EARNINGS RELEASE

4TH QUARTER 2023

March 11, 2023

Executive Summary: SMU S.A.'s Consolidated Results

SMU's revenue for the full year 2023 (FY23) amounted to CLP 2,862,383 million, an increase of 1.3% with respect to CLP 2,826,314 million for the full year 2022 (FY22). With respect to the fourth quarter of 2023 (4Q23), revenue totaled CLP 738,847 million, 3.5% lower than CLP 765,986 million for the fourth quarter of 2022 (4Q22)

Revenue performance reflects economic conditions and the higher income elasticity the consumers have shown, buying fewer quantities and substituting for cheaper products. In this sense, during 2023, although the Company's average ticket has been lower, it is worth noting that the number of customers has increased in every format, and customers are visiting the stores more often. Therefore, once consumption levels start recovering, the Company is well positioned to capture higher sales.

In addition, the 2022 comparison base is very challenging, due to the high levels of demand for basic products during the period. Revenue in Chile grew by 9.9% in 4Q22 with respect to the same period of the previous year, including an increase of 23.4% in the cash & carry segment.

Gross profit for FY23 reached CLP 877,900 million, an increase of 5.1% with respect to 2022. In 4Q23, gross profit totaled CLP 227,417 million, a decrease of 2.0% with respect to 4Q22. Gross margin reached 30.7% in 2023, an expansion of 110 basis points (bps) with respect to the 29.6% recorded in 2022, reflecting improvements in commercial efficiency. Likewise, gross margin for 4Q23 reached 30.8%, compared to 30.3% for 4Q22, an increase of 50 bps.

Operating expenses[1] increased by 8.3% in 2023, driven by accumulated annual inflation and the higher minimum wage. However, in 4Q23 operating expenses decreased by 0.3%, reflecting the productivity and operating efficiency initiatives that are part of the Company's strategic plan, helping to mitigate the increases mentioned above.

SMU's **EBITDA**[2] was affected by lower revenue growth and the consequent lower operating leverage, reaching CLP 262,480 million in 2023 (1.4% lower than in 2022) and CLP 69,709 million in 4Q23 (5.5% lower than in 4Q22). However, it is worth mentioning the Company has been able to maintain an EBITDA margin over 9% (9.2% in FY23 and 9.4% in 4Q23), despite the complex macro scenario.

SMU's **non-operating results** improved by CLP 24,636 million in FY23 with respect to FY22 (improvement of CLP 17,454 million in 4Q23 vs. 4Q22), primarily explained by several non-recuring effects, as well as the lower inflation in 2023, which generated a positive effect on losses on indexed assets and liabilities.

Pre-tax income improved by CLP 11,654 million (13.2%) in FY23 with respect to FY22, and CLP 11,753 million (45.7%) in 4Q23 vs. 4Q22.

Net income for the fourth quarter of 2023 totaled CLP 36,042 million, an increase of 15.4% with respect to 4Q22. For the year 2023, net income totaled CLP 87,274 million, a decrease of CLP 44,785 million (33.9%) with respect to the CLP 132,059 million reported for FY22, primarily explained by the negative variation of CLP 55,904 million in tax expenses, due to the high level of inflation that affected deferred taxes in 2022.

[1] Operating expenses = distribution costs + administrative expenses – depreciation - amortization
[2] EBITDA = Gross profit – distribution costs – administrative expenses + depreciation + amortization

With respect to the Company's financial position, in August 2023, the credit rating agencies **ICR and Feller-Rate upgraded SMU's credit rating** from A+ (positive outlook) to AA- (stable outlook). Additionally, in September 2023, the Company successfully placed bonds for a total amount of UF 1.5 million, at an annual interest rate of 4.44%, representing a spread of 179 basis points over benchmark. Demand for the transaction was nearly double the placement amount.

The Company's **cash generation** is also worth highlighting. Cash from operating activities increased CLP 15,715 million in 2023, which, in addition to the opening cash balance, enabled the Company to finance CAPEX of CLP 94,601 million and net debt amortization of CLP 39,541 million, ending the fourth quarter with CLP 105,218 million in cash and cash equivalents and maintaining a significant cash surplus.

The Company's **cash position** will be further strengthened in the first quarter of 2024, due to the agreement with the insurance companies reached in November 2023 for the payment of the claim for the losses arising from acts of vandalism that took place beginning in October 2019, within a maximum of 60 days. The total amount is CLP 53,291 million and, as of December 31, 2023, SMU had received CLP 1,476 million. The remaining amount of CLP 51,815 was received in January 2024, generating more financial flexibility for the Company.

Management Commentary

With respect to the release of earnings for the fourth quarter and full year 2023, SMU's CEO, Marcelo Gálvez, stated, "The year 2023 was characterized by the adverse macroeconomic scenario, affecting consumption levels, which, in turn, affected our sales. Revenue growth for the full year was 1.3%, whereas in the fourth quarter, we had a decrease of 3.5%, in line with industry trends."

"It's worth highlighting the fact that the number of customers has increased across formats, and in addition, customers are visiting the stores more frequently, leaving us well positioned for a future recovery in consumption, which should reverse the trends of the lower average ticket and the substitution of products in favor of lower-cost options that we have seen from customers in recent periods."

Mr. Gálvez went on to say, "In SMU's case, in addition to the weakness in consumption that affects the whole industry, it's also important to keep in mind that we have a very challenging comparison base from 2022, given the high levels of demand for basic goods we saw last year. Revenue in Chile grew by 9.9% in 4Q22 with respect to the same period of the previous year, including an increase of 23.4% in the cash & carry segment."

"Our EBITDA margin has remained above 9% both in the full year, reaching 9.2%, and in the fourth quarter, when we had 9.4%. This has been achieved through great discipline in terms of both commercial and operating efficiency, which becomes clear when we look at operating expenses, which decreased slightly in the fourth quarter, despite the pressures from inflation and higher minimum wage."

"With respect to net income, there is a significant impact from the non-cash effect of inflation adjustments to deferred taxes, making it difficult to compare 2023 to 2022. However, the deferred tax effect does not impact pre-tax income, which improved 13.2% in full-year 2023 compared to 2022. In the fourth quarter, net income improved 15.4% compared to the fourth quarter of 2022, and we also had an improvement over the previous quarters of 2023."

"Our financial position has been strengthened despite the complex economic situation, with solid cash flow generation in 2023. In addition, in November we reached an agreement for the payment of the insurance claim related to acts of vandalism committed in 2019, amounting to CLP 53 billion. We received most of this amount in January 2024, which means it was not reflected in the December 2023 closing cash balance. As a result, we started 2024 with additional flexibility in order to finance our investment plan and upcoming debt maturities."

"With respect to our strategic plan for the 2023-2025 period, we made significant progress on omnichannel growth initiatives this year, opening a total of 14 new stores, including six stores from the Montserrat project during the fourth quarter. New openings for the year included nine Unimarc stores, two Super10 stores and two Alvi stores, as well as a Maxiahorro store in Peru. In addition, we increased the penetration of online sales from 2% in 2022 to nearly 3% in 2023, essentially driven by growth in our Unimarc.cl platform."

