

**Almacenes Éxito S.A.**

**Interim separate financial statements**

**At September 30, 2020 and at December 31, 2019**

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	<u>Page</u>
Certification by the Company's Legal Representative and Head Accountant	4
Interim separate statements of financial position	5
Interim separate statements of income	6
Interim separate statements of comprehensive income	7
Interim separate statements of cash flows	8
Interim separate statements of changes in shareholders' equity	9
Note 1. General information	10
Note 2. Basis for preparation	10
Note 3. Significant accounting policies	12
Note 4. New and modified standards and interpretations	13
Note 4.1. Standards issued during the nine-month period ended September 30, 2020	13
Note 4.2. Standards applied as of 2020, issued prior to January 1, 2020	14
Note 4.3. Standards applied as of 2020, issued in 2020	15
Note 4.4. Standards applied earlier during the nine-month period ended September 30, 2020	15
Note 4.5. Standards not yet in force at September 30, 2020, issued prior to January 1, 2020	15
Note 4.6 Standards issued during the annual period ended December 31, 2019	15
Note 4.7 Standards applied as of 2019, issued prior to January 1, 2019	16
Note 4.8 Standards adopted earlier during the annual period ended December 31, 2019	16
Note 4.9 Standards not yet in force at December 31, 2019, issued prior to January 1, 2019	16
Note 5. Business combinations	16
Note 6. Cash and cash equivalents	16
Note 7. Trade receivables and other accounts receivable	17
Note 7.1. Trade accounts receivable	17
Note 7.2. Other accounts receivable	17
Note 7.3. Trade receivables and other accounts receivable classified as current or non-current	18
Note 7.4. Trade receivables and other accounts receivable by age	18
Note 8. Prepaid expenses	19
Note 9. Accounts receivable and Other non-financial assets with related parties	19
Note 10. Inventories, net and Cost of sales	20
Note 10.1. Inventories, net	20
Note 10.2. Cost of sales	20
Note 11. Other financial assets	21
Note 12. Property, plant and equipment, net	23
Note 13. Investment property, net	25
Note 14. Use rights, net	26
Note 15. Goodwill	26
Note 16. Intangible assets other than goodwill, net	27
Note 17. Investments accounted for using the equity method	29
Note 18. Financial liabilities	29
Note 18.1. Liabilities acquired under outstanding credit contracts, at December 31, 2019	30
Note 18.2. Liabilities acquired under credit contracts, obtained at September 30, 2020	30
Note 19. Employee benefits	30
Note 20. Other provisions	31
Note 20.1. Other provisions classified as current or non-current	32
Note 20.2. Forecasted payments of other provisions	32
Note 21. Accounts payable to related parties	32
Note 21.1. Accounts payable and lease liabilities	32
Note 21.2. Other financial liabilities and other non-financial liabilities	33
Note 22. Trade payables and other accounts payable	33
Note 23. Lease liabilities	34
Note 24. Income tax	34
Note 24.1. Current tax assets and liabilities	36
Note 24.2. Income tax	37
Note 24.3. Deferred tax	38
Note 25. Other financial liabilities	39
Note 26. Other non-financial liabilities	41
Note 27. Share capital, treasury shares repurchased and premium on the issue of shares	42
Note 28. Reserves, Retained earnings and Other comprehensive income	42
Note 29. Revenue from ordinary activities under contracts with customers	43
Note 30. Distribution expenses and Administration and sales expenses	44
Note 31. Employee benefit expense	45
Note 32. Other operating revenue, other operating expenses and other net gains	45
Note 33. Financial revenue and expenses	46
Note 34. Share of income in subsidiaries, associates and joint ventures that are accounted for using the equity method	47

	<u>Page</u>
Note 35. Earnings per share	47
Note 36. Transactions with related parties	48
Note 36.1. Key management personnel compensation	48
Note 36.2. Transactions with related parties	48
Note 37. Impairment of assets	50
Note 37.1. Financial assets	50
Note 37.2. Non-financial assets	50
Note 38. Fair value measurement	51
Note 39. Contingent assets and liabilities	55
Note 39.1. Contingent assets	55
Note 39.2. Contingent liabilities	55
Note 40. Dividends declared and paid	55
Note 41. Seasonality of transactions	56
Note 42. Non-current assets held for trading	56
Note 42.1. Facts and circumstances that extend to more than one year the selling period of non-current assets held for trading.	56
Note 43. Relevant facts	57
Note 44. Events after the reporting period	62

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

Envigado, October 28, 2020

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., each of us duly empowered and under whose responsibility the attached financial statements have been prepared, do hereby certify that the separate financial statements of the Company at September 30, 2020 and at December 31, 2019 have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the interim separate financial statements do exist, and all transactions included in said interim consolidated financial statements have been carried out during the nine-month period ended September 30, 2020 and during the annual period ended December 31, 2019.
2. All economic events achieved by the Company during the nine-month period ended September 30, 2020 and during the annual period ended December 31, 2019, have been recognized in the 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 Company at September 30, 2020 and at December 31, 2019.
4. All items have been recognized at proper values.
5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, I, the undersigned Legal Representative of Almacenes Éxito S.A., do hereby certify that the interim separate financial statements and the operations of the Company at September 30, 2020 and at December 31, 2019, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

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

Carlos Mario Giraldo Moreno  
Legal Representative

Jorge Nelson Ortiz Chica  
Head Accountant  
Professional Card 67018-T

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

	Notes	September 30, 2020	December 31, 2019
<b>Current assets</b>			
Cash and cash equivalents	6	712,291	2,206,153
Trade receivables and other accounts receivable	7	241,397	199,712
Prepaid expenses	8	31,098	25,421
Accounts receivable from related parties	9	89,779	92,900
Inventories, net	10	1,656,772	1,555,865
Other financial assets	11	9,174	27,031
Tax assets	24	281,164	314,736
Non-current assets held for trading	42	8,672	26,648
<b>Total current assets</b>		<b>3,030,347</b>	<b>4,448,466</b>
<b>Non-current assets</b>			
Trade receivables and other accounts receivable	7	29,582	32,888
Prepaid expenses	8	7,948	9,631
Accounts receivable from related parties	9	57,981	49,157
Other non-financial assets with related parties	9	5,144	19,783
Other financial assets	11	40,666	48,329
Property, plant and equipment, net	12	1,951,067	2,027,180
Investment property, net	13	89,957	91,889
Use rights, net	14	1,838,344	1,411,410
Goodwill	15	1,453,077	1,453,077
Intangible assets other than goodwill, net	16	172,532	159,225
Investments accounted for using the equity method, net	17	3,868,506	3,614,639
Deferred tax assets, net	24	201,994	153,141
Other non-financial assets		398	398
<b>Total non-current assets</b>		<b>9,717,196</b>	<b>9,070,747</b>
<b>Total assets</b>		<b>12,747,543</b>	<b>13,519,213</b>
<b>Current liabilities</b>			
Financial liabilities	18	1,032,059	204,705
Employee benefits	19	4,174	2,973
Other provisions	20	13,089	12,365
Accounts payable to related parties	21	112,128	177,615
Trade payables and other accounts payable	22	2,558,390	3,901,549
Lease liabilities	23	202,899	224,492
Tax liabilities	24	45,427	66,270
Other financial liabilities	25	46,611	95,437
Other non-financial liabilities	26	143,290	161,672
<b>Total current liabilities</b>		<b>4,158,067</b>	<b>4,847,078</b>
<b>Non-current liabilities</b>			
Financial liabilities	18	338,389	6,293
Employee benefits	19	20,897	20,897
Other provisions	20	51,847	53,056
Lease liabilities	23	1,853,342	1,394,323
Other financial liabilities	25	10	370
Other non-financial liabilities	26	626	668
<b>Total non-current liabilities</b>		<b>2,265,111</b>	<b>1,475,607</b>
<b>Total liabilities</b>		<b>6,423,178</b>	<b>6,322,685</b>
<b>Shareholders' equity, see accompanying statement</b>		<b>6,324,365</b>	<b>7,196,528</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,747,543</b>	<b>13,519,213</b>

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

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(See accompanying certificate)

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Ángela Jaimes Delgado  
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Professional Card 62183-T  
Appointed by Ernst and Young Audit S.A.S. TR-530  
(See accompanying report dated October 28, 2020)

**Almacenes Éxito S.A.****Interim separate statements of income**

for the nine-month and three-month periods ended September 30, 2020 and September 30, 2019

(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
<b>Continuing operations</b>					
Revenue from ordinary activities under contracts with customers	29	8,534,857	8,228,218	2,746,543	2,791,132
Cost of sales	10	(6,758,137)	(6,504,243)	(2,170,571)	(2,192,730)
<b>Gross profit</b>		<b>1,776,720</b>	<b>1,723,975</b>	<b>575,972</b>	<b>598,402</b>
Distribution expenses	30	(971,770)	(934,982)	(337,435)	(317,759)
Administration and sales expenses	30	(121,634)	(129,231)	(39,767)	(45,807)
Employee benefit expenses	31	(495,126)	(491,737)	(161,793)	(172,536)
Other operating revenue	32	36,197	28,058	17,732	4,514
Other operating expenses	32	(84,783)	(34,473)	(26,761)	(3,640)
Other net gains (losses)	32	7,115	(630)	3,445	(214)
<b>Profit from operating activities</b>		<b>146,719</b>	<b>160,980</b>	<b>31,393</b>	<b>62,960</b>
Financial revenue	33	122,645	360,229	13,054	138,442
Financial expenses	33	(319,453)	(687,537)	(86,304)	(250,634)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	34	113,792	116,525	84,029	53,084
<b>Gain (loss) from continuing operations before income tax</b>		<b>63,703</b>	<b>(49,803)</b>	<b>42,172</b>	<b>3,852</b>
Tax revenue	24	22,885	30,284	9,642	7,181
<b>Net gain (loss) for the period from continuing operations</b>		<b>86,588</b>	<b>(19,519)</b>	<b>51,814</b>	<b>11,033</b>
<b>Earnings per share (*)</b>					
<b>Earnings per basic share (*)</b>					
Earnings (loss) per basic share from continuing operations	35	193.45	(43.61)	115.76	24.65
<b>Earnings per diluted share (*)</b>					
Earnings (loss) per diluted share from continuing operations	35	193.45	(43.61)	115.76	24.65

(\*) Amounts expressed in Colombian pesos.

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

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(See accompanying report dated October 28, 2020)

**Almacenes Éxito S.A.**

**Interim separate statements of comprehensive income**

for the nine-month and three-month periods ended September 30, 2020 and September 30, 2019

(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
<b>Net profit (loss) for the period</b>		<b>86,588</b>	<b>(19,519)</b>	<b>51,814</b>	<b>11,033</b>
<b>Other comprehensive income for the period</b>					
<b>Components of other comprehensive income that will not be reclassified to period results, net of taxes</b>					
(Loss) from new measurements of defined benefit plans		-	(48)	-	-
Gain (loss) from investments in equity instruments		920	(1,460)	581	(4,808)
<b>Total other comprehensive income that will not be reclassified to period results, net of taxes</b>		<b>920</b>	<b>(1,508)</b>	<b>581</b>	<b>(4,808)</b>
<b>Components of other comprehensive income that will be reclassified to period results, net of taxes</b>					
Gain (loss) from translation exchange differences	28	19,565	(359,510)	18,112	(108,261)
(Loss) from investment hedging in foreign businesses	28	(7,262)	-	(2,540)	-
(Loss) gain from cash flow hedging	28	(677)	2,039	(641)	1,469
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	28	-	(18,328)	-	-
<b>Total other comprehensive income that will be reclassified to period results, net of taxes</b>		<b>11,626</b>	<b>(375,799)</b>	<b>14,931</b>	<b>(106,792)</b>
<b>Total other comprehensive income</b>		<b>12,546</b>	<b>(377,307)</b>	<b>15,512</b>	<b>(111,600)</b>
<b>Total comprehensive income</b>		<b>99,134</b>	<b>(396,826)</b>	<b>67,326</b>	<b>(100,567)</b>
<b>Earnings per share (*)</b>					
<b>Earnings per basic share (*):</b>					
Earnings (loss) per basic share from continuing operations	35	221.47	(886.55)	150.41	(224.67)
<b>Earnings per diluted share (*):</b>					
Earnings (loss) per diluted share from continuing operations	35	221.47	(886.55)	150.41	(224.67)

(\*) Amounts expressed in Colombian pesos.

