

Almacenes Éxito S.A.

Consolidated Financial Results

4Q/FY19

Enviado, Colombia, February 19, 2020 - Almacenes Éxito S.A. ("Grupo Éxito" or "the Company") (BVC: ÉXITO / ADR: ALAXL) announced its results for fourth quarter period ended December 31, 2019 (4Q19). All figures are expressed in millions (M) of Colombian Pesos (COP) unless otherwise stated. Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations.

Top line trend recovered and profitability improved

KEY BUSINESS HIGHLIGHTS

Financial Highlights

- Consolidated Net Revenue reached COP \$4.3 billion in 4Q19 and COP \$15.3 billion in 2019 benefited by innovation, omni-channel and complementary businesses performance.
- Recurring EBITDA in 4Q19 was COP \$470,421 million and margin gained 67 bps to 10.9%; in 2019, it posted COP \$1.28 billion and margin gained 20 bps to 8.4%, from costs and expenses under control.
- Net Group Share Result in 2019 was an income of COP \$57,602 million benefited mainly from improved operational performance in Colombia and lower financial expenses.
- Consolidated CAPEX of COP \$366,000 million in 2019 (79% in expansion, innovation, omni-channel and digital transformation activities).

Operating Highlights

- Strong performance and expansion of new formats and models.
- Boosted yearly sales from omnichannel in Colombia (+37.0%) increased sales mix to 4.5% (from 3.4% in 2018).
- LatAm structure simplification proposal was approved in accordance to strict corporate governance standards in both Brazil and Colombia.
- Grupo Éxito sold the shares of GPA at a price of 113 reals per share and received USD 1,161 million.
- The tender offer concluded with the acceptance of 96.57% of the shares of Almacenes Éxito S.A (4Q19).
- Changes in top management: Ruy Souza - Chief Financial Officer (announced on January 2020) and Claudia Campillo - VP of Corporate Affairs and General Counsel and

Outlook

- Expanding innovative models such as Wow, FreshMarket Cash & Carry stores.
- Strengthening digital transformation with a focus on innovation and omni-channel expansion.
- Recurring EBITDA margin in Colombia and Uruguay, at least in line with the level posted in 2019.
- Sharing best practices with focus on innovation and strengthening of digital transformation activities.

"Grupo Éxito's outcome in 2019 was very positive: The Company strengthened its commercial proposal and posted profitable growth derived from innovation in formats, a solid omnichannel strategy, the implementation of digital transformation activities, increased traffic monetization and the successful execution of the sustainability strategy. In Colombia, Grupo Éxito posted the best SSS performance of the last three years, benefited by value formats such as Éxito Wow, Carulla FreshMarket and Surtimayorista, up-to-date e-commerce channels and higher revenues from the real estate and other complementary businesses. The operation in Uruguay posted solid profitability levels, and Argentina benefited from sales growth driven by the implementation of commercial strategies amidst a challenging macroeconomic environment. Grupo Éxito closed the year with a new financial structure that allows it to face the new market challenges through innovative processes currently underway to bring value generation for customers, employees, shareholders and stakeholders", stated Carlos Mario Giraldo Moreno, CEO of Grupo Éxito.

I. Consolidated Financial and Operating Performance

Please note that the sale to Casino, Guichard-Perrachon S.A. of the shares that Éxito held in the operating subsidiaries Companhia Brasileira de Distribuição – CBD, in the holding subsidiaries Segisor S.A.S. and in Wilkes Participações S.A., was approved by the Board of Directors and at the General Shareholders' Meeting held last September 12, 2019, at a price of 113 BRL per share and the transaction closed on November 27, 2019. Accordingly, assets and liabilities of such subsidiaries, were excluded from the consolidated financial statement and their net result as of September 30, 2019 included as discontinued operation.

IFRS 16 – Leases Adjustment

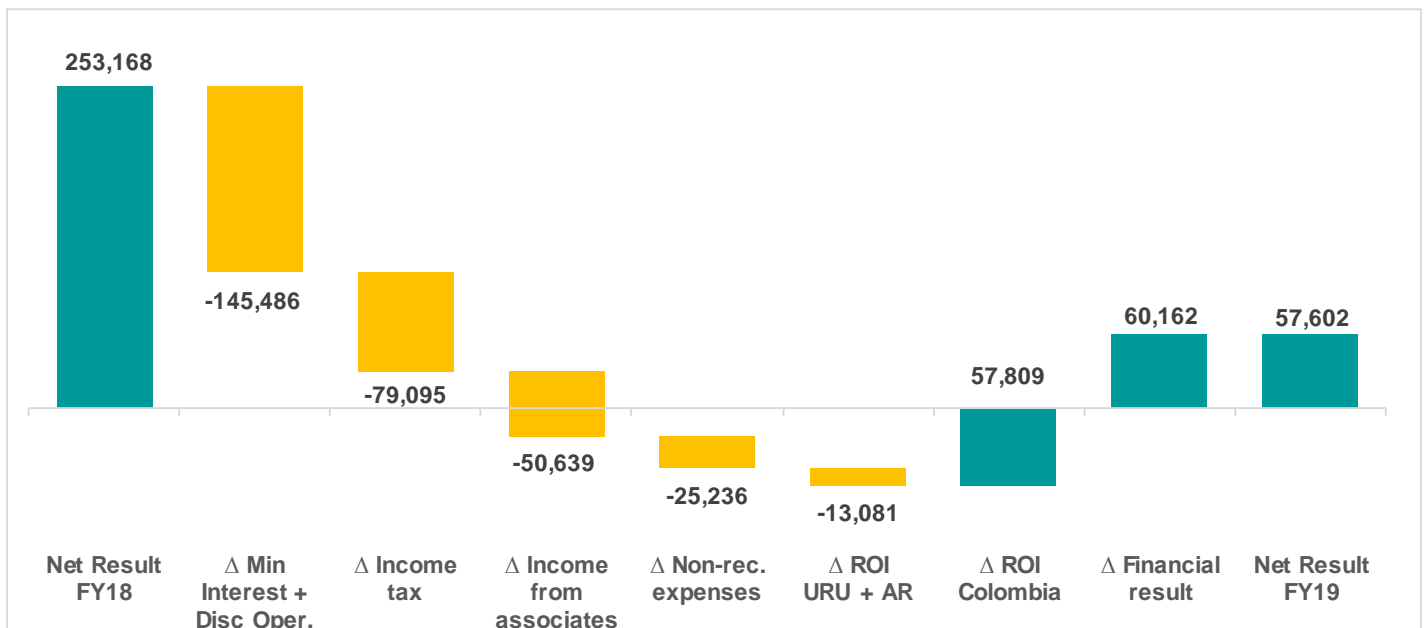
The new accounting standard IFRS 16 – Leases, applicable from January 2019, sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. Accordingly, Grupo Éxito's financial results include the retrospective adjustment (adoption of the norm since the beginning of the contracts), applied to quarterly and yearly periods in 2018 and 2019.

Consolidated Operating Performance

| in COP M | 4Q19 | 4Q18 | % Var | FY19 | FY18 | % Var |
|---|------------------|------------------|-----------------|--------------------|--------------------|-----------------|
| Net Sales | 4,079,945 | 3,846,719 | 6.1% | 14,503,846 | 14,176,353 | 2.3% |
| Other Revenue | 244,583 | 200,078 | 22.2% | 789,237 | 693,674 | 13.8% |
| Net Revenue | 4,324,528 | 4,046,797 | 6.9% | 15,293,083 | 14,870,027 | 2.8% |
| Cost of Sales | (3,123,986) | (2,941,397) | 6.2% | (11,277,231) | (10,936,335) | 3.1% |
| Cost D&A | (16,231) | (13,921) | 16.6% | (61,746) | (53,244) | 16.0% |
| Gross Profit | 1,184,311 | 1,091,479 | 8.5% | 3,954,106 | 3,880,448 | 1.9% |
| <i>Gross Margin</i> | <i>27.4%</i> | <i>27.0%</i> | <i>41 bps</i> | <i>25.9%</i> | <i>26.1%</i> | <i>(24) bps</i> |
| SG&A Expense | (730,121) | (692,192) | 5.5% | (2,736,070) | (2,718,493) | 0.6% |
| Expense D&A | (113,943) | (113,365) | 0.5% | (450,529) | (439,176) | 2.6% |
| Total Expense | (844,064) | (805,557) | 4.8% | (3,186,599) | (3,157,669) | 0.9% |
| <i>Expense Margin</i> | <i>19.5%</i> | <i>19.9%</i> | <i>(39) bps</i> | <i>20.8%</i> | <i>21.2%</i> | <i>(40) bps</i> |
| Recurring Operating Income (ROI) | 340,247 | 285,922 | 19.0% | 767,507 | 722,779 | 6.2% |
| <i>ROI Margin</i> | <i>7.9%</i> | <i>7.1%</i> | <i>80 bps</i> | <i>5.0%</i> | <i>4.9%</i> | <i>16 bps</i> |
| Net Group Share Result | 77,121 | 160,763 | (52.0%) | 57,602 | 253,168 | (77.2%) |
| <i>Net Margin</i> | <i>1.8%</i> | <i>4.0%</i> | <i>N/A</i> | <i>0.4%</i> | <i>1.7%</i> | <i>N/A</i> |
| Recurring EBITDA | 470,421 | 413,208 | 13.8% | 1,279,782 | 1,215,199 | 5.3% |
| <i>Recurring EBITDA Margin</i> | <i>10.9%</i> | <i>10.2%</i> | <i>67 bps</i> | <i>8.4%</i> | <i>8.2%</i> | <i>20 bps</i> |
| EBITDA | 415,385 | 380,999 | 9.0% | 1,186,462 | 1,147,115 | 3.4% |
| <i>EBITDA Margin</i> | <i>9.6%</i> | <i>9.4%</i> | <i>19 bps</i> | <i>7.8%</i> | <i>7.7%</i> | <i>4 bps</i> |

Note: Differences in the base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied and the FX effect (-1.7% and -1.4% at top line and at recurring EBITDA in 4Q19 and of -3.3% and -2.1% respectively in 2019). Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations.

- **Consolidated Net Revenue in 4Q19** grew by 6.9% (including a -1.7% FX effect) to COP\$ 4.32 billion and by 2.8% (including a -3.3% FX effect) to COP\$ 15.3 billion in 2019. **Consolidated net sales** in 4Q19 grew by 6.1% and totalled COP\$ 4.08 billion and reflected the strong trend in Uruguay (+9.2%⁽¹⁾), solid performance from Colombia (+4.9%⁽¹⁾) and resilient levels in Argentina (+53.6%⁽¹⁾ excluding IAS 29). **Yearly consolidated net sales** grew by 2.3% and totalled COP\$ 14.5 billion in 2019, benefitted from innovation and omni-channel activities and by the 40 stores opened, converted and refurbished during the last 12 months in the region.
- **Gross Margin** in 4Q19 grew 41 bps to 27.4% as a percentage of Net Revenue, derived from a strong improvement in Colombia. **Gross profit in 2019** grew 1.9% to a margin of 25.9% in 2019 versus the same period of last year as a percentage of Net Revenue and reflected price investment strategies across countries partially offset by higher revenues mainly from the real estate business in Colombia and Argentina.
- **SG&A expenses** remained under control and grew below sales growth levels, both in 4Q19 and in 2019. Expenses declined by 39 bps in 4Q19 and by 40 bps in 2019 as a percentage of Net Revenue versus the same periods last year. Lower expenditure levels reflected strict internal plans that fully offset inflationary pressures in the region.
- **Recurring Operating Income** rose 19.0% in 4Q19 and margin gained 80 bps to 7.9% and grew 6.2% in 2019 to a 5.0% margin (+16 bps) versus the same periods last year.
- **Recurring EBITDA** was COP \$470,421 million in 4Q19, and margin gained 67 bps to 10.9% and grew by 5.3% in 2019 to COP \$1.28 billion and reached an 8.4% margin, +20 bps versus the same period last year. Recurring EBITDA to performance reflected cost and expense control that led to improved profitability.
- **Consolidated Net Group Share Result** in 4Q19 was an income of COP \$77,121 million and of COP \$57,602 million in 2019.



Note: Variations in the base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied. ROI of international operations includes FX effect. Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations.

(1) Variations in Net Sales and SSS in local currency and adjusted by calendar effects.

The **Net Group Share Result** mainly reflected a positive variation in operational performance in Colombia and lower financial expenses partially offset by negative changes of deferred tax, contribution from international operations and performance of discontinued business units.

Earnings per Share (EPS)

- Diluted EPS was COP \$172.3 per common share in 4Q19 and COP \$128.7 per common share in 2019.

CAPEX

- **Consolidated Capital Expenditures** in 2019 were COP \$366,368 million in 2019 (related to Colombia, Uruguay and Argentina). Capex allocation to expansion, innovation, omni-channel and digital transformation activities was 79% in 2019. The remainder was allocated to maintenance and support of operational structures, IT systems updates and logistics.

Food Retail Expansion

- Grupo Éxito opened 4 stores in 4Q19 in Colombia (1 Éxito Express and 2 Carulla stores). The Company reached 40 stores from openings, conversions and remodelling in the region within the last 12 months.
 - Colombia: 12 Surtimayorista, 7 Éxito Wow, 2 Éxito Express, 1 Éxito Supermarket and 7 Carulla FreshMarket stores (including 1 Carulla SmartMarket store).
 - Uruguay: 5 FreshMarket and 2 Devoto Express stores.
 - Argentina: 3 FreshMarket and 1 Mini Libertad stores.
- The Company ended the period with 653 food retail stores, geographically diversified as follows: 537 stores in Colombia, 91 in Uruguay and 25 in Argentina. The store count does not include allies in Colombia. The Company's consolidated selling area reached 1.0 million square meters.

Corporate Governance and Sustainability Achievements

- All proposals were approved at the General Shareholders' Meeting held on March 27, 2019 (1Q19).
- The proposal for the simplification of the LatAm structure was reviewed in accordance with strict corporate governance standards both in Brazil and in Colombia and approved at the Extraordinary General Shareholders' Meeting held on September 12, 2019 (2Q19-3Q19).
- Within the framework of a structured succession plan, the Company announced some senior management changes approved and designated by the Board of Directors (3Q19):
 - Mr. Jacky Yanovich Mizrachi - COO of Retail Colombia.
 - Mr. Guillaume Seneclauze - VP of Sales and Operations.