"Regarding customer experience, one of the highlights of the year was the relaunch of our loyalty program for Unimarc under the name Club Unimarc, focusing on delivering immediate benefits, with no need to accumulate points. We've also added new partnerships that allow us to offer discounts on airfare, restaurants, and other attractive products and services, as a way to continue providing benefits that make life easier for our customers."

"In addition, we continue to grow our private label portfolio, launching nearly 200 new products that offer our customers excellent quality at affordable prices, in order to help them optimize their budget. This year we also continued to add new specialty brands, such as MyWay, a brand for lifestyle products, and Cuatro Estaciones (Four Seasons), for fresh fruits and vegetables."

"With respect to efficiency and productivity, the Company has continued to make progress with the implementation of its efficient operating model, as well as incorporating new technological tools and automatization of processes, which has allowed us to improve productivity levels, mitigating the increases in labor costs."

"We have also made significant progress on our energy efficiency initiatives. In 2023 we used electric trucks for 2% of shipments between distribution centers and stores, and we have plans to increase the number of electric trucks in 2024, in order to reach our goal for 2025: to use electric trucks for 10% of shipments. In addition, we increased our consumption of energy from renewable sources, from 3% in 2022 to 12% in 2023. We also implemented an Energy Management System in 100% of the facilities operated by SMU Chile, and we completed the internal and external audits required to move forward with certification under ISO 50,001 in 2024."

"With respect to the sustainable and committed organization pillar of our plan, we continued to work to reduce food waste, as part of our environmental initiatives. We increased the volume of food waste that was avoided by 11% with respect to 2022. At the same time, through food donations we have benefited over 173,000 people who face food insecurity."

"In addition, we completed the human rights due diligence process for our operations in Chile, and we achieved a very good score in the Companies and Human Rights Diagnostic, improving 27% compared to 2022 and ranking in fourth place, an improvement of five positions," concluded Mr. Gálvez.

Highlights

New Store Openings in 2023

During 2023, SMU opened a total of 14 new stores, including six stores that were part of the Montserrat project, during the fourth quarter, resulting in a successful execution of its organic growth plans for the year and even surpassing its expectation of opening 12 stores in Chile. The openings of the year included: nine Unimarc stores, two Super10 stores and two Alvi stores, as well as a Maxiahorro store in Peru.

Interim Dividend Payment

On December 5, 2023, the Company distributed to shareholders an interim dividend in the amount of CLP 1.46218 per share. This interim dividend corresponds to 75% of net income for the third quarter of 2023. The total amount was CLP 8,426,844,106.

Agreement for Insurance Payment

On November 27, 2023, the Company announced through an essential fact that it had reached an agreement with the insurance companies for the payment of CLP 52,291 million for the insurance claim for losses arising from acts of vandalism that took place beginning on October 18, 2019. Given that the agreement was for an amount in excess of the amount originally provisioned, using a conservative estimate (CLP 39,610 million), the agreement gave rise to a pre-tax gain of CLP 12,794 million, reflecting the higher account receivable, net of associated expenses. Only a small amount of the payment had been received as of December 31, 2023, with the majority (CLP 51,815 million) being received in January 2024, further strengthening SMU's cash position.

Conference Call

SMU will host a conference call and webcast for investors on Wednesday, March 13, 2023 at 10:00 am ET/ 11:00 pm Santiago to discuss its fourth quarter 2023 results.

To join using your laptop, please click https://mm.closir.com/slides?id=479040

To join using your phone, please dial in using the access numbers provided below, with the following **Participant Password: 479040**

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Chile: +56 228 401 484
Peru: +51 1706 0950
Brazil: +55 612 017 1549
Mexico: +52 55 1168 9973
UK: +44 203 984 9844

After the call, a recording will be made available at SMU's website, in the Investors section, under Financial Information: https://www.smu.cl/en/inversionistas.html

1. Analysis of Income Statement

SMU's consolidated results for the periods of three and 12 months ended December 31, 2023 and 2022 are presented in the table below. All figures are expressed in Chilean pesos (CLP) and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Table 1: Consolidated Income Statement

(CLP Million)	4Q23	4Q22	△%	2023	2022	△%
Revenue	738,847	765,986	(3.5%)	2,862,383	2,826,314	1.3%
Cost of Sales	(511,430)	(533,981)	(4.2%)	(1,984,483)	(1,991,019)	(0.3%)
Gross Profit	**227,417**	**232,005**	**(2.0%)**	**877,900**	**835,295**	**5.1%**
Gross Margin (%)	***30.8%***	***30.3%***		***30.7%***	***29.6%***	
Distribution Costs	(10,814)	(10,459)	3.4%	(41,557)	(38,912)	6.8%
Contribution Margin	**216,603**	**221,547**	**(2.2%)**	**836,343**	**796,383**	**5.0%**
Contribution Margin (%)	***29.3%***	***28.9%***		***29.2%***	***28.2%***	
Administrative Expenses (Excluding Depreciation)	(146,894)	(147,766)	(0.6%)	(573,863)	(530,051)	8.3%
EBITDA	**69,709**	**73,780**	**(5.5%)**	**262,480**	**266,332**	**(1.4%)**
EBITDA Margin (%)	***9.4%***	***9.6%***		***9.2%***	***9.4%***	
Depreciation and Amortization	(26,089)	(24,459)	6.7%	(100,697)	(91,568)	10.0%
Operating Income	**43,620**	**49,321**	**(11.6%)**	**161,782**	**174,764**	**(7.4%)**
Other Gains (Losses)	13,415	(1,428)	n.a.	5,014	15,426	(67.5%)
Financial Income	1,739	3,202	(45.7%)	8,825	11,600	(23.9%)
Financial Expenses	(13,656)	(13,684)	(0.2%)	(53,331)	-53,084	0.5%
Share of Profit (Loss) of Associates	(116)	(180)	(35.4%)	(73)	(554)	(86.8%)
Foreign Exchange Differences	15	115	(86.8%)	(516)	(185)	178.9%
Income (Loss) on Indexed Assets and Liabilities	(7,529)	(11,611)	(35.2%)	(21,495)	(59,416)	(63.8%)
Non-operating Income	**(6,133)**	**(23,586)**	**(74.0%)**	**(61,577)**	**(86,213)**	**(28.6%)**
Net Income (Loss) Before Taxes	**37,487**	**25,734**	**45.7%**	**100,206**	**88,552**	**13.2%**
Income Tax Expense	(1,445)	5,489	n.a.	(12,932)	42,973	n.a.
Net Income (Loss) from Continued Operations	**36,042**	**31,223**	**15.4%**	**87,274**	**131,524**	**(33.6%)**
Net Income (Loss) from Discontinued Operations	**0**	**0**	**n.a.**	**0**	**535**	**n.a.**
Net Income (Loss) of the Period	**36,042**	**31,223**	**15.4%**	**87,274**	**132,059**	**(33.9%)**
Net income attributable to owners of the Parent	36,553	31,251	17.0%	88,784	132,088	(32.8%)
Net income attributable to non-controlling interests	(511)	(28)	1,720.6%	(1,510)	(28)	5,283.4%
Net Income (Loss) of the Period	**36,042**	**31,223**	**15.4%**	**87,274**	**132,059**	**(33.9%)**

*n.a. = not applicable. Indicates a comparison in percentage terms between a positive number in one period and a negative number in another period.

