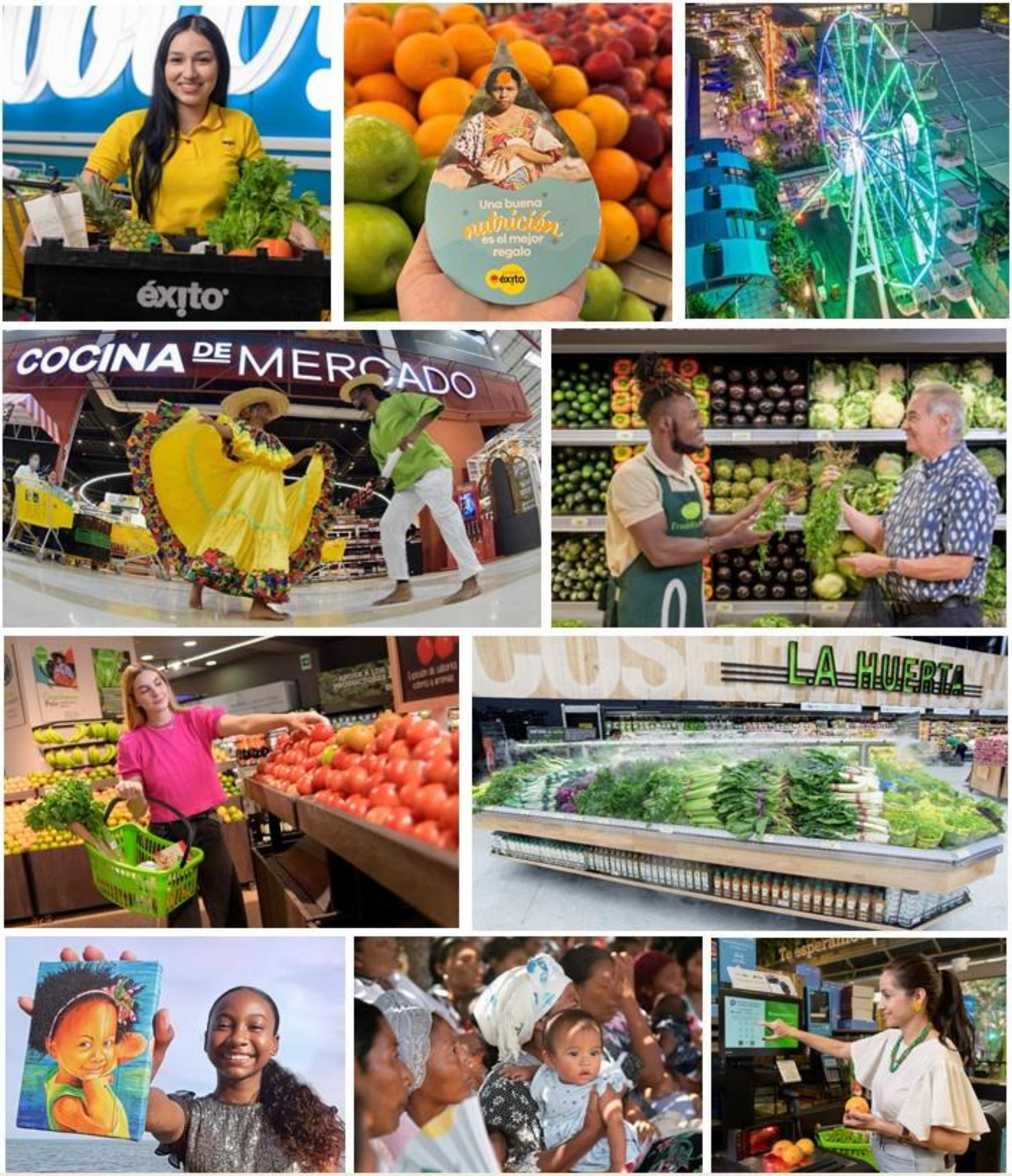


Quarterly Periodic Report

2024 Second Quarter

grupo éxito

Nutrimos de
oportunidades
a Colombia

INDEX

1. GENERAL INFORMATION

1.1 Issuer's basic identification data

- Corporate name: Almacenes Éxito S.A.
- Place of business: Carrera 48 No. 32 B Sur 139, Envigado, Antioquia.

1.2 Issuance of outstanding securities

The Company is the first Colombian company issuing securities with presence, in addition to the Colombian market, in two other markets: the United States and Brazil. The Company's securities are traded in these markets: common shares in the Colombian market, American Depositary Shares (ADS) in the U.S. market, and Brazilian Depositary Receipts (BDR) in the Brazilian market.

As of June 30, 2024, the number of subscribed and outstanding shares is 1,344,720,453 and the number of own shares repurchased is 46,856,094.

2. FINANCIAL INFORMATION

2.1. Financial Statements

The Company's Financial Statements were transmitted to the Financial Superintendence of Colombia and published through the relevant information mechanism of this entity and are attached to the Report.

They can also be consulted on the Company's corporate website.

2.2. Financial Analysis

Consolidated Net Revenue decreased by 0.9% (+6.5% when excluding FX effect) to COP $5.1 B during 2Q24 and by -2.1% (+7.2% when excluding FX effect) to COP $10.3 B during the first-six-months of 2024 compared to the same periods of last year.

Consolidated Retail Sales decreased by 1.0% (+6.5% excluding FX effect) and totalled COP $4.8 B during 2Q24, while SSS grew by +4.8%. Performance reflected retail sales growth in local currencies in Uruguay (+4.4% excluding FX effect) and

Argentina (+192.2% excluding FX effect). In Colombia, retail sales posted a slight decrease of -0.1% during the quarter, affected by a slow-down in consumption and a higher non-recurring base of property sale.

Total Retail Sales results in local currencies reflected a slowdown related to the lower consumption trend seen in Colombia, affected by high inflation and interest rates, which impacted non-food sales mainly (-6.5% versus 2Q23) while the food category grew resilient by 2.4%. Argentina´s performance continued affected by an unfavorable macroeconomic context and inflationary pressures on consumption (sales +192.2% vs 271.5% inflation reported).

