

Informativo Gerencial

Edition 20

March 2022

Global Powers of Retailing 2022

2022 has presented challenging circumstances for the global retail industry

[Page 3](#)

Treasury Operating Models

We analyze the different operating models that exist for treasuries.

[Page 5](#)

Economic figures

Inflation, interest rates, employment and unemployment, trade balance.

[Page 13](#)



Deloitte.

Content



Page 3



Page 5



Page 09



Page 11

Deloitte refers to Deloitte Touche Tohmatsu Limited, a private liability company Limited in the United Kingdom to your network of the signatures member and their related entities, each a of the them as a entity legal only e independent. See www.deloitte.com to learn more about our global network of member firms.

Deloitte provides professional audit and assurance services, consulting, financial advice, advice in risks taxes and services legal related with our public and private clients from various industries. With a global network of member firms in more of the 150 countries Deloitte provides capabilities of the class world and service high quality to their customers providing the experience necessary for do front to the more complex business challenges. Deloitte's more than 345,000 professionals are committed to impact significant.

As it is used in this document, Deloitte and Touche Ecuador Cía. Ltda., which has the exclusive legal right to engage in, and limit its business to, the provision of audit and accounting services, as well as other professional services under the name "Deloitte".

This presentation contains only general information and Deloitte is not, through this document, providing audit and accounting advice or services.

This presentation no replaces these tips or services professional or must use as a basis for any decision or action that may affect your business. Before taking any decision or take any measure what can affect your business should consult to a advisor professional qualified. No provides no representation, warranty or promise (neither explicit nor implied) about the veracity or integrity of the information in this communication and Deloitte shall not be liable for any loss suffered by any person what trust in this presentation.

© 2022 Deloitte & Touche Ecuador Cía. Ltda.

03

Global Powers of Retailing 2022

2022 has presented challenging circumstances for the global retail industry.

05

Treasury Operating Models

We analyze the different operating models that exist for treasuries.

09

Official gazette

Learn about the main laws, decrees, resolutions and agreements published in the Official Register.

11

Economic figures

We provide you with the economic figures of the following variables: inflation, interest rates, employment and unemployment, trade balance, exchange rates, among others.

Global Powers of Retailing 2022

2022 has presented challenging circumstances for the global retail industry: high inflation rates in various parts of the world; the prevailing disruption in global supply chains; labor shortages in key markets; among other.

In the midst of this panorama, which undoubtedly presents great challenges, Deloitte presents the new edition of its study The global powers of retail trade, in which, in addition to identifying the 250 largest retailers in the world, based on public data available for FY2020 (ending June 30, 2021), we provide a global economic outlook, and analyze the fastest-growing retailers, highlighting the cases of new entrants to the Top 250.

This year's report presents the efforts that retailers are making to achieve sustainability in each of their processes, due to the presence of a consumer who is increasingly concerned about influencing the environment with their purchasing decisions.

Here are some of the key findings from this year's report:

1. Revenue for the top 250 retailers increased 5.2%.

Despite major economic headwinds from the coronavirus pandemic and its subse-

quent variants last year, retailers managed to post growth.

However, 2022 will not be easy, as there are several factors that will continue to impact the market, such as: high inflation rates, labor shortages, supply chain disruption and a virus that does not subside, with the emergence, ago a few months, of the omicron variant.

As for who makes up this year's Top 250, Walmart still holds the top spot, but Amazon is fast approaching.

2. Retailers increasingly focused on sustainability.

The pandemic has significantly changed consumer sentiment and buying behavior. One of the biggest changes behind the focus on environmental and social issues is the rise of the "responsible consumer." Consumers, particularly millennials and Gen Z, are showing a strong interest in sustainability and expect the same from the companies they interact with.



In the report, we identify some of the strategies retailers are pursuing to drive and prioritize a sustainable agenda, such as reducing emissions and waste; the implementation of a circular economy; and making investments in programs and initiatives related to diversity, equality and inclusion.

