

Grupo Éxito recorded consolidated net revenues of COP20.6 billion, +21.8% (an increase of one fifth of its total sales) FY2022

The sales dynamics and consolidated results of 2022 were driven by innovative formats, e-commerce, real estate business and alliances such as “Puntos Colombia”

e-commerce channels accounted for 12% of sales in Colombia

Consolidated recurring EBITDA for the year reached COP1.7 billion +8.3% and a margin of 8.1%

Grupo Éxito’s consolidated net income was COP99,072 million and reflected the positive operational performance of the retail and real estate businesses. However, net result was affected by higher financial expenses (COP126,000 million) due to the increase in interest rates in Colombia, and by non-cash impact effects, such as the higher deferred tax expense in Colombia and Argentina (COP161,000 million), and the inflationary adjustment in Argentina (COP58,000 million)

Considering the company’s operating results and cash generation, the Board of Directors presented a proposal to the Annual General Meeting (AGM) to be held this coming March 23, to decree an ordinary dividend of COP217,393 million among shareholders. This sum would be paid in a single amount on March 30, 2023

Grupo Éxito managed to contain the increase in prices within 7.7pp below the country’s food inflation, in order to alleviate the inflationary burden on Colombians

In Colombia, 89% of the purchases of fruits and vegetables sold in Grupo Éxito stores were procured in the country, of which 86% were purchased without intermediaries

Grupo Éxito continues to be among the top ten food retailers in the Corporate Sustainability Assessment (CSA), by Standard & Poor’s and for the fourth consecutive year, was recognized as a Sustainability Yearbook Member

Grupo Éxito continues with its project to list its shares on the New York Stock Exchange (ADRs) and on the Sao Paulo Stock Exchange(BDRs). In addition to maintaining its presence in the Colombian Stock Exchange, distributing approximately 83% of Grupo Pao de Azucar’s successfully held shares to its shareholders would substantially increase the liquidity of Exito’s share from 3.5% to a potential level of 53%. It would add about 50 shareholders from GPA and facilitate the unlocking of the value of the Company’s share. Listing and distribution of shares should be completed during the first half of 2023. Éxito’s stock would be the only one in the country with participation in the markets of the United States, Brazil and Colombia.

- *Innovative formats achieved a share in the company’s consolidated sales of 40%. Éxito Wow accounted for 34% of the brand’s sales, Carulla FreshMarket 60% and Surtimayorista 5.2% of the company’s sales in Colombia.*
- *The Company completed the conversion of five stores acquired from Almacenes La 14 in the Valle de Cauca region, which are now operated under the Exito Wow format and generated around 800 new permanent jobs, for a total of about 4,500 jobs in this region. Close to 120 suppliers from La 14 were coded after a business roadshow held in early*

2022 in the Valle del Cauca, completing a total of 420 suppliers in the region, who sell about 2,300 products in all Grupo Éxito's banners.

- The operation in Uruguay recorded a recurring EBITDA margin of 9.9%. Sales grew by 11.4% in local currency above the country's inflation index, leveraged by the 17.2% growth in sales of the Freshmarket format, which reached a 52.9% share of the country's total sales.
- In Argentina, local currency sales grew by 104%, surpassing the country's inflation rate. This growth was marked by a 6.7% increase in store traffic, the development of the wholesale model that reached nine stores during 2022 and the good performance of the real estate business.
- In Argentina, the country's recurring EBITDA increased by 83% in Colombian pesos, reaching the equivalent of 75,702 in the same currency.

Grupo Éxito's Consolidated Results (Colombia, Argentina Argentina)

Grupo Éxito's consolidated net revenue reached COP20.6 billion in 2022 +21.8% compared to 2021, driven by the good performance of innovative formats, the dynamization of sales, both in physical and e-commerce channels, and the evolution of the real estate business.

The operation in Colombia accounted for 74% of the Group's sales. Total sales in the country grew 17.2% compared to the previous year, leveraged by the performance of the retail business. International operations reached income for COP5.3 billion supported by the commercial dynamics that showed a growth of 37.3% and that represents 26% of the consolidated sales of the company.

The Group's recurring EBITDA grew by 8.3% compared to 2021 and reached about COP1.7 billion, with a margin of 8.1%, explained by a positive performance of the retail and real estate business. Grupo Éxito's consolidated net income was COP99,072 million and reflected the positive operational performance of the retail and real estate businesses. However, the net result was affected by higher financial expenses (COP126,000 million) due to the increase in interest rates in Colombia, higher deferred tax expenditure in Colombia and Argentina (COP161,000 million) and the inflationary adjustment in Argentina (COP58,000 million).

“Year 2022 had very positive economic dynamics that were maintained during a good part of the year, leveraged by the Colombian household consumption growing close to 14%.