Consolidated Retail Sales decreased by 2.5% (+7.0% excluding FX effect) and totalled COP $9.9 B during the first half of 2024 and SSS grew by 5.2% compared to the same period of last year.

Omni-channel continued contributing to sales performance and grew +3.3% during the quarter. Omni-channel share on sales was 11.3% during 2Q24. The LTM store expansion[1] of 44 stores (Col 37, Uru 6, Arg 1) also contributed to Retail Sales performance.

Consolidated Other Revenue increased by 2.2% (+7.0% excluding FX) during the 2Q24 and grew 5.7% (+12.1% excluding FX) during the first 6-months of 2024.

Colombia: During second quarter of 2024, Net Revenue posted a slightly negative performance versus the same period last year. Net sales totalled COP $3.5 billion (-0.1%) and SSS of -0.4%, and reflected a positive trend of omni-channel (14.5% share) and a resilient growth of the food category (+2.4%) driven by fresh (+4.5%), however, affected by the performance of the non-food category (-6.5%) impacted by pressures in consumption. The Colombia operation represented over 72% of consolidated Net Sales during 2Q24.

During first half of 2024, Net Revenue grew by 1.3% compared with the same period of last year and +2.0% (when excluding the higher non-recurring base from development fees of real estate and property sales), driven by complementary business. Net sales totalled COP $7.2 billion (+1.0%) with LFL levels of 0.4% and reflected solid omni-channel performance (+44 bps, 14.6% share) but a retail sales slowdown due to inflationary pressures and despite having a lower internal food inflation level (1.4 p.p. below the national rate). The Colombia operation represented near to 73% of consolidated Net Sales during 1H24.

YTD Retail Sales posted a slightly positive performance despite macro headwinds in the country, as inflation reduced to 7.18% from 12.13% y/y and food inflation grew at slow pace to 5.27% vs 14.31% y/y, compared with the trend seen last months. Unemployment rose to 10.3% in Jun-24 (vs 9.3% y/y) and consumption continued affected; the Retail Confidence Index decreased to 12.5 points (-9.2 points vs June 2023) because of a drop in economic expectations for the next half (-5.7 points), a deterioration in the current economic situation (-3.4 points) and an increase in the level of stocks (increased inventories and fewer sales).

Other Revenue grew 1.8% during 2Q24 and 8.1% during 1H24, driven by complementary businesses, mainly recurring income from the Real Estate (+8.5% during 1H24).

The Éxito segment represented approximately 66% of the sales mix in Colombia during 2Q24 and 67% in 1H24. The segment´s results during the first half of 2024 was driven by the Fresh category (+4.7%), despite pressures from food inflation. The 32 Éxito WOW stores also contributed to results and represented a 36.3% share on the segment´s sales, as well as the 2 stores opened and 3 converted during 2Q24 (5 conversions as of 1H24). From the downside, the low consumption context continued affecting sales of the electro category, although, having signs of recovery (-3.4% in 2Q24 vs -4.8% in 1Q24).

The Carulla segment represented approximately 18% of the sales mix in Colombia during 2Q24 and 17% in 1H24. During the quarter, the segment benefited from the solid performance of omni-channel sales (+26.3%, 29.6% share), the food category (+7.4%) driven by FMCG (+7.8%), the double-digit growth in Medellin and the Coffee regions, and the performance of the 31 Fresh Market stores (63.7% share on the segment´s sales).

The low-cost & other segment which includes Super Inter, Surtimax and Surtimayorista banners, allies, institutional, third-party sellers, the sale of property development projects (inventory) and other, represented approximately 16% of the sales mix in Colombia during 2Q24. The segment´s performance was favoured by the 3.1% growth of the FMCG in Surtimayorista but offset by the effect of a higher base from the sale of real estate property (+1.7% growth when excluded in 1H24) and the store portfolio optimization focus on Éxito and Carulla banners.

- **Uruguay:** Uruguay contributed with 19.8% of consolidated Retail Sales during 2Q24. Last-12-month inflation as of June was of 4.96% (vs 5.98% in June 2023) and the food component stabilized and grew by 4.54% during the last-12-months. The Uruguay operation grew Retail Sales by 4.4% and by 2.3% in terms of SSS, in local currency, benefitted by a sound political and economic environment, the contribution from the 32 Fresh Market stores (+2.2% growth vs 2Q23; 59.2% share on total sales) and the trend of the non-food category (+9.7%) driven by commercial activities around “Copa América”.

During the first semester, net sales and SSS grew by 6.1% and 4.0%, respectively, versus the same period from last year, with a calendar effect adjustment of 0.5%, benefited by the tourism season and evolution of the Fresh Market format (+4.3%, share of 60.2%).

The operation in Uruguay reported market share gains of 0.6 p.p. to 49% in terms of SSS as of May, according to Scentia, driven by: (i) the solid sales performance of all banners and (ii) the contribution of the 32 Fresh Market stores.

- **Argentina:**

  The operation in Argentina contributed near to 8% on Consolidated Retail Sales and results in Colombian Pesos included a -62.7% FX effect during 2Q24.

  Net Revenue in Argentina was COP $407,399 M (+191.7% in local currency) and Retail Sales were COP $392,729 M (+192.2% in local currency and +202.4% in SSS) during 2Q24. Last-12-month inflation as of June was of 271.5% according to INDEC, which compares to the 115.6% level reported during the same period last year. Retail sales grew below inflation due to lagged consumption and an unfavourable macroeconomic context. During the first semester, net sales and SSS grew 206.8% and 200.9%, respectively versus the same period last year, with a calendar effect adjustment of 0.97%, affected by high devaluation specially since the end of 2023.

  To highlight during 2Q24: (i) the performance of the Cash and Carry format (12 MiniMayorista stores, 14.2% share on sales), (ii) omni-channel performance (+165.9%, 3.7% share), and (iii) higher income of real estate (+177.5% in local currency) from improved commercial trends and strong occupancy levels (94.5%).