1.1. Results of Operations

1.1.1. Revenue

Revenue for the full year 2023 amounted to CLP 2,862,283 million, an increase of 1.3% with respect to CLP 2,826,314 million for the full year 2022. With respect to 4Q23, revenue totaled CLP 738,847 million, 3.5% lower than the CLP 765,986 million recorded in the fourth quarter of 2022.

Table 2: Revenue (CLP Bn)

REVENUE (CLP BN)	4Q23	4Q22	△%	2023	2022	△%
UNIMARC	494	512	*-3.5%*	1,912	1,899	*0.7%*
CASH & CARRY	222	231	*-3.7%*	871	856	*1.7%*
OTHERS(*)	5.0	4.2	*17.2%*	17.5	9.0	*93.9%*
FOOD RETAIL CHILE	722	747	*-3.4%*	2,802	2,765	*1.3%*
FOOD RETAIL PERU	17.0	18.7	*-9.1%*	60.4	61.2	*-1.4%*
CONSOLIDATED	739	766	*-3.5%*	2,862	2,826	*1.3%*

(*) "Others" includes all revenue other than that generated by the Company's operating formats presented in the table. Additionally, in 2023 and 4Q23, it includes revenue from the financial services business. See Note Regarding Presentation and Comparison of Information, page 24.

Food Retail Chile revenue increased 1.3% in FY23 with respect to FY22 and decreased 3.4% in 4Q23 with respect to 4Q22. By format, revenue for Unimarc – the traditional supermarket – grew 0.7% in the full year 2023 over 2022 and decreased 3.5% in 4Q23 with respect to 4Q22. For the cash & carry segment, which includes the low-cost formats Alvi, Mayorista 10, and Super 10, revenue grew 1.7% in FY23 over FY22 and decreased 3.7% in 4Q23 with respect to 4Q22.

Revenue performance reflects economic conditions and the higher income elasticity the consumers have shown, buying fewer quantities, and substituting for cheaper products. In this sense, during 2023, although the Company's average ticket has been lower, it is worth noting that the number of customers has increased in every format, and customers are visiting the stores more often. Therefore, once the consumption levels start recovering, the Company is well positioned to capture higher sales.

In addition, the 2022 comparison base is very challenging, due to the high levels of demand for basic products during the period. Revenue in Chile grew by 9.9% in 4Q22 with respect to the same period of the previous year, including an increase of 23.4% in the cash & carry segment.

Online sales, through both SMU's own platforms and strategic partnerships with last milers, accounted for 3.3% of revenue at stores with online operations in 4Q23[3]. Growth in recent quarters reflects the higher penetration of Unimarc.cl, with an increased number of transactions, due to attractive promotions and operating improvements, including the micro-fulfillment center, which helps to ensure more complete and accurate orders.

[3] Considers Unimarc format.

Revenue for Food Retail Peru increased 0.2% in 2023 with respect to 2022, measured in local currency (-1.4% measured in Chilean pesos). For 4Q23, revenue decreased by 10.1% (-9.1% measured in Chilean pesos), reflecting the complex economic scenario that affects consumption. However, the new stores that have been opened as part of the Company's organic growth plan are performing better than expected.

Table 3: Same-Store Sales Growth (%)

SSS (△%)	4Q23	4Q22	2023	2022
UNIMARC	*-4.9%*	*3.6%*	*-0.7%*	*9.1%*
CASH & CARRY	*-4.8%*	*20.9%*	*1.4%*	*23.5%*
FOOD RETAIL CHILE	*-4.8%*	*8.3%*	*-0.1%*	*13.1%*
FOOD RETAIL PERU	*-8.8%*	*-2.4%*	*-3.2%*	*-1.1%*
CONSOLIDATED	*-4.9%*	*8.4%*	*-0.2%*	*13.2%*

Same-store sales (SSS) decreased by 0.2% in the full year 2023, and by 4.9% in the fourth quarter, consistent with the trend in revenue and reflecting the high comparison base in 2022, when SSS increased by 13.2% in total and by 23.5% in the cash & carry segment. By format, the cash & carry segment grew by 1.4% in FY23 and decreased by 4.8% in 4Q23, whereas Unimarc reported a decrease of 0.7% in FY23 and a decrease of 4.9% in 4Q23.

For Food Retail Peru, SSS (measured in soles) decreased by 3.2% in 2023, and 8.8% in 2023. However, it is worth mentioning that the Maxiahorro stores that have opened in the north of the country, which is the geographic focus area for future growth, had an increase of 4.8% in SSS for the fourth quarter.

Table 4: Sales per Square Meter (Thous. CLP/M2) (*)

SALES PER SQM (CLP Thousands/sqm)	4Q23	4Q22	△%	2023	2022	△%
FOOD RETAIL CHILE	494	523	*-5.6%*	484	488	*-0.7%*
FOOD RETAIL PERU	279	303	*-8.0%*	251	262	*-4.3%*
CONSOLIDATED	485	514	*-5.6%*	475	479	*-0.8%*

(*) Sales per square meter for Food Retail Peru and Consolidated for 4Q22 and 2022 have been modified with respect to the figures that were originally published in order to correct a calculation error.

Sales per square meter reached CLP 474,977 for 2023, 0.8% lower than 2022, and CLP 484,930 for 4Q23, a 5.6% decrease with respect to 4Q22. Food Retail Chile decreased by 0.7% in 2023 and by 5.6% in 4Q23, while Food Retail Peru (measured in Chilean pesos) saw a decrease of 4.3% in 2023, and 8.0% in 4Q23. The variation in sales per square meter, in both Chile and Peru, reflects the performance in revenue, and the higher sales area, due to the opening of new stores during the period that have not yet reached maturity in terms of sales.

Table 5: Number of Stores and Sales Area (Thous. Square Meters)

NUMBER OF STORES	4Q23	4Q22	SALES AREA (THOUSANDS OF SQM)	4Q23	4Q22
UNIMARC	292	285	UNIMARC	355	348
CASH & CARRY	98	95	CASH & CARRY	127	122
FOOD RETAIL CHILE	390	380	FOOD RETAIL CHILE	482	470
FOOD RETAIL PERU	30	29	FOOD RETAIL PERU	20	20
CONSOLIDATED	420	409	CONSOLIDATED	502	489

Table 6: Store Openings and Closures

OPENINGS AND CLOSURES	4Q22		1Q23		2Q23		3Q23		4Q23	
	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.
UNIMARC	1	1	1	0	2	1	2	0	4	1
CASH & CARRY	0	0	0	0	0	1	1	0	3	0
FOOD RETAIL CHILE	1	1	1	0	2	2	3	0	7	1
FOOD RETAIL PERU	1	0	0	0	1	0	0	0	0	0

As of December 31, 2023, SMU's operations included 390 stores in Chile, distributed from Arica to Punta Arenas, ten more than the 380 stores at the end of 4Q22, and a total of 482,043 square meters. In Peru, the Company had 30 stores, an increase of one store compared to the 29 stores in 4Q22, with 20,037 square meters, for a **total of 420 stores and 502,079 square meters** between the two countries.