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

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**Almacenes Éxito S.A.****Interim separate statements of cash flows**

For the nine-month periods ended September 30, 2020 and September 30, 2019

(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2020	January 1 to September 30, 2019
<b>Cash flows provided by operating activities</b>		
<b>Net profit (loss) for the period</b>	<b>86,588</b>	<b>(19,519)</b>
<b>Adjustments to reconcile profit (loss) for the period</b>		
Current income tax	28,302	15,256
Deferred income tax	(51,187)	(45,540)
Financial costs	58,692	511,563
Impairment of receivables	16,228	16,829
Reversal of receivable impairment	(12,592)	(15,948)
Reversal of inventory impairment	-	(1,631)
Inventory impairment	3,722	-
Employee benefit provisions	1,201	1,277
Other provisions	68,058	45,185
Reversal of other provisions	(18,116)	(5,520)
Expense from depreciation of property, plant and equipment, use rights and investment property	291,687	295,760
Expense from amortization of intangible assets	12,856	13,588
(Gain) from the application of the equity method	(113,792)	(116,525)
(Gain) loss from the disposal of non-current assets	(3,459)	4,509
Other cash (outflows)	(1,200)	(9,438)
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(14,188)	(297,196)
<b>Operating income before changes in working capital</b>	<b>352,800</b>	<b>392,650</b>
(Increase) decrease in trade receivables and other accounts receivable	(41,901)	58,503
(Increase) decrease in prepaid expenses	(3,994)	2,606
Decrease (increase) in receivables from related parties	3,120	(32,927)
(Increase) in inventories	(104,161)	(212,452)
Decrease (increase) in tax assets	12,403	(204,879)
(Decrease) in employee benefits	-	(6,830)
(Decrease) in other provisions	(52,138)	(27,766)
(Decrease) in trade payables and other accounts payable, and lease liabilities	(1,467,333)	(998,859)
(Decrease) increase in accounts payable to related parties	(31,758)	17,034
(Decrease) in tax liabilities	(20,843)	(8,560)
(Decrease) in other non-financial liabilities	(17,022)	(59,731)
<b>Net cash flows (used in) operating activities</b>	<b>(1,370,827)</b>	<b>(1,081,211)</b>
<b>Cash flows provided by investment activities</b>		
Cash flows used to maintain control over subsidiaries and joint ventures	(24,620)	(23,218)
Acquisition of property, plant and equipment	(80,740)	(141,998)
Acquisition of investment property	(880)	(783)
Acquisition of intangible assets	(25,720)	(22,631)
Proceeds of the sale of property, plant and equipment	13,441	-
Dividends received	31,361	88,960
<b>Net cash flows (used in) investment activities</b>	<b>(87,158)</b>	<b>(99,670)</b>
<b>Cash flows provided by financing activities</b>		
Cash flows provided by changes in interests in subsidiaries that do not result in loss of control	(656)	24,070
Decrease (increase) in other financial assets	25,520	(25,420)
(Decrease) in other financial liabilities	(50,176)	(41,832)
Increase in financial liabilities	1,160,736	195,140
(Decrease) in liabilities from finance leases	(1,285)	(1,776)
Dividends paid	(1,125,512)	(97,037)
Financial yields	14,188	297,196
Interest paid	(58,692)	(511,563)
<b>Net cash flows (used in) financing activities</b>	<b>(35,877)</b>	<b>(161,222)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,493,862)</b>	<b>(1,342,103)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>2,206,153</b>	<b>1,885,868</b>
<b>Cash and cash equivalents at the end of period</b>	<b>712,291</b>	<b>543,765</b>

Carlos Mario Giraldo Moreno  
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**Almacenes Éxito S.A.**

**Separate statements of changes in shareholders' equity**

For the nine-month periods ended September 30, 2020 and September 30, 2019

(Amounts expressed in millions of Colombian pesos)

	Issued share capital (Note 27)	Premium on the issue of shares (Note 27)	Treasury shares repurchased (Note 27)	Legal reserve (Note 28)	Occasional reserve (Note 28)	Reserve for the reacquisition of shares (Note 28)	Reserve for future dividends (Note 28)	Other reserves (Note 28)	Total reserves (Note 28)	Other accumulated comprehensive income (Note 28)	Retained earnings (Note 28)	Other equity components	Total Shareholders' equity
<b>Balance at December 31, 2018</b>	<b>4,482</b>	<b>4,843,466</b>	<b>(2,734)</b>	7,857	1,772,571	22,000	15,710	25,412	<b>1,843,550</b>	<b>(704,375)</b>	<b>1,000,655</b>	<b>426,171</b>	<b>7,411,215</b>
Cash dividend declared (Note 40)	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)
Net period results	-	-	-	-	-	-	-	-	-	-	(19,519)	-	(19,519)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(377,307)	-	-	(377,307)
Appropriation for reserves	-	-	-	-	139,701	-	139,702	-	279,403	-	(279,403)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(998)	(998)
Other net increase (decrease) in shareholders' equity (1)	-	-	-	-	(1,544)	-	-	120,170	118,626	-	(101,924)	169,432	186,134
<b>Balance at September 30, 2019</b>	<b>4,482</b>	<b>4,843,466</b>	<b>(2,734)</b>	7,857	1,771,022	22,000	155,412	145,582	<b>2,101,873</b>	<b>(1,081,682)</b>	<b>599,809</b>	<b>594,605</b>	<b>7,059,819</b>
<b>Balance at December 31, 2019</b>	<b>4,482</b>	<b>4,843,466</b>	<b>(2,734)</b>	7,857	1,771,022	22,000	155,412	199,280	<b>2,155,571</b>	<b>(1,069,112)</b>	<b>618,031</b>	<b>646,824</b>	<b>7,196,528</b>
Cash dividend declared (Note 40)	-	-	-	-	(1,091,259)	-	-	-	(1,091,259)	-	-	-	(1,091,259)
Net period results	-	-	-	-	-	-	-	-	-	-	86,588	-	86,588
Other comprehensive income	-	-	-	-	-	-	-	-	-	12,546	-	-	12,546
Appropriation for reserves	-	-	-	-	57,602	-	-	-	57,602	-	(57,602)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(2,032)	(2,032)
Other net increase (decrease) in shareholders' equity (1)	-	-	-	-	(1,603)	-	-	100,298	98,695	-	(101,105)	124,404	121,994
<b>Balance at September 30, 2020</b>	<b>4,482</b>	<b>4,843,466</b>	<b>(2,734)</b>	7,857	735,762	22,000	155,412	299,578	<b>1,220,609</b>	<b>(1,056,566)</b>	<b>545,912</b>	<b>769,196</b>	<b>6,324,365</b>

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

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(See accompanying certificate)

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## **Note 1. General information**

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

The Company is listed on the Colombia Stock Exchange (BVC) since 1994 and is under the surveillance of the Colombian Financial Superintendence.

The Company's main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide supplementary 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 ultimate controlling entity of the Company is Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD. At September 30, 2020, the controlling entity has a 96.57% interest (December 31, 2019 - 96.57%) in the share capital of the Company.

Almacenes Éxito S.A. registered before the Aburrá Sur Chamber of Commerce a situation of entrepreneurial Group regarding its subsidiaries.

## **Note 2. Basis for preparation**

The interim separate financial statements for the nine-month and three-month periods ended September 30, 2020 and September 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. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

### **Accompanying financial statements**

These interim separate financial statements of the Company are made of the statements of financial position at September 30, 2020 and at December 31, 2019, the statements of income and of comprehensive income for the nine-month and three-month periods ended September 30, 2020 and September 30, 2019, and the statements of changes in shareholders' equity and the statements of cash flows for the nine-month periods ended September 30, 2020 and September 30, 2019.

These interim separate 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 disclosures required for annual financial statements were properly included in the separate financial statements at December 31, 2019.

### **Statement of accountability**

Company Management is responsible for the information contained in these interim separate 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**

Estimations made by the Company to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the accompanying interim separate financial statements. 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 determine the 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.

Such estimations are based on the best information available regarding the facts analyzed at the date of preparation of the accompanying separate 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 estimations in future financial statements.

### **Distinction between current or non-current items**

The Company presents its current and non-current assets, as well as its current and non-current liabilities, as separate categories in its 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 interim separate financial statements are presented in Colombian pesos, which is the Company's functional currency. Amounts shown have been stated in millions of Colombian pesos.

The functional currency used by the Company is not part of a highly inflationary economy, and consequently these interim separate financial statements are not adjusted for inflation.

### **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 net 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 such update, 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 separate 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 separate financial statements, including the notes thereto, the materiality for presentation and disclosure 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 in the interim separate 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 contract.

#### **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. Significant accounting policies**

The accompanying interim separate financial statements at September 30, 2020 have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2019, except for the standards mentioned in note 4.2 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. The Company did not apply any of the exceptions to the IFRS contained in such Decrees.

The adoption of the new standards in force as of January 1, 2020 mentioned in Note 4.2. did not result in significant changes in these accounting policies as compared to those applied in preparing the separate financial statements at December 31, 2019 and no significant effect resulted from adoption thereof.

The most significant policies applied to prepare the accompanying interim separate financial statements at September 30, 2020 were the following, regarding which a summary was included in the separate financial statements for the annual period ended December 31, 2019:

- Investments in subsidiaries, associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading
- 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 liabilities and contingent assets

- Taxes
- Share capital
- Revenue from ordinary activities under contracts with customers
- Costs and expenses
- Earnings per basic and diluted share

#### **Note 4. New and modified standards and interpretations**

##### **Note 4.1. Standards issued during the nine-month period ended September 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 nine-month period ended September 30, 2020.

During the nine-month period ended September 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 2012-2020, to be applied as of January 2022.
- Amendment to IFRS 17, applicable as of January 2023.
- Amendment to IFRS 4, applicable as of June 2020.
- Amendment to IAS 1, applicable as of January 2023.
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, to be applied as of January 2021 with early adoption permitted.

##### 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.

Amendment to IFRS 4 - Extension of the temporary exemption to the application of IFRS 9 (issued June 2020)

IFRS 9 addresses the accounting of financial instruments and is effective for the annual periods beginning as of January 1, 2018. However, for certain insurance companies, this IFRS sets out a temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for the annual periods beginning prior to January 1, 2023.

The limit to apply the temporary exemption of IFRS 9 was extended for two years, in line with the final date of the temporary exemption and the effective date of IFRS 17 that supersedes IFRS 4.

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

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

The classification of liabilities as current or non-current was issued in January 2020, in force for annual reporting periods beginning as of January 1, 2022. However, because of the Covid-19 pandemic, the Board postponed for one year the effective date to provide companies with enough time to implement changes in the classification arising from such amendments. No further changes were introduced to the original amendment issued in January 2020.

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

Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - IBOR Reform and its Effects on Financial Reporting - Phase 2 (issued August 2020)

The International Accounting Standards Board has completed the ongoing reform of interest-rate benchmarks such as interbank offered rates (IBORs). The amendment is designed to support companies in the provision to investors of useful information regarding the effects of the reform on the financial statements. The amendments supplement those issued in 2019 and are focused on the effects on the financial statements when a company replaces the existing reference interest rate with an alternative, as result of the reform.

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

**Note 4.2. 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 4.3. 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
- Amendment to IFRS 4 - Insurance Contracts

The amendments mentioned above have not been enacted in Colombia.

#### **Note 4.4. Standards applied earlier during the nine-month period ended September 30, 2020**

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

#### **Note 4.5. Standards not yet in force at September 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 4.6 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.

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

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

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

#### Note 4.7 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 4.8 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 4.9 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 5. Business combinations

No business combinations were carried out at September 30, 2020 and at December 31, 2019.

#### Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	September 30, 2020	December 31, 2019
Cash at hand and in banks	680,192	2,145,246
Term deposit certificates (1)	30,932	-
Fiduciary rights (2)	1,167	60,907
<b>Total Cash and Cash Equivalents</b>	<b>712,291</b>	<b>2,206,153</b>

(1) The balance represents certificates of reimbursement of taxes received.

(2) The balance includes:

	September 30, 2020	December 31, 2019
Fondo de Inversión Colectiva Abierta Occirenta	648	20,215
Corredores Davivienda S.A.	213	6,062
Fiducolombia S.A.	127	20,236
BBVA Asset S.A.	126	4,297
Fiduciaria Bogotá S.A.	52	10,036
Credicorp Capital	1	61
<b>Total fiduciary rights</b>	<b>1,167</b>	<b>60,907</b>

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 September 30, 2020, the Company recognized yields from cash and cash equivalents in amount of \$10,986 (September 30, 2019 - \$4,172), which were recorded as financial revenue as detailed in Note 33.



At September 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 7. Trade receivables and other accounts receivable

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

	September 30, 2020	December 31, 2019
Trade receivables (Note 7.1)	142,597	119,921
Other accounts receivable (Note 7.2)	128,382	112,679
<b>Total trade receivables and other accounts receivable</b>	<b>270,979</b>	<b>232,600</b>
<b>Current (Note 7.3)</b>	<b>241,397</b>	<b>199,712</b>
<b>Non-current (Note 7.3)</b>	<b>29,582</b>	<b>32,888</b>

#### Note 7.1. Trade receivables

The balance of trade receivables is as follows:

	September 30, 2020	December 31, 2019
Trade accounts	100,065	97,519
Sale of real-estate project inventories (See Note 7.3)	34,679	10,124
Rental fees and concessions receivable	17,886	12,129
Employee funds and lending	62	7,714
Impairment of receivables (1)	(10,095)	(7,565)
<b>Total trade receivables</b>	<b>142,597</b>	<b>119,921</b>

- (1) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Company is of the opinion that these balances are recoverable, given the extensive credit risk analysis conducted on customers, including credit ratings when they are available in credit databases recognized in the market. During the nine-month period ended September 30, 2020 the net effect of the impairment of receivables on the statement of income represents an expense of \$3,636 (\$712 recovery revenue for the period ended September 30, 2019).

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

<b>Balance at December 31, 2019</b>	<b>7,565</b>
Impairment loss recognized during the period	16,228
Reversal of impairment losses (Note 32)	(12,592)
Receivables written-off	(1,106)
<b>Balance at September 30, 2020</b>	<b>10,095</b>

#### Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	September 30, 2020	December 31, 2019
Other employee funds and lending	46,475	65,480
Money transfer services	28,961	1,991
Business agreements	19,308	28,421
Taxes collected receivable	15,706	164
Money remittances	3,166	4,202
Tax claims	1,360	1,360
Sale of property, plant and equipment	132	3
Other accounts receivable (1)	13,274	11,058
<b>Total other accounts receivable</b>	<b>128,382</b>	<b>112,679</b>

(1) The balance is comprised of:

	September 30, 2020	December 31, 2019
Factoring of trade receivables	4,927	3,912
Long-Term receivables	1,669	1,665
Attachment orders receivable	1,391	1,446
Guarantee deposits	1,064	1,032
Negotiation with foreign suppliers	608	264
Cash shortfalls receivable from employees	380	445
Other minor balances	3,235	2,294
<b>Total</b>	<b>13,274</b>	<b>11,058</b>

**Note 7.3. 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:

	September 30, 2020	December 31, 2019
Trade accounts	100,066	97,519
Other employee funds and lending (a)	29,920	46,256
Money transfer services (b)	28,961	1,991
Sale of real estate project inventories (c)	25,316	122
Business agreements (d)	19,308	28,421
Rental fees and concessions receivable	17,886	12,129
Taxes receivable (e)	15,706	164
Other accounts receivable	9,609	7,396
Money remittances	3,166	4,202
Tax claims	1,360	1,360
Sale of property, plant and equipment	132	3
Employee funds and lending	62	7,714
Impairment of receivables	(10,095)	(7,565)
<b>Total current</b>	<b>241,397</b>	<b>199,712</b>
Other employee funds and lending (a)	16,556	19,224
Sale of real-estate project inventories	9,363	10,002
Other accounts receivable	3,663	3,662
<b>Total non-current</b>	<b>29,582</b>	<b>32,888</b>

- (a) The decrease mainly represents collections of loans to funds and employees during 2020.
- (b) The increase mainly represents the growth in demand for money transfer services.
- (c) The increase mainly represents an account receivable from the sale of the Montevideo real-estate project.
- (d) The decrease mainly represents lower revenue under certain business agreements, such as insurance, and discounts granted upon the commercial activation of certain alliances.
- (e) The increase mainly represents a balance receivable for sales taxes generated by special events during two no-VAT days during 2020.

