816	12,624	9,592	4,955
Net monetary position revenue, effect of the statement of income (2)	5,331	-	5,331	-
Other financial revenue	6,268	7,158	1,851	3,964
Total financial revenue	150,369	247,142	37,396	69,923
Interest expense from lease liabilities	(71,706)	(59,301)	(42,854)	(29,524)
Loss from exchange difference	(70,894)	(105,198)	6,949	(30,026)
Interest, loans and finance lease expenses	(54,517)	(147,874)	(42,923)	(74,817)
Loss from derivative financial instruments	(53,660)	(134,376)	(34,091)	(38,491)
Net monetary position results, effect of the statement of financial position (2)	(9,795)	(3,721)	(3,307)	(1,449)
Commissions expense	(1,938)	(2,569)	(956)	(1,181)
Net monetary position expense, effect of the statement of income (2)	-	(10,945)	1,287	(10,732)
Other financial expenses	(7,598)	(4,849)	(6,912)	(3,275)
Total financial expenses	(270,108)	(468,833)	(122,807)	(189,495)

(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 six and three-month periods ended June 30, 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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Puntos Colombia S.A.S.	2,975	(1,771)	1,931	(545)
Compañía de Financiamiento Tuya S.A.	(33,413)	(5,558)	(8,971)	(4,605)
Total	(30,438)	(7,329)	(7,040)	(5,150)

Note 36. Earnings per share

Earnings per share are classified as basic or diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the 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 June 30, 2020 and December 31, 2019, the Parent has not carried out transactions with potential ordinary shares, or after the closing date or at the date of release of these interim financial statements.

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

<u>In period results:</u>

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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net gain (loss) for the period from continuing operations	85,782	8,774	43,140	8,723
Less: net income from continuing operations attributable to non-controlling interests	50,177	49,439	29,776	31,981
Net gain (loss) profit from continuing operations attributable to the shareholders of the controlling entity	35,605	(40,665)	13,364	(23,258)
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share from continuing operations attributable to the shareholders of the controlling entity (in Colombian pesos)	79.55	(90.85)	29.86	(51.96)

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net (loss) gain for the period from discontinued operations	(831)	626,423	(577)	466,876
Less: net income from discontinued operations attributable to non-controlling interests	-	616,310	-	461,829
Net (loss) gain from discontinued operations attributable to the shareholders of the controlling entity	(831)	10,113	(577)	5,047
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	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)	(1.86)	22.59	(1.29)	11.27

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net gain (loss) for the period from continuing operations	85,782	8,774	43,140	8,723
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share from continuing operations (in Colombian pesos)	191.65	19.60	96.38	19.49

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net (loss) gain for the period from discontinued operations	(831)	626,423	(577)	466,876
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) earnings per basic and diluted share from discontinued operations (in Colombian pesos)	(1.86)	1,399.50	(1.29)	1,043.06

In total comprehensive income for the period:

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Net gain (loss) attributable to the shareholders of the controlling entity	31,808	(296,312)	(198,699)	94,719
Weighted average of the number of ordinary shares attributable to the basic (loss) per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share in total comprehensive income (in Colombian pesos)	71.06	(662.00)	(443.92)	211.61

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 June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	April 1 to June 30, 2019
Short-term employee benefits (1)	42,162	65,972	23,423	32,943
Post-employment benefits	1,644	998	851	502
Termination benefits	647	216	200	216
Long-term employee benefits	-	11	-	-
Share-based payment plan	-	8,149	-	3,991
Total	44,453	75,346	24,474	37,652

(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 six-month period ended June 30, 2020 in amount of $- (June 30, 2019 - $4,240) 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

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	January 1 to June 30, 2019
Joint ventures (1)	11,124	36,135	5,390	16,529
Grupo Casino companies (2)	2,391	16,922	1,160	(10,073)
Controlling entity (3)	277	5,135	-	2,422
Associates (4)	-	61,738	-	30,433
Members of the Board	-	-	-	-
Total	13,792	119,930	6,550	39,311

Costs and expenses

	January 1 to June 30, 2020	January 1 to June 30, 2019	April 1 to June 30, 2020	January 1 to June 30, 2019
Joint ventures (1)	42,508	46,278	20,572	28,980
Grupo Casino companies (2)	22,542	38,733	8,085	17,741
Controlling entity (3)	6,476	52,950	6,476	9,891
Members of the Board	889	638	327	357
Associates (4)	-	1	-	1
Total	72,415	138,600	35,460	56,970

(1) Revenue represents the yields of bonds and coupons and energy in amount of $7,559 (June 30, 2019 - $7,575), involvement in the business collaboration agreement in amount of $- (June 30, 2019 - $25,013), lease of real estate in amount of $2,530 (June 30, 2019 - $2,745), and other services in amount of $537 (June 30, 2019 - $473) with Compañía de Financiamiento Tuya S.A. and other services in amount of $498 (June 30, 2019 - $329) with Puntos Colombia S.A.S.