During 2023, the Company made significant progress on its organic growth plan, opening a total of 14 new stores, including nine Unimarc stores (in the Los Lagos Region, Santiago Metropolitan Region and the O'Higgins Region); two Alvi stores (Santiago Metropolitan Region); and two Super10 stores (|Santiago Metropolitan Region); as well as a new Maxiahorro store in Peru. Six of these openings were Montserrat project stores. During the year, the Company also closed three locations: two Unimarc stores, one of which will be rebuilt as part of a real estate project in the same location, and the one that was closed due to performance, and a Mayorista 10 store that was damaged by a fire. Consequently, the Company achieved 11 net openings in 2023.

1.1.2. Distribution Costs and Administrative Expenses

Operating expenses (distribution costs plus administrative expenses, excluding depreciation and amortization) totaled CLP 615,420 million for the full year 2023, an increase of 8.2% with respect to CLP 568,962 million for 2022. As a percentage of revenue, operating expenses amounted to 21.5% in 2023, an increase of 140 bps compared to 20.1% registered in 2022. With respect to the fourth quarter of 2023, operating expenses totaled CLP 157,707 million (21.3% of revenue), a decrease of 0.3% with respect to CLP 158,225 million (20.7% of revenue) for 4Q22, reflecting the operating efficiency and productivity initiatives that the Company has implemented as part of its strategic plan.

Distribution costs for the full year 2023 reached CLP 41,557 million, an increase of 6.8% with respect to CLP 38,912 million for 2022. Distribution costs as a percentage of revenue amounted to 1.5% in 2023 and 1.4% in 2022. With respect to 4Q23, distribution costs totaled CLP 10,814 million (1.5% of revenue), an increase of 3.4% compared to CLP 10,459 million (1.4% of revenue) in 4Q22. The increase in distribution costs is explained by the higher cost of oil, as well as the high levels of inflation—variables that affect the algorithm used to determine transportation cost.

Administrative expenses (excluding depreciation and amortization) totaled CLP 573,863 million (20.0% of revenue) in 2023, an increase of 8.3% with respect to the CLP 530,051 million (18.8% of revenue) reported in 2022. With respect to the fourth quarter of 2023, administrative expenses amounted to CLP 146,894 million (19.9% of revenue), a decrease of 0.6% compared to CLP 147,766 million (19.3% of revenue) for 4Q22.

The main variations in administrative expenses during the full year 2023 are described below:

a. Increase of CLP 17,020 million (+6.5% YoY) in personnel expenses, primarily due to the higher average minimum wage (15.6%), and inflation adjustments (+10.2%) and new store openings, partially offset by a lower average headcount.

b. Increase of CLP 9,388 million (+9.2% YoY) in services, primarily explained by higher rates on electricity, security services, and cleaning services, associated with inflation and higher minimum wage.

c. Increase of CLP 4,659 million (+26.9% YoY) in external services, primarily due to implementation of strategic projects.

a. Increase of CLP 4,072 million (+27.1% YoY) in advertising expenses, due to increased promotional activity on e-commerce and in-store sales.

b. Increase of CLP 3,688 million (+15.2% YoY) in credit card commissions, due to the increase in the use of electronic forms of payment, higher rates charged under the four-party model, and higher sales.

c. Increase of CLP 2,429 million (+11.4% YoY) in IT services, primarily due to the implementation of new technological tools and the impact of inflation.

d. Increase of CLP 1,872 million (12.9% YoY) in insurance, due to the increase in policy costs.

e. Increase of CLP 1,857 million (+10.6% YoY) in maintenance.

The main variations in administrative expenses during the fourth quarter of 2023 are described below:

a. Decrease of CLP 7,078 million (-9.3% YoY) in personnel expenses, reflecting the optimization plan implemented in August 2023, and lower provisions for performance incentive bonuses.

b. Increase of CLP 3,026 million (+11.7% YoY) in services, primarily explained by higher rates on electricity, security services, and cleaning services, associated with inflation and higher minimum wage.

c. Increase of CLP 910 million (+16.2% YoY) in external services, primarily due to consulting services associated with strategic projects.

d. Increase of CLP 521 million (+13.1% YoY) in maintenance.

Table 7: Average Headcount

AVERAGE HEADCOUNT	4Q23	4Q22	△%	2023	2022	△%
STORES CHILE	20,604	21,278	*-3.2%*	20,977	21,802	*-3.8%*
HEADQUARTERS CHILE	2,027	2,160	*-6.2%*	2,152	2,078	*3.5%*
FOOD RETAIL CHILE	22,631	23,439	*-3.4%*	23,128	23,881	*-3.2%*
STORES PERU	549	557	*-1.4%*	551	538	*2.5%*
HEADQUARTERS PERU	168	163	*3.1%*	167	162	*3.1%*
FOOD RETAIL PERU	717	720	*-0.4%*	719	700	*2.7%*
TOTAL	23,348	24,158	*-3.4%*	23,847	24,580	*-3.0%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for the full year 2023 totaled CLP 877,900 million, an increase of 5.1% with respect to CLP 835,295 million generated in 2022. With respect to the fourth quarter, gross profit amounted to CLP 227,417 million, a decrease of 2.0% compared to CLP 232,005 million in 4Q22. In percentage terms, gross margin amounted to 30.7% in 2023, an expansion of 110 bps over the 29.6% of 2022, reflecting the improved commercial efficiency. Gross margin for 4Q23 reached 30.8%, an increase of 50 bps compared to the 30.2% reported for 4Q22.

Contribution margin for the full year 2023 totaled CLP 836,343 million (29.2% of revenue), an increase of 5.0% with respect to CLP 796,383 million (28.2% of revenue) for 2022. With respect to the fourth quarter of 2023, contribution margin amounted to CLP 216,603 million (29.3% of revenue), an increase of 2.2% with respect to CLP 221,547 million (28.9% of revenue) in 4Q22.

EBITDA for the full year 2023 totaled CLP 262,480 million, a decrease of 1.4% with respect to the CLP 266,332 million in the full year of 2022. EBITDA margin reached 9.2% in 2023, 20 bps lower than the 9.4% reported for 2022. With respect to the fourth quarter of 2023, EBITDA amounted to CLP 69,709 million (EBITDA margin 9.4%), a decrease of 5.5% compared to CLP 73,780 million (EBITDA margin 9.6%) for 4Q22.

EBITDA adjusted for store rental expenses (EBITDA including all rental expenses, including those not included in administrative expenses under IFRS 16) for the full year 2023 totaled CLP 176,370 million, 6.3% lower than CLP 188,296 million reported in 2022, due to higher rental payments, related to inflation and new store openings. EBITDA adjusted for store rental expenses for the fourth quarter of 2023 totaled CLP 47,768 million (CLP 52,816 million in 4Q22).