**Note 7.4. 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
September 30, 2020	281,074	243,866	4,175	211	32,822
December 31, 2019	240,165	201,688	14,921	985	22,571

## Note 8. Prepaid expenses

The balance of prepaid expenses is:

	September 30, 2020	December 31, 2019
Insurance (1)	17,155	12,517
Maintenance (2)	11,964	10,706
Leases (3)	8,218	10,185
Other advance payments	1,709	1,644
<b>Total prepaid expenses</b>	<b>39,046</b>	<b>35,052</b>
<b>Current</b>	<b>31,098</b>	<b>25,421</b>
<b>Non-Current</b>	<b>7,948</b>	<b>9,631</b>

- (1) Represents multi-risk insurance, \$16,151 (December 31, 2019 - \$9,425); transport insurance \$322 (December 31, 2019 - \$574); life insurance \$79 (December 31, 2019 - \$621); civil and third-party liability insurance \$76 (December 31, 2019 - \$949); and other insurance \$527 (December 31, 2019 - \$948).
- (2) Represents advance payments on cloud-based service support, \$6,078 (December 31, 2019 - \$4,675); advance payments on account of software maintenance and support, \$5,766 (December 31, 2019 - \$4,801) and advance payments on hardware maintenance and support, \$120 (December 31, 2019 - \$1,230).
- (3) Includes (a) rental fees paid in advance for the Éxito San Martín premises in amount of \$4,572 (December 31, 2019 - \$4,937), covering the lease contract until 2034, and (b) rental fees paid in advance for the Carulla Castillo Grande premises in amount of \$3,646 (December 31, 2019 - \$4,583), covering the lease contract from September 2019 to September 2023.

## Note 9. Accounts receivable and 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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Subsidiaries (1)	101,608	90,537	5,144	4,786
Joint ventures (2)	42,509	43,322	-	14,997
Grupo Casino companies (3)	3,355	8,003	-	-
Controlling entity (4)	288	195	-	-
<b>Total</b>	<b>147,760</b>	<b>142,057</b>	<b>5,144</b>	<b>19,783</b>
<b>Current</b>	<b>89,779</b>	<b>92,900</b>	<b>-</b>	<b>-</b>
<b>Non-Current</b>	<b>57,981</b>	<b>49,157</b>	<b>5,144</b>	<b>19,783</b>

- (1) The balance of accounts receivable is made as follows:
  - Loans granted in amount of \$66,281, at a rate of Libor 12M + 13.5% and a term of up to 2024 (December 31, 2019 - \$50,466) and \$7,359 for strategic direction services (December 31, 2019 - \$6,293) provided to Libertad S.A.
  - Administration services, reimbursement of expenses and loans from Gemex O & W S.A.S. in amount of \$23,028 (December 31, 2019 - \$24,311);
  - Collection of dividends declared, administration services and reimbursement of expenses to Patrimonios Autónomos in amount of \$2,012 (December 31, 2019 - \$3,869);
  - Purchase of goods, marketplace and other services from Éxito Industrias S.A.S. in amount of \$115 (December 31, 2019 - \$127);
  - Direct transactions with Almacenes Éxito Inversiones S.A.S. where the Company acts as the payor to third parties under a mandate agreement, in amount of \$2,211 (December 31, 2019 - \$615);
  - Retail sales, administration services and reimbursement of expenses from Logística, Transporte y Servicios Asociados S.A.S. in amount of \$289 (December 31, 2019 - \$575);
  - Reimbursement of expenses from Supermercados Disco del Uruguay S.A. in amount of \$185 (December 31, 2019 - \$262);
  - Reimbursement of expenses from Éxito Viajes y Turismo S.A.S. in amount of \$127 (December 31, 2018 - \$141);
  - Reimbursement of expenses from Devoto Hermanos S.A. in amount of \$1 (December 31, 2019 - \$1); and
  - Transfer of the put option contract to Spice Investments Mercosur S.A. in amount of \$- (December 31, 2019 - \$3,876);
  - Reimbursement of expenses from Depósitos y Soluciones Logísticas S.A.S. in amount of \$- (December 31, 2019 - \$1).

The balance of other non-financial assets at September 30, 2020 and at December 31, 2019 represents payments to Gemex O&W S.A.S. for future subscription of shares, as part of the Company's strategic plan to discontinue the operation of this subsidiary.

- (2) The balance of accounts receivable is made as follows:
  - Redemption of points in amount of \$23,993 (December 31, 2019 - \$21,596) and other services in amount of \$414 (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 \$18,102 (December 31, 2019 - \$7,566) from Compañía de Financiamiento Tuya S.A.

The balance of other non-financial assets at December 31, 2019 related to payments 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 nine-month period ended September 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.

- (3) Mainly relates to the balance receivable for expatriate payments from Casino International in amount of \$3,183 (December 31, 2019 - \$4,248), from Distribution Casino France in amount of \$123, (December 31, 2019 - \$101) and from Casino Services in amount of \$8 (December 31, 2019 - \$8); for energy efficiency services from Greenyellow Energía de Colombia S.A.S. in amount of \$41 (December 31, 2019 - \$24), and 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).
- (4) Represents the balance of personnel expenses receivable from Companhia Brasileira de Distribuição - CBD.

## Note 10. Inventories, net and Cost of sales

### Note 10.1. Inventories, net

The net balance of inventories is as follows:

	September 30, 2020	December 31, 2019
Inventories available for trading	1,534,893	1,435,360
Inventories in transit	50,346	30,816
Real estate project inventories (1)	50,228	87,800
Raw materials	31,190	11,700
Production in process	3,949	705
Materials, small spares, accessories and consumable packaging.	3,948	3,544
Inventory impairment (2)	(17,782)	(14,060)
<b>Total inventories, net</b>	<b>1,656,772</b>	<b>1,555,865</b>

- (1) Montevideo real estate project.
- (2) The development of the provision during the reporting period is as follows:

<b>Balance at December 31, 2019</b>	<b>14,060</b>
Impairment loss (10.2)	3,722
<b>Balance at September 30, 2020</b>	<b>17,782</b>

At September 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 the reporting periods a purchase-sale promise document has been executed. 52.1% is pending for sale at September 30, 2020 with 2021 onwards as estimated realization date. 38.9% was sold at September 30, 2020 and 9% was sold during 2019.

Inventories are properly insured against all risks.

Pursuant to Company 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 10.2. 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 September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Cost of goods sold (1)	7,411,797	7,169,617	2,394,360	2,418,061
Trade discounts and purchase rebates	(1,075,824)	(1,090,269)	(362,057)	(370,384)
Logistics costs (2)	310,836	308,013	99,529	103,205
Damage and loss	107,606	118,513	36,236	41,130
(Reversal) impairment loss recognized during the period	3,722	(1,631)	2,503	718
<b>Total cost of sales</b>	<b>6,758,137</b>	<b>6,504,243</b>	<b>2,170,571</b>	<b>2,192,730</b>

- (1) Includes \$14,376 of depreciation and amortization cost (September 30, 2019 - \$6,530).

(2) The following is a detail of items included in logistics costs:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Employee benefits	174,419	175,264	57,638	59,246
Services	100,960	95,377	29,521	31,642
Depreciation and amortization	34,850	30,920	12,206	10,590
Leases	607	6,452	164	1,727
<b>Total logistics costs</b>	<b>310,836</b>	<b>308,013</b>	<b>99,529</b>	<b>103,205</b>

#### Note 11. Other financial assets

The balance of other financial assets is as follows:

	September 30, 2020	December 31, 2019
Financial assets measured at amortized cost (1)	30,444	39,839
Financial assets measured at fair value through other comprehensive income (2)	10,575	10,393
Derivative financial instruments (3)	5,865	23,357
Derivative financial instruments designated as hedge instruments (4)	1,623	476
Financial assets measured at fair value through income (5)	1,333	1,295
<b>Total other financial assets</b>	<b>49,840</b>	<b>75,360</b>
<b>Current</b>	<b>9,174</b>	<b>27,031</b>
<b>Non-Current</b>	<b>40,666</b>	<b>48,329</b>

- (1) Financial assets measured at amortized cost mainly relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A. which the Company has the intention and capability of maintaining to maturity to obtain contractual cash flows. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At September 30, 2020, the nominal value amounts to \$29,500 (December 31, 2019 - \$39,500) and maturities go from 5 to 8 years yielding CPI + 6%.
- (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:

	September 30, 2020	December 31, 2019
Cnova N.V.	9,222	9,222
Fideicomiso El Tesoro stages 4A and 4C 448	1,105	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
<b>Total</b>	<b>10,575</b>	<b>10,393</b>

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

The detail of maturities of these instruments at September 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
<i>Forward</i>	262	3,108	2,495	-	-	5,865
	<b>262</b>	<b>3,108</b>	<b>2,495</b>	<b>-</b>	<b>-</b>	<b>5,865</b>

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
<i>Forward</i>	3,409	-	5,730	2,775	-	11,914
<i>Swap</i>	-	(1,353)	3,753	9,043	-	11,443
	<b>3,409</b>	<b>(1,353)</b>	<b>9,483</b>	<b>11,818</b>	<b>-</b>	<b>23,357</b>

- (4) Derivative instruments designated as hedge instrument reflect swap transactions carried out by the Company 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 September 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 rates	Financial liabilities	Libor USD 1M + 2.22%	9.06%	1,623

The detail of maturities of these hedge instruments at September 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	59	86	146	343	989	1,623

At December 31, 2019, 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 rates	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 include investments in equity securities of Fondo Valorar Futuro to manage liquidity, 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.

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

	September 30, 2020	December 31, 2019
Derivative financial instruments	5,865	23,357
Financial assets measured at amortized cost	2,675	3,674
Derivative financial instruments designated as hedge instruments	634	-
<b>Total current</b>	<b>9,174</b>	<b>27,031</b>
Financial assets measured at amortized cost	27,769	36,165
Financial assets measured at fair value through other comprehensive income	10,575	10,393
Financial assets measured at fair value through income	1,333	1,295
Derivative financial instruments designated as hedge instruments	989	476
<b>Total non-current</b>	<b>40,666</b>	<b>48,329</b>

At September 30, 2020 and at December 31, 2019 there are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company's investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of the business collaboration agreement on Tarjeta Éxito.

None of the assets was impaired at September 30, 2020 or at December 31, 2019.

**Note 12. Property, plant and equipment, net**

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

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Land	450,118	436,773
Buildings	907,285	901,885
Machinery and equipment	714,187	715,892
Furniture and fixtures	459,568	443,554
Assets under construction	44,300	39,022
Improvements to third party properties	327,960	323,589
Vehicles and transportation equipment	8,844	8,760
Computers	160,567	153,688
Other property, plant and equipment	16,050	16,050
<b>Total cost of property, plant and equipment</b>	<b>3,088,879</b>	<b>3,039,213</b>
Accumulated depreciation	(1,137,812)	(1,012,033)
<b>Total net property, plant and equipment</b>	<b>1,951,067</b>	<b>2,027,180</b>

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	Improvements to third party properties	Vehicles and transportation equipment	Computers	Other	Total
<b>Balance at December 31, 2019</b>	<b>436,773</b>	<b>901,885</b>	<b>715,892</b>	<b>443,554</b>	<b>39,022</b>	<b>323,589</b>	<b>8,760</b>	<b>153,688</b>	<b>16,050</b>	<b>3,039,213</b>
Additions	-	758	277	478	76,896	2,093	-	207	-	80,709
(Disposal and derecognition) of property, plant and equipment (1)	-	(2,044)	(10,337)	(5,633)	(9,255)	(9,516)	(306)	(1,367)	-	(38,458)
Increase in assets upon reclassification from non-current assets held for trading (2)	13,345	-	-	-	3,041	-	-	-	-	16,386
Increase (decrease) from movements between property, plant and equipment accounts	-	6,711	9,455	19,817	(55,711)	11,790	390	7,548	-	-
(Decrease) from transfers (to) other balance sheet accounts - Tax assets	-	(25)	(1,100)	1,352	(9,693)	-	-	-	-	(9,466)
Other minor developments	-	-	-	-	-	4	-	491	-	495
<b>Balance at September 30, 2020</b>	<b>450,118</b>	<b>907,285</b>	<b>714,187</b>	<b>459,568</b>	<b>44,300</b>	<b>327,960</b>	<b>8,844</b>	<b>160,567</b>	<b>16,050</b>	<b>3,088,879</b>
<b>Accumulated depreciation</b>										
<b>Balance at December 31, 2019</b>		<b>149,773</b>	<b>341,173</b>	<b>233,859</b>	<b>-</b>	<b>165,703</b>	<b>5,637</b>	<b>111,879</b>	<b>4,009</b>	<b>1,012,033</b>
Depreciation expense/cost		20,027	52,455	37,949	-	19,930	718	13,931	591	145,601
(Disposals and derecognition) of depreciation (1)		(85)	(7,496)	(3,701)	-	(7,067)	(218)	(1,263)	-	(19,830)
Increase (decrease) from movements between property, plant and equipment accounts		-	(7,670)	7,437	-	422	(71)	(118)	-	-
Other minor developments		-	-	(3)	-	-	-	11	-	8
<b>Balance at September 30, 2020</b>		<b>169,715</b>	<b>378,462</b>	<b>275,541</b>	<b>-</b>	<b>178,988</b>	<b>6,066</b>	<b>124,440</b>	<b>4,600</b>	<b>1,137,812</b>

(1) Includes the closure of the following stores; Surtimax Planeta Rica \$584, Surtimax Caucasia \$535, Éxito Pasoancho \$437, Éxito Express Aurora \$368, Surtimax Metrocentro \$355, Surtimax Cereté \$239, Surtimax La Playa \$207, Surtimax Corozal Carrera 25 \$198, Surtimax Mercadito \$154, Surtimax Primavera \$129, Super Inter Aranzazu \$104, Surtimax Portal de Soledad \$93, Surtimax Sahagún \$58, Éxito Express Florida Blanca \$51, Carulla Calle 72 \$38, Cedi Éxito.com \$38, Surtimax Malambo \$22, Super Inter Luna \$16, Surtimax Casa Blanca \$15, Surtimax La América \$15, Surtimax Boston \$13, Surtimax La Paz Bosa \$12, Surtimax Portal de Soledad \$6, Surtimax Plaza de las Américas \$6 and Surtimax Madrid \$4. It also includes derecognition of machinery and equipment arising from the casualties at Éxito San Fernando in amount of \$26 and Super Inter Jamundí in amount of \$10, derecognition of computers arising from the casualty at Éxito San Fernando in amount of \$1 and derecognition from the sale of construction in process in amount of \$9,255, derecognition of improvements to third-party property in amount of \$581, of machinery and equipment for \$126, of furniture and fixtures for \$28 and of vehicles in amount of \$35. Further, it includes derecognition arising from physical damage of machinery and equipment in amount of \$2,487, of furniture and fixtures in amount of \$1,131, of buildings, in amount of \$294, of computers in amount of \$102, and of vehicles in amount of \$53. Finally, it includes derecognition of assets in amount of \$803, arising from the reconciliation of physical counts.

