

## **SMU S.A. AND SUBSIDIARIES**

Consolidated Financial Statements as of December 31, 2017  
and 2016 and for the years then ended

(With Independent Auditors' Report Thereon)

**SMU S.A.**

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US\$ : Amounts expressed in United States dollars

ThUS\$ : Amounts expressed in thousands of United States dollars

UF : Amounts expressed in Unidades de fomento (an indexed monetary unit widely used in business in Chile)

## **Independent Auditor's Report**

To the Shareholders and Directors of  
SMU S.A.:

### ***Report on the consolidated financial statements***

We have audited the accompanying consolidated financial statements of SMU S.A. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's responsibility for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

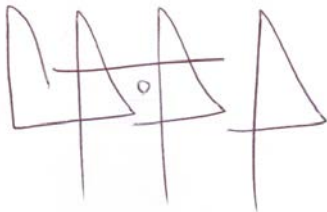
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SMU S.A. and its subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

The above translation of the auditor's report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

A handwritten signature in dark ink, consisting of stylized, overlapping letters that appear to be 'C', 'B', 'E', and 'A'.

Cristián Bastián E.

KPMG Ltda.

Santiago, March 13, 2018



**SMU**



**SMU S.A. AND  
SUBSIDIARIES  
CONSOLIDATED  
FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2017  
AND 2016 AND FOR THE  
YEARS THEN ENDED**

## SMU S.A. AND SUBSIDIARIES

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**SMU S.A. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017 AND 2016

(In thousands of Chilean pesos - ThCh\$)

|  | Note | 12.31.2017                  | 12.31.2016                  |
|--|------|-----------------------------|-----------------------------|
| ASSETS   | No.  | ThCh\$                      | ThCh\$                      |
| <b>Current assets:</b>   |      |                             |                             |
| Cash and cash equivalents  | 6    | 110,540,362                 | 48,496,912                  |
| Other current financial assets   |      | 15,431                      | 79,262                      |
| Other non-financial assets   | 8    | 22,639,668                  | 12,120,995                  |
| Trade and other receivables, current   | 9    | 47,072,802                  | 82,560,200                  |
| Trade receivables due from related parties, current                          | 10   | 14,362,542                  | 7,204,962                   |
| Inventories  | 11   | 194,156,534                 | 214,025,653                 |
| Current tax assets   | 12   | 5,322,974                   | 6,904,584                   |
| Non-current assets or assets groups for disposal classified as held-for-sale | 13   | <u>101,311,138</u>          | -                           |
| Total current assets   |      | <u>495,421,451</u>          | <u>371,392,568</u>          |
| <b>Non-current assets</b>  |      |                             |                             |
| Other non-current financial assets   |      | 241,280                     | 191,438                     |
| Other non-financial assets, non-current                                      | 8    | 24,648,395                  | 21,575,688                  |
| Receivables, non-current   | 9    | 2,368,606                   | 1,835,365                   |
| Equity-accounted investees   | 15   | 3,075,911                   | -                           |
| Intangible assets other than goodwill  | 17   | 78,284,406                  | 77,198,492                  |
| Goodwill   | 16   | 474,253,454                 | 474,522,222                 |
| Property, plant and equipment, net   | 18   | 409,971,302                 | 441,848,082                 |
| Deferred tax assets  | 12   | <u>413,330,095</u>          | <u>418,167,415</u>          |
| Total non-current assets   |      | <u>1,406,173,449</u>        | <u>1,435,338,702</u>        |
| <b>TOTAL ASSETS</b>  |      | <u><b>1,901,594,900</b></u> | <u><b>1,806,731,270</b></u> |

See the accompanying notes to the consolidated financial statements.



**SMU S.A. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CONTINUED  
AS OF DECEMBER 31, 2017 AND 2016  
(In thousands of Chilean pesos - ThCh\$)

|  | <b>Note</b> | <b>12.31.2017</b>           | <b>12.31.2016</b>           |
|--|-------------|-----------------------------|-----------------------------|
| <b>LIABILITIES AND EQUITY</b>  | <b>No.</b>  | <b>ThCh\$</b>               | <b>ThCh\$</b>               |
| <b>Current liabilities:</b>  |             |                             |                             |
| Other financial liabilities, current   | 19          | 70,342,325                  | 126,173,596                 |
| Trade and other payables   | 20          | 414,359,808                 | 456,080,911                 |
| Trade payables due to related parties, current                                       | 10          | 3,356,987                   | 17,438,903                  |
| Other provisions   | 21          | 1,227,464                   | 1,360,232                   |
| Current tax liabilities  | 12          | -                           | 12,465                      |
| Employee benefits, current   | 22          | 17,058,560                  | 23,960,283                  |
| Other current non-financial liabilities  | 23          | 3,436,482                   | 5,181,019                   |
| Non-current liabilities or liability groups for disposal classified as held-for-sale | 13          | <u>60,929,254</u>           | <u>-</u>                    |
| Total current liabilities  |             | <u>570,710,880</u>          | <u>630,207,409</u>          |
| <b>Non-current liabilities:</b>  |             |                             |                             |
| Other financial liabilities, non-current   | 19          | 727,070,816                 | 735,874,753                 |
| Non-current trade payables   | 20          | 175,473                     | 148,478                     |
| Trade payables due to related parties, non-current                                   | 10          | -                           | 79,053,834                  |
| Deferred tax liabilities   | 12          | 69,582                      | 68,779                      |
| Employee benefits, non-current   | 22          | 2,699,239                   | 108,167                     |
| Other non-financial liabilities  | 23          | <u>8,094,136</u>            | <u>11,261,847</u>           |
| Total non-current liabilities  |             | <u>738,109,246</u>          | <u>826,515,858</u>          |
| <b>Equity:</b>   |             |                             |                             |
| Share capital  | 25          | 1,195,165,045               | 970,340,045                 |
| Accumulated deficit  |             | (740,067,795)               | (767,704,911)               |
| Other reserves   | 25-26       | <u>137,677,533</u>          | <u>147,372,878</u>          |
| Equity attributable to the owners of the Parent                                      |             | <u>592,774,783</u>          | <u>350,008,012</u>          |
| Non-controlling interests  | 28          | <u>(9)</u>                  | <u>(9)</u>                  |
| Total equity   |             | <u>592,774,774</u>          | <u>350,008,003</u>          |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |             | <b><u>1,901,594,900</u></b> | <b><u>1,806,731,270</u></b> |

See the accompanying notes to the consolidated financial statements.

**SMU S.A. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (RESTATED)  
(In thousands of Chilean pesos - ThCh\$)

|  | <b>Note</b> | <b>01.01.2017</b><br><b>12.31.2017</b> | <b>01.01.2016</b><br><b>12.31.2016</b><br><b>Restated</b> |
|--|-------------|--|---|
|  | No.         | ThCh\$                                 | ThCh\$  |
| <b>Statement of income</b>   |             |  |   |
| Revenue  | 30          | 2,257,558,436                          | 2,221,868,655   |
| Cost of sales  | 11          | <u>(1,620,100,232)</u>                 | <u>(1,611,324,511)</u>                                    |
| Gross profit   |             | <u>637,458,204</u>                     | <u>610,544,144</u>  |
| Distribution costs   | 31          | (24,678,045)                           | (22,742,580)  |
| Administrative expenses  | 31          | (518,771,264)                          | (507,785,950)   |
| Other gains (losses)   | 33          | 3,374,531                              | (4,075,512)   |
| Finance income   | 34          | 1,016,085                              | 1,280,283   |
| Finance costs  | 34          | (66,148,972)                           | (72,151,708)  |
| Share of loss on associates and joint ventures using the equity method   | 15-23       | (1,964,428)                            | (1,291,939)   |
| Foreign currency translation difference  | 35          | 8,099,289                              | 16,173,289  |
| Gain (loss) from assets and liabilities in Unidad de Fomento   | 36          | <u>(10,002,815)</u>                    | <u>(17,587,691)</u>                                       |
| <b>Loss before taxes</b>   |             | <u>28,382,585</u>                      | <u>2,362,336</u>  |
| Income tax benefit   | 12          | <u>(2,083,843)</u>                     | <u>8,566,311</u>  |
| Profit (loss) from continuing operations   |             | <u>26,298,742</u>                      | <u>10,928,647</u>   |
| Profit (loss) from discontinued operations   |             | 1,338,374                              | 1,280,904   |
| <b>Profit (loss) for the year</b>  |             | <u>27,637,116</u>                      | <u>12,209,551</u>   |
| <b>Profit (loss) attributable to:</b>  |             |  |   |
| Owners of the Parent   | 29          | 27,637,116                             | 12,209,551  |
| Non-controlling interests  | 29          | <u>-</u>                               | <u>-</u>  |
| <b>Profit (loss) for the year</b>  |             | <u>27,637,116</u>                      | <u>12,209,551</u>   |
| <b>Earnings per share</b>  |             |  |   |
| <b>Basic earnings per share:</b>   |             |  |   |
| Basic earnings (losses) per share  | 29          | <u>0.00576</u>                         | <u>0.00335</u>  |
| Basic earnings (losses) per share from continuing operations   |             | 0.00548                                | 0.00300   |
| Basic earnings (losses) per share from discontinued operations   |             | 0.00028                                | 0.00035   |
| <b>Diluted earnings per share</b>  |             |  |   |
| Diluted earnings per share   | 29          | <u>0.00576</u>                         | <u>0.00335</u>  |
| Diluted loss per share in discontinuing operations   |             | 0.00548                                | 0.00300   |
| Diluted earnings per share from discontinued operations  |             | 0.00028                                | 0.00035   |
| <b>Statement of comprehensive income</b>   |             |  |   |
| Profit (loss) for the year   |             | 27,637,116                             | 12,209,551  |
| <b>Components of other comprehensive income that will be reclassified to profit or loss for the year, before tax</b>                         |             |  |   |
| Foreign currency translation difference  |             | (257,897)                              | (1,172,913)   |
| Gain (loss) from hedging derivative instruments  | 25          | <u>(6,174,726)</u>                     | <u>-</u>  |
| <b>Total other comprehensive income that will be reclassified to profit for the year, before tax</b>   |             | <u>(6,432,623)</u>                     | <u>(1,172,913)</u>  |
| <b>Income tax related to components of Other Comprehensive Income that will be reclassified to profit or loss for the year</b>               |             |  |   |
| Income tax related to cash flow hedges in other comprehensive income   | 25          | <u>1,574,555</u>                       | <u>-</u>  |
| <b>Accumulated income taxes related to components of other comprehensive income that will be reclassified to profit or loss for the year</b> |             | <u>1,574,555</u>                       | <u>-</u>  |
| <b>Other comprehensive income</b>  |             | <u>(4,858,068)</u>                     | <u>(1,172,913)</u>  |
| <b>Total comprehensive income (loss)</b>   |             | <u>22,779,048</u>                      | <u>11,036,638</u>   |
| <b>Comprehensive income attributable to:</b>   |             |  |   |
| Comprehensive income (loss) attributable to the owners of the Parent   |             | 22,779,048                             | 11,036,638  |
| Comprehensive income (loss) attributable to non-controlling interests  |             | <u>-</u>                               | <u>-</u>  |
| <b>Total comprehensive income (loss)</b>   |             | <u>22,779,048</u>                      | <u>11,036,638</u>   |

See the accompanying notes to the consolidated financial statements.

**SMU S.A. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED AS OF DECEMBER 31, 2017 AND 2016  
(In thousands of Chilean pesos - ThCh\$)

| Note No. | Share capital<br>ThCh\$                             | Changes in other reserves         |                             |  |                                      | Retained earnings<br>(losses)<br>ThCh\$ | Equity attributable<br>to the owners<br>of the Company<br>ThCh\$ | Non-controlling<br>interests<br>ThCh\$ | Total<br>equity<br>ThCh\$ |             |
|----------|---|-----------------------------------|-----------------------------|--|--------------------------------------|---|--|--|---------------------------|-------------|
|          |   | Translation<br>reserves<br>ThCh\$ | Hedge<br>reserves<br>ThCh\$ | Other<br>miscellaneous<br>reserves<br>ThCh\$ | Total<br>other<br>reserves<br>ThCh\$ |   |  |  |                           |             |
|          | Opening balance as of January 1, 2017               | 970,340,045                       | 2,559,631                   | -  | 144,813,247                          | 147,372,878                             | (767,704,911)  | 350,008,012                            | (9)                       | 350,008,003 |
|          | Comprehensive income                                |                                   |                             |  |                                      |   |  |  |                           |             |
|          | Gain for the year                                   | -                                 | -                           | -  | -                                    | 27,637,116                              | 27,637,116   | -                                      | -                         | 27,637,116  |
| 25       | Other comprehensive income                          | (257,897)                         | (4,600,171)                 | -  | (4,858,068)                          | -                                       | (4,858,068)  | -                                      | -                         | (4,858,068) |
|          | Total comprehensive income                          | (257,897)                         | (4,600,171)                 | -  | (4,858,068)                          | 27,637,116                              | 22,779,048   | -                                      | -                         | 22,779,048  |
|          | Issuance of shares                                  | 224,825,000                       | -                           | -  | (4,837,277)                          | -                                       | 219,987,723  | -                                      | -                         | 219,987,723 |
| 25       | Increase (decrease) for transfers and other changes | -                                 | -                           | -  | -                                    | -                                       | -  | -                                      | -                         | -           |
| 25       | Closing balance as of December 31, 2017             | 1,195,165,045                     | 2,301,734                   | (4,600,171)                                  | 139,975,970                          | 137,677,533                             | (740,067,795)  | 592,774,783                            | (9)                       | 592,774,774 |

| Note No. | Share capital<br>ThCh\$                             | Changes in other reserves         |                             |  |                                      | Retained earnings<br>(losses)<br>ThCh\$ | Equity attributable<br>to the owners<br>of the Company<br>ThCh\$ | Non-controlling<br>interests<br>ThCh\$ | Total<br>equity<br>ThCh\$ |             |
|----------|---|-----------------------------------|-----------------------------|--|--------------------------------------|---|--|--|---------------------------|-------------|
|          |   | Translation<br>reserves<br>ThCh\$ | Hedge<br>reserves<br>ThCh\$ | Other<br>miscellaneous<br>reserves<br>ThCh\$ | Total<br>other<br>reserves<br>ThCh\$ |   |  |  |                           |             |
| 25       | Opening balance as of January 1, 2016               | 970,340,045                       | 3,732,544                   | -  | 144,813,247                          | 148,545,791                             | (779,914,462)  | 338,971,374                            | (9)                       | 338,971,365 |
|          | Comprehensive income                                |                                   |                             |  |                                      |   |  |  |                           |             |
|          | Gain for the year                                   | -                                 | -                           | -  | -                                    | 12,209,551                              | 12,209,551   | -                                      | -                         | 12,209,551  |
| 25       | Other comprehensive income                          | (1,172,913)                       | -                           | -  | (1,172,913)                          | -                                       | (1,172,913)  | -                                      | -                         | (1,172,913) |
|          | Total comprehensive income                          | (1,172,913)                       | -                           | -  | (1,172,913)                          | 12,209,551                              | 11,036,638   | -                                      | -                         | 11,036,638  |
|          | Issuance of shares                                  | -                                 | -                           | -  | -                                    | -                                       | -  | -                                      | -                         | -           |
| 25       | Increase (decrease) for transfers and other changes | -                                 | -                           | -  | -                                    | -                                       | -  | -                                      | -                         | -           |
| 25       | Closing balance as of December 31, 2016             | 970,340,045                       | 2,559,631                   | -  | 144,813,247                          | 147,372,878                             | (767,704,911)  | 350,008,012                            | (9)                       | 350,008,003 |

See the accompanying notes to the consolidated financial statements.



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**SMU S.A. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS - DIRECT METHOD

FOR THE YEARS ENDED AS OF DECEMBER 31, 2017 AND 2016

(In thousands of Chilean pesos - ThCh\$)

| <b>Statement of Cash Flows - Direct Method</b>  | <b>01.01.2017</b>   | <b>01.01.2016</b>    |
|---|---------------------|----------------------|
|   | <b>12.31.2017</b>   | <b>12.31.2016</b>    |
|   | ThCh\$              | ThCh\$               |
| <b>Cash flows from (used in) operating activities</b>   |                     |                      |
| <b>Classes of cash receipts from operating activities</b>   |                     |                      |
| Cash receipts from sale of goods and rendering of services  | 2,643,066,289       | 2,934,674,534        |
| <b>Classes of cash payments</b>   |                     |                      |
| Payments to suppliers for goods and services  | (2,245,716,113)     | (2,493,369,819)      |
| Payments to and on behalf of employees  | (218,724,455)       | (242,192,378)        |
| Other payments for operating activities   | (93,420,475)        | (77,399,228)         |
| <b>Cash flows generated from operating activities</b>   | <b>85,205,246</b>   | <b>121,713,109</b>   |
| Interest received, recorded as investment activities  | 646,854             | 652,162              |
| Income taxes paid (reimbursed), recorded as investment activities   | 3,561,488           | (1,377,157)          |
| Other receipts (payments), classified as operating activities   | (2,202,612)         | -                    |
| <b>Net cash generated from operating activities</b>   | <b>87,210,976</b>   | <b>120,988,114</b>   |
| <b>Cash flows from (used in) investing activities</b>   |                     |                      |
| Cash flows from the loss of control of subsidiaries or other businesses, classified as investing activities | 56,757              | -                    |
| Cash flows used for the acquisition of non-controlling interest   | (7,360,327)         | (554,400)            |
| Loans granted to related parties  | (2,033,185)         | (940,122)            |
| Proceeds from sale of property, plant and equipment, recorded as investing activities                       | 868,083             | 838,879              |
| Acquisition of property, plant and equipment, recorded as investing activities                              | (17,466,843)        | (14,763,119)         |
| Acquisition of intangible assets, recorded as investing activities  | (10,447,456)        | (6,323,869)          |
| Cash flows from the sale of non-controlling interest  | -                   | 15,000               |
| <b>Net cash (used in) from investing activities</b>   | <b>(36,382,971)</b> | <b>(21,727,631)</b>  |
| <b>Cash flows from (used in) financing activities</b>   |                     |                      |
| Proceeds from the issue of shares   | 224,825,000         | -                    |
| Proceeds from bank borrowings   | 130,204,527         | 92,894,497           |
| Proceeds from borrowings from related parties   | -                   | 42,204,000           |
| Repayment of borrowings, classified as financing activities   | (161,910,012)       | (150,156,619)        |
| Cash payments for liabilities under finance lease agreements, classified as financing activities            | (12,231,475)        | (12,063,222)         |
| Repayment of borrowings to related parties  | (93,566,650)        | (9,696,890)          |
| Interest paid, recorded as financing activities   | (76,105,945)        | (64,869,043)         |
| <b>Net cash used in financing activities</b>  | <b>11,215,445</b>   | <b>(101,687,277)</b> |
| Decrease in cash and cash equivalents before the effect of changes in exchange rate                         | <b>62,043,450</b>   | <b>(2,426,794)</b>   |
| <b>Effects of movements in exchange rates on cash and cash equivalents</b>                                  |                     |                      |
| Effects of movements in exchange rates on cash and cash equivalents   | -                   | -                    |
| <b>Decrease in cash and cash equivalents</b>  | <b>62,043,450</b>   | <b>(2,426,794)</b>   |
| Cash and cash equivalents at January 1  | 48,496,912          | 50,923,706           |
| <b>Cash and cash equivalents at December 31</b>   | <b>110,540,362</b>  | <b>48,496,912</b>    |

See the accompanying notes to the consolidated financial statements.

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## **SMU S.A. AND SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017 AND 2016

(In thousands of Chilean pesos - ThCh\$)

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### **1. GENERAL INFORMATION**

SMU S.A., TAX ID 76.012.676-4 (hereinafter also the “Parent Company”, the “Company”, the “Group”, the “SMU Group” or “SMU” or SMU and Subsidiaries) was incorporated as a publicly-held shareholders’ corporation (unlisted) on February 22, 2008. The Company is engaged in the investment in movable and immovable property on its own or on behalf of third parties, the management of such assets, rendering of management services, organization and management of companies and provision of financial, business, economic, organizational, tax, legal and marketing advisory services. The address of the Company’s registered office is Cerro el Plomo 5680, floor 10, comuna de Las Condes, Santiago, Chile.

The Company is registered under No. 1076 with the Securities Register of the Chilean Financial Market Commission (formerly the Superintendence of Securities and Insurance of Chile).

The SMU Group is controlled by the following companies: Inversiones SMU Matriz Ltda., CorpGroup Holding Inversiones Ltda., Inversiones SAMS SpA, Fondo de Inversión Privado Gamma, Fondo de Inversión Privado Épsilon, Inversiones Épsilon II S.A. and Fondo de Inversión Privado Alpha with total ownership interest of 57.98%.

The controlling shareholder of the SMU Group is the Saieh family through ownership interest of 50.29% through investments in the following companies: Inversiones SMU Matriz Ltda., CorpGroup Holding Inversiones Ltda., Inversiones SAMS SpA, Inversiones SAMS III SpA, Fondo de Inversión Privado Gamma, Fondo de Inversión Privado Épsilon, Inversiones Épsilon II S.A. and Fondo de Inversión Privado Alpha.

Since its inception, the SMU Group has acquired and integrated more than 58 supermarket chains, achieving as of September 30, 2017 a market share of 21.6% in the supermarket industry, considering the last 12 months.

The SMU Group started at the end of 2007 when the Saieh family, an economic group with presence in the financial, hotel, and mass media industries who control the CorpGroup, after conducting a study of the industry, acquired the Unimarc supermarket chain, which had domestic coverage through 41 supermarkets. Subsequently, on November 28, 2007, the shareholders of Rendic Hermanos S.A., a company engaged in the operation of a regional supermarket chain through 23 supermarkets under the "Deca" brand, located in the city of Coquimbo, agreed to a merger with SMU Comercial S.A., the latter owned and controlled by the Saieh family. Through this transaction, SMU acquired control of Rendic Hermanos S.A.

The newly formed supermarket group began a rapid expansion through the acquisition of several regional supermarket chains; e.g., Supermercados El Pilar, Euromarket, Ribeiro, Puerto Cristo, Súper 10, Bryc, Abu Gosch, La Bandera Azul, Ofermax and Vegamercado, among others.



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During 2010, simultaneous to the acquisition of the regional chains, SMU entered into the convenience stores and web-based sales markets with the acquisition of OK Market S.A. and Telemercados Europa S.A., respectively.

During 2011, the SMU Group started its expansion into other lines of business and foreign markets. During January 2011, the Company entered into the construction supplies business through the acquisition of the Construmart chain, operating 31 stores under the Construmart brand and 69 associated stores operating as franchise under the Ferrexerto Brand. The SMU Group also entered the Peruvian market through the acquisition of Alvi Supermercados Mayoristas S.A., a company operating in Peru under the Mayorsa brand. Such an expansion both in the Peruvian market and the construction product business, continued with the integration in 2011 of the Maxi Bodega and Don Vitto Peruvian chains, as well as the acquisition of minor hardware stores such as Ferreterías Camarena, Ferretería Toral and Ferretería Rodríguez.

On September 17, 2011, SMU S.A. merged with Supermercados del Sur S.A. adding 110 new stores to its supermarket chain, thereby consolidating to become one of the most significant players in the industry.

On January 29, 2015, the Rendic family sold to Corp Group Holding Inversiones Limitada (“Corp Group”), a related entity of the current Parent, all its ownership in SMU S.A., equivalent to 13.88%. By virtue of this disposal, Corp Group, jointly with other vehicles controlled by the Group, now owns 78.59% of the shares issued by SMU S.A.

SMU S.A. and its subsidiaries operate supermarkets in Chile under the brands Unimarc, Mayorista 10, OK Market, Telemercados, and Alvi.

The SMU Group operates through 2 business segments: the supermarkets, which includes retailers, wholesalers, convenience stores and web-based sales, and a business segment which comprises sales of construction supplies, which is recorded as available-for-sale (See Note 2 Basis of presentation of the financial statements and Note 13 Available-for-sale assets).

Through these segments, SMU operates in every region of Chile and has the most extensive coverage and number of stores totaling 561 local stores as of December 31, 2017, which include 24 stores in Peru and 35 Construmart stores.

At this date, total employees in the supermarket segment amounted to 31,472 employees, whereas the average number of employees for the year ended December 31, 2017 amounted to 31,962 employees.



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## 1.1 DESCRIPTION OF BUSINESS

### Segment information

The SMU Group presents segment information based on the financial information made available to the key decision makers (Directors), related to matters such as measurement of profitability and assignment of investments, in accordance with IFRS 8 “Operating Segments.”

#### (i) Supermarket segment:

- Supermercados Unimarc

Unimarc has a neighborhood supermarket approach: providing a comfortable, quick store mainly with a food-based product mix, providing good services and quality.

As of December 31, 2017, Unimarc has 289 stores, all of them are leased.

- Mayorista 10 and Alvi

Mayorista 10, and Alvi are wholesale supermarkets, focused on offering the best price-quantity ratio in the market. They stand out for its cross-cutting target market, where Mayorista 10 is focused on offering low prices to end consumers and Alvi focused on small traders and institutions offering a full mix of products and a price-quality alternative. They have a specialized mix, mainly based on groceries. As of December 31, 2017, Mayorista 10, and Alvi have 100 stores, all of them are leased.

- Mayorsa and Maxi Ahorro (Peru)

Mayorsa S.A. has 24 stores (4 owned and 20 leased) located in Lima, Peru, under the brands Mayorsa (7), and Maxi Ahorro (17), in the wholesale supermarket format, for the sale of groceries and related products.

- OK Market

As the leader of the convenience store format in Chile, OK Market improves the ease of buying, providing quick service, comfortable locations that are close to homes and work places, has extensive open hours and a mix of items that meet the needs of its customers. It also has a wide variety of pre-prepared meals, snacks, beverage, bakery and pastry, in a modern service environment.

Since it was acquired by the Group in January 2010, it has opened new stores and achieved 113 total stores; all of them are leased as of December 31, 2017.



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- Telemercados

Telemercados was acquired in November 2010 and operates using a web-based sales system and a call-center that allows successfully serving over 100,000 annual orders through its own distribution center, and has become the leading delivery segment supermarket in Chile, mainly due to the constant innovation in the product delivery systems, achieving an excellence service level.

**(ii) Construction supply segment:**

In the integration and diversification process of its retail chain, SMU incorporated in 2011 the Construmart S.A. construction supply chain, incorporating its network of 35 stores with nationwide coverage, and floor space in an average of 5,500 square meters, and the Ferrexperto franchise network of 51 stores, as of December 31, 2017. This segment is recorded as available-for-sale (See Note 2 Basis of presentation of the financial statements and Note 13 Available-for-sale assets).

**2. BASIS OF PRESENTATION AND CONSOLIDATION**

**Basis of the presentation and preparation of the consolidated financial statements.**

The consolidated financial statements of the SMU S.A. and its subsidiaries as of December 31, 2017 and December 31, 2016, have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the IASB International Accounting Standards Board (IASB). These financial statements were approved for issuance by the Board of Directors on March 13, 2018.

The consolidated financial statements of SMU S.A. and its subsidiaries as of December 31, 2017 and 2016 are presented in thousands of Chilean pesos.

The consolidated financial statements have been prepared based on the accounting records maintained by the Company and its subsidiaries.

**Years covered by the Consolidated Financial Statements**

The consolidated financial statements of SMU comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended.

**Comparative Information**

The consolidated statements of financial position, the consolidated statements of comprehensive income, the consolidated statements of changes in net equity and cash flows ended December 31, 2017, present the related comparative information as of December 31, 2016.





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Because as of December 31, 2017, the CGU material for construction for construction are classified as available-for-sale assets, in accordance with IFRS 5, for comparative purposes, in the statement of comprehensive income for 2016, all the items of the CGU material for construction have been reclassified in a single line of the statement of comprehensive income presenting them as discontinued operations.

### **Classification of the consolidated statements of financial position**

Balances in the consolidated statement of financial position of SMU S.A. and its subsidiaries are classified on the basis of their maturities – i.e., balances maturing within twelve months or less are classified as current; whereas balances maturing in periods exceeding twelve months are classified as non-current. Any obligations maturing within less than twelve months, but whose long-term refinancing is guaranteed at the SMU Group's discretion through unconditionally available loan contracts considering maturities at long-term could be classified as non-current liabilities.

### **Statements of comprehensive income**

SMU and its subsidiaries have opted to present their consolidated statements of comprehensive income classified by function.

### **Statements of cash flows**

SMU S.A. and its subsidiaries present their consolidated statements of cash flows using the direct method.



## **Basis of consolidation**

### **(i) Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. The consideration transferred in the acquisition and net identifiable assets acquired are generally measured at fair value. Any resulting goodwill is tested for impairment on an annual basis.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared to the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past service prior to the business combination.

### **(ii) Non-controlling interests**

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### **(iii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**(iv) Loss of control**

On the date of loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

**(v) Investments in associates and jointly controlled entities (equity-accounted investees)**

The Group's interests in equity-accounted investees include interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Group has joint control by way of an agreement that gives the right to the net assets of the investee and gives no rights for its assets and obligations for its liabilities.

Investments in associates and jointly controlled entities are accounted for under the equity method. They are initially recognized at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and comprehensive income (loss) of equity-accounted investees until the date in which the significant influence or joint control cease.

**(vi) Transactions eliminated in consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.



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## Consolidated Group

Companies included in the consolidated financial statements of SMU S.A. and subsidiaries are as follows:

| Tax ID Number                | Company  | Functional currency | Ownership percentage |            |        | 12.31.2016<br>Total % |
|------------------------------|--|---------------------|----------------------|------------|--------|-----------------------|
|                              |  |                     | 12.31.2017           | Total      |        |                       |
|                              |  |                     | Direct %             | Indirect % | %      | %                     |
| <b>Direct subsidiaries</b>   |  |                     |                      |            |        |                       |
| 76.147.279-8                 | Inversiones SMU Ltda.                                    | Chilean peso        | 99.99                | 0.01       | 100.00 | 100.00                |
| 76.142.764-4                 | Inversiones SMU S.p.A                                    | Chilean peso        | 100.00               | -          | 100.00 | 100.00                |
| 76.023.547-4                 | Omicron S.p.A.   | Chilean peso        | 100.00               | -          | 100.00 | 100.00                |
| 76.007.938-3                 | Inversiones Omega Ltda.                                  | Chilean peso        | 99.99                | 0.01       | 100.00 | 100.00                |
| 76.203.126-4                 | Unidata S.A. (*)   | Chilean peso        | 99.92                | 0.08       | 100.00 | 100.00                |
| <b>Indirect subsidiaries</b> |  |                     |                      |            |        |                       |
| 76.012.833-3                 | Súper 10 S.A.  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 81.537.600-5                 | Rendic Hermanos. S.A.                                    | Chilean peso        | -                    | 99.99      | 99.99  | 99.99                 |
| 76.084.682-1                 | OK Market S.A.   | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 85.641.200-8                 | Abu Gosch y Cia. Ltda.                                   | Chilean peso        | 0.54                 | 99.46      | 100.00 | 100.00                |
| 87.711.200-4                 | Telemercados Europa S.A.                                 | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.051.947-2                 | Servicios Logísticos La Serena S.A.                      | Chilean peso        | 0.10                 | 99.90      | 100.00 | 100.00                |
| 76.051.937-5                 | Servicios Logísticos Santiago S.A.                       | Chilean peso        | 0.10                 | 99.90      | 100.00 | 100.00                |
| 76.033.021-3                 | Escuela de Capacitación y Oficios Supermercadistas Ltda. | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 96.618.540-6                 | ALVI Supermercados Mayoristas S.A.                       | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 78.381.240-1                 | ALVI Servicios Logísticos Ltda.                          | Chilean peso        | 0.13                 | 99.87      | 100.00 | 100.00                |
| 96.781.670-1                 | Servi 2000 S.A.  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.948.390-K                 | Red de Apoyo S.A.  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| Foreign                      | SMU Perú S.A.C.  | Peruvian sol        | -                    | 100.00     | 100.00 | 100.00                |
| Variable rate                | Mayorsa S.A.   | Peruvian sol        | -                    | 100.00     | 100.00 | 100.00                |
| Variable rate                | Pacucha S.A.   | Peruvian sol        | -                    | 100.00     | 100.00 | 100.00                |
| 96.511.460-2                 | Construmart S.A. (**)                                    | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.474.150-1                 | Chile Tools S.A. (**)                                    | Chilean peso        | -                    | 99.99      | 99.99  | 99.99                 |
| 96.868.870-7                 | Ferco Emprendimiento S.A. (**)                           | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| Foreign                      | Importadora y Comerc. Torremolinos del Perú S.A. (**)    | Peruvian sol        | -                    | 100.00     | 100.00 | 100.00                |
| 76.147.310-7                 | Supermercados Chile S.A.                                 | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.027.259-0                 | Inversiones del Sur S.A.                                 | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.027.289-2                 | Mayorista del Sur Ltda.                                  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.027.291-4                 | Supermercados del Sur Ltda.                              | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.032.752-2                 | Puerto Varas S.A.  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.032.772-7                 | Valdivia S.A   | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.032.763-8                 | Paloma S.A.  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.032.749-2                 | San Sebastián S.A.                                       | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.032.756-5                 | Chiloé S.A.  | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.029.643-0                 | Comercializadora del Sur Uno Ltda.                       | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.029.209-5                 | Comercializadora del Sur Dos Ltda.                       | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.029.208-7                 | Comercializadora del Sur Tres Ltda.                      | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.029.661-9                 | Comercializadora del Sur Cuatro Ltda.                    | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.029.738-0                 | Comercializadora del Sur Cinco Ltda.                     | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |
| 76.029.743-7                 | Comercializadora del Sur Seis Ltda.                      | Chilean peso        | -                    | 100.00     | 100.00 | 100.00                |

(\*) On May 3, 2017, Corp Fidelidad S.A. was renamed as Unidata S.A.

(\*\*) As of December 31, 2017, these companies are classified as available-for-sale.

## Functional and presentation currency

The financial statements of each of the companies included in these consolidated financial statements are presented using the currency of the primary economic environment in which the entity operates (the “functional currency”).

The functional currency of the Company is the Chilean peso whereas the functional currency of Peruvian subsidiaries is the Peruvian sol.

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For purposes of the consolidated financial statements, the statements of comprehensive income and statements of financial position of each company is stated in thousands of Chilean pesos, which is the functional currency of SMU S.A. and the presentation currency for the consolidated financial statements.

For purposes of presentation of the consolidated financial statements, the financial statements of the subsidiaries whose functional currencies are other than the Chilean peso have been translated to Chilean pesos in accordance with IAS 21, through the translation of assets and liabilities, at the exchange rate prevailing at each period-end, and revenue and expenses at the average exchange rate of each month (see Basis of translation). Foreign currency translation gains and losses from the conversion to Chilean pesos of the financial statements of subsidiaries whose functional currencies are different from Chilean pesos are classified in the caption "Translation reserves."

### **Basis of translation**

Assets and liabilities in United States dollars (US\$), Peruvian soles (PEN) and Unidades de Fomento (UF) (inflation-adjusted units) have been translated to Chilean pesos (Ch\$) at the exchange rates prevailing at each period-end, as follows:

| <b>Period</b> | <b>USD (1)</b> | <b>UF (2)</b> | <b>Peruvian sol<br/>(PEN)</b> |
|---------------|----------------|---------------|-------------------------------|
|               | Ch\$           | Ch\$          | Ch\$                          |
| 12.31.2017    | 614.75         | 26,798.14     | 189.68                        |
| 12.31.2016    | 669.47         | 26,347.98     | 199.69                        |

- (1) The variation of dollar exchange rate applied above the balances with financing entities, obligations with the public and trade payables due to related parties, is recorded in the consolidated statement of comprehensive income in the caption "Foreign currency translation difference".
- (2) The variation in the exchange rate for "Unidades de Fomento" (UF) applied on the balances with financial institutions, bonds payable and promissory notes, trade payables due to related parties, finance leases and obligations under finance lease arrangements is recorded in the consolidated statement of comprehensive income in the caption "Income (expenses) from inflation adjusted units."

### **Offsetting of balances and transactions**

Generally, in the financial statements, there is no offsetting of assets and liabilities or revenue and expenses, except for those cases where such offsetting is required or permitted by any IFRS and such presentation is the reflection of the substance of the transaction.

Revenues and expenses generated by transactions which contractually or mandatorily because of a law contemplate the possibility of offsetting in SMU and its subsidiaries and where SMU has the intent of settling its net amount or realizing the asset and pay the liability simultaneously are recorded as net amounts in profit or loss for the period.



### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

**a. Items of property, plant and equipment** are presented at their costs less accumulated depreciation and impairment losses.

The cost of items of property, plant and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

The cost of self-constructed assets includes the cost of materials and direct labor; any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Additionally, such cost includes borrowing costs incurred for the construction of property, plant and equipment in use. Such costs are capitalized when the assets are brought to working condition for their intended use, in accordance with IAS 23 "Borrowing costs" and relates to the interest rate of associated borrowings.

Repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they incurred. Certain assets of property, plant and equipment of SMU S.A. and subsidiaries require periodic maintenance. In these cases, the items that require replacement are recognized separately from the other assets and with a degree of disaggregation that allows them to be depreciated in the period between the current and subsequent repairs.

Expansion, modernization and improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life, are capitalized by increasing the value of the assets and/or store fixtures.

The gain or loss from selling or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to profit or loss for the year.

Items of property, plant and equipment are depreciated using the straight-line method by distributing the acquisition cost of the assets less their estimated residual value over the estimated useful lives of assets. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Leased assets whose contracts meet the definitions and requirements of IAS 17 "Leases" to be treated as finance leases are depreciated over the shorter of the useful life of the asset or the term of the contract. Improvements made by the Group on leased assets are depreciated over the shorter of the useful life of the related improvement or the term of the lease contract.



The main categories of property, plant and equipment are presented and their related useful lives are shown below:

| <b>Useful life</b>                    | <b>Range in years</b> |
|---------------------------------------|-----------------------|
| Buildings                             | 20 - 50               |
| Plant and equipment                   | 3 - 15                |
| Information technology equipment      | 3 - 6                 |
| Fixtures and fittings                 | 20                    |
| Motor vehicles                        | 7                     |
| Leased assets                         | 5 - 30                |
| <b>Improvements of leased assets:</b> |                       |
| Fixtures                              | 10 - 20               |

The residual value and useful life of an asset is reviewed and adjusted periodically and depreciation starts when assets are brought to working condition for their intended use.

Land is recognized separately from the buildings or facilities that may be constructed on them, and have an indefinite life and accordingly, is not depreciated.

During the year and at least at each reporting date, the Company and its subsidiaries assess whether there is objective evidence that an asset is impaired. Any reversal of the impairment loss is recognized in profit or loss or equity, where applicable.

**b. Goodwill** - Goodwill generated in a business combination represents the excess of cost of an acquisition over the fair value of SMU S.A. and its subsidiaries' share of the assets and liabilities, including identifiable contingent liabilities of the acquiree at the date of acquisition. The measurement of assets and liabilities acquired is performed on a provisional basis at the date in which the control of the acquiree is assumed reviewing this over a maximum term of one year from the acquisition date. Until the final determination of the fair value of assets and liabilities, the difference between the acquisition price and the carrying amount of the acquiree is recognized provisionally as goodwill.

In the event that the final determination of goodwill is performed in the financial statements of the year following the acquisition of the share in the acquiree, the captions of the prior year presented for comparative purposes are modified to include the amounts of assets and liabilities acquired and final goodwill from the date of acquisition of the interest.



Goodwill is not subject to amortization. Instead, once a year (as of September) or when any indication of impairment exists, the Company estimates whether such impairment exists decreases its recoverable amount to a sum lower than the net cost recorded through impairment on a timely basis.

**c. Intangible assets other than goodwill** - Intangible assets acquired separately are measured at cost at initial recognition. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition. Subsequent to initial recognition, intangible assets are recorded at cost less any accumulated amortization (for intangible assets with finite useful lives) and any accumulated impairment loss.

The useful lives of intangible assets are stated as definite or indefinite. Intangible assets with indefinite useful lives are tested annually or when any indication of impairment is identified, either individually or at the cash-generating unit level ("CGU"). SMU does not amortize those intangible assets with indefinite useful life in accordance with IAS 38 "Intangible assets".