Operating Performance

Consolidated Gross Profit decreased 3.0% (+6.9% excluding FX) during 2Q24 and margin reached 25.6% (-55 bps) as percentage of Net Revenue, compared to the same period last year, mainly affected by a lower consumption trend, price investment and a higher non-recurring real estate base[2]. Gross margin level during

2Q24 showed an improved level vs 1Q24 (25.1%). As for the 1H24, margin landed at 25.3% and Gross Profit grew by 6.8% excluding the FX effect.

- **Gross Profit in Colombia** decreased 2.9% to a margin of 22.0% (-64 bps) during 2Q24 as percentage of Net Revenue. The outcome reflected recurring real state income growth (+11.4%), offset by price investment and a higher non-recurring base from property sale[2] (28 bps effect). 1H24 gross profit decreased 2.5% to a margin of 21.7% (-86 bps) as percentage of Net Revenue.

- **Gross Profit in Uruguay** reduced by 4.8% during 2Q24 (+7.4% in local currency) and margin rose to 36.6% (+98 bps) as percentage of Net Revenue. Strong results reflected the solid sales evolution during the quarter, efficiencies in logistic costs and better negotiation with suppliers towards promotional events. During the 1H24, Gross Profit grew by 8.6% in local currency to a margin of 36.4% (+82 bps vs last year).

- **Gross Profit in Argentina** grew by 1.6% during 2Q24 (+172.2% in local currency) to a 32.2% margin (-230 bps) as a percentage of Net Revenue. Gross profit reflected reflected higher price competition amidst the inflationary and lower consumption trends, the mix effect and a higher share of the C&C format (14.2%). Profit grew 193.0% in local currency during 1H24 to a margin of 32.5% (-145 bps) as a percentage of Net Revenue.

Consolidated Recurring EBITDA[1] reached COP $341,931 M during 2Q24 (-13.5%; -9.5% when excluding FX) compared to the same period last year and margin was 6.7% (-99 bps) as percentage of Net Revenue. Performance during the quarter reflected the consumption deceleration in the region, higher expenses from international operations impacted by inflationary pressures, a higher non- recurring base real estate base in Colombia and negative FX impacts (-11.4% in Uruguay and -62.7% in Argentina) that offset gross margin gains from Uruguay. Second quarter results showed a positive trend compared to levels during 1Q24 due to better performance of SG&A and early positive results of commercial activities in Colombia. During, 1H24 Recurring EBITDA reached COP $644,044 M to a 6.2% margin.

Colombia: Recurring EBITDA reduced 14.6% during 2Q24 compared to the same period last year and margin was 6.2% (-107 bps) as percentage of Net Revenue. SG&A grew by 2.6%, below inflation and the double-digit minimum wage increase, from internal efficiency plans and despite a higher real estate base. 2Q24 levels showed a better trend vs 1Q24 aided by the savings plans and early positive results from commercial activities implemented such as “Unbeatable Prices” and increased assortment. Recurring EBITDA reduced by 19.1% during 1H24 compared to the same period last year and margin was 5.3% (-135 bps) as percentage of Net Revenue.

Uruguay: Recurring EBITDA decreased 8.2% (+3.6% in local currency) during 2Q24 compared to the same period last year, to a 11.2% margin (-11 bps) as percentage of Net Revenue; performance reflected SG&A affected by the inflationary trend. Recurring EBITDA decreased 10.4% (+4.6% in local currency) during 1H24 compared to the same period last year, to a 11.5% margin (-17 bps) as percentage of Net Revenue. Uruguay operation continued as the most profitable business unit of the group.

Argentina: Recurring EBITDA decreased by 62.9% during 2Q24 (-0.6% in local currency) to a 0.6% margin (-117 bps) as percentage of Net Revenue. Performance reflected top line affected by lower consumption, price investment, inflationary pressures on cost and expenses mainly labour cost and the FX effect. Recurring EBITDA decreased 75.7% (-12.8% in local currency) during 1H24 compared to the same period last year, to a 0.7% margin (-178 bps) as percentage of Net Revenue.

Group Net Result

Quarterly result reflected operating performance in Colombia and Argentina affected by macro and consumer headwinds and inflationary pressures on SG&A, and TUYA share of profit affected by higher value adjustment for expected credit losses versus 2Q23, that offset positive variations of non-operating lines such as: lower financial expenses from reduction in interest rates, net income contribution of Uruguay, lower restructuring costs and lower income tax from losses during the period.

The Company reported a net loss of COP $18,735 M, during the 2Q24, an improved trend vs 1Q24, thanks to a better performance of SG&A from the savings plan, outcome of commercial actions in Colombia and lower FX pressures.

As of 1H24, the Company reported a net loss of COP $56,598 M, derived from:

- Lower operating contribution from consumption deceleration, inflationary pressures on cost/expenses and FX impacts, and
- Higher non-recurring expenses explained by the restructuring process in Colombia.

Cash and debt at holding level

- Solid improvement in Free Cash Flow despite a slightly higher NFD (COP$59,000 M) from higher assortment.

- Generation of COP $130,000 M (+41.3%) in FCF y/y despite the economic slowdown.
- Focus on optimizing investment to prioritize cash availability.
- Operating performance affected by macro headwinds.

A balanced performance of Working Capital:

- Higher inventory levels (64.4 days; -1.13 days y/y) amounted near to COP $72,000M, due to season purchases and strategy focus on higher assortment.
- Better performance in payables from agreements with suppliers to improve sales.

2.3. Material changes in the financial statements

Please refer to 2.1 and 2.2. items of this report.

3. OPERATIONAL PERFORMANCE

3.1 Main operations

- A description of the main operating activity, including production, sales, and market developments.

  General Corporate Information

  Almacenes Éxito S.A. is a stock corporation (*sociedad anónima*) domiciled in Envigado, Colombia and operates under Colombian laws and regulations. Éxito was incorporated under the laws of Colombia on March 24, 1950. The life span of Éxito continues until December 31, 2150. Éxito's principal place of business is at Carrera 48 No. 32B Sur – 139, Envigado, Colombia. The telephone number at this address is +(57) 604 9696. Our corporate website address https://www.grupoexito.com.co/en.