(2) 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.



Assets under construction are represented by those assets not ready for their intended use as expected by Company 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:

	September 30, 2020	December 31, 2019
Other property, plant and equipment	15,761	15,761
<b>Total cost of property, plant and equipment</b>	<b>15,761</b>	<b>15,761</b>
Accumulated depreciation	(4,597)	(4,006)
<b>Total net property, plant and equipment</b>	<b>11,164</b>	<b>11,755</b>

The cost of property, plant and equipment does not include the balance of estimated dismantling and similar costs, since the assessment and analyses carried out by the Company made it clear that there are no contractual or legal obligations requiring such estimation at the time of acquisition.

At September 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 nine-month period ended September 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.

No impairment of property, plant and equipment was recognized at September 30, 2020 and at December 31, 2019.

### Note 13. Investment property, net

Investment properties are business premises and plots of land held to generate revenue from operating lease agreements or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

	September 30, 2020	December 31, 2019
Land	57,648	57,452
Buildings	31,874	31,321
Construction in progress	5,633	7,619
<b>Total cost of investment property</b>	<b>95,155</b>	<b>96,392</b>
Accumulated depreciation	(5,198)	(4,503)
<b>Total investment property, net</b>	<b>89,957</b>	<b>91,889</b>

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
<b>Balance at December 31, 2019</b>	<b>57,452</b>	<b>31,321</b>	<b>7,619</b>	<b>96,392</b>
Additions	196	-	684	880
(Disposal and derecognition) of investment property	-	(2,404)	-	(2,404)
Movements between investment property accounts	-	2,356	(2,356)	-
Increase in assets upon reclassification from non-current assets held for trading (1)	-	597	-	597
Other minor developments	-	4	(314)	(310)
<b>Balance at September 30, 2020</b>	<b>57,648</b>	<b>31,874</b>	<b>5,633</b>	<b>95,155</b>
<b>Accumulated depreciation</b>		<b>Buildings</b>		
<b>Balance at December 31, 2019</b>		<b>4,503</b>		
Depreciation expense		654		
Increase in assets upon reclassification from non-current assets held for trading (1)		41		
<b>Balance at September 30, 2020</b>		<b>5,198</b>		

(1) Given the impossibility of achieving the sale, the Pereira Plaza Trade Premises were transferred back to investment property.

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

At September 30, 2020 and at December 31, 2019 the Company is 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.

Investment property was not impaired at September 30, 2020 or December 31, 2019.

Note 38 discloses the fair values of investment property, based on the appraisal carried out by an independent third party.

#### Note 14. Use rights, net

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

	September 30, 2020	December 31, 2019
Use rights	2,911,749	2,507,840
<b>Total use rights</b>	<b>2,911,749</b>	<b>2,507,840</b>
Accumulated depreciation	(1,073,405)	(1,096,430)
<b>Total use rights, net</b>	<b>1,838,344</b>	<b>1,411,410</b>

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

#### Cost

<b>Balance at December 31, 2019</b>	<b>2,507,840</b>
Increase from creations	132,299
Increase from new measurements (1)	529,909
Derecognition and reversals	(258,299)
<b>Balance at September 30, 2020</b>	<b>2,911,749</b>

#### Accumulated depreciation

<b>Balance at December 31, 2019</b>	<b>1,096,430</b>
Depreciation cost/expense	170,193
Derecognition	(193,218)
<b>Balance at September 30, 2020</b>	<b>1,073,405</b>

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

#### Note 15. Goodwill

The balance of goodwill is as follows:

	September 30, 2020	December 31, 2019
Carulla Vivero S.A. (1)	827,420	827,420
Súper Inter (2)	453,649	453,649
Cafam (3)	122,219	122,219
Other (4)	49,789	49,789
<b>Total goodwill</b>	<b>1,453,077</b>	<b>1,453,077</b>

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

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

(3) 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.

(4) Minor acquisitions of other business establishments that were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito \$10,540, to Surtimax \$28,566 and to Súper Inter \$10,683.

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

Goodwill was not impaired at September 30, 2020 or at December 31, 2019.

**Note 16. Intangible assets other than goodwill, net**

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

	September 30, 2020	December 31, 2019
Trademarks	81,131	81,131
Computer software	177,853	152,099
Rights	26,986	26,986
Other	22	22
<b>Total cost of intangible assets other than goodwill</b>	<b>285,992</b>	<b>260,238</b>
Accumulated amortization	(113,460)	(101,013)
<b>Total intangible assets other than goodwill, net</b>	<b>172,532</b>	<b>159,225</b>

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

Cost	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
<b>Balance at December 31, 2019</b>	<b>81,131</b>	<b>152,099</b>	<b>26,986</b>	<b>22</b>	<b>260,238</b>
Additions	-	25,720	-	-	25,720
(Disposal and derecognition) of intangible assets	-	(596)	-	-	(596)
Other minor developments	-	630	-	-	630
<b>Balance at September 30, 2020</b>	<b>81,131</b>	<b>177,853</b>	<b>26,986</b>	<b>22</b>	<b>285,992</b>

**Accumulated amortization**

<b>Balance at December 31, 2019</b>	<b>101,013</b>	<b>101,013</b>
Amortization expense/cost	12,856	12,856
(Disposal and derecognition) of intangible assets	(403)	(403)
Other minor developments	(6)	(6)
<b>Balance at September 30, 2020</b>	<b>113,460</b>	<b>113,460</b>

- (1) Represents Surtimax trademark in amount of \$17,427 acquired upon the merger with Carulla Vivero S.A., and Super Inter trademark acquired upon the business combination with Comercializadora Giraldo Gómez y Cía. S.A. in amount of \$63,704.

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

(2) Represents the net value of the following computer software, used by the Company in its business operation:

	September 30, 2020	December 31, 2019
Order manager (a)	18,014	8,021
WMS	9,377	12,368
Product manager (a)	7,823	4,880
Discount manager (a)	4,344	1,674
Direct trade (Éxito app, Carulla app and Mi Descuento app) (a)	3,911	3,228
E-commerce manager	2,883	2,527
Databases	2,217	3,137
Sinemax	1,693	169
Carulla Freshmarket App	1,505	3
Demand forecasts	1,226	2,084
System application and products (SAP)	1,110	2,911
Self-registration (b)	589	492
Central equipment virtualizer	586	805
Rotar	546	683
Food court (b)	527	484
GUI for customers (b)	410	344
Image-based sales (b)	386	390
Single customer (b)	295	719
Digital purchase strip	277	383
Post mobile II (b)	219	164
Sistema de información comercial (Sinco)	187	738
Innovation at points of payment	161	199
Pos and pin pads	155	394
Virtual wallet	103	-
Slotting	36	194
Customer home	32	38
Distribuidora aliados App	18	-
Post mobile I (b)	11	10
Other minor items	5,752	4,047
<b>Total computer software, net</b>	<b>64,393</b>	<b>51,086</b>

(a) Computer software attached to the Company's omni-channel strategic project.

(b) Computer software attached to the Company's digital transformation strategic project.

(3) Recognitions of contracts executed 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.

Given the relevant usage considerations that the Company has thereon, such rights have indefinite useful lives, and consequently they are not amortized.

At September 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 September 30, 2020 and at December 31, 2019.

## Note 17. Investments accounted for using the equity method

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

Company	Classification	September 30, 2020	December 31, 2019
Spice Investment Mercosur S.A.	Subsidiary	1,784,023	1,651,188
Patrimonio Autónomo Viva Malls	Subsidiary	981,428	955,638
Onper Investment 2015 S.L. (1)	Subsidiary	641,730	609,525
Compañía de Financiamiento Tuya S.A.	Joint venture	255,035	209,088
Éxito Industrias S.A.S.	Subsidiary	164,902	157,140
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	12,379	9,730
Éxito Viajes y Turismo S.A.S.	Subsidiary	6,202	4,838
Depósito y Soluciones Logísticas S.A.S.	Subsidiary	5,324	5,429
Puntos Colombia S.A.S.	Joint venture	5,820	1,372
Marketplace Internacional Éxito y Servicios S.A.S.	Subsidiary	4,585	3,138
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana	Subsidiary	3,160	3,220
Marketplace Internacional Éxito S.L.	Subsidiary	68	218
Almacenes Éxito Inversiones S.A.S. (2)	Subsidiary	-	265
<b>Total investments accounted for using the equity method</b>		<b>3,868,506</b>	<b>3,614,639</b>

- (1) The balance relates to subsidiary Libertad S.A. and its subsidiaries Via Artika S.A., Gelase S.A. and Spice España de Valores Americanos S.L.
- (2) The carrying amount of the recurring losses from this investment has decreased to zero \$-.

Embedded obligations acquired by the Company on behalf of its subsidiaries, whose losses are higher than the investment therein held are described in Note 20.

## Note 18. Financial liabilities

The balance of financial liabilities is as follows:

	September 30, 2020	December 31, 2019
Bank loans	1,361,701	200,965
Finance leases	8,747	10,033
<b>Total financial liabilities</b>	<b>1,370,448</b>	<b>210,998</b>
<b>Current</b>	<b>1,032,059</b>	<b>204,705</b>
<b>Non-Current</b>	<b>338,389</b>	<b>6,293</b>

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

<b>Balance at December 31, 2019 (1)</b>	<b>210,998</b>
Increase from disbursements (2)	1,525,000
Increase from reappraisals and interest	53,305
Exchange difference	1,619
(Decrease) from repayments or principal and interest (3)	(420,474)
<b>Balance at September 30, 2020</b>	<b>1,370,448</b>

- (1) At December 31, 2019, the balance includes \$100,000 representing a disbursement of the revolving trench of a credit facility agreement entered 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 on December 21, 2018.

- (2) In March 2020, the Company 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 Company requested disbursements in amount of \$350,000 and \$150,000 against de syndicated revolving credit amended in December 2017.

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

- (3) In June 2020, the Company 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; and (d) \$12,083 to the bilateral credit contract in amount of \$290,000 entered on March 27, 2020.

In September 2020, the Parent repaid (a) \$150,000 on the syndicated revolving credit amended in December 2017, (b) \$12,083 on the \$290,000 bilateral credit agreement executed on March 27, 2020, and (c) \$4,106 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:

	September 30, 2020	December 31, 2019
Bank loans	1,027,768	200,965
Finance leases	4,291	3,740
<b>Total current</b>	<b>1,032,059</b>	<b>204,705</b>
Bank loans	333,933	-
Finance leases	4,456	6,293
<b>Total non-current</b>	<b>338,389</b>	<b>6,293</b>

Below is a detail of annual maturities of outstanding non-current financial liabilities at September 30, 2020 discounted at present value:

Year	Total
2021	187,922
2022	48,964
2023	43,987
>2024	57,516
	<b>338,389</b>

**Note 18.1. Liabilities acquired under credit contracts, outstanding at December 31, 2019**

- a. Financial: The Company 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 Company 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 the 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 Company intends to incur additional debt, it will require the prior authorization of creditors, authorization that will be deemed automatically granted if the Company 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 18.2. Liabilities acquired under credit contracts obtained at September 30, 2020**

- a. Financial: If the Company has payment obligations arising from the contracts executed on March 27, 2020, the Company is committed to maintain a leverage financial ratio not to exceed 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 19. Employee benefits**

The balance of employee benefits is as follows:

	September 30, 2020	December 31, 2019
Defined benefit plans	23,123	22,057
Long-term benefit plan	1,948	1,813
<b>Total employee benefits</b>	<b>25,071</b>	<b>23,870</b>
<b>Current</b>	<b>4,174</b>	<b>2,973</b>
<b>Non-Current</b>	<b>20,897</b>	<b>20,897</b>

## Note 20. Other provisions

The balance of other provisions is made as follows:

	September 30, 2020	December 31, 2019
Legal proceedings (1)	12,921	14,279
Taxes other than income tax (2)	6,679	7,540
Restructuring (3)	2,399	145
Other (4)	42,937	43,457
<b>Total other provisions</b>	<b>64,936</b>	<b>65,421</b>
<b>Current (Note 20.1)</b>	<b>13,089</b>	<b>12,365</b>
<b>Non-current (Note 20.1)</b>	<b>51,847</b>	<b>53,056</b>

At September 30, 2020 and at December 31, 2019, the Company 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 labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of \$9,661 (December 31, 2019 - \$10,544) for labor lawsuits and \$3,260 (December 31, 2019 - \$3,735) for civil lawsuits.

Provisions for labor lawsuits represent claims related with health and retirement pension issues in amount of \$5,070 (December 31, 2019 - \$5,724); indemnifications in amount of \$2,331 (December 31, 2019 - \$2,350); labor relations and solidarity issues in amount of \$1,780 (December 31, 2019 - \$1,955); salary and mandatory payment adjustments in amount of \$460 (December 31, 2019 - \$475), and collective issues in amount of \$20 (December 31, 2019 - \$40).

Provisions for civil lawsuits are related with data protection issues in amount of \$550 (December 31, 2019 - \$250); condition of premises, in amount of \$349 (December 31, 2019 - \$1,412); third-party liability issues in amount of \$248 (December 31, 2019 - \$485); real-estate issues in amount of \$239 (December 31, 2019 - \$319); metrology and technical regulations in amount of \$234 (December 31, 2019 - \$269); consumer protection issues in amount of \$60 (December 31, 2019 - \$10); and other minor proceedings in amount of \$1,580 (December 31, 2019 - \$990).

