For the Colombian residents that acquire ADSs and BDRs, such ADSs and BDRs will be considered a financial investment and/or in assets located abroad of Colombia. Thus, the effective payment from Colombia to purchase the ADSs and BDRs can be completed using the foreign exchange market and registered as a financial investment abroad of Colombia by filling the correspondent international investment foreign exchange form. In this case, profits and any gain related to the ADSs and BDRs must be transferred using the foreign exchange market.

The ADSs and BDRs can also be acquired with currencies of the free market or unpaid, without registration before the Colombian Central Bank. In this scenario, the reception of profits and gains from the ADSs and BDRs can be freely received abroad of Colombia or voluntary remitted to Colombia using the foreign exchange market. Please refer to *Item 10.E – Taxation – Material Colombian Tax Consequences for additional details.*

E. *Taxation*

The following discussion contains a description of the material Colombian, U.S. federal income and Brazilian tax consequences of the acquisition, ownership and disposition of the Éxito common shares, ADS and BDRs. The following discussion is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our common shares. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

Material Colombian Tax Consequences

The following discussion describes the material Colombian income and capital gains tax consequences relating to the purchase, ownership and disposal of Éxito common shares and Éxito ADSs by persons that are not residents in Colombia for tax purposes (“Non-Resident Holders”) and (ii) persons that are residents in Colombia for tax purposes, as defined by the applicable Colombian tax legislation.

It does not purport to be a comprehensive discussion of all the tax consequences that may be relevant to these matters, and it is not applicable to all categories of investors, some of which may be subject to special tax rules not specifically addressed herein. It is exclusively based upon the tax laws of Colombia, in effect as of the date of this annual report, which are subject to change and to differing interpretations. Any change in the applicable Colombian laws and regulations may impact the consequences described below.

The tax consequences described below do not take into account tax treaties entered into by Colombia and other countries. The discussion also does not address any local-level tax consequences under the tax laws of any state, municipality or locality of Colombia, except if otherwise stated herein.

Although there is presently no income tax treaty between Colombia and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a tax treaty will enter into force or how such a treaty would affect a U.S. holder of Éxito common shares or Éxito ADSs.

You are advised to consult your own tax advisor with respect to an investment in Éxito common shares or Éxito ADSs in light of your particular investment circumstances.

Material Colombian Tax Consequences for Non-Resident Holders of Éxito Common Shares and Éxito ADSs

The following discussion summarizes the main Colombian tax consequences applicable to the purchase, ownership and disposal of Éxito common shares or Éxito ADSs by a Non-Resident Holder.

Taxation of Dividends

Colombian law provides for an equalization system according to which dividends paid from profits not taxed at the corporate level will be taxed upon distribution, via withholding. In addition, a dividend tax applies on top of the equalization tax or even if no equalization tax is due.

In order to determine the amount of profits taxed at the corporate level a formula needs to be applied. In general, the formula provides that the result from subtracting each year's income tax from each year's taxable basis corresponds to the amount of profits taxed at the corporate level that can be distributed as dividends untaxed with the corporate income tax (these dividends are only subject to the dividend tax withholding as explained below). The excess corresponds to those profits that were not taxed at the corporate level. In this case, dividends will be taxed at the corporate income tax rate plus the dividend withholding tax as explained below:

- Dividends paid to a foreign entity or a non-resident individual from profits that have not been taxed at the corporate level in Colombia are (i) taxed at the general income tax of 35%, and (ii) the net income resulting from subtracting such tax from the gross dividend income will be subject to an additional tax of 20% as of January 1, 2023. Applicable taxes on dividends distributed to non-resident individuals will be paid through the withholding mechanism.

- Dividends paid to a foreign entity or non-resident individual out of profits taxed at corporate level are only subject to a 20% dividend tax payable through the withholding mechanism for distributions made.

- The dividend distribution paid to a resident entity from profits that have not been taxed at the corporate level, will be taxed at the general income tax rate of 35% as from 2022, plus withholding in lieu of a dividend tax at 10% on the balance (this tax is creditable up the structure until the first Colombian individual or non-resident shareholder is reached). The second distribution of those dividends will not be levied with dividend tax.

- The first dividend distribution paid to a resident entity out of profits taxed at the corporate level are subject only to the 10% dividend tax. From the second distribution thereon, the dividends are not subject to dividend tax.

- Dividends paid to a resident individual from profits that have not been taxed at the corporate level in Colombia are taxed at the general income tax rate of 35% as from 2022, plus a 0 to 39% dividend tax on the balance for dividend distributions made on or after January 1, 2023. In this case, , the resident individual could potentially benefit from a maximum 19% tax credit that could potentially reduce the maximum effective dividend tax to 20%.

