

Shareholders questions



General Shareholders Assembly

March 24, 2022

Below are the questions asked by the shareholders during the mixed ordinary meeting of the General Shareholders Assembly of Almacenes Éxito S.A. (the "Company"), held on March 24, 2022.

a. Questions asked by shareholders in person during the meeting:

1. "It is requested that, in relation to the vote on the previous point (reading and approval of the agenda), the quorum be reviewed, since it was initially reported that the quorum was 439 million ordinary shares equivalent to 98.2% of the share capital, but at the time of reporting the approval it is stated that there were 433 million shares equivalent to 98.5%"

Answer:

The Company reported that at the beginning of the meeting there were 439,544,447 ordinary shares present and represented, equivalent to 98.2% of the total share capital of the Company and 433,346,330 ordinary shares, corresponding to 98.5% of the total present and represented shares.

2. Question addressed to the Statutory Auditor after reading her opinion: *"Are you aware of confidential contracts within the Company?"*

Answer:

The Statutory Auditor requested greater clarity in relation to the contracts on which the shareholder formulated the question, not knowing which documents he was alluding to. Additionally, the CEO of the Company, for purposes of complete clarity and transparency before the shareholders, asked the shareholder to explain specifically which contracts he was referring to, in order to provide a clear and timely response. The CEO explained that, in accordance with current applicable regulations, there are contracts and other documents that are confidential and have special treatment, among other reasons, because they contain information of a confidential nature and data that, if disclosed, could be used to the detriment of the society. Consequently, these are documents that, as they contain information of this nature, are not subject to the shareholders' right to inspection. He also invited the shareholder to be more explicit in relation to his concern to identify if these are documents that do not contain confidential information and, if so, to proceed with their disclosure.

The shareholder pointed out that these are contracts that he had previously requested and stated that this meeting was not the place to address the issue and that he would choose to deal with these matters in other instances.

Finally, the CEO indicated that the existence of information and documentation of a confidential nature is typical of the commercial dynamics of organizations, the non-disclosure of which to third parties (including shareholders) is protected by law, and indicated that if there is any document that does not enjoy of such a nature and is

required by a shareholder, the Company will always be completely willing to allow access.

3. *"What were the reasons that motivated the management to present the share buyback proposal? The shareholder pointed out that although the value of the current share, \$17,500, is almost at the book value, its value has been for a long time below the value of the Tender Offer ("OPA") made by Sendas Distribuidora S.A. in 2019, \$18,000."*

Answer:

The Company reported that it obeys the intention of providing an alternative that allows liquidity to be provided to the shareholders and for them to receive value in their shares in an optimized manner. It was indicated that, for this, a valuation exercise must be carried out that must comply with technically recognized procedures to set a price in line with the fundamental value of the shares, said exercise will be carried out by an independent third party hired for this purpose. Additionally, efficiencies would be generated that would benefit the shareholders under equal conditions and in accordance with their percentage of shareholding, allowing the distribution of 50% of last year's profits, which constitutes an increase of 37% in relation to the year above, and allocating the additional resource to a share buyback.

Regarding the shareholder's statement regarding the value of the share, the Company reported that the current value of the share is higher than the book value (which is close to \$15,000) and reiterated that it has suffered a significant valuation of 52% at the closing price of March 23, 2022 of \$17,500. Additionally, in relation to the comparison made by the shareholder with the purchase value of the OPA, it was recalled that, after said purchase, an extraordinary dividend was distributed to all shareholders close to \$2,300. Thus, he indicated that it is evident that the value of the action is reflecting the continuous improvement in the operation and in the organization's results.

4. *"For the valuation that will be made within the framework of the share's buyback program, will the share participation that the Company has as an asset within the GPA value be taken into account?"*

Answer:

The Company reported that article 42 of Law 964 of 2005 states that in the share buyback of registered companies *"the buyback price will be set based on a study carried out in accordance with technically recognized procedures"*. The foregoing implies that the price must be determined using a procedure that is technically recognized, verifiable, comparable, operational, and reliable, and must be duly validated by the competent authority or body. Pursuant to the foregoing, the independent third party hired for the purposes of the valuation must be the one called upon to determine the criteria that will establish the true value. Therefore, it is not up to the Company to establish such criteria, to the extent that this would undermine the independence of the third party at the time of making the valuation. Additionally, considering that resources will be delivered to all shareholders, which potentially includes the controlling shareholder, the operation will

be carried out under a rigorous Corporate Governance framework. Finally, it was highlighted that what is search is to generate efficiencies that benefit shareholders under equal conditions and in accordance with their percentage of shareholding, allowing the distribution of 50% of last year's profits, which constitutes an increase in 37% in relation to the previous year, and allocating the additional resource to the share buyback..