- (2) Provisions for taxes other than income tax relate to value added tax payable in amount of \$3,166 (December 31, 2019 - \$3,772); industry and trade tax in amount of \$2,217 (December 31, 2019 - \$2,217); real estate tax in amount of \$1,296 (December 31, 2019 - \$1,296), and value added on beer in amount of \$- (December 31, 2019 - \$255).
- (3) The restructuring provision relates to reorganization processes announced to the employees of stores, industry and corporate that will affect Company activities. The provision is based on cash outflows required, directly associated with the restructuring plan. During the nine-month period ended September 30, 2020, expenses recognized in relation with this issue amount to \$51,064 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 represents:

	September 30, 2020	December 31, 2019
Gemex O&W S.A.S. (a)	37,320	34,590
Closure of stores	5,115	7,260
Almacenes Éxito Inversiones S.A.S. (a)	321	-
Reduction for merchandise <i>VMI</i>	181	1,607
<b>Total other provisions</b>	<b>42,937</b>	<b>43,457</b>

- (a) Represents liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in them by the Company. In compliance with legal regulations in force, Company Management decided to carry such liabilities to recognize cash outflows likely required to settle the liabilities of these subsidiaries.

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

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
<b>Balance at December 31, 2019</b>	<b>14,279</b>	<b>7,540</b>	<b>145</b>	<b>43,457</b>	<b>65,421</b>
Increase	4,262	-	51,064	12,732	68,058
Transactions with minority shareholders	-	-	-	1,711	1,711
Uses	-	-	-	-	-
Payments	(1,806)	-	(36,143)	(14,189)	(52,138)
Reversal of unused amounts	(3,814)	(861)	(12,667)	(774)	(18,116)
<b>Balance at September 30, 2020</b>	<b>12,921</b>	<b>6,679</b>	<b>2,399</b>	<b>42,937</b>	<b>64,936</b>

#### Note 20.1. Other provisions classified as current or non-current

The balance of other provisions, classified as current or non-current is as follows:

	September 30, 2020	December 31, 2019
Taxes other than income tax	3,166	255
Restructuring	2,399	145
Legal proceedings	2,088	3,098
Other	5,436	8,867
<b>Total current</b>	<b>13,089</b>	<b>12,365</b>
Legal proceedings	10,833	11,181
Taxes other than income tax	3,513	7,285
Other	37,501	34,590
<b>Total non-current</b>	<b>51,847</b>	<b>53,056</b>

#### Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at September 30, 2020 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	2,088	3,166	2,399	5,436	13,089
More than one year	10,833	3,513	-	37,501	51,847
<b>Total forecasted payments</b>	<b>12,921</b>	<b>6,679</b>	<b>2,399</b>	<b>42,937</b>	<b>64,936</b>

#### Note 21. Accounts payable to related parties

##### Note 21.1. Accounts payable and lease liabilities

The balance of accounts payable to related parties and the balance of lease financial liabilities under contracts with related parties is:

	Accounts payable		Lease liabilities	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Subsidiaries (1)	72,856	105,008	725,247	346,160
Joint ventures (2)	31,759	34,779	-	-
Grupo Casino companies (3)	4,923	4,052	-	-
Controlling entity (4)	2,519	33,729	-	-
Members of the Board	71	47	-	-
<b>Total</b>	<b>112,128</b>	<b>177,615</b>	<b>725,247</b>	<b>346,160</b>
<b>Current</b>	<b>112,128</b>	<b>177,615</b>	<b>23,691</b>	<b>33,062</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>	<b>701,556</b>	<b>313,098</b>



- (1) The balance of accounts payable relates to:
- Lease of premises and procurement of inventories and assets to Éxito Industrias S.A.S. in amount of \$62,432 (December 31, 2019 - \$89,679);
  - Transport services received from Logística, Transporte y Servicios Asociados S.A.S. in amount of \$6,509 (December 31, 2019 - \$8,408);
  - Mobile phones refill collection services to Almacenes Éxito Inversiones S.A.S. in amount of \$2,776 (December 31, 2019 - \$2,906);
  - Leases and tax withholdings on dividends declared by Patrimonios Autónomos in amount of \$883 (December 31, 2019 - \$1,943);
  - Collections, purchase of tourist packages and redemption of points to Éxito Viajes y Turismo S.A.S. in amount of \$167 (December 31, 2019 - \$55);
  - Account payable arising from the purchase of goods to Depósitos y Soluciones Logísticas S.A.S., in amount of \$89 (December 31, 2019 - \$-);
  - Reimbursement of expenses to Gemex O & W S.A.S. in amount of \$- (December 31, 2019 - \$1,979);
  - Capital contribution for the incorporation of subsidiary Marketplace Internacional Éxito y Servicios S.A.S. in amount of \$- (December 31, 2019 - \$38);

The balance of lease liabilities relates to lease contracts entered with the following subsidiaries:

- Éxito Industrias S.A.S., in amount of \$63,577 (December 31, 2019 - \$ 27,889);
- Patrimonios Autónomos, in amount of \$661,670 (December 31, 2019 - \$318,271).

- (2) Account payable to Puntos Colombia S.A.S. arising from the issue of points (accumulations) in line with the change in the loyalty program implemented by the Company in amount of \$31,746 (December 31, 2019 - \$34,779);

- (2) Mainly represents services received in relation with energy efficiency solutions and intermediation in the import of goods in amount of \$4,640 (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 \$283 (December 31, 2019 - \$785).

- (4) Represents dividends payable to shareholders.

#### Note 21.2. Other financial liabilities and other non-financial liabilities

The balance of other financial and non-financial liabilities with related parties is as follows:

	Other financial liabilities		Other non-financial liabilities	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Joint ventures (1)	12,407	39,619	-	-
Subsidiaries (2)	11,280	2,642	75,152	76,033
<b>Total current</b>	<b>23,687</b>	<b>42,261</b>	<b>75,152</b>	<b>76,033</b>

- (1) 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 25).

- (2) The balance of other financial liabilities represents monies collected on behalf of subsidiaries as part of the "in house cash" program (Note 25).

The balance of other non-financial liabilities relates to an advance payment received from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 26).

#### Note 22. Trade payables and other accounts payable

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

	September 30, 2020	December 31, 2019
Suppliers	2,072,632	3,331,210
Costs and expenses payable	262,262	328,264
Employee benefits	150,409	129,170
Tax withholdings payable	29,172	37,974
Purchase of assets	18,577	34,284
Dividends payable	2,075	2,599
Taxes collected payable	20	10,405
Other	23,243	27,643
<b>Total trade payables and other accounts payable</b>	<b>2,558,390</b>	<b>3,901,549</b>

### Note 23. Lease liabilities

The balance of lease liabilities is as follows:

	September 30, 2020	December 31, 2019
Lease liabilities (1)	2,056,241	1,618,815
<b>Current</b>	<b>202,899</b>	<b>224,492</b>
<b>Non-Current</b>	<b>1,853,342</b>	<b>1,394,323</b>

(1) Includes \$725,247 (December 31, 2019 - \$346,160) liabilities arising from leases contracted with related parties (Note 21).

### Note 24. Income tax

#### Tax rules applicable to the Company

- 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 are 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%.

Tax credits

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.

Pursuant to sections 188 and 189 of the Tax Code, at September 30, 2020 and at December 31, 2019 the Company assessed its income tax by applying the presumptive income system.

At September 30, 2020, the Company has accrued \$518,013 (December 31, 2019 - \$506,677) excess presumptive income over net income.

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

<b>Balance at December 31, 2019</b>	<b>506,677</b>
Adjustments to excess presumptive income of previous periods	11,336
<b>Balance at September 30, 2020</b>	<b>518,013</b>

At September 30, 2020, the Company has accrued \$738,261 (December 31, 2019 - \$643,898) tax losses.

The development of tax losses at the Company during the nine-month period ended September 30, 2020 is as follows:

<b>Balance at December 31, 2019</b>	<b>643,898</b>
Adjustment to tax losses from prior periods (1)	94,363
<b>Balance at September 30, 2020</b>	<b>738,261</b>

- (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.

Closing of tax returns

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

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

The income tax return for 2019 showing tax losses and a balance receivable is 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 are open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable.

Company tax advisors and management are of the opinion that no additional taxes will be assessed, other than those for which a provision has been recorded at September 30, 2020.

#### Transfer pricing

Company transactions with its parent, subsidiaries and/or 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 forth 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 filed an information statement and has made the mentioned survey available as of July 9, 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 24.1. Current tax assets and liabilities**

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

##### Current tax assets

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Total income tax balance receivable (1)	148,647	195,506
Tax discounts (2)	83,104	69,441
Industry and trade tax advances and withholdings	39,423	46,051
Tax discounts from taxes paid abroad	9,990	3,738
<b>Total current tax assets</b>	<b>281,164</b>	<b>314,736</b>

(1) The balance receivable on account of income tax is made of:

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Income tax withholdings	154,907	210,706
Tax discounts	6,956	4,686
<b>Subtotal</b>	<b>161,863</b>	<b>215,392</b>
Income tax (expense) (Note 24.2)	(13,216)	(19,886)
<b>Total income tax balance receivable</b>	<b>148,647</b>	<b>195,506</b>

(2) At September 30, 2020 represents industry and trade tax in amount of \$57,860 (December 31, 2019 - \$51,024); VAT on productive real assets in amount of \$25,215 (December 31, 2019 - \$18,068) and other minor balances totaling \$29 (December 31, 2019 - \$349).

##### Current tax liabilities

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Industry and trade tax payable	45,116	66,071
Real estate tax	311	199
<b>Total current tax liabilities</b>	<b>45,427</b>	<b>66,270</b>

## Note 24.2. Income tax

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019	January 1 to December 31, 2019
<b>Earnings (loss) before income tax</b>	<b>63,703</b>	<b>(49,803)</b>	<b>42,172</b>	<b>3,852</b>	<b>30,333</b>
<b>Add</b>					
IFRS adjustments with no tax effects (1)	35,807	20,999	70,982	51,169	(72,969)
Non-deductible expenses	15,661	16,072	3,274	5,083	18,542
Tax on financial transactions	8,170	5,446	2,028	1,473	9,773
Accounting provision and receivables written off	6,226	1,169	5,229	(160)	3,737
Reimbursement of deduction for income-generating fixed assets	1,626	-	1,056	-	-
Fines, penalties and litigation	640	3,482	(984)	2,052	4,624
Taxes taken on and revaluation	521	1,216	230	606	1,281
Net income - recovery of depreciation of fixed assets sold	16	37	12	37	468
<b>Less</b>					
Derecognition of gain from the sale of fixed assets reported as occasional gain	(72,843)	(40)	(72,919)	(40)	(135)
Goodwill tax deduction, in addition to the accounting deduction	(15,455)	(17,874)	(5,152)	(5,958)	(23,832)
2019 ICA deduction paid after filing of the income tax return	(6,706)	-	(5,559)	-	-
Recovery of provisions	(1,805)	(4,144)	36	1,556	(4,155)
Disabled employee deduction	(1,199)	(1,250)	(400)	(418)	(1,665)
30% additional deduction on salaries paid to apprentices hired at Company will	(1,067)	-	(354)	-	(1,740)
Special deduction on donation to food banks and other	(510)	(564)	(510)	(564)	(1,420)
Non-deductible taxes	(346)	30,821	55	10,911	36,235
Untaxed dividends of subsidiaries	-	(3,987)	-	(2,487)	(3,987)
<b>Net income (loss)</b>	<b>32,439</b>	<b>275</b>	<b>39,196</b>	<b>66,677</b>	<b>(4,910)</b>
Offsetting	-	(275)	-	(275)	-
<b>Total net (loss) income after offsetting</b>	<b>32,439</b>	<b>-</b>	<b>39,196</b>	<b>66,402</b>	<b>(4,910)</b>
<b>Presumptive income for current period</b>	<b>14,268</b>	<b>46,062</b>	<b>4,756</b>	<b>15,354</b>	<b>61,416</b>
<b>Taxable net income</b>	<b>32,439</b>	<b>46,062</b>	<b>22,927</b>	<b>15,354</b>	<b>61,416</b>
Income tax rate	32%	33%	32%	33%	33%
<b>Subtotal income tax (expense)</b>	<b>(10,380)</b>	<b>(15,200)</b>	<b>(7,336)</b>	<b>(5,066)</b>	<b>(20,267)</b>
Occasional gains tax (expense)	(2,836)	-	(2,836)	-	-
Tax discounts	-	263	-	102	381
<b>Total income tax (expense)</b>	<b>(13,216)</b>	<b>(14,937)</b>	<b>(10,172)</b>	<b>(4,964)</b>	<b>(19,886)</b>
<b>(Expense) from recovery of prior year tax</b>	<b>(15,086)</b>	<b>(319)</b>	<b>-</b>	<b>-</b>	<b>(319)</b>
<b>Total current income tax (expense)</b>	<b>(28,302)</b>	<b>(15,256)</b>	<b>(10,172)</b>	<b>(4,964)</b>	<b>(20,205)</b>

(1) IFRS adjustments with no tax effects are:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019	January 1 to December 31, 2019
Accounting provisions	102,400	35,158	43,534	(7,595)	71,814
Taxed dividends of subsidiaries	70,037	45,519	70,037	45,519	49,610
Taxed leases	48,617	38,170	2,832	(9,914)	99,568
Other accounting expenses with no tax effects	38,862	48,082	21,971	40,686	151
Exchange difference, net	11,475	54,494	6,354	44,544	17,624
Non-accounting costs for tax purposes	8,327	(30,134)	20,966	(13,654)	(30,052)
Other accounting (not for tax purposes) (revenue), net	3,612	14,846	37,348	16,882	(2,555)
Taxed actuarial estimation	1,079	1,194	359	398	2,933
Untaxed dividends of subsidiaries	-	3,987	-	2,487	3,987
Net results using the equity method	(113,792)	(116,526)	(84,029)	(53,086)	(159,949)
Recovery of provisions	(66,532)	(24,495)	(28,154)	(1,010)	(39,366)
Excess personnel expenses for tax purposes over accounting personnel expenses	(37,295)	(23,273)	(12,197)	(5,352)	(33,447)
Higher tax depreciation over accounting depreciation	(30,753)	(25,602)	(8,005)	(8,572)	(52,750)
Non-deductible taxes	(228)	(406)	(32)	(164)	(508)
Non-deductible fines and penalties	(2)	(15)	(2)	-	(29)
<b>Total</b>	<b>35,807</b>	<b>20,999</b>	<b>70,982</b>	<b>51,169</b>	<b>(72,969)</b>

Components of the income tax revenue recognized in the statement of income are:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019	January 1 to December 31, 2019
Current income tax (expense)	(28,302)	(15,256)	(10,172)	(4,964)	(20,205)
Deferred income tax revenue (Note 24.3)	51,187	45,540	19,814	12,145	47,474
<b>Total revenue from income tax</b>	<b>22,885</b>	<b>30,284</b>	<b>9,642</b>	<b>7,181</b>	<b>27,269</b>

Presumptive income was assessed as follows:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019	January 1 to December 31, 2019
Net shareholders' equity	2,963,620	3,149,887	987,873	1,049,962	4,199,850
Less net shareholders' equity to be excluded	(110,107)	(79,106)	(36,702)	(26,368)	(105,475)
<b>Net shareholders' equity base</b>	<b>2,853,513</b>	<b>3,070,781</b>	<b>951,171</b>	<b>1,023,594</b>	<b>4,094,375</b>
<b>Presumptive income</b>	<b>14,268</b>	<b>46,062</b>	<b>4,756</b>	<b>15,354</b>	<b>61,416</b>

#### Note 24.3. Deferred tax

The Company recognizes 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 will be made of whether the Company will generate enough taxable income in future to offset the asset, in full or in part.