- José Gabriel Loaiza Herrera - VP of International Businesses and Digital Strategy.
- Ms. Irina Jaramillo Muskus - Carulla Brand Manager.
- Grupo Éxito sold to Casino, Guichard-Perrachon, the shares of GPA owned indirectly through Segisor S.A., at a price of 113 reals per share, and received USD 1,161 million on November 27, 2019 (4Q19).
- The tender offer of ordinary shares launched by GPA's subsidiary, Sendas Distribuidora S.A., concluded with the acceptance of 96.57% of the shares of Almacenes Éxito S.A (4Q19).
- Mrs. Claudia Campillo was appointed as Vice President of Corporate Affairs and General Counsel starting December 9, 2019, after the resignation of Mrs. Claudia Echavarria Uribe. Mrs. Campillo has been leading the Legal Department since January 2017. She holds a degree in Law from Pontificia Bolivariana University, an MBA from Sergio Arboleda University, a postgraduate degree in International Contracts from Externado de Colombia University and other studies in Senior Management from Medellin University, among others. Before joining Grupo Éxito, Mrs. Campillo worked as Project Manager at Konfirma S.A.S. and as Legal Director at the Chamber of Commerce of Medellin (4Q19).
- Grupo Éxito hosted its 11th annual "Proveedores de Éxito" and recognized its over 8,000 suppliers and commercial partners.
- The Company led social media trends with hashtag #AquíConstruimosPaís; over 190 companies from diverse industries joined to share how to contribute with the country's development.
- Éxito Foundation supported 64,000 children in 2019.

Awards & Recognitions

- As per to a survey by Merco, Grupo Éxito was among the top retail companies in Colombia with the best Corporate Governance and Social Responsibility practices, ranking 11th in the country (1Q19).
- As per to a survey by IPSOS, Grupo Éxito was ranked 3rd most influential brand in Colombia. The market intelligence firm researched and analysed 100 local and international companies operating in Colombia and surveyed over 2,000 people. Relevant factors analysed included trust and corporate reputation (1Q19).
- Carulla was awarded as "The Best Colombian Retailer" by America retail – the largest portal of information and services for retail in Latin America. The recognition to Carulla, was given by a group of experts in retail, at the "LatAm Retail CongresShop" as part of the Retail Hall of Fame 2019, based on the brand's management of innovation, sustainability, e-commerce and omnichannel (1Q19).
- The Ministry of Labour acknowledged Grupo Éxito for its commitment to gender equality (2Q19).
- Grupo Éxito was included in MILA – the Latin American Integrated Markets Index (3Q19).
- Grupo Éxito was included in the Dow Jones Sustainability Index for the 7th consecutive year, in the Food and Staples Retailing category. The Company received its highest score (67 points) since included in the index, ranked 9th in the overall scorecard (from 12th in 2018) and scored 28 points above the industry average (3Q19).

- Grupo Éxito's Investor Relations best practices were recognized by the Colombian Stock Exchange for the 7th consecutive year (4Q19).
- Viva Mall shopping centres were awarded by the International Counselling of Shopping Centres – ICSC with the following 5 prizes: a gold award in the New Development category to Viva Tunja and 2 gold recognitions in the Emergent Digital Technology and New Developments category and 2 silver recognitions in the Great Opening, Refurbishment and Remodelling and in the Promotion of Sales and Events' categories to Viva Envigado and (4Q19).

Commercial Activities

- The Éxito brand celebrated its 70th anniversary (1Q19).
- Various commercial activities were held during the year, including:
 - ✓ “Éxito Back to School” (1Q19), the promotion improved profitability levels with targeted discounts and exclusive products offered.
 - ✓ “Éxito Anniversary” (1Q19), with 57 stores opened for 24 hours in 15 cities and up to 70% discounts offered.
 - ✓ “Éxito Megaprima” event (2Q-3Q19), which recorded 7.4 million tickets and a low double-digit sales growth versus the outcome last year.
 - ✓ “Éxito Special Price Days” (3Q19), grew average tickets by 12.4% and reported 9.3 million transactions.
 - ✓ “Blackdays” (4Q19) at Éxito and Carulla banners, improved results strongly. On-line orders grew by 63%, visits by 61% and sales at stores rose 48% on average versus the event held last year.
- The Company hosted:
 - ✓ The 5th annual “Carulla is Coffee” in Medellín (2Q19), held 19,000 visitors (+60% versus 2018) who enjoyed over 31,000 cups of 40 types of coffee. The 9th annual was hosted in Bogotá (3Q19) and visitors were offered over 43,000 cups of coffee.
 - ✓ The 3rd annual of “Carulla is healthy” in Bogotá (2Q19), offered over 1,500 products of 150 brands to 25,000 visitors.
 - ✓ The 9th annual of “Salón del Queso” in Bogotá (2Q19) and in Medellín (3Q19), had representatives from Guilde International des Fromagers (France), Confrérie du Gruyère (Swiss) and Cofradía Internacional de Quesos (Chile); 300 references of cheese and over 3,000 kilograms of product were offered to visitors.
 - ✓ The 14th annual of “Expovinos” in Bogotá (3Q19) was the opportunity to launch the “wine advisor” app.
 - ✓ The 4th annual of “Expocervezas” in Bogotá (4Q19), was the largest display of beer in the country, over 12,000 visitors boosted sales by 19% versus last year's event.

Events after the reporting period

- The new list of members of the Board of Directors for the period 2020 to 2022, was approved at the Extraordinary General Shareholders Meeting held last January 23, 2020, as follows:
 - Non-Independent members: Ronaldo Iabrudi dos Santos Pereira, Peter Paul Estermann, Christophe José Hidalgo, Rafael Russowsky, Bernard Petit and Philippe Alarcon.
 - Independent members: Luis Fernando Alarcón Mantilla (Chairman), Felipe Ayerbe Muñoz and Ana María Ibáñez Londoño.
- The Board of Directors and the Chief Executive Officer accepted the resignation of Mr. Manfred H. Gartz Moisés, as Chief Financial Officer, position he held since September 1st, 2016. They thanked Mr. Gartz for his contribution in the consolidation of the team of the Financial Vice Presidency, strengthening of the Company's processes with an integral vision of the business, and for its participation in the strategic definitions. In the same way, they recognized his leadership, strategic vision, knowledge and ability to promote important projects for the Group, such as: the

creation and the strategic definition of the real estate vehicle Viva Malls and the loyalty program through Puntos Colombia, the consolidation of management control systems of the business and for the subsidiaries abroad, as well as the Group's strategic financial definition, among others. Meanwhile, Mr. Jairo Medina was appointed as Interim CFO.

As Chief Financial Officer, was appointed Mr. Ruy Souza, who has been working as Chief Financial Officer of Multivarejo since October 2019. Mr. Souza worked in Multivarejo since 2016 and held several positions, including Financial Manager and Director of Financial Controlling. Before joining Multivarejo, he was consultant in companies of diverse industries, in financial projects aimed at budget management, cost reduction and others focused on process improvement and optimization. Mr. Souza is an Industrial Engineer from São Paulo University and holds a Master in Process and Operations Management. The Board of Directors and the Chief Executive Officer expressed their warm welcome to Mr. Ruy, who started on February 17, 2020 and considered that his knowledge of the retail business, coupled with his experience in financial and control processes, will be important to the Group's growth.

II. Financial and Operational Performance by Country

Colombia

In 2019, macro environment and consumer indexes in Colombia seemed to improve. Repo rates remained stable at 4.25% (same level since 2018), unemployment levels reduced to 9.5% (vs 9.7% in 4Q18) and GDP grew 3.3%. Inflation increased to 3.80% (versus 3.18% in 2018; food inflation rose to 5.80% from 2.43%), however, remained within the range expected by the Central Bank. The consumer confidence index improved its trend in 4Q19 and contracted by 9.5%, which compares to the negative 10.7% level seen in 3Q19; nevertheless, the index was higher, when compared to the 8.3% contraction seen in 4Q18. Within this environment, the retail sales excluding gas and vehicles continued with a recovery trend and posted 9.35% growth during the 4Q19, which compares to the 5.8% posted in the same period last year.

Net Sales & SSS in Colombia

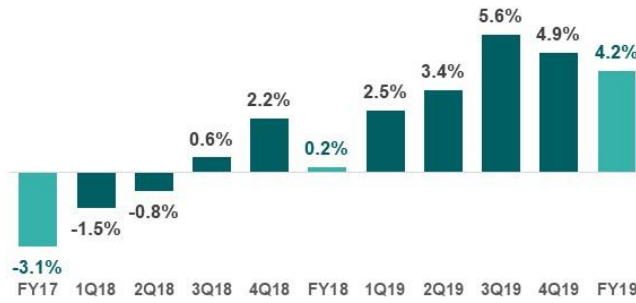
| | 4Q19 | | | | | FY19 | | | | |
|--|-------------|-----------|---------|------------------------|----------------------------|-------------|-----------|-----------|------------------------|----------------------------|
| | grupo éxito | éxito | Carulla | SM & SI ⁽²⁾ | B2B & Other ⁽³⁾ | grupo éxito | éxito | Carulla | SM & SI ⁽²⁾ | B2B & Other ⁽³⁾ |
| Variations | | | | | | | | | | |
| SSS | 4.6% | 5.1% | 1.5% | 0.0% | 15.4% | 3.9% | 4.8% | 1.5% | -4.7% | 19.2% |
| Total | 4.9% | 5.2% | 2.0% | -1.4% | 20.9% | 4.0% | 5.3% | 2.2% | -6.9% | 18.1% |
| SSS ex Calendar⁽¹⁾ | 4.6% | 5.2% | 1.5% | 0.1% | 15.4% | 4.0% | 4.9% | 1.5% | -4.6% | 19.2% |
| Total ex Calendar⁽¹⁾ | 4.9% | 5.2% | 2.0% | -1.4% | 20.9% | 4.2% | 5.5% | 2.2% | -6.8% | 18.1% |
| Total MCOP | 3,106,881 | 2,172,099 | 430,755 | 311,422 | 192,605 | 11,029,843 | 7,644,593 | 1,552,076 | 1,200,891 | 632,283 |

Note: The Colombian perimeter includes the consolidation of Almacenes Éxito S.A. and its subsidiaries in the country. (1) Variations in Colombia Net Sales and SSS included the effect of conversions and the calendar effect adjustment of -0.05% in 4Q19 and of -0.13% in 2019. (2) SM & SI: Surtimax and Super Inter brands. (3) B2B & Other: Includes sales from Surtimayorista, Allies, Institutional and third-party sellers and the sale of property development projects Copacabana worth COP \$11,000 M in 1Q19 and Montevideo worth COP \$15,000 M in 4Q19.

In **4Q19**, Grupo Éxito Colombia posted **net sales** growth of 4.9%⁽¹⁾, to COP \$3.1 billion, confirming the positive trend seen during the last eight quarters. Net sales evolution and growth above CPI, derived from the solid performance of innovative formats Wow, FreshMarket and Surtimayorista, which represented 2.5% of the 4.9% total growth (including the calendar effect). Besides, net sales benefited from the strong growth of omni-channel (+20.4%) and the strengthening of digital transformation activities. Quarterly net sales were also driven by the non-food category that gained a share of 130 bps, reaching 33.2% in 4Q19, driven by the higher mix of the electronic category.

In **2019**, **net sales** in the country grew by 4.2%⁽¹⁾ and reached COP \$11.03 billion, being the best performing level in the last 3 years. Solid top line performance above inflation is explained by (i) a successful business strategy driven by innovation, (ii) a strong yearly omni-channel growth (+37%), (iii) a new way of shopping resulting from a great commercial proposal, and (iv) the 29 stores opened, converted and refurbished in the last 12 months. Colombia contributed to 76% of yearly consolidated sales.

Net Sales Growth Adj. by CE



- Same-store sales (SSS) in Colombia grew by 4.6%⁽¹⁾ in 4Q19, mainly driven by the successful and consistent innovation strategy and strong LFL level of the Éxito segment (+5.2%⁽¹⁾). LFL levels grew by 4.0%⁽¹⁾ in 2019. Net Sales and LFL levels in Colombia reflected improved traffic driven mainly by the Company’s strategic focus on innovation and digital transformation activities.

SSS Growth Adj. by CE



Net Sales & SSS Colombia – By Segment



(1) Variations in Colombia Net Sales and SSS included the effect of conversions and the calendar effect adjustment of -0.05% in 4Q19 and of -0.13% in 2019. (2) SM & SI: Surtimax and Super Inter brands. (3) B2B & Other: Surtimayorista, Allies, Institutional and third-party sellers.

- **The Éxito segment** represented approximately 70.0% of the sales mix in Colombia and experienced a sales increase of 5.2%⁽¹⁾ in 4Q19 and of 5.5%⁽¹⁾ in 2019. Éxito continued as the best performing segment in 2019 and grew SSS for the sixth consecutive quarter, reaching 5.2%⁽¹⁾ in 4Q19 and 4.9%⁽¹⁾ in 2019. The banner grew in all regions and posted high single-digit growth in Medellín and Cali in 4Q19 and in Santanderes, Boyacá and Cali in 2019. The non-food category grew strongly during the quarter (+127 bps), especially electronics (mid-teens), boosted by commercial events “Días de Precios Especiales”, Black Friday and the Christmas season. In 4Q19, the Éxito brand expanded with one Éxito Express opened in the city of Santa Marta (79 stores in total of this banner YTD) as well as the Éxito Wow model was implemented in one store in the city of Cali. The Éxito Wow model totalled 9 stores in 2019 and is present in Bogotá, Medellín, Cali, Santanderes, Boyacá, Atlantic Coast and Cali. Éxito Wow stores posted 9.1% growth in 4Q19 and 13.4% in 2019 and represented a 17.5% share of the banner’s total sales in 4Q19 (+100 bps versus 3Q19) and in 2019.
- **The Carulla segment** represented near to 14.0% of sales in Colombia, both in 4Q19 and in 2019. The banner grew sales by 2.0%⁽¹⁾ and 2.2%⁽¹⁾, respectively in 4Q19 and in 2019 and posted a 1.5%⁽¹⁾ LFL growth in both periods. To highlight, the low double-digit growth of the banner in the coffee region and the strong performance in Cali, both in 4Q19 and in 2019. In 2019, the fresh category was the best performing category, benefited by the FreshMarket model implemented at 4 stores in 4Q19 for a total of 13 stores at the end of the year. Carulla FreshMarket is already present in Bogotá, Medellín and Cali and stores grew sales by 8.2% in 4Q19 and by 12.7% in 2019 and represented 24.4% of the banner’s total sales in 4Q19 (+701 bps versus 3Q19) and 17.0% in 2019.