5. *"Have previous studies been carried out by the Board of Directors to determine a fundamental value and, if the answer is affirmative, what was said value?"*

Answer:

The Company reported that to date the Board of Directors has not ordered a study on the *fundamental value* of the Company. Now, with this proposal for the share's buyback, it is expected that the Board of Directors instructs that said valuation analysis be carried out, in accordance with technically recognized procedures, by an independent third party.

6. *"How will equality between shareholders be presented in the framework of the share's buyback, taking into account that there is a majority shareholder?"*

Answer:

The Company reported that equality among shareholders exists to the extent that the value of the shares will be the result of the study carried out by an independent third party, in accordance with technically recognized procedures, and said result will be applied equally to all shareholders of the Company proportionately to the shareholding that each of them has in the Company's capital stock. Likewise, the form of payment and the opportunity to access the buyback program will be under the same conditions for all shareholders.

7. *"What is the logic of keeping the share listed on the Colombian Stock Exchange and proposing a share buyback program when the float is only 3.5% of shares and when the controlling company has 96.5% of shares? (...) and what is the logic of making a share buyback program with that percentage that you have?"*

Answer:

The Company informs that the decision to delist the share corresponds solely and exclusively to the shareholders and the General Shareholders Assembly would be the competent body to, if such an operation is proposed, make said decision. Additionally, it was reported that at the moment there is no proposal regarding the delisting of the share.

8. *Dr. Carlos Mario Giraldo is not included in the new composition of the Board of Directors, does this mean that he is retiring from the Company?*

Answer:

It was indicated that, for legal and statutory reasons, the CEO of the Company is not part of the Board of Directors, which explains why Mr. Carlos Mario Giraldo Moreno is not included in the proposed list of candidates to form the Board of Directors. Likewise, it was reported that Dr. Giraldo will continue to serve as CEO of the Company.

b. Questions asked by shareholders virtually during the meeting:

9. "For the company's management:

9.1 What is the fair share price of the company?

9.2 On what date do you expect to have the valuation of the independent third party and on what date would you expect to make the buyback?

9.3 Are you currently working or are there plans to delist the stock from the Colombian Stock Exchange?

9.4 Are you currently working on or are there plans to list the stock on another US stock exchange or other market?"

Answer:

9.1 It was reported that the commercial price of the Company's share, that is, the share price on the Colombian Stock Exchange (BVC) at the close of March 23, 2022, was 17,500 pesos, which means an increase of 52% during the year, compared to the 12.5% that the BVC index has positively varied.

Regarding the fair share price, it was indicated that it is determined through a technical analysis that considers issues such as: strategy, results, the Company's financial statements, the sum of its parts, among others. Said analysis responds to the *fundamental value* of the Company and therefore of each share.

Likewise, it was reiterated that the buyback conditions that will be submitted to the consideration of the General Shareholders Assembly for its approval must guarantee the equal and equitable treatment of the shareholders, that the procedure for the operation of the shares buyback will be transparent and that the price of the buyback will be determined through technically recognized procedures that can establish that shareholders receive a price in line with the *fundamental value* of their shares. In line with the above, it was reported that an analysis must be carried out by an independent third party hired by the Board of Directors, to determine the buyback price.

9.2 It was reported that there is no fixed date for the valuation of the independent third party, because, although it is expected that said analysis will be carried out in the shortest reasonably time, the specific date will depend on the regulations issued by the Board of Directors and the time that the independent third party undertakes to carry out the corresponding study and analysis, which must be carried out in a responsible and exhaustive manner, in accordance with technically recognized procedures, which may establish that shareholders receive a price in accordance with the *fundamental value* of their shares.

Regarding the date of the buyback, the Company informed that it will depend on the decisions of the Board of Directors regarding the regulations, the study carried out by the independent third party and the call for an extraordinary meeting of the General Shareholders Assembly, since this is the competent corporate body to make the decision regarding the shares buyback.

9.3 The Company reported that it has not contemplated any operation leading to the delisting of the share and that the proposed buyback or reacquisition of shares does not have the above purpose, but rather seeks to deliver value to shareholders by paying a price that recognizes the value of its actions and that can also generate efficiencies for each of them and in equal conditions, through a procedure that meets good practices in corporate governance. However, it was reported that if a delisting process were to take place in the future, the decision would be up to the shareholders through a meeting of the General Shareholders Assembly, which must comply with the special rules defined by Decree 2555 of 2010. and other current applicable regulations.

9.4 The Company reported that to date the only proposal consists of the shares buyback, complementary to the distribution of dividends based on the profit for the year and the release of reserves from previous periods, whose purpose is the delivery of greater value and the optimization of payment to shareholders. It was reported that to date no other initiative has been proposed to the shareholders for the list of shares in other stock markets.