- Dividends, in excess of 1090 UVT, paid to a resident individual out of profits taxed at corporate level, are only subject to a 0 to 39% dividend tax on the balance for dividend distributions made on or after January 1, 2023. In this case, the resident individual could potentially benefit from a maximum 19% tax credit that could potentially reduce the maximum effective dividend tax to 20%.

Taxation of Foreign Capital Portfolio Investments

As a general rule, non-resident Holders are Colombian income taxpayers on the profits obtained in developing their activities, when their investment qualifies as portfolio investment, regardless of the vehicle used to carry them out. Thus, their income will be taxed at the rate of 14% (an increased 25% withholding tax rate applies in the case of foreign portfolio investors domiciled in listed non-cooperative, nil and low, tax jurisdictions) which will be collected through withholding tax mechanics. If the non-resident Holders received dividends the withholding will be applied by the company paying at the rate of 25%, assuming that the dividends were not subject to taxation at the corporate level, or, 20% dividend tax applies on the balance of dividends to be distributed to the investor, or on the gross amount in such cases the dividend is paid out of profits that were subject to taxation at the corporate level.

Withholding tax applies in lieu of income tax so no additional payments or filings are required for the non-Resident Holders. However, bear in mind that the abovementioned rules would not apply to foreign investments whereby the final beneficiary is a tax resident in Colombia who has control over such investments.

Capital Gains

Gains from gifts, inheritances and the sale of fixed assets owned for at least two (2) years are taxed at a 15% rate as of January 1, 2023. This special rate applies to all taxpayers regardless of residence.

Certain exceptions apply to both income tax and capital gains tax that need to be analyzed on a case-by-case basis. For example, profits from the sale of shares listed in the Colombian Stock Exchange are not subject to income or capital gains tax, regardless of holding period, insofar as the shares sold are owned by the same beneficial owner and represent no more than 3% of the outstanding shares in the listed company, if the sale occurs on or after January 1, 2023. This exception should apply as long as the shares being sold are registered in the Colombian Stock Exchange, even if the sale occurs through a foreign stock market. Investors should seek their own tax advice.

For these purposes, Investors should consider that Law No. 2155 of 2021 modified the definition of beneficial owner.

Taxation derived from the sale of Éxito common shares

Pursuant to Section 36-1 of the Colombian Tax Code, if within any given fiscal year (January, 1 – December, 31) the transfer by any holder of Éxito common shares in the Colombian Stock Exchange does not exceed 3% of the issued shares in the market, the transfer should not be subject to income or capital gains taxes in Colombia. Sellers of Éxito common shares are not required to file an income tax return for the transfer of securities that are listed in the National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) as long as the foreign investment is treated as a portfolio and the abovementioned 3% threshold is not surpassed.

The sale of Éxito common shares above the aforementioned threshold triggers a taxable event in Colombia for the seller. If the purchase price of the Éxito common shares exceeds the seller’s COP adjusted tax basis in the sold shares, the corresponding gain resulting from the transaction should be subject in Colombia to a 15% capital gains tax as of January 1, 2023, should the seller have held the corresponding Éxito common shares as (i) a fixed asset for (ii) more than 2 years; if neither (i) or (ii) are met, the gain should be subject to a 35% corporate income tax in the case of entities and non-resident individuals, or up to 39% in the case of resident individuals. Losses from the sale of Éxito’s common shares are non deductible for Colombian tax purposes.

If the buyer of the Éxito shares is a Colombian taxpayer charged with the obligation to withhold at source, there is a potential cross-border back-up withholding applicable by the purchaser on the gross purchase price. Such withholding will be of 10% for capital gains tax or 15% for regular income tax. Said backup withholding can be credited towards the final tax liability assessed in the tax return to be filed by the seller. Upon tax assessment, if because of the applied back-up withholding there is a resulting tax refundable amount, the seller could file for a tax refund before the Colombian Tax Service (DIAN). – No withholding if the transaction is settled through the Colombian Stock Exchange.

Should the sale occur between related parties, Section 260-4 of the Colombian Tax Code provides that the purchase price must correspond to the fair market value of the Éxito shares, determined either based on (i) a free cash flow valuation or (ii) Éxito stock price as of the day prior to the sale. Should this be case, for Colombian tax purposes, the purchase price should be at least equivalent to the stock price as of the day prior to the sale.

Should the sale occur between non-related parties, Section 90 of the Colombian Tax Code provides that the deemed purchase price for tax purposes must correspond to at least 85% of the fair market value. This tax rule will only have impact if the agreed price is below the deemed price (the 85% of the fair market value), in which case for the corresponding tax consequences must be assessed and reported using the minimum deemed price, unless a technical valuation exists to support such lower agreed price.