Operating income for the full year 2023 totaled CLP 161,782 million, a 7.4% decrease compared to CLP 174,764 million reported in 2022. Operating income for 4Q23 reached CLP 43,620 million, an 11.6% decrease with respect to CLP 49,321 million in 4Q22. The reasons for the decrease were higher depreciation and amortization—reflecting the Company's higher investment levels in recent years as part of its strategic plans—and the lower EBITDA.

1.2 Non-operating Income[4] and Income Tax Expense

The consolidated **non-operating loss** for SMU totaled CLP -61,577 million in the full year 2023, an improvement of CLP 24,636 million with respect to CLP -86,213 million reported in 2022. The variation is primarily explained by the lower inflation levels in 2023 compared to 2022, which generated an improvement of CLP 37,921 million in the loss on indexed assets and liabilities.

This effect was partially offset by four non-recuring effects registered on the other gains (losses) during 2022 and 2023, creating a net negative impact of CLP 16,674 million:

i. The sale of OK Market in 2022 (CLP 18,034 million gain);

ii. The organizational restructuring plan that took place in August 2023 (CLP 8,186 million loss), due to the implementation of strategic initiatives increased productivity, mitigating higher levels of operating expenses and generating savings beginning in September 2023;

iii. A compensation agreement reached with Conadecus and SERNAC in 4Q23, thereby finalizing the class action lawsuits (CLP 3,248 million loss); and

iv. The increase in the account receivable for the insurance claim for losses arising from acts of vandalism that took place beginning on October 18, 2019. In 4Q23, SMU reached an agreement with the insurance companies for the payment of an amount that was higher than the provision that had originally been recorded, using a conservative estimate, giving rise to a gain, net of the associated expenses, of CLP 12,794 million.

Additionally, financial income decreased CLP 2,776 million in FY23, primarily due to lower rates on time deposits with respect to 2022, as well as the consolidation of the financial services business resulting from the increased ownership interest. In the fourth quarter of 2023, the non-operating loss totaled CLP -6,133 million, an improvement of CLP 17,454 million with respect to CLP -23,586 million recorded in 4Q22. Just as in FY23, the variation in 4Q23 is explained by non-recuring effects (positive effect of CLP 9,546 million) and lower losses on indexed taxes and liabilities, due to lower inflation levels (positive effect of CLP 4,082 million), partially offset by lower financial income (CLP 1,463 million).

The **income tax expense** for the full year 2023 amounted to CLP -12,932 million, a negative variation of CLP 55,904 million with respect to the income tax benefit of CLP 42,973 million recorded in 2022. The income tax expense for 4Q23 totaled CLP -1,445 million, a decrease of CLP 6,934 million compared to the benefit of CLP 5,489 million for 4Q22. In both periods, the difference is explained mostly by the lower inflation adjustments to the tax loss carryforward and other tax items, due to lower inflation in 2023 vs. 2022, and by the higher pre-tax income.

[4] Non-operating income = Financial income and financial expenses + Share in profit (loss) of associates + foreign currency translation differences + income (expense) from inflation adjusted units + other gains (losses)

1.3 Results of Discontinued Operations: OK Market

On February 28, 2022, the convenience business OK Market was sold, and consequently, the results of this business are presented consolidated in a single line, "Net income from discontinued operations", in the financial statements of SMU as of December 31, 2023 (see Note Regarding Presentation and Comparison of Information, page 24). SMU's results in 2022 include two months where OK Market operated as part of the SMU Group, generating CLP 535 million of net income, whereas in 2023, 4Q22 and 4Q23, this business was no longer part of the Company's operations.

1.4 Net Income

Net income for the full year 2023 amounted to CLP 87,274 million, a decrease of CLP 44,785 million (33.9%) compared to CLP 132,059 million reported for the full year 2022. The variation is mostly explained by higher inflation in 2022 with respect to 2023, affecting the income tax expense (negative variation of CLP 55,904 million), as explained above, as well as the decrease in operating income, partially offset by improvements in the non-operating income.

Net income for the fourth quarter of 2023 reached CLP 36,042 million, an increase of CLP 4,819 million (15,4%) compared to CLP 31,223 million in 4Q22, explained by the improvements in non-operating income.

It is difficult to compare net income for both the full year and the fourth quarter 2023 to the same periods of 2022 because of the significant impact of inflation adjustments to the tax loss carryforward and other tax items. However, when comparing pre-tax income this effect is removed. Pre-tax income improved CLP 11,654 million (13.2%) in 2023 with respect to 2022, and CLP 11,753 million (45.7%) in 4Q23 vs. 4Q22.

2. Analysis of Statement of Financial Position

Table 8: Statement of Financial Position as of December 31, 2023 and 2022

(CLP Million)	December 2023	December 2022	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	105,218	124,531	(19,313)	(15.5%)
Other Current Financial Assets	3,685	6,734	(3,049)	(45.3%)
Other Current Non-Financial Assets	26,940	35,737	(8,797)	(24.6%)
Trade Accounts Receivable and Other Receivables, Net	141,894	81,633	60,261	73.8%
Accounts Receivable from Related Companies	506	401	105	26.2%
Inventories	218,438	245,353	(26,915)	(11.0%)
Current Tax Assets	4,428	2,844	1,584	55.7%
Total Current Assets	**501,111**	**497,235**	**3,876**	**0.8%**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	392	396	(4)	(1.0%)
Other Non-Current Non-Financial Assets	2,561	3,921	(1,361)	(34.7%)
Non-Current Accounts Receivable	2,184	41,358	(39,174)	(94.7%)
Investments Accounted for Using the Equity Method	3,104	3,253	(148)	(4.6%)
Intangible Assets Other Than Goodwill	66,832	67,473	(641)	(1.0%)
Goodwill	473,848	472,939	909	0.2%
Property, Plant, and equipment, net	867,478	762,790	104,688	13.7%
Deferred tax assets	466,662	479,271	(12,609)	(2.6%)
Total Non-Current Assets	**1,883,062**	**1,831,402**	**51,660**	**2.8%**
TOTAL ASSETS	**2,384,173**	**2,328,637**	**55,536**	**2.4%**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	170,205	164,346	5,859	3.6%
Current Trade and Other Accounts Payable	428,082	446,798	(18,716)	(4.2%)
Accounts Payable to Related Companies	619	1,017	(399)	(39.2%)
Other Current Provisions	3,998	3,033	965	31.8%
Current Tax Liabilities	1,183	257	926	360.2%
Current Provisions for Employee Benefits	37,530	26,223	11,307	43.1%
Other Current Non-Financial Liabilities	9,226	10,765	(1,539)	(14.3%)
Total Current Liabilities	**650,842**	**652,438**	**(1,596)**	**(0.2%)**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	909,666	876,600	33,066	3.8%
Non-Current Trade and Other Accounts Payable	10,210	0	10,210	-
Non-Current Provisions for Employee Benefits	406	12,267	(11,862)	(96.7%)
Total Non-Current Liabilities	**920,282**	**888,868**	**31,415**	**3.5%**
TOTAL LIABILITIES	**1,571,125**	**1,541,305**	**29,819**	**1.9%**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Reacquired Own Equity	(833)	(833)	-	0.0%
Retained Earnings	140,754	114,582	26,172	22.8%
Other Reserves	149,386	145,428	3,957	2.7%
Equity Attributable to the Owners of the Parent Company	813,048	782,919	30,130	3.8%
Non-Controlling Interest	-	4,412	- 4,412	(100.0%)
Total Equity	**813,048**	**787,331**	**25,717**	**3.3%**
TOTAL LIABILITIES AND EQUITY	**2,384,173**	**2,328,637**	**55,536**	**2.4%**

2.1. Assets

As of December 31, 2023, SMU's **total assets** increased by CLP 55,536 million (2.4%) with respect to December 31, 2022, totaling CLP 2,384,173 million.