Intangible assets with definite lives are amortized over their useful lives and their impairment is assessed whenever there are indicators that an intangible asset could be impaired. The amortization period and amortization method for an intangible asset with a finite useful life are reviewed at least at each year-end. Expected changes in the useful life or the expected pattern of consumption of the future economic benefits included in the asset are recognized by changing the amortization period or method, as applicable, and treated as changes in accounting estimates. The amortization expense of intangible assets with finite useful lives is recognized in the statement of income in the expense category that is consistent with the intangible asset function.

- **Ceded contracts** - Ceded contracts acquired in business combinations are recognized at fair value at the date of acquisition. Such assets are classified as intangible assets with definite useful lives, which are amortized according to their useful lives as estimated by Management, and are subject to annual impairment testing or when factors indicate a possible impairment loss.
- **Trademarks** - Trademarks acquired in business combinations are recognized at fair value at the date of acquisition. Trademarks are intangible assets with indefinite useful lives.
- **Customer relationships** - Customer relationships acquired in business combinations are recorded at fair value at the date of acquisition. Such assets are classified as intangible assets with definite useful lives, which are amortized according to their useful lives as estimated by Management, and are subject to annual impairment testing or when factors indicate a possible impairment loss.
- **IT software** - Licenses acquired for IT software recognized at costs incurred to acquire them and prepare software for specific use. Such costs are amortized over their estimated useful lives.





IT software maintenance and development costs are expensed in the period in which they are incurred.

- **Research and development expenses** - Expenditures on activities are recognized as an expense when incurred.

Development costs are capitalized if an entity can demonstrate the technical feasibility of completing the product or process so that it will be available for use or sale; the intangible asset will generate probable future economic benefits; the Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset. If this cannot be demonstrated, costs are expensed when incurred.

Subsequent to initial recognition, development costs are measured at cost less accumulated amortization and impairment losses.

**d. Impairment of assets** - SMU uses the following criteria to assess impairment, if any.

**d.1 Financial assets:**

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss with relation to any financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss with respect to an available-for-sale financial asset is calculated with respect to their fair value.

All individually significant assets are assessed for specific impairment. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

All impairment losses are recognized in profit or loss. Any accumulated loss involving an available-for-sale financial asset, which has been previously recognized in equity, is transferred to profit or loss when indications of impairment exist.



An impairment loss is reversed only if it can be objectively associated with an event occurring after its recognition. For financial assets recognized at amortized cost and available-for-sale debt securities the reversal is recognized in profit or loss. For equity securities, the reversal is recognized directly in equity.

#### **d.2 Non-financial assets:**

At least on an annual basis, the Company and its subsidiaries assess whether there is objective evidence that an asset is impaired. If such indicators exist or when an asset is annually tested for impairment, the recoverable amount is estimated for the individual asset. The recoverable amount of an asset or cash generating unit (CGU) or groups of CGUs is the greater of its value in use and its fair value less costs to sell. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the cash-generating unit to which the asset belongs. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and the amount recognized reduces its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. To determine the fair value less cost to sell, the Group uses an appropriate valuation model. Such calculations are confirmed by valuation multiples, quoted share prices for the subsidiaries quoted in an active market or other available fair value indicators.

Assets other than goodwill are assessed at each period-end to determine whether there are indications that previously recognized impairment may no longer exist or may have decreased. If any such indication exists, the Company and its subsidiaries estimate the recoverable value. A previously recognized impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable value of the asset, since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable value. This increased amount may not exceed the carrying value that would have been determined, net of depreciation, if an impairment loss had not been recognized in prior years. Any such reversal is recognized in the statement of income unless an asset is recorded at the revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in evaluating the impairment of specific assets:

- (i) **Goodwill** - Goodwill generated in a business combination represents the excess of cost of an acquisition over the fair value of the Group's share of the assets and liabilities, including identifiable contingent liabilities of the acquiree at the date of acquisition. The measurement of assets and liabilities acquired is performed on a provisional basis at the date in which the control of the acquiree is assumed reviewing this over a maximum term of one year from the acquisition date. Until the final determination of the fair value of assets and liabilities, the difference between the acquisition price and the carrying amount of the acquiree is recognized provisionally as goodwill.



In the event that the final determination of goodwill is performed in the financial statements of the year following the acquisition of the share in the acquiree, the captions of the prior year presented for comparative purposes are modified to include the amounts of assets and liabilities acquired and final goodwill from the date of acquisition of the interest.

Goodwill is not subject to amortization but is subject, at least on an annual basis, or when any indication of impairment exists, to an estimate of whether its recoverable amount has decreased.

**(ii) Intangible assets other than goodwill** - Impairment of intangible assets are tested annually either individually or at the cash-generating unit level, as applicable.

**(iii) Investments in associates** - Upon application of the equity method, the Company determines whether an additional impairment loss must be recognized with respect to investments in associates. At each reporting date, the Company and its subsidiaries determine whether there is any objective evidence that the investment in the associate may be impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying amount and recognizes the impairment in the consolidated statement of comprehensive income.

**e. Inventories** - Inventories are measured at the lower of acquisition cost and net realizable value.

The cost of inventories includes all costs involved in the acquisition, transfer, distribution and any other costs required to be incurred to bring them to their working condition and location in the respective stores and warehouses. The calculation of the unit cost is based on the "weighted average cost".

The net realizable value of the cost of inventories is subject to adjustment against profit or loss in those cases where their cost exceeds their net realizable value. Net realizable value is defined as the estimated sales price in the ordinary course of business less all the estimated costs that will be incurred in the trading, sales, distribution and other processes.

**f. Revenue recognition** - Revenue is recognized when it is likely that the Group will receive the economic benefits associated with the transaction and these can be measured reliably. The specific recognition criteria indicated below must be met prior to recognizing revenue.

**i. Sale of goods** - Revenue from the sale of goods is recognized when the significant risks and rewards from the ownership of the goods have been transferred to the buyer, which usually occurs when the goods are shipped or sold at the point of sale.



**ii. Revenue from services rendered** - Revenue from services rendered is recognized according to the degree of completion of the services provided at the reporting date, provided that the revenue from the transaction can be estimated reliably.

**iii. Revenue from real estate** - Revenue from subleasing space after cashier's desks within stores is recognized when the related lease has been accrued.

**iv. Deferred revenue** - Deferred revenue/income mainly correspond to prepayments received for the sublease of space in the sales location for the operation of automated teller machines and is recognized in profit or loss when earned.

**g. Agreements with suppliers** - The Company has commercial agreements with its suppliers that allow it to receive benefit mainly of:

- Volume rebates, which are determined based on reaching purchase goals, which have been previously agreed with the suppliers.
- Promotional discounts, which correspond to an additional reduction in the price of purchased inventory, to incentive commercial initiatives; and
- Shared advertisement, which corresponds to the involvement of suppliers in advertisement campaigns and promotional magazines.

Volume rebates, promotional discounts, fixed rebates and contributions made for shared advertising are recognized as a reduction in the cost of sale of products sold and in the value of inventories. The contributions for shared advertisement are recognized when the Company has developed the activities agreed to with the supplier.

The Company recognizes the benefits of agreements with suppliers, only when there is formal evidence of compliance with such agreement and when the amount of the benefit can be estimated reliably and is likely to be received.

## **h. Financial instruments**

**h.1.** The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.



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The Group classifies non-derivative financial liabilities under Other financial liabilities.

(i) Non-derivative financial assets and financial liabilities

SMU initially recognizes loans and receivables and debt securities issued on the date they are originated. All other financial assets and financial liabilities are recognized initially on the trade date.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or does not substantially transfers or retains all the risk and rewards of ownership and does not hold control on the assets transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

SMU and its subsidiaries derecognize a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has the legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets

Financial assets at fair value through profit or loss

A financial asset is recorded at fair value through adjustments recorded in profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets recorded at fair value through adjustments in profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Held-to maturity financial assets

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.



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#### Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### (iii) Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

#### (iv) Derivative financial assets and financial liabilities

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives, if any, are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognized at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value, are generally recognized in profit or loss.

- Embedded derivatives

The SMU Group assesses the existence of embedded derivatives in financial instrument contracts to determine whether its features and risks are closely related to the host contract, provided the set is not accounted for at fair value. If not closely related, they are separately accounting for and the fluctuations in fair value are recorded in profit or loss. As of December 31, 2017 and December 31, 2016, SMU had concluded that no separable embedded derivatives exist in its contracts.

- Derivatives and hedge transactions

Derivatives held by the Company correspond to transactions engaged to hedge foreign currency and interest rate risks and significantly offset such hedged risks. SMU S.A. uses derivative instruments such as forwards, currency and interest rate swaps.

Derivative financial instruments are initially recognized at fair value from the date they are engaged. Fair value is obtained from market quotes, discounted cash flow models. Financial instruments are stated as an asset when their fair value is positive and as a liability when it is negative, within the caption "other financial assets" and "other financial liabilities", accordingly.

At the date of entering into a derivative contract, this is to be designated by the Company as hedge accounting.



Derivative instruments held for trading:

Changes in the fair value of derivative instruments designated as held for trading are recognized under "Finance Expenses" in the Consolidated Statement of Comprehensive Income.

Certain derivative transactions that do not qualify for being accounted for as hedging derivatives are treated and reported as trading derivatives, even though they provide effective hedge for the management of risk positions.

Cash flow hedges:

When a derivative hedges exposure to changes in cash flows from existing assets or liabilities or expected transactions, the effective portion of changes in the fair value with respect to the risk hedged is recognized in equity. Any ineffective portion is directly recognized in profit or loss for the year.

Hedged risk could have an impact on profit or loss or the structure of the entity's cash flows. The effectiveness is verified both prospectively and retrospectively. For the hedge to be effective, changes in fair value or cash flows of the hedged item attributable to hedged risk should be offset for the changes in the fair value or cash flows of hedging instruments ranging from 80% and 125%.

Hedge accounting is interrupted prospectively if the hedged transaction is no longer highly probable, the hedging instrument expires or is sold, resolved or exercised, the hedged item is sold, settled or disposed of by other means; or the hedge is no longer highly effective.

Amounts recognized directly in equity are recorded in profit or loss in the same periods in which the hedged assets or liabilities affect comprehensive income.

**i. Trade and other payables** - Trade and other payables are recognized at its fair value.

**j. Prepayments** - The prepaid cost of leased stores is amortized over the term of the contract. Advertising and insurance expenses are recognized as expense in the period in which the appropriate service is accrued.

**k. Provisions** - The present legal or constructive obligation existing at the reporting date, as a result of a past event, that can arise from an outflow of economic benefits required to settle the obligation, which amount and payment date are uncertain, are recognized in the statement of financial position as provisions for the most likely amount the SMU Group estimates it will have to pay to settle the obligation.

Provisions are quantified considering the best information available at the reporting date, on the consequences of the event the Company is provisioning and they are estimated at each period-end.



- **Contingent assets and liabilities**

A contingent asset or liability is a benefit obligation arising from past events whose existence will be confirmed only if one or more future uncertain events happen that are not under the control of the SMU Group.

- **Provision for restructuring**

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. No provisions are recognized for losses arising from these future operations.

- **Onerous contracts**

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

## **I. Employee benefits**

(i) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Severance indemnity payments

The Group grants severance indemnity payments at all events to a limited number of employees as agreed through collective bargaining agreements by the employees and the different Group companies. This benefit is that one, two or even three employees appointed for each year in which the collective agreement is in force have the right to receive severance indemnity payments at all events, which corresponds to one month per year of service up to the legal cap. Employees are selected by each labor union, according to such criteria as health conditions, seniority, economic situation, etc.

The Company records a provision at current value based on employees' average salaries in each labor union, the number of annual beneficiaries included in the collective agreement and the terms of the agreement to cover such obligation.





(iii) Termination benefits

Termination benefits are recognized as an expense when the Group cannot withdraw from the offer related to the benefits and when the Group recognizes certain restructuring costs. If benefits are not expected to be paid within 12 months after the reporting date, they are recognized at their present value.

**m. Statements of cash flows**

For the preparation of the statement of cash flows, SMU and its subsidiaries use the following definitions:

Cash and cash equivalents comprise cash on hand, term deposits in credit institutions and other highly liquid short-term investment with original maturities of 90 days or less that are subject to an insignificant risk of changes in their valuation. Bank overdrafts are classified as third-party resources under current liabilities in the statement of financial position.

- **Operating activities:** are the principal revenue-producing activities usually conducted by the SMU Group and other activities that are not investing or financing activities.
- **Investing activities:** correspond to acquisition, disposal or sale activities by other means of long term assets and other investments not included in cash and cash equivalents.
- **Financing activities:** activities that generate changes in the size and composition of net equity and financial liabilities.

**n. Income tax**

On September 29, 2014, Law No. 20.780 (the Tax Reform Act) was enacted, which, among other aspects, defines the by default tax system applicable to the Company, the corporate income tax rate that will be gradually applied to companies between 2014 and 2018 and allows that companies may opt for one of two tax systems established therein the attributed income system or the partially-integrated system, which results in entities being subject to different tax rates starting from 2017.

Note that, in accordance with the Tax Reform established by Laws Nos.20.780, and 20.899 the latter simplifying the former, companies could have been, by default or choice, subject to one of these tax systems or regimes established by the new tax regulation. The attributed-income system implies that the companies must pay a corporate tax rate of 25% for 2017. The partially-integrated system, implies that the Company must pay a corporate tax rate of 25.5% for 2017 and 27% for 2018 and thereafter. The tax system applicable to Group entities is the Partially-Integrated system.



Accordingly and depending on the regime opted or defined by default, the Company or Group companies will disclose the income tax and deferred tax rates, considering the tax rate effective at the date of the reversal of temporary differences.

Because of the tax system applicable to the Group companies for the 2017 period, the current income tax rate is 25.5% for 2017 and 27% for 2018 and thereafter.

**o. Dividend distribution** – Distribution of dividends to Company’s shareholders is recognized as a liability in the consolidated financial statements of the Group, in the period in which dividends are approved by the Company’s shareholders, or when the corresponding obligation is established based on the legal provisions or policies set by the Board of Directors.

**p. Finance and operating leases** - The SMU Group received rental payments for certain stores and buildings under operating and finance lease agreements.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset in accordance with IAS 17 “Leases.” For agreements that are classified as finance lease, assets and liabilities at equivalent amounts are recognized at the commencement of the lease term, which corresponds to the lower between: a) the fair value of the leased property or b) the present value of future lease payments plus the purchase option. Subsequently, future lease payments are recognized between the finance cost and the reduction of the obligation in order to obtain a constant interest rate on the balance of the obligation.

Finance expense arising from the financial update of recorded liabilities is recognized in the caption “Finance costs” in the consolidated statement of comprehensive income.

Lease agreements that do not classify as finance leases, are classified as operating leases and the corresponding lease payments are expensed when incurred and recognized in the caption “Administrative Expenses” in the consolidated statement of comprehensive income. Lease payments for stores are determined based on a percentage over sales for the period, with a minimum amount guaranteed.

**q. Cost of sales** - Cost of sales include the acquisition cost of sold products and other costs incurred to leave inventories in the locations and conditions necessary to be sold. These costs include acquisition costs, net of rebates, non-recoverable importing expenses and taxes, costs of storing and transporting products to the stores or Distribution Center.

**r. Earnings per share** - Basic earnings per share are calculated as the quotient of the net profit (loss) for the period attributable to the Company and the weighted average number of ordinary shares outstanding during that period, without including the average number



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of Company shares held by a subsidiary, if such were the case. SMU S.A. and subsidiaries have not performed any kind of operation with a potentially dilutive effect that presupposes diluted earnings (loss) per share, other than the basic earnings (loss) per share.



### 3.1 NEW ACCOUNTING PRONOUNCEMENTS

- a) New standards, amendments to standards and interpretations exist that are mandatory for the first time for periods beginning on or after January 1, 2017.

| Amendments to IFRS   |  |
|--|--|
| IAS 7: Disclosure Initiative, amendments to IAS 7.   | Annual periods beginning on or after January 1, 2017. Early adoption is permitted. |
| IAS 12, Income Tax: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12). | Annual periods beginning on or after January 1, 2017. Early adoption is permitted. |
| 2014-2016 Annual Improvements Cycle to IFRSs. Amendments to IFRS 12.                                 | Annual periods beginning on or after January 1, 2017. Early adoption is permitted. |

- b) The following new standards, amendments and interpretations have been issued but are not yet effective:

| <b>New IFRS</b>  | <b>Mandatory for</b>   |
|--|--|
| IFRS 9, <i>Financial Instruments</i>                                     | Annual periods beginning on or after January 1, 2018. Early adoption is permitted.   |
| IFRS 15 <i>Revenue from Contracts with Customers</i>                     | Annual periods beginning on or after January 1, 2018. Early adoption is permitted.   |
| IFRS 16: <i>Leases</i>   | Annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 on or before that date.            |
| IFRS 17: <i>Insurance Contracts</i>                                      | Annual periods beginning on or after January 1, 2021. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date. |
| <b>New Interpretations</b>   |  |
| IFRIC 22: <i>Foreign Currency Transactions and Advance Consideration</i> | Annual periods beginning on or after January 1, 2018. Early adoption is permitted.   |
| IFRIC 23: <i>Uncertainty over Income Tax Treatments</i>                  | Annual periods beginning on or after January 1, 2019. Early adoption is permitted.   |
| <b>Amendments to IFRS</b>  |  |
| IAS 28: <i>Long-term Interests in Associates and Joint Ventures</i>      | Annual periods beginning on or after January 1, 2019. Early adoption is permitted.   |



|  |  |
|--|--|
| IAS 40: Transfers of Investment Property (Amendments to IAS 40, <i>Investment Property</i> ).  | Annual periods beginning on or after January 1, 2018.                              |
| IFRS 2, <i>Share-based Payments</i> : Clarifies the accounting for of certain types of share-based payments transactions.  | Annual periods beginning on or after January 1, 2018. Early adoption is permitted. |
| IFRS 9: Prepayment features with negative compensation   | Annual periods beginning on or after January 1, 2019. Early adoption is permitted. |
| IFRS 10, <i>Consolidated Financial Statements</i> , and IAS 28, <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. | Mandatory date deferred indefinitely.  |
| IFRS 15, <i>Revenue from Contracts with Customers</i> : Amendment clarifying requirements and providing additional transition relief for entities implementing the new standard.                             | Annual periods beginning on or after January 1, 2018. Early adoption is permitted. |
| 2014-2016 Annual Improvements Cycle to IFRSs. Amendments to IFRS 1 and IAS 28.   | Annual periods beginning on or after January 1, 2018. Early adoption is permitted. |

Main aspects of the new standards:

IFRS 9 "Financial Instruments"

It includes new requirements related to the classification and measurement of financial instruments, introduces the concept of "prospective" of the expected credit losses for recording impairment and a less restrictive approach for hedge accounting, approaching hedge accounting to business risk management.

The Company is assessing the implementation of the new standard and preliminarily believes it will have no significant impact on its financial statements.

IFRS 15 "Revenue from Contracts with Customers"

This standard introduces a new five-step model for the distribution, determination of the amount and timing of revenue recognition. This new standard intends to improve the inconsistencies and weaknesses of IAS 18 and provide a model that will improve the ease of the comparison of companies from different industries and regions. In addition, it requires more detailed disclosures.

The Company has assessed its implementation and identified no significant effects that could affect the recognition of its revenue.

IFRS 16 "Leases"

It establishes the definition of a lease contract and specifies the accounting treatment for assets and liabilities generated by such contracts. The new standard does not amend the accounting treatment defined in IAS 17 "Leases" from the lessor view. However, it does amend it from the lessee view, as it requires the recognition of assets and liabilities for the majority of lease contracts.



The Company is assessing the impact that such standard may generate.

**IFRS 17 "Insurance Contracts"**

This Standard defines a new comprehensive accounting standard for insurance contracts, which covers the recognition, measurement, presentation and disclosure of such contracts. It will supersede IFRS 4 "Insurance Contracts" issued in 2005. The new standard is applicable to all types of insurance contracts, regardless of the type of entity issuing them

The Company believes the effective application of this standard will have no impact for the Company.

**IFRIC 22 "Foreign Currency Transactions and Advance Consideration"**

It addresses the method for determining the date of transition to establish the exchange rate to be used in the initial recognition of the related asset, expense or income (or the applicable part thereof), in the derecognition of a non-monetary asset or liability arising from the payment or receipt of the advance consideration in foreign currency. For such purposes, the date of the transaction relates to the time where an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of the advance consideration. If multiple advance payments or collections exist, the entity will determine a date of transaction for each payment or receipt of the advance consideration.

In assessing the application of this standard, Management believes it will not significantly affect its financial statements.

**IFRIC 23 "Uncertainty over Income Tax Treatments"**

This Interpretation clarifies the application of the criteria for the recognition and measurement required by IAS 12 "Income Taxes" when uncertainty exists with respect to tax treatments.

The Company is assessing the impact that such standard may generate.



#### 4. FINANCIAL RISK MANAGEMENT AND DEFINITION OF HEDGES

SMU is exposed to different operating, financial, reputational and other risks resulting from the performance of its business activities within a high competitive and demanding environment. Such risks directly affect the compliance with the Company's strategic objectives. In order to minimize such risks, the Company has a Risk Management Policy and has developed and implemented a sound and systematic Risk Management Model which allows identifying and assessing the main risks which might significantly affect the compliance with its objectives.

All management areas are involved in this process where they conduct an annual identification of the main risks to which the Company is exposed, in order to assess such risks in terms of their potential impact and establish the related mitigating actions.

Additionally, the Company has an Audit Committee composed of Directors that meet on a regular basis and monitor the Company's risk management process and its internal control status. Controls and mitigating actions are overseen on an annual basis through the internal and external audit plans currently in force and monitoring the related action plans approved

The Company maintains a Risk Map where records its main risks conducting the related assessments which are updated on a regular basis. Priorities are duly established for such risks and they are presented together with the related mitigating actions and evolution throughout time, for consideration to the Company's Board of Directors.

The internal audit work team, which directly reports to the Company's Board of Directors, regularly audits the main processes and situations which they perceive as posing a risk for the Company to allow the consistent identification and evaluation of risks, and the audits of processes and activities representing greater risk levels

A brief description of the Company's main risks, which in addition to the operational risks include financial risks which may have a significant effect on the economic value of its cash flows, assets and results. Despite the fact that these are not all risks to which the Company is exposed, they represent a significant portion of such risks.

##### Market risk

The Company's main market risk exposure in the retail industry relates to economic contraction periods, which related to lower consumption periods.

However, this risk is mitigated by the following factors:

- The products sold by the Company are largely basic commodities (food), which due to their nature have stable demand, regardless of changes that may arise in the economic environment.



- The Company does not depend on any particular supplier, or on any group of suppliers, and it has a wide supply process.
- The Company has a variety of formats and products intended for customers in the different socio-economic segments distributed throughout Chile. Accordingly, changes in the economy that may affect any formats are offset by changes in other formats.

#### Legal and regulatory compliance risk

Several changes in labor, tax, commercial and other laws that have been passed recently, have imposed new obligations on the Company and also restrictions and operating limitations which finally have an impact on costs. In order to mitigate such risks, the Company has a compliance policy in charge of a Compliance Manager, who oversees the permanent training of collaborators and regularly monitors the different areas subject to any type of regulation, specifically Free Competition, Defense of Suppliers and Criminal Liability of Legal Entities (Law No. 20.393).

#### Logistic risk

Because of the extensive geographical coverage of our stores in Chile, the Company is exposed to the risk of not properly fulfilling all of our customers' requirements due to lack of supplies and/or operating disruption whether of internal or external services. In order to mitigate such risk, the Company has several distribution centers throughout Chile and it constantly monitors the key indicators in the stores, including monitoring the "in-stock" and "service at gondola shelving level" indicators, among others. Such monitoring is reinforced by an efficient and effective diversified logistic system to ensure that all our stores are duly supplied and remain available to satisfy our customers' needs on a timely basis.

#### IT security risk

Our Company is highly transactional and accordingly, it is dependent on efficient and safe IT and communication systems. In this sense, data generated from transactions represent a significant asset for the Company that must be protected to ensure the Company's operating continuity and their completeness and accuracy.

For such purposes, the Company has an information security program which includes initiatives to mitigate such risks. As of to-date, we have simultaneous processing capacity in a different locations which allows mitigating the risk of discontinuance of technological services.

#### Financial Risk

During the normal course of business and financing activities, the Company is exposed to different financial risks that may have a significant effect on the economic value





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of its cash flows and assets and, consequently, its profit or loss. The risk management policies are approved and reviewed regularly by the Senior Management of SMU S.A.

Management is responsible for obtaining the Company's financing and managing the currency, interest rate, liquidity, inflation, market, and credit risks. This function operates within a framework of policies and procedures that is regularly reviewed to manage financial risk from business needs.

In accordance with financial risk management policies, the Group uses derivative instruments to hedge exposures to currency and interest rate risks from the Company's transactions and its sources of financing. The Company does not acquire derivative instruments for speculative purposes.

The definition of the Group's exposure to different financial risks is provided below together with risk characteristics and quantification, as well as a description of actions currently taken to mitigate those risks.

(i) Credit risk

SMU has preventive and corrective mechanisms to control and hedge against the risk of doubtful accounts. Sales performed using checks are verified and guaranteed by third parties, whereas sales on credit terms are in their majority hedged through credit insurance policies through which customers are assessed assuring the ongoing monitoring of the customer portfolio. In the event of a loss, the unpaid amount is hedged up to 90%. In addition, internal evaluations and procedures are performed and supported by external scoring services, commercial reports and external collection services, which minimizes doubtful accounts and premiums for check and invoice guarantees.

The risk of impairment of trade receivables is established when there is objective evidence that SMU S.A. will be unable to collect all the amounts owed to it under the original terms of those receivables.

To hedge against such exposure, the Company has a risk policy in force for its customer portfolio and periodically recognizes the allowances required to maintain and record in its financial statements the effects of such impairment.

The allowance for doubtful accounts is composed of trade receivables on credit terms, other trade receivables and trade receivables for items sold using checks. The credit card business Unimarc is managed by the associate Unicard S.A., which the Company directly and indirectly owns 49%.

The allowance for doubtful accounts loss is based on a prudent estimate of the estimated loss in receivables that will not be collected. This model is built on the basis of market background information, internal historic behavior and an individual analysis of each customer.



Factor matrixes consider the following variables to determine risk segments: format (supermarket or construction supply chain); type of debt (invoice, rejected checks or legal collection); aging of debt (in month tranches between 0 and 12); and credit insurance (with or without insurance).

For the supermarket segment, percentages applied to the allowance model are calculated based on a roll-over technique, grouping the history considering the default tranches and closing dates for each month, determining the allowance percentage using a transfer rate.

For invoices on credit terms, impairment is recognized starting on the 61st day after the amount is past due. Subsequent to this period, an allowance for doubtful accounts is recorded, beginning with a factor from 10% for the 61 to 90-day tranche. This percentage increases on a straight-line basis with the aging of the debt up to 12 months when 100% of receivables are included in the allowance account for all risk segments.

For notes in portfolio (checks), the first indication of impairment loss is when a check is rejected, making an allowance for default risk of 50% from day 1, an allowance of 70% after the second month, 90% after the third month and 100% when the amount is past due over 91 days.

For the construction supply segment, the calculation of the allowance is also based on the historical behavior of the debt by type of note. This is calculated in accordance with the historical recovery of the different receivables by expiration tranche and considering whether balances relate to the portfolio with renegotiated terms or the portfolio without renegotiated terms. Tranches are established for each 30-day expiration period and depending on the recovery percentage of each tranche, the recovery for the previous tranche is established.

#### Obligations of the counterparties in derivative contracts

Obligations of counterparties in derivative contracts relates to the market value in favor of the Company of outstanding derivative contracts entered into with financial institutions. To mitigate this risk, the Company has derivative product management policies that specify credit quality parameters that must be met by financial institutions to be eligible as counterparties.

#### (ii) Liquidity risk

This risk is associated with the Company's ability: (i) to repay or refinance their financial commitments assumed at reasonable market prices, and (ii) to implement their business plans with stable financing sources.

Management monitors its cash position on a daily basis and continually develops cash projections, to repay, prepay, refinance and/or assume new borrowings, according to the Company's capacity to generate cash flows.



As of December 31, 2017, the detail of bank borrowings, including accrued interests, bonds and promissory notes payable, and liabilities under finance lease agreements is as follows:

|  | Up to 90 days<br>ThCh\$ | 90 days to 1 year<br>ThCh\$ | 1-2 years<br>ThCh\$ | 2-3 years<br>ThCh\$ | 3-4 years<br>ThCh\$ | 4-5 year<br>ThCh\$ | More than 5 years<br>ThCh\$ | Total<br>ThCh\$    |
|--|-------------------------|-----------------------------|---------------------|---------------------|---------------------|--------------------|-----------------------------|--------------------|
| Bank borrowings                                | 2,630,601               | 38,027,990                  | 47,144,397          | 57,691,449          | -                   | -                  | -                           | 145,494,437        |
| Obligations with the public                    | 7,174,366               | 445,057                     | 26,702,539          | 182,200,004         | 81,330,664          | 7,058,110          | 93,993,400                  | 398,904,140        |
| Obligations under finance lease arrangements   | 894,310                 | 2,452,494                   | 2,665,251           | 1,396,515           | 774,730             | 532,807            | 898,364                     | 9,614,471          |
| Lease liabilities qualifying as finance leases | 2,562,477               | 13,920,812                  | 10,936,000          | 11,684,864          | 12,568,199          | 13,388,223         | 175,141,263                 | 240,201,838        |
| Derivative                                     | 1,121,270               | 1,112,948                   | -                   | 964,037             | -                   | -                  | -                           | 3,198,255          |
| <b>Total</b>                                   | <b>14,383,024</b>       | <b>55,959,301</b>           | <b>87,448,187</b>   | <b>253,936,869</b>  | <b>94,673,593</b>   | <b>20,979,140</b>  | <b>270,033,027</b>          | <b>797,413,141</b> |
| Accrued interest (*)                           | 8,804,781               | 447,778                     | -                   | -                   | -                   | -                  | -                           | 9,252,559          |

(\*) Accrued interests are included in total reported

The Company believes the cash flows it generates are sufficient to meet such bank borrowings, and to minimize its liquidity risk, maintains a mix of short and long-term borrowings in its financing structure, which is diversified by type of creditor and market, refinancing its obligations in advance.

The Company has short-term revolving credit facilities to cover possible cash deficit, as well as the possibility to place the remaining shares available after the capital increase performed in January and November 2017.

In January 2018, a new capital increase was made. For more information, refer to the Note on Subsequent Events.

**SMU**

## Cash and cash equivalents

Cash and cash equivalents are composed of the balances of cash and cash equivalents, time deposits, mutual fund deposits and agreements in general. The Company's ability to recover such funds at their scheduled maturities depends on the solvency of the counterparty where they have been deposited.

To mitigate this risk, the SMU Group has a financial policy that specifies credit quality parameters that must be met by the financial institutions to be considered eligible to receive deposits of the abovementioned products, as well as maximum concentration limits by institution. These financial assets are exposed to low risk.

### (iii) Interest rate risk

The Company's financing structure includes a mix of funding sources, subject to fixed and variable interest rates. The financing portion subject to variable interest rates usually involves the floating UF TAB (Active Bank Rate) rate for 90 days, ICP, LIBOR in USD plus a margin.

As of December 31, 2017, the Company's consolidated debt and liabilities under finance lease agreements are summarized in the table below, detailed by debt at fixed rate and debt at variable rate, including accrued interests:

|  | <b>Fixed rate<br/>ThCh\$</b> | <b>Variable rate<br/>ThCh\$</b> | <b>Total<br/>ThCh\$</b> |
|--|------------------------------|---------------------------------|-------------------------|
| Promissory notes and bonds payable             | 109,028,676                  | 36,465,761                      | 145,494,437             |
| Obligations with the public                    | 398,904,140                  | -                               | 398,904,140             |
| Obligations under finance lease arrangements   | 9,614,471                    | -                               | 9,614,471               |
| Lease liabilities qualifying as finance leases | 240,201,838                  | -                               | 240,201,838             |
| Derivative balances (*)                        | 3,198,255                    | -                               | 3,198,255               |
| Total  | <u>760,947,380</u>           | <u>36,465,761</u>               | <u>797,413,141</u>      |

As of December 31, 2017, this balance includes an interest rate swap to hedge the risk associated with the loan with Banco Santander under a variable rate. The fair value of such derivative is ThCh\$964,037 the variances of which are reflected in the statement of income as it does not comply with the conditions to be treated as a hedging derivative instrument. See note 7.3.



### Sensitivity analysis at variable rate

For liabilities at variable rate, the risk of an interest rate variation of 1% would generate the following effect in profit or loss:

| Rate variation % | Effect on profit or loss ThCh\$ |
|------------------|---------------------------------|
| 1.00             | (321,549)                       |
| (1.00)           | 321,549                         |

#### **(i) Currency risk (CLP / USD)**

The Chilean peso is subject to variations with respect to the value of U.S. dollar and other international currencies. Certain products offered for sale in our stores are acquired abroad and accordingly, during the period in which the payment of such import operations is pending, the Company is exposed to fluctuations in the exchange rate.

In addition, certain relevant items in the financial statements are denominated in U.S. dollar; e.g., bank borrowings exposed to changes in their amount in Chilean pesos resulting from changes in the related exchange rates.

The Company's policy is to hedge currency risk resulting from change in the exchange rates and the value on the position of net liabilities through market instruments designed to hedge such exposures.

As of December 31, 2017, SMU has engaged a currency forward to hedge the risk associated with the variances in exchange rate. The fair value of such forward contracts amounts to ThCh\$2,234,218.

In accordance with the net liability position in U.S. dollars, as of December 31, 2017, for each increase of one Chilean peso in the value of U.S. dollar the effect is a foreign currency translation loss of ThCh\$5,145.

#### **(ii) Inflation risk**

Inflation risk mainly results from the Company's sources of financing expressed in Unidades de Fomento (UF).

As of December 31, 2017, the Company has bank borrowings of UF13,145,586 and liabilities under finance lease agreements of UF8,940,252, in addition to receivables recorded in assets of UF41,646.

For each increase of one Chilean peso in the value of UF the net effect is a loss from index-adjusted units of ThCh\$22,044.

**SMU**

Debt composition, according to the currency of origin is the following:

| <b>Original currency</b>             | <b>Debt in original currency</b> | <b>Debt in currency after derivatives</b> | <b>Debt in Chilean pesos ThCh\$</b> | <b>Composition of debt</b> | <b>Impact of de increase of Ch\$1 by currency ThCh\$</b> |
|--------------------------------------|----------------------------------|---|-------------------------------------|----------------------------|--|
| Thousand of Chilean pesos (Ch\$) (*) | 11,008,491                       | 199,026,404                               | 199,026,404                         | 25.06%                     | -  |
| Unidades de fomento (UF)             | 22,085,838                       | 22,085,838                                | 591,859,378                         | 74.52%                     | 22,086   |
| Thousand of U.S. dollars (USD) (*)   | 311,260                          | 5,415                                     | <u>3,329,104</u>                    | <u>0.42%</u>               | 5,415  |
| Total                                |                                  |   | <u>794,214,886</u>                  | <u>100.00%</u>             |  |

(\*) During December 2017, the Company performed a currency hedging of 100% of the International Bond (US\$ 300 million) through forward contracts.



5. DISCLOSURE OF MANAGEMENT'S JUDGMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

The application of the Group's accounting policies described in Note 3 requires management to make judgments and estimates with respect to the future on the carrying amounts of assets and liabilities. Estimates and judgments are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

Management necessarily makes judgments and estimates that have a significant effect on the amounts recorded in the financial statements. Changes in the assumptions and estimates could have a significant impact on the financial statements. Critical estimates and judgments made by management are detailed below.

- a) **Impairment of non-financial assets** - at least once a year or at any date as deemed necessary, the value of the asset is assessed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the required adjustment amount. For identifiable assets that do not generate cash flows independently, recovery of the cash-generating unit (CGU) of the asset is estimated.

As of December 31 each year, the Company performs annual impairment testing on its two segments: supermarkets and construction supplies.

In addition, the Company follows up on the critical variables affecting the measurement of its assets, and accordingly, has performed other impairment tests on different dates. Because of the operating improvements over the last few years, the discount rate calculated has shown a downward trend, which has increased the existing space in impairment tests.

The discount rates used in the last impairment tests are as follows:

| Segments              | Dec-12 | Jun-13 | Sep-13 | Dec-13 | Sep-14 | Sep-15 | Sep-16 | Sep-17 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Supermarkets          | 10.18% | 11.26% | 12.51% | 13.40% | 12.36% | 11.22% | 10.15% | 9.17%  |
| Construction supplies | 10.78% | 11.22% | 12.75% | 13.10% | 11.85% | 12.71% | 11.70% | 11.04% |

To estimate the value in use, the SMU Group prepares its estimate of future pre-tax cash flows based on the most recent budgets approved by Management. These budgets include the best estimates available on the income and costs of the cash-generating units, using best estimates such as experience and future expectations.

The calculation of value in use is sensitive to changes in key assumptions as EBITDA margin (EBITDA/sale, EBITDA as defined in note 23 e, contingencies, lawsuits and restrictions), working capital, capital expenditures, and others. Any decrease with respect to the assumptions incorporated by Management in determining the value in use, could have a significant impact on the impairment test.



The most sensitive, key assumptions to calculate the recoverable amount of the cash-generating units in the Company are as follows:

- Revenue: the Company's sales projections, without considering the opening of new stores.
- EBITDA margin
- Discount rate
- Capex: investment future flows, where the maintenance Capex are considered
- Collection days
- Payment days
- Inventory days

These assumptions are based on past experience and also compared to the market. The definition of each of these variables is as follows:

- **Revenue:** projection based on the Company's Same Store Sale (SSS) growth and compared with growth in the industry.
  - **EBITDA margin:** estimate based on the plans defined by management, without including new stores, but only improvements in management.
  - **Capex:** projection made on the basis of maintenance Capex.
  - **Working Capital Days** (Collection, Payment and Inventory): considers the present situation as the starting point and adjusts it until fair values according to market behavior are reached.
- b) **Useful lives of property, plant and equipment and intangible assets other than goodwill** - SMU S.A. and its subsidiaries determine the estimated useful lives and related depreciation charges on property, plant and equipment and intangible assets other than goodwill. This estimate is based on the lifecycles of its operations according to the historical experience and industry environment. Useful lives assigned to these assets are reviewed periodically and, at least, at each year-end.
- c) **Provisions for litigation and other contingencies** - SMU S.A. regularly evaluates the possibility of loss from litigation and contingencies according to the estimates made by Management and its legal advisors.





The Company makes provisions for litigation when Management and its legal advisors deem the outcome will result in a probable loss and such amount can be quantified. No provisions have been made for those cases where, in Management and its legal advisors' opinion the Group will obtain a favorable outcome or whose outcomes are uncertain and lawsuits are in process.

- d) **Deferred tax assets** - The right measurement of income tax expense depends on several factors, including estimates of the timing and realization of deferred tax assets and periodic income tax payments. Present collections and payments may differ significantly from these estimates as a result of changes in tax standards (see note 3 n), and also because of unforeseen future transactions that may affect the Group's tax balances.
- e) **Provision for the net realizable value (NRV) and inventory obsolescence** - SMU S.A. has determined the provision for inventory impairment on the basis of the turnover of goods, inventory costs, estimated sales prices and additional distribution costs.

## 6. CASH AND CASH EQUIVALENTS

As of December 31, 2017 and 2016, this caption is composed of the following:

|                             | <b>Currency</b> | <b>12.31.2017</b>  | <b>12.31.2016</b> |
|-----------------------------|-----------------|--------------------|-------------------|
|                             |                 | <b>ThCh\$</b>      | <b>ThCh\$</b>     |
| Cash and bank balances (1)  | Ch\$            | 73,636,757         | 47,703,011        |
| Cash and bank balances      | US\$            | 518,804            | 246,919           |
| Cash and bank balances      | PEN             | 1,371,634          | 546,982           |
| Short-term mutual funds (2) | Ch\$            | <u>35,013,167</u>  | <u>-</u>          |
| Total                       |                 | <u>110,540,362</u> | <u>48,496,912</u> |

Relates to fixed income mutual fund deposits which are recognized at the related deposit value at the reporting date.