Innovation continues at Grupo Éxito and the Company launched a pilot of a new model in Bogotá, the “Carulla SmartMarket store”, accounted as a FreshMarket store. This new model includes over 20 technology experiences to improve customer service, such as smartphone payment, checkout via facial recognition, a virtual shop assistant and augmented reality and is expected to change the shopping experience in Colombia.

- **The low-cost segment** related to Super Inter and Surtimax brands, represented 10.0% of sales in Colombia in 4Q19 and 11.0% in 2019. The segment experienced a net sales decrease in 4Q19 of 1.4%⁽¹⁾ (an improvement of 380 bps versus 3Q19) and a decrease of 6.8%⁽¹⁾ in 2019 (an improvement of 180 bps versus 2018). In terms of SSS⁽¹⁾ the segment posted a positive level for the first time in eight quarters (+130 bps versus 3Q19; +730 bps versus 4Q18). In 2019, SSS posted a recovery of 195 bps (adjusted by calendar effect) versus the level seen in 2018, as a result of the implementation of the refurbishing process and conversion plan to Cash & Carry stores, as well as from a strong commercial proposition, the implementation of productivity plans and focus on private label to offset the effect of the challenging competitive environment in this market.
- **The B2B and Other⁽³⁾** segment represented approximately 6.0% of sales in Colombia during 4Q19 and in 2019. Net sales in this segment rose by 20.9% during the quarter and grew by 18.1% in 2019. In terms of SSS, the segment grew by 15.4% and by 19.2%, respectively in 4Q19 and 2019. The segment top line benefited from the performance of the Surtimayorista banner, which grew sales and SSS by 15.4% in the 4Q19 and the growth in sales reached 17.8% and 19.2% in SSS in 2019. The Cash & Carry format expanded with 12 stores opened in in the last-12-months from conversions, and the banner totalled the 30-store target of the year. Surtimayorista stores continued posting positive EBITDA margins and increased their share in Colombia’s sales to 4.3% in 4Q19 and to 4.0% in 2019 (+121 bps vs 2018).

Operating Performance in Colombia

| in COP M | 4Q19 | 4Q18 | % Var | FY19 | FY18 | % Var |
|---|------------------|------------------|-----------------|--------------------|--------------------|-----------------|
| Net Sales | 3,106,881 | 2,962,730 | 4.9% | 11,029,843 | 10,603,611 | 4.0% |
| Other Revenue | 223,816 | 180,524 | 24.0% | 721,586 | 607,791 | 18.7% |
| Net Revenue | 3,330,697 | 3,143,254 | 6.0% | 11,751,429 | 11,211,402 | 4.8% |
| Cost of Sales | (2,467,081) | (2,350,165) | 5.0% | (8,937,530) | (8,531,221) | 4.8% |
| Cost D&A | (14,788) | (13,112) | 12.8% | (56,049) | (50,000) | 12.1% |
| Gross profit | 848,828 | 779,977 | 8.8% | 2,757,850 | 2,630,181 | 4.9% |
| <i>Gross Margin</i> | <i>25.5%</i> | <i>24.8%</i> | <i>67 bps</i> | <i>23.5%</i> | <i>23.5%</i> | <i>1 bps</i> |
| SG&A Expense | (474,885) | (454,405) | 4.5% | (1,806,432) | (1,746,574) | 3.4% |
| Expense D&A | (97,903) | (98,960) | (1.1%) | (390,683) | (380,603) | 2.6% |
| Total Expense | (572,788) | (553,365) | 3.5% | (2,197,115) | (2,127,177) | 3.3% |
| <i>Expense Margin</i> | <i>17.2%</i> | <i>17.6%</i> | <i>(41) bps</i> | <i>18.7%</i> | <i>19.0%</i> | <i>(28) bps</i> |
| Recurring Operating Income (ROI) | 276,040 | 226,612 | 21.8% | 560,735 | 503,004 | 11.5% |
| <i>ROI Margin</i> | <i>8.3%</i> | <i>7.2%</i> | <i>N/A</i> | <i>4.8%</i> | <i>4.5%</i> | <i>29 bps</i> |
| Non-Recurring Income and Expense | (43,317) | (22,103) | 96.0% | (77,273) | (73,080) | 5.7% |
| Operating Income | 232,723 | 204,509 | 13.8% | 483,462 | 429,924 | 12.5% |
| <i>EBIT Margin</i> | <i>7.0%</i> | <i>6.5%</i> | <i>48 bps</i> | <i>4.1%</i> | <i>3.8%</i> | <i>28 bps</i> |
| Net Financial Result | (140,984) | (111,866) | 26.0% | (448,396) | (469,019) | (4.4%) |
| Recurring EBITDA | 388,731 | 338,684 | 14.8% | 1,007,467 | 933,607 | 7.9% |
| <i>Recurring EBITDA Margin</i> | <i>11.7%</i> | <i>10.8%</i> | <i>90 bps</i> | <i>8.6%</i> | <i>8.3%</i> | <i>25 bps</i> |

Note: The Colombian perimeter includes the consolidation of Almacenes Exito S.A. and its subsidiaries in the country. Differences in the 4Q18 base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment and to the allocation from the expense to the cost, of staff and other items associated to food production processes. 1) Variations in Colombia Net Sales and SSS included the effect of conversions and the calendar effect adjustment of -0.05% in 4Q19 and of -0.13% in 2019. Recurring EBITDA margin excluding IFRS 16, grew 101 bps in 4Q to 9.6% and 31 bps to 6.3% in 2019.

- **Net Revenue** continued with the progression trend seen since 2018 and grew by 6.0% in 4Q19 and by 4.8% in 2019, driven by sales levels boosted by increased traffic from innovation activities and omnichannel contribution (+20.4% in 4Q19 and 37.0% in 2019). **Other Revenue** grew by double-digit in both periods benefited mainly from the real estate, financial and travel businesses. Real Estate represented 1/3 of other revenue and posted growth of 47.0% in 2019, boosted by revenues from the Viva Envigado and Viva Tunja shopping centres. The financial business with Tuya also contributed with a 26.5% growth and the travel business with a 31.3% growth in 2019.
- **Gross Margin** in 4Q19 gained 67 bps to 25.5% and grew 1 bp to 23.5% in 2019 versus the same period last year. Margin performance in 4Q19 benefited from the sale of property development project Montevideo worth COP \$15,000 million that largely offset the higher contribution from the non-food category in the sales mix (+127 bps) and price investment. During 2019, gross margin levels included the strong accounting adjustment related to allocation from the expense to the cost level in both bases, in terms of staff and other items associated to food production.
- **Recurring EBITDA** grew 14.8% and gained 90 bps in 4Q19, reaching a 11.7% margin; in 2019, it grew 7.9% and gained 25 bps to an 8.6% margin. The Company managed to grow expenses below CPI along 2019 from internal efficiencies and despite inflationary pressures affecting mainly the minimum wage and utility bills.

Omni-channel, Innovation and Digital Transformation in Colombia in 2019

Omni-channel

Omni-channel sales in 2019, represented 4.5% of Grupo Éxito's total sales in Colombia (+110 bps vs 2018) and grew by 37.0% to nearly COP \$502,000 M. Total omni-channel deliveries in 2019 were 4,349,000 (+56% vs 2018).

- **Ecommerce:** exito.com and carulla.com increased sales by 17.0% in 2019. Grupo Éxito is the e-commerce market leader in Colombia with over 86 million visits and 441,000 orders per year (vs 61 million and 379,000 orders in 2018).
- **Marketplace:** In 2019, marketplace reached 1,100 vendors and the business unit grew by 29.4% in Gross Merchandise Value (GMV).
- **Last Mile & Home Deliveries:** Available for Carulla and Éxito clients, grew by 56% in 2019, benefitted by the alliance with the last mile leader – Rappi, which guarantee home deliveries in less than 35 minutes.
- **Digital catalogues:** devices are available at 190 stores in Colombia. Orders grew by 41.8% and sales by 42.0% in 2019, facilitating the customer purchasing experience.
- **Click & Collect:** Posted a 25.0% orders growth in 2019 and service is available for non-food products at 254 stores.

Innovation

- **Éxito Wow:** The model first launched in 2018, is present in 2019, at 9 top stores in terms of sales in Bogotá, Medellín, Cali, Santanderes, Boyacá, Atlantic Coast and Cali. These stores increased sales by 13.4% in 2019 and represented a 17.5% share of the banner's sales.
- **Carulla FreshMarket:** This model is already present at 13 stores in 2019. Carulla FreshMarket stores grew sales by 12.7% in 2019 and represented 17.0% share of the banner's sales.
- **Cash & Carry:** The Company opened 12 Surtimayorista stores in 2019 (from conversions) and the banner totalled the 30-store target of the year. Surtimayorista stores grew sales by 17.8% and represented a 4.0% share on Colombia's sales in 2019 (vs 2.8% in 2018). Surtimayorista is already present in the Atlantic Coast and in Bogotá; the banner posted strong sales after conversions and improved returns due to lower operating costs and CAPEX optimization. Stores posted profitable EBITDA margins since year 1, which compares to the non-profitable expansion followed by discounters in Colombia.
- **Private Label:** Grupo Éxito continued positioning the "*Frescampo*" brand to guarantee the lowest price available with quality. Frescampo aims to compete within the low-cost market. The Company is also positioning "*Taeq*" which grew sales in 2019 by 25% and is already the fourth most important healthy brand in Colombia. Private label represented around mid-teens the share on Colombia sales in 2019.

Digital Transformation

- **Apps:** Éxito and Carulla apps re launched in 1Q19, reached near to 1.9 M downloads in 2019. The average per ticket is 2x versus those at stores and over 690,000 clients have actively used "My Discount".

- **Start-ups:** The Company has a strategic partnership with Rappi to improve delivery service and is currently working with other diverse start-ups in order to enhance service, operational activities and back office.
- In Colombia, the Company continued implementing developments in frictionless, customer service, data analytics, logistic and supply chain and HR Management according to the strategy established for 2020 to 2022.

Best Practices & Integration

- **Asset Monetization:**

- **Real Estate:** Optimization of retail assets to improve the Company’s returns and strengthening of “Viva Malls” vehicle. Revenues from the real estate business unit grew by 47.0% in 2019, benefited by the opening in 2018 of Viva Tunja and Viva Envigado (the shopping centre with the highest traffic in Medellin).

| Grupo Éxito | Viva Malls |
|--|--|
| Total GLA ^(1,2) = 758k sqm | ✓ 18 assets |
| ✓ 568k sqm in Viva Malls | ✓ Total GLA ⁽²⁾ of 568,000 sqm |
| ✓ 190k sqm in other commercial areas at stores | ✓ Commercial value of COP \$2.2 B ⁽³⁾ |
| | ✓ Grupo Éxito 51% stake, FIC 49% |

(1) GLA: Gross Leasable Areas. (2) Data as of 2019. (3) Data as of 2018

- **Traffic Monetization:** to boost growth by leveraging activities through development of:

- Loyalty Program – Puntos Colombia:
 - ✓ Alliance with Grupo Bancolombia.
 - ✓ Launched in August 2018.
 - ✓ Largest system of point issuances and redemptions in Colombia.
 - ✓ 3.5 million with habeas data as of 2019.
 - ✓ 237 million transactions, 75 top allies as of 2019.
 - ✓ Redemption rate increased by 77% at Grupo Éxito banners in 2019 vs 2018.
- Complementary Businesses: developing alliances with industry leading companies from various sectors to offer additional services to our clients.
 - ✓ Financial Retail
 - ✓ Travel
 - ✓ Insurance
 - ✓ Mobile
 - ✓ Non-banking correspondent

- **Operational Excellence:** execution of the program to maintain SG&A expense growth at below inflation levels, by focusing on:
 - ✓ Logistics & Supply Chain: improving the operation by setting stores and dark stores to support omni-channel activities and rolling out inventory management activities.
 - ✓ Lean Productivity Schemes: review of processes and structures across the various business units.
 - ✓ Joint Purchasing: food and non-food joint purchasing activities to deliver cost savings.
 - ✓ Back Office: opportunities to optimize and centralize various processes.