We closed the year with an income growth close to 22% thanks to our customer-centric strategy based on omnichannel alternatives (combination of physical and virtual channels), format innovation and good shopping mall performance. Innovative formats in Colombia, Uruguay and Argentina accounted for 40% of consolidated sales, supported by the expansion of Éxito Wow, with the acquisition of five new stores and the fastest growth rate of the wholesale format (with the Surtimayorista brands in Colombia and Mini Mayorista in Argentina), with 19 store openings. In Colombia, we focused our efforts on controlling price levels for our customers, achieving a 7.7 percentage point below those recorded by food inflation in the country.

During 2022, we worked on our higher purpose, “Nourishing Colombia with Opportunities” through activities focused on supporting child nutrition, local and direct procurement from producers and our suppliers, especially small and medium-sized enterprises.

In 2023, we will continue working on the expansion plan of points of sale, shopping centers and the strengthening of our digital platforms,” said Carlos Mario Giraldo Moreno, Grupo Éxito CEO.

Consolidated Results - Figures Expressed in Millions of COP Local Currency

	Full Year - 2022		
	2022	2021	% var COP
Sales	19,754,076	16,105,756	22.7%
Net Revenue	20,619,673	16,922,385	21.8%
Gross Profit	5,239,583 25.4%	4,433,529 26.2%	18.2%
SG&A Expense	-4,180,509 20.3%	-3,445,510 20.4%	21.3%
Recurring EBITDA	1,662,401 8.1%	1,535,403 9.1%	8.3%
Grupo Éxito Net Result	99,072 0.5%	474,681 2.8%	-79.1%

In Colombia, the results were leveraged by the strengthening the omnichannel strategy, innovative formats and the real estate business

Net revenues in Colombia reached COP15.3 billion, a growth of 17.2% compared to 2021 and above inflation levels for the year. These results demonstrate a successful customer-centric strategy, with the company’s quick response to their needs and preferences.

Recurring EBITDA reached COP1.2 billion, a result favored by the growth of operating revenues and a strategy focused on internal efficiencies, supported by an operational excellence program and adjustments in expenses without affecting service levels, all in the midst of high inflation scenario in the country. The result also reflected negative impacts, due to higher levels of non-recurring income at the base level and an increase in the cost of fresh products manufactured in our food industry, as an effect of the natural stabilization of its industry processes, after transferring headquarters from its previous location in Bogotá.

Grupo Éxito maintained its strategy focused on three main pillars:

1. Innovation in formats as a differentiating strategy to provide superior customer experiences, through expansion in innovative formats:

- **Éxito Wow**, recognized worldwide by Laureano Turienzo, a retail expert, for its innovative strategies, opened five new stores adding about 26,000 m² of sales area. In addition, the brand reformed six stores to the Wow format, completing 30 in total, now accounted for 34.2% of the company’s sales.
- **Carulla** opened eight (8) FreshMarket stores, completing 30 stores under this model and reformed seven (7) stores to the Carulla Express format. In 2022, Carulla FreshMarket accounted for 60% of the brand’s total sales. The brand is part of the top 5 stores to visit

in 2023, published by the IGD as a result of its "naturally sustainable" mentality by reducing the impact on the planet by supporting the circular economy and contributing to "shopping locally."

- **Super Inter** reformed 10 stores to the Vecino format, completing 35 stores that represented 70.8% of the brand's total sales.
- **Surtimayorista**, the cash and carry format brand, completed 46 stores with the opening of four new stores and the conversion of six more. The brand's sales represented 5.2% of the company's sales in Colombia in 2022.

2. Sales of the electronic and direct commerce channels reached more than COP1.7 billion and represented 12% of the company's sales in Colombia, a remarkable growth, as there were two additional days without VAT that improved the base of 2021. Omnichannel results were leveraged by:

- **The double-digit growth** of the food category; with a participation of 10.5% and the non-food category of 15% with purchases made through our websites (exito.com and carulla.com), mobile apps, telephone lines, WhatsApp chats and digital catalogs.
- Orders through the different digital channels increased by 69.6% compared to the previous year, reaching 13.3 million orders in 2022.
- **Last mile service** in partnership with Rappi grew 28%, compared to 2021.
- **The "Click and Collect" service** represented 28.5% of total omnichannel sales.
- **The service to nearly 3,000 neighborhood stores (mom-and-pops)** through the MiSurtii mobile app recorded sales of COP57,500 million and helped digitize food sales with a 26% share of the Aliados format.