- (1) As of December 31, 2016, the balance includes ThCh\$2,202,612 from Construmart, which as of December 31, 2017 is classified as available-for-sale assets.
- (2) Relates to fixed income mutual fund deposits which are recognized at the related deposit value at the reporting date.

Cash and cash equivalents are available and can be used freely.

## 7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT

### 7.1 Classification of accounts and fair value

As of December 31, 2017 and 2016, financial instruments and fair value classified by nature and category are detailed as follows:

| December 31, 2017                                       | Note | Carrying amounts |                        |                                   |                  |                       |                    |                             | Fair Value             |         |               |         |               |
|---|------|------------------|------------------------|-----------------------------------|------------------|-----------------------|--------------------|-----------------------------|------------------------|---------|---------------|---------|---------------|
|   |      | Held-for-trading | Measured at fair value | Fair value of hedging instruments | Held-to-maturity | Loans and receivables | Available-for-sale | Other financial liabilities | Total                  | Level 1 | Level 2       | Level 3 | Total         |
| In thousands of Chilean pesos                           |      |                  |                        |                                   |                  |                       |                    |                             |                        |         |               |         |               |
| <b>Financial assets not measured at fair value</b>      |      |                  |                        |                                   |                  |                       |                    |                             |                        |         |               |         |               |
| Cash and cash equivalents                               | 6    | -                | -                      | -                                 | -                | 110,540,362           | -                  | -                           | 110,540,362            | -       | -             | -       | -             |
| Other current financial assets                          | 7    | -                | -                      | -                                 | -                | 15,431                | -                  | -                           | 15,431                 | -       | -             | -       | -             |
| Trade and other receivables, current                    | 9    | -                | -                      | -                                 | -                | 47,072,802            | -                  | -                           | 47,072,802             | -       | -             | -       | -             |
| Trade receivables due from related parties              | 10   | -                | -                      | -                                 | -                | 14,362,542            | -                  | -                           | 14,362,542             | -       | -             | -       | -             |
| Other non-current financial assets                      | 7    | -                | -                      | -                                 | -                | 241,280               | -                  | -                           | 241,280                | -       | -             | -       | -             |
| Receivables, non-current                                | 9    | -                | -                      | -                                 | -                | 2,368,606             | -                  | -                           | 2,368,606              | -       | -             | -       | -             |
|   |      | -                | -                      | -                                 | -                | <b>174,601,023</b>    | -                  | -                           | <b>174,601,023</b>     |         |               |         |               |
| <b>Financial liabilities measured at fair value</b>     |      |                  |                        |                                   |                  |                       |                    |                             |                        |         |               |         |               |
| Other current financial liabilities                     | 19   | -                | (2,234,218)            | -                                 | -                | -                     | -                  | -                           | (2,234,218)            | -       | (2,234,218)   | -       | (2,234,218)   |
| Other non-current financial liabilities                 | 19   | -                | (964,037)              | -                                 | -                | -                     | -                  | -                           | (964,037)              | -       | (964,037)     | -       | (964,037)     |
|   |      | -                | <b>(3,198,255)</b>     | -                                 | -                | -                     | -                  | -                           | <b>(3,198,255)</b>     |         |               |         |               |
| <b>Financial liabilities not measured at fair value</b> |      |                  |                        |                                   |                  |                       |                    |                             |                        |         |               |         |               |
| Other current financial liabilities                     | 19   | -                | -                      | -                                 | -                | -                     | -                  | (68,108,107)                | (68,108,107)           | -       | (68,108,318)  | -       | (68,108,318)  |
| Trade and other payables                                | 20   | -                | -                      | -                                 | -                | -                     | -                  | (414,359,808)               | (414,359,808)          | -       | -             | -       | -             |
| Trade payables due to related parties, current          | 10   | -                | -                      | -                                 | -                | -                     | -                  | (3,356,987)                 | (3,356,987)            | -       | -             | -       | -             |
| Other non-current financial liabilities                 | 19   | -                | -                      | -                                 | -                | -                     | -                  | (726,106,779)               | (726,106,779)          | -       | (726,114,750) | -       | (726,114,750) |
| Non-current payables                                    | 20   | -                | -                      | -                                 | -                | -                     | -                  | (175,473)                   | (175,473)              | -       | -             | -       | -             |
|   |      | -                | -                      | -                                 | -                | -                     | -                  | <b>(1,212,107,154)</b>      | <b>(1,212,107,154)</b> |         |               |         |               |

## 7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT

### 7.1. Classification of accounts and fair value

As of December 31, 2016, financial instruments and fair value classified by nature and category are detailed as follows:

| December 31, 2016                                       | Note | Held-for-trading | Measured at fair value | Fair value of hedging instruments | Carrying amounts |                       |                    |                             | Total                  | Fair value |               |         | Total         |
|---|------|------------------|------------------------|-----------------------------------|------------------|-----------------------|--------------------|-----------------------------|------------------------|------------|---------------|---------|---------------|
|   |      |                  |                        |                                   | Held-to-maturity | Loans and receivables | Available-for-sale | Other financial liabilities |                        | Level 1    | Level 2       | Level 3 |               |
| In thousands of Chilean pesos                           |      |                  |                        |                                   |                  |                       |                    |                             |                        |            |               |         |               |
| <b>Financial assets not measured at fair value</b>      |      |                  |                        |                                   |                  |                       |                    |                             |                        |            |               |         |               |
| Cash and cash equivalents                               | 6    | -                | -                      | -                                 | -                | 48,496,912            | -                  | -                           | 48,496,912             | -          | -             | -       | -             |
| Other current financial assets                          | 7    | -                | -                      | -                                 | -                | 79,262                | -                  | -                           | 79,262                 | -          | -             | -       | -             |
| Trade and other receivables, current                    | 9    | -                | -                      | -                                 | -                | 82,560,200            | -                  | -                           | 82,560,200             | -          | -             | -       | -             |
| Trade receivables due from related parties              | 10   | -                | -                      | -                                 | -                | 7,204,962             | -                  | -                           | 7,204,962              | -          | -             | -       | -             |
| Other non-current financial assets                      | 7    | -                | -                      | -                                 | -                | 191,438               | -                  | -                           | 191,438                | -          | -             | -       | -             |
| Trade and other receivables, non current                | 9    | -                | -                      | -                                 | -                | 1,835,365             | -                  | -                           | 1,835,365              | -          | -             | -       | -             |
|   |      | -                | -                      | -                                 | -                | <b>140,368,139</b>    | -                  | -                           | <b>140,368,139</b>     |            |               |         |               |
| <b>Financial liabilities measured at fair value</b>     |      |                  |                        |                                   |                  |                       |                    |                             |                        |            |               |         |               |
| Other non-current financial liabilities                 | 19   | -                | (1,405,866)            | -                                 | -                | -                     | -                  | -                           | (1,405,866)            | -          | (1,405,866)   | -       | (1,405,866)   |
|   |      | -                | <b>(1,405,866)</b>     | -                                 | -                | -                     | -                  | -                           | <b>(1,405,866)</b>     |            |               |         |               |
| <b>Financial liabilities not measured at fair value</b> |      |                  |                        |                                   |                  |                       |                    |                             |                        |            |               |         |               |
| Other current financial liabilities                     | 19   | -                | -                      | -                                 | -                | -                     | -                  | (126,173,596)               | (126,173,596)          | -          | (126,471,187) | -       | (126,471,187) |
| Trade and other payables                                | 20   | -                | -                      | -                                 | -                | -                     | -                  | (456,080,911)               | (456,080,911)          | -          | -             | -       | -             |
| Trade payables due to related parties, current          | 10   | -                | -                      | -                                 | -                | -                     | -                  | (17,438,903)                | (17,438,903)           | -          | -             | -       | -             |
| Other non-current financial liabilities                 | 19   | -                | -                      | -                                 | -                | -                     | -                  | (734,468,887)               | (734,468,887)          | -          | (709,790,102) | -       | (709,790,102) |
| Non-current payables                                    | 20   | -                | -                      | -                                 | -                | -                     | -                  | (148,478)                   | (148,478)              | -          | -             | -       | -             |
| Trade payables due to related entities, non-current     | 10   | -                | -                      | -                                 | -                | -                     | -                  | (79,053,834)                | (79,053,834)           | -          | -             | -       | -             |
|   |      | -                | -                      | -                                 | -                | -                     | -                  | <b>(1,413,364,609)</b>      | <b>(1,413,364,609)</b> |            |               |         |               |



## 7.2 Fair value measurements

### Financial instruments measured at fair value

| Type  | Valuation technique   | Significant non-observable inputs | Interrelation between significant non-observable inputs and fair value measurement |
|---|---|-----------------------------------|--|
| Derivative (FW: Forward, IRS: Interest Rate Swap and CCS: Cross Currency Swap). | Comparable market technique: Fair values are based on negotiations made by brokers. Similar contracts are traded in an active market and negotiations reflect actual transactions in similar instruments. | N/A                               | N/A  |

### Financial instruments not measured at fair value

| Type                        | Valuation technique   | Significant non-observable inputs |
|-----------------------------|-----------------------|-----------------------------------|
| Debt instruments            | Discounted cash flows | N/A                               |
| Other financial liabilities | Discounted cash flows | N/A                               |

## 7.3 Derivative Instruments

As of December 31, 2017 and 2016, derivative contracts and items are detailed as follows:

### December 31, 2017

#### Swap instruments- (note 19)

| No. of contract     | Instrument | Counterparty (Bank) | Currency  | Receiving rate | Paying rate | Fair value ThCh\$ |
|---------------------|------------|---------------------|-----------|----------------|-------------|-------------------|
| 5659266.24          | IRS        | Banco Santander     | Ch\$/Ch\$ | Variable rate  | Fixed rate  | (964,037)         |
| Subtotal Derivative |            |                     |           |                |             | <u>(964,037)</u>  |

#### Forward instruments - (note 19)

|                    |          |                 |           |               |               |                    |
|--------------------|----------|-----------------|-----------|---------------|---------------|--------------------|
| 276342             | Forwards | Banco Estado    | US\$/Ch\$ | Variable rate | Variable rate | 382,090            |
| 24436              | Forwards | Banco Consorcio | US\$/Ch\$ | Variable rate | Variable rate | 154,335            |
| 24437              | Forwards | Banco Consorcio | US\$/Ch\$ | Variable rate | Variable rate | 375,836            |
| 24438              | Forwards | Banco Consorcio | US\$/Ch\$ | Variable rate | Variable rate | 373,344            |
| XCCY               | Forwards | Banco Chile     | US\$/Ch\$ | Variable rate | Variable rate | 317,291            |
| 44264117           | Forwards | Goldman Sachs   | US\$/Ch\$ | Variable rate | Variable rate | 631,322            |
| Sub Total Forwards |          |                 |           |               |               | <u>(2,234,218)</u> |

**Total derivative instruments** **(3,198,255)**

### December 31, 2016

#### Swap instruments- (note 19)

| No. of contract              | Instrument | Counterparty (Bank) | profit or loss | Receiving rate | Paying rate | Fair value ThCh\$  |
|------------------------------|------------|---------------------|----------------|----------------|-------------|--------------------|
| 5659266.24                   | IRS        | Banco Santander     | Ch\$/Ch\$      | Variable rate  | Fixed rate  | (1,405,866)        |
| Total derivative instruments |            |                     |                |                |             | <u>(1,405,866)</u> |



## 7.4 Subleases

Within the Company's plan to financially strengthen and improve competitiveness, as well as the application of the regulations issued by the Free Competition Tribunal, stores have been subleased starting from 2016.

### **General description of the main terms and conditions of the sublease agreements:**

- Termination, renewals and amendments:

In relation to the agreements, their lives generally range between 15 and 20 years. In relation to renewals, the sublessor or sublessee should give advanced notice of contract termination; otherwise, it will be understood that the contract will be automatically renewed.

Amendments are generally performed on a monthly basis, given minimum leases are agreed in UF and adjusted at the payment date, according to the changes of this indicator.

Sublessees commit to use the subleased properties for operations related to their line-of-business, and is required to keep them insured against all risk of fire and earthquake, including additional coverage for stoppages. Also, the Sublessee may not levy mortgages or encumbrances on such real estate during the lessor of the respective contracts.

- Percentage of sales, contingent rents:

In general, the recognition of the amount was determined by carrying the stipulated guaranteed minimum value at present value over the term of the contract, using as the limit the option of early termination as stipulated in each one. The contracts also state a variable rent of 2% and 3% of the stores' net sales.

### **Contingent rents recognized as income**

During 2017 and 2016, the Company has recognized no income in profit or loss for the year related to contingent rents for variable sublease payments.

### **Operating subleases:**

The main operating subleases contracted by the Company are for an indefinite term and correspond to the sublease of stores.



The composition of future minimum operating lease payments is as follows:

| <b>Term</b>  | <b>12.31.2017<br/>Amount<br/>committed</b> | <b>12.31.2016<br/>Amount<br/>committed</b> |
|--------------|--|--|
| 0 to 1 year  | 13,050,323                                 | 8,925,369                                  |
| 1 to 5 years | 18,555,865                                 | 18,346,948                                 |
| Over 5 years | 14,615,258                                 | 9,827,542                                  |
| <b>Total</b> | <b>46,221,446</b>                          | <b>37,099,859</b>                          |

#### 8. OTHER NON-FINANCIAL ASSETS

As of December 31, 2017 and 2016, this caption is composed of the following:

|                               | <b>Current</b>               |                              | <b>Non-current</b>           |                              |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                               | <b>12.31.2017<br/>ThCh\$</b> | <b>12.31.2016<br/>ThCh\$</b> | <b>12.31.2017<br/>ThCh\$</b> | <b>12.31.2016<br/>ThCh\$</b> |
| Prepaid insurance             | 2,320,068                    | 604,323                      | 4,502                        | -                            |
| Prepaid lease (*)             | 1,529,924                    | 1,518,056                    | 22,930,514                   | 19,036,272                   |
| Value-added tax fiscal credit | 9,830,324                    | 9,190,494                    | -                            | -                            |
| Performance bond              | 135,611                      | 153,626                      | -                            | -                            |
| Advances to foreign suppliers | 8,428,931                    | -                            | -                            | -                            |
| Other non-financial assets    | 394,810                      | 654,496                      | 1,713,379                    | 2,539,416                    |
| <b>Total</b>                  | <b>22,639,668</b>            | <b>12,120,995</b>            | <b>24,648,395</b>            | <b>21,575,688</b>            |

(\*) Corresponds to prepayments made when entering into the lease contracts, when this is established, and which is amortized on a straight-line basis during the term of the related contract.

As of December 2016, the balance includes ThCh\$782,915 and ThCh\$59,312 in the current and non-current classification, respectively of Construmart, which as of December 31, 2017 are classified as available-for-sale assets.

**SMU**

## 9. TRADE AND OTHER RECEIVABLES, NET

As of December 31, 2017 and 2016, this caption is composed of the following:

|                       | 12.31.2017        |                       | 12.31.2016        |                       |
|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|                       | Current<br>ThCh\$ | Non-current<br>ThCh\$ | Current<br>ThCh\$ | Non-current<br>ThCh\$ |
| Trade receivables     | 45,087,724        | -                     | 77,359,823        | -                     |
| Other receivables (1) | 7,209,953         | 2,368,606             | 9,079,136         | 4,581,512             |
| Impairment (2)        | (5,224,875)       | -                     | (3,878,759)       | (2,746,147)           |
| Total (3)             | <u>47,072,802</u> | <u>2,368,606</u>      | <u>82,560,200</u> | <u>1,835,365</u>      |

- (1) Mainly relates to short-term and long-term receivables for the sale of stores of TDLC to Network Retail S.p.A., insurance pending recovery and receivables from employees related to salary advances and loans.
- (2) Mainly corresponds to the allowance for 100% of accounts receivable from Bigger S.p.A. and its Parent Network Retail S.p.A, related to subleases of stores and the balance of the selling price of Bigger S.p.A. which amounts to ThCh\$4,170,185 during 2016.
- (3) As of December 31, 2016, the balance includes ThCh\$33,583,652 from Construmart, which as of December 31, 2017 is classified as available-for-sale assets.

The criterion for the impairment of the portfolio is described in notes 3 and 4(i).



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Future maturities of trade and other receivables, before the allowance for doubtful accounts, are detailed as follows:

As of December 31, 2017

|                           | Maturities as of 12.31.2017 (Current) |                      |                       |                 | Maturities as of 12.31.2017 (Non-current) |                             |                        |                 |
|---------------------------|---------------------------------------|----------------------|-----------------------|-----------------|---|-----------------------------|------------------------|-----------------|
|                           | 0-3 months<br>ThCh\$                  | 3-6 months<br>ThCh\$ | 6-12 months<br>ThCh\$ | Total<br>ThCh\$ | Over 1-3<br>years<br>ThCh\$               | Over 3-5<br>years<br>ThCh\$ | Over 5 years<br>ThCh\$ | Total<br>ThCh\$ |
| Trade receivables         | 45,087,724                            | -                    | -                     | 45,087,724      | -   | -                           | -                      | -               |
| Other accounts receivable | 4,713,505                             | 685,310              | 1,811,138             | 7,209,953       | 2,333,556                                 | 5,626                       | 29,424                 | 2,368,606       |
| Total Net                 | 49,801,229                            | 685,310              | 1,811,138             | 52,297,677      | 2,333,556                                 | 5,626                       | 29,424                 | 2,368,606       |

As of December 31, 2016

|                           | Maturities as of 12.31.2016 (Current) |                      |                       |                 | Maturities as of 12.31.2016 (Non-current) |                             |                        |                 |
|---------------------------|---------------------------------------|----------------------|-----------------------|-----------------|---|-----------------------------|------------------------|-----------------|
|                           | 0-3 months<br>ThCh\$                  | 3-6 months<br>ThCh\$ | 6-12 months<br>ThCh\$ | Total<br>ThCh\$ | Over 1-3<br>years<br>ThCh\$               | Over 3-5<br>years<br>ThCh\$ | Over 5 years<br>ThCh\$ | Total<br>ThCh\$ |
| Trade receivables         | 77,134,633                            | 207,970              | 17,220                | 77,359,823      | -   | -                           | -                      | -               |
| Other accounts receivable | 4,384,883                             | 846,395              | 3,847,858             | 9,079,136       | 2,078,059                                 | 2,499,722                   | 3,731                  | 4,581,512       |
| Total Net                 | 81,519,516                            | 1,054,365            | 3,865,078             | 86,438,959      | 2,078,059                                 | 2,499,722                   | 3,731                  | 4,581,512       |

Balances of trade receivables indicated in the tables above relate to receivables associated with sales on supermarkets, sales using credit cards, retail companies, the sublease of stores and the construction supply segment for 2016.

As of December 31, 2017 and 2016, changes in allowance accounts for impairment losses are as follows:

|  | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
|--|----------------------|----------------------|
| Opening balance  | 6,624,906            | 4,717,596            |
| Decrease for transfer to available-for-sale assets (*) | (1,582,000)          | -                    |
| Increase in the allowance (**)                         | 192,539              | 4,761,046            |
| Use of the allowance (***)                             | (10,570)             | (2,853,736)          |
| Total  | 5,224,875            | 6,624,906            |

(\*) Relates to the balance of the allowance account for impairment losses of accounts receivable at Construmart as of December 31, 2016.

(\*\*) As of December 31, 2016, includes the balance of ThCh\$4,259,855 from Bigger S.p.A and Network Retail SpA., in liquidation process.

(\*\*\*) During the year ended December 31, 2017, the Company recognized write-offs of receivables, net of recovery of receivables of ThCh\$10,570 (ThCh\$2,853,736 in 2016). All amounts written-off were included by 100% in the allowance for doubtful accounts.





Movements in the balance of the allowance for doubtful accounts for the years ended December 31, 2017 and 2016 are detailed as follows:

|   | <b>Twelve months ended</b> |                   |
|---|----------------------------|-------------------|
|   | <b>12.31.2017</b>          | <b>12.31.2016</b> |
|   | <b>ThCh\$</b>              | <b>ThCh\$</b>     |
| Allowance, regular portfolio with no renegotiated terms | 192,539                    | 4,724,277         |
| Allowance, portfolio with renegotiated terms            | -                          | 36,769            |
| Write-offs for the period                               | (10,570)                   | (2,877,195)       |
| Recovery of amount written-off for the period           | -                          | 23,459            |

As of December 31, 2017, the detail of trade receivables by invoices and checks, aging tranche and allowance for doubtful accounts associated with the segment is as follows:

| <b>Delinquency tranche</b> | <b>Customers<br/>ThCh\$</b> | <b>Checks<br/>ThCh\$</b> | <b>Total<br/>ThCh\$</b> |
|----------------------------|-----------------------------|--------------------------|-------------------------|
| Current                    | 39,644,235                  | 121,876                  | 39,766,111              |
| Tranche 1 (1-30 days)      | 2,467,237                   | 97,718                   | 2,564,955               |
| Tranche 2 (31-60 days)     | 454,481                     | 46,234                   | 500,715                 |
| Tranche 3 (61-90 days)     | 119,992                     | 40,664                   | 160,656                 |
| Tranche 4 (91-120 days)    | 55,885                      | 15,411                   | 71,296                  |
| Tranche 5 (121-150 days)   | 23,576                      | 11,617                   | 35,193                  |
| Tranche 6 (151-180 days)   | 49,473                      | 5,824                    | 55,297                  |
| Tranche 7 (181-210 days)   | 22,109                      | 7,676                    | 29,785                  |
| Tranche 8 (211-250 days)   | 12,830                      | 35,748                   | 48,578                  |
| Tranche 9 (Over 250 days)  | 1,517,306                   | 337,832                  | 1,855,138               |
| <b>Total</b>               | <b>44,367,124</b>           | <b>720,600</b>           | <b>45,087,724</b>       |

**Allowance for impairment of trade receivable portfolio as of December 31, 2017 :**

| <b>Delinquency tranche</b>    | <b>Customers<br/>ThCh\$</b> | <b>Checks<br/>ThCh\$</b> | <b>Total<br/>ThCh\$</b> |
|-------------------------------|-----------------------------|--------------------------|-------------------------|
| Current                       | -                           | 102,401                  | 102,401                 |
| Tranche 1 (1-30 days)         | 133                         | 40,685                   | 40,818                  |
| Tranche 2 (31-60 days)        | 170                         | 32,154                   | 32,324                  |
| Tranche 3 (61-90 days)        | 10,176                      | 36,597                   | 46,773                  |
| Tranche 4 (91-120 days)       | 8,851                       | 15,411                   | 24,262                  |
| Tranche 5 (121-150 days)      | 5,278                       | 11,617                   | 16,895                  |
| Tranche 6 (151-180 days)      | 13,985                      | 5,824                    | 19,809                  |
| Tranche 7 (181-210 days)      | 9,304                       | 7,676                    | 16,980                  |
| Tranche 8 (211-250 days)      | 6,075                       | 35,748                   | 41,823                  |
| Tranche 9 (Over 250 days) (*) | 1,407,626                   | 337,833                  | 1,745,459               |
| <b>Total</b>                  | <b>1,461,598</b>            | <b>625,946</b>           | <b>2,087,544</b>        |

(\*) These tranches include, provision of 100% of balances receivables from Bigger S.p.A of ThCh\$1,032,541.



The detail of the portfolio by aging and maturity date is as follows:

**As of December 31, 2017**

| Trade receivables and other accounts receivable | Delinquency in days |                  |                 |                 |                  |                   |                   |                   |                   |                    |                    |
|---|---------------------|------------------|-----------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
|   | Current<br>ThCh\$   | 1-30<br>ThCh\$   | 31-60<br>ThCh\$ | 61-90<br>ThCh\$ | 91-120<br>ThCh\$ | 121-150<br>ThCh\$ | 151-180<br>ThCh\$ | 181-210<br>ThCh\$ | 211-250<br>ThCh\$ | over 250<br>ThCh\$ | Total<br>ThCh\$    |
| Trade receivables, gross                        | 39,766,111          | 2,564,955        | 500,715         | 160,656         | 71,296           | 35,193            | 55,297            | 29,785            | 48,578            | 1,855,138          | 45,087,724         |
| Allowance account for impairment                | (102,401)           | (40,818)         | (32,324)        | (46,773)        | (24,262)         | (16,895)          | (19,809)          | (16,980)          | (41,823)          | (1,745,459)        | (2,087,544)        |
| Other receivables, gross (1)                    | 9,578,559           | -                | -               | -               | -                | -                 | -                 | -                 | -                 | -                  | 9,578,559          |
| Allowance account for impairment                | (3,137,331)         | -                | -               | -               | -                | -                 | -                 | -                 | -                 | -                  | (3,137,331)        |
| <b>Total gross</b>                              | <b>49,344,670</b>   | <b>2,564,955</b> | <b>500,715</b>  | <b>160,656</b>  | <b>71,296</b>    | <b>35,193</b>     | <b>55,297</b>     | <b>29,785</b>     | <b>48,578</b>     | <b>1,855,138</b>   | <b>54,666,283</b>  |
| <b>Total provision</b>                          | <b>(3,239,732)</b>  | <b>(40,818)</b>  | <b>(32,324)</b> | <b>(46,773)</b> | <b>(24,262)</b>  | <b>(16,895)</b>   | <b>(19,809)</b>   | <b>(16,980)</b>   | <b>(41,823)</b>   | <b>(1,745,459)</b> | <b>(5,224,875)</b> |

(1) Includes mainly receivables for the sale of Bigger stores amounting to ThCh\$3,137,331, which is 100% accrued; insurance receivables amounting to ThCh\$212,246 and receivables from employees amount to ThCh\$4,142,853.

**As of December 31, 2016**

| Trade receivables and other accounts receivable | Delinquency in days |                  |                  |                 |                  |                   |                   |                   |                   |                    |                    |
|---|---------------------|------------------|------------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
|   | Current<br>ThCh\$   | 1-30<br>ThCh\$   | 31-60<br>ThCh\$  | 61-90<br>ThCh\$ | 91-120<br>ThCh\$ | 121-150<br>ThCh\$ | 151-180<br>ThCh\$ | 181-210<br>ThCh\$ | 211-250<br>ThCh\$ | over 250<br>ThCh\$ | Total<br>ThCh\$    |
| Trade receivables, gross                        | 65,240,172          | 8,005,696        | 990,625          | 276,431         | 238,305          | 74,721            | 62,934            | 72,040            | 506,564           | 1,892,335          | 77,359,823         |
| Allowance account for impairment                | (104,172)           | (119,902)        | (52,029)         | (43,664)        | (40,237)         | (20,898)          | (23,904)          | (32,503)          | (465,266)         | (1,736,769)        | (2,639,344)        |
| Other receivables, gross (2)                    | 12,297,551          | 41,370           | 80,595           | 74,718          | 36,782           | 83,446            | 204,756           | 55,592            | 7,447             | 778,391            | 13,660,648         |
| Allowance account for impairment                | (3,006,676)         | (6,206)          | (10,745)         | (9,285)         | (6,284)          | (14,402)          | (145,821)         | (16,703)          | (4,774)           | (764,666)          | (3,985,562)        |
| <b>Total gross</b>                              | <b>77,537,723</b>   | <b>8,047,066</b> | <b>1,071,220</b> | <b>351,149</b>  | <b>275,087</b>   | <b>158,167</b>    | <b>267,690</b>    | <b>127,632</b>    | <b>514,011</b>    | <b>2,670,726</b>   | <b>91,020,471</b>  |
| <b>Total provision</b>                          | <b>(3,110,848)</b>  | <b>(126,108)</b> | <b>(62,774)</b>  | <b>(52,949)</b> | <b>(46,521)</b>  | <b>(35,300)</b>   | <b>(169,725)</b>  | <b>(49,206)</b>   | <b>(470,040)</b>  | <b>(2,501,435)</b> | <b>(6,624,906)</b> |

(2) Includes mainly receivables for the sale of Bigger stores amounting to ThCh\$3,137,331, insurance receivables amounting to ThCh\$4,043,813 and receivables from employees amount to ThCh\$3,904,106.

Information related to accounts with renegotiated terms and regular customers is as follows:

| Delinquency tranches in days | Balance as of December 31, 2017 |                     |                       |                     |                       |                     | Balance as of December 31, 2016 |                     |                       |                     |                       |                     |
|------------------------------|---------------------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
|                              | Regular portfolio               |                     | With negotiated terms |                     | Total gross portfolio |                     | Regular portfolio               |                     | With negotiated terms |                     | Total gross portfolio |                     |
|                              | Number of customers             | Gross amount ThCh\$ | Number of customers   | Gross amount ThCh\$ | Number of customers   | Gross amount ThCh\$ | Number of customers             | Gross amount ThCh\$ | Number of customers   | Gross amount ThCh\$ | Number of customers   | Gross amount ThCh\$ |
| Current (*)                  | 693                             | 39,766,111          | -                     | -                   | 693                   | 39,766,111          | 3,491                           | 65,240,172          | -                     | -                   | 3,491                 | 65,240,172          |
| 1-30 days                    | 1,281                           | 2,564,955           | -                     | -                   | 1,281                 | 2,564,955           | 4,039                           | 8,003,929           | 2                     | 1,767               | 4,041                 | 8,005,696           |
| 31-60 days                   | 407                             | 500,715             | -                     | -                   | 407                   | 500,715             | 1,195                           | 979,453             | 5                     | 11,172              | 1,200                 | 990,625             |
| 61-90 days                   | 178                             | 160,656             | -                     | -                   | 178                   | 160,656             | 503                             | 203,931             | 5                     | 72,500              | 508                   | 276,431             |
| 91-120 days                  | 111                             | 71,296              | -                     | -                   | 111                   | 71,296              | 544                             | 176,609             | 3                     | 61,696              | 547                   | 238,305             |
| 121-150 days                 | 37                              | 35,193              | -                     | -                   | 37                    | 35,193              | 389                             | 72,603              | 1                     | 2,118               | 390                   | 74,721              |
| 151-180 days                 | 68                              | 55,297              | -                     | -                   | 68                    | 55,297              | 348                             | 61,739              | 2                     | 1,195               | 350                   | 62,934              |
| 181-210 days                 | 62                              | 29,785              | -                     | -                   | 62                    | 29,785              | 221                             | 70,720              | 1                     | 1,320               | 222                   | 72,040              |
| 211-250 days                 | 59                              | 48,578              | -                     | -                   | 59                    | 48,578              | 190                             | 506,564             | -                     | -                   | 190                   | 506,564             |
| Over 250 days                | 423                             | 1,855,138           | -                     | -                   | 423                   | 1,855,138           | 621                             | 1,884,311           | 3                     | 8,024               | 624                   | 1,892,335           |
| <b>Total</b>                 | <b>3,319</b>                    | <b>45,087,724</b>   | <b>-</b>              | <b>-</b>            | <b>3,319</b>          | <b>45,087,724</b>   | <b>11,541</b>                   | <b>77,200,031</b>   | <b>22</b>             | <b>159,792</b>      | <b>11,563</b>         | <b>77,359,823</b>   |

(\*) The current tranche includes credit card receivables due from Transbank of ThCh\$38,155,665 (ThCh\$32,645,607 as of December 31, 2016).

The portfolio with disputed amounts and amounts in legal collection is detailed as follows:

|                                       | Balance as of December 31, 2017 |                | Balance as of December 31, 2016 |                  |
|---------------------------------------|---------------------------------|----------------|---------------------------------|------------------|
|                                       | Number of customers             | Amount ThCh\$  | Number of customers             | Amount ThCh\$    |
| Notes receivables disputed            | 1,151                           | 720,599        | 1,125                           | 658,466          |
| Notes receivables in legal collection | -                               | -              | 110                             | 369,166          |
| <b>Total</b>                          | <b>1,151</b>                    | <b>720,599</b> | <b>1,235</b>                    | <b>1,027,632</b> |



As of December 31, 2017 and 2016, the allowance for doubtful accounts and amounts written off are detailed as follows:

|  | <b>12.31.2017</b> | <b>12.31.2016</b> |
|--|-------------------|-------------------|
|  | <b>ThCh\$</b>     | <b>ThCh\$</b>     |
| Allowance Portfolio                    | 192,539           | 4,761,046         |
| Amounts written-off for the period (*) | (10,570)          | (2,853,736)       |

(\*) Write-offs are recognized net of recoveries

As of December 31, 2017, factors for the allowance for doubtful accounts, separated by invoices and checks, per the default tranches and supermarket segment, are detailed as follows:

| <b>Delinquency tranche</b>    | <b>Customers</b> | <b>Checks</b> | <b>Total</b> |
|-------------------------------|------------------|---------------|--------------|
| Current                       | 0.00%            | 84.02%        | 0.26%        |
| Tranche 1 (1-30 days)         | 0.01%            | 41.64%        | 1.59%        |
| Tranche 2 (31-60 days)        | 0.04%            | 69.55%        | 6.46%        |
| Tranche 3 (61-90 days)        | 8.48%            | 90.00%        | 29.11%       |
| Tranche 4 (91-120 days)       | 15.84%           | 100.00%       | 34.03%       |
| Tranche 5 (121-150 days)      | 22.39%           | 100.00%       | 48.01%       |
| Tranche 6 (151-180 days)      | 28.27%           | 100.00%       | 35.82%       |
| Tranche 7 (181-210 days)      | 42.08%           | 100.00%       | 57.01%       |
| Tranche 8 (211-250 days)      | 47.35%           | 100.00%       | 86.09%       |
| Tranche 9 (Over 250 days)     | 92.77%           | 100.00%       | 94.09%       |
| <b>Weighted average total</b> | <b>3.29%</b>     | <b>86.86%</b> | <b>4.63%</b> |

The allowance rates for the portfolio with renegotiated terms and the regular portfolio, including average loss rates by tranche are as follows:

| <b>Delinquency tranche</b>    | <b>Regular portfolio</b> | <b>Portfolio with renegotiated terms</b> |
|-------------------------------|--------------------------|--|
| Current                       | 0.26%                    | 0.00%                                    |
| 1 to 30 days                  | 1.59%                    | 0.00%                                    |
| 31 to 60 days                 | 6.46%                    | 0.00%                                    |
| 61 to 90 days                 | 29.11%                   | 0.00%                                    |
| 91 to 120 days                | 34.03%                   | 0.00%                                    |
| 121 to 150 days               | 48.01%                   | 0.00%                                    |
| 151 to 180 days               | 35.82%                   | 0.00%                                    |
| 181 to 210 days               | 57.01%                   | 0.00%                                    |
| 211 to 250 days               | 86.09%                   | 0.00%                                    |
| over 250                      | 94.09%                   | 0.00%                                    |
| <b>Weighted average total</b> | <b>4.63%</b>             | <b>0.00%</b>                             |



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As of December 31, 2017 and 2016, allowance account/portfolio risk ratios are as follows:

| <b>Risk Ratio</b>     |   | <b>12.31.2017</b> | <b>12.31.2016</b> |
|-----------------------|---|-------------------|-------------------|
| Allowance / Portfolio | = | 4.63%             | 3.41%             |
| Write-off / Portfolio | = | 0.02%             | 3.69%             |

Doubtful account risk factor matrixes used by the Group considers the following variables:

|                  |   |   |
|------------------|---|---|
| Class            | : | Supermarket / construction supplies             |
| Type of document | : | Invoice or Checks                               |
| Aging of debt    | : | Performing portfolio and monthly aging tranches |
| Credit insurance | : | With and without credit insurance               |

The Group is involved in the retail credit card financial business both directly and indirectly through Unicard S.A. (49% of ownership). Renegotiated terms are not a part of the Group's collection strategy as it is hedged through credit insurance policies for certain notes. Nonperforming customers are included in an insurance claim.

## 10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions among Group companies correspond to ordinary transactions performed during the normal course of business with respect to transaction objectives and conditions.

Such transactions have been eliminated in consolidation and are not detailed in this note.

### Balances and transactions with related parties

As of December 31, 2017 and 2016, trade receivables due from and payables due to related parties not consolidated are detailed as follows:

#### a. Trade receivables due from related parties

| Tax ID No.   | Company                                     | Relationship      | Country | Currency | Current              |                      | Non-Current          |                      |
|--------------|---|-------------------|---------|----------|----------------------|----------------------|----------------------|----------------------|
|              |   |                   |         |          | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
| 65.078.221-6 | Fundación Educacional Ven Aprender          | Related to parent | Chile   | Ch\$     | 332                  | -                    | -                    | -                    |
| 76.058.352-9 | Vivo Corp SpA. (2)                          | Common parent     | Chile   | Ch\$     | 303,280              | 277,714              | -                    | -                    |
| 76.002.124-5 | SR Inmobiliaria S.A.                        | Common parent     | Chile   | Ch\$     | -                    | 722                  | -                    | -                    |
| 76.013.953-K | Betazeta Networks S.A.                      | Related to parent | Chile   | Ch\$     | -                    | 1,034                | -                    | -                    |
| 76.040.617-1 | Inmobiliaria Boulevard Nueva Costanera S.A. | Common parent     | Chile   | Ch\$     | 226                  | 120                  | -                    | -                    |
| 76.058.347-2 | HPV S.A.                                    | Common parent     | Chile   | Ch\$     | 195                  | 1,157                | -                    | -                    |
| 76.063.653-3 | Unired S.A. (1)                             | Associate         | Chile   | Ch\$     | 7,541,635            | 4,775,948            | -                    | -                    |
| 76.086.272-K | Unicard S.A. (3)                            | Associate         | Chile   | Ch\$     | 207,940              | 18                   | -                    | -                    |
| 76.139.841-5 | Inmobiliaria SMU S.A.                       | Common parent     | Chile   | Ch\$     | 6,246,639            | 2,111,802            | -                    | -                    |
| 76.170.725-6 | Copesa S.A.                                 | Common parent     | Chile   | Ch\$     | -                    | 6,219                | -                    | -                    |
| 76.208.961-0 | Inversiones Monserrat S.A.                  | Common parent     | Chile   | Ch\$     | 3,582                | -                    | -                    | -                    |
| 76.454.856-6 | Unimarc Corredores De Seguros Ltda.         | Related to parent | Chile   | Ch\$     | 48,196               | -                    | -                    | -                    |
| 76.806.960-3 | Good Foods S.A.                             | Related to parent | Chile   | Ch\$     | -                    | 321                  | -                    | -                    |
| 96.541.340-5 | Hotel Corporation of Chile S.A.             | Common parent     | Chile   | Ch\$     | 8,878                | 23,196               | -                    | -                    |
| 96.646.430-5 | Distribución y Servicios Meta S.A.          | Common parent     | Chile   | Ch\$     | -                    | 6,068                | -                    | -                    |
| 96.758.830-K | CorpGroup Interhold SpA                     | Common parent     | Chile   | Ch\$     | 1,458                | 454                  | -                    | -                    |
| 99.522.360-0 | Inmobiliaria Edificio Corp Group S.A.       | Common parent     | Chile   | Ch\$     | 181                  | 189                  | -                    | -                    |
| Total        |   |                   |         |          | <u>14,362,542</u>    | <u>7,204,962</u>     | -                    | -                    |

(1) Unired S.A., associate incorporated to collect utility receivables from customers, which can be paid in supermarket cashier's desks. Debt is expressed in UF and accrues annual interest of 5.3%

(2) On December 28, 2016, the related companies Corp Group Activos Inmobiliarios SpA and CAI Gestión Inmobiliaria S.A. merged incorporating Vivo Corp SpA., which is the legal successor.

(3) On May 3, 2017, SMU Corp SA changed its name to Unicard S.A.

As of December 31, 2016, the balance includes ThCh\$24,555 from Construmart, which as of December 31, 2017 is classified as available-for-sale assets .