Uruguay

| in COP M | 4Q19 | 4Q18 | % Var | FY19 | FY18 | % Var |
|---|------------------|------------------|-----------------|------------------|------------------|-----------------|
| Net Sales | 699,028 | 681,479 | 2.6% | 2,554,885 | 2,544,430 | 0.4% |
| Other Revenue | 7,871 | 8,781 | (10.4%) | 25,290 | 26,878 | (5.9%) |
| Net Revenue | 706,899 | 690,260 | 2.4% | 2,580,175 | 2,571,308 | 0.3% |
| Cost of Sales | (471,509) | (459,109) | 2.7% | (1,704,905) | (1,699,659) | 0.3% |
| Cost D&A | (1,364) | (757) | 80.2% | (5,410) | (3,032) | 78.4% |
| Gross profit | 234,026 | 230,394 | 1.6% | 869,860 | 868,617 | 0.1% |
| <i>Gross Margin</i> | <i>33.1%</i> | <i>33.4%</i> | <i>(27) bps</i> | <i>33.7%</i> | <i>33.8%</i> | <i>(7) bps</i> |
| SG&A Expense | (173,685) | (173,098) | 0.3% | (637,206) | (636,160) | 0.2% |
| Expense D&A | (11,443) | (12,038) | (4.9%) | (45,203) | (46,152) | (2.1%) |
| Total Expense | (185,128) | (185,136) | (0.0%) | (682,409) | (682,312) | 0.0% |
| <i>Expense Margin</i> | <i>26.2%</i> | <i>26.8%</i> | <i>(63) bps</i> | <i>26.4%</i> | <i>26.5%</i> | <i>(9) bps</i> |
| Recurring Operating Income (ROI) | 48,898 | 45,258 | 8.0% | 187,451 | 186,305 | 0.6% |
| <i>ROI Margin</i> | <i>6.9%</i> | <i>6.6%</i> | <i>36 bps</i> | <i>7.3%</i> | <i>7.2%</i> | <i>2 bps</i> |
| Non-Recurring Income and Expense | (12,638) | (7,652) | 65.2% | (15,371) | (8,186) | 87.8% |
| Operating Income | 36,260 | 37,606 | (3.6%) | 172,080 | 178,119 | (3.4%) |
| <i>EBIT Margin</i> | <i>5.1%</i> | <i>5.4%</i> | <i>(32) bps</i> | <i>6.7%</i> | <i>6.9%</i> | <i>(26) bps</i> |
| Net Financial Result | (2,943) | (359) | N/A | (10,830) | (14,153) | (23.5%) |
| Recurring EBITDA | 61,705 | 58,053 | 6.3% | 238,064 | 235,489 | 1.1% |
| <i>Recurring EBITDA Margin</i> | <i>8.7%</i> | <i>8.4%</i> | <i>32 bps</i> | <i>9.2%</i> | <i>9.2%</i> | <i>7 bps</i> |

Note: Differences in the 4Q18 base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied. (1) Data in COP includes a FX effect of -6.4% in 4Q19 and of -3.5% in 2019. (2) In local currency and including the calendar effect adjustment of 0.2% in 4Q19 and 2019.

Net Sales & SSS in Uruguay

- In Uruguay, key macroeconomic variables continued affected during 2019. Inflation remained high and posted an 8.8% level at the end of the year (+100 bps vs. 3Q19; +83 bps vs. 2018); food inflation also rose to 14.2% at the end of 2019, a strong increase versus the 8.7% posted in 3Q19 and the 6.8% level seen at the end of 2018. Unemployment as of 4Q19 also remained high and rose to 8.5% compared to the 8.4% posted in the same period last year. Repo rates remained stable at 9.25%, the same level since 2017. The consumer environment in Uruguay seemed affected along the year, especially in the first quarter, when the tourism season was strongly affected by the economic turmoil in Argentina.

Net sales and SSS in Uruguay in 4Q19, grew by 9.2%⁽²⁾ and 8.8%⁽²⁾, respectively, versus the same period last year and improved the trend seen in 2019, as reached 3.7%⁽²⁾ and 3.2%⁽²⁾, respectively, versus the level posted in 2018. Uruguay contributed to 18% of yearly consolidated sales. The levels seen along 2019 showed a clear breakeven trend since 2Q19 (1.9% net sales and 1.0% SSS) from the negative results in 1Q19, derived from strong economic deceleration and devaluation in Argentina. In 4Q19, all banners posted solid SSS performance, boosted by key commercial activities such as the “Disco Anniversary”, “Todo a 19\$” and “Cybermonday” as well as benefited from the beginning of the 2020 touristic season.



- The food sales mix in Uruguay grew 10.4% to 86.3% in 4Q19, from the mid-teen growth of the fresh category and reached 87% in 2019 when the same category grew by high-single digit, boosted mainly by the FreshMarket model implemented. In November, the FreshMarket Devoto Suarez opened, for the fifth store of this model renovated in 2019. The model totalled 17 stores in the country in 2019, contributed with 40% of total sales and reached a growth of 4.7% in 2019 (vs.3.3% posted by non-renovated stores). Other 2 Devoto Express stores opened in 2019.
- The strengthening of ecommerce with the acquisition of a new platform supporting apps, also contributed to the top line growth. Moreover, the Company strengthened the last mile service by partnering with “Pedidos Ya”, already available at 28 stores and reached 58.9K orders during the year. Omnichannel sales share was 2.3%, +13 bps vs 2018. Grupo Disco also launched “Hipermas”, a cobranded credit card with Santander Bank, which already reached a 1% penetration.

Operating Performance in Uruguay

- Uruguay results in Colombian pesos included a -6.4% and -3.5% FX effect in 4Q19 and in 2019, respectively.
- **Net Revenue** grew by 2.4% in 4Q19 and by 0.3% in 2019, driven mainly from the performance of food category driven by the FreshMarket stores.
- **Gross Margin** in 4Q19 was 33.1% and 33.7% in 2019, reflecting a gross profit growing below top line despite intense promotional activities along the year.
- **Recurring EBITDA** grew 6.3% to an 8.7% margin in 4Q19, as a percentage of Net Revenue and gained 7 bps to 9.2% in 2019 versus the same periods last year. SG&A expenses in local currency grew in 2019 way below inflation (3.6% vs 8.8%) from internal efforts and lower expenditure mainly related to marketing activities.

Argentina

| in COP M | 4Q19 | 4Q18 | % Var | FY19 | FY18 | % Var |
|---|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| Net Sales | 276,875 | 205,971 | 34.4% | 925,062 | 1,036,864 | (10.8%) |
| Other Revenue | 13,363 | 12,115 | 10.3% | 45,752 | 63,609 | (28.1%) |
| Net Revenue | 290,238 | 218,086 | 33.1% | 970,814 | 1,100,473 | (11.8%) |
| Cost of Sales | (187,905) | (136,705) | 37.5% | (640,674) | (715,162) | (10.4%) |
| Cost D&A | (79) | (52) | 51.9% | (287) | (212) | 35.4% |
| Gross profit | 102,254 | 81,329 | 25.7% | 329,853 | 385,099 | (14.3%) |
| <i>Gross Margin</i> | <i>35.2%</i> | <i>37.3%</i> | <i>N/A</i> | <i>34.0%</i> | <i>35.0%</i> | <i>N/A</i> |
| SG&A Expense | (82,398) | (64,911) | 26.9% | (295,968) | (339,209) | (12.7%) |
| Expense D&A | (4,597) | (2,367) | 94.2% | (14,643) | (12,421) | 17.9% |
| Total Expense | (86,995) | (67,278) | 29.3% | (310,611) | (351,630) | (11.7%) |
| <i>Expense Margin</i> | <i>30.0%</i> | <i>30.8%</i> | <i>(88) bps</i> | <i>32.0%</i> | <i>32.0%</i> | <i>4 bps</i> |
| Recurring Operating Income (ROI) | 15,259 | 14,051 | 8.6% | 19,242 | 33,469 | (42.5%) |
| <i>ROI Margin</i> | <i>5.3%</i> | <i>6.4%</i> | <i>N/A</i> | <i>2.0%</i> | <i>3.0%</i> | <i>N/A</i> |
| Non-Recurring Income and Expense | 916 | (2,453) | N/A | (679) | 13,183 | N/A |
| Operating Income | 16,175 | 11,598 | 39.5% | 18,563 | 46,652 | (60.2%) |
| <i>EBIT Margin</i> | <i>5.6%</i> | <i>5.3%</i> | <i>25 bps</i> | <i>1.9%</i> | <i>4.2%</i> | <i>N/A</i> |
| Net Financial Result | 662 | (34,193) | N/A | (33,622) | (69,920) | (51.9%) |
| Recurring EBITDA | 19,935 | 16,470 | 21.0% | 34,172 | 46,102 | (25.9%) |
| <i>Recurring EBITDA Margin</i> | <i>6.9%</i> | <i>7.6%</i> | <i>(68) bps</i> | <i>3.5%</i> | <i>4.2%</i> | <i>(67) bps</i> |

Note: Differences in the 4Q18 base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied. Data includes the hyperinflationary adjustment (IAS 29) and the FX effect of -11.5% in 4Q19 and of -36.4% in 2019 calculated with the closing exchange rate. (1) In local currency.

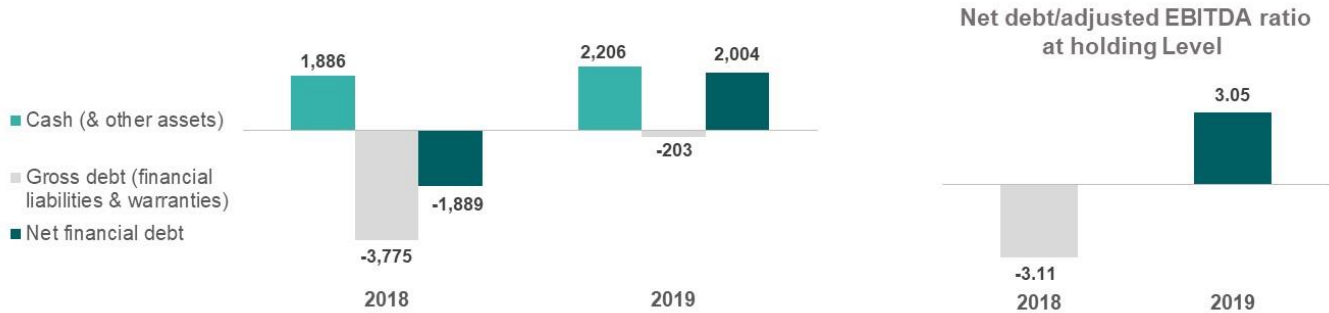
Net Sales & SSS in Argentina

- The macroeconomic environment in Argentina in 2019 showed negative trends in key variables. Inflation rose to 54.0% from the 47.9% posted in 2018 while food inflation landed slightly below at 53.7%. Unemployment also rose to 9.7% YT-September from the 9.1% seen in 2018, while the repo rate decreased to 45% from the 69% posted in the previous quarter. Retail sales continued affected and contracted by 11.6% YT- December 2019 (according to CAME) versus the same period last year, however, posted a slight improvement versus the -12.8% recorded YT-September 2019.
- Amidst this challenging macro environment, Libertad improved its top line trend and contributed to 6% of yearly consolidated sales. Net sales grew by 51.8% (53.6% excluding IAS29) and **LFL** grew in line with inflation and posted a 54.0% growth in local currency for the quarter. Despite retail sales contraction, Libertad sales were driven by the 64.2% growth of the non-food category (excluding IAS 29), that increased the mix sales to 23.0%. The hypermarket format led growth with home and electronics lines driving non-food growth, benefited by intensive promotional activities. Top line performance was driven by the acceleration of consumption around elections, commercial events in Mother's Day and the positive beginning of the summer season. The success of commercial activities such as "Ofertas Arrasadoras" and "Todo X", among other one-time events, also contributed to the sale's performance.
- In 2019, net sales grew by 40.2% (40.9% excluding the IAS29) and **LFL** posted a 41.4% growth in local currency, driven from commercial activities, the FreshMarket concept implemented at 3 stores and the Mini Libertad store opened in 2019.

Operational Performance in Argentina

- Performance from Libertad in Colombian pesos had a -11.5% and -36.4% FX effect in 4Q19 and in 2019, respectively, and included the hyperinflationary adjustment – IAS 29.
- **Net Revenue** grew by 52.1% in 4Q19 and by 39.3% in 2019 in local currency and excluding IAS 29. Top line benefited from net sales trend driven by promotional activity amidst a still contracted consumer environment and from the solid performance of the dual real estate-retail business model (+31.7% growth excluding IAS 29).
- **Gross Profit** grew by 25.7% in 4Q19 to a **margin** of 35.2% and decreased by 14.3% to a margin of 34.0% in 2019, as a percentage of Net Revenue in Colombian Pesos. Gross margin levels reflected mainly the investment in price to face the challenging consumer environment in the country that offset solid revenues from the real estate business.
- **Recurring EBITDA** grew by 21% in 4Q19 to a margin of 6.9% while reduced by 25.9% to a margin of 3.5% in 2019, as percentage of Net Revenue. **SG&A expense** in 4Q19 improved and grew below sales in 2019, from strict cost control mainly focussed on optimizing labour and occupancy expenses.

IV. Financial Performance at Holding ⁽¹⁾ Level



(1) Holding: Almacenes Éxito S.A results without Colombian or international subsidiaries. Note: IBR 3M (Indicador Bancario de Referencia) – Market Reference Rate: 4.134%,

Debt at the holding level

- In 4Q19, the Company fully paid the following loans: (i) the syndicated loan in USD, for a nominal amount of USD \$450 million, (ii) the revolving and the long-term tranches of the syndicated loan for a total amount of COP \$2.35 billion, an (iii) bilateral loans for a total amount of COP \$838,000 million. The structural gross financial debt of the Company was cancelled.
- Accordingly, gross debt reduced by COP\$3.5 billion, and the remaining near to COP \$200,000 million is composed only by revolving credit facilities related to the normal working capital cyclicity of the retail activity.
- The Net Financial Debt/Adjusted EBITDA ratio became positive and improved from -3.11x in 2018 to +3.05 in 2019 (-2.88x excluding transaction effects).
- Repo rate remained stable at 4.25% in 4Q19 (rate since April 2018).
- Interest rates below IBR3M + 3.5% in COP and below LIBOR3M + 1.75% in USD.

Cash at the holding level

- Cash position increased COP \$320,000 million after transaction cash-in and debt repayment.

V. 2019 Outlook vs. Outcome

Colombia 2019

- **Retail expansion of 18 to 20 stores (from openings, conversions and remodelling), including at least 5 Exito WOW, 5 Carulla FreshMarket and 10 Surtimayorista stores.**
 - ✓ Surpassed target - 29 stores in 2019 from openings, conversions and remodelling: 7 Éxito Wow, 7 Carulla FreshMarket (including 1 Carulla SmartMarket store) and 12 Surtimayorista stores as well as 2 Éxito Express and 1 Éxito Supermarket.
- **Revenue growth from retail and complementary businesses (mainly related to Real Estate contributions).**
 - ✓ Target achieved – revenue grew by 4.8% from retail growing by 4.0% and other revenue including complementary businesses by 18.7%, mainly from real estate performance (+47%).
- **Over 20% of total sales benefited by innovative activities, WOW, FreshMarket, Cash & Carry and omni-channel.**
 - ✓ Surpassed target - 75% of total sales benefited by innovative activities, WOW, FreshMarket, Cash & Carry and omni-channel.
- **Recurring EBITDA margin at least in line with the level posted in 2018.**
 - ✓ Surpassed target – Recurring EBITDA grew 7.9% and margin gained 25 bps to 8.6% versus the same period last year.
- **CAPEX: approximately COP \$270,000 M focused on store optimizations, innovation and digital transformation.**
 - ✓ Surpassed target – Capital Expenditures reached COP\$ 300,000 million in 2019 of which nearly 84% corresponded to expansions including real estate and investment in digital transformation activities.