Current assets as of December 31, 2023, increased by CLP 3,876 million (0.8%) with respect to December 31, 2022, totaling CLP 501,111 million. The primary variations during the period were:

a. Increase of CLP 60,261 million in current trade accounts receivable and other receivables, net, primarily explained by the transfer from non-current to current of the payment of the insurance claim from losses arising from acts of vandalism that took place on October 18, 2019 (CLP 39,610 million), and the CLP 13,681 million increase in the amount of this account receivable, resulting from the agreement reached with the insurance companies an amount exceeding the amount that had originally been provisioned, applying a conservative estimate.

b. Decrease of CLP 26,915 million in inventory, due to assortment optimizations and improvements in demand planning.

c. Decrease of CLP 19,313 million in cash and cash equivalents, primarily explained by the reasons described in section 3. Cash Flow Statements.

d. Decrease of CLP 8,797 million in other current non-financial assets, primarily due to a decrease of CLP 5,710 million in prepaid insurance and lower VAT fiscal credit (CLP 2,151 million).

e. Decrease of CLP 3,049 million in other current financial assets, due to lower time deposits at the end of the period.

Non-current assets as of December 31, 2023, increased by CLP 51,660 million (2.8%) with respect to December 31, 2022, totaling CLP 1,883,062 million. The primary variations during the period were:

a. Increase of CLP 104,688 million in property, plant, and equipment, primarily due to additions during the period (CLP 208,509 million), partially offset by depreciation for the period (CLP 93,735 million) and sales and disposals of assets (CLP 11,471 million). The additions during the period include capex projects, such as fitting out new stores, purchases of land for future development, and new rental contracts, recognized as rights of use.

b. Decrease of CLP 39,174 million in non-current trade accounts receivable and other receivables, due to the transfer from non-current to current of the insurance claim, as explained above.

c. Decrease of CLP 12,609 million in deferred tax assets, primarily due to the decrease of CLP 20,097 million in deferred tax assets, partially offset by the decrease of CLP 7,487 million in deferred tax liabilities.

2.2. Liabilities

As of December 31, 2023, the Company's **total liabilities** increased by CLP 29,819 million (1.9%) with respect to December 31, 2022, totaling CLP 1,571,125 million.

Current liabilities as of December 31, 2023, decreased by CLP 1,596 million (0.2%) with respect to December 2022, totaling CLP 650,842 million.

The primary variations during the period are detailed as follows:

a. Decrease of CLP 18,716 million in current trade accounts payable and other payables, primarily due to the cut-off date for payments.
b. Increase of CLP 11,307 million in current provisions for employee benefits, primarily due to the increase of CLP 10,840 million in provisions for performance incentive bonuses, reflecting the transfer from non-current to current of the long-term incentive, as well as the addition of incentives for the current period, partially offset by the consumption of the provision for performance incentives for the 2022 period.
c. Increase of CLP 5,859 million in other current financial liabilities, explained by the transfer from non-current to current of upcoming maturities, as well as inflation adjustments, almost entirely offset by the payment of financial liabilities during the period. During 2023, the Company paid CLP 153,255 million in maturities, including financial debt (banks and bonds) for 94,141 million, and liabilities for rights of use (with and without purchase option) for CLP 59,114 million.
d. Decrease of CLP 1,539 million in other current non-financial liabilities, primarily due to a decrease in VAT fiscal debit (CLP 1,664 million).

As of December 31, 2023, **non-current liabilities** increased by CLP 31,415 million (3.5%) with respect to December 2022, amounting to CLP 920,282 million. The primary variations during the period were:

a. Increase of CLP 33,066 million in other non-current financial liabilities, explained by (i) the placement of the Series AP bonds in September (UF 1.5 million); (ii) the addition of new lease contracts during the period; and (iii) the increase in the UF, partially offset by the transfer from non-current to current of upcoming maturities.
b. Decrease of CLP 11,862 million in provisions for employee benefits, primarily explained by the transfer from non-current to current of the long-term incentive.
c. Increase of CLP 10,210 million in non-current trade accounts payable and other payables, due to the transfer from current to non-current of this account resulting from a long-term payment agreement.

2.3. Shareholders' Equity

Shareholders' equity increased by CLP 25,717 million (3.3%), primarily explained by the increase of CLP 26,172 million in retained earnings, considering CLP 88,784 million for the profit for the period, partially offset by the payment of dividends for CLP 62,612 million.

3. Analysis of Statement of Cash Flows

Table 9: Statement of Cash Flows for the 12 Months Ended December 31, 2023 and 2022

(CLP Million)	December 2023	December 2022	△$
Net Cash Flows From (Used in) Operating Activities	286,301	270,586	15,715
Net Cash Flows From (Used in) Investing Activities	(90,174)	(11,881)	(78,293)
Net Cash Flows From (Used in) Financing Activities	(215,440)	(247,967)	32,527
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**(19,313)**	**10,737**	**(30,051)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(19,313)**	**10,737**	**(30,051)**
Cash and Cash Equivalents at Beginning of Period	124,531	113,794	10,737
Cash and Cash Equivalents at End of Period	**105,218**	**124,531**	**(19,313)**

During 2023, cash provided by **operating activities** totaled CLP 286,301 million, an increase of CLP 15,715 million compared to CLP 270,586 million for 2022. The higher generation of cash flow is explained by the increase in sale of goods and rendering of services (CLP 77,543 million), partially offset by the increase of payments to suppliers (CLP 37,835 million) and payments to employees (CLP 32,336 million). Other operating payments decreased by CLP 14,235 million, primarily related to lower VAT payments due to increased purchases of goods and services.

Cash used in **investing activities** for 2023 totaled a net outflow of CLP -90,174 million, a difference of CLP -78,293 million compared to the net inflow of CLP 11,881 million for the 2022. The difference is mainly due to the proceeds from the sale of OK Market in 2022, which amounted to CLP 49,100 million, also a higher level of CAPEX in 2023. **CAPEX** includes purchases of property, plant and equipment and purchases of intangible assets, which amounted to CLP 94,601 million in 2023 and CLP 56,876 million in 2022.