The sale of the shares will reset the holding period in the shares for the purchaser.

Taxation derived from the conversion of Éxito common shares into Éxito ADSs

The Éxito shares conversion/exchange into ADSs by any holder of ADSs should trigger a taxable event subject to either regular income tax or capital gains tax observing the rules discussed in Paragraph 1 of the immediately previous section "—Taxation derived from the sale of Éxito common shares," as applicable to said holder.

The Colombian Tax Service has taken the position that the ADSs are deemed as an asset different from the underlying shares in Éxito. However, because there are arguments to hold the contrary view, there is uncertainty as to what occurs when the common shares in Éxito are converted/exchanged for ADSs, and whether such exchange triggers taxation in Colombia or whether it can be deemed as a tax deferral event. There is a risk that the Colombian Tax Service takes the position that the exchange should be viewed as a taxable event triggering capital gains tax in Colombia.

Taxation derived from the sale of Éxito ADSs

The sale or exchange of Éxito ADSs by Non-Resident Holders should not trigger a taxable event in Colombia, provided that the previous conversion of Éxito common shares into Éxito ADSs was previously taxed in Colombia.

The Colombian tax regime does not have a rule specifically dealing with the income tax effects of the sale or exchange of ADSs. Nonetheless, the current position of the Colombian Tax Service (DIAN) is that the ADSs are considered a different and independent security from the underlying shares that are in custody by the ADS Program Administrator. In this sense, from the interpretation of the general rules regarding sourcing of income and taxation of Non-Resident Holders the ADSs held abroad are not deemed to be Colombian assets, and the capital gains obtained from the sale of ADRs by non-Colombian entities, Colombian individuals who are non-residents in Colombia and foreign non-resident individuals, should neither be subject to income nor capital gains taxes in Colombia. In line with this, it is worth noting that the sale of the ADSs should not fall under the offshore transfers regime and as such, such sale should not be deemed as a taxable indirect transfer of the underlying common shares of Éxito, once again, provided that the previous conversion of Éxito common shares into Éxito ADSs was previously taxed in Colombia (please refer to the immediately following section for taxation upon conversion).

Taxation derived from the conversion of Éxito ADSs into Éxito common shares

Provided that the previous conversion of Éxito common shares into Éxito ADSs was previously taxed in Colombia, the conversion of Éxito ADSs into Éxito common shares should not trigger a taxable event for the holder of the ADSs.

Other Colombian Taxes

As of the date of this annual report, there is no income tax treaty and no inheritance or gift tax treaty in effect between Colombia and the United States of America. Transfers of Éxito ADSs from Non-Resident Holders or persons that are residents in Colombia for tax purposes, as defined by the applicable Colombian tax legislation, to non-tax residents of Colombia by gift or inheritance are not subject to Colombian income or capital gains taxes. Transfers of Éxito common shares or Éxito ADSs by gift or inheritance from residents to residents or from non-residents to residents should be subject to capital gains taxation in Colombia at the applicable tax rate for occasional gains obtained by residents of Colombia. There are no Colombian stamp, issue, registration or similar taxes or duties payable by a Non-Resident Holder of Éxito common shares or Éxito ADSs.

Material U.S. Federal Income Tax Considerations

In General

The following is a discussion of the material U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of: owning and disposing of the Éxito common shares or the Éxito ADSs (collectively, the "Éxito Shares"). This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the U.S. Treasury Regulations promulgated thereunder, administrative guidance and court decisions, in each case as of the date hereof, all of which are subject to change, possibly with retroactive effect, and to differing interpretations. This discussion addresses only those holders that will hold their Éxito Shares as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment), and assumes that any distributions made by Éxito on Éxito Shares will be in U.S. dollars. This discussion does not address any aspect of non-U.S. tax law or U.S state, local, alternative minimum, estate, gift or other tax law that may be applicable to a holder. This discussion does not constitute tax advice and does not address all aspects of U.S. federal income taxation that may be relevant to particular holders of Éxito Shares in light of their personal circumstances, or to any holders subject to special treatment under the Code, such as:

- banks, mutual funds and other financial institutions;
- real estate investment trusts and regulated investment companies;
- traders in securities who elect to apply a mark-to-market method of accounting;
- tax-exempt organizations or governmental organizations;
- insurance companies;
- dealers or brokers in securities or foreign currency;
- individual retirement and other deferred accounts;
- U.S. Holders whose functional currency is not the U.S. dollar;
- U.S. expatriates and former citizens or long-term residents of the United States;
- "passive foreign investment companies" or "controlled foreign corporations," and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons subject to the alternative minimum tax;
- U.S. Holders who own or are deemed to own 10% or more (by vote or value) of the Éxito shares;
- persons who hold their Éxito Shares as part of a straddle, hedging, conversion, constructive sale or other risk reduction transaction;
- persons who purchase or sell their Éxito Shares as part of a wash sale for tax purposes;
- "S corporations," partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes, or other pass-through entities (and investors therein); and
- persons who received their Éxito Shares through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan.