## b. Trade payables due to related parties

| Tax ID No.   | Company   | Relationship              | Country | Currency | Current              |                      | Non-current          |                      |
|--------------|---|---------------------------|---------|----------|----------------------|----------------------|----------------------|----------------------|
|              |   |                           |         |          | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
| 65.034.895-8 | Fundacion Descúbreme                                | Related to parent         | Chile   | Ch\$     | 8,921                | 17,814               | -                    | -                    |
| 76.001.408-7 | Retail Holding S.A. (1) (8)                         | Common parent             | Chile   | UF       | -                    | 3,175,529            | -                    | 16,821,619           |
| 76.002.124-5 | SR Inmobiliaria S.A.                                | Common parent             | Chile   | UF       | 57,058               | -                    | -                    | -                    |
| 76.025.301-4 | Gestora Omega Ltda. Holding y CPA (1) (8)           | Common shareholder/parent | Chile   | UF       | -                    | 203,886              | -                    | 1,081,480            |
| 76.054.952-5 | Corp Group Inversiones Ltda. (2)                    | Common parent             | Chile   | UF       | -                    | 13,361,000           | -                    | -                    |
| 76.058.352-9 | Vivo Corp SpA. (7)                                  | Common parent             | Chile   | Ch\$     | 181,257              | 143,598              | -                    | -                    |
| 76.063.653-3 | Unired S.A.   | Associate                 | Chile   | Ch\$     | 2,954,745            | -                    | -                    | -                    |
| 76.086.272-K | Unicard S.A. (9)                                    | Associate                 | Chile   | Ch\$     | 24,008               | -                    | -                    | -                    |
| 76.094.904-3 | Funky Films S.A.                                    | Related to parent         | Chile   | Ch\$     | 63,272               | 33,844               | -                    | -                    |
| 76.116.213-6 | Desarrollos Comerciales S.A.                        | Related to parent         | Chile   | Ch\$     | 3,787                | -                    | -                    | -                    |
| 76.118.395-8 | Corp Imagen y Diseño S.A.                           | Common parent             | Chile   | Ch\$     | 2,411                | 14,256               | -                    | -                    |
| 76.170.725-6 | Copesa S.A.   | Common parent             | Chile   | Ch\$     | 17,898               | -                    | -                    | -                    |
| 76.199.415-8 | Retail Holding III S.p.A. (3) (8)                   | Common parent             | Chile   | UF       | -                    | 295,598              | -                    | 1,492,470            |
| 76.483.633-2 | Inversiones SAMS SpA (4) (8)                        | Common parent             | Chile   | US\$     | -                    | -                    | -                    | 55,913,620           |
| 88.202.600-0 | Cía. Inmobiliaria y de Inversiones SAGA SpA (6) (8) | Common parent             | Chile   | UF       | -                    | 162,523              | -                    | 866,143              |
| 88.202.600-0 | Cía. Inmobiliaria y de Inversiones SAGA SpA (5) (8) | Common parent             | Chile   | US\$     | -                    | 4,787                | -                    | 2,878,502            |
| 96.646.430-5 | Distribución y Servicios Meta S.A.                  | Common parent             | Chile   | Ch\$     | 24,621               | 26,068               | -                    | -                    |
| 96.763.040-3 | Inmobiliaria Rio Lluta S.A.                         | Common parent             | Chile   | Ch\$     | 19,009               | -                    | -                    | -                    |
| Total        |   |                           |         |          | 3,356,987            | 17,438,903           | -                    | 79,053,834           |

- (1) This debt was generated in September 2014 due to the transfer of certain bank amounts from the syndicated loan, and is expressed in UF and accrues annual interest of TAB UF 90 days + 1.60%, % paid on a quarterly basis, with annual repayment maturing in June 2020, unsecured.
- (2) Debt is expressed in UF and accrues annual interest of 10.60% paid on a quarterly basis, with maturities in September 2016 and May 2017, which can be extended for an additional year. This debt can be prepaid and is unsecured. This debt was paid during the second quarter of 2017.
- (3) The debt was assumed in December 2013 and was initially part of the syndicated loan, and is expressed in UF and accrues annual interest of TAB UF 90 days + 1.60 for ThCh\$467,776 and the balance of ThCh\$1,320,292 is expressed in UF and accrues a fixed annual interest rate of 4.81% Payment of quarterly interest and annual repayment per the syndicated loan schedule maturing in June 2020. Unsecured.
- (4) This debt was assumed in November 2015, and is expressed in U.S. dollars and accrues a fixed annual rate of 11.6% subordinated in principal owed and interest on the syndicated loan maturing in June 2020. Unsecured.
- (5) This debt was assumed in May 2016, and is expressed in U.S. dollars and accrues a fixed annual rate of 11.6% paid semi-annually maturing in December 2018. Such debt can be prepaid. Unsecured.
- (6) This debt was generated in February 2015 due to the transfer of certain bank amounts from the syndicated loan, is expressed in UF and accrues annual interest of TAB UF 90 days + 1.60%, % paid on a quarterly basis, with repayment subordinated to the loan with Banco Bice maturing in June 2020, unsecured.
- (7) Paid during January 2017.
- (8) On May 3, 2017, SMU Corp SA changed its name to Unicard S.A.

As of December 31, 2016, the balance includes ThCh\$704,263\$ from Construmart, which as of December 31, 2017 is recorded as available-for-sale liabilities.



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Subsequent to the restructuring of the financial debt which included the syndication of all bank borrowings, unrelated short-term sources of financing have been limited to loans with investment funds and factoring companies, the funding cost of which is greater than the cost in the banking industry, which resulted in performing annual financing transactions showing an average of 12%. In addition, the reference is the range required by the market from the international bond (yield), which for transactions for the year 2015 showed an average of 12%, which is similar to that recorded during the first few months of 2016. The rate required from the international bond can be compared to that of other similar bonds in terms of rating and term and does not differ from that required from the remaining part of the market from similar risk profile companies (mainly B- and CCC+).

The background information indicated in the preceding paragraph makes us consider that rates of loans assumed with the Parent in December 2015 and during 2016 were established at market price in addition to the fact that the loan of November 2015 was subordinated both in principal owed and interest up to June 2020.

As of December 31, 2017, all credits with related parties have already been paid with funds provided by the capital increase





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**c. Most significant transactions with non-group related companies and their effects on comprehensive income**

The Company discloses transactions with related parties not included in consolidation the amount of which for the period exceeded ThCh\$5,000.

As of December 31, 2017 and 2016, the effect of such transactions on the statement of comprehensive income is detailed as follows:

| Tax ID No.   | Company  | Relationship              | Transaction description  | Accumulated<br>01.01.2017<br>12.31.2017                                   |   | Accumulated<br>01.01.2016<br>12.31.2016<br>Restated                            |  |
|--------------|--|---------------------------|--|---|---|--|--|
|              |  |                           |  | Transaction amount<br>ThCh\$  | Effect on profit or loss (debit) credit<br>ThCh\$ | Transaction amount<br>ThCh\$   | Effect on profit or loss (debit) credit<br>ThCh\$  |
| 65.034.895-8 | Fundación Descúbreme                           | Related to parent         | Collection   | 161,867   | -   | 191,308  | -  |
| 76.001.408-7 | Retail Holding S.A.                            | Common parent             | Interests and adjustments  | 36,383  | (36,383)  | 900,103  | (900,103)  |
| 76.002.124-5 | SR Inmobiliaria S.A.                           | Common parent             | Lease of assets<br>Shared expenses   | 12,266,201<br>576,769   | (10,307,732)<br>(484,680)                         | 11,934,864<br>366,239  | (10,029,297)<br>(307,764)                          |
| 76.014.444-4 | Inmobiliaria SRW S.A.                          | Common parent             | Lease of assets<br>Shared expenses   | 292,702<br>81,577   | (245,968)<br>(68,552)                             | 287,187<br>77,970  | (241,334)<br>(65,521)                              |
| 76.014.448-7 | Inmobiliaria SRR S.A.                          | Common parent             | Lease of assets<br>Shared expenses   | 487,113<br>36,156   | (409,339)<br>(30,383)                             | 436,304<br>25,807  | (366,642)<br>(21,687)                              |
| 76.014.452-5 | Inmobiliaria SRB S.A.                          | Common parent             | Lease of assets  | 655,044   | (550,457)   | 185,031  | (155,489)  |
| 76.018.824-7 | Empresa Periodística Diario de Concepcion S.A. | Common parent             | Advertising  | -   | -   | 30,821   | (25,900)   |
| 76.025.301-4 | Gestora Omega Ltda. Holding y CPA              | Common shareholder/parent | Interests and adjustments  | -   | -   | 60,834   | (60,834)   |
| 76.046.651-4 | Inmobiliaria Puente Ltda.                      | Common parent             | Lease of assets<br>Shared expenses   | 1,636,462<br>196,107  | (1,375,178)<br>(164,796)                          | 1,605,761<br>191,696   | (1,349,379)<br>(161,089)                           |
| 76.050.151-4 | Inmobiliaria Punta Arenas S.A.                 | Common parent             | Lease of assets  | 125,849   | (105,756)   | 123,501  | (103,783)  |
| 76.054.952-5 | Corp Group Inversiones Ltda.                   | Common parent             | Interests and adjustments  | 584,270   | (584,270)   | 2,286,484  | (2,286,484)  |
| 76.058.352-9 | Vivo Corp SpA (*)                              | Common parent             | Shared expenses<br>Income from lease of assets<br>Goods sold   | 746,182<br>58,225<br>9,578  | (627,044)<br>48,929<br>8,048                      | 674,546<br>47,532<br>8,418   | (422,512)<br>39,943<br>7,074                       |
| 76.063.653-3 | Unired S.A.                                    | Associate                 | Current account<br>Other income<br>Adjustment of interest in current accounts<br>Collection of payment of service bills<br>Transfer of funds<br>Commissions on coupons<br>Sale of giftcard | 616,497<br>439,223<br>443,276<br>342,939,058<br>339,862,777<br>9,726<br>- | -<br>369,095<br>443,276<br>-<br>-<br>(8,174)<br>- | 940,122<br>513,097<br>503,838<br>357,312,823<br>353,509,314<br>17,747<br>6,430 | -<br>431,174<br>503,838<br>-<br>-<br>(14,914)<br>- |



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| Tax ID No.   | Company                                     | Relationship          | Transaction description                         | Accumulated<br>01.01.2017<br>12.31.2017 |  | Accumulated<br>01.01.2016<br>12.31.2016<br>Restated |  |
|--------------|---|-----------------------|---|---|--|---|--|
|              |   |                       |   | Transaction amount<br>ThCh\$            | Effect on profit or loss<br>(debit) credit<br>ThCh\$ | Transaction amount<br>ThCh\$                        | Effect on profit or loss<br>(debit) credit<br>ThCh\$ |
| 76.086.272-K | Unicard S.A (**)                            | Associate             | Current account                                 | 1,416,688                               | -  | -   | -  |
|              |   |                       | Service commission and fees                     | 136,237                                 | (117,584)  | 140,699   | (121,049)  |
|              |   |                       | Other income                                    | 165,931                                 | 139,438  | 6,613   | 5,557  |
|              |   |                       | Capital increase                                | 6,394,414                               | -  | 554,400   | -  |
|              |   |                       | Sales of Unimarc cards                          | 11,837,803                              | -  | 11,096,604  | -  |
|              |   |                       | Loan  | 3,184,847                               | -  | -   | -  |
|              |   |                       | Interest  | 24,613                                  | 24,613   | -   | -  |
| 76.094.904-3 | Funky Films S.A.                            | Related to parent     | Media production                                | 862,105                                 | (724,458)  | 546,784   | (459,482)  |
| 76.116.213-6 | Desarrollos Comerciales S.A.                | Related to parent     | Lease of assets                                 | 1,617,235                               | (1,359,021)  | 1,578,129   | (1,326,159)  |
|              |   |                       | Shared expenses                                 | 979,414                                 | (823,037)  | 685,681   | (576,202)  |
| 76.118.061-4 | Inmobiliaria Paseo Peñalolen S.A.           | Common parent         | Lease of assets                                 | -                                       | -  | 198,298   | (166,637)  |
| 76.118.395-8 | Corp Imagen y Diseño S.A.                   | Common parent         | Advisory services                               | 85,735                                  | (85,735)   | 106,581   | (106,581)  |
| 76.139.841-5 | Inmobiliaria SMU S.A.                       | Common parent         | Lease of assets                                 | 2,166,253                               | (1,820,380)  | 2,122,362   | (1,783,498)  |
| 76.170.725-6 | Copesa S.A.                                 | Common parent         | Advertising                                     | 523,338                                 | (439,780)  | 536,575   | (450,903)  |
| 76.199.415-8 | Retail Holding III Spa                      | Common parent         | Interests and adjustments                       | 8,356                                   | (8,356)  | 130,740   | (130,740)  |
| 76.208.961-0 | Inversiones Monserrat S.A.                  | Related to parent     | Capital increase                                | 965,700                                 | -  | -   | -  |
|              |   |                       | Sale of shares from Unicard S.A.                | 56,756                                  | (336,934)  | -   | -  |
| 76.454.856-6 | Unimarc Corredores De Seguros Ltda.         | Related to parent     | Current account                                 | 75,831                                  | -  | -   | -  |
|              |   |                       | Capital increase                                | 213                                     | -  | -   | -  |
| 76.396.210-5 | Asesorias e Inversiones Turate Limitada     | Related to a director | Advisory services                               | -                                       | -  | 231,997   | (231,997)  |
| 76.483.633-2 | Inversiones SAMS SpA                        | Common parent         | Interests and Exchange Differences              | 1,169,588                               | 1,169,588  | 3,070,493   | (3,070,493)  |
|              |   |                       | Borrowings                                      | -                                       | -  | -   | -  |
| 88.202.600-0 | Cía. Inmobiliaria y de Inversiones SAGA SpA | Common parent         | Interests, adjustments and Exchange Differences | 38,556                                  | 38,556   | 177,044   | 177,044  |
|              |   |                       | Borrowing                                       | -                                       | -  | 37,000,000  | -  |
| 96.541.340-5 | Hotel Corporation of Chile S.A.             | Common parent         | Goods sold                                      | 34,379                                  | 28,890   | 22,489  | 18,898   |
|              |   |                       | Other services                                  | 8,584                                   | (7,214)  | -   | -  |
| 96.571.890-7 | Cía. de Seguros Confuturo S.A.              | Related to parent     | Lease of assets                                 | -                                       | -  | -   | -  |
|              |   |                       | Shared expenses                                 | -                                       | -  | -   | -  |
| 96.646.430-5 | Distribución y Servicios Meta S.A.          | Common parent         | Purchase of products                            | 171,605                                 | (144,206)  | 219,426   | (184,392)  |
| 96.758.830-K | Corp Group Interhold SpA                    | Common parent         | Goods sold                                      | -                                       | -  | -   | -  |
|              |   |                       | Advisory services                               | 8,157                                   | 6,854  | 8,353   | 7,019  |
|              |   |                       |   | -                                       | -  | -   | -  |
| 96.763.040-3 | Inmobiliaria Rio Lluta S.A.                 | Common parent         | Lease of assets                                 | 227,926                                 | (191,534)  | 221,287   | (185,955)  |
| 97.023.000-9 | Banco Itau CorpBanca                        | Related to parent     | Commission for lease of space behind cashier's  | 3,171,804                               | 3,087,428  | 3,089,795   | 2,596,467  |
|              |   |                       | Commission                                      | 508,839                                 | (427,595)  | 78,985  | (66,374)   |
|              |   |                       | Other income                                    | 10,328                                  | (10,328)   | -   | -  |

(\*) On May 3, 2017, SMU Corp SA changed its name to Unicard S.A.

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#### **d. Key Management Personnel and Senior Management**

Members of senior management and other individuals that are considered management of the SMU Group, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual transactions as of As of December 31, 2017 and 2016.

The Company is administered by the Board of Directors that is composed of 9 members, who remain in their duties for a 3-year period and may be re-elected. The detail of the members of the Board of Directors as of December 31, 2017, is as follows:

- **Mr. Álvaro Saieh Bendeck**; *Chairman of the Board*;
- **Mrs. Pilar Dañobeitia Estades**, *Vice - President of the Board*;
- **Mr. Alejandro Álvarez Aravena**, *Director*;
- **Mr. Abel Bouchon Silva**, *Director*;
- **Mr. Pedro Pablo Cuevas Larraín**, *Director*;
- **Mr. Fernando del Solar Concha**, *Director*;
- **Mr. Juan Andrés Olivos Bambach**, *Independent Director*;
- **Mr. Raúl Sotomayor Valenzuela**, *Director and*;
- **Mr. José Francisco Sánchez Figueroa (\*)**, *Director*.

(\*) On May 30, 2017, Mr. Horacio Salamanca Uboldi resigned to his position as Director, and was replaced by Mr. José Francisco Sanchez Figueroa.

#### **Board of Directors' Committee**

As of December 31, 2017, the Board of Directors' Committee was composed of the following members:

Mr. Juan Andrés Olivos Bambach, *President of the Board of Directors' Committee*  
Mr. Alejandro Álvarez Aravena, and  
Mr. Raúl Sotomayor Valenzuela

#### **e. Key management personnel and executive compensation**

During the years ended December 31, 2017 and 2016, key management personnel and executive compensation amounted to ThCh\$6,593,332 and ThCh\$3,220,245, respectively and distributed in 13 executives. These amounts include the payment of the annual bonus to the executives for the prior year and for 2017 include the payment of a three-year performance bonus for goal compliance (2014-2016).

Executives have two variable income systems:

- Short term system; consisting of an annual bonus paid for goal compliance. These goals are defined and approved by the Board of Directors. At each assessment period they are delivered and communicated to each executive.

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- A long-term system consisting of a goal compliance bonus considering a period of three years (2017-2019). Such goals are defined and approved by the Board of Directors and include a retention component and another goal compliance component.

#### **f. Directors' fees**

At the Ordinary Shareholders' Meeting held on April 28, 2017, the shareholders set the monthly compensation for the directors, who will receive an amount of UF 400 for the Chairman, UF 250 for the Vice President and UF 150 for each director. Additionally, it was agreed to establish the following monthly compensation system for the members of the following committees: Board of Directors' Committee: UF 100; Investment Committee UF 50; Human Resources Committee: UF 50; and Audit Committee: Audit Committee: UF 50.

The detail of the Directors that received fees for the years ended December 31, 2017 and 2016 is as follows:

| <b>Name</b>                     | <b>Position</b> | <b>31.12.2017<br/>ThCh\$</b> | <b>12.31.2016<br/>ThCh\$</b> |
|---------------------------------|-----------------|------------------------------|------------------------------|
| Pilar Dañobeitia Estades        | Vice-President  | 115,311                      | 90,000                       |
| Alejandro Álvarez Aravena       | Director        | 80,072                       | 80,400                       |
| Pedro Pablo Cuevas Larrain      | Director        | 62,623                       | 60,000                       |
| Fernando Del Solar Concha       | Director        | 62,630                       | 60,000                       |
| Horacio Salamanca Uboldi (*)    | Director        | 25,318                       | 60,000                       |
| Abel Bouchon Silva              | Director        | 62,592                       | 60,000                       |
| Juan Andrés Olivos B.           | Director        | 101,388                      | 80,400                       |
| José Francisco Sánchez Figueroa | Director        | 27,982                       | -                            |

(\*) On May 30, 2017, Mr. Horacio Salamanca Uboldi resigned to his position as Director, and was replaced by Mr. José Francisco Sanchez Figueroa.



## 11. INVENTORIES

a. As of December 31, 2017 and 2016, this caption is composed of the following:

|                            | <b>12.31.2017</b>  | <b>12.31.2016</b>  |
|----------------------------|--------------------|--------------------|
|                            | <b>ThCh\$</b>      | <b>ThCh\$</b>      |
| Goods                      | 184,446,347        | 206,735,447        |
| Raw materials              | 1,337,987          | 1,474,565          |
| Supplies                   | 2,551,186          | 2,246,041          |
| Imports-in-transit         | 9,483,921          | 7,305,652          |
| Allowance for obsolescence | <u>(3,662,907)</u> | <u>(3,736,052)</u> |
| Total                      | <u>194,156,534</u> | <u>214,025,653</u> |

As of December 31, 2016, the balance includes ThCh\$40,029,329 from Construmart, which as of December 31, 2017 is classified as available-for-sale assets.

b. Amounts of inventories expended

The Company records the total cost of inventories in the caption cost of sales in the statement of comprehensive income.

c. Allowance and impairment estimates

The net realizable value of the cost of inventories is subject to adjustment against profit or loss in those cases where their cost exceeds their net realizable value. For these purposes, net realizable value is understood as the estimated price to sale in the normal course of business, less all estimated costs that will be incurred in performing the sale.

Net realizable value (NRV)

During the twelve-month period ended December 31, 2017 and 2016, the amount expended was ThCh\$1,074,429 and ThCh\$732,057 recorded as an increase to the allowance, and during the same period through the sale of inventory, ThCh\$905,362 and ThCh\$701,070 of the allowance has been released, respectively.

As of December 31, 2017 and 2016, the carrying amount of inventories adjusted at net realizable value is as follows:

|                                     | <b>12.31.2017</b> | <b>12.31.2016</b> |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>ThCh\$</b>     | <b>ThCh\$</b>     |
| Carrying amount                     | 3,409,114         | 1,536,307         |
| Adjustments to net realizable value | <u>(320,339)</u>  | <u>(151,272)</u>  |
| Net realizable value                | <u>3,088,775</u>  | <u>1,385,035</u>  |



Obsolescence

The Company conducts a regular analysis of the quality of inventories and determines an allowance for obsolescence based on different factors, which include turnover, quality and condition of the product held for sale.

As of December 31, 2017 and 2016, this caption is as follows:

|  | <b>12.31.2017</b>  | <b>12.31.2016</b>  |
|--|--------------------|--------------------|
|  | <b>ThCh\$</b>      | <b>ThCh\$</b>      |
| Opening balance  | 3,736,052          | 3,437,373          |
| Drecrease from the transfer of assets available for sale (*) | (512,195)          | -                  |
| Increase in the allowance                                    | 5,830,162          | 6,925,287          |
| Uses of the allowance  | <u>(5,391,112)</u> | <u>(6,626,608)</u> |
| Total  | <u>3,662,907</u>   | <u>3,736,052</u>   |

(\*) Relates to the balance of the allowance account for impairment at Construmart as of December 31, 2016, which as of December 31, 2017 is classified as available-for-sale assets.

**d. Inventories pledged as collateral.**

At each period-end, there were no inventories subject to guarantees, pledges or restrictions of any kind.

**e. During the years ended December 31, 2017 and 2016, inventory consumptions recognized as costs were as follows:**

|  | <b>01.01.2017</b>      | <b>01.01.2016</b>      |
|--|------------------------|------------------------|
|  | <b>12.31.2017</b>      | <b>12.31.2016</b>      |
|  | <b>ThCh\$</b>          | <b>Restated</b>        |
|  | <b>ThCh\$</b>          | <b>ThCh\$</b>          |
| Costs of inventories recognized for the period | (1,560,344,766)        | (1,554,333,874)        |
| Other costs of inventories                     | <u>(59,755,466)</u>    | <u>(56,990,637)</u>    |
| Total  | <u>(1,620,100,232)</u> | <u>(1,611,324,511)</u> |



## 12. INCOME TAXES

- a. As of December 31, 2017 and 2016, income (expense) tax recorded in the consolidated statements of comprehensive income is as follows:

| <b>Income tax benefit</b>  | <b>01.01.2017</b>  | <b>01.01.2016</b>          |
|--|--------------------|----------------------------|
|  | <b>12.31.2017</b>  | <b>12.31.2016</b>          |
|  | <b>ThCh\$</b>      | <b>Restated<br/>ThCh\$</b> |
| Current tax expense (*)  | (1,983,518)        | (2,375,595)                |
| Other current tax benefit  | <u>586,369</u>     | <u>229,777</u>             |
| Total current income tax benefit (provision), net  | <u>(1,397,149)</u> | <u>(2,145,818)</u>         |
| Deferred tax (expense) related to the generation and reversal of temporary differences associated with current taxes | <u>(686,694)</u>   | <u>10,712,129</u>          |
| Total deferred tax (expense), net  | <u>(686,694)</u>   | <u>10,712,129</u>          |
| Total  | <u>(2,083,843)</u> | <u>8,566,311</u>           |

(\*) As of December 31, 2017 and 2016, the provision for corporate income tax is presented net of monthly provisional income tax payments (see letter c).

- b. The total credit for the period reconciled to the profit or loss for accounting purposes, is as follows:

|   | <b>01.01.2017</b>  | <b>01.01.2016</b>          |
|---|--------------------|----------------------------|
|   | <b>12.31.2017</b>  | <b>12.31.2016</b>          |
|   | <b>ThCh\$</b>      | <b>Restated<br/>ThCh\$</b> |
| Profit (loss) before tax  | 28,382,585         | 2,362,336                  |
| Expected tax benefit  | <u>(7,237,559)</u> | <u>(566,961)</u>           |
| <b>Adjustment to income tax benefit (provision) used at the legal rate:</b> |                    |                            |
| Permanent differences   | 2,284,327          | 6,704,473                  |
| Change in tax rate applied to deferred taxes                                | 2,716,427          | 2,149,809                  |
| Additional rate applied to foreign subsidiaries                             | <u>152,962</u>     | <u>278,990</u>             |
| Total adjustments to income taxes using the legal rate                      | <u>5,153,716</u>   | <u>9,133,272</u>           |
| <b>Tax benefit (expense) using the effective rate</b>                       | <u>(2,083,843)</u> | <u>8,566,311</u>           |

Tax rates used for reconciliations of the periods presented correspond to the tax rates in force both in Chile and Peru.

On September 29, 2014, Law No. 20.780 (the Tax Reform Act) was enacted, which, among other aspects, defines the by default tax system applicable to the Company, the corporate income tax rate that will be gradually applied to companies between 2014 and 2018 and allows that companies may opt for one of two tax systems established therein the attributed income system or the partially-integrated system, which results in entities being subject to different tax rates starting from 2017.

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Note that, in accordance with the Tax Reform established by Laws Nos.20.780, and 20.899 the latter simplifying the former, companies could have been, by default or choice, subject to one of these tax systems or regimes established by the new tax regulation. The attributed-income system implies that the companies must pay a corporate tax rate of 25% for 2017. The partially-integrated system, implies that the Company must pay a corporate tax rate of 25.5% for 2017 and 27% for 2018 and thereafter. The tax system applicable to Group entities is the Partially-Integrated system.

Because of the tax system applicable to the Group companies for the 2016 period, the current income tax rate is 24%, 25.5% for 2017 and 27% for 2018 and thereafter.

- c. As of December 31, 2017 and 2016, the detail of current tax assets and liabilities is as follows:

|   | <b>Assets</b>     |                   | <b>Liabilities</b> |                   |
|---|-------------------|-------------------|--------------------|-------------------|
|   | <b>12.31.2017</b> | <b>12.31.2016</b> | <b>12.31.2017</b>  | <b>12.31.2016</b> |
|   | <b>ThCh\$</b>     | <b>ThCh\$</b>     | <b>ThCh\$</b>      | <b>ThCh\$</b>     |
| Income tax expenses                     | -                 | -                 | -                  | 12,465            |
| Monthly provisional income tax payments | 577,800           | 432,635           | -                  | -                 |
| Sence credit for training expenses      | 1,653,195         | 1,954,731         | -                  | -                 |
| Prior year recoverable taxes            | 3,030,568         | 4,480,227         | -                  | -                 |
| Other                                   | 61,411            | 36,991            | -                  | -                 |
| <b>Total</b>                            | <b>5,322,974</b>  | <b>6,904,584</b>  | <b>-</b>           | <b>12,465</b>     |

As of December 31, 2016, the balance includes ThCh\$300,018 from Construmart, which as of December 31, 2017 is classified as available-for-sale assets.



**SMU****d. Tax earnings**

As of December 31, 2017 and 2016, the retained tax earnings generated in prior years mainly relate to the subsidiary Alvi Supermercados Mayorista S.A., detailed as follows:

| <b>Item</b>       | <b>12.31.2017</b><br><b>ThCh\$</b> | <b>12.31.2016</b><br><b>ThCh\$</b> |
|-------------------|------------------------------------|------------------------------------|
| Without credit    | 316,364                            | 2,519,980                          |
| With credit 17%   | 49,991                             | 49,059                             |
| With credit 20%   | 227,974                            | 223,723                            |
| With credit 21%   | -                                  | 25,158                             |
| With credit 22.5% | 6,981,274                          | 6,929,259                          |
| With credit 24%   | 5,331,921                          | 7,209,639                          |
| With credit 25.5% | 7,635,533                          | -                                  |
| <b>Total</b>      | <b>20,543,057</b>                  | <b>16,956,818</b>                  |



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e. Detail of tax earnings (losses) by the Company:

As of December 31, 2017 and 2016, accumulated tax losses mainly relate to the Parent SMU S.A. and its subsidiaries Rendic Hermanos S.A., Supermercados del Sur Ltda. Súper 10 S.A., Inversiones del Sur S.A., OK Market S.A., Comercializadora del Sur Uno Ltda., Servicios Logísticos Santiago S.A., Construmart S.A., Comercializadora del Sur Cinco Ltda., Comercializadora del Sur Seis Ltda., among others.

| <b>Company</b>                                | <b>12.31.2017</b> | <b>12.31.2016</b> |
|---|-------------------|-------------------|
|   | <b>ThCh\$</b>     | <b>ThCh\$</b>     |
| Rendic Hermanos S.A.                          | (729,799,144)     | (807,740,802)     |
| Servicios Logísticos La Serena S.A.           | (11,559,370)      | (11,634,305)      |
| Servicios Logísticos Santiago S.A.            | (25,200,912)      | (25,936,180)      |
| SMU S.A.                                      | (316,760,398)     | (257,759,453)     |
| OK Market S.A.                                | (41,312,162)      | (39,809,742)      |
| Telemercados Europa S.A.                      | (4,237,267)       | (3,832,772)       |
| Alvi Servicios Logísticos S.A.                | (3,863,208)       | (3,794,643)       |
| Servi 2000 S.A.                               | (151,874)         | (149,043)         |
| Red de Apoyo S.A.                             | (1,700,978)       | (1,669,821)       |
| Inversiones SMU Ltda.                         | (15,883,307)      | (15,301,448)      |
| Inversiones Omega Ltda.                       | (2,900,283)       | (2,242,529)       |
| Omicron SpA                                   | (2,022)           | (1,984)           |
| Inversiones del Sur S.A.                      | (103,992,416)     | (82,453,760)      |
| Supermercados del Sur Ltda.                   | (167,042,943)     | (151,611,542)     |
| Mayoristas del Sur Ltda.                      | (13,835,593)      | (13,653,095)      |
| Supermercados Chile S.A.                      | (857,334)         | (661,184)         |
| Comercializadora del Sur Uno Ltda.            | (33,150,490)      | (32,044,923)      |
| Comercializadora del Sur Dos Ltda.            | (5,048,666)       | (6,084,065)       |
| Comercializadora del Sur Tres Ltda.           | (2,450,126)       | (2,353,694)       |
| Comercializadora del Sur Cuatro Ltda.         | (6,515,899)       | (6,430,756)       |
| Comercializadora del Sur Cinco Ltda.          | (20,869,415)      | (19,943,234)      |
| Comercializadora del Sur Seis Ltda.           | (17,444,241)      | (17,231,222)      |
| Alvi Supermercados Mayoristas S.A.            | 7,217,843         | 6,836,116         |
| Chiloé S.A.                                   | (22,444)          | (20,702)          |
| Puerto Varas S.A.                             | (7,058)           | (6,542)           |
| Súper 10 S.A.                                 | (101,932,505)     | (88,003,978)      |
| Unidata S.A.                                  | (7,597,312)       | (5,555,082)       |
| Escuela de Capacitacion y Oficios Super Ltda. | 560,658           | 437,609           |
| Other companies                               | (124,928)         | (116,784)         |

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f. As of December 31, 2017 and 2016, deferred tax assets and liabilities are as follows:

| <b>Deferred tax assets, recognized</b>                     | <b>12.31.2017</b>  | <b>12.31.2016</b>  |
|--|--------------------|--------------------|
|  | <b>ThCh\$</b>      | <b>ThCh\$</b>      |
| Deferred income/revenue                                    | 3,341,166          | 3,563,338          |
| Provisions   | 11,400,936         | 12,289,781         |
| Tax losses   | 343,882,827        | 338,033,595        |
| Intangible assets  | 1,723,585          | -                  |
| Intangible assets subject to amortization for tax purposes | 76,187,307         | 87,746,721         |
| Other  | -                  | 17,889             |
|  | <u>436,535,821</u> | <u>441,651,324</u> |
| Transfer   |                    |                    |
|  | <u>436,535,821</u> | <u>441,651,324</u> |
| <b>Deferred tax liabilities, recognized</b>                | <b>12.31.2017</b>  | <b>12.31.2016</b>  |
|  | <b>ThCh\$</b>      | <b>ThCh\$</b>      |
| Property, plant and equipment                              | 21,997,286         | 21,021,356         |
| Intangible assets  | -                  | 1,256,650          |
| Other intangibles  | 709,815            | 845,179            |
| Tax credit difference                                      | 34,981             | 34,592             |
| Other financial assets                                     | 317,007            | 313,484            |
| Other  | 216,219            | 81,427             |
|  | <u>23,275,308</u>  | <u>23,552,688</u>  |
| Deferred tax liabilities                                   |                    |                    |
|  | <u>23,275,308</u>  | <u>23,552,688</u>  |
| <b>Net deferred tax, recognized:</b>                       | <b>413,260,513</b> | <b>418,098,636</b> |

As of December 31, 2016, the balance of deferred taxes includes ThCh\$6,005,571 from Construmart, which as of December 31, 2017 is classified in a single line as available-for-sale assets.

g. Change in estimates

As of December 31, 2017, the Company records no change in estimates.



**h. Deferred tax balances**

As of December 31, 2017 and 2016, net deferred tax assets relate to the following movements:

|   | <b>12.31.2017</b>  | <b>12.31.2016</b>  |
|---|--------------------|--------------------|
|   | <b>ThCh\$</b>      | <b>ThCh\$</b>      |
| Opening balance of deferred taxes, net                                    | 418,098,636        | 408,006,530        |
| Decrease from the transfer to available for sale assets                   | (6,005,571)        | -                  |
| Changes in deferred tax assets and liabilities that affect equity (*)     | 1,574,555          | -                  |
| Changes in deferred tax assets and liabilities that affect profit or loss | (686,694)          | 10,336,067         |
| Variance in exchange rate of foreign subsidiary                           | 279,587            | (243,961)          |
|   | <u>413,260,513</u> | <u>418,098,636</u> |

(\*) Generated from derivative instruments treated as hedge accounting.

The effect on deferred tax assets for the years ended December 31, 2017 and 2016 relates to the following:

| <b>Item</b>  | <b>01.01.2017</b>  | <b>01.01.2016</b> |
|--|--------------------|-------------------|
|  | <b>12.31.2017</b>  | <b>12.31.2016</b> |
|  | <b>ThCh\$</b>      | <b>ThCh\$</b>     |
| Deferred income/revenue                                    | (164,578)          | 143,176           |
| Provisions   | (1,304,165)        | 2,665,129         |
| Tax losses   | 11,541,866         | 12,790,389        |
| Intangible assets subject to amortization for tax purposes | (9,893,138)        | (7,739,813)       |
| Prepaid expenses   | -                  | 923,874           |
| Property, plant and equipment                              | (2,963,888)        | (1,995,244)       |
| Deferred tax liabilities related to intangible assets      | 2,124,713          | 3,422,886         |
| Deferred tax liabilities related to other                  | (162,479)          | 66,528            |
| Other goodwill   | 135,346            | 78,695            |
| Others   | (389)              | (19,553)          |
|  | <u>(686,694)</u>   | <u>10,336,067</u> |
| Total effect on profit or loss                             | (686,694)          | 10,336,067        |
| Deferred tax from hedging derivative instrument in reserve | 1,574,555          | -                 |
| Effect on deferred tax translation differences, Peru       | 279,587            | (243,961)         |
| Decrease from the transfer to available for sale assets    | (6,005,571)        | -                 |
|  | <u>(4,838,123)</u> | <u>10,092,106</u> |
| Total variation of deferred taxes                          | <u>(4,838,123)</u> | <u>10,092,106</u> |

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Variance in deferred taxes related to tax losses relates to the following:

| <b>Item</b>                                   | <b>01.01.2017<br/>12.31.2017<br/>ThCh\$</b> | <b>01.01.2016<br/>12.31.2016<br/>ThCh\$</b> |
|---|---|---|
| Consolidated profit or loss                   | (7,332,846)                                 | (964,632)                                   |
| Price-level adjustment, loss                  | 5,873,473                                   | 9,642,801                                   |
| Price-level adjustment, permanent differences | 2,650,478                                   | 2,041,010                                   |
| Expenses associated with capital increase     | 1,233,506                                   | -   |
| Adjustments for variation of tax result       | <u>9,396,842</u>                            | <u>1,827,249</u>                            |
| Total   | <u>11,821,453</u>                           | <u>12,546,428</u>                           |



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13. NON CURRENT ASSETS OR GROUP OF ASSETS FOR DISPOSAL CLASSIFIED AS HELD FOR SALE

On November 9, 2017, Alvi Supermercados Mayoristas S.A. and Inversiones SMU SpA, both subsidiaries and owners of 100% of the share capital of Construmart S.A., have entered into a binding agreement with Larraín Vial Servicios Profesionales Ltda., for the 100% sale of share capital in the subsidiary Construmart S.A. Accordingly, IFRS 5 Non-current Assets Held for Sale and Discontinued Operations has been applied classifying the assets or groups of assets as available-for-sale. Accordingly and as established in IFRS 5, the consolidated statement of comprehensive income for the year ended December 31, 2016 has been restated to make it comparative to the financial statements as of December 31, 2017.

The detail of the gain or loss from discontinued operations in comprehensive income is as follows:

|  | <b>01.01.2017</b>       | <b>01.01.2016</b>       |
|--|-------------------------|-------------------------|
|  | <b>12.31.2017</b>       | <b>12.31.2016</b>       |
|  | ThCh\$                  | ThCh\$                  |
| Revenue  | 249,630,449             | 243,558,978             |
| Expenses   | (247,052,657)           | (241,662,813)           |
| Adjustment to fair value Construmart             | <u>(239,199)</u>        | <u>(239,199)</u>        |
| Profit before tax                                | 2,338,593               | 1,656,966               |
| Income tax expense                               | <u>(1,000,219)</u>      | <u>(376,062)</u>        |
| Profit for the year from discontinued operations | <u><u>1,338,374</u></u> | <u><u>1,280,904</u></u> |

The net cash flows attributable to discontinued operations of Construmart S.A. is detailed as follows:

|                      | <b>12.31.2017</b>       | <b>12.31.2016</b>         |
|----------------------|-------------------------|---------------------------|
|                      | ThCh\$                  | ThCh\$                    |
| Operating activities | 2,102,220               | 7,265,830                 |
| Investing activities | 7,325,186               | (803,590)                 |
| Financing activities | <u>(8,270,390)</u>      | <u>(7,516,135)</u>        |
| <b>Total</b>         | <u><b>1,157,016</b></u> | <u><b>(1,053,895)</b></u> |



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#### 14. INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of the Parent and controlled companies (see Note 2). The detailed information of direct subsidiaries as of December 31, 2017 and 2016 is included below:

**12.31.2017**

| Company                 | Current assets<br>ThCh\$ | Non-current assets<br>ThCh\$ | Current Liabilities<br>ThCh\$ | Non-current Liabilities<br>ThCh\$ | Revenue<br>ThCh\$ | Profit or loss for the year<br>ThCh\$ |
|-------------------------|--------------------------|------------------------------|-------------------------------|-----------------------------------|-------------------|---------------------------------------|
| Inversiones SMU Ltda.   | 500,888,568              | 1,043,588,442                | 779,786,138                   | 254,539,587                       | 2,257,219,975     | 54,889,444                            |
| Inversiones SMU SpA     | 17,091                   | 17,352                       | 29,768                        | -                                 | -                 | (63)                                  |
| Omicron SpA             | -                        | 549                          | 1,660                         | -                                 | -                 | 10                                    |
| Inversiones Omega Ltda. | 12,540,906               | 149,088,934                  | 368,033,377                   | -                                 | 3,242,404         | (20,771,303)                          |
| Unidata S.A. (*)        | 811,970                  | 5,624,296                    | 10,712,474                    | 607,615                           | 112,860           | (1,037,022)                           |

**12.31.2016**

| Company                 | Current assets<br>ThCh\$ | Non-current assets<br>ThCh\$ | Current Liabilities<br>ThCh\$ | Non-current Liabilities<br>ThCh\$ | Revenue<br>ThCh\$ | Profit or loss for the year<br>ThCh\$ |
|-------------------------|--------------------------|------------------------------|-------------------------------|-----------------------------------|-------------------|---------------------------------------|
| Inversiones SMU Ltda.   | 441,400,419              | 1,087,101,247                | 733,415,011                   | 339,562,674                       | 2,465,298,572     | 41,325,402                            |
| Inversiones SMU SpA     | 17,091                   | 17,368                       | 29,721                        | -                                 | -                 | (43)                                  |
| Omicron SpA             | -                        | 539                          | 1,660                         | -                                 | -                 | 14                                    |
| Inversiones Omega Ltda. | 12,579,895               | 151,645,917                  | 349,858,046                   | -                                 | 5,499,080         | (18,630,867)                          |
| Unidata S.A. (*)        | 760,953                  | 4,707,278                    | 9,315,032                     | -                                 | 773,731           | (776,724)                             |

(\*) On May 3, 2017, the direct subsidiary Corp Fidelidad S.A. changed its name to Unidata S.A.