Cash used in **financing activities** for 2023 totaled a net outflow of CLP -215,440 million, a positive variation of CLP 32,527 million, mainly explained by (i) repayment of loans for CLP 94,141 million; (ii) payments of dividends for CLP 62,612 million; (iii) payment of financial leases for CLP 59,114 million; and (iv) interest payments for CLP 54,174 million; partially offset by proceeds from long-term loans for CLP 54,601 million, from the placement of the Series AP bonds. In the full year 2022, cash from financing activities totaled a net outflow of CLP -247,967 million, explained by (i) payment of dividends for CLP 97,364 million; (ii) repayment of loans for CLP 78,401 million; (iii) payment of financial leases for CLP 51,429 million; and (iv) payment of interest for CLP 51,429 million; partially offset by proceeds from long-term loans for CLP 31,820 million, from the placement of the Series AO bonds.

4. Financial Indicators

Table 10: Financial Indicators

			Dec. 2023	Dec. 2022
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0.77	0.76
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0.43	0.39
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0.66	0.66
Total Liabilities / Equity	times	*Total liabilities / Equity*	1.93	1.96
Net Financial Debt / Equity	times	*(Other current financial liabilities - current obligations for rights of use + other non-current financial liabilities - non-current obligations for rights of use - cash and cash equivalents)/Shareholders' equity*	0.53	0.54
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	41.43	42.33
Net Financial Liabilities / EBITDA	times	*(Other current financial liabilities + other non-current financial liabilities - cash and cash equivalents)/EBITDA for the last 12 months*	3.71	3.44
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	42.07	43.14
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	11.81	9.38
Accounts Payable Days	days	*Average current trade and other accounts payable for the period / (Daily cost of goods sold for the period * 1.19)*	66.68	66.14
EFFICIENCY (12 months)				
Interest Coverage (Last 12 months)	times	*EBITDA for the last 12 months / (financial expenses for the last 12 months - financial income for the last 12 months)*	5.90	6.42
Gross Margin (Last 12 months)	%		30.67	29.55
EBITDA (Last 12 months)	CLP MM		262,480	266,332
EBITDA Margin (Last 12 months)	%		9.17	9.42
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	3.66	5.67
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	4.57	7.12
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	10.73	16.77
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	9.15	10.72
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	12.50	15.10
EBITDA Adjusted for Store Rental Expenses				
EBITDA Adjusted for Store Rental Expenses (Last 12 months)	CLP MM	*EBITDA including store rental expenses not included in administrative expenses under IFRS*	176,370	188,296
Interest Coverage Adjusted for Store Rental Expenses (Last 12 mmonths)	times	*EBITDA Adjusted for Store Rental Expenses for the last 12 months / (interest expense for the last 12 months -interest on liabilities for rights of use for the last 12 months - financial income for the last 12 months)*	14.37	17.52
Net Financial Debt/EBITDA Adjusted for Store Rental Expenses	times	*(Other current financial liabilities - current obligations for rights of use + other non-current financial liabilities - non-current obligations for rights of use - cash and cash equivalents)/EBITDA Adjusted for Store Rental Expenses for the last 12 months*	2.43	2.26

With respect to **liquidity** indicators, there are no significant variations between December 2023 and December 2022.

With respect to **indebtedness** indicators, there are no significant variations between December 2023 and December 2022.

With respect to **working capital** indicators, the main differences are in inventory turnover, due to the decrease in inventory, for the reasons explained in section 2 of this document, and in accounts receivable turnover, due to the increase in current accounts receivable, for the reasons explained in section 2 of this document.

With respect to **efficiency** indicators, the lower net interest coverage is primarily explained by lower financial income, causing an increase in net financial expenses, as described in section 1 of this document.

With respect to **profitability** indicators, the lower profitability is due to the lower net income and lower operating income, for the reasons described in section 1 of this document. Additionally, there are increases in the asset and equity accounts, for the reasons describer in section 2 of this document.

5. Risk Management

The main risks faced by SMU, as well as certain measures taken by the Company to mitigate such risks, are described in note 4 to SMU's consolidated financial statements as of December 31, 2023.

6. Relevant Events During the Period

1. On March 27, 2023, the Company filed an essential fact, informing that that the Company's Board of Directors agreed the following:

   a) To call an Annual Ordinary Shareholders' Meeting to be held on April 20, 2023, at 10:00 am, at Cerro El Plomo 5680 11th floor, Las Condes, Santiago, in order to inform the Company's shareholders of and/or to submit for the approval of the Company's shareholders the following matters:

      i. Approve annual report and financial statements for the 2022 period.
      ii. Approve the report of independent auditors.
      iii. Approve remunerations of Board of Directors and other corporate committees for the 2023 period. Inform Board of Directors expenses incurred during 2022 period.
      iv. Inform activities and expenses of Directors' Committee for the 2022 period and determine remunerations and budget for the 2023 period.
      v. Inform operations referred to under Title XVI of Law No. 18,046 (related-party operations).
      vi. Designate independent audit firm for the 2023 period.
      vii. Designate credit rating agencies for the 2023 period.
      viii. Dividend payment and distribution of net income for the 2022 period.
      ix. Designate newspaper in which legally required notifications will be published.
      x. Review any other matter that is of interest to shareholders and pertains to the Annual Ordinary Shareholders' Meeting.

   b) To submit for shareholder approval at such Annual Shareholders' Meeting a proposal for the payment of a final dividend in the amount of CLP 4.06695 per share, to be charged to net income for 2022, which is in addition to the interim dividends of CLP 6.47041 per share, CLP 2.82270 per share, and CLP 3.81874 per share, paid on June 6, September 6, and December 7, 2022, respectively, for a total amount of CLP 99,065,586,952 (75% of net income). The remaining balance to be paid amounts to CLP 23,438,669,409, or CLP 4.06695 per share. If approved, such dividend would be paid on April 28, 2023 to shareholders of record as of the fifth business day prior to such date.

2. On March 30, 2023, the rating agency ICR improved the outlook on SMU's credit rating from A+ (stable outlook) to A+ (positive outlook).

3. On April 20, 2023, the Company filed an essential fact, informing that shareholders at SMU's annual general shareholders' meeting approved the following:

   a) Approve annual report and financial statements for the 2022 period.
   b) Approve the report of independent auditors.
   c) Approve remunerations of Board of Directors and other corporate committees for the 2023 period. In addition, shareholders were informed of the Board of Directors expenses incurred during the 2022 period.
   d) Approve remunerations of the Directors' Committee for the 2023 period and inform activities and expenses of such committee during 2022.
   e) Approve the report of operations referred to under Title XVI of Law No. 18,046 (related-party operations).
   f) Designate KPMG Auditores Consultores Limitada as the independent audit firm; and designate Feller-Rate and ICR as local credit rating agencies for the 2023 period.
   g) Designate the El Pulso section of La Tercera as the newspaper in which legally required notifications will be published.
   h) Distribute to shareholders a final dividend of CLP 4.06695 per share, to be charged to net income for 2022, which is in addition to the interim dividends of CLP 6.47041 per share, CLP 2.82270 per share, and CLP 3.81874 per share, paid on June 6, September 6, and December 7, 2022, respectively, for a total amount of CLP 99,065,586,952 (75% of net income). The remaining balance to be paid amounts to CLP 23,438,669,409, or CLP 4.06695 per share. Such dividend was paid beginning on April 28, 2023 to shareholders of record as of the fifth business day prior to such date.