Uruguay 2019

- **4 FreshMarket stores to adhere to our strategic model in 2019 (vs 6 in 2018, nearly 30% sales share).**
 - ✓ Surpassed target – 5 stores were converted and remodelled into FreshMarket in 2019.
- **Operational excellence program implemented to raise productivity and face inflation effect on expenses.**
 - ✓ Surpassed target – expenses decreased by 9 bps in 2019 versus 2018 and Recurring EBITDA margin rose 7 bps to 9.2%.

Argentina 2019

- **Optimize current real estate portfolio.**
 - ✓ Target achieved – the dual real estate-retail business model posted a solid performance and grew by 31.7% growth excluding IAS 29 in 2019, despite the challenging macro conditions in the country.

LatAm Platform 2019

- **Synergy plan potential from sharing best practices and building future initiatives together focused on innovation.**
 - ✓ Target achieved – The Company focussed its strategy on innovation in 2019 and benefited from:

- **Omni-channel strategy:**
 - Colombia: sales represented 4.5% of Grupo Éxito's total sales (+110 bps vs 2018) and grew by 37.0% to nearly COP \$502,000 million. Total omni-channel deliveries in 2019 were 4.35 million (+56% vs 2018).
 - Uruguay: 2.3% share on sales (+13 bps), "Pedidos Ya" available at 28 stores.
- **Innovation in Formats:**
 - **Colombia:**
 - **Éxito Wow** is at 9 top stores in Bogotá, Medellín, Cali, Santanderes, Boyacá, Atlantic Coast and Cali in Colombia. These stores increased sales by 13.4% in 2019 and represented a 17.5% share of the banner's sales.
 - **Carulla FreshMarket** model is at 13 stores in 2019 (including 1 Carulla SmartMarket), grew sales by 12.7% and represented 17.0% share of the banner's sales.
 - **Cash & Carry:** 12 Surtimayorista stores opened in 2019 and the banner totalled the 30-store target of the year. Sales grew by 17.8% and represented a 4.0% share on Colombia's sales in 2019 (vs 2.8% in 2018). Surtimayorista is already present in the Atlantic Coast and in Bogotá.
 - **Uruguay :** 5 FreshMarket stores and 2 Devoto Express stores.
 - **Argentina:** 3 FreshMarket stores and 1 Mini Libertad stores.
- **Digital Transformation Activities:**
 - **Apps:** Éxito and Carulla apps reached near to 1.9 M downloads in 2019.
 - **Frictionless developments:** implemented at 33 stores in Colombia and at 66 stores in Uruguay. These include among self-check-out, mobile POS, scan & pay and shop & go.
 - **Customer Service:** Chatbot, social marketing, social Wi-Fi, kiosks.
 - **Data Analytics:** Predictive model and CRM.
 - **Logistic & Supply Chain:** Inventory and productivity management.

V. 2020 Outlook

Colombia

- Retail expansion from 20 to 24 stores (from openings, conversions and remodelling), including 6 to 7 Éxito WOW, 6 to 7 Carulla FreshMarket and 8 to 10 Surtimayorista stores.
- Revenue growth from retail and complementary businesses.
- Over 50% of total sales benefited by innovative activities, WOW, FreshMarket, Cash & Carry and omni-channel.
- Recurring EBITDA margin at least in line with the level posted in 2019.
- CapEx of approximately COP \$ 400,000 M: COP \$ 300,000 M in retail focused on store optimizations, innovation and digital transformation and COP \$ 100,000 M in real estate projects (i.e. Suba and Puerta del Norte).

Uruguay

- Retail expansion of 4 to 6 stores (from openings, conversions and remodelling), including 2 to 3 FreshMarket and 2 to 3 Express stores.
- Recurring EBITDA margin at least in line with the level posted in 2019.

Argentina

- Strengthening the FreshMarket concept with 2 to 3 stores (from openings, conversions and remodelling).
- Developing of casual leasing at current real estate portfolio.

LatAm Platform

- Sharing best practices with focus on innovation and strengthening of digital transformation activities.

VI. Grupo Éxito Estrategia Pillars 2020 - 2022

Grupo Éxito’s strategy for 2020 to 2022, is comprised of five pillars, in order to adapt to changes in consumer trends and guarantee the Company’s sustainable growth in the long run. The goal is to implement and improve key activities, such as customer service, relational marketing, supplier relationships all supported by IT developments. These activities involve all countries in which the Company operates, and the implementation of these initiatives will follow a top-down approach.



1. Innovation

Activities to constantly innovate on stores, brands and products in accordance with customer requirements.

- Models:** upgrading retail by innovating premium stores with FreshMarket across the region and with the Wow model at hypermarkets in Colombia.
 - The “FreshMarket” model aims to innovate the fresh food category, renovate stores and improve layouts. Furthermore, it includes digital activities, such as apps, improved customer service and strengthening key offerings, such as events for wine, pasta, cheese, coffee and opera, related to the premium banner.
 - The “Wow” model: Launched in Colombia in 2018 regards to the hypermarket of the future, a shopping experience connected to the digital world, superior customer service and improved focus on fresh products.
- Formats/Banners:** improving the store portfolio base by focusing on converting and renovating stores into key profitable formats such:
 - Cash & Carry: to compete versus both the formal and informal markets. The format operates with low operating costs and CAPEX requirements, driving returns and boosting sales following conversions.
- Private Label:** development of the current portfolio of products to improve competitiveness by offering customers the lowest price and the best quality available. The Group is already strengthening well-known brands such as Frescampo in Colombia and positioning Taeq as the most important one for healthy products across the region.

2. Omni-channel Model:

Integration of virtual and physical platform to offer clients various channels, products and services to interact with the Company. Related to the development of:

- **E-commerce:** differentiated websites by genre, for non-food and food categories.
- **Market Place:** to improve the customer shopping experience by including multiple vendors, raising the number of transactions through the Company's websites.
- **Home Delivery & Last Milers:** to enhance convenience for customers through the development of start-ups such as last milers.
- **Digital Catalogues:** kiosks available at stores to purchase and order online.
- **Click & Collect:** service available for food and non-food purchases online to be collected at stores.

3. Digital Transformation

This pillar included the creation of the Digital Transformation Department in Colombia.

- **Apps:** to improve customer service, reinforced loyalty and increase share of wallet.
- **Start-ups:** research and analyse the feasibility of start-ups with which the Company may enhance service, operational activities and back office. Other analyses underway include artificial intelligence and image recognition.
- **Additional Activities:**
 - **Frictionless developments:** to improve the customer service experience at stores, especially when purchasing and paying for groceries or services, to reduce waiting time perception, by implementing:
 - ✓ Self-check-out: customer self-scanning, payment and packaging.
 - ✓ Mobile POS: on-foot cashier.
 - ✓ Scan & Pay: customer self-scanning and on-line receipt ready to be processed at the cashier.
 - ✓ Shop & Go: customer self-scanning, on-line payment through the app and go.
 - **Customer Service:** activities to improve relationship with clients and improving waiting time perception by using trendy channels such as:
 - ✓ Chatbot: 24-hour virtual assistant to answer questions/requirements from clients.
 - ✓ Social Marketing: active attention to customer's social media behaviour and using data collected to improve service and processes.
 - ✓ Social Wi-Fi: free high-quality internet connection available for clients.
 - ✓ Kiosks: interactive devices to allow our customers to self-manage purchases.
 - **Data Analytics:** usage of all data collected through all channels and IT developments to improve customer knowledge and internal data management.
 - ✓ Predictive Models: analyse common trends to improve the understanding of customer, demand, logistics and supply chain.
 - ✓ CRM: Customer Relationship Management.
 - **Logistic and Supply Chain**
 - ✓ Inventory Management: improvement and optimization by usage of data and trends.
 - ✓ Productivity Management: transforming processes by focusing in agility, flexibility, efficiency and supply chain precision.

- **HR Management**
 - ✓ Transforming management of human resources by creating on-line platforms for employee selection and recruitment processes, training and HR data management.

4. **Best Practices and Integration**

- **Asset Monetization:** to improve the Company's returns by developing:
 - Real Estate developments and prioritization of the Retail - Real Estate dual model.
 - Non-core asset disposal, to focus on the food segment cross the region.
- **Traffic Monetization:** to boost growth by leveraging activities through the development of:
 - Loyalty Programs: which provide high potential for data monetization – transactional information, consumer data and marketing focused campaigns.
 - Complementary businesses: to improve revenue and margin growth by strengthening of the financial, insurance, travel, mobile and money transfer businesses.
- **Operational Excellence:** execution of the program across countries to maintain SG&A expense growth below inflation levels, by focusing on:
 - Logistics & Supply Chain: improving the operation by setting stores and dark stores to support omni-channel activities and rolling out inventory management activities.
 - Lean Productivity Schemes: review of processes and structures across the diverse business units.
 - Joint Purchasing: commodity purchasing activities, including indirect goods, services and technology across the region to deliver cost savings.
 - Back Office: opportunities to further optimize and centralize diverse processes across the region.

5. **Sustainable Shared Value**

- **Gen Cero**
 - Focusing on childhood nutrition
- **Sustainable trade**
 - Direct local purchasing
- **My Planet**
 - Protecting the environment
- **Healthy Lifestyle**
 - Offering a healthy portfolio to customers
- **Employee well-being**
 - HR development

VI. Additional Information

Conference Call Details

**Almacenes Éxito S.A.
(BVC: EXITO)**

Cordially invites you to participate in its Fourth Quarter and FY 2019 Results Conference Call

Date: Friday, February 21, 2020

Time: 9:00 a.m. Eastern Time

9:00 a.m. Colombia Time

Presenting for Grupo Éxito:

Carlos Mario Giraldo Moreno - Chief Executive Officer

Ruy Souza - Chief Financial Officer

María Fernanda Moreno - Investor Relations Manager

To participate, please dial:

U.S. Toll Free: 1 (847) 585-4405

Colombia Toll Free: 01 800 9 156 924

International (outside U.S. dial): 1 (847) 585-4405

Conference ID Number: 49382578

Almacenes Éxito S.A. will report its Fourth Quarter 2019 Earnings on Wednesday February 19, 2020 after the market closes.

Accompanying webcast presentation and audio webcast available at www.grupoexito.com.co under "Investors" or via link below:

<https://event.on24.com/wcc/r/2190339/DD927840D81909F7147C1DB3E3F37FE7>

For more information please contact: Almacenes Éxito S.A. Investor Relations,
Phone: (+574) 339 6560 / exitoinvestor.relations@grupo-exito.com

Upcoming Financial Publications

First Quarter 2020 Earnings Release – May 4, 2020

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Company Description

Grupo Éxito is one of the largest multinationals in Colombia and a relevant food retailer in South America, with operations in Colombia, Uruguay and Argentina. The Company has clear competitive advantages derived from its strength in innovation, bricks and mortar, and the value of their brands, supported by the quality of its human resource. Grupo Éxito also leads an omnichannel strategy and diversifies its revenue with a sound set of complementary businesses to enhance its retail offering.

In 2019, Consolidated Net Revenues totalled COP \$15.3 billion derived from retail sales and its strong portfolio of complementary businesses: credit card, travel, insurance, mobile operator, money transfers and real estate with shopping malls in Colombia and Argentina. The Company operates 653 stores: in Colombia with Grupo Éxito, in Uruguay with Grupo Disco and Grupo Devoto, and in Argentina with Libertad.

Grupo Éxito's solid omni-channel model and multi-format and multi-brand strategies make it the leader in all modern retail segments. The Company's hypermarkets lead under the Éxito, Geant and Libertad banners; in premium supermarkets under the Carulla, Disco and Devoto brands; in proximity under the Carulla, Éxito, Devoto and Libertad Express brands. In the low-cost market the Group operates stores under banners Surtimax, Super Inter and Surtimayorista in Colombia.

In 2019 the Company officially declared its Digital Transformation Strategy to adapt to changes in consumer trends.

VII. Appendices

Notes:

- Numbers expressed in COP billion represent 1.000.000.000.000.
- Growth and variations expressed versus the same period last year, except when stated otherwise.
- Sums and percentages may reflect discrepancies due to rounding of figures.
- All margins are calculated as percentage of net revenue.

Glossary

- **Colombia results** includes the consolidation of Almacenes Éxito S.A. and its subsidiaries in the country.
- **Consolidated results:** includes Almacenes Éxito results, Colombian and international subsidiaries in Uruguay and Argentina.
- **EBIT:** Recurring Operating Income adjusted for the other non-recurring operational income/expense result.
- **EBITDA:** Earnings before Interest, Taxes, Depreciation and Amortization.
- **EPS:** Earnings Per Share calculated on an entirely diluted basis.
- **Financial Result:** impacts of interests, derivatives, financial assets/liabilities valuation, FX changes and other related to cash, debt and other financial assets/liabilities.
- **GLA:** Gross Leasable Area.
- **GMV:** Gross Merchandise Value.
- **Holding:** includes Almacenes Éxito results without Colombian and international subsidiaries.
- **Net Group Share Result:** net result attributable to Grupo Éxito's shareholders.
- **Net Revenue:** total revenue related to total net sales and other revenue.
- **Other Revenue:** revenue related to complementary businesses (real estate, insurance, financial services, transportation business unit, etc.) and other revenue.
- **Recurring EBITDA:** measure of profitability that includes Recurring Operating Income adjusted for Depreciation and Amortization both in cost and expense (D&A).
- **Recurring Operating Income (ROI):** includes the Gross Profit adjusted by SG&A expense and D&A.
- **SSS:** same-store-sales levels, including the effect of store conversions.
- **Total Net Sales:** sales related to the retail business.