Deferred tax carried in the statement of financial position and the breakdown of deferred tax assets and liabilities are as follows:

	September 30, 2020			December 31, 2019		
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets and (liabilities), net	Deferred tax assets	Deferred tax liabilities	Deferred tax assets and (liabilities), net
Lease liabilities	620,931	-	620,931	509,927	-	509,927
Tax losses	221,478	-	221,478	198,834	-	198,834
Excess presumptive income	155,404	-	155,404	156,459	-	156,459
Tax credits	84,128	-	84,128	66,535	-	66,535
Other provisions	18,671	-	18,671	18,661	-	18,661
Inventories	6,710	-	6,710	4,444	-	4,444
Trade and other receivables	2,400	-	2,400	3,371	-	3,371
Employee benefit provisions	2,120	-	2,120	1,736	-	1,736
Accounts payable to related parties	2,046	-	2,046	8	-	8
Financial liabilities	1,897	-	1,897	622	-	622
Prepaid expenses	1,076	-	1,076	943	-	943
Other financial liabilities	1,010	-	1,010	4,913	-	4,913
Investments in subsidiaries and joint ventures	308	-	308	308	-	308
Real estate projects	-	(221)	(221)	-	(5,894)	(5,894)
Non-current assets held for trading	-	(295)	(295)	-	(294)	(294)
Other non-financial liabilities	-	(459)	(459)	-	(2,725)	(2,725)
Trade and other payables	-	(2,098)	(2,098)	-	(5,537)	(5,537)
Other financial assets	-	(2,125)	(2,125)	-	(7,343)	(7,343)
Accounts receivable from related parties	-	(2,450)	(2,450)	128	-	128
Intangible assets other than goodwill	-	(3,717)	(3,717)	-	(3,957)	(3,957)
Construction in progress	-	(4,273)	(4,273)	-	(4,180)	(4,180)
Land	-	(7,070)	(7,070)	-	(7,070)	(7,070)
Other property, plant and equipment	-	(26,521)	(26,521)	-	(29,146)	(29,146)
Investment property	-	(37,445)	(37,445)	-	(35,671)	(35,671)
Buildings	-	(127,155)	(127,155)	-	(122,035)	(122,035)
Goodwill	-	(145,302)	(145,302)	-	(145,302)	(145,302)
Use rights	-	(557,054)	(557,054)	-	(444,594)	(444,594)
<b>Total</b>	<b>1,118,179</b>	<b>(916,185)</b>	<b>201,994</b>	<b>966,889</b>	<b>(813,748)</b>	<b>153,141</b>

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Deferred income tax revenue	43,374	35,151	17,147	12,145
Deferred occasional gain tax revenue	7,813	10,389	2,667	-
<b>Total deferred income tax revenue</b>	<b>51,187</b>	<b>45,540</b>	<b>19,814</b>	<b>12,145</b>

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
(Expense) from derivative financial instruments designated as hedge instruments and other	(2,334)	(997)	(189)	(714)
<b>Total deferred income tax expense</b>	<b>(2,334)</b>	<b>(997)</b>	<b>(189)</b>	<b>(714)</b>

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

	January 1 to September 30, 2020
Revenue from deferred tax recognized in income for the period	51,187
(Expense) from deferred tax recognized in other comprehensive income for the period.	(2,334)
<b>Total increase in net deferred tax assets between September 30, 2020 and December 31, 2019</b>	<b>48,853</b>

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at September 30, 2020 amount to \$1,129,674 (December 31, 2019 - \$1,032,967).

## Note 25. Other financial liabilities

The balance of other financial liabilities is as follows:

	September 30, 2020	December 31, 2019
Collections received on behalf of third parties (1)	43,464	80,453
Derivative financial instruments (2)	2,118	15,334
Derivative financial instruments designated as hedge instruments (3)	1,039	20
<b>Total other financial liabilities</b>	<b>46,621</b>	<b>95,807</b>
<b>Current</b>	<b>46,611</b>	<b>95,437</b>
<b>Non-Current</b>	<b>10</b>	<b>370</b>

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

	September 30, 2020	December 31, 2019
Éxito Card collections (a)	12,407	39,619
Non-banking correspondent	12,321	26,075
In-house cash (b)	11,280	2,642
Direct trading ( <i>marketplace</i> )	3,242	3,269
Other collections	4,214	8,848
<b>Total</b>	<b>43,464</b>	<b>80,453</b>

(a) Represents collections received from third parties related with the use of Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 21).

(b) Represents monies collected for subsidiaries as part of the in-house cash program (Note 21). A detailed balance by subsidiary is as follows:

	September 30, 2020	December 31, 2019
Logística, Transporte y Servicios Asociados S.A.S.	10,842	2,519
Éxito Industrias S.A.S.	415	39
Almacenes Éxito Inversiones S.A.S.	21	83
Gemex O&W S.A.S.	2	1
<b>Total</b>	<b>11,280</b>	<b>2,642</b>

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

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

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	1,280	838	-	-	2,118
					<b>2,118</b>

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

	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
					<b>15,334</b>

- (3) Derivative instruments designated as hedge instruments reflect swap transactions carried out by the Company 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 September 30, 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 Company maintains supporting evidence of accounting hedging relationships and conducts efficacy testing from initial recognition and along the hedging relationship to its derecognition. No inefficacy has been identified during the periods reported.

At September 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	IBR 3M	2.0545% - 2.145%	1,039
					<b>1,039</b>

The detail of maturities of these hedge instruments at September 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	-	70	384	575	10	1,039

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
					<b>20</b>

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:

	September 30, 2020	December 31, 2019
Collections received on behalf of third parties	43,464	80,453
Derivative financial instruments	2,118	14,964
Derivative financial instruments designated as hedge instruments	1,029	20
<b>Total current</b>	<b>46,611</b>	<b>95,437</b>
Derivative financial instruments designated as hedge instruments	10	-
Derivative financial instruments	-	370
<b>Total non-current</b>	<b>10</b>	<b>370</b>

## Note 26. Other non-financial liabilities

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

	September 30, 2020	December 31, 2019
Advance payments for real estate projects (1)	75,152	76,033
Revenue received in advance (2)	55,579	77,419
Advance payments under lease agreements and other projects	12,899	7,435
Instalments received under "plan reservalo"	260	230
Repurchase coupon	26	85
Customer loyalty programs (3)	-	1,138
<b>Total other non-financial liabilities</b>	<b>143,916</b>	<b>162,340</b>
<b>Current</b>	<b>143,290</b>	<b>161,672</b>
<b>Non-Current</b>	<b>626</b>	<b>668</b>

- (1) Relates to advance payments received from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 21). At September 30, 2020 and at December 31, 2019, the Company has construction contracts pending legalization for the purpose of finally settling the construction of buildings, which is expected to happen during the second half of 2020. The relevant fees will be recognized after legalization.
- (2) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment and strategic alliances. The detail is as follows:

	September 30, 2020	December 31, 2019
Gift card	34,547	61,854
Cafam comprehensive card	9,629	8,364
Exchange card	3,763	3,620
Fuel card	785	807
Other	6,855	2,774
<b>Total</b>	<b>55,579</b>	<b>77,419</b>

- (3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At September 30, 2020, the effect on Company income of the redemption and expiry of points related with these programs was a higher value in retail sales revenue in amount of \$1,138 (September 30, 2019 - higher value in retail sales revenue in amount of \$16,745). The decrease in liabilities is due to the change in the loyalty program implemented by the Company since 2017 by means of the Puntos Colombia S.A. joint business.

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

	September 30, 2020	December 31, 2019
Advance payments for real estate projects	75,152	76,033
Revenue received in advance	55,579	77,419
Advance payments under lease agreements and other projects	12,273	6,767
Instalments received under "plan reservalo"	260	230
Repurchase coupon	26	85
Customer loyalty programs	-	1,138
<b>Total current</b>	<b>143,290</b>	<b>161,672</b>
Advance payments under lease agreements and other projects	626	668
<b>Total non-current</b>	<b>626</b>	<b>668</b>

## Note 27. Share capital, treasury shares repurchased and premium on the issue of shares

At September 30, 2020 and at December 31, 2019, the Company'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 repurchased 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. Further, there are no option contracts on Company shares.

At September 30, 2020 and at December 31, 2019, the premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to \$4,843,466. 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 transferring of a portion of such premium to a capital account as result of the issue of a share-based dividend.

## Note 28. Reserves, Retained earnings and Other comprehensive income

### Reserves

Reserves are appropriations of prior period results by the General Meeting of Shareholders. 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:

	September 30, 2020			September 30, 2019			December 31, 2019		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Measurement of financial assets at fair value through other comprehensive income (1)	(1,565)	-	(1,565)	(8,660)	-	(8,660)	(2,485)	-	(2,485)
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)	(1,041,811)	-	(1,041,811)	(1,007,846)	-	(1,007,846)	(1,061,376)	-	(1,061,376)
(Loss) from hedging of investment in foreign business	(6,551)	(2,170)	(8,721)	-	-	-	(1,936)	477	(1,459)
(Loss) from the hedge of cash flows (4)	(1,280)	406	(874)	(2,942)	957	(1,985)	(290)	93	(197)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	-	-	-	(59,815)	-	(59,815)	-	-	-
<b>Total other accumulated comprehensive income</b>	<b>(1,056,343)</b>	<b>(223)</b>	<b>(1,055,566)</b>	<b>(1,084,071)</b>	<b>2,389</b>	<b>(1,081,682)</b>	<b>(1,071,223)</b>	<b>2,111</b>	<b>(1,069,112)</b>

- (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 Company's and its subsidiaries' defined benefit plans under the equity method. 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 to the Company's presentation currency of assets, liabilities, equity and results of operations abroad under the equity method. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation.

- (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) Value allocated to the Company of the other comprehensive income from its investments in associates and joint ventures through direct investment or through subsidiaries.

#### Note 29. Revenue from ordinary activities under contracts with customers

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Total retail sales (1)	8,319,992	7,934,566	2,666,251	2,675,083
Service revenue (2)	183,406	188,388	66,213	64,478
Other ordinary revenue (3)	31,459	105,264	14,079	51,571
<b>Total revenue from ordinary activities</b>	<b>8,534,857</b>	<b>8,228,218</b>	<b>2,746,543</b>	<b>2,791,132</b>

- (1) The amount of retail sales represents the sale of goods and real estate projects net of returns and sales rebates. Includes the following items:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Sale of goods, net of sales returns and rebates	8,252,992	7,923,566	2,641,801	2,675,083
Sale of real estate project inventories (a)	67,000	11,000	24,450	-
<b>Total retail sales</b>	<b>8,319,992</b>	<b>7,934,566</b>	<b>2,666,251</b>	<b>2,675,083</b>

- (a) At September 30, 2020 represents the sale of a percentage of the Montevideo real estate project inventory in amount of \$66,200 and a percentage of La Secreta real estate project inventory in amount of \$800. At September 30, 2019 represented the sale of the Copacabana real estate project inventory in amount of \$11,000.

- (2) The amount of service revenue relates to:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Distributors	60,437	70,413	20,179	22,135
Advertising	51,522	47,401	19,071	18,920
Fees	13,978	16,135	4,489	5,197
Lease of property	12,149	12,007	5,077	4,012
Non-banking correspondent	10,822	14,796	3,199	5,040
Lease of physical space	8,396	5,992	3,285	1,994
Administration of real estate	5,977	7,905	2,184	2,559
Money transfers	4,823	5,132	1,569	1,682
Other services	15,302	8,607	7,160	2,939
<b>Total service revenue</b>	<b>183,406</b>	<b>188,388</b>	<b>66,213</b>	<b>64,478</b>

- (3) The amount of other ordinary revenue relates to:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Marketing events	14,246	9,198	5,433	3,099
Royalties	7,286	12,401	2,980	4,450
Exploitation of assets	6,019	10,155	3,770	4,162
Financial services	1,517	1,535	699	347
Technical assistance	708	768	222	270
Use of parking spaces	374	1,010	119	383
Involvement in collaboration agreement (a)	-	60,285	-	35,272
Latam strategic direction (Note 36)	-	8,556	-	2,799
Other	1,309	1,356	856	789
<b>Total other ordinary revenue</b>	<b>31,459</b>	<b>105,264</b>	<b>14,079</b>	<b>51,571</b>

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

### Note 30. Distribution expenses and Administration and sales expenses

The amount of distribution expenses is as follows:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Depreciation and amortization	231,592	245,096	74,118	82,367
Fuels and power	92,724	104,324	28,830	35,103
Taxes other than income tax	92,150	96,266	21,811	28,210
Repairs and maintenance	69,780	66,455	23,418	22,744
Advertising	61,225	71,216	20,119	27,165
Security services	50,543	49,684	15,819	16,943
Commissions on debit and credit cards	40,169	23,323	18,167	9,129
Leases	39,064	18,592	21,923	7,248
Services	37,432	31,147	13,569	10,243
Transport	34,871	20,909	14,998	7,563
Cleaning services	31,247	30,401	10,259	10,097
Administration of trade premises	29,372	31,809	9,282	10,547
Professional fees	19,981	19,992	7,279	6,975
Insurance	16,633	16,390	6,866	5,568
Packaging and marking materials	10,235	10,593	2,774	2,486
Other provisions expense	6,480	3,541	5,624	1,513
Other commissions	6,123	3,972	2,082	1,367
Outsourced employees	6,037	6,829	2,793	3,012
Impairment expense	5,957	11,618	2,574	2,733
Legal expenses	5,418	2,446	901	485
Cleaning and cafeteria	5,300	7,138	1,744	2,013
Ground transportation	3,211	3,522	925	1,414
Stationery	2,897	3,041	817	892
Travel expenses	1,136	4,543	256	1,875
Fees	122	-	97	-
Contributions and affiliations	104	190	28	49
Other	71,967	51,945	30,362	20,018
<b>Total distribution expenses</b>	<b>971,770</b>	<b>934,982</b>	<b>337,435</b>	<b>317,759</b>