4. On April 27, 2023, the rating agency Feller-Rate ICR improved the outlook on SMU's credit rating from A+ (stable outlook) to A+ (positive outlook).

5. On May 15, 2023, the Company filed an essential fact, informing that the Board of Directors had agreed to distribute to shareholders an interim dividend in the amount of CLP 16,658,142,643, equivalent to CLP 2.89043 per share. This interim dividend corresponds to 75% of net income for the first quarter of 2023. The payment of this dividend was started on June 5, 2023, to the shareholders of record on the fifth business day prior to such date.

6. On August 16, 2023, the Company filed an essential fact, informing that the board of Directors had agreed to distribute to shareholders an interim dividend in the amount of CLP 14,088,213,958, equivalent to CLP 2.44452 per share. This interim dividend corresponds to 75% of net income for the second quarter of 2023. The payment of this dividend was started on September 7, 2023, to the shareholders of record on the fifth business prior to such date.

7. On August 18, 2023, the Company reported the implementation of an organizational restructuring plan, which was carried out on August 16 and 17 and whose goal was to improve productivity while mitigating higher operating expenses and contributing to a better shopping experience for customers. This plan had a cost of approximately CLP 8,200 million, which is reflected in the financial statements of the third quarter of 2023.

8. On August 31, 2023, the credit rating agencies ICR and Feller-Rate, upgraded the Company's credit rating from A+ (positive outlook) to AA- (stable outlook).

9. On September 14, 2023, the Company filed an essential fact, informing the placement of dematerialized bearer bonds in the local Chilean market under Series AP (ticker BCSMU-AP), charged to the bond line that is registered with the Securities Registry of the CMF under number 964 ("Series AP Bonds"). The series was placed at an annual interest rate of 4.44%, with an

annual coupon rate of 4.5%, and a maturity date of September 1, 2033. The placement of the Series AP Bonds was for a total amount of UF 1.5 million. The Company intends to use the total amount of the net proceeds from the placement to refinance existing financial liabilities.

10. On November 13, 2023, the Company filed an essential fact, informing that the Board of Directors has agreed to distribute to shareholders an interim dividend in the amount of CLP 8,426,844,106, equivalent to CLP 2.44452 per share. This interim dividend corresponds to 75% of net income for the third quarter of 2023. The payment of this dividend was started December 5, 2023, to the shareholders of record on the fifth business prior to such date.
11. On November 27, 2023, the Company informed that it had reached a compensation agreement with Conadecus and SERNAC in order to settle the collective action lawsuits filled by these entities for a total amount of 3,438 Annual Tax Units (approximately CLP 2,600 million). With this agreement, SMU has finalized the class action lawsuits related to the Supreme Court's sentence handed down on April 8, 2020. The settlement amount will be provided to the Social Security Institute and was recognized in the fourth quarter 2023 financial statements.
12. On November 27, 2023, the Company announced through an essential fact that it had reached an agreement with the insurance companies for the payment of the insurance claim for losses arising from acts of vandalism that took place beginning on October 18, 2019. The Company recognized an account receivable in the quarters in which the events took place, for the total amount of CLP 39,610 million. However, the total amount agreed was approximately CLP 52 billion, and consequently, a positive pre-tax impact of approximately CLP 13 billion was recognized in the fourth quarter of 2023. In terms of cash, the payment was received in January 2024.
13. On December 28, 2023, SMU provided an update on the progress of its organic growth plan, highlighting 13 new store openings in Chile during the year, including the opening of six stores that were part of the Montserrat project during the fourth quarter. The Company successfully executed its organic growth plans for the year, even surpassing its expectation of opening 12 stores in Chile. In total, the openings of the year included: nine Unimarc stores, two Super10 stores and two Alvi stores, as well as a Maxiahorro store in Peru.

7. Note Regarding Presentation and Comparison of Information

Sale of OK Market

On February 28, 2022, SMU completed the sale of its OK Market convenience stores to FEMSA Comercio S.A. de C.V., which operates OXXO convenience stores in Chile. In accordance with the provisions of IFRS 5, in SMU's Consolidated Financial Statements as of December 31, 2023, the OK Market business is presented as available for sale.

Consequently, in the Company's statements of comprehensive income, when comparing the two periods presented, in 2022, the amounts corresponding to the OK Market business for the first two months of 2022 are presented under a single line, "Profit (loss) from discontinued operations", whereas in 2023, 4Q22, and 4Q23, there is no profit or loss associated with this business.

The statements of cash flows and financial position do not reflect the OK Market business in either period.

Consolidation of Financial Services Companies

On December 20, 2022, SMU increased its ownership interest in the company Inversiones RF S.A, controlling shareholder of the companies Unicard S.A, Administradora de Tecnologías y Servicios Unicard Ltda. and Unimarc Corredores de Seguros Ltda., thereby acquiring control over Inversiones RF by being the main shareholder. Consequently, beginning on such date, the aforementioned companies are consolidated on a line-by-line basis in SMU's financial statements.

These companies are associated with the operation of the Unipay credit card, a payment method that is available for customers of Unimarc, Alvi, Mayorista 10 and Super10, complementing their value proposition and promotional activity, offering a convenient payment option, and helping to build customer loyalty.

In SMU's financial statements as of December 31, 2023, in the income statement, the revenue, costs and expenses of these companies for the dates between January 1 and December 31, 2023, are consolidated on a line-by-line basis. However, for the three and twelve months ended December 31, 2022, the results of these companies are consolidated in a single line under "Share of Profit (Loss) of Associates." Therefore, the two periods are not entirely comparable. The same is true of the statement of cash flow, which includes cash movements for these companies only in the 2023 period.

In the statement of financial position, however, the information is comparable, as the information is presented as of December 2023 and December 31, 2022. As of both dates, all assets and liabilities are consolidated on a line-by-line basis.

About SMU

SMU is a leading food retailer in Chile, satisfying the needs of its B2C and B2B customers with multiple formats (*Unimarc, Alvi, Mayorista 10* and *Super10*) and broad geographic coverage, with operations in all 16 regions of the country. SMU also has a growing presence in Peru, through the brands *Mayorsa* and *Maxiahorro*.

Caution Regarding Forward-Looking Statements

This press release may contain forward-looking statements. We have based any such forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. Although management considers these projections to be reasonable based on information currently available to it, many important factors could cause our actual results to differ substantially from those anticipated in our forward-looking statements. The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities and the effects of future regulation and competition. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this press release might not occur and are not guarantees of future performance. Therefore, we caution readers not to place undue reliance on these statements. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements included in this press release because of new information, future events or other factors.

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