  Grupo Éxito is a public Company, listed on the Colombian Stock Exchange since 1994. Our controlling shareholder is Cama Commercial Group Corp. (hereinafter, for the purposes of this Report, the "Calleja Group", a Salvadorian food retailer), which as of the date of this report directly or indirectly held 86.84% of our outstanding share capital.

Overview

With over 70 years of retail experience in Colombia and a presence also in Uruguay and Argentina, we operate under a multi-format and omnichannel strategy with a portfolio of recognized brands targeting a customer base across all income levels. We offer a broad variety of products through our physical and online stores, including perishable and packaged food products, and non-food products, including appliances and apparel, among others. We believe our multi-format, omnichannel and multi-brand strategy will potentially let us benefit from the economic growth and rising purchasing power of consumers in our target markets in the future.

In Colombia, we operate stores under five main formats: hypermarkets, supermarkets, cash-and-carry stores and convenience stores, operating principally under our Éxito, Carulla, Surtimax, Super Inter and Surtimayorista brands. Carulla supermarkets and convenience stores cater to the premium consumer segment, Éxito hypermarkets, supermarkets and convenience stores serve the mid-market segment, and Surtimax and Super Inter convenience stores and Surtimayorista cash-and-carry stores focus on the lower-income segment.

We own an apparel manufacturing business through which we design and manufacture clothing, including our own Arkitect, Bronzini, Custer, Bluss, People and Coqui private labels. We also operate a food processing plant where we process and package our own private label food products, including meat, baked goods, prepared foods and bottled water, among others.

In Uruguay, we operate Disco supermarkets and Devoto supermarkets and convenience stores, which cater to the premium segment, and our Géant hypermarkets, which serve the mid-market segment.

In Argentina, we operate Libertad hypermarkets, Mini Libertad convenience stores and Mayorista supermarkets, which serve the mid-market segment.

Operating Segments

We disclose information by operating segments, which are defined as components of an entity whose operating results are regularly reviewed by the chief operating decision maker for decision making purposes about resources to be allocated. Our chief operating decision maker is, collectively, our Board of Directors. Our three operating segments that we report are:

Colombia

- Éxito: revenues from retailing activities, with stores under the banner Éxito.
- Carulla: revenues from retailing activities, with stores under the banner Carulla.
- Low cost and others: revenues from retailing and other activities from stores under the banners Surtimax, Súper Inter, Surti Mayorista and B2B format.

Argentina
Revenues and services from retailing activities in Argentina, with stores under the banners *Libertad* and *Mini Libertad*.

Uruguay
Revenues and services from retailing activities in Uruguay from stores under the banners *Disco*, *Devoto* and *Géant*.

In all the countries where we operate, we have also developed a digital strategy, which has achieved significant growth in recent years in all the countries in which we operate. Our digital omnichannel includes e-commerce, click and collect and last mile, digital catalogue, home delivery and B2B.

In Colombia, we also offer our clients last mile and home deliveries in all our formats including our partnership with Rappi, the leading delivery app in Colombia in terms of sales, according to Green Information Group. Together with Rappi, we offer Turbo-Fresh, a last-mile delivery service, through dark stores, with an average delivery time of 10 minutes. Our WhatsApp selling service enables penetration in lower-income segments in Colombia and our click & collect is a differentiated service versus other traditional retailers and e-commerce players.

Other Businesses and Services

In addition to our retail operations, we offer complementary services in alliance with local partners, as part of our strategy to monetize traffic and real estate assets.

Puntos Colombia

Puntos Colombia is 50/50 joint venture between us and Bancolombia. Puntos Colombia operates a loyalty program pursuant to which its users earn points when purchasing from us and our partners including Starbucks, Celio, Pilates and Cine Colombia, among others. These points are redeemable for products or services available at the Puntos Colombia platform. Additionally point holders have other benefits including discounts.

Tuya

Tuya is a 50/50 joint venture between Éxito and Bancolombia. Tuya is a financial institution focused on issuing credit cards and granting consumer loans to low- and mid-income segments that the traditional banking system does not serve, thus promoting financial access.

Insurance

We have also joined with Grupo Sura to offer micro-insurance solutions to clients.

Viajes Éxito

Viajes Éxito, our joint travel agency with Avianca, the major airline in the region.

Móvil

Grupo Éxito is the first retailer in Colombia to offer mobile telephony services, MVNO ("Mobile Virtual Network Operator") in alliance with TIGO, mobile network carrier in Colombia, our MVNO is the second largest in the country according to the most recent information disclosed by the Colombian Ministry of Information Technologies and Communications (*Ministerio de Tecnologías de la Información y Comunicaciones de Colombia*).

Money Transfers

The Company offers local and international money transfer services for our customers.

Real Estate Business Units

We also operate a real estate business division which aims to maximize the value of our assets and to develop new projects that take full advantage of the expertise and customer knowledge obtained through our core retail business. In December 2016, we launched Viva Malls in Colombia, a dedicated private real estate vehicle in Colombia with FIC which owns 49%. In Argentina, our real estate business operates under the brand *Paseo Libertad*.

Our Products

In Colombia, Uruguay and Argentina the Company offers mostly ready-for-sale products that we purchase and resell to our end-user customers. Only a portion of our products are produced at our industry facility and in our stores, by our technical team for the development of perishables. In certain circumstances, we have entered into partnerships with suppliers who deliver semi-finished products that are finished at our stores.

The products manufactured or handled at our industry facility and our stores include: (1) fruits and vegetables, which are cut or packaged at our stores; (2) meat (beef, pork, chicken and fish) as well as cold cuts and cheeses, which are cut, weighed and packaged at our stores; (3) ready-to-eat meals sold at our deli counters; and (5) bread, cakes and sweets made at the bakeries located within our stores.

Industry and Competitive Position

The Colombian Retail Sector

The Colombian retail sector is largely influenced by the overall level of economic activity in the country and the level of per capita available income. The Colombian food retail sector is served through a wide variety of channels including privately-owned supermarkets, limited assortment and convenience stores, government-subsidized cooperatives known as *cajas de compensación*, specialty stores (e.g., butcher shops, bakeries, etc.) and delivery operations. A large number of Colombians continue to shop through traditional channels, driven mainly by independent small grocers.