For purposes of this discussion, a "U.S. Holder" means a beneficial owner of Éxito Shares that for U.S. federal income tax purposes is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including for this purpose any arrangement or entity that is treated as a partnership for U.S. federal income tax purposes, holds Éxito Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership for U.S. federal income tax purposes and the partners in such partnership are urged to consult their tax advisors about the U.S. federal income tax consequences of the ownership and disposition of Éxito Shares.

This discussion is for informational purposes only and is not tax advice. Holders of Éxito Shares should consult their tax advisors with respect to the U.S. federal income tax consequences to them of the ownership and disposition of Éxito Shares in light of their particular circumstances, as well as any tax consequences of such matters arising under the U.S. federal tax laws other than those pertaining to income tax, including estate or gift tax laws, or under any state, local or non-U.S. tax laws or under any applicable income tax treaty.

U.S. Federal Income Tax Consequences of Owning and Disposing of Éxito Shares

Distributions on Éxito Shares

Subject to the discussion below under "—Passive Foreign Investment Company," the gross amount of any distribution that Éxito makes to a U.S. Holder with respect to Éxito Shares (including the amount of any taxes withheld therefrom) generally will be includible in such holder's gross income, in the year actually or constructively received, as dividend income, but only to the extent that such distribution is paid out of Éxito's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent that the amount of the distribution exceeds Éxito's current and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess will be treated first as a tax-free return of a U.S. Holder's tax basis in such holder's Éxito Shares, and then, to the extent such excess amount exceeds such holder's tax basis in such Éxito Shares, as capital gain. Éxito, however, may not calculate its earnings and profits under U.S. federal income tax principles. In that case, a U.S. Holder should expect that any distribution Éxito makes will be reported as a dividend even if such distribution would otherwise be treated as a tax-free return of capital or as capital gain under the rules described above. Dividends paid by Éxito will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations under the Code, but may be eligible for the lower rates applicable to "qualified dividend income" for non-corporate U.S. Holders provided that Éxito is not a PFIC and certain holding period and other requirements are met.

Subject to certain conditions and limitations, non-U.S. taxes withheld, if any, from dividends on the Éxito Shares may be treated as foreign taxes eligible for a credit against the U.S. federal income tax liability of a U.S. Holder. For purposes of calculating the foreign tax credit, dividends paid on the Éxito Shares will be treated as income from sources outside the United States and generally will constitute passive category income. However, as a result of recently issued Treasury Regulations that impose additional requirements for foreign taxes to be eligible for a foreign tax credit, there can be no assurance that a U.S. Holder will be able to claim a credit against its U.S. federal income tax liability for any non-U.S. taxes withheld from dividends on the Éxito Shares. A U.S. Holder may be able to elect to deduct such non-U.S. taxes withheld from dividends on the Éxito Shares, if any, in computing its taxable income for U.S. federal income tax purposes, subject to generally applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits generally applies to all foreign taxes paid or accrued in the taxable year. Further, in certain circumstances, if a U.S. Holder holds its Éxito Shares for less than a specified minimum period, the U.S. Holder will not be allowed a foreign tax credit for certain non-U.S. taxes imposed, if any, on dividends paid on its shares. The rules governing the foreign tax credit are complex. U.S. Holders should consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Dispositions of Éxito Shares

Subject to the discussion below under "—Passive Foreign Investment Company," a U.S. Holder generally will recognize capital gain or loss on any sale, exchange, redemption, or other taxable disposition of its Éxito Shares in an amount equal to the difference between the amount realized upon the disposition of the Éxito Shares and such U.S. Holder's tax basis in the Shares. Any such capital gain or loss will be long-term if the U.S. Holder's holding period in the shares exceeds one year at the time of disposition. Long-term capital gains of non-corporate U.S. Holders generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain or loss generally will be treated as U.S. source gain or loss for foreign tax credit purposes. U.S. Holders should consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances in respect of any non-U.S. tax imposed on the sale or other disposition of Éxito Shares.