3. Highlights of the 5 Mexican retailers in the Top 250.

The five Mexican retail companies that appear in the Top 250 dropped in position: FEMSA Comercio obtained 81st place (63rd, in 2021); Coppel Group, 128th place (113, in 2021); Soriana Organization, place 151 (133, in 2021); The Port of Liverpool, 220th place (162nd, in 2021); and Grupo Comercial Chedraui, place 163 (161 in 2021). However, Chedraui achieved double-digit growth in FY2020.

The Port of Liverpool saw the biggest impact from store closures, as a result of the pandemic, and reduced consumer demand, with retail revenue falling 20.7%, despite online sales.

There were no new Mexican retailers in the Top 250.

4. Retail sector trends.

From the incursion of Generation Z as consumers to the transformation of the modern retailer towards digital are some of the trends that will mark the development of the sector during this year. Convenience, business diversification, the demand for circularity and traceability, and progressive and distinctive collaboration between retailers are other topics that will mark your agenda in the coming years.

Sources

The sources of information for this report are the company's published communications, including annual reports, documents filed with the SEC, and information found in press releases, fact sheets, filings, or on company websites.

When the above information is not available, other publicly available sources are used, including estimates from trade publications, industry analyst reports and press interviews.

i For more information go to www.deloitte.com/ec

Treasury Operating Models

We analyze the different operating models that exist for treasuries, the main characteristics of each of these options, and we even detail in which cases the adoption of a hybrid strategy, incorporating elements of centralization and decentralization, has been favorable.

In recent years, one of the main objectives of multinational companies has been to achieve their strategic and operational decentralization, since, in most cases, this has allowed an organization to better respond to the changing needs of consumers in different markets; however, while a large number of core business activities are increasingly being carried out in a decentralized manner, the exception has been treasury management, which has gone in the opposite direction.

In this aspect, centralization usually offers some advantages to companies; however, events of sociopolitical uncertainty, regulatory changes, the increase in protectionist legislative policies, current market conditions and even the very nature of each business reduce, as a

whole, the viability of this treasury management model in certain industries and regions.

How can we choose the right model for our business? In this Deloitte study, we analyze the main characteristics of each of these options, and we even detail in which cases the adoption of a hybrid strategy, incorporating elements of centralization and decentralization, has been favorable.

Main characteristics of decentralization and centralization

Decentralized treasury: this model, historically, has been the most common among organizations, thanks to the fact that it allows treasury operations to be managed locally, while corporate control is carried out in another location, offering, as



its main advantage, the rapid taking of decisions of teams with local knowledge, without the suffering of delays caused by corporate processes.

Centralized treasury: Recently, thanks to globalization, this option has become popular among multinational companies, since it allows them to isolate themselves from certain stagnation present in local economies. It contemplates several applicable models in an organization, using structures with regional headquarters, which can be supervised by the same companies.

Considerations for establishing a treasury strategy

In addition to understanding the main characteristics of decentralized and centralized models, it is recommended that organizations, before choosing one or the other option, carry out an evaluation of their global business strategies and models, because knowledge of their situation will inherently determine your specific treasury management needs, as well as the main challenges and issues you will need to address, such as target market, competition, vendors, geography, regulations, taxes, and more.

This means that establishing the right strategy for a business is a complex process, since it not only includes the elements listed above, but also requires companies to have a firm understanding of the model they have chosen -the centralized or decentralized -, in order to guarantee the optimal efficiency of the treasury of your business (for example, some companies will need to have local knowledge that enables quick decision-making, while others will have to establish, in an appropriate way, economies of scale to reduce their costs).

Centralization of the treasury: possibilities and specific benefits

Previously, centralized treasuries used to be a model used only by large multinationals or companies with significant intercompany trade; but, at present, this scheme has become common among companies of smaller size and presence. What are the most common centralization options among organizations and under what circumstances do they present the greatest benefits?