1. IFRS 16 Impacts – Quarterly Consolidated P&L

| Consolidated Income Statement in COP M | 4Q19 | Adj | 4Q19 | 4Q18 | Adj | 4Q18 | % Var | % Var |
|---|------------------|---------------|------------------|------------------|----------------|------------------|------------------|------------------|
| | Pre IFRS16 | 4Q19 | Post IFRS16 | Pre IFRS16 | 4Q18 | Post IFRS16 | Pre IFRS16 | Post IFRS16 |
| Net Sales | 4,079,945 | - | 4,079,945 | 3,846,719 | - | 3,846,719 | 6.1% | 6.1% |
| Other Revenue | 244,583 | - | 244,583 | 200,078 | - | 200,078 | 22.2% | 22.2% |
| Net Revenue | 4,324,528 | - | 4,324,528 | 4,046,797 | - | 4,046,797 | 6.9% | 6.9% |
| Gross Profit | 1,172,984 | 11,327 | 1,184,311 | 1,088,443 | 3,036 | 1,091,479 | 7.8% | 8.5% |
| <i>Gross Margin</i> | <i>27.1%</i> | | <i>27.4%</i> | <i>26.9%</i> | | <i>27.0%</i> | <i>23 bps</i> | <i>41 bps</i> |
| Total Expense | (867,559) | 23,495 | (844,064) | (829,842) | 24,285 | (805,557) | 4.5% | 4.8% |
| <i>Expense Margin</i> | <i>20.1%</i> | | <i>19.5%</i> | <i>20.5%</i> | | <i>19.9%</i> | <i>(44) bps</i> | <i>(39) bps</i> |
| Recurring Operating Income (ROI) | 305,425 | 34,822 | 340,247 | 258,601 | 27,321 | 285,922 | 18.1% | 19.0% |
| <i>ROI Margin</i> | <i>7.1%</i> | | <i>7.9%</i> | <i>6.4%</i> | | <i>7.1%</i> | <i>67 bps</i> | <i>80 bps</i> |
| Non-Recurring Income/Expense | (55,222) | 186 | (55,036) | (32,205) | (4) | (32,209) | 71.5% | 70.9% |
| Operating Income (EBIT) | 250,203 | 35,008 | 285,211 | 226,396 | 27,317 | 253,713 | 10.5% | 12.4% |
| <i>EBIT Margin</i> | <i>5.8%</i> | | <i>6.6%</i> | <i>5.6%</i> | | <i>6.3%</i> | <i>19 bps</i> | <i>33 bps</i> |
| Net Financial Result | (111,954) | (31,361) | (143,315) | (116,298) | (30,120) | (146,418) | (3.7%) | (2.1%) |
| Associates & Joint Ventures Results | (4,026) | - | (4,026) | 28,022 | - | 28,022 | N/A | N/A |
| EBT | 134,223 | 3,647 | 137,870 | 138,120 | (2,803) | 135,317 | (2.8%) | 1.9% |
| Income Tax | (12,061) | (3,434) | (15,495) | (4,907) | 1,568 | (3,339) | N/A | N/A |
| Net Result | 122,162 | 213 | 122,375 | 133,213 | (1,235) | 131,978 | (8.3%) | (7.3%) |
| Net Group Share Result | 77,051 | 70 | 77,121 | 160,102 | 661 | 160,763 | (51.9%) | (52.0%) |
| <i>Net Margin</i> | <i>1.8%</i> | | <i>1.8%</i> | <i>4.0%</i> | | <i>4.0%</i> | <i>(217) bps</i> | <i>(219) bps</i> |
| Recurring EBITDA | 393,062 | 77,359 | 470,421 | 335,942 | 77,266 | 413,208 | 17.0% | 13.8% |
| <i>Recurring EBITDA Margin</i> | <i>9.1%</i> | | <i>10.9%</i> | <i>8.3%</i> | | <i>10.2%</i> | <i>79 bps</i> | <i>67 bps</i> |
| EBITDA | 337,840 | 77,545 | 415,385 | 303,737 | 77,262 | 380,999 | 11.2% | 9.0% |
| <i>EBITDA Margin</i> | <i>7.8%</i> | | <i>9.6%</i> | <i>7.5%</i> | | <i>9.4%</i> | <i>31 bps</i> | <i>19 bps</i> |

Note: Comparison of bases excluding and including the IFRS 16 retrospective adjustment. Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations.

2. IFRS 16 Impacts – Consolidated P&L - YTD

| Consolidated Income Statement in COP M | FY19 | Adj | FY19 | FY18 | Adj | FY18 | % Var | % Var |
|---|--------------------|----------------|--------------------|--------------------|-----------------|--------------------|------------------|------------------|
| | Pre IFRS16 | FY19 | Post IFRS16 | Pre IFRS16 | FY18 | Post IFRS16 | Pre IFRS16 | Post IFRS16 |
| Net Sales | 14,503,846 | - | 14,503,846 | 14,176,353 | - | 14,176,353 | 2.3% | 2.3% |
| Other Revenue | 789,237 | - | 789,237 | 693,674 | - | 693,674 | 13.8% | 13.8% |
| Net Revenue | 15,293,083 | - | 15,293,083 | 14,870,027 | - | 14,870,027 | 2.8% | 2.8% |
| Cost of Sales | (11,333,080) | 55,849 | (11,277,231) | (10,982,767) | 46,432 | (10,936,335) | 3.2% | 3.1% |
| Cost D&A | (28,956) | (32,790) | (61,746) | (22,114) | (31,130) | (53,244) | 30.9% | 16.0% |
| Gross Profit | 3,931,047 | 23,059 | 3,954,106 | 3,865,146 | 15,302 | 3,880,448 | 1.7% | 1.9% |
| <i>Gross Margin</i> | <i>25.7%</i> | | <i>25.9%</i> | <i>26.0%</i> | | <i>26.1%</i> | <i>(29) bps</i> | <i>(24) bps</i> |
| SG&A Expense | (2,980,194) | 244,124 | (2,736,070) | (2,966,909) | 248,416 | (2,718,493) | 0.4% | 0.6% |
| Expense D&A | (298,990) | (151,539) | (450,529) | (281,629) | (157,547) | (439,176) | 6.2% | 2.6% |
| Total Expense | (3,279,184) | 92,585 | (3,186,599) | (3,248,538) | 90,869 | (3,157,669) | 0.9% | 0.9% |
| <i>Expense Margin</i> | <i>21.4%</i> | | <i>20.8%</i> | <i>21.8%</i> | | <i>21.2%</i> | <i>(40) bps</i> | <i>(40) bps</i> |
| Recurring Operating Income (ROI) | 651,863 | 115,644 | 767,507 | 616,608 | 106,171 | 722,779 | 5.7% | 6.2% |
| <i>ROI Margin</i> | <i>4.3%</i> | | <i>5.0%</i> | <i>4.1%</i> | | <i>4.9%</i> | <i>12 bps</i> | <i>16 bps</i> |
| Non-Recurring Income/Expense | (94,309) | 989 | (93,320) | (68,262) | 178 | (68,084) | 38.2% | 37.1% |
| Operating Income (EBIT) | 557,554 | 116,633 | 674,187 | 548,346 | 106,349 | 654,695 | 1.7% | 3.0% |
| <i>EBIT Margin</i> | <i>3.6%</i> | | <i>4.4%</i> | <i>3.7%</i> | | <i>4.4%</i> | <i>(4) bps</i> | <i>1 bps</i> |
| Net Financial Result | (368,009) | (124,921) | (492,930) | (423,450) | (129,642) | (553,092) | (13.1%) | (10.9%) |
| Associates & Joint Ventures Results | (10,123) | - | (10,123) | 40,516 | - | 40,516 | N/A | N/A |
| EBT | 179,422 | (8,288) | 171,134 | 165,412 | (23,293) | 142,119 | 8.5% | 20.4% |
| Income Tax | (23,346) | 50 | (23,296) | 48,493 | 7,306 | 55,799 | N/A | N/A |
| Net Result | 156,076 | (8,238) | 147,838 | 213,905 | (15,987) | 197,918 | (27.0%) | (25.3%) |
| Non-Controlling Interests | (870,087) | 5,013 | (865,074) | (893,466) | (66,048) | (959,514) | (2.6%) | (9.8%) |
| Net Result of Discontinued Operations | 764,691 | 10,147 | 774,838 | 958,975 | 55,789 | 1,014,764 | (20.3%) | (23.6%) |
| Net Group Share Result | 50,680 | 6,922 | 57,602 | 279,414 | (26,246) | 253,168 | (81.9%) | (77.2%) |
| <i>Net Margin</i> | <i>0.3%</i> | | <i>0.4%</i> | <i>1.9%</i> | | <i>1.7%</i> | <i>(155) bps</i> | <i>(133) bps</i> |
| Recurring EBITDA | 979,809 | 299,973 | 1,279,782 | 920,351 | 294,848 | 1,215,199 | 6.5% | 5.3% |
| <i>Recurring EBITDA Margin</i> | <i>6.4%</i> | | <i>8.4%</i> | <i>6.2%</i> | | <i>8.2%</i> | <i>22 bps</i> | <i>20 bps</i> |
| EBITDA | 885,500 | 300,962 | 1,186,462 | 852,089 | 295,026 | 1,147,115 | 3.9% | 3.4% |

Note: Comparison of bases excluding and including the IFRS 16 retrospective adjustment. Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations.

3. IFRS 16 Impacts - P&L by Country – Colombia

| Income Statement in COP M | 4Q19 Pre IFRS16 | Adj 4Q19 | 4Q19 Post IFRS16 | 4Q18 Pre IFRS16 | Adj 4Q18 | 4Q18 Post IFRS16 | % Var Pre IFRS16 | % Var Post IFRS16 |
|----------------------------------|-----------------------|-------------|------------------------|--------------------|-------------|------------------------|---------------------|----------------------|
| Net Revenue | 3,330,697 | - | 3,330,697 | 3,143,254 | - | 3,143,254 | 6.0% | 6.0% |
| Gross profit | 837,501 | 11,327 | 848,828 | 776,941 | 3,036 | 779,977 | 7.8% | 8.8% |
| <i>Gross Margin</i> | 25.1% | | 25.5% | 24.7% | | 24.8% | 43 bps | 67 bps |
| Total Expense | (592,237) | 19,449 | (572,788) | (573,571) | 20,206 | (553,365) | 3.3% | 3.5% |
| <i>Expense Margin</i> | 17.8% | | 17.2% | 18.2% | | 17.6% | (47) bps | (41) bps |
| Recurring Operating Income (ROI) | 245,264 | 30,776 | 276,040 | 203,370 | 23,242 | 226,612 | 20.6% | 21.8% |
| <i>ROI Margin</i> | 7.4% | | 8.3% | 6.5% | | 7.2% | 89 bps | 108 bps |
| Operating Income | 201,755 | 30,968 | 232,723 | 181,271 | 23,238 | 204,509 | 11.3% | 13.8% |
| Recurring EBITDA | 320,100 | 68,631 | 388,731 | 270,392 | 68,292 | 338,684 | 18.4% | 14.8% |
| <i>Recurring EBITDA Margin</i> | 9.6% | | 11.7% | 8.6% | | 10.8% | 101 bps | 90 bps |

| Income Statement in COP M | FY19 Pre IFRS16 | Adj FY19 | FY19 Post IFRS16 | FY18 Pre IFRS16 | Adj FY18 | FY18 Post IFRS16 | % Var Pre IFRS16 | % Var Post IFRS16 |
|----------------------------------|-----------------------|-------------|------------------------|--------------------|-------------|------------------------|---------------------|----------------------|
| Net Revenue | 11,751,429 | - | 11,751,429 | 11,211,402 | - | 11,211,402 | 4.8% | 4.8% |
| Gross profit | 2,734,791 | 23,059 | 2,757,850 | 2,614,879 | 15,302 | 2,630,181 | 4.6% | 4.9% |
| <i>Gross Margin</i> | 23.3% | | 23.5% | 23.3% | | 23.5% | (5) bps | 1 bps |
| Total Expense | (2,273,453) | 76,338 | (2,197,115) | (2,202,799) | 75,622 | (2,127,177) | 3.2% | 3.3% |
| <i>Expense Margin</i> | 19.3% | | 18.7% | 19.6% | | 19.0% | (30) bps | (28) bps |
| Recurring Operating Income (ROI) | 461,338 | 99,397 | 560,735 | 412,080 | 90,924 | 503,004 | 12.0% | 11.5% |
| <i>ROI Margin</i> | 3.9% | | 4.8% | 3.7% | | 4.5% | 25 bps | 29 bps |
| Operating Income | 383,701 | 99,761 | 483,462 | 338,822 | 91,102 | 429,924 | 13.2% | 12.5% |
| Recurring EBITDA | 742,222 | 265,245 | 1,007,467 | 673,741 | 259,866 | 933,607 | 10.2% | 7.9% |
| <i>Recurring EBITDA Margin</i> | 6.3% | | 8.6% | 6.0% | | 8.3% | 31 bps | 25 bps |

Note: Comparison of bases excluding and including the IFRS 16 retrospective adjustment.