Passive Foreign Investment Company

A non-U.S. corporation will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year in which the corporation satisfies either of the following requirements:

- at least 75% of its gross income is "passive income"; or
- at least 50% of the average fair market value of its assets is attributable to assets that produce "passive income" or are held for the production of "passive income."

Passive income for this purpose generally includes dividends, interest, royalties, rents and net gains from commodities and securities transactions. In addition, there is a look-through rule for investments in subsidiary corporations. Under this rule, if a non-U.S. corporation owns (directly or indirectly) at least 25% (by value) of another corporation, the non-U.S. corporation is treated as owning its proportionate share of the assets of the other corporation and earning its proportionate share of the income of the other corporation for purposes of determining if the non-U.S. foreign corporation is a PFIC.

Based upon the composition of our gross income and gross assets, the market value of our assets and the nature of our business, we do not believe that we were treated as a PFIC for the taxable year ending on December 31, 2022, and do not expect to be treated as a PFIC for the taxable year ending on December 31, 2023. However, there can be no assurance that Éxito will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, depends upon factors not wholly within Éxito's control, generally cannot be determined until the close of the taxable year in question, and is determined annually. If Éxito were a PFIC for any taxable year during which a U.S. Holder owned the Éxito Shares, gains recognized by such U.S. Holder on a sale or other disposition of the Éxito Shares would be allocated ratably over the U.S. Holder's holding period for such Éxito Shares. The amount allocated to the taxable year of the sale or other disposition and to any year before Éxito became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge would be imposed on the amount allocated to each such taxable year. Further, any distribution on the Éxito Shares in excess of 125% of the average of the annual distributions on such shares received by a U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter, would be subject to taxation in the same manner as gain, as described in the two immediately preceding sentences. A "qualified electing fund" election or "mark-to-market" election may be available with respect to a U.S. Holder's Éxito Shares that would result in alternative treatments to such holder if Éxito is classified as a PFIC. If Éxito is classified as a PFIC in any year that a U.S. Holder holds Éxito Shares, Éxito generally will continue to be treated as a PFIC for that U.S. Holder in all succeeding years, even if Éxito ceases to satisfy the requirements of being a PFIC. If a U.S. Holder holds the Éxito Shares during any taxable year in which Éxito is a PFIC, that holder generally will be required to file an annual IRS Form 8621. Significant penalties are imposed for failure to file IRS Form 8621, and the failure to file such form may suspend the running of the statute of limitations. U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to their investment in the Éxito Shares, including the availability of the "qualified electing fund" election or "mark-to-market" election with respect to their Éxito Shares.

Backup Withholding and Information Reporting

Payments of dividends to a U.S. Holder and proceeds from the sale or other disposition of Éxito Shares may, under certain circumstances, be subject to information reporting and backup withholding, unless the holder provides proof that it qualifies for an applicable exemption or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and generally will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Foreign Asset Reporting

Certain U.S. Holders are required to report information relating to an interest in the Éxito Shares, subject to certain exceptions (including an exception for Éxito Shares held in accounts maintained by certain financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their U.S. federal income tax return. U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of Éxito Shares.

Material Brazilian Tax Consequences

The following discussion describes the material Brazilian tax consequences relating to the purchase, ownership and disposal of Éxito common shares, ADSs and BDRs by persons that are domiciled in Brazil for tax purposes, as defined by the applicable Brazilian tax legislation ("Brazilian Resident Holders").

It does not purport to be a comprehensive discussion of all the tax consequences that may be relevant to these matters, and it is not applicable to all categories of investors, some of which may be subject to special tax rules not specifically addressed herein. It is based upon the tax laws of Brazil, in effect as of the date of this annual report, which are subject to change and to differing interpretations. Any change in the applicable Brazilian laws and regulations may impact the consequences described below.

The tax consequences described below do not take into account tax treaties entered into by Brazil and other countries. The discussion also does not address any tax consequences under the tax laws of any state or locality of Brazil, except if otherwise stated herein.

Although there is presently no income tax treaty between Brazil and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a tax treaty will enter into force or how such a treaty would affect a U.S. holder of Éxito common shares, ADSs or BDRs.

You are advised to consult your own tax advisor with respect to an investment in Éxito common shares, ADSs or BDRs in light of your particular investment circumstances.

Material Brazilian Tax Consequences for Non-Resident Holders of Éxito Common Shares, ADSs and BDRs

The following discussion summarizes the main Brazilian tax consequences applicable to the purchase, ownership and disposal of Éxito common shares, ADSs or BDRs by a Non-Resident Holder.