Costs and expenses represent the cost of the loyalty program and liability management of Puntos Colombia S.A.S. in amount of $40,451 (June 30, 2019 - $44,792), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $2,057 (June 30, 2018 - $1,486).

(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 June 30, 2020, revenue represents a charge to Companhia Brasileira de Distribuição – CBD as consideration for the use of textile own brands in Brazil. At June 30, 2019 revenue relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*).

At June 30, 2019 costs and expenses 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.

(4) At June 30, 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.

(*) 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 June 30, 2020 and at December 31, 2019.

Note 38.2. Non-financial assets

No indication of impairment of non-financial assets was identified at June 30, 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 June 30, 2020 and at December 31, 2019 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying amounts are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	June 30, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
Financial assets				
Trade receivables and other accounts receivable at amortized cost	35,725	33,761	37,018	34,859
Investments in private equity funds (Note 12)	1,343	1,343	1,295	1,295
Forward contracts measured at fair value through income (Note 12)	5,586	5,586	11,914	11,914
Swap contracts measured at fair value through income (Note 12)	20,401	20,401	11,443	11,443
Derivative *swap* contracts denominated as hedge instruments (Note 12)	1,509	1,509	476	476
Investment in bonds (Note 12)	31,514	31,268	41,392	39,602
Investment in bonds through other comprehensive income (Note 12)	17,482	17,482	14,521	14,521
Equity investments (Note 12)	10,553	10,553	10,393	10,393
Non-financial assets				
Investment property (Note 14)	1,643,523	2,314,937	1,626,220	2,309,328
Property, plant and equipment, and investment property held for trading (Note 44)	21,652	21,652	37,928	37,928
Financial liabilities				
Financial liabilities and finance leases (Note 19)	1,607,620	1,585,861	280,815	281,403
Put option (1) (Note 19)	386,075	386,075	379,538	379,538
Swap contracts denominated as hedge instruments (Note 26)	21	21	20	20
Forward contracts measured at fair value through income (Note 26)	13,216	13,216	13,719	13,719
Derivative swap contracts measured at fair value through income (Note 26)	2,606	2,606	1,615	1,615
Non-financial liabilities				
Customer loyalty liability (Note 27)	28,776	28,776	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	6,537
Balance at June 30, 2020	386,075

The following methods and assumptions were used to estimate the fair values:

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the preclosing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets daily.	N/A
Forward contracts measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed- upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. 12-month CPI
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 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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
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 benefits represent annual cash flows (both, positive and negative) over a period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital Growth in lessee sales Vacancy Growth in income
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable value
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. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. 12-month CPI
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)
Customer loyalty liability	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. Point value. 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 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 Total shares Supermercados Disco del Uruguay S.A.

Material non-observable 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 June 30, 2020 and at December 31, 2019.

Note 40.2. Contingent liabilities

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

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

- Administrative discussion with DIAN amounting to $24,856 (December 31, 2019 - $27,360) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015.
- Resolutions by means of which the District Tax Direction of Bogotá issued to the Company an official revision settlement of the industry and trade tax for the bimonthly periods 4, 5 and 6 of 2011 on the grounds of alleged inaccuracy in payments, in amount of $11,830 (December 31, 2019 - $11,830).
- Resolutions issued by the District Finance Direction of Bogotá by means of which the industry and trade tax return of the Company for the bimonthly periods 2, 3, 4, 5 and 6 of 2012 were amended on the grounds of alleged inaccuracy in payments in amount of $5,000 (December 31, 2019 - $5,000).
- Official assessment No. 21 of June 19, 2019 issued by the Official Sub-directorate of the Cundinamarca Governor's Office, by means of which such authority defined an official return regarding consumption of beers, siphons, refajos and beer mixtures with less than 2.5 degrees of alcohol for the period January to December 2016 and levied a penalty of $4,099 (December 31, 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, 2019 - $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

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

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

(*) Expressed in Colombian pesos.