The amount of administration and sales expenses is as follows:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Professional fees	25,507	31,641	8,291	11,011
Depreciation and amortization	23,725	26,802	7,827	9,012
Taxes other than income tax	11,972	10,297	4,006	3,062
Repairs and maintenance	11,339	12,435	2,254	6,370
Impairment expense	10,307	5,224	5,453	1,207
Leases	5,130	8,648	867	1,786
Services	5,040	4,621	1,694	1,708
Other provisions expense	4,261	3,761	1,307	1,664
Insurance	3,608	2,979	1,207	935
Travel expenses	3,386	4,535	763	1,444
Outsourced employees	3,225	3,090	1,342	841
Fees	2,417	83	861	73
Fuels and power	1,873	2,365	541	893
Other commissions	1,589	3,352	637	1,210
Fines, penalties and litigation	1,476	2,577	6	1,487
Transport	1,002	1,030	402	362
Administration of trade premises	974	832	306	227
Contributions and affiliations	656	907	52	549
Entertainment	300	547	77	176
Telephone services	147	500	47	67
Legal expenses	130	322	45	127
Packaging and marking materials	78	98	17	20
Advertising	38	8	37	-
Other	3,454	2,577	1,728	1,576
<b>Total administration and sales expenses</b>	<b>121,634</b>	<b>129,231</b>	<b>39,767</b>	<b>45,807</b>

### Note 31. Employee benefit expense

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Wages and salaries	420,206	410,484	134,274	142,596
Contributions to the social security system	6,619	6,794	2,102	2,250
Other short-term employee benefits	28,678	29,995	9,361	10,249
<b>Total short-term employee benefit expense</b>	<b>455,503</b>	<b>447,273</b>	<b>145,737</b>	<b>155,095</b>
Post-employment benefit expenses, defined contribution plans	29,509	35,856	11,591	12,100
Post-employment benefit expenses, defined benefit plans	1,777	(4,904)	524	526
<b>Total post-employment benefit expenses</b>	<b>31,286</b>	<b>30,952</b>	<b>12,115</b>	<b>12,626</b>
Termination benefit expenses	152	1,361	114	478
Other long-term employee benefits	232	309	88	77
Other personnel expenses	7,953	11,842	3,739	4,260
<b>Total employee benefit expenses</b>	<b>495,126</b>	<b>491,737</b>	<b>161,793</b>	<b>172,536</b>

### Note 32. Other operating revenue, other operating expenses and other net gains

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 analysis of the Company's recurrent profitability; these are defined as unusual revenue and expense significant elements whose occurrence is exceptional and the effects arising from items that given its nature are not included in an assessment of recurring operating performance of the Company, such as impairment losses, disposal of non-current assets and the effects of business combinations, among other.

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
<b>Other operating revenue</b>				
<b>Recurring</b>				
Recovery of allowance for trade receivables (Note 7.1)	12,592	15,949	6,184	4,225
Recovery of costs and expenses from taxes other than income tax	3,874	4,021	(131)	(1,556)
Recovery of other provisions related with civil lawsuits	2,343	2,143	1,814	119
Recovery of other provisions related with labor lawsuits	1,471	756	282	282
Reimbursement of tax-related costs and expenses	861	50	-	-
Insurance compensation	841	1,157	187	224
Recovery of other provisions	774	1,372	-	158
Other revenue	769	362	274	-
<b>Total recurring</b>	<b>23,525</b>	<b>25,810</b>	<b>8,610</b>	<b>3,452</b>
Recovery of other provisions related with reorganization processes	12,667	1,197	9,117	11
Other revenue	5	-	5	-
Recovery of other provisions	-	1,051	-	1,051
<b>Total non-recurring</b>	<b>12,672</b>	<b>2,248</b>	<b>9,122</b>	<b>1,062</b>
<b>Total other operating revenue</b>	<b>36,197</b>	<b>28,058</b>	<b>17,732</b>	<b>4,514</b>
<b>Other operating expenses</b>				
Restructuring expenses (1)	(51,063)	(28,445)	(22,937)	(10)
Social emergency expenses (2)	(22,435)	-	487	-
Other expenses (3)	(11,285)	(6,028)	(4,311)	(3,630)
<b>Total other operating expenses</b>	<b>(84,783)</b>	<b>(34,473)</b>	<b>(26,761)</b>	<b>(3,640)</b>
<b>Other net gains (losses)</b>				
Gain from the derecognition of lease contracts	16,776	-	6,844	-
Gain from the sale of property, plant and equipment	417	40	541	40
Derecognition of property, plant and equipment (4)	(5,141)	(829)	(2,107)	(426)
Cost of derecognition of use rights	(4,937)	172	(1,833)	172
Expenses from the disposition of assets	-	(13)	-	-
<b>Total other gains (loss), net</b>	<b>7,115</b>	<b>(630)</b>	<b>3,445</b>	<b>(214)</b>

- (1) For 2020 and 2019, refers to expenses from the Company's restructuring plan provision, which include the purchase of the operating excellence plan and corporate retirement plan.
- (2) In 2020 represents expenses incurred by the Company arising from the declaration of health emergency by the Ministry of Health because of the Covid-19 pandemic.

Expenses include the acquisition of protective elements in amount of \$10,010; bonuses, surcharges and overtime paid to the employees of stores and other areas in amount of \$7,674; external and internal communication as a result of the emergency in amount of \$1,611; donations to third parties in amount of \$1,143; acquisition of acrylic protection items and handwashers for the stores in amount of \$856; abnormal production excess as a result of the adequation of productive processes in amount of \$656, lease of furniture and equipment for \$35, transport for the protection of employees at high-transmission areas in amount of \$158, and other out of pocket expenses in amount of \$292.

- (3) In 2020, represents expenses incurred on special projects of the Company as part of its analyses of other business units in amount of \$5,662; expenses incurred upon the closure of stores in amount of \$5,324; expenses arising from the implementation of IFRS 16 - Leases in amount of \$211; and Bricks II project-related expenses in amount of \$88.

In 2019, represents expenses from the restructuring of stores in amount of \$2,012; expenses related with the Europa project in amount of \$2,006; IRFS 6 - Leases implementation expenses in amount of \$748; Bricks II project expenses in amount of \$116 and expenses related with the closure of stores in amount of \$1,146.

- (4) Includes derecognition due to physical damage of machinery and equipment in amount of \$2,489; of furniture and fixtures \$1,131; of buildings in amount of \$294; of computers \$103 and of vehicles \$53; derecognition of machinery and equipment due to the casualties at Éxito San Fernando \$26 and Super Inter Jamundí in amount in amount of \$10; derecognition of computers due to the casualty at Éxito San Fernando in amount of \$1 and derecognition of assets arising from the reconciliation of physical counts in amount of \$803. It also includes derecognition of software \$193 and derecognition of improvements to third-party properties in amount of \$38.

For 2019 represents the closure of the following stores: Carulla Express Pontevedra \$411, Surtimax Funza \$97, Éxito Castilla \$69, Surtimax Metrocar \$15 and Surtimax Calle 48 \$12. It also includes the derecognition of machinery and equipment and of furniture and fixtures of service stations, in amount of \$225.

### Note 33. Financial revenue and expenses

The amount of financial revenue and expenses is as follows:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Gain from derivative financial instruments	83,831	227,468	7,610	134,492
Gain from exchange difference	16,274	122,434	197	1,574
Other financial revenue	11,554	6,155	3,553	1,702
Revenue from interest on cash and cash equivalents (Note 6)	10,986	4,172	1,694	674
<b>Total financial revenue</b>	<b>122,645</b>	<b>360,229</b>	<b>13,054</b>	<b>138,442</b>
Interest expense on lease liabilities	(124,810)	(92,514)	(44,618)	(30,262)
Loss from derivative financial instruments	(55,513)	(136,977)	(1,853)	(2,601)
Loss from exchange difference	(54,679)	(236,859)	(8,734)	(145,008)
Expenses arising from interest on loans and finance leases.	(53,304)	(199,277)	(23,530)	(65,852)
Interest expenses from supplier factoring transactions	(22,614)	(16,650)	(6,339)	(5,481)
Fee-related expenses	(2,481)	(3,016)	(718)	(637)
Other financial expenses	(6,052)	(2,244)	(512)	(793)
<b>Total financial expenses</b>	<b>(319,453)</b>	<b>(687,537)</b>	<b>(86,304)</b>	<b>(250,634)</b>

### Note 34. Share of income in subsidiaries, associates and joint ventures that are accounted for using the equity method

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

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Spice Investments Mercosur S.A.	93,621	62,499	25,917	13,532
Patrimonio Autónomo Viva Malls	34,706	44,690	13,692	19,293
Éxito Industrias S.A.S.	8,704	1,754	8,128	779
Compañía de Financiamiento Tuya S.A.	8,452	758	41,865	6,316
Puntos Colombia S.A.	4,447	(6,855)	1,472	(5,084)
Logística, Transporte y Servicios Asociados S.A.S.	2,647	1,903	930	753
Éxito Viajes y Turismo S.A.S	1,393	3,569	(130)	1,074
Patrimonio Autónomo Iwana	(38)	(20)	4	(2)
Depósitos y Soluciones Logísticas S.A.S. (2)	(104)	12	(8)	12
Marketplace Internacional Éxito S.L. (1)	(184)	-	(51)	-
Marketplace Internacional Éxito y Servicios S.A.S.	(337)	(30)	(58)	(15)
Almacenes Éxito Inversiones S.A.S.	(446)	(449)	445	51
Gemex O & W S.A.S.	(1,019)	(7,954)	(190)	(4,671)
Onper Investments 2015 S.L. (3)	(38,050)	16,309	(7,987)	20,642
Carulla Vivero Holding Inc.	-	339	-	404
<b>Total</b>	<b>113,792</b>	<b>116,525</b>	<b>84,029</b>	<b>53,084</b>

(1) A subsidiary incorporated on October 9, 2019.

(2) A subsidiary incorporated on June 21, 2019.

(3) Represents the share in the income of the following subsidiaries:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Libertad S.A. (a)	(38,050)	(25,386)	(7,987)	(7,751)
Companhia Brasileira de Distribuição - CBD (b)	-	63,908	-	31,083
Ségisor S.A. (b)	-	(17,699)	-	(3,142)
Wilkes Participações S.A. (b)	-	(4,514)	-	452
<b>Total</b>	<b>(38,050)</b>	<b>16,309</b>	<b>(7,987)</b>	<b>20,642</b>

(a) The balance relates to subsidiary Libertad S.A. and its subsidiaries Via Artika S.A., Gelase S.A. and Spice España de Valores Americanos S.L.

(b) Subsidiaries sold on November 27, 2019.

### Note 35. 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 Company'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 Company taking into consideration the dilutive effect (decrease in profits or increase in losses) of outstanding potential ordinary shares during the period.

At September 30, 2020 and at December 31, 2019, the Company has not carried out transactions with potential ordinary shares, nor after the closing date or at the date of release of these financial statements.

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

#### In period results:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
<b>Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)</b>	<b>86,588</b>	<b>(19,519)</b>	<b>51,814</b>	<b>11,033</b>
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
<b>Earnings (loss) per basic and diluted share (in Colombian pesos)</b>	<b>193.45</b>	<b>(43.61)</b>	<b>115.76</b>	<b>24.65</b>

In total comprehensive income for the period:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	99,134	(396,826)	67,326	(100,567)
Weighted average of the number of ordinary shares attributable to the (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 Colombian pesos)	221.47	(886.55)	150.41	(224.67)

### Note 36. Transactions with related parties

#### Note 36.1. Key management personnel compensation

Transactions between the Company and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered between the parties.

Compensation of key management personnel is as follows:

	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Short-term employee benefits (1)	39,537	30,802	17,325	11,412
Post-employment benefits	1,896	1,247	427	422
Termination benefits	758	276	111	60
Long-term employee benefits	-	11	-	-
<b>Total</b>	<b>42,191</b>	<b>32,336</b>	<b>17,863</b>	<b>11,894</b>

(1) A portion of short-term employee benefits is being reimbursed by Casino Guichard Perrachon S.A. and Libertad S.A. under a Latin American strategic direction service agreement entered with these companies. Revenue from Latam strategic direction was recognized during the nine months ended September 30, 2020 in amount of \$- (September 30, 2019 - \$8,556) as described in Note 29.

#### Note 36.2. Transactions with related parties

Transactions with related parties relate to revenue from the sale of goods and other services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services received. The amount of revenue, costs and expenses and other, and transactions with related parties, is as follows:

	Revenue			
	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Subsidiaries (1)	43,874	35,457	10,869	22,893
Joint ventures (2)	16,142	76,945	5,197	40,810
Grupo Casino companies (3)	3,634	3,398	1,246	826
Controlling entity (4)	93	6,387	93	2,023
<b>Total</b>	<b>63,743</b>	<b>122,187</b>	<b>17,405</b>	<b>66,552</b>

	Costs and expenses			
	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Subsidiaries (1)	269,677	237,357	87,324	84,003
Joint ventures (2)	62,512	69,881	20,004	23,603
Grupo Casino companies (3)	33,815	23,850	12,443	8,080
Controlling entity (4)	8,800	22,169	8,800	7,359
Members of the Board	1,359	1,346	470	708
<b>Total</b>	<b>376,163</b>	<b>354,603</b>	<b>129,041</b>	<b>123,753</b>

(1) Revenue relates to retail sales to Éxito Industrias S.A.S.; provision of administration services to Almacenes Éxito Inversiones S.A.S., Gemex O & W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos (stand-alone trust funds), and instalments on lease of property to Patrimonios Autónomos and to Éxito Viajes y Turismo S.A.S.