10. “What is the intrinsic price of the share as of December 31, 2021?”

Answer:

The Company reported that the intrinsic value of the share as of December 31, 2021 corresponded to 15,373.86 pesos.

11. “What is the maximum percentage of the company that is expected to be reacquired?”

“Hello. How much is the total cash for the buyback process?”

Answer:

The Company reported that, in line with the proposals submitted for consideration by the General Shareholders' Assembly, the share buyback reserve will be increased by two hundred forty-nine thousand three hundred thirty-three million five hundred ninety-nine thousand four hundred thirty-five pesos (\$249,333,599,435) and the sum of one hundred forty-seven thousand one hundred eight million four hundred thousand five hundred sixty-five pesos (\$147,108,400,565) will be reassigned from the occasional reserve for future expansions and improvements to the share buyback reserve. The maximum

percentage that is aspired to reacquire will depend on the valuation given by the independent third party, in accordance with technically recognized procedures.

12. *"Does the board of directors know the value of the company it is running? What is the value?"*

Answer:

The Board of Directors of the Company, through its Chairman, Mr. Luis Fernando Alarcón, reported that currently the price at which the Company's shares are traded in the Colombian Stock Exchange is known, which is around 17,500 pesos, but that recently no valuation exercises have been carried out, so in order to set the buyback price of the shares, it has been proposed to contract an analysis by an independent third party, which will allow the Company's valuation range to be defined.

13. *"What procedure should be followed to request the assessment of a delisting takeover bid?"*

Answer:

The Company reported that a General Shareholders Assembly must be held in compliance with the special rules defined by Decree 2555 of 2010, in order to submit to its consideration the decision to cancel the registration of the registered shares of the Company in the National Registry of Securities and Issuers and in the Colombian Stock Exchange. In such an event, this decision must be taken by a majority of the votes present at the respective meeting.

14. *"I would like to know if there is any kind of communication from the majority shareholder about whether or not it wishes to participate in the buyback"*

Answer:

The Company reported that the decision to sell shares corresponds to each shareholder and that it has not received indications from any shareholder about the intention to participate in a future buyback process. Legally, the buyback must be carried out through mechanisms that guarantee equal conditions to all shareholders, for which the offer is made to all shareholders. Whether or not the controlling party wishes to participate in the process is a matter that the controlling party must evaluate without the Company's management having any interference in said decision. Likewise, the Company highlighted that the buyback has not yet been approved, said operation is subject to the regulations issued by the Board of Directors, to the valuation of the Company ordered by said body and to the subsequent approval of the transaction by the General Shareholders Assembly.

15. *“Is there any shielding mechanism so that the share buyback program is directed to minority shareholders?”*

Answer:

The Company reported that article 42 of Law 964 of 2005 establishes the obligation to provide equitable and equal treatment to all shareholders, so that in the share buyback operation, both in the economic terms of the reacquisition and in the procedure or process of the buyback, equal conditions will be guaranteed for all shareholders, regardless of their status as majority or minority, so that each shareholder has the possibility of disposing of a percentage of their shares in proportion to their shareholding in the share capital of the Company.

16. *“When was the last time a valuation was made on the fundamental value of the stock? Thank you very much”*

Answer:

The Company reported that the last valuation that was carried out was in 2019, as a result of the sale transaction of Companhia Brasileira de Distribuição (GPA), where there was a valuation and a Fairness Opinion.

17. *Why have many Surtimax stores been closed in Bogotá? Has the Surtimayorista brand changed?*

Answer:

The Company reported that store closures and reconversions to other brands are part of the adjustments that must be made constantly to align the Company's strategy with what the market needs. When stores that are not working are found, the Company establishes an action plan, they are given time to improve, measures are taken, but if eventually it is concluded that it is not a profitable and attractive option for customers, the Company proceeds with the closure of the respective store. Likewise, the Company reported that stores are being reconverted to the best brands, as is the case of some Surtimax, which have become Surtimayorista, multiplying their sales by reaching a new professional market.

18. *“Did the company's management receive any type of communication, request, comment or was it urged in any way by the majority shareholder to propose the buyback proposal? Does this proposal come from the management or comes from the majority shareholder?”*

Answer:

The Company reported that said proposal came from the management, specifically from the Financial Vice Presidency, and that it combines two favorable proposals for the shareholders: (i) the most efficient way to distribute the Company's profits and (ii) the

capture of value for the shareholders, since it gives them the opportunity to value the true *fundamental value* of the Company. It should be noted that said proposal was previously presented to the Board of Directors and, given the positive evaluation of this body, it is presented to the General Shareholders Assembly.