Dividends declared and paid during the six-month period ended June 30, 2020 to the holders of non-controlling interest in subsidiaries are as follows:

	Dividends declared	Dividends paid
Grupo Disco del Uruguay S.A.	9,293	9,588
Patrimonio Autónomo Viva Malls	7,207	7,207
Patrimonio Autónomo Viva Villavicencio	2,223	2,579
Patrimonio Autónomo Centro Comercial	842	982
Patrimonio Autónomo Viva Laureles	634	558
Patrimonio Autónomo San Pedro Etapa I	357	381
Patrimonio Autónomo Viva Sincelejo	285	317
Patrimonio Autónomo Centro Comercial Viva Barranquilla	-	258
Total	20,841	21,870

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.

Sales by each segment for the six-month periods ended June 30, 2020 and June 30, 2019 are as follows:

Geographic segment	Operating segment	January 1 to June 30, 2020	January 1 to June 30, 2019
Colombia	Éxito	3,833,640	3,623,532
	Carulla	872,640	743,761
	Surtimax-Súper Inter	595,698	579,935
	B2B	344,697	302,607
Argentina		467,601	491,571
Uruguay		1,345,668	1,257,623
Consolidated total (Note 30)		7,459,944	6,999,029

Below is additional information by geographic segment:

	At June 30, 2020					
	Colombia	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	5,646,675	467,601	1,345,668	7,459,944	-	7,459,944
Trade margin	1,311,371	145,750	455,696	1,912,817	180	1,912,997
Total recurring expenses	(1,109,456)	(160,565)	(335,308)	(1,605,329)	103	(1,605,226)
ROI	201,915	(14,815)	120,388	307,488	283	307,771
Recurring Ebitda	421,027	(5,878)	146,543	561,692	283	561,975

	At June 30, 2019					
	Colombia	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	5,249,835	491,571	1,257,623	6,999,029	0	6,999,029
Trade margin	1,248,828	169,242	435,878	1,853,948	(1,859)	1,852,089
Total recurring expenses	(1,068,492)	(172,430)	(335,227)	(1,576,149)	1,891	(1,574,258)
ROI	180,336	(3,188)	100,651	277,799	32	277,831
Recurring Ebitda	401,184	7,054	125,738	533,976	32	534,008

(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 the 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:

	June 30, 2020	December 31, 2019
Property, plant and equipment (1)	12,382	27,773
Investment property (2)	9,270	10,155
Total	21,652	37,928

(1) Represents the following real estate property:

	June 30, 2020	December 31, 2019
Lote Villa Maria	12,382	11,284
Hotel Cota plot of land and project (a)	-	16,489
Total	12,382	27,773

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

(2) Represents the following real estate property:

	June 30, 2020	December 31, 2019
Lote La Secreta (land)	5,609	5,960
Kennedy trade premises (building)	1,640	1,640
Kennedy trade premises (land)	1,229	1,229
Lote Casa Vizcaya (land)	595	595
Lote La Secreta (construction in progress)	197	175
Pereira Plaza trade premises (building) (a)	-	556
Total	9,270	10,155

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

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

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

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 six-month period ended June 30, 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 six-month period ended June 30, 2020, the accumulated results of this subsidiary for the six-month period ended June 30, 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 six-month period ended June 30, 2020, the accumulated results of this company for the six-month period ended June 30, 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 June 30, 2020	January 1 to June 30, 2019
Net income of Via Varejo S.A. (Note 44.1)	-	485,152
Net income of Companhia Brasileira de Distribuição - CBD (Note 44.2)	-	145,135
Net (loss) of Gemex O & W S.A.S. (Note 44.3)	(831)	(3,864)
Net gain (loss) from discontinued operations	(831)	626,423

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:

	January 1 to June 30, 2019
Net result of the discontinued operation	(17,220)
Net effect of the sale of the discontinued operation	502,372
Total net gain from the discontinued operation	485,152
Gain is attributable to:	
Shareholders of the controlling entity	120
Non-controlling interests	485,032

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:

	January 1 to June 30, 2019
Revenue from ordinary activities	21,385,576
Cost of sales	(16,729,963)
Gross profit	4,655,613
Distribution, administration and sales expenses	(3,898,622)
Gain from investments accounted for using the equity method	(22,178)
Other net (expenses)	(23,210)
Profit from operating activities	711,603
Net financial expenses	(483,629)
Earnings before income tax	227,974
Tax (expense)	(82,839)
Net period profit from the discontinued operation	145,135
Gain is attributable to:	
Shareholders of the controlling entity	13,278
Non-controlling interests	131,857

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 June 30, 2020	January 1 to June 30, 2019
Revenue from ordinary activities	-	10,116
Cost of sales	-	(6,360)
Gross profit	-	3,756
Distribution, administration and sales expenses	(333)	(6,538)
(Loss) from operating activities	(333)	(2,782)
Net financial expenses	(439)	(846)
(Loss) before income tax	(772)	(3,628)
Tax (expense)	(59)	(236)
Net period (loss) from the discontinued operation	(831)	(3,864)
(Loss) attributable to:		
Shareholders of the controlling entity	(831)	(3,284)
Non-controlling interests	-	(580)

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 June 30, 2020, external factors beyond the control of management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and profitable caused management to reconsider the original selling schedule whose completion had been forecasted for the first half of 2019.

Some of the external factors that influenced the sale transaction schedule at the closing of June 30, 2020 were:

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

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

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

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

Since June 2018, during 2019, and during the six-month period ended June 30, 2020, actions taken by management and their in-house teams aware of the real-estate market potential jointly with independent realtors to accomplish the sale of real-estate assets have been concrete and focused on each property, seeking to guarantee the feasibility of the sale, ensure that property is cured and obtain added-value economic proposals.

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

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

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

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

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

Note 46. Relevant facts

At June 30, 2020

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

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.

<u>Closing of investigation at Via Varejo S.A.</u>

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.

<u>Covid-19 pandemic, at March 31, 2020</u>

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 of Colombia declared the state of economic, social and environmental emergency across the entire country to contain the spread of the pandemic and help to mitigate associated risks.

Trade activities and the results of the operations might be negatively affected in as much as this pandemic influences domestic and international economy. The effects of this emergency that may interfere with our supply and service chain are beyond the control of the 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. About 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. About 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.

Covid-19 pandemic situation update at June 30, 2020

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

Likely, the governments of Argentina and Uruguay maintained the quarantine measures and the health and safety measures established since the first quarter of 2020.

As a result of this situation, the Parent and its subsidiaries continued incurring expenses to implement measures to face this situation, aimed at minimizing the risks that may have a negative effect on the operation, protect the health and integrity of employees, maintain the supply in the countries and provide tranquility, confidence and support to their stakeholders. Expenses incurred have been detailed in Note 33.

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

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

- The Parent and its subsidiaries granted discounts to their lessees, which were recognized as a lower value of revenue. At June 30, 2020, the amount of discounts granted amounted to $30,174.
- The decrease in the results of the joint venture Compañía de Financiamiento Tuya S.A. has resulted in expense from the involvement in this joint venture upon measurement using the equity method, and additionally has prevented the recognition of revenue from the involvement in the collaboration agreement. Please refer to Notes 30 and 35 for a comparison to revenue recorded from the involvement in the collaboration agreement and the accounting using the equity method at June 30, 2019, respectively.

Finally, the Parent and its subsidiaries have concluded that the consequences of this impact do not affect the ability to continue as a going concern, as evidenced from the results of their operations.

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.

Extraordinary meeting of the General Meeting of Shareholders

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.

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

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

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

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

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

Sale of subsidiary Companhia Brasileira de Distribuição – CBD

On November 27, 2019, the 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.

Acceptance of the takeover bid.

On November 27, 2019, based on the results of the takeover bid dated July 24, 2019, Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD became the 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. Because of the work in the first phase, the allegations of accounting irregularities contained in the complaints have not been confirmed and in the second phase of the investigation, which was ongoing at that time, nothing within the scope drew the attention of the administration that could alter the outcome of the first phase. Considering that so far there has been no confirmation of what is stated in the anonymous allegations, the company preliminarily concluded that there are no material effects on the financial information, under the scope of the investigation. As soon as the second phase of the investigation is completed, the Investigation Committee must present its conclusions directly to the Board of Directors of Via Varejo S.A. and any additional measures applicable will be evaluated.

On December 12, 2019, Via Varejo S.A. published a relevant fact and communicated that, during the second phase of the independent investigation conducted as a response to anonymous complaints 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.