When the objective of a centralization is to improve the efficiency of the processes, companies usually resort to Shared Services Centers, which group in a single structure the activities that used to be distributed locally, for each entity or line of business, with the objective that they are not duplicated (such as accounts receivable, accounts payable, payroll, etc.)

Challenges present in centralization strategies

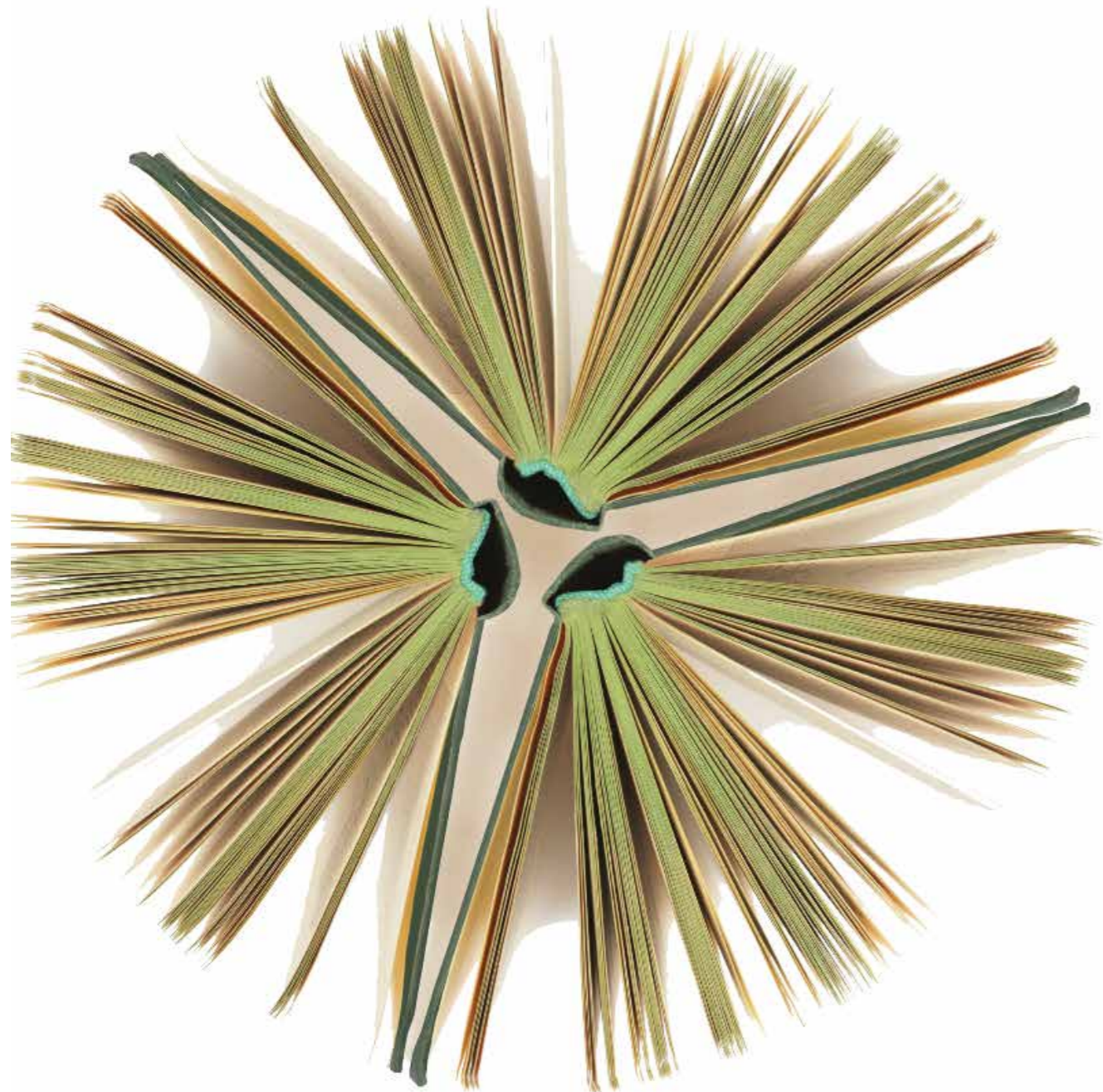
Although the centralization of a company's treasury offers multiple benefits, in its different forms, it also frequently brings with it the following challenges, which are important to consider:

- **Of cultural diversity:** such as market fragmentation, unique regulatory measures, language diversity, and lack of cultural awareness.
- **Of unit:** Because organizations' business models differ in structure, culture, and strategy, adopting a one-size-fits-all centralized treasury strategy is sometimes impractical or the least viable option.
- **From local experience:** treasury functions activities are more efficient through local knowledge of the market, as it can improve the accuracy of cash forecasting.

Conclusions

Choosing a treasury management model for your organization, as we have seen, implies fully understanding the strategies that are best suited to the needs of your business. In this sense, due to the passage of time and the changes that naturally occur in a growing company, even the

i For more information go to www.deloitte.com/ec



Corporate control is carried out in another location, offering, as its main advantage, quick decision-making

Official gazette

Learn about the main laws, decrees, resolutions and agreements published in the Official Register.



We present the most important official records of the february:

Tax Matter

Official Gazette No. 2, february 14, 2022 Internal Rents Service Resolution No.01

Resolution NAC-DGERCGC22-00000062 is amended, which establishes the rules for the declaration and payment of Temporary Contributions for the Post-COVID-19 Economic Boost and Fiscal Sustainability, in this text it clarifies that the value paid for temporary contributions will not serve as tax credit for the payment of taxes by the taxpayer nor will it be deductible for other taxes.

Official Gazette No. 3, february 03, 2022 Internal Rents Service Resolution No.03

The Tax Administration issues the rules for the declaration and payment of the Single and Temporary Income Tax on profits in the alienation of shares, participations, or other rights representing capital.

Official Gazette No. 2 third supplement, february 14, 2022 Internal Rents Service Resolution No.4

The general coefficients of a presumptive estimation of the income tax by branches of economic activity for the year 2020 are established.

Official Gazette Supplement No. 3 fourth supplement, february 15, 2022 Internal Rents Service Resolution. 10

The rules for the issuance of sales receipts and supplementary documents for the reduction of the general rate of Value Added Tax are established.



Official Gazette Supplement No. 5 third supplement, february 17, 2022 Internal Rents Service Resolution No.6

Resolution NAC-DGERCGC22-00000062 is amended, which establishes the rules for the declaration and payment of Temporary Contributions for the Post-COVID-19 Economic Boost and Fiscal Sustainability, in this text it is added that the declaration and payment by natural persons Non-residents as of December 31, 2020 must calculate and pay the tax on their assets located in the country.

Economic figures

We put at your disposal the monthly economic figures of the following variables: inflation, interest rates, employment and unemployment rates, exchange rate, stock indices, among others.



Inflation (CPI)

0,23%
February 2022



Country risk

755 points
February 2022



Basic basket

725,16 dollars
February 2022



Family income

793,33 dollars
February 2022



Suitable employment

33,1%
January 2021



Unemployment

5,4%
January 2021



GDP (Millions of US \$)

105.404,63 dollars
2021

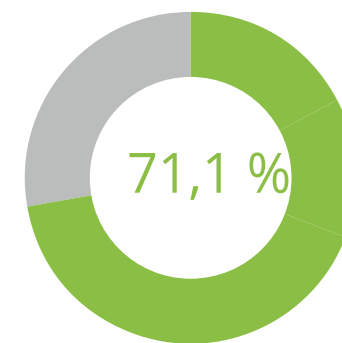


External debt (% GDP)