Taxation of Dividends

Dividends paid by a non-Brazilian corporation, such as Éxito, to a Non-Brazilian Holder of its common shares and ADRs are not subject (i.e., out of scope) to withholding income tax ("WHT") in Brazil. Brazilian legislation is not clear on taxation of dividends received by Non-Resident Holders in connection with Éxito BDRs. We understand that the dividends are paid by non-Brazilian sources to Non-Resident Holders and therefore should not be subject to Brazilian taxation. However, as there is no clear guidance on this matter, we recommend these investors to discuss this issue with their tax advisors.

Capital Gains

Sale of Éxito common shares or ADSs

According to Law No. 10,833, dated December 29, 2003 ("Law No. 10,833"), capital gains earned on the disposal of assets located in Brazil by a Non-Resident Holder, whether to another Non-Resident Holder or to a Brazilian Resident Holder are subject to taxation in Brazil.

Our understanding is that Éxito common shares and ADSs do not qualify as assets located in Brazil for the purposes of Law No. 10,833 because they represent securities issued and renegotiated in an offshore exchange market and, therefore, should not be subject to the Brazilian WHT.

Conversion of Éxito Common Shares into BDRs

Although there is no clear regulatory guidance, the deposit of Éxito common shares into the Éxito BDR program and issuance of BDRs should not subject a Non-Resident Holder to Brazilian tax. Non-Resident Holders may deposit their Éxito common shares, receive BDRs, sell such BDRs on a Brazilian stock exchange and remit abroad the proceeds of the sale, according to the regulations of the Central Bank.

Upon receipt of the BDRs upon deposit of Éxito common shares, a Non-Resident Holder may also elect to register with the Central Bank the U.S. dollar value of such BDRs as a foreign portfolio investment under Resolution No. 4,373, which will entitle them to the tax treatment described below.

Alternatively, a Non-Resident Holder is also entitled to register with the Central Bank the U.S. dollar value of such BDRs shares as a foreign direct investment under Law No. 4,131/62, in which case the respective sale would be subject to the tax treatment applicable to transactions carried out of by a Non-Resident Holder that is not registered before Brazil's Central Bank and CVM in accordance with Resolution No. 4,373.

Sale of BDRs

Brazilian legislation does not provide a clear guidance of taxation of transactions with BDRs. In this sense, there is some controversy over whether these may be deemed assets located in Brazil. If BDRs are deemed to be located in Brazil, capital gains assessed on a Non-Resident Holder on the disposition of BDRs carried out on a Brazilian stock exchange are:

- exempt from income tax when realized by a Non-Resident Holder that: (1) has registered its investment in Brazil with the Central Bank under the rules of CMN Resolution No. 4,373 (a "4,373 Holder"); and (2) is not resident or domiciled in a Low or Nil Tax Jurisdiction;

- arguably subject to income tax at a rate of 15.0% in the case of gains realized by a Non-Resident Holder that: (1) is a 4,373 Holder and is a resident or domiciled in a Low or Nil Tax Jurisdiction; or (2) is not a 4,373 Holder and is not a resident or domiciled in a Low or Nil Tax Jurisdiction. In this case, a withholding income tax of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Resident Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Resident Holder; or

- subject to income tax at a rate of up to 25.0% in the case of gains realized by a Non-Resident Holder that: (1) is not a 4,373 holder; and (2) is resident or domiciled in a Low or Nil Tax Jurisdiction. In this case, a withholding income tax of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Resident Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Resident Holder.

Any other gains assessed on a sale or disposition of BDRs that is not carried out on a Brazilian stock exchange are subject to: (1) income tax at a rate ranging from 15.0% up to 22.5% when realized by a Non-Resident Holder that (A) has registered its investment as a foreign direct investment under Law No. 4,131/62 (a "4,131 Holder"); and (B) is not resident or domiciled in a Low Tax Jurisdiction; and (2) income tax at a rate of 25.0% when realized by a 4,131 Holder that is domiciled or resident in a Low Tax Jurisdiction. If these gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, a WHT of 0.005% on the sale value will also apply and can be used to offset the income tax due on the capital gain.

Under Brazilian legislation, there are legal grounds to support that the disposition of BDRs by a 4,373 Holder outside the Brazilian stock exchange should be subject to a rate of 15.0%. This is mainly because Section 81 of Law No. 8,981, dated January 20, 1995, as extended by Section 16 of Provisional Measure 2,189-49/01, provides for a Special Tax Regime to 4,373 Holders by means of which: (1) capital gains earned by 4,373 Holders are exempt, to the extent capital gains are considered to be the positive results obtained from transactions carried out on the stock exchange; and (2) in all other cases applies the taxation at the 15.0% WHT rate. Notwithstanding, Brazilian custodian agents usually do not accept this view and require the tax treatment applicable to 4,131 Holders (i.e., progressive WHT rates ranging from 15.0% up to 22.5%) on disposition of Brazilian assets carried out outside the stock exchange. There is a Ruling surrounding the matter, but it still leaves room for interpretation. Administrative and judicial precedents are inexistent.