Discount retailers have been gaining traction in the Colombian retail market and have experienced strong growth over the last past five years. This has been the result of efforts in new store openings and the arrival of various new sector participants. The cash and carry segment serves mainly the institutional market. Traditional consumers continue to be attracted by smaller and more accessible formats. Shopping centers have also increasingly gained importance as an alternative shopping destination for households in the country.

Grupo Éxito faces strong competition in the Colombian retail sector from international and domestic retailers, including Cencosud and Olímpica and discount retailers such as D1 (Koba LLC) and Ara (Jerónimo Martins).

The Uruguayan Retail Sector

Uruguay is largely influenced by the overall performance of economic activity in the country. The Uruguayan retail sector has positively trended in recent years; sales have been boosted by e-commerce and app-based delivery services that have become increasingly popular in Uruguay, benefitting from increasing smartphone penetration. As sales through e-commerce grow, setting up an efficient infrastructure for direct delivery is becoming increasingly important. Due to the pandemic, companies have had to develop new strategies around their logistics and product delivery, and this has greatly improved delivery infrastructure.

Our main competitors in the Uruguayan retail sector include Tienda Inglesa, El Dorado and Ta-Ta.

The Argentinian Retail Sector

While traditional grocery retailers continue to maintain their prevalence over modern outlets, independent small grocers have been losing share in the light of changing consumer habits and no access to Careful Prices program which is currently promoting sales in times of high inflation. Recent changes in consumer habits have favored the development of modern proximity outlets that accept credit cards and/or offer access to financing. Traditional grocery retailers, particularly small grocers, have lost ground to the expansion of modern retail channels, similarly, cash and carry remained one of the most relevant channels for Argentinean consumers.

Leading supermarkets chains are also investing in distribution centers, as rapid delivery is a key-way of improving the customer experience. Delivery platforms are developing distribution centers to deliver a small selection of basic own branded products, as well as act as a delivery intermediary for other retailers. E-commerce focused on improving online operations and special discounts and promotions as a key strategy to attract customers.

No retail chain in Argentina is present throughout the entire country, with several international brands concentrated in Buenos Aires and local or regional brands having a leadership presence in other provinces. Key competitors include Carrefour, Cencosud, Dia and Wal-Mart.

- Evolution of major projects, investments and divestments made during the quarter.

CapEx

  - Consolidated Capital Expenditures during 1H24 reached COP $163,567 M, of which 72% was allocated to expansion, innovation, omni-channel and digital transformation activities during the period, and the remainder, to maintenance and support of operational structures, IT systems updates and logistics.

Food Retail Expansion

  - During 2Q24, the Company opened 3 stores: 2 Éxito stores in Colombia and 1 store under the “Six or Less” banner, in Uruguay.

  - In the last-twelve-months, Grupo Éxito totalled 44 stores from openings, reforms, conversions, and refurbishments (37 in Colombia, 6 in Uruguay and 1 in Argentina). The Company totalled 630 food retail stores, geographically diversified as follows: 503 stores in Colombia, 100 in Uruguay and 27 in Argentina, and consolidated selling area reached 1.03 M square meters. The store count did not include the 2,834 allies (+1,930 LTM) in Colombia.

  - **Omni-channel** sales in Colombia (including websites, marketplace, home delivery, Shop&Go, Click&Collect, digital catalogues and B2B virtual, plus new channels ISOC and Midescuento), grew 0.9% versus 2Q23 and reached COP $516,482 M. Share on Retail Sales rose to 14.5% (vs 14.4% in 2Q23), boosted by the growth of the food category (+8%, 13.3% share on food sales). Macro headwinds such as higher interest rates and lower disposable income, led to a decrease of the non-food category of 10.4% (17.6% share on non-food sales). During 1H24, omni-channel sales reached COP$1.1 B (+4.4%, 14.6% share on Retail Sales) versus 1H23, boosted by food sales (+14.2%, share 13.3%). Main KPI´s outcome during 2Q24 and the first-six-months of 2024 when compared to the same period of last year, were as follows:

- ✓ Orders: reached 5.8 M (+24% in 2Q24) and reached 11.4 M (+28%) during 1H24.
- ✓ E-commerce sales: reached COP $223,000 M during 2Q24 and COP $448,560 during 1H24.
- ✓ MiSurtii sales: reached COP $24,490 M (+51%) and grew sales by 72% to COP $48,113 M, 81,200 orders (+31%) during 1H24.
- ✓ Apps: sales of over COP $40,000 M (+33.1%) and reached COP $85,000 M (+38.5%) during 2Q24 and 1H24; 369,000 orders (+55%) reached during 1H24.
- ✓ Rappi deliveries grew by 28% during 2Q24 and 32% during 1H24.
- ✓ Marketplace sales: decreased by 3.6% during 2Q24 and by 12% during 1H24, affected by macro headwinds such as higher interest rates and lower disposable income (26.5% share on non-food sales in 2Q24).
- ✓ Turbo: orders grew 30% during 2Q24 and reached a 61.6% share on sales through Rappi.

4. RISKS AND RISK MANAGEMENT

4.1 Market Risk updates

Market risk

The purpose of market risk management is to manage and control exposure changes in exchange rates, interest rates or stock prices.

Interest rate risk

Éxito Group's exposure to interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of Éxito Group.

Most of Éxito Group's financial liabilities are indexed to market variable rates. To manage the risk, Éxito Group performs financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which they agree on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated over an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Currency risk

Éxito Group's exposure to exchange rate risk is attached to passive transactions in foreign currency associated with long-term debt liabilities and with Éxito Group's operating activities (whenever revenue and expenses are denominated in a currency other than the functional currency), as well as with Éxito Group's net investments abroad.

Éxito Group manages its exchange rate risk via derivative financial instruments (namely forwards and swaps) whenever such instruments are efficient to mitigate volatility.