#### 15. EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

**December 31, 2017**

| Company                             | Number of shares | Ownership<br>12.31.2017 | Balance as of      |                  | Increases (Decreases) | Loss for the year  | Total            |                     |
|-------------------------------------|------------------|-------------------------|--------------------|------------------|-----------------------|--------------------|------------------|---------------------|
|                                     |                  |                         | 01.01.2017         | Additions        |                       |                    | Sales            | Subtotal 12.31.2017 |
|                                     |                  |                         | ThCh\$             | ThCh\$           | ThCh\$                | ThCh\$             | ThCh\$           | ThCh\$              |
| Unicard S.A. (*)                    | 19,578           | 42.63%                  | 2,591,905          | 6,394,414        | -                     | (1,545,471)        | (336,934)        | 7,103,914           |
| Unired S.A.                         | 47,441           | 49.00%                  | (4,116,135)        | -                | -                     | (365,423)          | -                | (4,481,558)         |
| Inversiones Monserrat S.A.          | 965,811          | 11.10%                  | 111                | 965,700          | (458,935)             | (11,684)           | -                | 495,192             |
| Unimarc Corredores de Seguros Ltda. | -                | 42.63%                  | -                  | 213              | -                     | (41,850)           | -                | (41,637)            |
| <b>Total</b>                        |                  |                         | <b>(1,524,119)</b> | <b>7,360,327</b> | <b>(458,935)</b>      | <b>(1,964,428)</b> | <b>(336,934)</b> | <b>3,075,911</b>    |

(\*) On May 3, 2017, SMU Corp S.A. changed its name to Unicard S.A.

The provision for negative equity of investments in associates as of December 31, 2016, is presented in Note 23.



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The detailed information of associates as of December 31, 2017 and 2016 is included below:

**12.31.2017**

| <b>Company</b>                      | <b>Date Information</b> | <b>Current assets<br/>ThCh\$</b> | <b>Non-current assets<br/>ThCh\$</b> | <b>Current liabilities<br/>ThCh\$</b> | <b>Non-current liabilities<br/>ThCh\$</b> | <b>Revenue<br/>ThCh\$</b> | <b>Net loss amount<br/>ThCh\$</b> |
|-------------------------------------|-------------------------|----------------------------------|--------------------------------------|---------------------------------------|---|---------------------------|-----------------------------------|
| Unicard S.A. (*)                    | 12-31-2017              | 9,131,384                        | 10,188,617                           | 2,655,663                             | -   | 2,489,337                 | (2,992,734)                       |
| Unired S.A.                         | 12-31-2017              | 7,314,229                        | 4,381,593                            | 20,841,859                            | -   | 2,045,834                 | (727,710)                         |
| Inversiones Monserrat S.A.          | 12-31-2017              | 9,041,043                        | 46,335,808                           | 10,375,831                            | 33,640,965                                | 4,795,485                 | (1,162,190)                       |
| Unimarc Corredores de Seguros Ltda. | 12-31-2017              | 1,666                            | 42,623                               | 142,048                               | -   | -                         | (98,259)                          |

**12.31.2016**

| <b>Company</b>   | <b>Date Information</b> | <b>Current assets<br/>ThCh\$</b> | <b>Non-current assets<br/>ThCh\$</b> | <b>Current liabilities<br/>ThCh\$</b> | <b>Non-current liabilities<br/>ThCh\$</b> | <b>Revenue<br/>ThCh\$</b> | <b>Net loss amount<br/>ThCh\$</b> |
|------------------|-------------------------|----------------------------------|--------------------------------------|---------------------------------------|---|---------------------------|-----------------------------------|
| Unicard S.A. (*) | 12-31-2016              | 8,222,737                        | 8,574,508                            | 11,507,518                            | -   | 2,680,199                 | (1,238,034)                       |
| Unired S.A.      | 12-31-2016              | 6,006,514                        | 4,199,137                            | 18,549,213                            | 56,715                                    | 1,872,211                 | (1,399,596)                       |

(\*) On May 3, 2017, SMU Corp S.A. changed its name to Unicard S.A.



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## 16. GOODWILL

a. As of December 31, 2017 and 2016, this caption is composed of the following:

| Company                                     | Goodwill             |                      |
|---|----------------------|----------------------|
|   | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
| Supermercados El Pilar Linares S.A.         | 3,981,708            | 3,981,708            |
| Supermercados Euromarket S.A.               | 5,488,779            | 5,488,779            |
| Comercial Split S.A.                        | 23,252,245           | 23,252,245           |
| Los Naranjos Dos S.A.                       | 4,114,220            | 4,114,220            |
| Puerto Saavedra S.A.                        | 11,364,886           | 11,364,886           |
| Comercial Limache S.A.                      | 3,593,336            | 3,593,336            |
| Ribeiro Dos S.A.                            | 3,201,790            | 3,201,790            |
| Puerto Cristo S.A.                          | 10,508,494           | 10,508,494           |
| Supermercados Hiper más S.A.                | 8,601,028            | 8,601,028            |
| Supermercados Palmira Iquique S.A.          | 5,855,950            | 5,855,950            |
| Supermercados Gracia Olano S.A.             | 2,564,578            | 2,564,578            |
| Supermercados Rossi S.A.                    | 3,351,543            | 3,351,543            |
| Sociedad Operadora Gutierrez Zepeda S.A.    | 6,005,979            | 6,005,979            |
| Supermercados Sawy S.A.                     | 2,838,441            | 2,838,441            |
| Multimayor 10 S.A.                          | 2,115,848            | 2,115,848            |
| Unimarc S.A.                                | 49,807,768           | 49,807,768           |
| Distribuidora y Mayorista San Fernando S.A. | 2,490,534            | 2,490,534            |
| Mayorista Talca S.A.                        | 7,303,833            | 7,303,833            |
| Distribuidora Súper 10 S.A.                 | 12,882,821           | 12,882,821           |
| Supermercados Bryc S.A.                     | 30,939,188           | 30,939,188           |
| Supermercados El Loro S.A.                  | 5,367,533            | 5,367,533            |
| Supermercados Santo Domingo S.A.            | 3,490,662            | 3,490,662            |
| Operadora Supermercados Tocopilla S.A.      | 1,503,744            | 1,503,744            |
| Comercial Itihue S.A.                       | 645,269              | 645,269              |
| Compañía Frigorífico de Magallanes Dos S.A. | 5,591,829            | 5,591,829            |
| Abu.Gosch y Cía. Ltda.                      | 8,738,761            | 8,738,761            |
| Nuevo Arauco S.A.                           | 11,886,442           | 11,886,442           |
| Huilliches S.A.                             | 252,675              | 252,675              |
| El Inca S.A.                                | 1,575,222            | 1,575,222            |
| Supermercados La Bandera Azul Dos S.A.      | 1,344,721            | 1,344,721            |
| Operadora Chillan S.A.                      | 3,631,859            | 3,631,859            |
| Comercial Costasol S.A.                     | 633,034              | 633,034              |
| Operadora Supermercados Lascar S.A.         | 843,526              | 843,526              |
| Supermercado Castro S.A.                    | 2,437,280            | 2,437,280            |
| Operadora Amigo S.A.                        | 1,251,100            | 1,251,100            |
| OK Market S.A.                              | 4,010,019            | 4,010,019            |
| Supermercados Mayorista de la Calera S.A.   | 1,920,830            | 1,920,830            |
| Supermercados Don Kiko S.A.                 | 977,719              | 977,719              |
| Operadora Beckna S.A.                       | 3,531,512            | 3,531,512            |
| Operadora La Italiana Dos S.A.              | 5,656,927            | 5,656,927            |
| Los Delfines S.A.                           | 333,823              | 333,823              |
| Comercial Costasol S.A.                     | 215,462              | 215,462              |
| Todo Market S.A.                            | 510,393              | 510,393              |
| Comercial La Lica S.A.                      | 776,661              | 776,661              |
| Comercial Hinojosa S.A.                     | 1,072,142            | 1,072,142            |
| Convento Nuevo S.A.                         | 579,973              | 579,973              |
| Supermercado Praga S.A.                     | 685,364              | 685,364              |
| Supermercados Linderos S.A.                 | 862,990              | 862,990              |



**SMU**



|   |                    |                     |
|---|--------------------|---------------------|
| Marycarla S.A.  | 2,360,250          | 2,360,250           |
| Supermercado Mayorista La Calera Dos S.A.             | 110,520            | 110,520             |
| Vegamercado S.A.                                      | 22,211,250         | 22,211,250          |
| Operadora Lubba S.A.                                  | 1,789,073          | 1,789,073           |
| Telemercados Europa S.A.                              | 9,561,681          | 9,561,681           |
| San Rosendo Dos S.A.                                  | 4,937,168          | 4,937,168           |
| Comercializadora y Distribuidora Oso Polar S.A.       | 3,173,293          | 3,173,293           |
| Cadena Ofermax (Bayyad & Georgos)                     | 316,657            | 316,657             |
| Maxi Bodega y Don Vitto (*)                           | 1,713,917          | 1,982,685           |
| Construmart S.A.                                      | -                  | 6,301,768           |
| Sociedad Inversiones P&P S.A.                         | 874,516            | 874,516             |
| Comercial Melipilla S.A.                              | -                  | 3,259,680           |
| Ferretería Toral S.A.                                 | -                  | 2,375,408           |
| Ferretería la Operadora S.A.                          | -                  | 1,589,286           |
| M Dos S.A.  | -                  | 1,810,062           |
| Supermercados del Sur S.A.                            | <u>342,894,556</u> | <u>342,894,556</u>  |
| Total goodwill  | <u>660,533,322</u> | <u>676,138,294</u>  |
| Accumulated impairment, Supermarket segment           | (186,279,868)      | (186,279,868)       |
| Accumulated impairment, Construction supplies segment | <u>-</u>           | <u>(15,336,204)</u> |
| Total   | <u>474,253,454</u> | <u>474,522,222</u>  |

(\*) Balance variation relates to exchange rate differences.

**b. Main aspects considered for business combinations:**

The process of successive acquisitions is part of the SMU Group's business plan intended to increase market share together with extending the presence of the chain in other regions of Chile, to become one of the main players in the domestic market and offer more competitive, higher quality and best prices to customers. This was based on achieving synergies through increasing purchase volume and distribution by integrating lower chains, which could be achieved by obtaining better prices for inventory purchases by trading greater volumes and improving competitiveness.

Each acquisition met the definition in IFRS 3 to be treated as a business combination, as the acquisition model used for each transaction was the acquisition of business units, which, for operating purposes, were assigned a new legal entity (Company). These entities represented a going concern, which generated positive EBITDA from the time control commences.



**SMU**



### **Description of the acquisition process performed by the Company:**

In most of the business acquisitions made by SMU the Group opted not to acquire the existing company given the implicit risk of contingencies this could bring.

For this reason, the Company structured an acquisition process that focused on the acquisition of business units with their assets acquired separately (principally inventories and property, plant and equipment). This was performed by acquiring the real estate properties through real estate companies, using as a formula the average of appraisal prices performed by third parties, which resulted in assets being acquired and recorded from inception at their market value not giving rise to any subsequent adjustments for such concept. In addition, the stock of inventories at the date of entering the contract was acquired separately, setting the price on the basis of a pervasive inventory taking and measurement at replacement cost used by the buyer or seller depending on each particular negotiation. Accordingly, these assets are acquired and recorded at market value at their acquisition date. Also, a business unit represented by a new legal entity (Company) was acquired whose only assets were the movable assets required for operating stores, as well as the trademark rights, software, licenses and other intangible assets.

Companies acquired using the structure indicated in the preceding paragraph by applying the business combination method for accounting recognition purposes mainly owned one relevant identifiable intangible asset, which was the trademark used by each chain. In this regard, only the “Unimarc” and “Mayorista” trademarks were recorded as separate identifiable intangible assets, because according to the business plan, the other trademarks would not be used by the SMU Group and, therefore, they were part of the goodwill acquired. Because of the structure of the acquisition, no liabilities that should be assumed were identified as a result of the combination.

For those purchases where the acquisition was made through the purchase of whole companies (Alvi Supermercados Mayoristas S.A., Construmart S.A. and Supermercados del Sur S.A.) the identification of identifiable assets resulted in the recognition of the Construmart S.A. and Mayorsa brands, as well as customer lists or portfolios.

### **Factors resulting in goodwill:**

Goodwill recognized mainly represents the synergies generated when integrating each new business unit. This is obtained by achieving efficiency in purchasing costs, as the combined Company has more purchasing power, better distribution channels and has presence in multiple regions. The Company’s analysis of future cash flows that will be obtained after incorporating an additional chain results in amounts higher than those achieved individually by the separate sum of each company prior to the acquisition, generating an significant factor for determining payment of a higher amount than the asset value; which is represented by the goodwill recognized. Additionally, such goodwill incorporates the value paid for the trademarks (except for the Unimarc, Mayorista, Construmart, Telemarcados, Comer and Alvi trademarks, which were recorded separately), and software, among other minor intangible assets not used and, accordingly, not recorded separately as provided by IFRS 3.

**SMU****Amounts of revenue and profit or loss of acquired and combined entity:**

As indicated in the preceding paragraphs, the Company has acquired assets separately that generate a business unit and accordingly, it is impracticable to determine the amount of revenue and profit or loss of the acquiree from the acquisition date or from January 1 of the year of acquisition as required by IFRS 3.B64 q).

**Reconciliation of carrying amount of goodwill:**

|  | <b>ThCh\$</b>      |
|--|--------------------|
| Opening balance as of January 1, 2017          | 474,522,222        |
| Exchange rate differences arising for the year | <u>(268,768)</u>   |
| Closing balance as of December 31, 2017        | <u>474,253,454</u> |
| <br>   |                    |
| Opening balance as of January 1, 2016          | 475,103,973        |
| Exchange rate differences arising for the year | <u>(581,751)</u>   |
| Closing balance as of December 31, 2016        | <u>474,522,222</u> |



17. INTANGIBLE ASSETS OTHER THAN GOODWILL

As of December 31, 2017 and 2016, this caption is composed of the following:

**a. Components of intangible assets**

| 12.31.2017                         | Gross values       | Accumulated amortization | Accumulated impairment | Total Net         |
|------------------------------------|--------------------|--------------------------|------------------------|-------------------|
| Concept                            | ThCh\$             | ThCh\$                   | ThCh\$                 | ThCh\$            |
| Software                           | 70,207,426         | (49,354,843)             | -                      | 20,852,583        |
| Lease transfers                    | 9,354,663          | (7,174,505)              | -                      | 2,180,158         |
| Unimarc brand                      | 6,425,040          | (1,605,855)              | -                      | 4,819,185         |
| Mayorista 10 brand                 | 1,622,292          | (369,544)                | -                      | 1,252,748         |
| Telemercados brand                 | 967,000            | (510,359)                | -                      | 456,641           |
| Comer brand                        | 902,000            | (902,000)                | -                      | -                 |
| Maxiahorro brand                   | 714,000            | (38,857)                 | -                      | 675,143           |
| Alvi brand                         | 25,848,481         | (671,126)                | (13,830,000)           | 11,347,355        |
| Customer relationship Telemercados | 12,147,000         | (3,740,558)              | (8,124,000)            | 282,442           |
| Customer relationship Alvi         | 67,854,000         | (15,073,726)             | (32,396,000)           | 20,384,274        |
| Other (*)                          | 17,601,712         | (1,567,835)              | -                      | 16,033,877        |
| Intangible assets                  | <u>213,643,614</u> | <u>(81,009,208)</u>      | <u>(54,350,000)</u>    | <u>78,284,406</u> |
| 12.31.2016                         | Gross values       | Accumulated amortization | Accumulated impairment | Total Net         |
| Concept                            | ThCh\$             | ThCh\$                   | ThCh\$                 | ThCh\$            |
| Software                           | 76,037,150         | (49,320,377)             | (1,011,464)            | 25,705,309        |
| Lease transfers                    | 9,354,663          | (6,685,388)              | -                      | 2,669,275         |
| Unimarc brand                      | 6,425,044          | (1,442,133)              | -                      | 4,982,911         |
| Mayorista 10 brand                 | 1,622,292          | (327,878)                | -                      | 1,294,414         |
| Telemercados brand                 | 967,000            | (496,931)                | -                      | 470,069           |
| Comer brand                        | 902,000            | (902,000)                | -                      | -                 |
| Maxiahorro brand                   | 714,000            | (19,429)                 | -                      | 694,571           |
| Alvi brand                         | 25,848,481         | (335,848)                | (13,830,000)           | 11,682,633        |
| Customer relationship Telemercados | 12,147,000         | (3,646,407)              | (8,124,000)            | 376,593           |
| Lista de clientes Construmart      | 21,922,000         | (5,663,354)              | (15,269,078)           | 989,568           |
| Customer relationship Alvi         | 67,854,000         | (13,617,706)             | (32,396,000)           | 21,840,294        |
| Other (*)                          | 8,004,372          | (1,511,517)              | -                      | 6,492,855         |
| Intangible assets                  | <u>231,798,002</u> | <u>(83,968,968)</u>      | <u>(70,630,542)</u>    | <u>77,198,492</u> |

(\*) This relates to the Operating and Business Efficiency Project (CIMA) for a net balance of ThCh\$14,851,390 as of December 31, 2017 (ThCh\$5,252,311 as of December 31, 2016) and such other trademarks as Tucapel, Mayorsa, Bryc, Puerto Cristo, Flash Market, among others, for a net balance of ThCh\$1,182,487 as of December 31, 2017 (ThCh\$1,240,544 as of December 31, 2016).



The Company defined software, customer relationship, assignment of contracts and trademarks as intangible assets with finite useful lives. The useful lives of these assets have been determined on the basis of the period in which these assets are expected to generate benefits. For trademarks with definite useful life, this was assigned on the basis of the long-term business plan, setting a useful life of 40 years for most of these assets. The amortization period was determined considering the condition of these intangibles at the date of acquisition, prior to the implementation of the change in corporate image currently in process, which will affect the performance of the trademarks when said process has been normalized. Considering this, the Company will review the development and strengthening of these trademarks on a regular basis and, based on such review, it may, as stated by IAS 38, expand, maintain or reduce the amortization period, and even change the classification from an intangible asset subject to amortization to an intangible asset with an infinite useful life, if the period of return is more than 40 years or becomes indefinite. The trademarks “Telemercados”, “Comer” and “Alvi” are recorded at their fair values, which were determined in studies performed by third parties.

**b. Useful lives assigned**

|                 | <b>Amortization method</b> | <b>Average useful life</b> |
|-----------------|----------------------------|----------------------------|
| Software        | Straight-line              | 8 years                    |
| Lease transfers | Straight-line              | 15 years                   |
| Trademarks      | Straight-line              | 40 years                   |
| Customer list   | Straight-line              | 20 years                   |

**c. Amortization**

The amortization expense recorded in the caption Administrative expenses amounted to ThCh\$9,012,320 (ThCh\$9,830,098 as of December 31, 2016).



**d. Movements in intangible assets:**

|                                    | Balance as of<br>01.01.2017 | Transfer for<br>available-for-sale<br>assets (*) | Increases  | Decreases | Amortization for the year | Total intangible assets<br>as of 12.31.2017 |
|------------------------------------|-----------------------------|--|------------|-----------|---------------------------|---|
|                                    | ThCh\$                      | ThCh\$   | ThCh\$     | ThCh\$    | ThCh\$                    | ThCh\$                                      |
| Software                           | 25,705,309                  | (397,510)  | 1,870,718  | (58,526)  | (6,267,408)               | 20,852,583                                  |
| Lease transfers                    | 2,669,275                   | -  | -          | -         | (489,117)                 | 2,180,158                                   |
| Unimarc brand                      | 4,982,911                   | -  | -          | -         | (163,726)                 | 4,819,185                                   |
| Mayorista brand                    | 1,294,414                   | -  | -          | -         | (41,666)                  | 1,252,748                                   |
| Customer relationship Telemercados | 376,593                     | -  | -          | -         | (94,151)                  | 282,442                                     |
| Customer relationship Construmart  | 989,568                     | (989,568)  | -          | -         | -                         | -   |
| Telemercado brand                  | 470,069                     | -  | -          | -         | (13,428)                  | 456,641                                     |
| Maxiahorro brand                   | 694,571                     | -  | -          | -         | (19,428)                  | 675,143                                     |
| Alvi brand                         | 11,682,633                  | -  | -          | -         | (335,278)                 | 11,347,355                                  |
| Customer relationship Alvi         | 21,840,294                  | -  | -          | -         | (1,456,020)               | 20,384,274                                  |
| Other                              | 6,492,855                   | -  | 9,673,120  | -         | (132,098)                 | 16,033,877                                  |
| Final balance of intangible assets | 77,198,492                  | (1,387,078)                                      | 11,543,838 | (58,526)  | (9,012,320)               | 78,284,406                                  |

|                                    | Balance as of<br>01.01.2016 | Transfer for<br>available-for-sale<br>assets | Increases | Decreases | Amortization for the year | Total intangible assets<br>as of 12.31.2016 |
|------------------------------------|-----------------------------|--|-----------|-----------|---------------------------|---|
|                                    | ThCh\$                      | ThCh\$                                       | ThCh\$    | ThCh\$    | ThCh\$                    | ThCh\$                                      |
| Software                           | 31,494,008                  | -  | 1,613,886 | (209,136) | (7,193,449)               | 25,705,309                                  |
| Lease transfers                    | 3,306,906                   | -  | -         | (140,847) | (496,784)                 | 2,669,275                                   |
| Unimarc brand                      | 5,115,679                   | -  | 29,719    | -         | (162,487)                 | 4,982,911                                   |
| Mayorista brand                    | 1,330,530                   | -  | 5,164     | -         | (41,280)                  | 1,294,414                                   |
| Customer relationship Telemercados | 470,741                     | -  | -         | -         | (94,148)                  | 376,593                                     |
| Customer relationship Construmart  | 1,228,763                   | -  | -         | -         | (239,195)                 | 989,568                                     |
| Telemercado brand                  | 483,500                     | -  | -         | -         | (13,431)                  | 470,069                                     |
| Maxiahorro brand                   | 714,000                     | -  | -         | -         | (19,429)                  | 694,571                                     |
| Alvi brand                         | 12,006,707                  | -  | 10,097    | -         | (334,171)                 | 11,682,633                                  |
| Customer relationship Alvi         | 23,296,312                  | -  | -         | -         | (1,456,018)               | 21,840,294                                  |
|                                    | 1,308,081                   | -  | 5,426,752 | (130,935) | (111,043)                 | 6,492,855                                   |
| Final balance of intangible assets | 80,755,227                  | -  | 7,085,618 | (480,918) | (10,161,435)              | 77,198,492                                  |

(\*) Relates to the transfer of balances as of December 31, 2016 of Construmart as at December 31, 2017 these are classified as available-for-sale assets.



18. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2017 and 2016, this caption is composed of the following:

**a. Detail:**

| <b>Property, plant and equipment, net:</b>       | <b>12.31.2017</b>        | <b>12.31.2016</b>        |
|--|--------------------------|--------------------------|
|  | <b>ThCh\$</b>            | <b>ThCh\$</b>            |
| Work in progress                                 | 9,939,657                | 2,718,955                |
| Land   | 241,320                  | 628,474                  |
| Buildings  | 87,415,544               | 90,147,608               |
| Plant and equipment                              | 34,261,548               | 43,658,800               |
| IT equipment                                     | 1,978,081                | 2,523,858                |
| Fixture and fittings                             | 94,690,659               | 100,531,994              |
| Vehicles   | 221,363                  | 330,961                  |
| Other property, plant and equipment              | 6,734,654                | 8,177,937                |
| Leased assets                                    | <u>174,488,476</u>       | <u>193,129,495</u>       |
| <br>Total property, plant and equipment, net     | <br><u>409,971,302</u>   | <br><u>441,848,082</u>   |
| <br><b>Property, plant and equipment, gross:</b> | <br><b>12.31.2017</b>    | <br><b>12.31.2016</b>    |
|  | <b>ThCh\$</b>            | <b>ThCh\$</b>            |
| Work in progress                                 | 9,939,657                | 2,718,955                |
| Land   | 241,320                  | 628,474                  |
| Buildings  | 105,684,081              | 111,346,411              |
| Plant and equipment                              | 113,134,618              | 129,684,389              |
| IT equipment                                     | 14,806,594               | 17,846,138               |
| Fixture and fittings                             | 166,800,097              | 168,466,753              |
| Vehicles   | 1,449,961                | 1,654,357                |
| Other property, plant and equipment              | 32,924,663               | 32,903,144               |
| Leased assets                                    | <u>278,906,728</u>       | <u>286,005,167</u>       |
| <br>Total property, plant and equipment, net     | <br><u>723,887,719</u>   | <br><u>751,253,788</u>   |
| <br><b>Accumulated depreciation:</b>             | <br><b>12.31.2017</b>    | <br><b>12.31.2016</b>    |
|  | <b>ThCh\$</b>            | <b>ThCh\$</b>            |
| Buildings  | (18,268,537)             | (21,198,803)             |
| Plant and equipment                              | (78,873,070)             | (86,025,589)             |
| IT equipment                                     | (12,828,513)             | (15,322,280)             |
| Fixture and fittings                             | (72,109,438)             | (67,934,759)             |
| Vehicles   | (1,228,598)              | (1,323,396)              |
| Other property, plant and equipment              | (26,190,009)             | (24,725,207)             |
| Leased assets                                    | <u>(104,418,252)</u>     | <u>(92,875,672)</u>      |
| <br>Total accumulated depreciation               | <br><u>(313,916,417)</u> | <br><u>(309,405,706)</u> |





**b. Movements:**

Movements for the years ended December 31, 2017 and 2016, are as follows:

|   | Works<br>in progress<br>ThCh\$ | Land<br>ThCh\$ | Buildings<br>ThCh\$ | Plant and<br>Equipment<br>ThCh\$ | IT<br>equipment<br>ThCh\$ | and<br>fittings<br>ThCh\$ | Vehicles<br>ThCh\$ | Property,<br>plant and equipment<br>ThCh\$ | Leased<br>assets<br>ThCh\$ | Total<br>ThCh\$    |
|---|--------------------------------|----------------|---------------------|----------------------------------|---------------------------|---------------------------|--------------------|--|----------------------------|--------------------|
| <b>Assets</b>                             |                                |                |                     |                                  |                           |                           |                    |  |                            |                    |
| Net balance as of January 1, 2017         | 2,718,955                      | 628,474        | 90,147,608          | 43,658,800                       | 2,523,858                 | 100,531,994               | 330,961            | 8,177,937                                  | 193,129,495                | 441,848,082        |
| Transfer to available-for-sale assets (*) | -                              | -              | (167,116)           | (2,326,682)                      | (94,178)                  | (913,533)                 | (2,053)            | -  | (4,614,276)                | (8,117,838)        |
| Additions                                 | 8,189,297                      | -              | 1,382,980           | 4,440,453                        | 452,449                   | 2,446,224                 | 13,530             | 541,909                                    | 10,137,867                 | 27,604,709         |
| Disposals and derecognition               | (35,823)                       | -              | (354,448)           | (412,222)                        | (4,584)                   | (418,627)                 | -                  | (21,668)                                   | (9,978,885)                | (11,226,257)       |
| Depreciation expense                      | -                              | -              | (3,092,417)         | (11,162,442)                     | (1,092,137)               | (7,117,642)               | (107,040)          | (2,257,304)                                | (14,185,725)               | (39,014,707)       |
| Reclassifications                         | (924,908)                      | -              | 30,105              | 515,723                          | 196,292                   | 172,789                   | -                  | 9,999                                      | -                          | -                  |
| Other increases (decreases)               | (7,864)                        | (12,739)       | (531,168)           | (106,816)                        | (3,476)                   | -                         | (407)              | 317,019                                    | -                          | (345,451)          |
| Sales                                     | -                              | (374,415)      | -                   | (345,266)                        | (143)                     | (10,546)                  | (13,628)           | (33,238)                                   | -                          | (777,236)          |
| Net balance as of December 31, 2017       | <u>9,939,657</u>               | <u>241,320</u> | <u>87,415,544</u>   | <u>34,261,548</u>                | <u>1,978,081</u>          | <u>94,690,659</u>         | <u>221,363</u>     | <u>6,734,654</u>                           | <u>174,488,476</u>         | <u>409,971,302</u> |

|                                     | Works<br>in progress<br>ThCh\$ | Land<br>ThCh\$ | Buildings<br>ThCh\$ | Plant and<br>Equipment<br>ThCh\$ | IT<br>equipment<br>ThCh\$ | Fixtures<br>and<br>fittings<br>ThCh\$ | Vehicles<br>ThCh\$ | Other<br>Property,<br>Plant and equipment<br>ThCh\$ | Leased<br>assets<br>ThCh\$ | Total<br>ThCh\$    |
|-------------------------------------|--------------------------------|----------------|---------------------|----------------------------------|---------------------------|---------------------------------------|--------------------|---|----------------------------|--------------------|
| <b>Assets</b>                       |                                |                |                     |                                  |                           |                                       |                    |   |                            |                    |
| Net balance as of January 1, 2016   | 6,875,234                      | 377,054        | 91,680,873          | 50,668,485                       | 2,465,417                 | 101,595,992                           | 592,604            | 11,401,058  | 194,927,687                | 460,584,404        |
| Additions                           | 2,028,274                      | -              | 457,375             | 5,581,218                        | 1,140,932                 | 4,626,236                             | 2,622              | 550,676   | 15,371,408                 | 29,758,741         |
| Disposals and derecognition         | (442,149)                      | (2,639)        | (93,798)            | (557,077)                        | (1,389)                   | (498,529)                             | (14,958)           | (18,015)  | (2,287,623)                | (3,916,177)        |
| Depreciation expense                | -                              | -              | (3,155,872)         | (14,057,512)                     | (1,380,982)               | (7,334,321)                           | (214,968)          | (3,042,411)   | (14,831,419)               | (44,017,485)       |
| Reclassifications                   | (5,769,915)                    | 256,034        | 1,213,129           | 2,295,463                        | 298,378                   | 2,159,608                             | 17,353             | (420,631)   | (49,419)                   | -                  |
| Other increases (decreases)         | 27,511                         | (1,975)        | 52,475              | 453,549                          | 7,536                     | 669                                   | 31,051             | (213,789)   | -                          | 357,027            |
| Sales                               | -                              | -              | (6,574)             | (725,326)                        | (6,034)                   | (17,661)                              | (82,743)           | (78,951)  | (1,139)                    | (918,428)          |
| Net balance as of December 31, 2016 | <u>2,718,955</u>               | <u>628,474</u> | <u>90,147,608</u>   | <u>43,658,800</u>                | <u>2,523,858</u>          | <u>100,531,994</u>                    | <u>330,961</u>     | <u>8,177,937</u>                                    | <u>193,129,495</u>         | <u>441,848,082</u> |

(\*) Relates to the transfer of balances as of December 31, 2016 of Construmart as at December 31, 2017 these are classified as available-for-sale assets.

**c. Additional information of property, plant and equipment****i. Depreciation expense:**

The depreciation charge to profit or loss is presented in the caption administrative expenses during the current period, amounts to ThCh\$39,014,707 (ThCh\$41,284,811 as of December 31, 2016).

**ii. Other property, plant and equipment:**

Other property, plant and equipment include facilities attached to such tangible assets as furniture for retail and offices the carrying amounts of which as of December 31, 2017 and 2016 are as follows:

| Description           | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
|-----------------------|----------------------|----------------------|
| Supermarket furniture | 6,272,412            | 7,763,013            |
| Office furniture      | 325,065              | 277,114              |
| Other                 | 137,177              | 137,810              |
| Total, net            | <u>6,734,654</u>     | <u>8,177,937</u>     |

**iii. Assets under finance lease agreements**

As of December 31, 2017 and 2016, the net amounts of assets acquired under finance lease agreements presented at each caption correspond to:

|                        | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
|------------------------|----------------------|----------------------|
| Land                   | 327,562              | 327,562              |
| Buildings and fixtures | 1,998,987            | 2,132,979            |
| Plant and equipment    | -                    | 747,538              |
| IT equipment           | 7,371,268            | 4,061,082            |
| Store leases (1)       | <u>164,790,659</u>   | <u>185,860,334</u>   |
| Total, net (2)         | <u>174,488,476</u>   | <u>193,129,495</u>   |

(1) These correspond lease of stores, which, according to the analysis performed by the Company, in accordance with IAS 17 "Leases", have been recorded as finance leases. (See details of the liabilities generated by these contracts in Note 19 d).

(2) As of December 31, 2016, the balance includes ThCh\$4,614,277 related to Construmart, which as of December 31, 2017, is classified as available-for-sale assets.



**SMU**



In general, the average term for lease agreements for plant and equipment, IT equipment, other property, plant and equipment and vehicles, is 48 payments with a purchase option on the next payment.

For store leases, the average term is 20 years, with unilateral termination options by SMU in an average of 10 years and some of them including extension clauses for the same original terms.

**iv. Insurance**

The Group has taken out insurance policies to cover potential risks to which the different items of property, plant and equipment are subject, and claims that might be filed against the Company due to its activity. These insurance policies sufficiently cover all potential risks.

**v. Interest costs**

The SMU Group has capitalized interest of ThCh\$720,224 and ThCh\$363,016 for the years ended December 31, 2017 and 2016, respectively.

**vi. Dismantling, removal and restoration costs**

As of December 31, 2017 and 2016, the Company has no contractual obligation for removal, dismantling and restoration.

**vii. Temporarily out of service assets**

As of December 31, 2017 and 2016, the Company has no significant property, plant and equipment that are temporarily out of service.

**viii. Depreciated assets in use**

As of December 31, 2017 and 2016, the Company maintains no property, plant and equipment fully depreciated and in use.



19. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT

As of December 31, 2017 and 2016, this caption is composed of the following:

|  | 12.31.2017        |                       | 12.31.2016         |                       |
|--|-------------------|-----------------------|--------------------|-----------------------|
|  | Current<br>ThCh\$ | Non-current<br>ThCh\$ | Current<br>ThCh\$  | Non-current<br>ThCh\$ |
| Bank borrowings (*)                            | 40,658,591        | 104,835,846           | 53,612,361         | 179,066,123           |
| Obligations with the public                    | 7,619,423         | 391,284,717           | 59,865,719         | 300,492,580           |
| Obligations under finance lease arrangement:   | 3,346,804         | 6,267,667             | 1,880,729          | 4,774,105             |
| Lease liabilities qualifying as finance leases | 16,483,289        | 223,718,549           | 10,814,787         | 250,136,079           |
| Derivatives (note 7.3)                         | 2,234,218         | 964,037               | -                  | 1,405,866             |
| <b>Total (**)</b>                              | <b>70,342,325</b> | <b>727,070,816</b>    | <b>126,173,596</b> | <b>735,874,753</b>    |

(\*) Current bank borrowings as of December 31, 2017 of ThCh\$40,658,591 (ThCh\$53,612,361 as of December 31, 2016), include short-term revolving credit facilities and letters of credit of ThCh\$1,564,997 (ThCh\$925,118 as of December 31, 2016), the renewal of which is usual practice in the industry.

(\*\*) As of December 31, 2016, current and non-current balances record ThCh\$1,963,210 and ThCh\$11,758,226, respectively, which as of December 31, 2017 are recorded in a single line as non-current liabilities or groups of liabilities classified as available-for-sale.

**Bank borrowings**

On January 30, 2014, the Company entered into with its creditors a Renegotiation, Several Guarantee and Co-Debt Contract by virtue of which all financial liabilities were amended and renegotiated. Subsequent to the successive amendments, assignments and postponements the last of which is drafted as public deed of July 20, 2017, as of December 31, 2017, the Company has a Renegotiation, Several Guarantee and Co-Debt Contract with the current scheduled creditors; i.e., Banco de Crédito e Inversiones, Banco de Chile; Banco Santander-Chile; Banco Bilbao Vizcaya Argentaria, Chile; Banco Estado, Banco Security; Scotiabank Chile; ITAÚ Corpbanca, Rabofinance Chile S.A. and Banco Bilbao Vizcaya Argentaria, S.A., under the following terms and conditions:

Tranche I: consisting of the rescheduling at the long-term (the "Tranche I") for a balance as of December 31, 2017 of UF 3,521,709 and Ch\$10,389,858,856 (the latter solely with respect to Banco Santander and Banco Bilbao Vizcaya Argentaria, S.A). Principal owed under Tranche I will be repaid as follows: UF 939,122 and Ch\$2,770,629,028 on June 30, 2018, UF 1,173,903 and Ch\$3,463,286,285 on June 30, 2019, and UF 1,408,683 and Ch\$4,155,943,542 on June 30, 2020. The portion in UF bears interest on a quarterly basis at a fixed rate of 4.81% whereas the portion in Chilean pesos (the latter solely with respect to Banco Santander and Banco Bilbao Vizcaya Argentaria, S.A.) bears interest on a quarterly basis at a variable rate that will be equal to the result from adding the CPI Rate plus an annual margin or spread of 3.22% with risk coverage under a derivative contract entered into with banco Santander.



Tranche II: consisting of a rescheduling at long-term (the “Tranche II”) for a balance as of December 31, 2017 of UF 845,868. Principal owed under the Tranche II will bear the following interest on a quarterly basis: (i) at a variable rate that is equal to the result of adding the TAB UF rate for transactions at 90 days plus an annual margin or spread of 1.60% (the “Applicable Spread”); and (ii) solely with respect to Rabobank, at an annual fixed rate equivalent to 4.81%. Principal owed under Tranche II will be repaid as follows: UF 225,565 on June 30, 2018, UF 281,956 on June 30, 2019 and UF 338,347 on June 30, 2020.

Tranche III: consisting of a rescheduling at long-term (the “Tranche III”) for a balance as of December 31, 2018 of UF 620,592. Principal owed of Tranche III accrues interest quarterly at a variable rate that will be equal to the result of adding the TAB UF Rate for transactions at 90 days plus the Applicable Spread. Principal owed under Tranche III will be repaid as follows: UF 155,148 on June 30, 2018, UF 193,935 on June 30, 2019 and UF 271,509 on June 30, 2020. The Company has a commitment to pay to its creditor banks the balance of Tranche III at the time of selling the subsidiary Construmart S.A.

Tranche IV: related to a revolving credit facility for foreign trade granted to the Debtors by BCI, Banco de Chile, Banco Estado and Itaú (“Tranche IV”) of Ch\$5,000,000,000 (the “Assumed Amount”). Tranche IV was debited with Debtors’ Outstanding Borrowings for the total Assumed Amount. Principal owed under Tranche IV: (i) denominated and payable in United States dollars accrues interest at a rate resulting from adding the LIBOR USD rate applicable plus the costs of funds (borrowing costs) reported by the Scheduled Creditor plus the Applicable Spread; and (ii) denominated in Chilean pesos or Euros, will accrue the interest rate agreed by the related Debtor and Scheduled Creditor. The amount of the available revolving credit facility is 90% from June 30, 2016 and 75% from December 31, 2017 and will be of 55% from June 30, 2018 and of 30% from June 2019 to be extinguished on June 30, 2020.