Costs and expenses mainly refer to the purchase of goods for trading from Éxito Industrias S.A.S.; transportation services provided by Logística, Transporte y Servicios Asociados S.A.S.; leases and real estate management activities with Patrimonios Autónomos; purchase of corporate plans from Almacenes Éxito Inversiones S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

The following is the detail of revenue, cost and expense transactions for each subsidiary:

	Revenue			
	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Patrimonios Autónomos (Stand-alone trust funds)	20,979	12,376	3,455	4,668
Almacenes Éxito Inversiones S.A.S.	13,657	17,035	4,329	16,355
Libertad S.A.	6,591	2,314	2,214	797
Logística, Transporte y Servicios Asociados S.A.S.	951	499	329	183
Gemex O&W S.A.S.	631	1,846	187	555
Éxito Viajes y Turismo S.A.S.	630	785	153	254
Éxito Industrias S.A.S.	315	531	82	113
Grupo Disco	120	-	120	-
Companhia Brasileira de Distribuição - CBD	-	60	-	-
Devoto Hermanos S.A.	-	11	-	(32)
<b>Total</b>	<b>43,874</b>	<b>35,457</b>	<b>10,869</b>	<b>22,893</b>

	Costs and expenses			
	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Logística, Transporte y Servicios Asociados S.A.S.	109,964	104,807	35,974	36,826
Patrimonios Autónomos (Stand-alone trust funds)	75,955	52,698	21,878	17,913
Éxito Industrias S.A.S.	70,638	63,376	25,241	23,759
Almacenes Éxito Inversiones S.A.S.	12,264	15,584	3,831	5,077
Éxito Viajes y Turismo S.A.S.	507	116	241	41
Depósito y Soluciones Logísticas S.A.S.	348	-	159	-
Spice Investment Mercosur S.A.	1	-	-	-
Gemex O&W S.A.S.	-	775	-	386
Libertad S.A.	-	1	-	1
<b>Total</b>	<b>269,677</b>	<b>237,357</b>	<b>87,324</b>	<b>84,003</b>

- (2) Revenue represents yields on bonds and coupons and energy in amount of \$11,157 (September 30, 2019 - \$11,302), involvement in the corporate collation agreement in amount of \$- (September 30, 2019 - \$60,285), lease of real estate in amount of \$3,714 (September 30, 2019 - \$3,965), other services in amount of \$760 (September 30, 2019 - \$871) with Compañía de Financiamiento Tuya S.A. and other services in amount of \$511 (September 30, 2019 - \$522) 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 \$59,562 (September 30, 2019 - \$67,479), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of \$2,950 (September 30, 2019 - \$2,402).

- (3) Revenue mainly relates to the provision of services and success fees from suppliers. Costs and expenses accrued mainly arise from energy optimization services received and intermediation in the import of goods and procurement of goods.

The following is the detail of revenue, cost and expense transactions for each company:

	Revenue			
	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Casino Internacional	3,060	2,323	1,059	766
Greenyellow Energía de Colombia S.A.S.	287	1,075	88	60
Distribution Casino France	280	-	106	-
Casino Services	7	-	(7)	-
<b>Total</b>	<b>3,634</b>	<b>3,398</b>	<b>1,246</b>	<b>826</b>

	Costs and expenses			
	January 1 to September 30, 2020	January 1 to September 30, 2019	July 1 to September 30, 2020	July 1 to September 30, 2019
Greenyellow Energía de Colombia S.A.S.	17,603	16,767	5,829	5,797
Casino Guichard Perrachon S.A. (*)	6,826	-	2,260	-
Distribution Casino France	6,210	5,152	3,463	1,334
Euris	1,248	-	425	-
Casino Services	1,010	738	148	48
International Retail Trade and Services	918	965	318	965
Monoprix Exploitation	-	228	-	(64)
<b>Total</b>	<b>33,815</b>	<b>23,850</b>	<b>12,443</b>	<b>8,080</b>

(4) At September 30, 2019 revenue relates to the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (\*).

At September 30, 2019, costs and expenses accrued with the controlling entity arise from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (\*) and Geant International B.V.

(\*) As of November 27, 2019, Casino Guichard-Perrachon S.A. ceased to be the controlling entity to become a company of the Grupo Casino.

### Note 37. Impairment of assets

#### Note 37.1. Financial assets

No material losses from the impairment of financial assets were identified at September 30, 2020 and at December 31, 2019.

#### Note 37.2. Non-financial assets

No indication of impairment of non-financial assets was identified at September 30, 2020.

At December 31, 2019, the Company 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 38. Fair value measurement

Below is a comparison of book values to fair values of financial assets and liabilities and non-financial assets and liabilities of the Company at September 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.

	September 30, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
<b>Financial assets</b>				
Trade receivables and other accounts receivable at amortized cost	34,959	33,025	37,018	34,859
Investment in bonds (Note 11)	30,444	30,189	39,839	39,470
Forward contracts measured at fair value through income (Note 11)	5,865	5,865	11,443	11,443
Equity investments (Note 11)	10,575	10,575	10,393	10,393
Forward contracts measured at fair value through income (Note 11)	-	-	11,914	11,914
Swap contracts denominated as hedge instruments (Note 11)	1,623	1,623	476	476
Investments in private equity funds (Note 11)	1,333	1,333	1,295	1,295
<b>Non-financial assets</b>				
Investment property (Note 13)	89,957	181,658	91,889	180,778
<b>Financial liabilities</b>				
Financial liabilities at amortized cost (Note 18)	1,361,701	1,361,859	200,965	201,213
Forward contracts measured at fair value through income (Note 25)	-	-	13,719	13,719
Finance leases at amortized cost (Note 18)	8,747	8,743	10,033	10,006
Swap contracts measured at fair value through income (Note 25)	2,118	2,118	1,615	1,615
Swap contracts denominated as hedge instruments (Note 25)	1,039	1,039	20	20
<b>Non-financial liabilities</b>				
Customer loyalty liability (Note 26)	-	-	1,138	1,138

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
<b>Assets</b>				
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	<i>Peso-US Dollar forward</i>	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.
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.	Zero-coupon interest rate. Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap LIBOR curve. Treasury Bond curve. 12-month CPI
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 reported in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants may generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for investments under similar conditions on the date of measurement in accordance with maturity days.	CPI 12 months + Basis points negotiated
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of properties from a survey of recent offers or transactions for assets that are similar and comparable to those being appraised.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
<b>Assets</b>				
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 property market.	Realizable value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
<b>Liabilities</b>				
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 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 (1)	Level 3	Market value	The customer loyalty liability is updated on an ongoing basis 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.
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.

(1) The development of the measurement of customer loyalty liability during the period is as follows:

<b>Balance at December 31, 2019</b>	<b>1,138</b>
Issue	-
Maturity	(713)
Redemption	(425)
<b>Balance at September 30, 2020</b>	<b>-</b>

The Company determines 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 nine-month period ended September 30, 2020.

### **Note 39. Contingent assets and liabilities**

#### **Note 39.1. Contingent assets**

The Company has no significant contingent assets at September 30, 2020 and at December 31, 2019.

#### **Note 39.2. Contingent liabilities**

Contingent liabilities at September 30, 2020 and at December 31, 2019 are as follows:

- a. The following proceedings are underway, seeking that the Company be exempted from paying the amounts claimed by the complainant entity:
  - Administrative discussion with DIAN amounting to \$27,225 (December 31, 2019 - \$27,360) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the 2015 income tax return. In September 2010, the Company received a new notice from DIAN, confirming their proposal. However, external advisors regard the proceeding as a contingent liability.
  - 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, 2019 - \$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 Company 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:
  - 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 Company granted a collateral on behalf of Almacenes Éxito Inversiones S.A.S. in amount of \$2,631 to cover a potential failure to comply with its obligations.

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 40. Dividends declared and paid**

#### At September 30, 2020

The Company'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 nine-month period ended September 30, 2020 amounted to \$1,125,512.

(\*) Expressed in Colombian pesos.

At December 31, 2019

The Company'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.

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

(\*) Expressed in Colombian pesos.

#### Note 41. Seasonality of transactions

Company's operating cycles show certain seasonality in operating and financial results, with a concentration during the last quarter of the year, mainly due to Christmas and "Special Price Days", which is the second most important promotional event of the year.

#### Note 42. Non-current assets held for trading

As of June 2018, Company 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 Company. 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:

	September 30, 2020	December 31, 2019
Investment property (1)	8,672	10,159
Property, plant and equipment (2)	-	16,489
<b>Total</b>	<b>8,672</b>	<b>26,648</b>

(1) Represents the following real estate property:

	September 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 La Secreta (construction in progress)	194	179
Lote Casa Vizcaya (land) (a)	-	595
Pereira Plaza trade premises (building) (b)	-	556
<b>Total</b>	<b>8,672</b>	<b>10,159</b>

(a) property sold in July 2020.

(b) Given the impossibility of achieving a sale, the property was transferred back to investment property.

(2) At December 31, 2019 represented the Cota Plot of Land and Hotel project. Given the impossibility of achieving a sale, the property was transferred back to property, plant and equipment.

The Company believes 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.

#### Note 42.1. Facts and circumstances that extend the selling period of non-current assets held for trading to more than one year.

At September 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 September 30, 2020 were:

- Consumer confidence has drastically dropped during 2020 reaching -41.3% in April. Even if it has recovered during the last months, it still is negative and the latest August measurement showed -25.4% according to Fedesarrollo.
- Even if lockdown measures issued by the national government facing the Covid-19 emergency were softened during the third quarter, consumption expenditure has been greatly impacted.
- 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 effect on all economic sectors, which according to the World Bank's and International Monetary Fund's estimates would result in an 8.2% decrease of the GDP in Colombia during 2020.

Since June 2018, during 2019, and during the nine-month period ended September 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 properties are free of legal issues and obtain added-value economic proposals.

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

- Lote La Secreta. Negotiation closed with buyer during 2019. 7.47% of the property was delivered at September 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 September 30, 2020, and is expected to be completed between October and November 2020.
- Kennedy trade premises. The preemptive right of the lessee expired during the third quarter of 2020. Consequently, the property will be offered to the market; if, at December 31, 2020 no sale has been achieved, the property will be reclassified back to investment property.

The Company continues strongly committed to the selling of such assets.

#### **Note 43. Relevant facts**

##### **At September 30, 2020**

##### Ordinary meeting of the General Meeting of Shareholders

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

##### Closing of investigation at Via Varejo S.A.

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

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

##### Covid-19 pandemic, during the first quarter of 2020

On January 30, 2020, the World Health Organization declared the outbreak of the new coronavirus which first appeared in Wuhan, province of Hubei, China, called Covid-19, as a public health emergency of international significance. Later, on March 11, 2020 and because of the alarming levels of dissemination of the virus around the world, Covid-19 was described as a pandemic.

Since the outbreak and global dissemination, countries have taken different measures such as ordering quarantines and mandatory social isolation, the closing of borders, travel restriction, limitation of public meetings and suspension of all social activities, among other.

In Colombia, the Ministry of Health declared the health emergency because of the Covid-19 on March 12, 2020. Later, on March 17, 2020, by means of Decree 417, the President of the Republic declared the state of economic, social and environmental emergency across the entire 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 Company and consequently are impossible to predict. Risks that may have an impact on the operation and results of the Company 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 Company has implemented a series of measures and good practices to address this situation, with which it seeks 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 relevant strategies and actions that have been implemented:

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 Company 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 Company 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 guarantee public order and social distance. With this union, the Company reaffirms its commitment to the protection of public health, food security, the supply of staples, the preservation of employment and economic activity aiming at the proper management of the emergency.
5. Regarding employees, their care and employment stability:
  - Information and constant communication of the recommendations of health authorities for self-care and protocol facing the virus spread.
  - Massification of remote work for employees of corporate headquarters.
  - Provision, to the staff of the financial areas who are working remotely, of all the necessary tools to ensure the timely and reliable issuance and integrity of the separate and consolidated financial statements.
  - Assignment of employees of business units that are being affected by the emergency to reinforce the tasks of the other operating business units.
  - Special bonus and benefits for store and distribution center employees, as a recognition of their effort and commitment.

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

#### Covid-19 pandemic, during the second quarter of 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 along all national territory to contain the spread of the pandemic and help to mitigate associated risks was in force during the second quarter of 2020.

As a result of this situation, the Company 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 32.

In addition, the Company assessed the potential effects of the economic emergency on its financial statements. Following the assessment, the Company did not identify specific situations or negative material effects on the value of its 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 its liabilities, that might have an effect on the financial position or on the results of the operations, or that might impair its 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 Company granted discounts to their lessees, which were recognized as a lower value of revenue. At September 30, 2020, the amount of discounts granted amounted to \$2,344.
- 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 29 and 34 for a comparison to revenue recorded from the involvement in the collaboration agreement and the accounting using the equity method, respectively, at September 30, 2019.

Finally, the Company has concluded that the consequences of this impact do not affect the ability to continue as a going concern, as evidenced from the results of its operations.

#### Covid-19 pandemic, during the third quarter of 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 along all national territory to contain the spread of the pandemic and help to mitigate associated risks was in force until September 1, 2020.

As a result of such situation and the gradual reactivation of the country's economy, the Company did not incur additional expenses of the same kind as those incurred up to June 30, 2020 to implement the measures required to face the mentioned state of emergency, as properly disclosed in Note 32.

#### **At December 31, 2019**

##### Ordinary meeting of the General Meeting of Shareholders

The Company'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.

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 July 24, 2019, as part of its plan to simplify the investment structure, Casino Guichard-Perrachon S.A. submitted to the Company 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 Company 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 Company 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 and legal advisors were appointed as part of the process to analyze the purchase proposal and present recommendations to the Board of the Company no 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 Company 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 Company 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 Company 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 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 Company 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 Company.

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 Company regarding the transaction, as the Board considered that the transaction meets the standards, principles and criteria set by the Policy on Transactions with 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 Company 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 decided, among other, on the following matters:

- Authorized the Board of Directors of the Company 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 the legal representatives of the Company 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 Participações 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 Company 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 Company sold its indirect interest in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. y Wilkes Participações S.A.

#### 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 Company'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 Company 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 first appeared.

#### Investigation at Via Varejo S.A.

On June 15, 2019, the Company, through its subsidiary Companhia Brasileira de Distribuição - CBD (\*), a subsidiary of Onper Investment 2015 S.L., also a subsidiary of the Company, sold the 6.778% interest it held in Via Varejo S.A. The retained earnings of this company were recognized in the separate financial statements using the equity method, and have been included as part of the balance of the investment of subsidiary Onper Investment 2015 S.L.

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 received regarding alleged accounting irregularities and mentioned in the preceding paragraph, 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 direct 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 Company and the management of Companhia Brasileira de Distribuição - CBD (\*) have not been informed by the management of Via Varejo S.A. of the existence of alleged irregularities in its financial statements. Consequently, the management of the Company and the management of Companhia Brasileira de Distribuição - CBD (\*) are of the opinion that the separate 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 Company's controlling entity.

#### **Note 44. 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 Company.