45,40%
December 2021

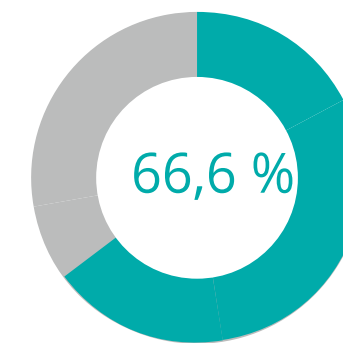
01

Total Population Composition
January 2022



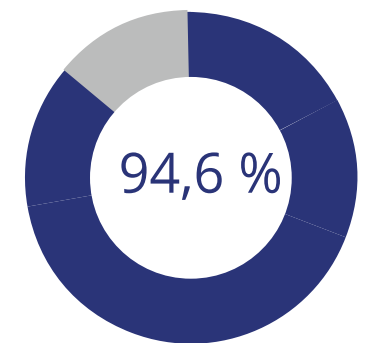
■ WAP ■ Under 15 years old

WAP Composition
January 2022



■ EAP ■ EIP

Composition EAP
January 2022

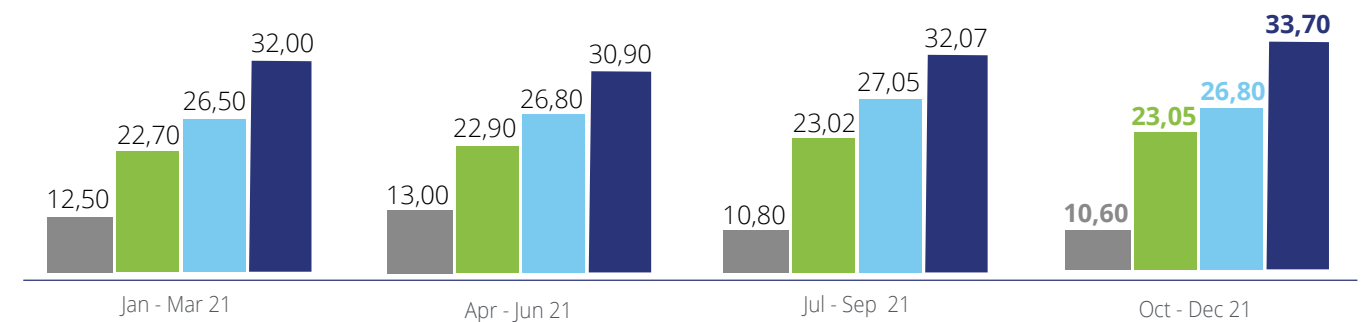


■ Employed ■ Unemployed

Source: Instituto Nacional Ecuatoriano de Estadísticas y Censos (INEC)

02

■ Unpaid employment ■ Non-full employment ■ Underemployment ■ Suitable employment