Likewise, the Company has in force with its financial creditor Banco BICE a Renegotiation, Several Guarantee and Co-Debt Contract in accordance with the following terms and conditions:

Tranche I: consisting of a renegotiation of long-term Borrowings Outstanding (the “Tranche I”) of UF 166,914 as of December 31, 2018, which accrues interest on a quarterly at a fixed rate of 4.81%. Principal owed under Tranche I will be repaid as follows: UF 44,510 on June 30, 2018, UF 55,638 on June 30, 2019 and UF 66,766 on June 30, 2020.

Tranche II: consisting of a rescheduling of Long-term Borrowings Outstanding (the “Tranche II”) for a balance as of December 31, 2018 of UF 34,226. Principal owed of Tranche II accrues interest quarterly at a variable rate that will be equal to the result of adding the TAB UF Rate for transactions at 90 days plus an annual spread of 1.60% (the “Applicable Spread”). Principal owed under Tranche II will be repaid as follows: UF 9,127 on June 30, 2018, UF 11,409 on June 30, 2019 and UF 13,690 on June 30, 2020.



a) The detail of bank borrowings by bank and currency is as follows:

**December 31, 2017**

| Tax ID No.<br>Creditor | Bank or Financial<br>Institution | Debtor Company       | Currency or<br>adjustment index | Up to 90<br>days | Amount of liabilities exposed to liquidity risk with maturity |                  |                         |                          |                          |                          |                 |            | Total Non-<br>current | Type of<br>repayment | Effective<br>rate | Nominal amount<br>per contract | Nominal rate<br>percontract |        |   |
|------------------------|----------------------------------|----------------------|---------------------------------|------------------|---|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|------------|-----------------------|----------------------|-------------------|--------------------------------|-----------------------------|--------|---|
|                        |                                  |                      |                                 |                  | 90 days<br>to 1<br>year                                       | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years | %          |                       |                      |                   |                                |                             | ThCh\$ | % |
|                        |                                  |                      |                                 |                  | ThCh\$  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          |            |                       |                      |                   |                                |                             | ThCh\$ |   |
| 97080000-k             | BICE                             | Rendic Hermanos S.A. | UF                              | 54,917           | 1,187,629   | 1,242,546        | 1,488,273               | 1,788,204                | -                        | -                        | -               | 3,276,477  | Annual                | 4.92%                | 4,519,023         | 4.81%                          |                             |        |   |
| 97080000-k             | BICE                             | Rendic Hermanos S.A. | UF                              | 5,711            | 243,535   | 249,246          | 305,185                 | 366,680                  | -                        | -                        | -               | 671,865    | Annual                | 2.50%                | 921,111           | 2.39%                          |                             |        |   |
| 97023000-9             | Banco Itau CorpBanca (*)         | Rendic Hermanos S.A. | UF                              | 25,614           | 553,871   | 579,485          | 694,088                 | 833,970                  | -                        | -                        | -               | 1,528,058  | Annual                | 4.92%                | 2,107,543         | 4.81%                          |                             |        |   |
| 97023000-9             | Banco Itau CorpBanca (*)         | Rendic Hermanos S.A. | UF                              | 4,231            | 180,438   | 184,669          | 226,116                 | 271,678                  | -                        | -                        | -               | 497,794    | Annual                | 2.50%                | 682,463           | 2.39%                          |                             |        |   |
| 97023000-9             | Banco Itau CorpBanca (*)         | Rendic Hermanos S.A. | UF                              | 2,979            | 124,643   | 127,622          | 155,804                 | 218,126                  | -                        | -                        | -               | 373,930    | Annual                | 2.39%                | 501,552           | 2.39%                          |                             |        |   |
| 97949000-3             | Rabobank Chile                   | Rendic Hermanos S.A. | UF                              | 17,793           | 384,777   | 402,570          | 482,184                 | 579,359                  | -                        | -                        | -               | 1,061,543  | Annual                | 4.92%                | 1,464,113         | 4.81%                          |                             |        |   |
| 97949000-3             | Rabobank Chile                   | Rendic Hermanos S.A. | UF                              | 3,648            | 78,903  | 82,551           | 98,874                  | 118,799                  | -                        | -                        | -               | 217,673    | Annual                | 4.92%                | 300,224           | 4.81%                          |                             |        |   |
| 97949000-3             | Rabobank Chile                   | Rendic Hermanos S.A. | UF                              | 1,302            | 54,505  | 55,807           | 68,131                  | 95,383                   | -                        | -                        | -               | 163,514    | Annual                | 2.39%                | 219,321           | 2.39%                          |                             |        |   |
| 97023000-9             | Banco Itau CorpBanca (*)         | Rendic Hermanos S.A. | UF                              | 65,391           | 1,414,160   | 1,479,551        | 1,772,147               | 2,129,286                | -                        | -                        | -               | 3,901,433  | Annual                | 4.92%                | 5,380,984         | 4.81%                          |                             |        |   |
| 97023000-9             | Banco Itau CorpBanca (*)         | Rendic Hermanos S.A. | UF                              | 5,324            | 227,052   | 232,376          | 284,529                 | 341,862                  | -                        | -                        | -               | 626,391    | Annual                | 2.50%                | 858,767           | 2.39%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | UF                              | 1,852            | 78,954  | 80,806           | 98,942                  | 118,880                  | -                        | -                        | -               | 217,822    | Annual                | 2.50%                | 298,628           | 2.39%                          |                             |        |   |
| 97040000-5             | Banco de Chile                   | Rendic Hermanos S.A. | UF                              | 9,749            | 407,916   | 417,665          | 509,895                 | 713,853                  | -                        | -                        | -               | 1,223,748  | Annual                | 2.39%                | 1,641,413         | 2.39%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 92,989           | -   | 92,989           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.55%                | 92,989            | 3.55%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 47,444           | -   | 47,444           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.55%                | 47,444            | 3.55%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 47,792           | -   | 47,792           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.55%                | 47,792            | 3.55%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 49,981           | -   | 49,981           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.55%                | 49,981            | 3.55%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 48,324           | -   | 48,324           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.56%                | 48,324            | 3.56%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 15,054           | -   | 15,054           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.55%                | 15,054            | 3.55%                          |                             |        |   |
| 97032000-8             | BBVA                             | Rendic Hermanos S.A. | US\$                            | 124,244          | -   | 124,244          | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.55%                | 124,244           | 3.55%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 15,044           | -   | 15,044           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.56%                | 15,044            | 3.56%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 15,030           | -   | 15,030           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.57%                | 15,030            | 3.57%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 108,308          | -   | 108,308          | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.60%                | 108,308           | 3.60%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 15,015           | -   | 15,015           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.60%                | 15,015            | 3.60%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 15,012           | -   | 15,012           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.61%                | 15,012            | 3.61%                          |                             |        |   |
| 97032000-8             | BBVA                             | Rendic Hermanos S.A. | US\$                            | 160,003          | -   | 160,003          | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.56%                | 160,003           | 3.56%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | 91,797           | -   | 91,797           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.61%                | 91,797            | 3.61%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 14,995  | 14,995           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.62%                | 14,995            | 3.62%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 25,441  | 25,441           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.69%                | 25,441            | 3.69%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 50,882  | 50,882           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.69%                | 50,882            | 3.69%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 50,882  | 50,882           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.69%                | 50,882            | 3.69%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 101,696   | 101,696          | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.72%                | 101,696           | 3.72%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 41,565  | 41,565           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.69%                | 41,565            | 3.69%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 31,400  | 31,400           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.71%                | 31,400            | 3.71%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 31,384  | 31,384           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.72%                | 31,384            | 3.72%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 31,365  | 31,365           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.74%                | 31,365            | 3.74%                          |                             |        |   |
| 97032000-8             | BBVA                             | Rendic Hermanos S.A. | US\$                            | -                | 125,343   | 125,343          | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.75%                | 125,343           | 3.75%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 31,314  | 31,314           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.84%                | 31,314            | 3.84%                          |                             |        |   |
| 97030000-7             | Banco Estado                     | Rendic Hermanos S.A. | US\$                            | -                | 31,265  | 31,265           | -                       | -                        | -                        | -                        | -               | -          | To maturity           | 3.92%                | 31,265            | 3.92%                          |                             |        |   |
| 97032000-8             | BBVA                             | SMU S.A.             | UF                              | 15,635           | 283,657   | 299,292          | 362,356                 | 439,603                  | -                        | -                        | -               | 801,959    | Annual                | 5.76%                | 1,101,251         | 4.81%                          |                             |        |   |
| 97006000-6             | BCI                              | SMU S.A.             | UF                              | 453,171          | 9,620,588   | 10,073,759       | 12,078,770              | 14,526,843               | -                        | -                        | -               | 26,605,613 | Annual                | 5.00%                | 36,679,372        | 4.81%                          |                             |        |   |



**SMU**



| Tax ID No.<br>Creditor | Bank or Financial<br>Institution | Debtor Company       | Currency or<br>adjustment index | Up to 90<br>days | Amount of liabilities exposed to liquidity risk with maturity |                   |                   |                   |                 |                 |                 |                       |             |        | Type of<br>repayment | Effective<br>rate | Nominal amount<br>per contract | Nominal rate<br>percontract |   |        |        |        |        |
|------------------------|----------------------------------|----------------------|---------------------------------|------------------|---|-------------------|-------------------|-------------------|-----------------|-----------------|-----------------|-----------------------|-------------|--------|----------------------|-------------------|--------------------------------|-----------------------------|---|--------|--------|--------|--------|
|                        |                                  |                      |                                 |                  | 90 days<br>to 1   | Total<br>Current  | 1 year<br>to 2    | 2 years<br>to 3   | 3 years<br>to 4 | 4 years<br>to 5 | Over 5<br>years | Total Non-<br>current | %           | ThCh\$ |                      |                   |                                |                             | % |        |        |        |        |
|                        |                                  |                      |                                 |                  | year  | years             | years             | years             | years           | years           | years           | ThCh\$                |             |        |                      |                   |                                |                             |   | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
|                        |                                  |                      |                                 |                  | ThCh\$  | ThCh\$            | ThCh\$            | ThCh\$            | ThCh\$          | ThCh\$          | ThCh\$          | ThCh\$                |             |        |                      |                   |                                |                             |   | ThCh\$ | ThCh\$ | ThCh\$ |        |
| 97006000-6             | BCI                              | SMU S.A.             | UF                              | 47,853           | 1,974,591   | 2,022,444         | 2,479,117         | 2,981,429         | -               | -               | -               | 5,460,546             | Annual      | 2.57%  | 7,482,990            | 2.39%             |                                |                             |   |        |        |        |        |
| 97006000-6             | BCI                              | SMU S.A.             | UF                              | 33,150           | 1,387,014   | 1,420,164         | 1,733,767         | 2,427,274         | -               | -               | -               | 4,161,041             | Annual      | 2.39%  | 5,581,205            | 2.39%             |                                |                             |   |        |        |        |        |
| 97004000-5             | Banco de Chile                   | SMU S.A.             | UF                              | 213,260          | 4,161,308   | 4,374,568         | 5,271,799         | 6,369,064         | -               | -               | -               | 11,640,863            | Annual      | 5.40%  | 16,015,431           | 4.81%             |                                |                             |   |        |        |        |        |
| 97004000-5             | Banco de Chile                   | SMU S.A.             | UF                              | 25,351           | 906,682   | 932,033           | 1,148,515         | 1,387,293         | -               | -               | -               | 2,535,808             | Annual      | 2.95%  | 3,467,841            | 2.39%             |                                |                             |   |        |        |        |        |
| 97004000-5             | Banco de Chile                   | SMU S.A.             | UF                              | 1,198            | 50,111  | 51,309            | 62,639            | 87,694            | -               | -               | -               | 150,333               | Annual      | 2.39%  | 201,642              | 2.39%             |                                |                             |   |        |        |        |        |
| 97030000-7             | Banco Estado                     | SMU S.A.             | UF                              | 191,210          | 4,029,310   | 4,220,520         | 5,062,721         | 6,091,165         | -               | -               | -               | 11,153,886            | Annual      | 5.04%  | 15,374,406           | 4.81%             |                                |                             |   |        |        |        |        |
| 97030000-7             | Banco Estado                     | SMU S.A.             | UF                              | 20,403           | 831,332   | 851,735           | 1,044,517         | 1,256,613         | -               | -               | -               | 2,301,130             | Annual      | 2.61%  | 3,152,865            | 2.39%             |                                |                             |   |        |        |        |        |
| 97030000-7             | Banco Estado                     | SMU S.A.             | UF                              | 15,090           | 631,383   | 646,473           | 789,229           | 1,104,920         | -               | -               | -               | 1,894,149             | Annual      | 2.39%  | 2,540,622            | 2.39%             |                                |                             |   |        |        |        |        |
| 97018000-1             | Scotiabank                       | SMU S.A.             | UF                              | 133,265          | 2,881,873   | 3,015,138         | 3,611,420         | 4,339,234         | -               | -               | -               | 7,950,654             | Annual      | 4.92%  | 10,965,792           | 4.81%             |                                |                             |   |        |        |        |        |
| 97018000-1             | Scotiabank                       | SMU S.A.             | UF                              | 13,859           | 590,959   | 604,818           | 740,560           | 889,781           | -               | -               | -               | 1,630,341             | Annual      | 2.50%  | 2,235,159            | 2.39%             |                                |                             |   |        |        |        |        |
| 97018000-1             | Scotiabank                       | SMU S.A.             | UF                              | 9,757            | 408,224   | 417,981           | 510,280           | 714,392           | -               | -               | -               | 1,224,672             | Annual      | 2.39%  | 1,642,653            | 2.39%             |                                |                             |   |        |        |        |        |
| 97036000-K             | Banco Santander                  | SMU S.A.             | UF                              | 20,148           | 624,313   | 644,461           | 798,925           | 969,843           | -               | -               | -               | 1,768,768             | Annual      | 3.37%  | 2,413,229            | 2.39%             |                                |                             |   |        |        |        |        |
| 97036000-K             | Banco Santander                  | SMU S.A.             | UF                              | 10,681           | 446,912   | 457,593           | 558,640           | 782,096           | -               | -               | -               | 1,340,736             | Annual      | 2.39%  | 1,798,329            | 2.39%             |                                |                             |   |        |        |        |        |
| 97053000-2             | Security                         | SMU S.A.             | UF                              | 38,710           | 837,179   | 875,889           | 1,049,102         | 1,260,526         | -               | -               | -               | 2,309,628             | Annual      | 4.92%  | 3,185,517            | 4.81%             |                                |                             |   |        |        |        |        |
| 97036000-K             | Banco Santander                  | SMU S.A.             | Ch\$                            | 85,404           | 992,160   | 1,077,564         | 1,324,773         | 1,642,907         | -               | -               | -               | 2,967,680             | Annual      | 8.63%  | 4,045,244            | 5.73%             |                                |                             |   |        |        |        |        |
| 97032000-8             | BBVA                             | SMU S.A.             | Ch\$                            | 89,147           | 1,659,518   | 1,748,665         | 2,074,397         | 2,489,277         | -               | -               | -               | 4,563,674             | Annual      | 5.73%  | 6,312,339            | 5.73%             |                                |                             |   |        |        |        |        |
| 97004000-5             | Banco de Chile                   | Abu Gosh y Cía. Ltda | UF                              | 4,288            | 179,894   | 184,182           | 224,868           | 314,815           | -               | -               | -               | 539,683               | Annual      | 2.39%  | 723,865              | 2.39%             |                                |                             |   |        |        |        |        |
| 97006000-6             | BCI                              | Abu Gosh y Cía. Ltda | UF                              | 605              | 27,067  | 27,672            | 33,834            | 40,600            | -               | -               | -               | 74,434                | Annual      | 2.39%  | 102,106              | 2.39%             |                                |                             |   |        |        |        |        |
| 97004000-5             | Banco de Chile                   | Abu Gosh y Cía. Ltda | US\$                            | 10,974           | -   | 10,974            | -                 | -                 | -               | -               | -               | -                     | To maturity | 0.00%  | 10,974               | 0.00%             |                                |                             |   |        |        |        |        |
| 97004000-5             | Banco de Chile                   | Abu Gosh y Cía. Ltda | US\$                            | 102,238          | -   | 102,238           | -                 | -                 | -               | -               | -               | -                     | To maturity | 0.00%  | 102,238              | 0.00%             |                                |                             |   |        |        |        |        |
| 97006000-6             | BCI                              | Abu Gosh y Cía. Ltda | US\$                            | 22,020           | -   | 22,020            | -                 | -                 | -               | -               | -               | -                     | To maturity | 7.19%  | 22,020               | 7.19%             |                                |                             |   |        |        |        |        |
| 97006000-6             | BCI                              | Abu Gosh y Cía. Ltda | US\$                            | 28,636           | -   | 28,636            | -                 | -                 | -               | -               | -               | -                     | To maturity | 7.16%  | 28,636               | 7.16%             |                                |                             |   |        |        |        |        |
|                        |                                  |                      |                                 | <b>2,630,601</b> | <b>38,027,990</b>   | <b>40,658,591</b> | <b>47,144,397</b> | <b>57,691,449</b> | -               | -               | -               | <b>104,835,846</b>    |             |        | <b>145,494,437</b>   |                   |                                |                             |   |        |        |        |        |

(\*) Related company of SMU Group, through common Parent.



**December 31, 2016**

| Tax ID No.<br>Creditor | Bank or Financial<br>Institution      | Debtor Company       | Currency<br>or adjustment<br>index | Amount of liabilities exposed to liquidity risk with maturity |                         |                  |                         |                 |                 |                 |               |            |             | Total Non-current | Type of<br>Repayment | Effective<br>rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|---------------------------------------|----------------------|------------------------------------|---|-------------------------|------------------|-------------------------|-----------------|-----------------|-----------------|---------------|------------|-------------|-------------------|----------------------|-------------------|--------------------------------|------------------------------|
|                        |                                       |                      |                                    | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3 | 3 years<br>to 4 | 4 years<br>to 5 | Over<br>years |            |             |                   |                      |                   |                                |                              |
|                        |                                       |                      |                                    | ThCh\$  | ThCh\$                  | ThCh\$           | ThCh\$                  | ThCh\$          | ThCh\$          | ThCh\$          | ThCh\$        | ThCh\$     | ThCh\$      |                   |                      |                   |                                |                              |
| 97080000-k             | BICE                                  | Rendic Hermanos S.A. | UF                                 | 720   | 874,468                 | 875,188          | 1,168,618               | 1,463,166       | 1,758,126       | -               | -             | 4,389,910  | Annual      | 4.93              | 5,265,098            | 4.81              |                                |                              |
| 97080000-k             | BICE                                  | Rendic Hermanos S.A. | UF                                 | 130   | 179,329                 | 179,459          | 239,644                 | 300,037         | 360,510         | -               | -             | 900,191    | Annual      | 4.34              | 1,079,650            | 4.23              |                                |                              |
| 97023000-9             | Banco Itau CorpBanca (*)              | Rendic Hermanos S.A. | UF                                 | 336   | 407,828                 | 408,164          | 545,013                 | 682,382         | 819,945         | -               | -             | 2,047,340  | Annual      | 4.93              | 2,455,504            | 4.81              |                                |                              |
| 97023000-9             | Banco Itau CorpBanca (*)              | Rendic Hermanos S.A. | UF                                 | 96  | 132,867                 | 132,963          | 177,555                 | 222,301         | 267,107         | -               | -             | 666,963    | Annual      | 4.34              | 799,926              | 4.23              |                                |                              |
| 97023000-9             | Banco Itau CorpBanca (*)              | Rendic Hermanos S.A. | UF                                 | 68  | 91,912                  | 91,980           | 122,550                 | 153,187         | 214,462         | -               | -             | 490,199    | Annual      | 4.23              | 582,179              | 4.23              |                                |                              |
| 97949000-3             | Rabobank Chile                        | Rendic Hermanos S.A. | UF                                 | 233   | 283,319                 | 283,552          | 378,620                 | 474,050         | 569,614         | -               | -             | 1,422,284  | Annual      | 4.93              | 1,705,836            | 4.81              |                                |                              |
| 97949000-3             | Rabobank Chile                        | Rendic Hermanos S.A. | UF                                 | 48  | 58,095                  | 58,143           | 77,636                  | 97,204          | 116,800         | -               | -             | 291,640    | Annual      | 4.93              | 349,783              | 4.81              |                                |                              |
| 97949000-3             | Rabobank Chile                        | Rendic Hermanos S.A. | UF                                 | 30  | 40,192                  | 40,222           | 53,589                  | 66,986          | 93,781          | -               | -             | 214,356    | Annual      | 4.23              | 254,578              | 4.23              |                                |                              |
| 97023000-9             | Banco Itau CorpBanca (*)              | Rendic Hermanos S.A. | UF                                 | 858   | 1,041,265               | 1,042,123        | 1,391,520               | 1,742,250       | 2,093,471       | -               | -             | 5,227,241  | Annual      | 4.93              | 6,269,364            | 4.81              |                                |                              |
| 97023000-9             | Banco Itau CorpBanca (*)              | Rendic Hermanos S.A. | UF                                 | 121   | 167,192                 | 167,313          | 223,424                 | 279,730         | 336,110         | -               | -             | 839,264    | Annual      | 4.34              | 1,006,577            | 4.23              |                                |                              |
| 97030000-7             | Banco Estado                          | Rendic Hermanos S.A. | UF                                 | 42  | 58,140                  | 58,182           | 77,694                  | 97,274          | 116,880         | -               | -             | 291,848    | Annual      | 4.34              | 350,030              | 4.23              |                                |                              |
| 97004000-5             | Banco de Chile                        | Rendic Hermanos S.A. | UF                                 | 224   | 300,798                 | 301,022          | 401,064                 | 501,330         | 701,862         | -               | -             | 1,604,256  | Annual      | 4.23              | 1,905,278            | 4.23              |                                |                              |
| 78968730-7             | Rabo Servicios y Asesorias Ltda.      | Rendic Hermanos S.A. | Ch\$                               | 1,162,500   | -                       | 1,162,500        | -                       | -               | -               | -               | -             | -          | At maturity | 9.73              | 1,162,500            | 9.73              |                                |                              |
| 97023000-9             | Banco Itau CorpBanca (*)              | Rendic Hermanos S.A. | US\$                               | 257,953   | -                       | 257,953          | -                       | -               | -               | -               | -             | -          | At maturity | 3.72              | 257,953              | 3.72              |                                |                              |
| 97030000-7             | Banco Estado                          | Rendic Hermanos S.A. | US\$                               | 289,929   | -                       | 289,929          | -                       | -               | -               | -               | -             | -          | At maturity | 3.00              | 289,929              | 3.00              |                                |                              |
| 96861280-8             | Eurocapital S.A.                      | Rendic Hermanos S.A. | Ch\$                               | 3,185,231   | -                       | 3,185,231        | -                       | -               | -               | -               | -             | -          | At maturity | 1.00              | 3,185,231            | 1.00              |                                |                              |
| 96861280-8             | Eurocapital S.A.                      | Rendic Hermanos S.A. | Ch\$                               | 707,082   | -                       | 707,082          | -                       | -               | -               | -               | -             | -          | At maturity | 1.00              | 707,082              | 1.00              |                                |                              |
| 96667560-8             | Tanner Servicios Financieros S.A.     | Rendic Hermanos S.A. | Ch\$                               | 151,006   | -                       | 151,006          | -                       | -               | -               | -               | -             | -          | At maturity | 1.00              | 151,006              | 1.00              |                                |                              |
| 96667560-8             | Tanner Servicios Financieros S.A.     | Rendic Hermanos S.A. | Ch\$                               | 134,832   | -                       | 134,832          | -                       | -               | -               | -               | -             | -          | At maturity | 1.00              | 134,832              | 1.00              |                                |                              |
| 96667560-8             | Tanner Servicios Financieros S.A.     | Rendic Hermanos S.A. | Ch\$                               | 291,073   | -                       | 291,073          | -                       | -               | -               | -               | -             | -          | At maturity | 0.98              | 291,073              | 0.98              |                                |                              |
| 96655860-1             | Factoring Security S.A.               | Rendic Hermanos S.A. | Ch\$                               | 4,642,185   | -                       | 4,642,185        | -                       | -               | -               | -               | -             | -          | At maturity | 1.00              | 4,642,185            | 1.00              |                                |                              |
| 99501480-7             | Penta Financiero S.A.                 | Rendic Hermanos S.A. | Ch\$                               | 831,667   | -                       | 831,667          | -                       | -               | -               | -               | -             | -          | At maturity | 1.04              | 831,667              | 1.04              |                                |                              |
| 99501480-7             | Penta Financiero S.A.                 | Rendic Hermanos S.A. | Ch\$                               | 323,472   | -                       | 323,472          | -                       | -               | -               | -               | -             | -          | At maturity | 1.04              | 323,472              | 1.04              |                                |                              |
| 99501480-7             | Penta Financiero S.A.                 | Rendic Hermanos S.A. | Ch\$                               | 720,737   | -                       | 720,737          | -                       | -               | -               | -               | -             | -          | At maturity | 1.04              | 720,737              | 1.04              |                                |                              |
| 99501480-7             | Penta Financiero S.A.                 | Rendic Hermanos S.A. | Ch\$                               | 1,255,165   | -                       | 1,255,165        | -                       | -               | -               | -               | -             | -          | At maturity | 1.04              | 1,255,165            | 1.04              |                                |                              |
| 76592482-0             | Fondo de Inversion Larrain Vial Deud: | Rendic Hermanos S.A. | US\$                               | -   | 44,199                  | 44,199           | 29,320,499              | -               | -               | -               | -             | 29,320,499 | At maturity | 11.15             | 29,364,698           | 10.50             |                                |                              |
| 76582915-1             | Fondo de Inversion Larrain Vial Deud: | Rendic Hermanos S.A. | US\$                               | -   | 2,246                   | 2,246            | 1,490,032               | -               | -               | -               | -             | 1,490,032  | At maturity | 11.15             | 1,492,278            | 10.50             |                                |                              |
| 76556024-1             | Compass Latam High Yield Fondo de     | Rendic Hermanos S.A. | US\$                               | -   | 2,745                   | 2,745            | 1,821,149               | -               | -               | -               | -             | 1,821,149  | At maturity | 11.15             | 1,823,894            | 10.50             |                                |                              |
| 96861280-8             | Eurocapital S.A.                      | Rendic Hermanos S.A. | Ch\$                               | 1,984,700   | -                       | 1,984,700        | -                       | -               | -               | -               | -             | -          | At maturity | 12.52             | 1,984,700            | 12.52             |                                |                              |
| 96861280-8             | Eurocapital S.A.                      | Rendic Hermanos S.A. | Ch\$                               | 992,350   | -                       | 992,350          | -                       | -               | -               | -               | -             | -          | At maturity | 12.44             | 992,350              | 12.44             |                                |                              |
| 97032000-8             | BBVA                                  | SMU S.A.             | UF                                 | 205   | 206,751                 | 206,956          | 281,042                 | 356,173         | 432,183         | -               | -             | 1,069,398  | Annual      | 5.78              | 1,276,354            | 4.81              |                                |                              |
| 97006000-6             | BCI                                   | SMU S.A.             | UF                                 | 5,942   | 7,076,809               | 7,082,751        | 9,473,017               | 11,874,824      | 14,282,439      | -               | -             | 35,630,280 | Annual      | 5.01              | 42,713,031           | 4.81              |                                |                              |
| 97006000-6             | BCI                                   | SMU S.A.             | UF                                 | 1,077   | 1,452,570               | 1,453,647        | 1,944,340               | 2,437,214       | 2,931,226       | -               | -             | 7,312,780  | Annual      | 4.42              | 8,766,427            | 4.23              |                                |                              |
| 97006000-6             | BCI                                   | SMU S.A.             | UF                                 | 761   | 1,022,786               | 1,023,547        | 1,363,715               | 1,704,643       | 2,386,500       | -               | -             | 5,454,858  | Annual      | 4.23              | 6,478,405            | 4.23              |                                |                              |
| 97004000-5             | Banco de Chile                        | SMU S.A.             | UF                                 | 2,795   | 3,046,521               | 3,049,316        | 4,110,694               | 5,182,330       | 6,261,742       | -               | -             | 15,554,766 | Annual      | 5.41              | 18,604,082           | 4.81              |                                |                              |
| 97004000-5             | Banco de Chile                        | SMU S.A.             | UF                                 | 542   | 663,867                 | 664,409          | 895,619                 | 1,128,926       | 1,363,844       | -               | -             | 3,388,389  | Annual      | 4.81              | 4,052,798            | 4.23              |                                |                              |





| Tax ID No.<br>Creditor  | Bank or Financial<br>Institution  | Debtor Company       | Currency<br>or adjustment<br>index | Amount of liabilities exposed to liquidity risk with maturity |                   |                   |                   |                   |                   |          |          |                    |               |                       | Nominal amount<br>per contract | Nominal rate<br>percontract |                      |                   |      |      |      |
|-------------------------|-----------------------------------|----------------------|------------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|----------|----------|--------------------|---------------|-----------------------|--------------------------------|-----------------------------|----------------------|-------------------|------|------|------|
|                         |                                   |                      |                                    | Up to 90<br>days  | 90 days           |                   | Total<br>Current  | 1 year            |                   | 2 years  | 3 years  | 4 years            | Over<br>years | Total Non-<br>current |                                |                             | Type of<br>Repayment | Effective<br>rate |      |      |      |
|                         |                                   |                      |                                    |   | ThCh\$            | year              |                   | ThCh\$            | to 2              |          |          |                    |               |                       |                                |                             |                      |                   | to 3 | to 4 | to 5 |
|                         |                                   |                      |                                    |   |                   |                   |                   |                   |                   |          |          |                    |               |                       |                                |                             |                      |                   |      |      |      |
| 97004000-5              | Banco de Chile                    | SMU S.A.             | UF                                 | 27  | 36,952            | 36,979            | 49,269            | 61,586            | 86,221            | -        | -        | 197,076            | Annual        | 4.23                  | 234,055                        | 4.23                        |                      |                   |      |      |      |
| 97030000-7              | Banco Estado                      | SMU S.A.             | UF                                 | 2,507   | 2,962,731         | 2,965,238         | 3,968,592         | 4,977,205         | 5,988,673         | -        | -        | 14,934,470         | Annual        | 5.04                  | 17,899,708                     | 4.81                        |                      |                   |      |      |      |
| 97030000-7              | Banco Estado                      | SMU S.A.             | UF                                 | 457   | 611,316           | 611,773           | 818,811           | 1,026,849         | 1,235,447         | -        | -        | 3,081,107          | Annual        | 4.46                  | 3,692,880                      | 4.23                        |                      |                   |      |      |      |
| 97030000-7              | Banco Estado                      | SMU S.A.             | UF                                 | 346   | 465,583           | 465,929           | 620,777           | 775,971           | 1,086,359         | -        | -        | 2,483,107          | Annual        | 4.23                  | 2,949,036                      | 4.23                        |                      |                   |      |      |      |
| 97018000-1              | Scotiabank                        | SMU S.A.             | UF                                 | 1,748   | 2,121,976         | 2,123,724         | 2,835,757         | 3,550,504         | 4,266,251         | -        | -        | 10,652,512         | Annual        | 4.93                  | 12,776,236                     | 4.81                        |                      |                   |      |      |      |
| 97018000-1              | Scotiabank                        | SMU S.A.             | UF                                 | 316   | 435,159           | 435,475           | 581,518           | 728,067           | 874,811           | -        | -        | 2,184,396          | Annual        | 4.34                  | 2,619,871                      | 4.23                        |                      |                   |      |      |      |
| 97018000-1              | Scotiabank                        | SMU S.A.             | UF                                 | 224   | 301,025           | 301,249           | 401,366           | 501,708           | 702,391           | -        | -        | 1,605,465          | Annual        | 4.23                  | 1,906,714                      | 4.23                        |                      |                   |      |      |      |
| 97036000-K              | Banco Santander                   | SMU S.A.             | UF                                 | 410   | 454,673           | 455,083           | 618,948           | 785,157           | 953,378           | -        | -        | 2,357,483          | Annual        | 5.25                  | 2,812,566                      | 4.23                        |                      |                   |      |      |      |
| 97036000-K              | Banco Santander                   | SMU S.A.             | UF                                 | 245   | 329,553           | 329,798           | 439,405           | 549,256           | 768,958           | -        | -        | 1,757,619          | Annual        | 4.23                  | 2,087,417                      | 4.23                        |                      |                   |      |      |      |
| 97053000-2              | Security                          | SMU S.A.             | UF                                 | 508   | 616,422           | 616,930           | 823,771           | 1,031,401         | 1,239,321         | -        | -        | 3,094,493          | Annual        | 4.93                  | 3,711,423                      | 4.81                        |                      |                   |      |      |      |
| 97036000-K              | Banco Santander                   | SMU S.A.             | Ch\$                               | 140,785   | 1,966,345         | 2,107,130         | 2,676,145         | 3,397,263         | 4,131,023         | -        | -        | 10,204,431         | Annual        | 12.25                 | 12,311,561                     | 11.02                       |                      |                   |      |      |      |
| 96667560-8              | Tanner Servicios Financieros S.A. | SMU S.A.             | US\$                               | 11,414  | 2,252,767         | 2,264,181         | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 11.40                 | 2,264,181                      | 11.40                       |                      |                   |      |      |      |
| 76389992-6              | ST Capital S.A.                   | SMU S.A.             | Ch\$                               | 2,002,667   | -                 | 2,002,667         | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 12.00                 | 2,002,667                      | 12.00                       |                      |                   |      |      |      |
| 76389992-6              | ST Capital S.A.                   | SMU S.A.             | Ch\$                               | 2,021,333   | -                 | 2,021,333         | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 12.00                 | 2,021,333                      | 12.00                       |                      |                   |      |      |      |
| 76389992-6              | ST Capital S.A.                   | SMU S.A.             | Ch\$                               | 1,012,000   | -                 | 1,012,000         | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 12.00                 | 1,012,000                      | 12.00                       |                      |                   |      |      |      |
| 97004000-5              | Banco de Chile                    | Abu Gosh y Cia. Ltda | UF                                 | -   | 132,655           | 132,655           | 176,872           | 221,091           | 309,527           | -        | -        | 707,490            | Annual        | 4.23                  | 840,145                        | 4.23                        |                      |                   |      |      |      |
| 97006000-6              | BCI                               | Abu Gosh y Cia. Ltda | UF                                 | -   | 19,959            | 19,959            | 26,615            | 33,265            | 39,919            | -        | -        | 99,799             | Annual        | 4.23                  | 119,758                        | 4.23                        |                      |                   |      |      |      |
| 97004000-5              | Banco de Chile                    | Abu Gosh y Cia. Ltda | US\$                               | 43,247  | -                 | 43,247            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 0.00                  | 43,247                         | 0.00                        |                      |                   |      |      |      |
| 97004000-5              | Banco de Chile                    | Abu Gosh y Cia. Ltda | US\$                               | -   | 93,946            | 93,946            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 3.82                  | 93,946                         | 3.82                        |                      |                   |      |      |      |
| 97004000-5              | Banco de Chile                    | Abu Gosh y Cia. Ltda | US\$                               | 93,230  | -                 | 93,230            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 0.00                  | 93,230                         | 0.00                        |                      |                   |      |      |      |
| 97006000-6              | BCI                               | Abu Gosh y Cia. Ltda | US\$                               | 13,890  | -                 | 13,890            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 6.82                  | 13,890                         | 6.82                        |                      |                   |      |      |      |
| 97006000-6              | BCI                               | Abu Gosh y Cia. Ltda | US\$                               | 62,643  | -                 | 62,643            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 6.50                  | 62,643                         | 6.50                        |                      |                   |      |      |      |
| 97023000-9              | Banco Itau CorpBanca (*)          | Abu Gosh y Cia. Ltda | US\$                               | -   | 6,693             | 6,693             | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 7.35                  | 6,693                          | 7.35                        |                      |                   |      |      |      |
| 97023000-9              | Banco Itau CorpBanca (*)          | Abu Gosh y Cia. Ltda | US\$                               | -   | 20,035            | 20,035            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 7.35                  | 20,035                         | 7.35                        |                      |                   |      |      |      |
| 97023000-9              | Banco Itau CorpBanca (*)          | Abu Gosh y Cia. Ltda | US\$                               | -   | 21,902            | 21,902            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 7.35                  | 21,902                         | 7.35                        |                      |                   |      |      |      |
| 97023000-9              | Banco Itau CorpBanca (*)          | Abu Gosh y Cia. Ltda | US\$                               | 21,649  | -                 | 21,649            | -                 | -                 | -                 | -        | -        | -                  | At maturity   | 7.20                  | 21,649                         | 7.20                        |                      |                   |      |      |      |
| 97023000-9              | Banco Itau CorpBanca (*)          | Construmart S.A.     | UF                                 | -   | 46,627            | 46,627            | 61,953            | 77,586            | 93,217            | -        | -        | 232,756            | Annual        | 4.34                  | 279,383                        | 4.23                        |                      |                   |      |      |      |
| 97023000-9              | Banco Itau CorpBanca (*)          | Construmart S.A.     | UF                                 | -   | 147,934           | 147,934           | 196,953           | 246,191           | 344,667           | -        | -        | 787,811            | Annual        | 4.23                  | 935,745                        | 4.23                        |                      |                   |      |      |      |
| 97032000-8              | BBVA                              | Construmart S.A.     | UF                                 | -   | 168,730           | 168,730           | 224,331           | 280,624           | 336,918           | -        | -        | 841,873            | Annual        | 4.93                  | 1,010,603                      | 4.81                        |                      |                   |      |      |      |
| 97032000-8              | BBVA                              | Construmart S.A.     | UF                                 | -   | 79,265            | 79,265            | 105,537           | 131,922           | 158,306           | -        | -        | 395,765            | Annual        | 4.34                  | 475,030                        | 4.23                        |                      |                   |      |      |      |
| 97032000-8              | BBVA                              | Construmart S.A.     | UF                                 | -   | 54,524            | 54,524            | 72,591            | 90,738            | 127,034           | -        | -        | 290,363            | Annual        | 4.23                  | 344,887                        | 4.23                        |                      |                   |      |      |      |
| 97053000-2              | Security                          | Construmart S.A.     | UF                                 | -   | 388,326           | 388,326           | 516,273           | 645,839           | 775,405           | -        | -        | 1,937,517          | Annual        | 4.93                  | 2,325,843                      | 4.81                        |                      |                   |      |      |      |
| 97053000-2              | Security                          | Construmart S.A.     | UF                                 | -   | 207,129           | 207,129           | 275,784           | 344,729           | 413,675           | -        | -        | 1,034,188          | Annual        | 4.34                  | 1,241,317                      | 4.23                        |                      |                   |      |      |      |
| 97053000-2              | Security                          | Construmart S.A.     | UF                                 | -   | 142,479           | 142,479           | 189,690           | 237,112           | 331,957           | -        | -        | 758,759            | Annual        | 4.23                  | 901,238                        | 4.23                        |                      |                   |      |      |      |
| <b>Total bank loans</b> |                                   |                      |                                    | <b>22,373,756</b>   | <b>31,238,605</b> | <b>53,612,361</b> | <b>71,237,992</b> | <b>48,458,071</b> | <b>59,370,060</b> | <b>-</b> | <b>-</b> | <b>179,066,123</b> |               |                       | <b>232,678,484</b>             |                             |                      |                   |      |      |      |

(\*) Related company of SMU Group, through common Parent.



b) As of December 31, 2017 and 2016, the detail of promissory notes and bonds payable by currency and years to maturity is as follows:

As of December 31, 2017

| Current:     |                 | Terms of the obligation |                   |             |          |         |              |                     |                       |           |  |                      | Carrying amount          |                               |           |
|--------------|-----------------|-------------------------|-------------------|-------------|----------|---------|--------------|---------------------|-----------------------|-----------|--|----------------------|--------------------------|-------------------------------|-----------|
| Tax ID No.   | Company Country | Creditor name           | Country of origin | Description | Currency | Payment | Amortization | Annual nominal rate | Annual effective rate | Guarantee | Nominal amount as of 12.31.2017 ThCh\$ | Up to 90 days ThCh\$ | 90 days to 1 year ThCh\$ | Total as of 12.31.2017 ThCh\$ |           |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMUA-B | UF      | Biannual     | Biannual            | 3.80                  | 4.18      | Unguaranteed                           | 249,439              | -                        | 268,335                       | 268,335   |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BSDSU-D  | UF      | Biannual     | To maturity         | 4.70                  | 4.76      | Unguaranteed                           | 175,408              | -                        | 176,722                       | 176,722   |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-G  | UF      | Biannual     | To maturity         | 4.50                  | 5.55      | Unguaranteed                           | 479,365              | 565,990                  | -                             | 565,990   |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-K  | UF      | Biannual     | To maturity         | 4.50                  | 5.55      | Unguaranteed                           | 479,365              | 565,990                  | -                             | 565,990   |
| 76.012.676-4 | SMJ S.A.        | USA                     | Other payables    | USA         | BONOUSD  | US\$    | Biannual     | To maturity         | 7.75                  | 8.20      | Unguaranteed                           | 5,631,728            | 5,817,909                | -                             | 5,817,909 |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-P  | UF      | Biannual     | To maturity         | 3.00                  | 3.19      | Unguaranteed                           | 213,830              | 224,477                  | -                             | 224,477   |
| <b>Total</b> |                 |                         |                   |             |          |         |              |                     |                       |           | <b>7,229,135</b>                       | <b>7,174,366</b>     | <b>445,057</b>           | <b>7,619,423</b>              |           |

| Non-current: |                 | Terms of the obligation |                   |             |          |         |              |                     |                       |           |  |                          | Carrying amount           |                           |                           |                     |                               |             |
|--------------|-----------------|-------------------------|-------------------|-------------|----------|---------|--------------|---------------------|-----------------------|-----------|--|--------------------------|---------------------------|---------------------------|---------------------------|---------------------|-------------------------------|-------------|
| Tax ID No.   | Company Country | Creditor name           | Country of origin | Description | Currency | Payment | Amortization | Annual nominal rate | Annual effective rate | Guarantee | Nominal amount as of 12.31.2017 ThCh\$ | 1 year to 2 years ThCh\$ | 2 years to 3 years ThCh\$ | 3 years to 4 years ThCh\$ | 4 years to 5 years ThCh\$ | Over 5 years ThCh\$ | Total as of 12.31.2017 ThCh\$ |             |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMUA-B | UF      | Biannual     | Biannual            | 3.80                  | 4.18      | Unguaranteed                           | 80,394,420               | -                         | -                         | 3,521,798                 | 7,058,110           | 67,326,429                    | 77,906,337  |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BSDSU-D  | UF      | Biannual     | To maturity         | 4.70                  | 4.76      | Unguaranteed                           | 26,798,140               | -                         | -                         | -                         | -                   | 26,666,971                    | 26,666,971  |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-G  | UF      | Biannual     | To maturity         | 4.50                  | 5.55      | Unguaranteed                           | 40,197,210               | -                         | -                         | 38,904,433                | -                   | -                             | 38,904,433  |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-K  | UF      | Biannual     | To maturity         | 4.50                  | 5.55      | Unguaranteed                           | 40,197,210               | -                         | -                         | 38,904,433                | -                   | -                             | 38,904,433  |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | USA         | BONOUSD  | US\$    | Biannual     | To maturity         | 7.75                  | 8.20      | Unguaranteed                           | 184,425,000              | -                         | 182,200,004               | -                         | -                   | -                             | 182,200,004 |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-P  | UF      | Biannual     | To maturity         | 3.00                  | 3.19      | Unguaranteed                           | 26,798,140               | 26,702,539                | -                         | -                         | -                   | -                             | 26,702,539  |
| <b>Total</b> |                 |                         |                   |             |          |         |              |                     |                       |           | <b>398,810,120</b>                     | <b>26,702,539</b>        | <b>182,200,004</b>        | <b>81,330,664</b>         | <b>7,058,110</b>          | <b>93,993,400</b>   | <b>391,284,717</b>            |             |

As of December 31, 2016

| Current:     |                 | Terms of the obligation |                   |             |           |         |              |                     |                       |           |  |                      | Carrying amount          |                               |            |
|--------------|-----------------|-------------------------|-------------------|-------------|-----------|---------|--------------|---------------------|-----------------------|-----------|--|----------------------|--------------------------|-------------------------------|------------|
| Tax ID No.   | Company Country | Creditor name           | Country of origin | Description | Currency  | Payment | Amortization | Annual nominal rate | Annual effective rate | Guarantee | Nominal amount as of 12.31.2016 ThCh\$ | Up to 90 days ThCh\$ | 90 days to 1 year ThCh\$ | Total as of 12.31.2016 ThCh\$ |            |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMUA-B  | UF      | Biannual     | Biannual            | 3.80                  | 4.18      | Unguaranteed                           | 245,249              | -                        | 263,075                       | 263,075    |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BSDSU-D   | UF      | Biannual     | To maturity         | 4.70                  | 4.76      | Unguaranteed                           | 172,461              | -                        | 173,694                       | 173,694    |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMU-A-C | UF      | Biannual     | To maturity         | 5.20                  | 5.39      | Unguaranteed                           | 53,136,906           | -                        | 53,093,179                    | 53,093,179 |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | USA         | BONOUSD   | US\$    | Biannual     | To maturity         | 7.75                  | 8.20      | Unguaranteed                           | 6,133,018            | 6,335,771                | -                             | 6,335,771  |
| <b>Total</b> |                 |                         |                   |             |           |         |              |                     |                       |           | <b>59,687,634</b>                      | <b>6,335,771</b>     | <b>53,529,948</b>        | <b>59,865,719</b>             |            |

| Non-current: |                 | Terms of the obligation |                   |             |          |         |              |                     |                       |           |  |                          | Carrying amount           |                           |                           |                     |                               |             |
|--------------|-----------------|-------------------------|-------------------|-------------|----------|---------|--------------|---------------------|-----------------------|-----------|--|--------------------------|---------------------------|---------------------------|---------------------------|---------------------|-------------------------------|-------------|
| Tax ID No.   | Company Country | Creditor name           | Country of origin | Description | Currency | Payment | Amortization | Annual nominal rate | Annual effective rate | Guarantee | Nominal amount as of 12.31.2016 ThCh\$ | 1 year to 2 years ThCh\$ | 2 years to 3 years ThCh\$ | 3 years to 4 years ThCh\$ | 4 years to 5 years ThCh\$ | Over 5 years ThCh\$ | Total as of 12.31.2016 ThCh\$ |             |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BCSMUA-B | UF      | Biannual     | Biannual            | 3.80                  | 4.18      | Unguaranteed                           | 79,043,940               | -                         | -                         | -                         | -                   | 76,379,107                    | 76,379,107  |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | Chile       | BSDSU-D  | UF      | Biannual     | To maturity         | 4.70                  | 4.76      | Unguaranteed                           | 26,347,980               | -                         | -                         | -                         | -                   | 26,210,093                    | 26,210,093  |
| 76.012.676-4 | SMJ S.A.        | Chile                   | Other payables    | USA         | BONOUSD  | US\$    | Biannual     | To maturity         | 7.75                  | 8.20      | Unguaranteed                           | 200,841,000              | -                         | -                         | 197,903,380               | -                   | -                             | 197,903,380 |
| <b>Total</b> |                 |                         |                   |             |          |         |              |                     |                       |           | <b>306,232,920</b>                     | <b>-</b>                 | <b>-</b>                  | <b>197,903,380</b>        | <b>-</b>                  | <b>102,589,200</b>  | <b>300,492,580</b>            |             |



Bonds payable and promissory notes:

- On May 26, 2011, a series of bonds with a 10-year maturity for UF 7,000,000 was registered in the Securities Registry of the Superintendence of Securities and Insurance under number 667 and a series of bonds with a 30-year maturity for UF 7,000,000 was registered under number 668. Notwithstanding the above, the Issuer can only place bonds for a total nominal value of UF 7,000,000, including the total bonds issued with a debit to the lines registered under numbers 667 and 668.

Bonds with a debit to such lines effective as of December 31, 2017 and 2016 are detailed as follows:

- On June 09, 2011, the Company placed bonds of UF 3,000,000 with a debit to line No. 668, Series BCSMU-B, which will bear interest on a semi-annual basis at an annual fixed rate of 3.80% and semi-annual principal repayments from December 01, 2021 through June 01, 2032.
- On May 10, 2012, the Company placed bonds of UF 2,000,000 with a debit to line No. 667, Series BCSMU-C, which will bear interest on a semi-annual basis at an annual fixed rate of 5.20% and principal repayment at maturity on May 02, 2017, which is the date on which such Series was paid.
- On April 24, 2017, bonds were placed for UF 1,500,000 with a debit to line No. 667, BCSMU-C series, which will bear interest on a semi-annual basis at an annual fixed interest rate of 4.50% and principal repayment at maturity on March 25, 2021.
- On April 24, 2017, bonds were placed for UF 1,500,000 with a debit to line No. 667, BCSMU-K series, which will bear interest on a semi-annual basis at an annual fixed interest rate of 4.50% and principal repayment at maturity on March 25, 2021.
- On September 28, 2017, bonds were placed for UF 1,000,000 with a debit to line No. 667, BCSMU-P series, which will bear interest on a semi-annual basis at an annual fixed interest rate of 3.00% and principal repayment at maturity on September 25, 2019.
- Because of the merger through incorporation of Supermercados del Sur S.A., in September 2011, SMU acquired the company's obligations with third parties. This includes the bond series with a debit to the lines registered by Supermercados del Sur S.A.

On September 20, 2010, a series of bonds with a 10-year maturity for UF 5,500,000 was registered in the Securities Registry of the Superintendence of Securities and Insurance under number 649 and a series of bonds with a 30-year maturity for UF 5,500,000 was registered under number 650. Notwithstanding the above, the Issuer can only place bonds for a total nominal value of UF 5,500,000, including the total bonds issued with a debit to the lines registered under numbers 649 and 650.



**SMU**



Bonds with a debit to such lines effective as of December 31, 2017 and 2016 are detailed as follows:

- On January 20, 2011, bonds were placed for UF 1,000,000 with a debit to line No. 650, BCSMU-D series, which will bear interest on a semi-annual basis at an annual fixed interest rate of 4.70% and principal repayment at maturity on November 10, 2028.
- On February 08, 2013, the Company placed bonds in international markets, for a total amount of US\$ 300,000,000, in conformity with the standards of Rule 144-A and Regulation S, both included in the U.S. Securities Act of 1933). Bonds contemplate the accrual of interest on a semi-annual basis at an annual rate of 7.75% and repayment of principal at maturity on February 08, 2020.
- Risk ratings of SMU S.A. as of December 31, 2017 and 2016 are detailed below (rating / trend).

|                       | <b>At 12-31-2017</b> | <b>At 12-31-2016</b> |
|-----------------------|----------------------|----------------------|
| <b>International:</b> |                      |                      |
| Moody's:              | B3 / Stable          | B3 / Stable          |
| Standard & Poor's     | B / Stable           | CCC+ / Positive      |
| <b>Local:</b>         |                      |                      |
| Feller-Rate:          | BB+ / Positive       | BB- / Stable         |
| Humphreys:            | BBB- / Stable        | B+ / Stable          |
| ICR:                  | BB+ / Positive       | BB / Positive        |



c) As of December 31, 2017 and 2016, the detail of obligations under finance lease arrangements payable by currency and years to maturity is as follows:

**December 31, 2017**

| Tax ID No.<br>Creditor | Bank or Financial<br>Institution           | Debtor Company       | Currency<br>or adjustment<br>unit | Up to 90<br>days | Amount of liabilities exposed to liquidity risk with maturity |                  |                         |                          |                          |                          |                 | Total Non-<br>current | Type of<br>repayment | Effective rate<br>% | Nominal amount<br>per contract | Nominal rate<br>per contract<br>% |
|------------------------|--|----------------------|-----------------------------------|------------------|---|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|----------------------|---------------------|--------------------------------|-----------------------------------|
|                        |  |                      |                                   |                  | 90 days<br>to 1<br>year                                       | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years |                       |                      |                     |                                |                                   |
|                        |  |                      |                                   | ThCh\$           | ThCh\$  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$                |                      |                     |                                |                                   |
| 76575002-4             | IBM Global Financing de Chile SpA          | Rendic Hermanos S.A. | US\$                              | 108,314          | 244,575   | 352,889          | 355,437                 | -                        | -                        | -                        | -               | 355,437               | Monthly              | 0.66                | 708,326                        | 0.66                              |
| 76575002-4             | IBM Global Financing de Chile SpA          | Rendic Hermanos S.A. | US\$                              | 43,413           | 106,552   | 149,965          | 178,489                 | -                        | -                        | -                        | -               | 178,489               | Monthly              | 16.07               | 328,454                        | 16.07                             |
| 92040000-0             | IBM de Chile S.A.C.                        | Rendic Hermanos S.A. | UF                                | 21,759           | 65,601  | 87,360           | 88,239                  | 89,126                   | 59,914                   | -                        | -               | 237,279               | Monthly              | 1.00                | 324,639                        | 1.00                              |
| 96993140-0             | Ingenieria de Proyectos y Capacitación S.  | Rendic Hermanos S.A. | UF                                | 582              | -   | 582              | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 7.53                | 582                            | 7.53                              |
| 76349271-0             | Rentas San Pedro S.A                       | Rendic Hermanos S.A. | UF                                | 15,549           | 48,936  | 64,485           | 70,941                  | 9,347                    | -                        | -                        | -               | 80,288                | Monthly              | 9.58                | 144,773                        | 9.58                              |
| 96730520-0             | Inmobiliaria e Inversiones Centro Nacional | Rendic Hermanos S.A. | UF                                | 12,676           | 39,891  | 52,567           | 57,829                  | 17,906                   | -                        | -                        | -               | 75,735                | Monthly              | 9.58                | 128,302                        | 9.58                              |
| 96554490-9             | Compass Servicios S.A.                     | Rendic Hermanos S.A. | Ch\$                              | 996              | 3,173   | 4,169            | 1,890                   | -                        | -                        | -                        | -               | 1,890                 | Monthly              | 12.00               | 6,059                          | 12.00                             |
| 96554490-9             | Compass Servicios S.A.                     | Rendic Hermanos S.A. | Ch\$                              | 4,134            | 13,169  | 17,303           | 7,842                   | -                        | -                        | -                        | -               | 7,842                 | Monthly              | 12.00               | 25,145                         | 12.00                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,527            | 3,677   | 5,204            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 11.21               | 5,204                          | 11.21                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,023            | 2,819   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.65               | 3,842                          | 10.65                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 906              | 2,798   | 3,704            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 8.50                | 3,704                          | 8.50                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,016            | 3,157   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,173                          | 10.66                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 797              | 2,437   | 3,234            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 5.79                | 3,234                          | 5.79                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 910              | 2,804   | 3,714            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 7.94                | 3,714                          | 7.94                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,016            | 3,157   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,173                          | 10.66                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 910              | 2,804   | 3,714            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 7.94                | 3,714                          | 7.94                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 988              | 3,109   | 4,097            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,097                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,016            | 3,157   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,173                          | 10.66                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 988              | 3,109   | 4,097            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,097                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 778              | 2,405   | 3,183            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 8.99                | 3,183                          | 8.99                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 988              | 3,109   | 4,097            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,097                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,341            | 3,072   | 4,413            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,413                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,217            | 2,771   | 3,988            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 8.99                | 3,988                          | 8.99                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.92               | 4,402                          | 14.92                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,341            | 3,072   | 4,413            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,413                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,225            | 2,786   | 4,011            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 7.94                | 4,011                          | 7.94                              |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,374            | 3,133   | 4,507            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.44               | 4,507                          | 10.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,341            | 3,072   | 4,413            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,413                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,372            | 3,130   | 4,502            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,502                          | 10.66                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.92               | 4,402                          | 14.92                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,372            | 3,130   | 4,502            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,502                          | 10.66                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,343            | 3,076   | 4,419            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.20               | 4,419                          | 14.20                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,372            | 3,130   | 4,502            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,502                          | 10.66                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,341            | 3,072   | 4,413            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 14.44               | 4,413                          | 14.44                             |
| 99512120-4             | Securitas S.A.                             | Rendic Hermanos S.A. | UF                                | 1,372            | 3,130   | 4,502            | -                       | -                        | -                        | -                        | -               | -                     | Monthly              | 10.66               | 4,502                          | 10.66                             |



| Tax ID No.<br>Creditor | Bank or Financial<br>Institution | Debtor Company       | Currency<br>or adjustment<br>unit | Up to 90<br>days | Amount of liabilities exposed to liquidity risk with maturity |                  |                         |                          |                          |                          |                 |                       | Type of<br>amortization | Effective rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|----------------------------------|----------------------|-----------------------------------|------------------|---|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|-------------------------|----------------|--------------------------------|------------------------------|
|                        |                                  |                      |                                   |                  | 90 days<br>to 1<br>year                                       | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years | Total Non-<br>current |                         |                |                                |                              |
|                        |                                  |                      |                                   | ThCh\$           | ThCh\$  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$                | ThCh\$                  | %              |                                | %                            |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,372            | 3,130   | 4,502            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 10.66          | 4,502                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 14.92          | 4,402                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 14.92          | 4,402                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 14.92          | 4,402                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 14.92          | 4,402                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,368            | 3,123   | 4,491            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 11.11          | 4,491                          | 11.11                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,368            | 3,123   | 4,491            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 11.11          | 4,491                          | 11.11                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,337            | 3,065   | 4,402            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 14.92          | 4,402                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,341            | 3,072   | 4,413            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 14.44          | 4,413                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,066            | 2,419   | 3,485            | -                       | -                        | -                        | -                        | -               | -                     | Monthly                 | 6.32           | 3,485                          | 6.32                         |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 969              | 3,036   | 4,005            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.44          | 4,725                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 969              | 3,036   | 4,005            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.44          | 4,725                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 997              | 3,094   | 4,091            | 723                     | -                        | -                        | -                        | -               | 723                   | Monthly                 | 11.11          | 4,814                          | 11.11                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 997              | 3,094   | 4,091            | 723                     | -                        | -                        | -                        | -               | 723                   | Monthly                 | 11.11          | 4,814                          | 11.11                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 969              | 3,036   | 4,005            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.44          | 4,725                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 969              | 3,036   | 4,005            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.44          | 4,725                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 969              | 3,036   | 4,005            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.44          | 4,725                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 965              | 3,028   | 3,993            | 720                     | -                        | -                        | -                        | -               | 720                   | Monthly                 | 14.92          | 4,713                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 959              | 3,000   | 3,959            | 1,074                   | -                        | -                        | -                        | -               | 1,074                 | Monthly                 | 14.44          | 5,033                          | 14.44                        |



| Tax ID No.<br>Creditor | Bank or Financial<br>Institution  | Debtor Company       | Currency<br>or adjustment<br>unit | Up to 90<br>days<br>ThCh\$ | Amount of liabilities exposed to liquidity risk with maturity |                            |                                   |                                    |                                    |                                    |                           |                                 |         | Type of<br>amortization | Effective rate<br>% | Nominal amount<br>per contract<br>ThCh\$ | Nominal rate<br>per contract<br>% |
|------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------------|---|----------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------|---------------------------------|---------|-------------------------|---------------------|--|-----------------------------------|
|                        |                                   |                      |                                   |                            | 90 days<br>to 1<br>year<br>ThCh\$                             | Total<br>Current<br>ThCh\$ | 1 year<br>to 2<br>years<br>ThCh\$ | 2 years<br>to 3<br>years<br>ThCh\$ | 3 years<br>to 4<br>years<br>ThCh\$ | 4 years<br>to 5<br>years<br>ThCh\$ | Over 5<br>years<br>ThCh\$ | Total Non-<br>current<br>ThCh\$ |         |                         |                     |  |                                   |
|                        |                                   |                      |                                   |                            |   |                            |                                   |                                    |                                    |                                    |                           |                                 |         |                         |                     |  |                                   |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 994                        | 3,075   | 4,069                      | 1,081                             | -                                  | -                                  | -                                  | -                         | -                               | 1,081   | Monthly                 | 10.66               | 5,150                                    | 10.66                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 959                        | 3,000   | 3,959                      | 1,074                             | -                                  | -                                  | -                                  | -                         | -                               | 1,074   | Monthly                 | 14.44               | 5,033                                    | 14.44                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 955                        | 2,990   | 3,945                      | 1,073                             | -                                  | -                                  | -                                  | -                         | -                               | 1,073   | Monthly                 | 14.92               | 5,018                                    | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 959                        | 3,000   | 3,959                      | 1,074                             | -                                  | -                                  | -                                  | -                         | -                               | 1,074   | Monthly                 | 14.44               | 5,033                                    | 14.44                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 899                        | 2,745   | 3,644                      | 1,584                             | -                                  | -                                  | -                                  | -                         | -                               | 1,584   | Monthly                 | 6.54                | 5,228                                    | 6.54                              |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 900                        | 2,777   | 3,677                      | 3,103                             | -                                  | -                                  | -                                  | -                         | -                               | 3,103   | Monthly                 | 14.92               | 6,780                                    | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 900                        | 2,777   | 3,677                      | 3,103                             | -                                  | -                                  | -                                  | -                         | -                               | 3,103   | Monthly                 | 14.92               | 6,780                                    | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 900                        | 2,777   | 3,677                      | 3,103                             | -                                  | -                                  | -                                  | -                         | -                               | 3,103   | Monthly                 | 14.92               | 6,780                                    | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 1,118                      | 3,391   | 4,509                      | 4,370                             | -                                  | -                                  | -                                  | -                         | -                               | 4,370   | Monthly                 | 6.36                | 8,879                                    | 6.36                              |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 1,093                      | 3,324   | 4,417                      | 4,337                             | -                                  | -                                  | -                                  | -                         | -                               | 4,337   | Monthly                 | 7.88                | 8,754                                    | 7.88                              |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 948                        | 2,882   | 3,830                      | 4,159                             | 364                                | -                                  | -                                  | -                         | -                               | 4,523   | Monthly                 | 9.07                | 8,353                                    | 9.07                              |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 910                        | 2,774   | 3,684                      | 4,094                             | 363                                | -                                  | -                                  | -                         | -                               | 4,457   | Monthly                 | 11.64               | 8,141                                    | 11.64                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 1,031                      | 3,111   | 4,142                      | 4,293                             | 365                                | -                                  | -                                  | -                         | -                               | 4,658   | Monthly                 | 3.94                | 8,800                                    | 3.94                              |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 871                        | 2,662   | 3,533                      | 4,025                             | 363                                | -                                  | -                                  | -                         | -                               | 4,388   | Monthly                 | 14.44               | 7,921                                    | 14.44                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 916                        | 2,790   | 3,706                      | 4,104                             | 363                                | -                                  | -                                  | -                         | -                               | 4,467   | Monthly                 | 11.25               | 8,173                                    | 11.25                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 792                        | 2,365   | 3,157                      | 3,591                             | 3,427                              | -                                  | -                                  | -                         | -                               | 7,018   | Monthly                 | 14.92               | 10,175                                   | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 792                        | 2,365   | 3,157                      | 3,591                             | 3,427                              | -                                  | -                                  | -                         | -                               | 7,018   | Monthly                 | 14.92               | 10,175                                   | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 792                        | 2,365   | 3,157                      | 3,591                             | 3,427                              | -                                  | -                                  | -                         | -                               | 7,018   | Monthly                 | 14.92               | 10,175                                   | 14.92                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 832                        | 2,619   | 3,451                      | 3,797                             | 4,179                              | -                                  | -                                  | -                         | -                               | 7,976   | Monthly                 | 9.61                | 11,427                                   | 9.61                              |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 797                        | 2,526   | 3,323                      | 3,712                             | 4,146                              | -                                  | -                                  | -                         | -                               | 7,858   | Monthly                 | 11.11               | 11,181                                   | 11.11                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 797                        | 2,526   | 3,323                      | 3,712                             | 4,146                              | -                                  | -                                  | -                         | -                               | 7,858   | Monthly                 | 11.11               | 11,181                                   | 11.11                             |
| 99512120-4             | Securitas S.A.                    | Rendic Hermanos S.A. | UF                                | 797                        | 2,526   | 3,323                      | 3,712                             | 4,146                              | -                                  | -                                  | -                         | -                               | 7,858   | Monthly                 | 11.11               | 11,181                                   | 11.11                             |
| 77164280-2             | Tanner Leasing Vendor Ltda.       | Rendic Hermanos S.A. | UF                                | 3,602                      | 11,057  | 14,659                     | 7,707                             | -                                  | -                                  | -                                  | -                         | -                               | 7,707   | Monthly                 | 7.00                | 22,366                                   | 7.00                              |
| 77164280-2             | Tanner Leasing Vendor Ltda.       | Rendic Hermanos S.A. | UF                                | 5,060                      | 15,509  | 20,569                     | 12,650                            | -                                  | -                                  | -                                  | -                         | -                               | 12,650  | Monthly                 | 7.03                | 33,219                                   | 7.03                              |
| 77164280-2             | Tanner Leasing Vendor Ltda.       | Rendic Hermanos S.A. | UF                                | 2,487                      | 7,605   | 10,092                     | 8,937                             | -                                  | -                                  | -                                  | -                         | -                               | 8,937   | Monthly                 | 7.01                | 19,029                                   | 7.01                              |
| 76046651-4             | Inmobiliaria Puente Ltda.         | Rendic Hermanos S.A. | UF                                | 12,674                     | 39,989  | 52,663                     | 58,232                            | 64,395                             | 71,207                             | 78,740                             | 897,574                   | 1,170,148                       | Monthly | 10.10                   | 1,222,811           | 10.10                                    |                                   |
| 76111742-4             | Inversiones Isla Kent SpA.        | Rendic Hermanos S.A. | UF                                | 68,829                     | 214,966   | 283,895                    | 124,930                           | -                                  | -                                  | -                                  | -                         | -                               | 124,930 | Monthly                 | 7.76                | 408,825                                  | 7.76                              |
| 76575002-4             | IBM Global Financing de Chile SpA | Rendic Hermanos S.A. | UF                                | 16,631                     | 15,471  | 32,102                     | 21,355                            | 22,217                             | 11,443                             | -                                  | -                         | -                               | 55,015  | Monthly                 | 3.96                | 87,117                                   | 3.96                              |
| 76575002-4             | IBM Global Financing de Chile SpA | Rendic Hermanos S.A. | UF                                | 11,846                     | 16,812  | 28,658                     | 23,207                            | 24,143                             | 18,745                             | -                                  | -                         | -                               | 66,095  | Monthly                 | 3.96                | 94,753                                   | 3.96                              |
| 76575002-4             | IBM Global Financing de Chile SpA | Rendic Hermanos S.A. | UF                                | 12,068                     | 36,929  | 48,997                     | 50,975                            | 53,032                             | 55,173                             | -                                  | -                         | -                               | 159,180 | Monthly                 | 3.96                | 208,177                                  | 3.96                              |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,034                      | 2,482   | 3,516                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.15               | 3,516                                    | 10.15                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,023                      | 2,819   | 3,842                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.65               | 3,842                                    | 10.65                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,023                      | 2,819   | 3,842                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.65               | 3,842                                    | 10.65                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 912                        | 2,496   | 3,408                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 8.49                | 3,408                                    | 8.49                              |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,023                      | 2,819   | 3,842                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.65               | 3,842                                    | 10.65                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,016                      | 3,157   | 4,173                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.66               | 4,173                                    | 10.66                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,016                      | 3,157   | 4,173                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.66               | 4,173                                    | 10.66                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,016                      | 3,157   | 4,173                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.66               | 4,173                                    | 10.66                             |
| 99512120-4             | Securitas S.A.                    | Súper 10 S.A.        | UF                                | 1,016                      | 3,157   | 4,173                      | -                                 | -                                  | -                                  | -                                  | -                         | -                               | -       | Monthly                 | 10.66               | 4,173                                    | 10.66                             |



| Tax ID No.<br>Creditor | Bank or Financial<br>Institution       | Debtor Company          | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                  |                         |                          |                          |                          |                 |                       |         |         | Type of<br>amortization | Effective rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|--|-------------------------|-----------------------------------|---|-------------------------|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|---------|---------|-------------------------|----------------|--------------------------------|------------------------------|
|                        |  |                         |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years | Total Non-<br>current |         |         |                         |                |                                |                              |
|                        |  |                         |                                   | ThCh\$  | ThCh\$                  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$                | ThCh\$  |         |                         |                |                                |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,016   | 3,157                   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.66                   | 4,173          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 988   | 3,109                   | 4,097            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 14.44                   | 4,097          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,016   | 3,157                   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.66                   | 4,173          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,016   | 3,157                   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.66                   | 4,173          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 988   | 3,109                   | 4,097            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 14.44                   | 4,097          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,016   | 3,157                   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.66                   | 4,173          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 975   | 3,065                   | 4,040            | 362                     | -                        | -                        | -                        | -               | -                     | 362     | Monthly | 14.92                   | 4,402          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,008   | 3,130                   | 4,138            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 10.66                   | 4,501          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,005   | 3,123                   | 4,128            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 11.11                   | 4,491          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,008   | 3,130                   | 4,138            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 10.66                   | 4,501          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,008   | 3,130                   | 4,138            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 10.66                   | 4,501          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,008   | 3,130                   | 4,138            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 10.66                   | 4,501          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,008   | 3,130                   | 4,138            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 10.66                   | 4,501          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 798   | 2,433                   | 3,231            | 276                     | -                        | -                        | -                        | -               | -                     | 276     | Monthly | 8.50                    | 3,507          | 8.50                           |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,005   | 3,123                   | 4,128            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 11.11                   | 4,491          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,005   | 3,123                   | 4,128            | 363                     | -                        | -                        | -                        | -               | -                     | 363     | Monthly | 11.11                   | 4,491          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 969   | 3,036                   | 4,005            | 720                     | -                        | -                        | -                        | -               | -                     | 720     | Monthly | 14.44                   | 4,725          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 965   | 3,028                   | 3,993            | 720                     | -                        | -                        | -                        | -               | -                     | 720     | Monthly | 14.92                   | 4,713          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 896   | 2,759                   | 3,655            | 637                     | -                        | -                        | -                        | -               | -                     | 637     | Monthly | 8.50                    | 4,292          | 8.50                           |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 959   | 3,000                   | 3,959            | 1,074                   | -                        | -                        | -                        | -               | -                     | 1,074   | Monthly | 14.44                   | 5,033          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 990   | 3,066                   | 4,056            | 1,080                   | -                        | -                        | -                        | -               | -                     | 1,080   | Monthly | 11.11                   | 5,136          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 946   | 2,954                   | 3,900            | 1,422                   | -                        | -                        | -                        | -               | -                     | 1,422   | Monthly | 14.92                   | 5,322          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,040   | 3,161                   | 4,201            | 1,811                   | -                        | -                        | -                        | -               | -                     | 1,811   | Monthly | 5.10                    | 6,012          | 5.10                           |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 954   | 2,938                   | 3,892            | 2,470                   | -                        | -                        | -                        | -               | -                     | 2,470   | Monthly | 11.66                   | 6,362          | 11.66                          |                              |
| 99512120-4             | Securitas S.A.                         | Súper 10 S.A.           | UF                                | 1,097   | 3,334                   | 4,431            | 4,344                   | -                        | -                        | -                        | -               | -                     | 4,344   | Monthly | 7.63                    | 8,775          | 7.63                           |                              |
| 76575002-4             | IBM Global Financing de Chile SpA      | Súper 10 S.A.           | UF                                | 315   | 963                     | 1,278            | 1,330                   | 1,383                    | 1,439                    | -                        | -               | -                     | 4,152   | Monthly | 3.96                    | 5,430          | 3.96                           |                              |
| 77620570-2             | HP Financial Services (Chile) Limitada | SMU S.A.                | UF                                | 31,427  | 43,267                  | 74,694           | 60,796                  | 64,546                   | 51,009                   | -                        | -               | -                     | 176,351 | Monthly | 6.00                    | 251,045        | 6.00                           |                              |
| 77620570-2             | HP Financial Services (Chile) Limitada | SMU S.A.                | UF                                | 55,596  | 73,997                  | 129,593          | 103,982                 | 110,406                  | 117,226                  | 92,648                   | -               | -                     | 424,262 | Monthly | 6.01                    | 553,855        | 6.01                           |                              |
| 99500410-0             | Banco Consorcio                        | SMU S.A.                | UF                                | 128,471   | 393,078                 | 521,549          | 542,467                 | 421,082                  | -                        | -                        | -               | -                     | 963,549 | Monthly | 3.94                    | 1,485,098      | 3.94                           |                              |
| 77620570-2             | HP Financial Services (Chile) Limitada | SMU S.A.                | UF                                | 26,474  | 81,840                  | 108,314          | 114,994                 | 122,086                  | 129,616                  | 137,610                  | -               | -                     | 504,306 | Monthly | 6.00                    | 612,620        | 6.00                           |                              |
| 77620570-2             | HP Financial Services (Chile) Limitada | SMU S.A.                | UF                                | 26,714  | 82,584                  | 109,298          | 116,039                 | 123,196                  | 130,795                  | 138,862                  | -               | -                     | 508,892 | Monthly | 6.00                    | 618,190        | 6.00                           |                              |
| 76080198-4             | De Lage Landen Chile S.A.              | SMU S.A.                | UF                                | 14,453  | 44,582                  | 59,035           | 62,402                  | 65,961                   | 69,724                   | 73,700                   | -               | -                     | 271,787 | Monthly | 5.56                    | 330,822        | 5.56                           |                              |
| 97032000-8             | BBVA                                   | Telemercados Europa S.A | UF                                | 11,525  | 35,048                  | 46,573           | 35,832                  | -                        | -                        | -                        | -               | -                     | 35,832  | Monthly | 2.99                    | 82,405         | 2.99                           |                              |
| 99512120-4             | Securitas S.A.                         | ALVI Supermercados May  | UF                                | 933   | 2,212                   | 3,145            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 5.59                    | 3,145          | 5.59                           |                              |
| 99512120-4             | Securitas S.A.                         | ALVI Supermercados May  | UF                                | 1,023   | 2,819                   | 3,842            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.65                   | 3,842          | 10.65                          |                              |
| 99512120-4             | Securitas S.A.                         | ALVI Supermercados May  | UF                                | 1,016   | 3,157                   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.66                   | 4,173          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | ALVI Supermercados May  | UF                                | 1,016   | 3,157                   | 4,173            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 10.66                   | 4,173          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                         | ALVI Supermercados May  | UF                                | 988   | 3,109                   | 4,097            | -                       | -                        | -                        | -                        | -               | -                     | -       | Monthly | 14.44                   | 4,097          | 14.44                          |                              |





| Tax ID No.<br>Creditor      | Bank or Financial<br>Institution  | Debtor Company         | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                            |                         |                          |                          |                          |                 |                  | Total Non-current<br>ThCh\$ | Type of<br>amortization | Effective rate<br>% | Nominal amount<br>per contract | Nominal rate<br>per contract<br>% |
|-----------------------------|-----------------------------------|------------------------|-----------------------------------|---|-------------------------|----------------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|------------------|-----------------------------|-------------------------|---------------------|--------------------------------|-----------------------------------|
|                             |                                   |                        |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current<br>ThCh\$ | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years |                  |                             |                         |                     |                                |                                   |
|                             |                                   |                        |                                   | ThCh\$  | ThCh\$                  | ThCh\$                     | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$           |                             |                         |                     |                                |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 988   | 3,109                   | 4,097                      | -                       | -                        | -                        | -                        | -               | -                | Monthly                     | 14.44                   | 4,097               | 14.44                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 1,016   | 3,157                   | 4,173                      | -                       | -                        | -                        | -                        | -               | -                | Monthly                     | 10.66                   | 4,173               | 10.66                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 975   | 3,065                   | 4,040                      | 362                     | -                        | -                        | -                        | -               | 362              | Monthly                     | 14.92                   | 4,402               | 14.92                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 978   | 3,072                   | 4,050                      | 362                     | -                        | -                        | -                        | -               | 362              | Monthly                     | 14.44                   | 4,412               | 14.44                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 978   | 3,072                   | 4,050                      | 362                     | -                        | -                        | -                        | -               | 362              | Monthly                     | 14.44                   | 4,412               | 14.44                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 1,005   | 3,123                   | 4,128                      | 363                     | -                        | -                        | -                        | -               | 363              | Monthly                     | 11.11                   | 4,491               | 11.11                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 997   | 3,094                   | 4,091                      | 723                     | -                        | -                        | -                        | -               | 723              | Monthly                     | 11.11                   | 4,814               | 11.11                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 965   | 3,028                   | 3,993                      | 720                     | -                        | -                        | -                        | -               | 720              | Monthly                     | 14.92                   | 4,713               | 14.92                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 969   | 3,036                   | 4,005                      | 720                     | -                        | -                        | -                        | -               | 720              | Monthly                     | 14.44                   | 4,725               | 14.44                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 997   | 3,094                   | 4,091                      | 723                     | -                        | -                        | -                        | -               | 723              | Monthly                     | 11.11                   | 4,814               | 11.11                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 969   | 3,036                   | 4,005                      | 720                     | -                        | -                        | -                        | -               | 720              | Monthly                     | 14.44                   | 4,725               | 14.44                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 965   | 3,028                   | 3,993                      | 720                     | -                        | -                        | -                        | -               | 720              | Monthly                     | 14.92                   | 4,713               | 14.92                          |                                   |
| 99512120-4                  | Securitas S.A.                    | ALVI Supermercados May | UF                                | 994   | 3,075                   | 4,069                      | 1,081                   | -                        | -                        | -                        | -               | 1,081            | Monthly                     | 10.66                   | 5,150               | 10.66                          |                                   |
| 92040000-0                  | IBM de Chile S.A.C.               | ALVI Supermercados May | UF                                | 7,310   | 22,484                  | 29,794                     | 31,313                  | 32,911                   | 34,590                   | 11,247                   | 790             | 110,851          | Monthly                     | 5.20                    | 140,645             | 5.20                           |                                   |
| 76575002-4                  | IBM Global Financing de Chile SpA | ALVI Supermercados May | UF                                | 1,469   | 4,496                   | 5,965                      | 6,206                   | 6,456                    | 6,717                    | -                        | -               | 19,379           | Monthly                     | 3.96                    | 25,344              | 3.96                           |                                   |
| 76575002-4                  | IBM Global Financing de Chile SpA | UNIDATA S.A.           | UF                                | 5,406   | 11,913                  | 17,319                     | 16,522                  | 17,281                   | 8,936                    | -                        | -               | 42,739           | Monthly                     | 4.50                    | 60,058              | 4.50                           |                                   |
| 92040000-0                  | IBM de Chile S.A.C.               | UNIDATA S.A.           | US\$                              | -   | 204,128                 | 204,128                    | 201,824                 | -                        | -                        | -                        | -               | 201,824          | Monthly                     | 6.00                    | 405,952             | 6.00                           |                                   |
| 76575002-4                  | IBM Global Financing de Chile SpA | UNIDATA S.A.           | US\$                              | 53,365  | 63,215                  | 116,580                    | 89,139                  | 95,020                   | 8,196                    | -                        | -               | 192,355          | Monthly                     | 6.41                    | 308,935             | 6.41                           |                                   |
| 76575002-4                  | IBM Global Financing de Chile SpA | UNIDATA S.A.           | UF                                | 37,863  | 66,967                  | 104,830                    | 92,872                  | 23,878                   | -                        | -                        | -               | 116,750          | Monthly                     | 4.50                    | 221,580             | 4.50                           |                                   |
|                             |                                   |                        |                                   |   |                         |                            |                         |                          |                          |                          |                 |                  | Monthly                     |                         |                     | 6.41                           |                                   |
|                             |                                   |                        |                                   |   |                         |                            |                         |                          |                          |                          |                 |                  | Monthly                     |                         |                     | 4.50                           |                                   |
| <b>Total finance leases</b> |                                   |                        |                                   | <b>894,310</b>  | <b>2,452,494</b>        | <b>3,346,804</b>           | <b>2,665,251</b>        | <b>1,396,515</b>         | <b>774,730</b>           | <b>532,807</b>           | <b>898,364</b>  | <b>6,267,667</b> |                             |                         | <b>9,614,471</b>    |                                |                                   |