3. Monetization of traffic in stores and real estate assets continued to be a growth engine, through the following businesses:

- **In the real estate business** the performance and contribution of the business is highlighted above pre-pandemic levels. The Company continued to be the first shopping center operator in Colombia, with solid occupancy levels above 96% and increased traffic, which favored the performance of our tenants. During 2023, construction of the first IKEA store in the country, located in the VIVA Envigado shopping center, will continue, making it the largest shopping center in Colombia.
- **Tuya** financial business was very dynamic and reached 2.1 million cards issued and continued to strengthen synergies with Grupo Éxito's digital ecosystem.
- **Puntos Colombia**, our loyalty program, grew dynamically and registered 6.2 million active customers, an increase of 14% compared to 2021 and completed more than 160 allied brands.
- **Viajes Éxito** boosted and grew its sales close to 43%, mobilizing more than 74 thousand passengers.

Efforts to improve the productivity and efficiency of the operation in Colombia were reflected in activities that allowed Grupo Éxito to sustain food prices at 7.7pp below the country's food inflation. The Company carried out advance purchasing activities to control price increases and developed different commercial strategies to strengthen its portfolio of about 700 basic products known as "unbeatable price," highly competitive in quality and with lower prices in each region. Likewise, Grupo Éxito reaffirmed its commitment to the development of farmers in the country to improve the conditions of families throughout the territory and made local procurement of 89% of its fruits and vegetables - 86.3% of them - which are in the region directly, to more than 940 organizations of producers and peasants.

A year to ratify the commitment to the promotion of employment, the conservation of biodiversity and the reconstruction of social fabric

We continued to be among the top ten food retailers in the Corporate Sustainability Assessment (CSA), by Standard & Poor's, and we climbed two categories in the Climate Disclosure Project (CDP), in the Climate category, obtaining a B score. Also, for the fourth consecutive year, we were recognized as a Sustainability Yearbook Member.

2022 was a year to ratify the commitment to generating opportunities, promoting "shopping locally" and caring for the planet. The following achievements are highlighted:

- The Company completed the conversion of five stores acquired from Almacenes La 14 in the Valle de Cauca region, which are now operated under the higher experience of Éxito Wow hypermarket format, which generated more than 800 new long-term jobs, more than 4,500 total jobs in this region. Through these renovations, the Éxito brand focuses on bringing global retail trends to intermediate cities, offering a differentiated shopping experience from innovation, omnichannel and digital transformation.
- A total of 89% of the procurement of fruits and vegetables was made locally and without intermediaries, from more than 940 local producers and through associations of producers and peasant families (86.3% was directly marketed).
- Grupo Éxito strengthened local and direct procurement by working together with 24 peasant associations and foundations and benefitting farmers in 28 departments of the country.
- The Company launched the campaign: Let's recover the green areas #UnArbolALaVez (One Tree at a Time) with the goal of planting one million native trees in Colombia. More than one million trees have been planted and 93 hectares have been recovered, representing the area of 560 football fields.
- During 2022, the Carulla Freshmarket brands and Viva shopping centers received carbon neutral certification by ICONTEC.
- The "Feria Nacional de Grafiti" (National Graffiti Fair) "Pigmentos Urbanos," (Urban Pigments) reached 13 cities of the country with local artists and the communities surrounding the stores, highlighting the identity of the territories.
- "Terrazas Verdes," (Green Rooftops) a food security project that began in the Comuna 13 of Medellín, benefited women heads of households and their children and achieved the commercialization of 6,000 units of lettuces at the Éxito brand stores.

The Fundación Éxito celebrated 40 years working toward the goal of achieving the first generation with zero chronic malnutrition in Colombia as a path to equity:

- During 2022, the Fundación Éxito managed to serve more than 60,000 children in 27 departments and 192 municipalities with the purpose of eradicating chronic malnutrition by 2030.
- A total of 57.52% were serviced in child nutrition programs and 42.47% in complementary programs.
- In 2022, 200,403 food grocery baskets were delivered with an investment of COP21,375 million.

The operation in Uruguay continued to be the Group's most profitable one

Sales in the country increased 11.4% above the level of inflation, influenced by the value proposition of the fresh market model, which represented 52.9% of the sales of non-converted stores in the country, with a growth of 17.2% during 2022. Six stores were renovated in this format and 29 stores were reached. The recurring EBITDA margin was 9.9% and remained the highest in the Group, thanks to the constant effort of controlling expenses and efficiencies in the operation, and grew 8.3% in local currency, surpassing the level of inflation.

In Argentina, annual sales grew 800 basis points above the country's inflation level

The operation in this country showed 105% revenue growth in local currency, thanks to increased commercial dynamics, which resulted in an increase in store traffic of 6.7%, a positive performance of the recently launched Cash & Carry format, the evolution of digital channels (3.9% share in sales), and the good performance of the real estate business that reached occupancy levels of 92.6%. At the end of 2022, the Company reached nine Cash & Carry stores, a share of 3.7% in total sales in the country.

The recurring EBITDA margin in the country during 2022 was 4.3%, +93bp compared to the previous year.



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