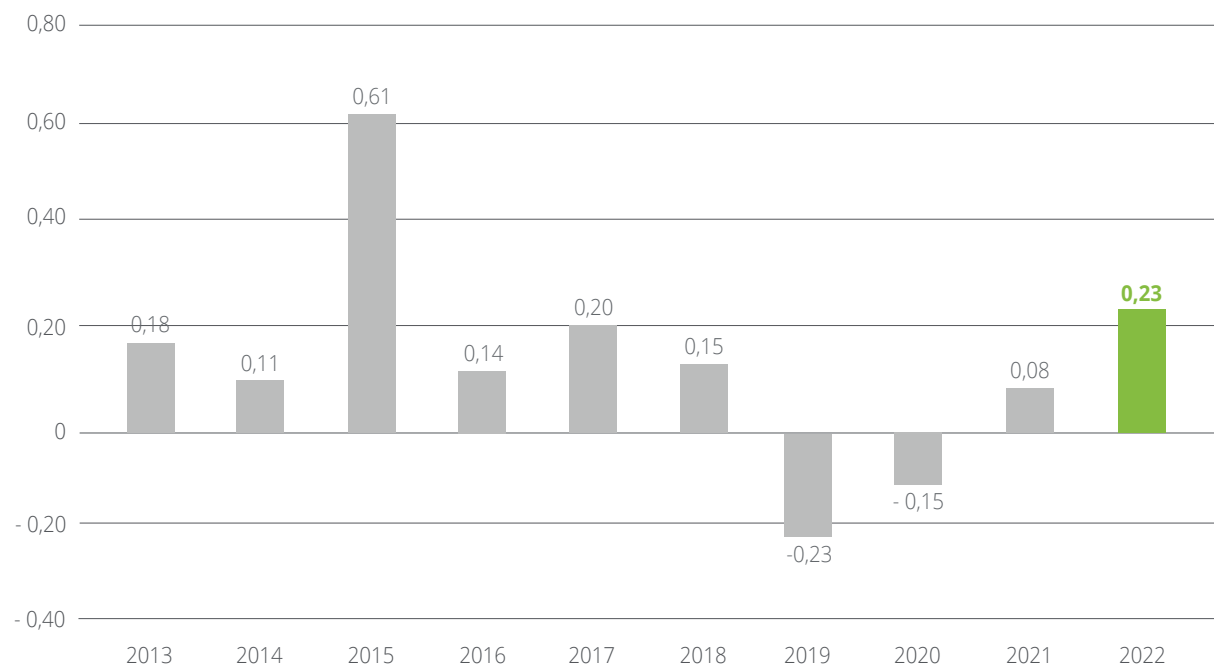
Source: Instituto Nacional Ecuatoriano de Estadísticas y Censos (INEC)

03

	2021				2022			
	Inflation				Inflation			
	Index	Monthly	Annual	Acumulated	Index	Monthly	Annual	Acumulated
January	104,35	0,12 %	(1,04 %)	0,12 %	107,02	0,72 %	2,56 %	0,72 %
February	104,44	0,08 %	(0,81 %)	0,20 %	107,27	0,23 %	2,71 %	0,96 %
March	104,63	0,18 %	(0,83 %)	0,38 %				
April	104,99	0,35 %	(1,47 %)	0,73 %				
May	105,08	0,08 %	(1,13 %)	0,81 %				
June	104,89	(0,18 %)	(0,69 %)	0,63 %				
July	105,45	0,53 %	0,45 %	1,16 %				
August	105,57	0,12 %	0,89 %	1,28 %				
September	105,58	0,02 %	1,07 %	1,30 %				
October	105,80	0,21 %	1,47 %	1,51 %				
November	106,18	0,36 %	1,84 %	1,87 %				
December	106,26	0,07 %	1,94 %	1,94 %				

Source: Consumer Prices Index (CPI)