4. IFRS 16 Impacts - P&L by Country – Uruguay

| Income Statement in COP M | 4Q19 Pre IFRS16 | Adj 4Q19 | 4Q19 Post IFRS16 | 4Q18 Pre IFRS16 | Adj 4Q18 | 4Q18 Post IFRS16 | % Var Pre IFRS16 | % Var Post IFRS16 |
|----------------------------------|-----------------------|-------------|------------------------|--------------------|-------------|------------------------|---------------------|----------------------|
| Net Revenue | 706,899 | - | 706,899 | 690,260 | - | 690,260 | 2.4% | 2.4% |
| Gross profit | 234,026 | - | 234,026 | 230,394 | - | 230,394 | 1.6% | 1.6% |
| <i>Gross Margin</i> | 33.1% | | 33.1% | 33.4% | | 33.4% | (27) bps | (27) bps |
| Total Expense | (189,151) | 4,023 | (185,128) | (189,221) | 4,085 | (185,136) | (0.0%) | (0.0%) |
| <i>Expense Margin</i> | 26.8% | | 26.2% | 27.4% | | 26.8% | (66) bps | (63) bps |
| Recurring Operating Income (ROI) | 44,875 | 4,023 | 48,898 | 41,173 | 4,085 | 45,258 | 9.0% | 8.0% |
| <i>ROI Margin</i> | 6.3% | | 6.9% | 6.0% | | 6.6% | 38 bps | 36 bps |
| Operating Income | 32,242 | 4,018 | 36,260 | 33,521 | 4,085 | 37,606 | (3.8%) | (3.6%) |
| Recurring EBITDA | 53,021 | 8,684 | 61,705 | 49,044 | 9,009 | 58,053 | 8.1% | 6.3% |
| <i>Recurring EBITDA Margin</i> | 7.5% | | 8.7% | 7.1% | | 8.4% | 40 bps | 32 bps |

| Income Statement in COP M | FY19 Pre IFRS16 | Adj FY19 | FY19 Post IFRS16 | FY18 Pre IFRS16 | Adj FY18 | FY18 Post IFRS16 | % Var Pre IFRS16 | % Var Post IFRS16 |
|----------------------------------|-----------------------|-------------|------------------------|--------------------|-------------|---------------------|---------------------|----------------------|
| Net Revenue | 2,580,175 | - | 2,580,175 | 2,571,308 | - | 2,571,308 | 0.3% | 0.3% |
| Gross profit | 869,860 | - | 869,860 | 868,617 | - | 868,617 | 0.1% | 0.1% |
| <i>Gross Margin</i> | 33.7% | | 33.7% | 33.8% | | 33.8% | (7) bps | (7) bps |
| Total Expense | (698,506) | 16,097 | (682,409) | (697,286) | 14,974 | (682,312) | 0.2% | 0.0% |
| <i>Expense Margin</i> | 27.1% | | 26.4% | 27.1% | | 26.5% | (5) bps | (9) bps |
| Recurring Operating Income (ROI) | 171,354 | 16,097 | 187,451 | 171,331 | 14,974 | 186,305 | 0.0% | 0.6% |
| <i>ROI Margin</i> | 6.6% | | 7.3% | 6.7% | | 7.2% | (2) bps | 2 bps |
| Operating Income | 155,374 | 16,706 | 172,080 | 163,145 | 14,974 | 178,119 | (4.8%) | (3.4%) |
| Recurring EBITDA | 203,608 | 34,456 | 238,064 | 201,159 | 34,330 | 235,489 | 1.2% | 1.1% |
| <i>Recurring EBITDA Margin</i> | 7.9% | | 9.2% | 7.8% | | 9.2% | 7 bps | 7 bps |

Note: Comparison of bases excluding and including the IFRS 16 retrospective adjustment.

5. IFRS 16 Impacts - P&L by Country – Argentina

| Income Statement in COP M | 4Q19 | Adj | 4Q19 | 4Q18 | Adj | 4Q18 | % Var | % Var |
|----------------------------------|---------------|------|----------------|------------|------|----------------|------------|-------------|
| | Pre IFRS16 | 4Q19 | Post IFRS16 | Pre IFRS16 | 4Q18 | Post IFRS16 | Pre IFRS16 | Post IFRS16 |
| Net Revenue | 290,238 | - | 290,238 | 218,086 | - | 218,086 | 33.1% | 33.1% |
| Gross profit | 102,254 | - | 102,254 | 81,329 | - | 81,329 | 25.7% | 25.7% |
| <i>Gross Margin</i> | 35.2% | | 35.2% | 37.3% | | 37.3% | (206) bps | (206) bps |
| Total Expense | (87,018) | 23 | (86,995) | (67,272) | (6) | (67,278) | 29.4% | 29.3% |
| <i>Expense Margin</i> | 30.0% | | 30.0% | 30.8% | | 30.8% | (86) bps | (88) bps |
| Recurring Operating Income (ROI) | 15,236 | 23 | 15,259 | 14,057 | (6) | 14,051 | 8.4% | 8.6% |
| <i>ROI Margin</i> | 5.2% | | 5.3% | 6.4% | | 6.4% | (120) bps | (119) bps |
| Operating Income | 16,153 | 22 | 16,175 | 11,604 | (6) | 11,598 | 39.2% | 39.5% |
| Recurring EBITDA | 19,891 | 44 | 19,935 | 16,505 | (35) | 16,470 | 20.5% | 21.0% |
| <i>Recurring EBITDA Margin</i> | 6.9% | | 6.9% | 7.6% | | 7.6% | (71) bps | (68) bps |

| Income Statement in COP M | FY19 | Adj | FY19 | FY18 | Adj | FY18 | % Var | % Var |
|----------------------------------|---------------|------|----------------|------------|------|-------------|------------|-------------|
| | Pre IFRS16 | FY19 | Post IFRS16 | Pre IFRS16 | FY18 | Post IFRS16 | Pre IFRS16 | Post IFRS16 |
| Net Revenue | 970,814 | - | 970,814 | 1,100,473 | - | 1,100,473 | (11.8%) | (11.8%) |
| Gross profit | 329,853 | - | 329,853 | 385,099 | - | 385,099 | (14.3%) | (14.3%) |
| <i>Gross Margin</i> | 34.0% | | 34.0% | 35.0% | | 35.0% | (102) bps | (102) bps |
| Total Expense | (310,761) | 150 | (310,611) | (351,903) | 273 | (351,630) | (11.7%) | (11.7%) |
| <i>Expense Margin</i> | 32.0% | | 32.0% | 32.0% | | 32.0% | 3 bps | 4 bps |
| Recurring Operating Income (ROI) | 19,092 | 150 | 19,242 | 33,196 | 273 | 33,469 | (42.5%) | (42.5%) |
| <i>ROI Margin</i> | 2.0% | | 2.0% | 3.0% | | 3.0% | (105) bps | (106) bps |
| Operating Income | 18,397 | 166 | 18,563 | 46,379 | 273 | 46,652 | (60.3%) | (60.2%) |
| Recurring EBITDA | 33,900 | 272 | 34,172 | 45,450 | 652 | 46,102 | (25.4%) | (25.9%) |
| <i>Recurring EBITDA Margin</i> | 3.5% | | 3.5% | 4.1% | | 4.2% | (64) bps | (67) bps |

Note: Comparison of bases excluding and including the IFRS 16 retrospective adjustment.

6. Consolidated P&L

| in COP M | 4Q19 | 4Q18 | % Var | FY19 | FY18 | % Var |
|---|------------------|------------------|-----------------|--------------------|--------------------|-----------------|
| Net Sales | 4,079,945 | 3,846,719 | 6.1% | 14,503,846 | 14,176,353 | 2.3% |
| Other Revenue | 244,583 | 200,078 | 22.2% | 789,237 | 693,674 | 13.8% |
| Net Revenue | 4,324,528 | 4,046,797 | 6.9% | 15,293,083 | 14,870,027 | 2.8% |
| Cost of Sales | (3,123,986) | (2,941,397) | 6.2% | (11,277,231) | (10,936,335) | 3.1% |
| Cost D&A | (16,231) | (13,921) | 16.6% | (61,746) | (53,244) | 16.0% |
| Gross Profit | 1,184,311 | 1,091,479 | 8.5% | 3,954,106 | 3,880,448 | 1.9% |
| <i>Gross Margin</i> | <i>27.4%</i> | <i>27.0%</i> | <i>41 bps</i> | <i>25.9%</i> | <i>26.1%</i> | <i>(24) bps</i> |
| SG&A Expense | (730,121) | (692,192) | 5.5% | (2,736,070) | (2,718,493) | 0.6% |
| Expense D&A | (113,943) | (113,365) | 0.5% | (450,529) | (439,176) | 2.6% |
| Total Expense | (844,064) | (805,557) | 4.8% | (3,186,599) | (3,157,669) | 0.9% |
| <i>Expense Margin</i> | <i>19.5%</i> | <i>19.9%</i> | <i>(39) bps</i> | <i>20.8%</i> | <i>21.2%</i> | <i>(40) bps</i> |
| Recurring Operating Income (ROI) | 340,247 | 285,922 | 19.0% | 767,507 | 722,779 | 6.2% |
| <i>ROI Margin</i> | <i>7.9%</i> | <i>7.1%</i> | <i>80 bps</i> | <i>5.0%</i> | <i>4.9%</i> | <i>16 bps</i> |
| Non-Recurring Income/Expense | (55,036) | (32,209) | 70.9% | (93,320) | (68,084) | 37.1% |
| Operating Income (EBIT) | 285,211 | 253,713 | 12.4% | 674,187 | 654,695 | 3.0% |
| <i>EBIT Margin</i> | <i>6.6%</i> | <i>6.3%</i> | <i>33 bps</i> | <i>4.4%</i> | <i>4.4%</i> | <i>1 bps</i> |
| Net Financial Result | (143,315) | (146,418) | (2.1%) | (492,930) | (553,092) | (10.9%) |
| Associates & Joint Ventures Results | (4,026) | 28,022 | N/A | (10,123) | 40,516 | N/A |
| EBT | 137,870 | 135,317 | 1.9% | 171,134 | 142,119 | 20.4% |
| Income Tax | (15,495) | (3,339) | N/A | (23,296) | 55,799 | N/A |
| Net Result | 122,375 | 131,978 | (7.3%) | 147,838 | 197,918 | (25.3%) |
| Non-Controlling Interests | (30,097) | (254,885) | (88.2%) | (865,074) | (959,514) | (9.8%) |
| Net Result of Discontinued Operations | (15,157) | 283,670 | N/A | 774,838 | 1,014,764 | (23.6%) |
| Net Group Share Result | 77,121 | 160,763 | (52.0%) | 57,602 | 253,168 | (77.2%) |
| <i>Net Margin</i> | <i>1.8%</i> | <i>4.0%</i> | <i>N/A</i> | <i>0.4%</i> | <i>1.7%</i> | <i>N/A</i> |
| Recurring EBITDA | 470,421 | 413,208 | 13.8% | 1,279,782 | 1,215,199 | 5.3% |
| <i>Recurring EBITDA Margin</i> | <i>10.9%</i> | <i>10.2%</i> | <i>67 bps</i> | <i>8.4%</i> | <i>8.2%</i> | <i>20 bps</i> |
| EBITDA | 415,385 | 380,999 | 9.0% | 1,186,462 | 1,147,115 | 3.4% |
| <i>EBITDA Margin</i> | <i>9.6%</i> | <i>9.4%</i> | <i>19 bps</i> | <i>7.8%</i> | <i>7.7%</i> | <i>4 bps</i> |

Note: Differences in the base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied and the FX effect (-1.7% and -1.4% at top line and at recurring EBITDA in 4Q19 and of -3.3% and -2.1% respectively in 2019). Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations.

7. P&L and CAPEX by Country

| Income Statement | Colombia | Uruguay | Argentina | Consol |
|---|--------------------|------------------|------------------|--------------------|
| in COP M | FY19 | FY19 | FY19 | FY19 |
| Let Sales | 11,029,843 | 2,554,885 | 925,062 | 14,503,846 |
| Other Revenue | 721,586 | 25,290 | 45,752 | 789,237 |
| Net Revenue | 11,751,429 | 2,580,175 | 970,814 | 15,293,083 |
| Cost of Sales | (8,937,530) | (1,704,905) | (640,674) | (11,277,231) |
| Cost D&A | (56,049) | (5,410) | (287) | (61,746) |
| Gross profit | 2,757,850 | 869,860 | 329,853 | 3,954,106 |
| <i>Gross Margin</i> | <i>23.5%</i> | <i>33.7%</i> | <i>34.0%</i> | <i>25.9%</i> |
| SG&A Expense | (1,806,432) | (637,206) | (295,968) | (2,736,070) |
| Expense D&A | (390,683) | (45,203) | (14,643) | (450,529) |
| Total Expense | (2,197,115) | (682,409) | (310,611) | (3,186,599) |
| <i>Expense Margin</i> | <i>18.7%</i> | <i>26.4%</i> | <i>32.0%</i> | <i>20.8%</i> |
| Recurring Operating Income (ROI) | 560,735 | 187,451 | 19,242 | 767,507 |
| <i>ROI Margin</i> | <i>4.8%</i> | <i>7.3%</i> | <i>2.0%</i> | <i>5.0%</i> |
| Non-Recurring Income and Expense | (77,273) | (15,371) | (679) | (93,320) |
| Operating Income (EBIT) | 483,462 | 172,080 | 18,563 | 674,187 |
| <i>EBIT Margin</i> | <i>4.1%</i> | <i>6.7%</i> | <i>1.9%</i> | <i>4.4%</i> |
| Net Financial Result | (448,396) | (10,830) | (33,622) | (492,930) |
| Recurring EBITDA | 1,007,467 | 238,064 | 34,172 | 1,279,782 |
| <i>Recurring EBITDA Margin</i> | <i>8.6%</i> | <i>9.2%</i> | <i>3.5%</i> | <i>8.4%</i> |
| CAPEX | | | | |
| <i>in COP M</i> | 300,185 | 61,585 | 4,598 | 2,105,311 |
| <i>in local currency</i> | 300,185 | 661 | 84 | |

Note: Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Brazil as of September 30, 2019 registered as a discontinued operation, the hyperinflationary adjustment (IAS 29) in Argentina, the IFRS 16 retrospective adjustment and eliminations. CAPEX figures include the Brazilian segment.