Any exercise of preemptive rights relating to BDRs should not be subject to Brazilian withholding income tax. Any gain on the sale or assignment of preemptive rights relating to BDRs will be subject to Brazilian income taxation according to the same rules applicable to the sale or disposal of BDRs.

In the case of a redemption of BDRs or a capital reduction by us, the positive difference between the amount received by a Non-Resident Holder and the acquisition cost of the BDRs redeemed is treated as a capital gain derived from the sale or exchange of BDRs not carried out on a Brazilian stock exchange market, and is therefore subject to income tax at the specific rates detailed above, depending on the nature of the investment and the location of the investor.

As a general rule, the gains realized as a result of the disposal of BDRs is the positive difference between the amount realized on the sale or exchange of the BDRs and their acquisition cost.

There is no assurance that the current preferential treatment for a Non-Resident Holder of BDRs and a 4,373 Holder of BDRs will continue or that it will not change in the future.

Conversion of BDRs into Éxito Common Shares

The cancellation of BDRs and receipt of the underlying Éxito common shares may subject a Non-Resident Holder to Brazilian income tax on capital gains if the amount previously registered with the Central Bank as a foreign investment in BDRs or, in the case of other market investors under Resolution No. 4,373, the acquisition cost of the BDRs, as the case may be, is lower than:

- the average price per BDR on the B3 on the day of deposit; or
- if no BDRs were sold on that day, the average price on the B3 during the 15 preceding trading sessions.

The difference between the amount previously registered, or the acquisition cost, as the case may be, and the average price of the BDRs, calculated as set forth above, is considered a capital gain.

Discussion on Low or Nil Taxation Jurisdictions

On June 4, 2010, the Brazilian tax authorities enacted Normative Ruling No. 1,037 listing: (1) the countries and jurisdictions considered as Low or Nil Taxation Jurisdictions or where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents; and (2) the privileged tax regimes, which definition is provided by Law No. 11,727, of June 23, 2008 ("Law No. 11,727").

A Low or Nil Taxation Jurisdiction is a country or location that: (1) does not impose taxation on income; (2) imposes income tax at a maximum rate lower than 20.0%; or (3) imposes restrictions on the disclosure of shareholding composition or the ownership of the investment. A regulation issued by the Brazilian tax authorities on November 28, 2014 (Ordinance No. 488, of 2014) decreased, from 20.0% to 17.0%, the minimum threshold for certain specific cases. The reduced 17.0% threshold applies only to countries and regimes aligned with international standards of fiscal transparency in accordance with rules to be established by the Brazilian tax authorities. Although Ordinance No. 488 has lowered the threshold rate, Normative Ruling No. 1,037, which identifies the countries considered to be Low or Nil Tax Jurisdictions and the locations considered as privileged tax regimes, has not been amended yet to reflect such threshold modification.

Law No. 11,727 created the concept of "privileged tax regimes," which encompasses the countries and jurisdictions that: (1) do not tax income or tax it at a maximum rate lower than 20.0% (or 17%, provided that the requirements set forth by Normative Ruling No. 1,530 dated December 19, 2014 are met); (2) grant tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or jurisdiction, or (b) conditioned to the non-exercise of a substantial economic activity in the country or jurisdiction; (3) do not tax or tax proceeds generated abroad at a maximum rate lower than 20.0% (or 17%, provided that the requirements set forth by Normative Ruling No. 1,530 dated December 19, 2014 are met); or (4) restrict the ownership disclosure of assets and ownership right or restrict disclosure about economic transactions carried out. Although we believe that the best interpretation of the current tax legislation is that the above mentioned "privileged tax regime" concept should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules, among other rules that make express reference to the concepts, we can provide no assurance that tax authorities will not interpret the rules as applicable also to a Non-Resident Holder on payments of interest on shareholders' equity.