04



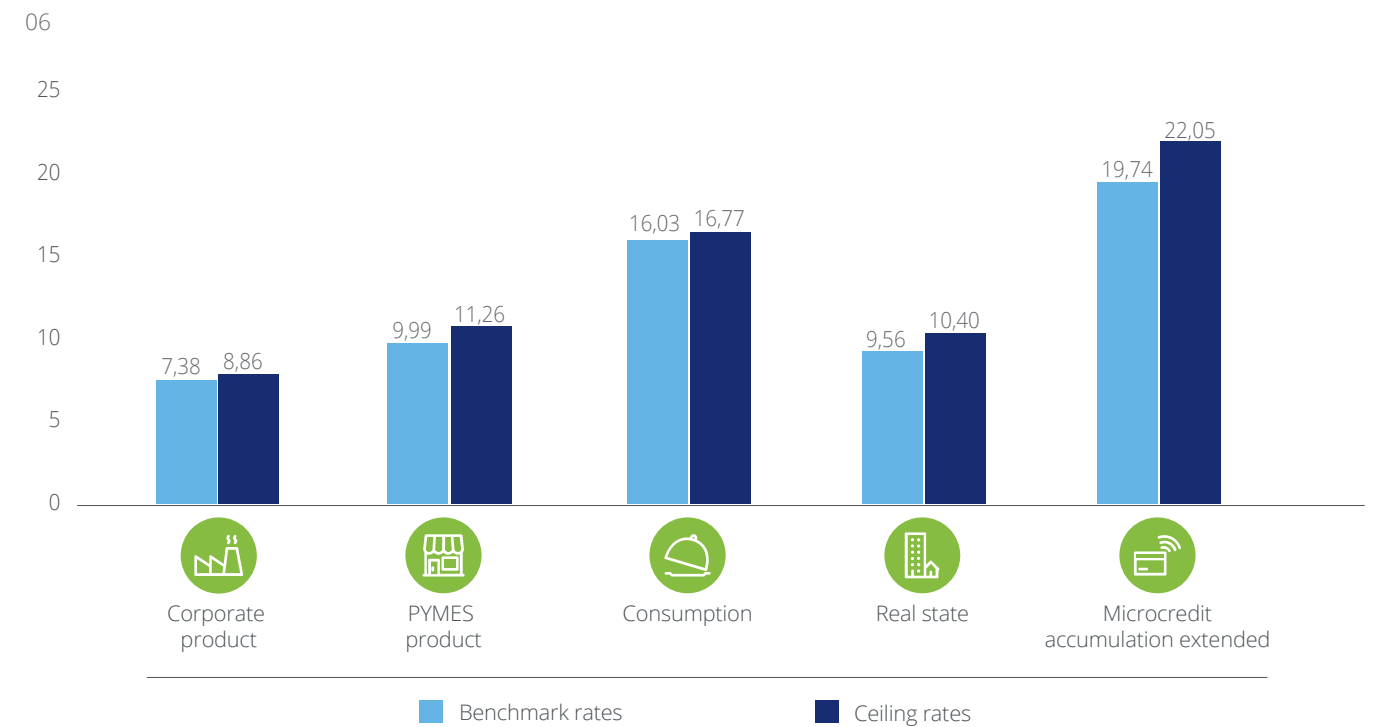
Source: Instituto Nacional Ecuatoriano de Estadísticas y Censos (INEC)

05

Period	Benchmark interest rates				Internacional interest rates				
	Basic Central Bank rate	Benchmark passive rate	Benchmark active rate	Legal	Federal funds	Prime NY	SOFR *		
							30 days	90 days	180 days
2018	0,20	5,43	8,69	8,69	2,50	5,50	-	-	-
2019	0,20	5,70	8,82	8,82	1,75	4,75	-	-	-
2020	0,20	5,82	8,58	8,58	0,25	3,25	-	-	-
2021	0,20	5,91	7,44	7,44	0,25	3,25	-	-	-
2022									
January	0,20	5,57	7,39	7,39	0,25	3,25	0,04867	0,04945	0,04934
February	0,20	5,71	7,38	7,38	0,25	3,25	0,04967	0,04934	0,04928
March									
April									
May									
June									
July									
August									
September									
October									
November									
December									

Source: Banco Central del Ecuador (BCE)