When exposed to unprotected currency risk, Éxito Group's policy is to contract derivative instruments that correlate with the terms of the underlying elements that are unprotected. Not all financial derivatives are classified as hedging transactions; however, Éxito Group's policy is not to carry out transactions for speculation.

At June 30, 2024 Group hedged almost 100% of their purchases and liabilities in foreign currency.

During the first six months of 2024, there were no material changes in market risks.

4.2 Update of other risks

According to the analysis and monitoring carried out on the external and internal context considering trends in the political, economic, social, technological, environmental and legal areas, during the second quarter of 2024 there were no material variations in the level of risk exposure and no new risks were identified in addition to those reported in the report for the end of fiscal year 2023 and in the first quarter of 2024.

The main risks that continue to be the focus of permanent monitoring in the company are macroeconomic risk and financial risk, recognizing the following scenarios that could materialize:

- **Macroeconomic risk:**
  - Decrease in customers' consumption capacity which would lead to a reduction in discretionary consumer spending and an impact on sales especially in non-essential goods and products.
  - Increase in inflation which may increase expenses above sales.
  - Effects of rising interest rates on the Company's cost of debt.

- **Financial risk:**
  - Increases in interest rates that affect the cost of borrowing.
  - Fluctuations in exchange rates that increase the price of imports and liabilities in foreign currency.
  - Low inventory turnover that freezes working capital.
  - New investments that do not guarantee the expected cash flow.

Regarding risks and their scenarios, the company continues to focus its actions on a) Exhaustive control of costs and expenses, b) Monitoring debt levels, and c) Working capital management for cash flow efficiency.

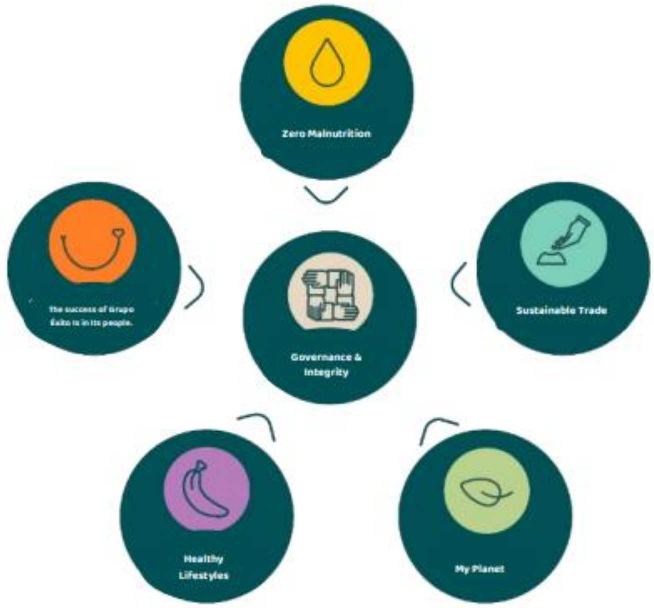
In addition, the company, seeking to alleviate the current inflationary impact on consumers, has developed strategies focused on: a) Improving the assortment to have a complete offer for customers, b) High and low in alliances with suppliers, c) Unbeatable prices in own and national brands, d) Promotional events in all brands, e) Weekly thematic days for key product categories.

5. SOCIAL, ENVIRONMENTAL AND CLIMATE ISSUES

5.1 Monitoring of social and environmental issues, including climate issues

Grupo Éxito recognizes the social and environmental impact of its operations in the communities where it is present, the footprint it leaves on its Stakeholders and its responsibility in the construction of the country, considering the three axes of action of conscious capitalism: social, environmental and economic.

In this sense and to integrate this vision, the company has defined a sustainability policy that is framed in the global sustainable development agenda - defined in the Sustainable Development Goals, the United Nations Global Compact. Likewise, it obeys six (6) challenges declared by the company, which are managed and monitored in an integral manner:



For each of the strategic sustainability pillars, the key monitoring indicators related to the second quarter of 2024 (2Q-2024) are presented below:

Zero malnutrition: The company is working on its Corporate Social MEGA to have by 2030, the first generation at zero chronic malnutrition, under 5 years old. By the second quarter of 2024:

- 23,315 children have benefited from nutrition and complementary programs in 32 departments and 57 municipalities.
- 11,596 children were served with complementary offerings and 11,719 in nutrition.
- 35,831 food packages were donated to children and their families.

The above, obtaining an accumulated during the first and second quarter of 2024 of:

- 34,534 children served, of which 20,191 benefited from nutrition programs and 14,343 benefited from complementary offers.
- 56,393 food packages donated to children and their families.
- Presence in 32 departments and 136 municipalities.

My planet: The company works to maximize the positive impact on the environment and works to reduce, mitigate and compensate the negative impacts of its operations on the environment, as well as to contribute to the generation of environmental awareness among the different stakeholders. In the second quarter of 2024, it was achieved:

- Collect 4,397 tons of recyclable material in the operation.
- Collect 228 tons of recyclable material from our customers.
- We have 43 Soy Re points.
- A total of 7,217,527 containers were collected.

The above, obtaining a cumulative figure during the first and second quarters of 2024 of 9,279 tons collected in the operation and 585 tons collected from our customers.

ERRATA: In the report for the first quarter of 2024, it was reported that 14,882 tons of recyclable material were collected in the operation. However, we would like to clarify that the amount collected was 4,882 in the first quarter of 2024.

Sustainable trade: The company works to generate relationships of value and trust with allies and suppliers by promoting sustainable practices such as local and direct purchasing. In the second quarter of 2024:

- **Local textile sourcing:** 92% of our textile products marketed were sourced locally.

- **Local and direct purchase of fruits and vegetables:**
  - 89% of our marketed fruit and vegetables were purchased locally.
  - We purchase 79% of our fruit and vegetables directly from our customers.