On December 29, 2022, the Brazilian government published Provisional Measure No. 1,152 which was converted into Law No. 14,596 in June 15, 2023 ("Law 14,586"). Law 14,586 introduces changes to the legislation on corporate income tax and provides for new transfer pricing rules aiming to align the country's rules with international standards as proposed by the OECD. Specifically in relation to the concepts of Favorable Tax Jurisdictions and Privileged Tax Regimes, further detailed above, Law 14,586 established a minimum threshold tax rate of 17%, a change from the minimum rate of 20% foreseen in the current legal provisions. As mentioned above, the 17% rate is already adopted as a minimum threshold, in certain cases based on an authorization granted by the rules currently in force. Under current rules, however, tax authorities may reinstate the 20% threshold at any time. Law 14,596 sets in legal statutes that minimum 17% threshold. This new threshold, will be applicable from January 2024 onwards, except in the case of taxpayers that opted to anticipate the effects of said law.

We recommend investors to consult their own tax advisors from time to time to verify any possible tax consequence arising from Normative Ruling No. 1,037 and Law No. 11,727. If the Brazilian tax authorities determine that payments made to a Non-Resident Holder are considered to be made under a "privileged tax regime," the WHT applicable to such payments could be assessed at a rate of up to 25.0%.

Other Brazilian Taxes

There are no Brazilian federal inheritance, gift or succession taxes applicable to the ownership, transfer or disposal of Éxito common shares, ADSs or BDRs by a Non-Resident Holder. Gift and inheritance taxes, however, may be levied by some states on gifts made to or inheritances bestowed by the Non-Resident Holder on individuals or entities resident or domiciled within such states in Brazil. There is no Brazilian stamp, issue, registration or similar taxes or duties payable by a Non-Resident Holder of Éxito common shares, ADSs or BDRs.

Taxation of Foreign Exchange Transactions (IOF/Exchange)

Pursuant to Decree No. 6,306/07, the conversion into foreign currency or the conversion into Brazilian currency of the proceeds received or remitted by a Brazilian entity from a foreign investment in the Brazilian securities market, including those in connection with the investment by a Non-Resident Holder in BDRs, may be subject to the Tax on Foreign Exchange Transactions ("IOF/Exchange"). Currently, the applicable rate for almost all foreign currency exchange transactions is 0.38%. However, foreign currency exchange transactions carried out for the inflow of funds in Brazil for investment in the Brazilian financial and capital market made by a foreign investor (including a Non-Resident Holder, as applicable) are subject to IOF/Exchange at a 0% rate. The IOF/Exchange rate will also be 0% for the outflow of resources from Brazil related to these types of investments, including payments of dividends and the repatriation of funds invested in the Brazilian market. Furthermore, the IOF/Exchange is currently levied at a 0% rate for the conversion of Éxito common shares into BDRs held by foreign investors under the 4,373 Holders regime. In any case, the Brazilian government is permitted to increase the rate to a maximum of 25% at any time, with respect to future transactions. Any increase in the rate would not apply retroactively.

Tax on Bonds and Securities Transactions (IOF/Bonds)

Pursuant to Decree No. 6,306/07, the Tax on Bonds and Securities Transactions ("IOF/Bonds"), may be imposed on any transaction involving bonds and securities even if the transactions are performed on a Brazilian stock exchange. The rate of this tax for transactions involving BDRs is currently 0%, but the Brazilian government may increase such rate up to 1.5% per day, with respect to future transactions. Any increase in the rate would not apply retroactively.

F. *Dividends and Paying Agents*

Not applicable.

G. *Statement by Experts*

Not applicable.

H. *Documents on Display*

We are subject to the information requirements of the Exchange Act, pursuant to which we file reports and other information with the SEC. Reports and other information filed by us with the SEC may be inspected and copied at the public reference facilities maintained by the SEC at Room 1580, 100 F Street N.E., Washington, D.C. 20549, and at the Commission's Regional Offices at 233 Broadway, New York, New York 10279 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661-2511. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street N.E., Washington, D.C. 20549. In addition, the SEC maintains a website (http://www.sec.gov) that contains each of our filed reports and information statements. You may also inspect these reports and other information at the offices of the New York Stock Exchange Inc., 120 Broad Street, New York, New York 10005, on which our ADSs are listed.

We also file financial statements and other periodic reports with the CVM, including the Formulário de Referência, which is an annual report that is prepared and filed in accordance with CVM Instruction No. 480/09 and can be accessed through www.cvm.gov.br. Information from that website is not incorporated by reference into this document.

Copies of our annual reports on Form 20-F and documents referred to in this annual report and our bylaws will be available for inspection upon request at our headquarters at: Carrera 48 No. 32B Sur – 139 - Avenida Las Vegas - Envigado, Colombia.

Our investor relations website is located at https://www.grupoexito.com.co/ (This URL are intended to be an inactive textual reference only. They are not intended to be an active hyperlink to our website. The information on our website, which might be accessible through a hyperlink resulting from this URL is not, and shall not be deemed to be, incorporated into this annual report.)