8. Consolidated Balance Sheet

| Consolidated Balance Sheet in COP M | | | |
|--|-------------------|-------------------|----------------|
| | Dec 2018 | Dec 2019 | Var % |
| Assets | 72,311,162 | 15,861,015 | (78.1%) |
| Current assets | 38,408,297 | 5,356,665 | (86.1%) |
| Cash & Cash Equivalents | 5,973,680 | 2,562,674 | (57.1%) |
| Inventories | 6,720,396 | 1,900,660 | (71.7%) |
| Accounts receivable | 1,000,267 | 379,921 | (62.0%) |
| Assets for taxes | 724,290 | 333,850 | (53.9%) |
| Assets held for sale | 23,572,841 | 37,928 | (99.8%) |
| Others | 416,823 | 141,632 | (66.0%) |
| Non-current assets | 33,902,865 | 10,504,350 | (69.0%) |
| Goodwill | 5,436,868 | 2,929,751 | (46.1%) |
| Other intangible assets | 5,199,801 | 304,215 | (94.1%) |
| Property, plant and equipment | 12,317,515 | 3,845,092 | (68.8%) |
| Investment properties | 1,633,625 | 1,626,220 | (0.5%) |
| Right of Use | 5,141,400 | 1,303,648 | (74.6%) |
| Investments in associates and JVs | 804,400 | 210,487 | (73.8%) |
| Deferred tax asset | 133,991 | 177,269 | 32.3% |
| Assets for taxes | 2,302,451 | - | |
| Others | 932,814 | 107,668 | (88.5%) |
| Liabilities | 53,848,693 | 7,416,173 | (86.2%) |
| Current liabilities | 37,836,809 | 5,906,214 | (84.4%) |
| Trade payables | 13,117,074 | 4,662,801 | (64.5%) |
| Lease liabilities | 858,349 | 222,177 | (74.1%) |
| Borrowing-short term | 2,291,116 | 616,822 | (73.1%) |
| Other financial liabilities | 1,037,191 | 114,871 | (88.9%) |
| Liabilities held for sale | 19,618,293 | - | |
| Liabilities for taxes | 298,699 | 72,910 | (75.6%) |
| Others | 616,087 | 216,633 | (64.8%) |
| Non-current liabilities | 16,011,884 | 1,509,959 | (90.6%) |
| Trade payables | 40,720 | 114 | (99.7%) |
| Lease liabilities | 4,577,359 | 1,308,054 | (71.4%) |
| Borrowing-long Term | 4,633,554 | 43,531 | (99.1%) |
| Other provisions | 2,330,648 | 18,998 | (99.2%) |
| Deferred tax liability | 1,409,857 | 116,503 | (91.7%) |
| Liabilities for taxes | 397,014 | 800 | (99.8%) |
| Others | 2,622,732 | 21,959 | (99.2%) |
| Shareholder's equity | 18,462,469 | 8,444,842 | (54.3%) |

Note: Differences in the base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied.

9. Consolidated Cash Flow

| in COP M | Dec 2019 | Dec 2018 | Var % |
|---|--------------------|------------------|----------------|
| Profit | 922,676 | 1,212,682 | (23.9%) |
| Adjustment to reconcile Net Income | 2,321,985 | 4,583,098 | (49.3%) |
| Cash Net (used in) Operating Activities | (462,317) | 3,170,497 | N/A |
| Cash Net (used in) Investment Activities | (6,734,779) | (2,663,402) | N/A |
| Cash net provided by Financing Activities | 3,977,780 | 414,804 | N/A |
| Var of net of cash and cash equivalents before the FX rate | (3,219,316) | 921,899 | N/A |
| Effects on FX changes on cash and cash equivalents | (191,690) | (229,837) | (16.6%) |
| (Decrease) net of cash and cash equivalents | (3,411,006) | 692,062 | N/A |
| Opening balance of cash and cash equivalents discontinued operations | | | |
| Opening balance of cash and cash equivalents | 5,973,680 | 5,281,618 | 13.1% |
| Ending balance of cash and cash equivalents discontinued operations | - | - | |
| Ending balance of cash and cash equivalents | 2,562,674 | 5,973,680 | (57.1%) |

Note: Variations in the base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied.

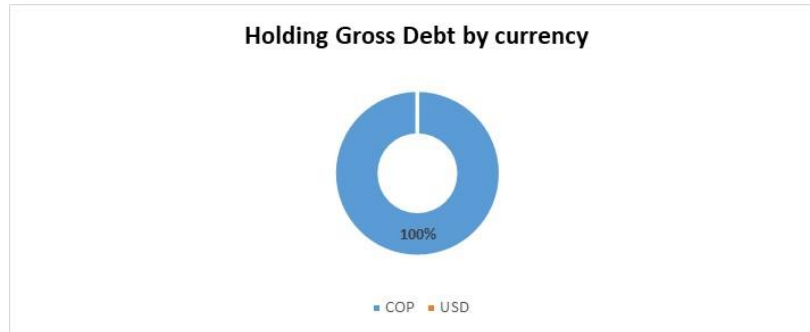
10. Financial Indicators

| | Indicators at Consolidated Level | | Indicators at Holding Level | |
|--|----------------------------------|---------------|-----------------------------|---------------|
| | December 2019 | December 2018 | December 2019 | December 2018 |
| Assets / Liabilities | 2.14 | 1.34 | 2.14 | 1.78 |
| Liquidity (Current Assets / Current Liabilities) | 0.91 | 1.02 | 0.92 | 0.74 |

11. Debt by Country- Currency and Maturity

Net debt breakdown by country

| 31 December 2019, (millions of COP) | Colombia | Uruguay | Argentina | Consolidated |
|-------------------------------------|------------------|----------------|---------------|------------------|
| Short-term debt | 339,358 | 392,335 | - | 731,693 |
| Long-term debt | 43,901 | - | 0 | 43,901 |
| Total gross debt (1) | 383,259 | 392,335 | - | 775,594 |
| Cash and cash equivalents | 2,277,105 | 209,519 | 76,050 | 2,562,674 |
| Net debt | 1,893,846 | 182,816 | 76,050 | 1,787,080 |



Holding Gross debt by maturity

| 31 Dec 2019, (millions of COP) | Nominal amount | Nature of interest rate | Maturity Date | 31-dic-19 |
|--|----------------|-------------------------|---------------|----------------|
| Revolving credit facility - Syndicated | 500,000 | Floating | August 2020 | - |
| Revolving credit facility - Bilateral | 100,000 | Floating | August 2020 | 100,000 |
| Revolving credit facility - Bilateral | 100,000 | Floating | February 2020 | 100,000 |
| Total gross debt (2) | 700,000 | | | 200,000 |

(1) Debt without contingent warranties and letters of credits. (2) Debt at the nominal amount.

12. Almacenes Éxito⁽¹⁾ P&L

Income Statement

| in COP M | 4Q19 | 4Q18 | % Var | % Var | FY19 | FY18 | % Var |
|---|------------------|------------------|------------------|------------------|--------------------|--------------------|------------------|
| Net Sales | 3,109,562 | 2,964,333 | 4.9% | 3.6% | 11,044,128 | 10,619,523 | 4.0% |
| Other Revenue | 146,492 | 114,774 | 27.6% | 2.4% | 440,144 | 401,612 | 9.6% |
| Net Revenue | 3,256,054 | 3,079,107 | 5.7% | 3.6% | 11,484,272 | 11,021,135 | 4.2% |
| Cost of Sales | (2,463,529) | (2,348,160) | 4.9% | 4.5% | (8,930,322) | (8,537,706) | 4.6% |
| Cost D&A | (15,037) | (11,831) | 27.1% | 5.3% | (52,487) | (47,390) | 10.8% |
| Gross profit | 777,488 | 719,116 | 8.1% | 0.4% | 2,501,463 | 2,436,039 | 2.7% |
| <i>Gross Margin</i> | <i>23.9%</i> | <i>23.4%</i> | <i>52 bps</i> | <i>(67) bps</i> | <i>21.8%</i> | <i>22.1%</i> | <i>(32) bps</i> |
| SG&A Expense | (469,016) | (449,490) | 4.3% | 0.8% | (1,727,258) | (1,698,215) | 1.7% |
| Expense D&A | (88,166) | (87,137) | 1.2% | (0.2%) | (360,064) | (359,639) | 0.1% |
| Total Expense | (557,182) | (536,627) | 3.8% | 0.6% | (2,087,322) | (2,057,854) | 1.4% |
| <i>Expense Margin</i> | <i>17.1%</i> | <i>17.4%</i> | <i>(32) bps</i> | <i>(56) bps</i> | <i>18.2%</i> | <i>18.7%</i> | <i>(50) bps</i> |
| Recurring Operating Income (ROI) | 220,306 | 182,489 | 20.7% | (1.0%) | 414,141 | 378,185 | 9.5% |
| <i>ROI Margin</i> | <i>6.8%</i> | <i>5.9%</i> | <i>84 bps</i> | <i>(11) bps</i> | <i>3.6%</i> | <i>3.4%</i> | <i>17 bps</i> |
| Non-Recurring Income and Expense | (37,520) | (22,047) | 70.2% | (32.2%) | (70,375) | (70,528) | (0.2%) |
| Operating Income | 182,786 | 160,442 | 13.9% | 9.4% | 343,766 | 307,657 | 11.7% |
| <i>EBIT Margin</i> | <i>5.6%</i> | <i>5.2%</i> | <i>40 bps</i> | <i>10 bps</i> | <i>3.0%</i> | <i>2.8%</i> | <i>20 bps</i> |
| Net Financial Result | (146,074) | (117,397) | 24.4% | (12.0%) | (473,382) | (489,462) | (3.3%) |
| Net Group Share Result | 77,121 | 160,763 | (52.0%) | N/A | 57,602 | 253,168 | (77.2%) |
| <i>Net Margin</i> | <i>2.4%</i> | <i>5.2%</i> | <i>(285) bps</i> | <i>(140) bps</i> | <i>0.5%</i> | <i>2.3%</i> | <i>(180) bps</i> |
| Recurring EBITDA | 323,509 | 281,457 | 14.9% | (0.1%) | 826,692 | 785,214 | 5.3% |
| <i>Recurring EBITDA Margin</i> | <i>9.9%</i> | <i>9.1%</i> | <i>79 bps</i> | <i>(23) bps</i> | <i>7.2%</i> | <i>7.1%</i> | <i>7 bps</i> |

(1) Holding: Almacenes Éxito Results without Colombian subsidiaries. Variations in the base versus the one reported in 2018 associated to the IFRS 16 retrospective adjustment applied.

13. Almacenes Éxito⁽¹⁾ Balance Sheet

| in COP M | Dec 2018 | Dec 2019 | Var % |
|---|-------------------|-------------------|----------------|
| Assets | 16,931,625 | 13,519,213 | (20.2%) |
| Current assets | 3,914,728 | 4,448,466 | 13.6% |
| Cash & Cash Equivalents | 1,885,868 | 2,206,153 | 17.0% |
| Inventories | 1,398,724 | 1,555,865 | 11.2% |
| Accounts receivable | 218,109 | 199,712 | (8.4%) |
| Assets for taxes | 168,907 | 314,736 | 86.3% |
| Others | 243,120 | 172,000 | (29.3%) |
| Non-current assets | 13,016,897 | 9,070,747 | (30.3%) |
| Goodwill | 1,453,077 | 1,453,077 | 0.0% |
| Other intangible assets | 144,245 | 159,225 | 10.4% |
| Property, plant and equipment | 2,055,879 | 2,027,180 | (1.4%) |
| Investment properties | 97,680 | 91,889 | (5.9%) |
| Right of Use | 1,299,546 | 1,411,410 | 8.6% |
| Investments in subsidiaries, associates and JVs | 7,745,970 | 3,614,639 | (53.3%) |
| Others | 220,500 | 313,327 | 42.1% |
| Liabilities | 9,520,410 | 6,322,685 | (33.6%) |
| Current liabilities | 5,286,047 | 4,847,078 | (8.3%) |
| Trade payables | 3,567,527 | 3,901,549 | 9.4% |
| Lease liabilities | 179,392 | 224,492 | 25.1% |
| Borrowing-short term | 1,042,781 | 204,705 | (80.4%) |
| Other financial liabilities | 111,269 | 95,437 | (14.2%) |
| Liabilities for taxes | 50,458 | 66,270 | 31.3% |
| Others | 334,620 | 354,625 | 6.0% |
| Non-current liabilities | 4,234,363 | 1,475,607 | (65.2%) |
| Lease liabilities | 1,327,404 | 1,394,323 | 5.0% |
| Borrowing-long Term | 2,838,433 | 6,293 | (99.8%) |
| Other provisions | 38,788 | 53,056 | 36.8% |
| Deferred tax liability | - | - | |
| Others | 29,738 | 21,935 | (26.2%) |
| Shareholder´s equity | 7,411,215 | 7,196,528 | (2.9%) |

1) Holding: Almacenes Éxito Results without Colombian or international subsidiaries.

14. Stores and Selling Area

| <u>Banner by country</u> | <u>Store number</u> | <u>Sales Area (sqm)</u> |
|--------------------------|---------------------|-------------------------|
| | 4Q19 | |
| Colombia | | |
| Éxito | 247 | 624,907 |
| Carulla | 98 | 86,612 |
| Surtimax | 92 | 45,111 |
| Super Inter | 70 | 65,754 |
| Surtimayorista | 30 | 31,377 |
| Total Colombia | 537 | 853,761 |
| Uruguay | | |
| Devoto | 60 | 40,325 |
| Disco | 29 | 33,452 |
| Geant | 2 | 16,411 |
| Total Uruguay | 91 | 90,188 |
| Argentina | | |
| Libertad | 15 | 103,967 |
| Mini Libertad | 10 | 1,796 |
| Total Argentina | 25 | 105,763 |
| TOTAL | 653 | 1,049,712 |

Note: The store count does not include allies in Colombia.

Note on Forward-Looking Statements

This document contains certain forward-looking statements. This information is not historical data and should not be interpreted as guarantees of the future occurrence of such facts and data. These statements are based on data, assumptions and estimates that the Group believes are reasonable. The Group operates in a competitive and rapidly changing environment. It is therefore not in a position to predict all of the risks, uncertainties or other factors that may affect its business, their potential impact on its business, or the extent to which the occurrence of a risk or a combination of risks could have results that are significantly different from those included in any forward-looking statement.

The forward-looking statements contained in this document are made only as of the date hereof. Except as required by any applicable law, rules or regulations, the Group expressly disclaims any obligation or undertaking to publicly release any updates of any forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this press release is based.

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