



# Almacenes Éxito's Share Buyback Rules Proposal





## Context:

# Proposal presented to the General Shareholders' Meeting

March 24, 2022

- a) By-laws Amendment
- b) Profit Distribution
- c) Reassignment of Reserves
- d) Direct the Board of Directors to Regulate a Share Buyback



These proposals are framed within the corporate governance guidelines that guarantee **equal conditions** in terms of price, term, and procedure **for all shareholders**, regardless their stake on the Company

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**Increase value for shareholders**

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**Maximize return** for shareholders



1. Dividend Policy based on 2021 profits and reassignment of reserves

**\$474.681.491.231**

*2021 net profit*

**\$237.677.891.796**

*Dividends (50%)*

Increase of

**37%**

**compared to 2021's dividend per share**

**\$249.333.599.435**

*Increase in the Reserve for the reacquisition of shares*

**\$147.108.400.565**

*Reassigned from Occasional Reserve to Reserve for the Reacquisition of Shares*

2. **Share Buyback**

Under favourable conditions to **return value** to shareholders, at the **intrinsic value** of the shares and offering **equal conditions** for all shareholders

Dividend Policy based on 2021 profits and reassignment of reserves

Share  
Buyback

To implement a process that complies with all legal requirements, to **increase value** for shareholders through mechanisms that **guarantee transparency** and **equal treatment to all shareholders**

## Benefits

1. Increases **value** to shareholders
2. The **best alternative** to deliver value to shareholders (dividends + share buyback)
3. Both mechanism rely on shareholders' decisions on the Company's profits
4. Price determined by **recognized technical methodologies**
5. Generates **efficiencies** in favor of all shareholders guaranteeing **equal treatment** regardless of their stake in the Company
6. Flexibility for all shareholders
7. Economic and political rights of the repurchased shares will be suspended
8. Framed within corporate governance guidelines

# GSM

March 24, 2022

Corporate  
Matters

## 1. General Shareholder's Meeting

Ordinary meeting  
March 24, 2022

Approves the **by-laws amendment** (article 396 of the Commercial Code)  
The General Shareholders' Meeting is the body that must authorize the Share Buyback

Approves the **allocation of resources** from the 2021 profits and Occasional Reserve to the Reserve for the Reacquisition of Shares

Directs the **Board of Directors** to draft a proposal of **Rules** for a Share Buyback

## 2. Board of Directors

Extraordinary meeting  
May 6, 2022

Submits the Share Buyback **Rules proposal** for the General Shareholders Meeting approval

## 3. General Shareholders' Meeting

Extraordinary meeting  
May 24, 2022

**Approves the Rules for a Share Buyback** proposed by the Board of Directors



**General Shareholder's Meeting is the corporate body that authorizes the Share Buyback**



# Share Buyback Structure

Rules drafted by the Board of Directors framed within corporate governance guidelines

**Transaction Rationale:** *To implement a process that complies with all legal requirements, to increase shareholder value, through mechanisms that guarantees transparency and equal treatment to all shareholders, framed within corporate governance guidelines*

## Share Buyback Structure

### Recipients of the Buyback Offer

All duly registered holders of shares of the Company in the shareholder ledger as of May 24, 2022 (date on which the Company's General Shareholders' Meeting will approve the Buyback)

### Price Recommendation

Will be submitted for approval of the GSM based on the recommendation of the Board of Directors based on the range determined under recognized technical methodologies by an independent valuation firm

### Price

**21,000 Colombian pesos** – Will be subject to approval by the General Shareholders Meeting

### Exercise Period

**10 business days**

### Total Value of the Buyback

**Up to 320,000 million Colombian pesos (up to 15,238,095 shares)**

### Mechanisms of Acceptance of the Buyback Offer

Through each shareholder's broker of choice

### Operational Process

To be executed by the **Colombian Stock Exchange**, through an electronic data system to which the entire capital market has access to