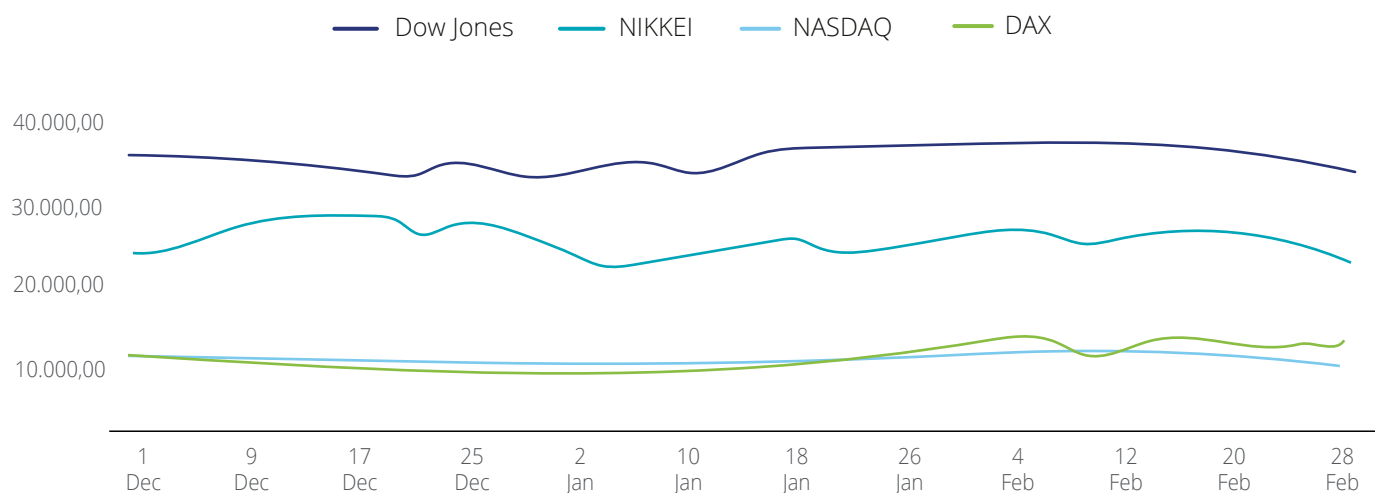
(*) The LIBOR has been replaced by the SOFR since January 2022.



Source: Banco Central del Ecuador (BCE)

07

Financial markets daily indicators



08

Currency	Internacional Price	Official rate	Transactions	
			Purchase	Sale
Bolívar soberano	4,39	4,40	4,40	4,40
Euro	0,89	0,89	0,89	0,89
Libra esterlina	0,75	0,75	0,75	0,75
Nuevo sol peruano	3,78	3,78	3,78	3,78
Peso argentino	107,44	107,41	107,41	107,41
Peso boliviano	6,80	6,88	6,88	6,88
Peso chileno	796,62	800,00	800,00	800,00
Peso colombiano	3.927,73	4.000,00	4.000,00	4.000,00
Real brasil	5,15	5,15	5,15	5,15
Yen japonés	114,98	114,94	114,94	114,94

(*) Values express units of each currency obtained per \$ US dollar, corresponding to February 28, 2022

Source: Banco Central del Ecuador (BCE)

09



Deloitte refers to Deloitte Touche Tohmatsu Limited, a private liability company Limited in the United Kingdom to your network of the signatures member and their related entities, each a of the them as a entity legal only e independent. See www.deloitte.com to learn more about our global network of member firms.

Deloitte provides professional audit and assurance services, consulting, financial advice, advice in risks taxes and services legal related with our public and private clients from various industries. With a global network of member firms in more of the 150 countries Deloitte provides capabilities of the class world and service high quality to their customers providing the experience necessary for do front to the more complex business challenges. Deloitte's more than 345,000 professionals are committed to impact significant.

As it is used in this document, Deloitte and Touche Ecuador Cía. Ltda., which has the exclusive legal right to engage in, and limit its business to, the provision of audit and accounting services, as well as other professional services under the name "Deloitte".

This presentation contains only general information and Deloitte is not, through this document, providing audit and accounting advice or services.

This presentation no replaces these tips or services professional or must use as a basis for any decision or action that may affect your business. Before taking any decision or take any measure what can affect your business should consult to a advisor professional qualified. No provides no representation, warranty or promise (neither explicit nor implied) about the veracity or integrity of the information in this communication and Deloitte shall not be liable for any loss suffered by any person what trust in this presentation.