- **PaisSana:** It is a brand represented by a heart that symbolizes the love for Colombia and its name comes from the union of the words "country that heals", therefore, it becomes a seal of reconciliation stories of the peasant territories, victims and signatories of peace, working together for the rebirth of the countryside. This country initiative promotes productive projects from areas affected by the armed conflict in Colombia, as part of the Development Program with a Territorial Approach (PDET).
  - We work hand in hand with 18 certified suppliers to add to peace, through 53 products.
  - Total purchases of fruit and vegetables amounted to COP 306,254,100.

Governance & Integrity: The company works to build relationships of trust within a framework of integrated performance, under high standards of corporate governance, ethics, transparency and respect for human rights. In the second quarter of 2024:

- 7,328 employees trained in business ethics.
- 3 bazaars held in our stores, supporting 36 entrepreneurs.
- Commercialization of 9,000 lettuces through the Terrazas Verdes program in Medellin, Cali and Bogotá.

Our people: The company works to attract, cultivate and retain the best talent; promote diversity, inclusion and social dialogue. During the second quarter of 2024, the company achieved:

- 11,313 employees trained in various business skills, of which 54.62% were women and other genders.

Healthy lifestyle: The company works to mobilize customers, employees and suppliers towards healthier and more balanced lifestyles through a portfolio of products and services that enable them to generate healthy lifestyles. During the second quarter of 2024, the company managed to commercialize:

- 361 own-brand healthy living PLUS (Taeq).
- 1,522 healthy living PLUS national brand.
- 25 organic PLUS.
- 20 vegetable protein PLUS.

Additionally, during the second quarter of 2024:

- We developed 526 face-to-face activities for employees, where we worked on topics related to mental health, nutrition, screening, family planning and the importance of moving for health.
- We generated a positive impact on more than 9,305 employees who attended the activities.

5.2 Material changes

No material changes were found in the company's ESG strategy for the period April 2024 to June 2024.

6. CORPORATE GOVERNANCE

6.1 Material changes in corporate governance structure

- **Amendments to the Corporate Governance instruments**

Amendments were made to the following Company Policies and Procedures in order to (i) continue building objective, transparent and equitable relationships with stakeholders, (ii) to adapt corporate governance instruments to international standards, as well as to the current regulations applicable to the Company as an issuer in the securities market in the different jurisdictions where it holds such status, and (iii) align the documents to the Company's new corporate structure and strategy:

  - Financial and Non-Financial Disclosure Procedure
  - Policy on Policy on Giving and Receiving Gifts and Favors
  - Non-Retaliation Policy for Reports or Denunciations
  - Code of Ethics and Conduct

The above documents are available on the Company's corporate website.

- **Other corporate governance matters**

  - On April 9 and July 9, shareholders received the two installments of dividend payments in Colombia, in accordance with the profit distribution proposal approved by the General Shareholders' Meeting at its ordinary meeting held on March 21, 2024, equivalent to COP $7,571,445,337 each.

  - On April 30, the Company filed its annual report on Form 20-F for the year ended December 31, 2023, before the Securities and Exchange Commission (*SEC*). Likewise, on May 30, the Company filed its annual report Reference Form for the year ended December 31, 2023, to the *Comissão de Valores Mobiliários (CVM)*.

  - On May 9, the Company informed about the beginning of a brand unification project to unify retail in Colombia under the Éxito and Carulla banners. A gradual process will take place in the mid-term and store performance is under evaluation for a larger deployment during 2024, to convert around 40 Surtimax, Super Inter and Surtimayorista stores, to the Éxito and Carulla banners.

7. ANNEX

7.1 Glossary

- **Accounting policies:** these are the specific principles, bases, agreements, rules and procedures adopted by the entity in the preparation and presentation of its financial statements.
- **Adjusted EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization plus Associates & Joint Ventures results.
- **Asset**: is a resource: (a) controlled by the entity as a result of past events; and (b) from which the entity expects to obtain future economic benefits.
- **Cash equivalents** are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
- **Carbon footprint:** The carbon footprint is the amount of greenhouse gases - GHG emitted to the atmosphere by direct or indirect emanation of an individual, organization, event or product (WRI, 2015).
- **Chronic malnutrition:** "Chronic malnutrition or stunting is a multi-causal condition that alters the physical and cognitive development of children in their first 5 years of life, with irreversible effects" Fundación Éxito, 2015.
- **Circular Economy:** Production and consumption systems that promote efficiency in the use of materials and resources, taking into account the resilience of ecosystems, the circular use of material flows through the implementation of technological innovation, alliances and collaborations between actors, and the promotion of business models that respond to the fundamentals of sustainable development (National Government, 2019). (National Government, 2019).
- **Climate Change:** According to the United Nations Framework Convention on Climate Change (UNFCCC), it is understood as a change in climate attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is in addition to natural climate variability observed over comparable time periods.
- **Colombia results**: consolidation of Almacenes Éxito S.A. and its subsidiaries in the country.
- **Common stock:** is an equity instrument that is subordinate to all other types of equity instruments.
- **Community:** Individuals and groups, natural or legal, who live and work in the areas where the company has operations.
- **Conflict of Interest:** A situation in which the interests of an employee, Shareholder, Administrator of the Company, its subsidiaries, subordinates or Related Parties, its strategic allies or external auditors, or any third party related to them, conflict with

the interests of the Company, putting at risk the objectivity and independence in decision-making or in the exercise of their functions.