### Buyback Rules

**Pro rata** based on the stake each shareholder holds in the Company and at least one (1) common share per shareholder

### Corporate Governance Guidelines

**(i) Value range determined by an independent third party, (ii) rules for equal treatment to all shareholders, (iii) free acceptance, and (iv) operational execution by the BVC**

# Share Buyback Rules

Proposal for General Shareholders Meeting's approval (May 24, 2022)

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## Recipients of the Buyback Offer

- All duly registered holders of shares of the Company in the shareholder ledger as of **May 24, 2022**
- Exercise period between May 26, 2022 and June 9, 2022
- Schedule between 9 a.m. – 1 p.m. extendable if needed
- Acceptance of the share buyback offer is completely **voluntary**

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## Buyback Conditions

- **Price:** Will be submitted for approval of the GSM and has been recommended by the Board of Directors based on the range determined by the independent third party by recognized technical procedures <sup>(1)</sup> **COP 21,000**
- **Total value: Up to COP 320,000 mm**
- **Maximum number of shares: 15,238,095**
- **Acquisition Ratio: 3.40%**<sup>(2)</sup>
- **Minimum quantity to be sold: 1 share**
- **Maximum quantity to be sold:** Result of multiplying **the number of shares held by each shareholder by the Acquisition Ratio**

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## Buyback Offer

- The Notice of Offer will be published in:
  - ✓ Newspaper of wide national circulation
  - ✓ Relevant information to the regulator (Rules and Notice of Buyback Offer)
  - ✓ Éxito's web page (Rules and Notice of Buyback Offer)

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## Buyback Rules

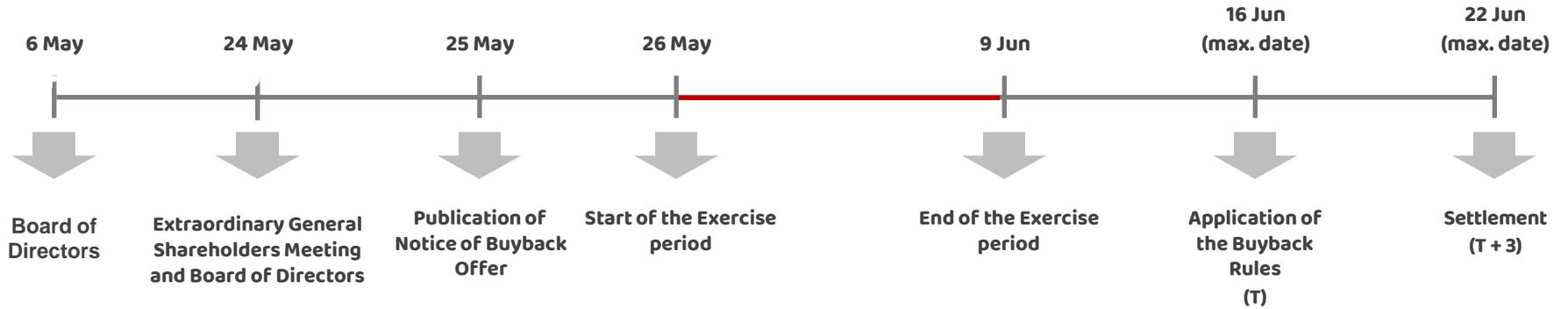
- **Recipients of the Buyback Offer must submit their acceptances to the offer for the Buyback through the broker of their choice**
- Each Recipient of the Buyback Offer may sell to the Company **at least one (1) common share and up to a whole number of shares resulting from multiplying the number of shares held by each Recipient by the Acquisition Ratio**
- The fractions of shares resulting from the previous calculation will be discarded, **in cases in which the computation of the total number of shares to be sold results in a number less than one, one (1) common share shall be offered to be repurchased**

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## Buyback Settlement

- **The Company will pay** the corresponding price to the Recipients of the Buyback Offer that have accepted the Buyback offer, **according to the results, in cash, in Colombian pesos, and through the brokers, on the third business day following the effective date of application of the Buyback Rules**

# Indicative Timeline



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