- **Consolidated financial statements:** are the financial statements of a group presented as if it were a single economic entity.
- **Consolidated results**: Almacenes Éxito and Colombian and international subsidiaries in Uruguay and Argentina.
- **Direct Purchase:** Purchases made from suppliers that produce at least one of the goods purchased by the Company. As far as possible, priority will be given to small farmers and micro and small enterprises.
- **Eco-labeling:** Distinctive that informs and encourages consumers to correctly separate packaging material with clear and precise instructions that facilitate the identification of materials, their recyclability, and actions prior to their separation.
- **Ecodesign:** Validate the integral design of packaging by analysing its regional recyclability, sustainability in terms of resource use, functionality. and technical feasibility, incorporating strategies for disposal, reuse and/or circulation of materials, in addition to eco-labeling and user experience (EMF, 2020).
- **EPS:** Earnings per share calculated on a fully diluted basis.
- **Extended Producer Responsibility:** an environmental policy approach in which responsibility – physical and/or economic – is transferred to the producer for the treatment or disposal of post-consumer products" (MADS, 2021).
- **Fair value:** the amount for which an asset could be exchanged or a liability cancelled between duly informed interested parties, in a transaction conducted under conditions of mutual independence.
- **Financial instrument:** is any contract that gives rise simultaneously to a financial asset in one entity and a financial liability or equity instrument in another entity.
- **Free cash flow (FCF)** = Net cash flows used in operating activities plus Net cash flows used in investing activities plus Variation of collections on behalf of third parties plus Lease liabilities paid plus Interest on lease liabilities paid (using variations for the last 12 M for each line); cash flow re-expressed in line with the financial statements.
- **Gender Equity:** "is defined as fairness in the treatment of women and men according to their respective needs, either with equal treatment or with differentiated treatment that is considered equivalent in terms of rights, benefits, obligations and possibilities".
- **GLA:** Gross Leasable Area.
- **GMV:** Gross Merchandise Value.
- **Greenhouse gases:** GHGs are compounds that are present in the atmosphere and can increase its temperature. This is due to their capacity to absorb and transmit infrared radiation (IDEAM, 2015).
- **Holding:** Almacenes Éxito results without Colombian and international subsidiaries.

- **Global pact**: is an initiative that promotes the commitment of the private sector, public sector and civil society to align their strategies and operations with ten universally accepted principles in four thematic areas: human rights, labor standards, environment and anti-corruption, as well as contributing to the achievement of the Sustainable Development Goals (SDGs).
- **Financial Result**: impacts of interest, derivatives, valuation of financial assets/liabilities, exchange rate and others related to cash, debt and other financial assets/liabilities.
- **Liability**: is a present obligation of the company, arising from past events, at the maturity of which and in order to settle it, the company expects to dispose of resources that incorporate economic benefits.
- **Local Purchase:** Purchase of products from suppliers in the national territory.
- **Net Revenue:** Total Revenue related to Retail Sales and Other Revenue.
- **Recurring EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization Operating Profit adjusted by other non-recurring operational income (expense).
- **Recycling:** Those processes by which materials or waste from containers and packaging are transformed to return their potential for reincorporation as raw material for the manufacture of new products (MADS, 2020).
- **Reduce:** Reduce packaging materials by prioritizing materials with a low recyclability index or those that do not fulfill an indispensable function as a packaging component.
- **Reuse:** Extension of the useful life of packaging that is reused without the need for a prior transformation process.
- **Recurring Operating Income (ROI):** Gross profit adjusted for SG&A and D&A.
- **Sales**: sales related to the retail business.
- **Single-use plastic:** (i) Containers for food intended for immediate consumption, on the spot or to go, which are regularly consumed in the container itself and do not require further preparation, such as cooking, boiling or heating; (ii) Plates, trays, cutlery and glasses; (iii) Mixers and straws for beverages; (iv) Lightweight plastic bags (point-of-payment and pre-cutting of fruit) (EU,2019).
- **Separate financial statements:** are the financial statements of an investor, whether it is a parent, an investor in an associate or a venturer in a jointly controlled entity, in which the related investments are accounted for on the basis of the amounts directly invested, rather than on the basis of the results achieved and the net assets owned by the investee.
- **Scope 1:** accounts for direct GHG emissions from sources owned or controlled by the company, e.g., emissions from combustion in Climate Change Policy 2022 boilers, furnaces, vehicles, etc. (World Resources Institute and World Business Council for Sustainable Development, 2004).
- **Scope 2:** accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that I know

is purchased or otherwise brought into the company's facility. Scope 2 emissions are physically produced at the facility where the electricity is generated (World Resources Institute and World Business Council for Sustainable Development, 2004).

- **Scope 3:** is an optional reporting category that allows treatment of all other indirect emissions. Scope 3 emissions result from the company's activities but are produced from sources that are not owned or controlled by the company. Examples of Scope 3 activities include extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services (World Resources Institute and World Business Council for Sustainable Development, 2004).
- **Stakeholders:** Are all those persons or group of persons who have an interest in the Company, or who could be impacted by the development of its business activity. Stakeholders are those persons who, without having a direct interest in the Company, may affect the fulfillment of its objectives. Therefore, these are groups of people who may have an impact on the Company's sustainability. Stakeholders include, among others, Shareholders, Investors, Directors, Administrators, employees, suppliers, contractors, customers, opinion leaders and the community in general.
- **Sustainable Mobility:** Sustainable mobility systems are those that last over time, without consuming non-renewable resources, i.e., using natural resources, without affecting the environment and without endangering the quality of life (Restrepo, 2019).
- **Sustainable Development Goals:** The Sustainable Development Goals, SDGs, are the basic principles that mark the 2030 agenda proposing goals to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These principles establish global goals, targets and indicators that were adopted by 195 Member States of the United Nations in order to achieve a world without poverty, in which the environment is protected and where all people enjoy peace and a prosperous life.
- **Tree Cover:** Can refer to trees in plantations as well as natural forests.
- **Other Income:** Income related to ancillary businesses (real estate, insurance, travel, etc.) and other income.
- **VMM**: Same-meter sales including the effect of store conversions and excluding the calendar effect.

Notes:

- Numbers expressed in long scale, COP billion represent 1,000,000,000,000.
- Growth and variations expressed in comparison to the same period last year, except when stated otherwise.
- Sums and percentages may reflect discrepancies due to rounding of figures.
- All margins calculated as percentage of Net Revenue.

- Consolidated results from Colombia, Uruguay and Argentina, eliminations and the FX effect of -10.4% at Net Revenue and -9.1% at recurring EBITDA in 1Q24.
- Data in COP includes a -17% FX effect in Uruguay at Net Revenue and at Recurring EBITDA in 1Q24 and -79.8% in Argentina, respectively, calculated with the closing exchange rate.
- Almacenes Éxito S.A: Grupo Éxito or the Company has the following tickers: BVC: ÉXITO / ADR: EXTO / BDR: EXCO32