| Tax ID No.<br>Creditor | Bank or Financial<br>Institution | Debtor Company       | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                  |                         |                          |                          |                          |                 |                       |         | Type of<br>repayment | Effective rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|----------------------------------|----------------------|-----------------------------------|---|-------------------------|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|---------|----------------------|----------------|--------------------------------|------------------------------|
|                        |                                  |                      |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over<br>5 years | Total Non-<br>current |         |                      |                |                                |                              |
|                        |                                  |                      |                                   | ThCh\$  | ThCh\$                  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$                | ThCh\$  |                      |                |                                |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 909   | 2,767                   | 3,676            | 4,407                   | -                        | -                        | -                        | -               | 4,407                 | Monthly | 10.66                | 8,083          | 10.66                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 851   | 2,598                   | 3,449            | 4,302                   | -                        | -                        | -                        | -               | 4,302                 | Monthly | 14.92                | 7,751          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 851   | 2,598                   | 3,449            | 4,302                   | -                        | -                        | -                        | -               | 4,302                 | Monthly | 14.92                | 7,751          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 851   | 2,598                   | 3,449            | 4,302                   | -                        | -                        | -                        | -               | 4,302                 | Monthly | 14.92                | 7,751          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 851   | 2,598                   | 3,449            | 4,302                   | -                        | -                        | -                        | -               | 4,302                 | Monthly | 14.92                | 7,751          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 903   | 2,749                   | 3,652            | 4,396                   | -                        | -                        | -                        | -               | 4,396                 | Monthly | 11.11                | 8,048          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 903   | 2,749                   | 3,652            | 4,396                   | -                        | -                        | -                        | -               | 4,396                 | Monthly | 11.11                | 8,048          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 851   | 2,598                   | 3,449            | 4,302                   | -                        | -                        | -                        | -               | 4,302                 | Monthly | 14.92                | 7,751          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 857   | 2,617                   | 3,474            | 4,314                   | -                        | -                        | -                        | -               | 4,314                 | Monthly | 14.44                | 7,788          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 738   | 2,233                   | 2,971            | 3,418                   | -                        | -                        | -                        | -               | 3,418                 | Monthly | 6.32                 | 6,389          | 6.32                           |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 848   | 2,586                   | 3,434            | 3,911                   | 708                      | -                        | -                        | -               | 4,619                 | Monthly | 14.44                | 8,053          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 848   | 2,586                   | 3,434            | 3,911                   | 708                      | -                        | -                        | -               | 4,619                 | Monthly | 14.44                | 8,053          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 896   | 2,724                   | 3,620            | 4,001                   | 711                      | -                        | -                        | -               | 4,712                 | Monthly | 11.11                | 8,332          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 896   | 2,724                   | 3,620            | 4,001                   | 711                      | -                        | -                        | -               | 4,712                 | Monthly | 11.11                | 8,332          | 11.11                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 848   | 2,586                   | 3,434            | 3,911                   | 708                      | -                        | -                        | -               | 4,619                 | Monthly | 14.44                | 8,053          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 848   | 2,586                   | 3,434            | 3,911                   | 708                      | -                        | -                        | -               | 4,619                 | Monthly | 14.44                | 8,053          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 848   | 2,586                   | 3,434            | 3,911                   | 708                      | -                        | -                        | -               | 4,619                 | Monthly | 14.44                | 8,053          | 14.44                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 842   | 2,566                   | 3,408            | 3,897                   | 708                      | -                        | -                        | -               | 4,605                 | Monthly | 14.92                | 8,013          | 14.92                          |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 841   | 2,555                   | 3,396            | 3,864                   | 1,056                    | -                        | -                        | -               | 4,920                 | Monthly | 14.44                | 8,316          | 14.44                          |                              |



| Tax ID No.<br>Creditor | Bank or Financial<br>Institution | Debtor Company       | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                  |                         |                          |                          |                          |                 |                       |         | Type of<br>repayment | Effective rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|----------------------------------|----------------------|-----------------------------------|---|-------------------------|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|---------|----------------------|----------------|--------------------------------|------------------------------|
|                        |                                  |                      |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over<br>5 years | Total Non-<br>current |         |                      |                |                                |                              |
|                        |                                  |                      |                                   |   |                         |                  |                         |                          |                          |                          |                 |                       | ThCh\$  |                      |                |                                |                              |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 896   | 2,719                   | 3,615            | 3,979                   | 1,062                    | -                        | -                        | -               | -                     | 5,041   | Monthly              | 10.66          | 8,656                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 841   | 2,555                   | 3,396            | 3,864                   | 1,056                    | -                        | -                        | -               | -                     | 4,920   | Monthly              | 14.44          | 8,316                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 834   | 2,535                   | 3,369            | 3,850                   | 1,055                    | -                        | -                        | -               | -                     | 4,905   | Monthly              | 14.92          | 8,274                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 841   | 2,555                   | 3,396            | 3,864                   | 1,056                    | -                        | -                        | -               | -                     | 4,920   | Monthly              | 14.44          | 8,316                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 839   | 2,528                   | 3,367            | 3,570                   | 1,557                    | -                        | -                        | -               | -                     | 5,127   | Monthly              | 6.54           | 8,494                          | 6.54                         |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 786   | 2,354                   | 3,140            | 3,575                   | 3,051                    | -                        | -                        | -               | -                     | 6,626   | Monthly              | 14.92          | 9,766                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 786   | 2,354                   | 3,140            | 3,575                   | 3,051                    | -                        | -                        | -               | -                     | 6,626   | Monthly              | 14.92          | 9,766                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 786   | 2,354                   | 3,140            | 3,575                   | 3,051                    | -                        | -                        | -               | -                     | 6,626   | Monthly              | 14.92          | 9,766                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,044   | 3,129                   | 4,173            | 4,411                   | 4,297                    | -                        | -                        | -               | -                     | 8,708   | Monthly              | 6.36           | 12,881                         | 6.36                         |
| 99512120-4             | Securitas S.A.                   | Rendic Hermanos S.A. | UF                                | 1,008   | 3,021                   | 4,029            | 4,315                   | 4,264                    | -                        | -                        | -               | -                     | 8,579   | Monthly              | 7.88           | 12,608                         | 7.88                         |
| 77164280-2             | Tanner Leasing Vendor Ltda.      | Rendic Hermanos S.A. | UF                                | 3,336   | 10,137                  | 13,473           | 14,369                  | 7,578                    | -                        | -                        | -               | -                     | 21,947  | Monthly              | 7.00           | 35,420                         | 7.00                         |
| 77164280-2             | Tanner Leasing Vendor Ltda.      | Rendic Hermanos S.A. | UF                                | 4,682   | 14,216                  | 18,898           | 20,155                  | 12,438                   | -                        | -                        | -               | -                     | 32,593  | Monthly              | 7.03           | 51,491                         | 7.03                         |
| 77164280-2             | Tanner Leasing Vendor Ltda.      | Rendic Hermanos S.A. | UF                                | 2,302   | 6,973                   | 9,275            | 9,884                   | 8,787                    | -                        | -                        | -               | -                     | 18,671  | Monthly              | 7.01           | 27,946                         | 7.01                         |
| 76046651-4             | Inmobiliaria Puente Ltda         | Rendic Hermanos S.A. | UF                                | 11,175  | 35,260                  | 46,435           | 51,780                  | 57,256                   | 63,313                   | 70,011                   | 959,913         | 1,202,273             | Monthly | 10.10                | 1,248,708      | 10.10                          |                              |
| 76111742-4             | Inversiones Isla Kent SpA.       | Rendic Hermanos S.A. | UF                                | 62,724  | 195,621                 | 258,345          | 279,130                 | 122,831                  | -                        | -                        | -               | -                     | 401,961 | Monthly              | 7.76           | 660,306                        | 7.76                         |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 935   | 2,860                   | 3,795            | 3,442                   | -                        | -                        | -                        | -               | -                     | 3,442   | Monthly              | 10.15          | 7,237                          | 10.15                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 923   | 2,817                   | 3,740            | 3,762                   | -                        | -                        | -                        | -               | -                     | 3,762   | Monthly              | 10.65          | 7,502                          | 10.65                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 923   | 2,817                   | 3,740            | 3,762                   | -                        | -                        | -                        | -               | -                     | 3,762   | Monthly              | 10.65          | 7,502                          | 10.65                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 836   | 2,546                   | 3,382            | 3,339                   | -                        | -                        | -                        | -               | -                     | 3,339   | Monthly              | 8.49           | 6,721                          | 8.49                         |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 923   | 2,817                   | 3,740            | 3,762                   | -                        | -                        | -                        | -               | -                     | 3,762   | Monthly              | 10.65          | 7,502                          | 10.65                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 865   | 2,648                   | 3,513            | 4,005                   | -                        | -                        | -                        | -               | -                     | 4,005   | Monthly              | 14.44          | 7,518                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 865   | 2,648                   | 3,513            | 4,005                   | -                        | -                        | -                        | -               | -                     | 4,005   | Monthly              | 14.44          | 7,518                          | 14.44                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 915   | 2,792                   | 3,707            | 4,085                   | -                        | -                        | -                        | -               | -                     | 4,085   | Monthly              | 10.66          | 7,792                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 851   | 2,598                   | 3,449            | 3,946                   | 356                      | -                        | -                        | -               | -                     | 4,302   | Monthly              | 14.92          | 7,751                          | 14.92                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 909   | 2,767                   | 3,676            | 4,050                   | 357                      | -                        | -                        | -               | -                     | 4,407   | Monthly              | 10.66          | 8,083                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 903   | 2,749                   | 3,652            | 4,039                   | 357                      | -                        | -                        | -               | -                     | 4,396   | Monthly              | 11.11          | 8,048                          | 11.11                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 909   | 2,767                   | 3,676            | 4,050                   | 357                      | -                        | -                        | -               | -                     | 4,407   | Monthly              | 10.66          | 8,083                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 909   | 2,767                   | 3,676            | 4,050                   | 357                      | -                        | -                        | -               | -                     | 4,407   | Monthly              | 10.66          | 8,083                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 909   | 2,767                   | 3,676            | 4,050                   | 357                      | -                        | -                        | -               | -                     | 4,407   | Monthly              | 10.66          | 8,083                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 909   | 2,767                   | 3,676            | 4,050                   | 357                      | -                        | -                        | -               | -                     | 4,407   | Monthly              | 10.66          | 8,083                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 909   | 2,767                   | 3,676            | 4,050                   | 357                      | -                        | -                        | -               | -                     | 4,407   | Monthly              | 10.66          | 8,083                          | 10.66                        |
| 99512120-4             | Securitas S.A.                   | Súper 10 S.A.        | UF                                | 751   | 2,272                   | 3,023            | 3,168                   | 272                      | -                        | -                        | -               | -                     | 3,440   | Monthly              | 8.50           | 6,463                          | 8.50                         |



# SMU



| Bank or Financial Institution   | Debtor Company                     | Currency or adjustment unit | Amount of liabilities exposed to liquidity risk with maturity |                   |                  |                   |                    |                    |                    |                |                   |         | Type of repayment | Effective rate   | Nominal amount per contract | Nominal rate per contract |
|---------------------------------|------------------------------------|-----------------------------|---|-------------------|------------------|-------------------|--------------------|--------------------|--------------------|----------------|-------------------|---------|-------------------|------------------|-----------------------------|---------------------------|
|                                 |                                    |                             | Up to 90 days   | 90 days to 1 year | Total Current    | 1 year to 2 years | 2 years to 3 years | 3 years to 4 years | 4 years to 5 years | Over 5 years   | Total Non-current |         |                   |                  |                             |                           |
|                                 |                                    |                             | ThCh\$  | ThCh\$            | ThCh\$           | ThCh\$            | ThCh\$             | ThCh\$             | ThCh\$             | ThCh\$         | ThCh\$            | ThCh\$  |                   |                  |                             |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 903   | 2,749             | 3,652            | 4,039             | 357                | -                  | -                  | -              | 4,396             | Monthly | 11.11             | 8,048            | 11.11                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 903   | 2,749             | 3,652            | 4,039             | 357                | -                  | -                  | -              | 4,396             | Monthly | 11.11             | 8,048            | 11.11                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 848   | 2,586             | 3,434            | 3,911             | 708                | -                  | -                  | -              | 4,619             | Monthly | 14.44             | 8,053            | 14.44                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 842   | 2,566             | 3,408            | 3,897             | 708                | -                  | -                  | -              | 4,605             | Monthly | 14.92             | 8,013            | 14.92                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 822   | 2,492             | 3,314            | 3,579             | 626                | -                  | -                  | -              | 4,205             | Monthly | 8.50              | 7,519            | 8.50                        |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 841   | 2,555             | 3,396            | 3,864             | 1,056              | -                  | -                  | -              | 4,920             | Monthly | 14.44             | 8,316            | 14.44                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 889   | 2,699             | 3,588            | 3,964             | 1,062              | -                  | -                  | -              | 5,026             | Monthly | 11.11             | 8,614            | 11.11                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 825   | 2,504             | 3,329            | 3,802             | 1,398              | -                  | -                  | -              | 5,200             | Monthly | 14.92             | 8,529            | 14.92                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 980   | 2,956             | 3,936            | 4,120             | 1,779              | -                  | -                  | -              | 5,899             | Monthly | 5.10              | 9,835            | 5.10                        |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 854   | 2,574             | 3,428            | 3,798             | 2,429              | -                  | -                  | -              | 6,227             | Monthly | 11.66             | 9,655            | 11.66                       |                           |
| Securitas S.A.                  | Súper 10 S.A.                      | UF                          | 975   | 3,040             | 4,015            | 4,331             | 4,271              | -                  | -                  | -              | 8,602             | Monthly | 7.63              | 12,617           | 7.63                        |                           |
| BBVA                            | Telemercados Europa S.A.           | UF                          | 7,337   | 37,130            | 44,467           | 45,778            | 35,230             | -                  | -                  | -              | 81,008            | Monthly | 2.99              | 125,475          | 2.99                        |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 876   | 2,658             | 3,534            | 3,086             | -                  | -                  | -                  | -              | 3,086             | Monthly | 5.59              | 6,620            | 5.59                        |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 923   | 2,817             | 3,740            | 3,762             | -                  | -                  | -                  | -              | 3,762             | Monthly | 10.65             | 7,502            | 10.65                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 915   | 2,792             | 3,707            | 4,085             | -                  | -                  | -                  | -              | 4,085             | Monthly | 10.66             | 7,792            | 10.66                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 915   | 2,792             | 3,707            | 4,085             | -                  | -                  | -                  | -              | 4,085             | Monthly | 10.66             | 7,792            | 10.66                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 865   | 2,648             | 3,513            | 4,005             | -                  | -                  | -                  | -              | 4,005             | Monthly | 14.44             | 7,518            | 14.44                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 865   | 2,648             | 3,513            | 4,005             | -                  | -                  | -                  | -              | 4,005             | Monthly | 14.44             | 7,518            | 14.44                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 915   | 2,792             | 3,707            | 4,085             | -                  | -                  | -                  | -              | 4,085             | Monthly | 10.66             | 7,792            | 10.66                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 851   | 2,598             | 3,449            | 3,946             | 356                | -                  | -                  | -              | 4,302             | Monthly | 14.92             | 7,751            | 14.92                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 857   | 2,617             | 3,474            | 3,958             | 356                | -                  | -                  | -              | 4,314             | Monthly | 14.44             | 7,788            | 14.44                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 857   | 2,617             | 3,474            | 3,958             | 356                | -                  | -                  | -              | 4,314             | Monthly | 14.44             | 7,788            | 14.44                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 903   | 2,749             | 3,652            | 4,039             | 357                | -                  | -                  | -              | 4,396             | Monthly | 11.11             | 8,048            | 11.11                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 896   | 2,724             | 3,620            | 4,001             | 711                | -                  | -                  | -              | 4,712             | Monthly | 11.11             | 8,332            | 11.11                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 842   | 2,566             | 3,408            | 3,897             | 708                | -                  | -                  | -              | 4,605             | Monthly | 14.92             | 8,013            | 14.92                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 848   | 2,586             | 3,434            | 3,911             | 708                | -                  | -                  | -              | 4,619             | Monthly | 14.44             | 8,053            | 14.44                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 896   | 2,724             | 3,620            | 4,001             | 711                | -                  | -                  | -              | 4,712             | Monthly | 11.11             | 8,332            | 11.11                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 848   | 2,586             | 3,434            | 3,911             | 708                | -                  | -                  | -              | 4,619             | Monthly | 14.44             | 8,053            | 14.44                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 842   | 2,566             | 3,408            | 3,897             | 708                | -                  | -                  | -              | 4,605             | Monthly | 14.92             | 8,013            | 14.92                       |                           |
| Securitas S.A.                  | ALVI Supermercados Mayoristas S.A. | UF                          | 896   | 2,719             | 3,615            | 3,979             | 1,062              | -                  | -                  | -              | 5,041             | Monthly | 10.66             | 8,656            | 10.66                       |                           |
| IBM de Chile S.A.C.             | ALVI Supermercados Mayoristas S.A. | UF                          | 6,424   | 23,055            | 29,479           | 29,021            | 30,575             | 32,213             | 33,938             | 11,827         | 137,574           | Monthly | 5.20              | 167,053          | 5.20                        |                           |
| Gama Servicios Financieros S.A. | Construmart S.A.                   | UF                          | 1,853   | 3,885             | 5,738            | 6,300             | 4,540              | -                  | -                  | -              | 10,840            | Monthly | 6.00              | 16,578           | 6.00                        |                           |
| Gama Servicios Financieros S.A. | Construmart S.A.                   | UF                          | 20,810  | 43,533            | 64,343           | 70,379            | 18,603             | -                  | -                  | -              | 88,982            | Monthly | 9.00              | 153,325          | 9.00                        |                           |
| ST Capital S.A.                 | Construmart S.A.                   | UF                          | 49,640  | 103,844           | 153,484          | 167,882           | 44,376             | -                  | -                  | -              | 212,258           | Monthly | 9.00              | 365,742          | 9.00                        |                           |
| Eurocapital S.A.                | Construmart S.A.                   | UF                          | 18,751  | 39,417            | 58,168           | 234,955           | 14,196             | -                  | -                  | -              | 249,151           | Monthly | 9.50              | 307,319          | 9.50                        |                           |
| <b>Total finance leases</b>     |                                    |                             | <b>421,730</b>  | <b>1,458,999</b>  | <b>1,880,729</b> | <b>2,198,883</b>  | <b>1,230,675</b>   | <b>209,950</b>     | <b>162,857</b>     | <b>971,740</b> | <b>4,774,105</b>  |         |                   | <b>6,654,834</b> |                             |                           |



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d) The detail of leases that comply with the definitions in IAS 17 to be treated as finance lease agreements is the following:

**December 31, 2017**

| Tax ID No.<br>Creditor | Creditor                                 | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                  |                         |                          |                          |                          |                 |                       |                   | Effective<br>rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|--|-----------------------------------|---|-------------------------|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|-------------------|-------------------|--------------------------------|------------------------------|
|                        |  |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years | Total Non-<br>current | Type of repayment |                   |                                |                              |
|                        |  |                                   | ThCh\$  | ThCh\$                  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$                | ThCh\$            |                   |                                |                              |
| 1.601.334-K            | María Ventura Godoy Retamal              | UF                                | 9,966   | 31,656                  | 41,622           | 46,637                  | 52,256                   | 58,552                   | 65,606                   | 93,232          | 316,283               | Monthly           | 11.40%            | 357,905                        | 11.40%                       |
| 4.841.171-1            | M Luz Jarufe J.                          | UF                                | 282   | 988                     | 1,270            | 1,724                   | 2,340                    | 4,247                    | 20,618                   | 382,053         | 410,982               | Monthly           | 30.90%            | 412,252                        | 30.90%                       |
| 5.645.655-4            | Mirza Rojas García                       | UF                                | 444   | 1,441                   | 1,885            | 2,203                   | 2,574                    | 469                      | -                        | -               | 5,246                 | Monthly           | 15.70%            | 7,131                          | 15.70%                       |
| 6.432.529-9            | Patricia Ramirez Castro                  | UF                                | 3,424   | 12,630                  | 16,054           | 19,283                  | 21,558                   | 24,101                   | 26,945                   | 296,647         | 388,534               | Monthly           | 11.20%            | 404,588                        | 11.20%                       |
| 7.262.501-3            | María Teresa Piña Robledo                | UF                                | 91  | 291                     | 382              | 432                     | 489                      | 553                      | 626                      | 33,476          | 35,576                | Monthly           | 12.40%            | 35,958                         | 12.40%                       |
| 7.449.437-4            | Luz Correa Gomez y otros                 | UF                                | 2,377   | 7,508                   | 9,885            | 10,950                  | 12,129                   | 18,494                   | 20,486                   | 258,826         | 320,885               | Monthly           | 10.30%            | 330,770                        | 10.30%                       |
| 7.670.636-0            | Gustavo Adolfo Muñoz Mas                 | UF                                | 13,306  | 41,896                  | 55,202           | 60,785                  | 66,931                   | 73,699                   | 81,151                   | 258,809         | 541,375               | Monthly           | 9.70%             | 596,577                        | 9.70%                        |
| 50.280.200-3           | Gutierrez Hermanos Ltda.                 | UF                                | 7,734   | 24,232                  | 31,966           | 34,856                  | 38,007                   | 41,443                   | 45,190                   | 225,482         | 384,978               | Monthly           | 8.70%             | 416,944                        | 8.70%                        |
| 61.219.000-3           | Empresa de Trans de Pasajeros Metro S.A. | UF                                | 7,639   | 23,845                  | 31,484           | 34,081                  | 36,892                   | 39,935                   | 43,229                   | 19,048          | 173,185               | Monthly           | 8.00%             | 204,669                        | 8.00%                        |
| 66.058.287-5           | Inmobiliaría Banmer S.A.                 | UF                                | 17,583  | 55,234                  | 72,817           | 79,809                  | 87,474                   | 95,874                   | 105,082                  | 1,150,171       | 1,518,410             | Monthly           | 9.20%             | 1,591,227                      | 9.20%                        |
| 70.251.100-3           | Central De Compras La Calera S.A.        | UF                                | 2,501   | 7,879                   | 10,380           | 11,441                  | 12,610                   | 13,899                   | 15,319                   | 163,929         | 217,198               | Monthly           | 9.80%             | 227,578                        | 9.80%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 730   | 2,373                   | 3,103            | 3,639                   | 4,269                    | 5,007                    | 5,873                    | 66,687          | 85,475                | Monthly           | 16.10%            | 86,578                         | 16.10%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 16,859  | 54,360                  | 71,219           | 82,204                  | 94,882                   | 109,517                  | 126,408                  | 2,294,295       | 2,707,306             | Monthly           | 14.40%            | 2,778,525                      | 14.40%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 10,559  | 33,282                  | 43,841           | 48,376                  | 53,379                   | 58,901                   | 64,993                   | 578,857         | 804,506               | Monthly           | 9.90%             | 848,347                        | 9.90%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 36,465  | 114,137                 | 150,602          | 163,893                 | 178,356                  | 194,095                  | 211,223                  | 1,783,120       | 2,530,687             | Monthly           | 8.50%             | 2,681,289                      | 8.50%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 4,564   | 14,536                  | 19,100           | 21,512                  | 24,229                   | 27,288                   | 30,734                   | 247,900         | 351,663               | Monthly           | 12.00%            | 370,763                        | 12.00%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 4,513   | 14,566                  | 19,079           | 22,061                  | 25,509                   | 29,496                   | 34,106                   | 436,611         | 547,783               | Monthly           | 14.60%            | 566,862                        | 14.60%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 13,008  | 40,637                  | 53,645           | 58,161                  | 63,058                   | 68,366                   | 74,122                   | 524,387         | 788,094               | Monthly           | 8.10%             | 841,739                        | 8.10%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 7,577   | 23,381                  | 30,958           | 32,751                  | 34,648                   | 36,654                   | 38,777                   | 252,576         | 395,406               | Monthly           | 5.60%             | 426,364                        | 5.60%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 35,391  | 111,070                 | 146,461          | 160,230                 | 175,294                  | 191,774                  | 209,803                  | 1,530,629       | 2,267,730             | Monthly           | 9.00%             | 2,414,191                      | 9.00%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 10,361  | 32,559                  | 42,920           | 47,077                  | 51,637                   | 56,638                   | 62,124                   | 457,276         | 674,752               | Monthly           | 9.30%             | 717,672                        | 9.30%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | -   | -                       | -                | -                       | -                        | -                        | -                        | 80,716          | 80,716                | Monthly           | 196.00%           | 80,716                         | 196.00%                      |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 27,364  | 86,275                  | 113,639          | 125,463                 | 138,516                  | 152,927                  | 168,837                  | 1,761,102       | 2,346,845             | Monthly           | 9.90%             | 2,460,484                      | 9.90%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 4,499   | 14,203                  | 18,702           | 20,699                  | 22,909                   | 25,355                   | 28,062                   | 409,859         | 506,884               | Monthly           | 10.20%            | 525,586                        | 10.20%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 5,263   | 16,960                  | 22,223           | 25,623                  | 29,543                   | 34,063                   | 39,275                   | 343,989         | 472,493               | Monthly           | 14.30%            | 494,716                        | 14.30%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 16,829  | 52,450                  | 69,279           | 74,753                  | 80,658                   | 87,030                   | 93,906                   | 1,196,393       | 1,532,740             | Monthly           | 7.60%             | 1,602,019                      | 7.60%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | (12,087)  | 409,984                 | 397,897          | 57,252                  | 66,369                   | 76,938                   | 89,190                   | 453,249         | 742,998               | Monthly           | 14.90%            | 1,140,895                      | 14.90%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 15,086  | 152,644                 | 167,730          | 13,914                  | 15,469                   | 17,197                   | 19,118                   | 307,636         | 373,334               | Monthly           | 10.80%            | 541,064                        | 10.60%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 8,524   | 490,507                 | 499,031          | 40,274                  | 43,479                   | 46,939                   | 50,675                   | 699,570         | 880,937               | Monthly           | 7.70%             | 1,379,968                      | 7.70%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 41,614  | 312,121                 | 353,735          | 62,509                  | 64,170                   | 65,875                   | 67,626                   | 702,750         | 962,930               | Monthly           | 2.60%             | 1,316,665                      | 2.60%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 1,656   | 1,263,255               | 1,264,911        | 48,222                  | 52,589                   | 57,352                   | 62,545                   | 926,255         | 1,146,963             | Monthly           | 8.70%             | 2,411,874                      | 8.70%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 107,630   | 449,828                 | 557,458          | 430,796                 | 406,549                  | 383,667                  | 362,073                  | 2,518,393       | 4,101,478             | Monthly           | -5.80%            | 4,658,936                      | -5.80%                       |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 49,685  | 235,577                 | 285,262          | 72,270                  | 74,328                   | 76,445                   | 78,622                   | 824,967         | 1,126,632             | Monthly           | 2.80%             | 1,411,894                      | 2.80%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 8,882   | 27,400                  | 36,282           | 38,355                  | 40,547                   | 42,863                   | 45,312                   | 294,410         | 461,487               | Monthly           | 5.60%             | 497,769                        | 5.60%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 16,965  | 52,450                  | 69,415           | 73,710                  | 78,272                   | 83,116                   | 88,260                   | 1,008,547       | 1,331,905             | Monthly           | 6.00%             | 1,401,320                      | 6.00%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 27,684  | 86,059                  | 113,743          | 122,101                 | 131,073                  | 140,705                  | 151,044                  | 1,210,231       | 1,755,154             | Monthly           | 7.10%             | 1,868,897                      | 7.10%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | 51,228  | (36,526)                | 14,702           | 80,346                  | 81,192                   | 82,047                   | 82,911                   | 794,251         | 1,120,747             | Monthly           | 1.00%             | 1,135,449                      | 1.00%                        |
| 76.002.124-5           | SR Inmobiliaría S.A.                     | UF                                | (2,800)   | 644,869                 | 642,069          | 18,216                  | 20,990                   | 24,187                   | 27,871                   | 553,392         | 644,656               | Monthly           | 14.30%            | 1,286,725                      | 14.30%                       |





| Tax ID No.<br>Creditor | Creditor   | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                  |                         |                          |                          |                          |                 |                       |         | Type of repayment | Effective<br>rate | Nominal amount<br>per contract | Nominal rate<br>per contract |
|------------------------|--|-----------------------------------|---|-------------------------|------------------|-------------------------|--------------------------|--------------------------|--------------------------|-----------------|-----------------------|---------|-------------------|-------------------|--------------------------------|------------------------------|
|                        |  |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years | Total Non-<br>current |         |                   |                   |                                |                              |
|                        |  |                                   | ThCh\$  | ThCh\$                  | ThCh\$           | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$          | ThCh\$                | ThCh\$  |                   |                   |                                |                              |
| 76.062.587-6           | Inmobiliaria Pisagua Ltda.                       | UF                                | 1,646   | 4,312                   | 5,958            | 7,142                   | 8,561                    | 10,261                   | 12,299                   | 170,080         | 208,343               | Monthly | 18.30%            | 214,301           | 18.30%                         |                              |
| 76.062.587-6           | Inmobiliaria Pisagua Ltda.                       | UF                                | 4,046   | 11,689                  | 15,735           | 17,282                  | 18,981                   | 20,848                   | 22,897                   | 218,116         | 298,124               | Monthly | 9.40%             | 313,859           | 9.40%                          |                              |
| 76.068.860-6           | Soc Inv E Inmob María Teresa Ortiz e Hijos Ltda. | Ch\$                              | 3,362   | 10,207                  | 13,569           | 13,895                  | 14,227                   | 14,568                   | 14,916                   | 308,339         | 365,945               | Monthly | 2.40%             | 379,514           | 2.40%                          |                              |
| 76.070.260-9           | Inmobiliaria Y De Inversiones Las Brujas Ltda.   | UF                                | 6,002   | 19,133                  | 25,135           | 28,365                  | 32,010                   | 36,124                   | 40,766                   | 258,810         | 396,075               | Monthly | 12.20%            | 421,210           | 12.20%                         |                              |
| 76.070.260-9           | Inmobiliaria Y De Inversiones Las Brujas Ltda.   | UF                                | 4,562   | 14,772                  | 19,334           | 22,506                  | 26,199                   | 30,499                   | 35,504                   | 253,513         | 368,221               | Monthly | 15.30%            | 387,555           | 15.30%                         |                              |
| 76.070.260-9           | Inmobiliaria Y De Inversiones Las Brujas Ltda.   | UF                                | 3,831   | 12,481                  | 16,312           | 19,216                  | 22,638                   | 26,669                   | 31,418                   | 232,655         | 332,596               | Monthly | 16.50%            | 348,908           | 16.50%                         |                              |
| 76.073.869-7           | Inmobiliaria Rentas Australes S.A.               | UF                                | 2,928   | 6,673                   | 9,601            | 11,073                  | 12,771                   | 14,730                   | 16,988                   | 485,970         | 541,532               | Monthly | 14.40%            | 551,133           | 14.40%                         |                              |
| 76.073.869-7           | Inmobiliaria Rentas Australes S.A.               | UF                                | 12,368  | 28,846                  | 41,214           | 45,128                  | 49,413                   | 54,104                   | 59,241                   | 1,169,758       | 1,377,644             | Monthly | 9.10%             | 1,418,858         | 9.10%                          |                              |
| 76.073.869-7           | Inmobiliaria Rentas Australes S.A.               | UF                                | 1,172   | 4,092                   | 5,264            | 7,114                   | 9,613                    | 12,990                   | 17,553                   | 343,527         | 390,797               | Monthly | 30.50%            | 396,061           | 30.50%                         |                              |
| 76.073.869-7           | Inmobiliaria Rentas Australes S.A.               | UF                                | 6,537   | 23,243                  | 29,780           | 33,015                  | 36,601                   | 40,577                   | 44,985                   | 968,336         | 1,123,514             | Monthly | 10.40%            | 1,153,294         | 10.40%                         |                              |
| 76.077.056-6           | Inmobiliaria E Inversiones Las Vertientes Ltda.  | UF                                | 18,793  | 59,512                  | 78,305           | 87,207                  | 97,120                   | 108,160                  | 120,455                  | 1,793,357       | 2,206,299             | Monthly | 10.80%            | 2,284,604         | 10.80%                         |                              |
| 76.077.161-9           | Inversiones Cinque Terre S.A.                    | UF                                | 13,168  | 41,228                  | 54,396           | 59,227                  | 64,486                   | 70,213                   | 76,449                   | 940,468         | 1,210,843             | Monthly | 8.50%             | 1,265,239         | 8.50%                          |                              |
| 76.078.358-7           | Inmobiliaria Paseo Los Ángeles S.A.              | UF                                | 10,703  | 34,501                  | 45,204           | 52,147                  | 60,155                   | 69,394                   | 80,051                   | 741,215         | 1,002,962             | Monthly | 14.40%            | 1,048,166         | 14.40%                         |                              |
| 76.091.932-2           | Soc Arica Store S.A.                             | UF                                | 5,834   | 18,591                  | 24,425           | 27,542                  | 31,057                   | 35,021                   | 39,491                   | 610,030         | 743,141               | Monthly | 12.10%            | 767,566           | 12.10%                         |                              |
| 76.100.625-8           | Rentas Patio I SpA                               | UF                                | 1,499   | 4,763                   | 6,262            | 7,019                   | 7,868                    | 8,819                    | 9,884                    | 609,605         | 643,195               | Monthly | 11.50%            | 649,457           | 11.50%                         |                              |
| 76.100.625-8           | Rentas Patio I SpA                               | UF                                | 3,422   | 10,870                  | 14,292           | 16,012                  | 17,938                   | 20,096                   | 22,513                   | 1,441,378       | 1,517,937             | Monthly | 11.40%            | 1,532,229         | 11.40%                         |                              |
| 76.100.625-8           | Rentas Patio I SpA                               | UF                                | 10,701  | 32,531                  | 43,232           | 44,394                  | 45,588                   | 46,814                   | 48,072                   | 1,250,969       | 1,435,837             | Monthly | 2.70%             | 1,479,069         | 2.70%                          |                              |
| 76.111.742-4           | Inversiones Isla Kent SpA                        | UF                                | 28,325  | 90,484                  | 118,809          | 134,628                 | 152,555                  | 172,868                  | 195,886                  | 1,718,113       | 2,374,050             | Monthly | 12.60%            | 2,492,859         | 12.60%                         |                              |
| 76.116.212-6           | Desarrollos Comerciales S.A.                     | UF                                | 1,892   | 5,931                   | 7,823            | 8,537                   | 9,318                    | 10,169                   | 11,099                   | 612,987         | 652,110               | Monthly | 8.80%             | 659,933           | 8.80%                          |                              |
| 76.116.212-6           | Desarrollos Comerciales S.A.                     | UF                                | 3,681   | 11,531                  | 15,212           | 16,584                  | 18,081                   | 19,712                   | 21,491                   | 1,080,904       | 1,156,772             | Monthly | 8.70%             | 1,171,984         | 8.70%                          |                              |
| 76.116.212-6           | Desarrollos Comerciales S.A.                     | UF                                | 30,752  | 96,804                  | 127,556          | 128,169                 | -                        | -                        | -                        | -               | 128,169               | Monthly | 9.60%             | 255,725           | 9.60%                          |                              |
| 76.128.866-0           | Sociedad Coronel Store S.A.                      | UF                                | 7,894   | 25,455                  | 33,349           | 38,491                  | 44,427                   | 51,277                   | 59,184                   | 1,371,776       | 1,565,155             | Monthly | 14.40%            | 1,598,504         | 14.40%                         |                              |
| 76.132.261-3           | Inmob Mayorista Pte Alto S.A.                    | UF                                | 4,278   | 14,366                  | 18,644           | 23,312                  | 29,150                   | 36,449                   | 45,575                   | 1,709,682       | 1,844,168             | Monthly | 22.60%            | 1,862,812         | 22.60%                         |                              |
| 76.139.841-5           | Inmobiliaria SMU S.A.                            | UF                                | 124,859   | 384,717                 | 509,576          | 537,474                 | 566,900                  | 597,936                  | 630,672                  | 17,918,353      | 20,251,335            | Monthly | 5.30%             | 20,760,911        | 5.30%                          |                              |
| 76.144.598-7           | Inmob E Inversiones GP Ltda.                     | UF                                | 5,991   | 20,855                  | 26,846           | 43,092                  | 61,902                   | 83,043                   | 33,563                   | -               | 221,600               | Monthly | 29.70%            | 248,446           | 29.70%                         |                              |
| 76.193.006-0           | Soc. Comercial Los Italianos Ltda.               | UF                                | 34,375  | 106,231                 | 140,606          | 149,183                 | 155,589                  | 159,528                  | 169,260                  | 436,190         | 1,069,750             | Monthly | 5.90%             | 1,210,356         | 5.90%                          |                              |
| 76.196.772-K           | Inmobiliaria San Rosendo Ltda.                   | UF                                | 68  | 249                     | 317              | 475                     | 712                      | 1,067                    | 1,599                    | 288,423         | 292,276               | Monthly | 41.10%            | 292,593           | 41.10%                         |                              |
| 76.204.814-0           | Inmobiliaria E Inversiones Sirmercado Uno Ltda.  | UF                                | 11,622  | 36,174                  | 47,796           | 51,443                  | 55,369                   | 59,594                   | 64,141                   | 925,762         | 1,156,309             | Monthly | 7.40%             | 1,204,105         | 7.40%                          |                              |
| 76.204.814-0           | Inmobiliaria E Inversiones Sirmercado Uno Ltda.  | UF                                | 5,567   | 17,309                  | 22,876           | 24,567                  | 26,382                   | 28,332                   | 30,425                   | 433,428         | 543,134               | Monthly | 7.20%             | 566,010           | 7.20%                          |                              |
| 76.237.858-2           | Inmob. E Inv. Laura Muñoz A. E.I.R.L.            | UF                                | 35,456  | 111,650                 | 147,106          | 162,021                 | 178,448                  | 196,540                  | 216,467                  | 1,740,337       | 2,493,813             | Monthly | 9.70%             | 2,640,919         | 9.70%                          |                              |
| 76.237.858-2           | Inmob. E Inv. Laura Muñoz A. E.I.R.L.            | UF                                | 38,743  | 120,899                 | 159,642          | 172,684                 | 186,791                  | 202,050                  | 218,556                  | 1,651,588       | 2,431,669             | Monthly | 7.90%             | 2,591,311         | 7.90%                          |                              |
| 76.251.380-3           | Inversiones Y Transportes Rojas Ltda.            | UF                                | 8,453   | 27,083                  | 35,536           | 40,500                  | 46,157                   | 52,605                   | 59,954                   | 300,908         | 500,124               | Monthly | 13.10%            | 535,660           | 13.10%                         |                              |
| 76.257.820-4           | Inmobiliaria Montecristo Ltda.                   | UF                                | 11,782  | 38,411                  | 50,193           | 94,632                  | 111,634                  | 131,691                  | 155,352                  | 955,344         | 1,448,653             | Monthly | 16.60%            | 1,498,846         | 16.60%                         |                              |
| 76.259.200-2           | Inmobiliaria E Inversiones Santo Domingo Ltda.   | UF                                | 7,249   | 23,803                  | 31,052           | 37,147                  | 44,437                   | 53,158                   | 63,591                   | 83,047          | 281,380               | Monthly | 18.10%            | 312,432           | 18.10%                         |                              |
| 76.259.200-2           | Inmobiliaria E Inversiones Santo Domingo Ltda.   | UF                                | 23,320  | 72,837                  | 96,157           | 104,202                 | 112,921                  | 122,369                  | 132,608                  | 156,208         | 628,308               | Monthly | 8.10%             | 724,465           | 8.10%                          |                              |
| 76.264.990-K           | Inmobiliaria Beckna Ltda.                        | UF                                | 1,754   | 5,710                   | 7,464            | 8,784                   | 10,338                   | 12,167                   | 14,320                   | 1,508,482       | 1,554,091             | Monthly | 16.40%            | 1,561,555         | 16.40%                         |                              |
| 76.264.990-K           | Inmobiliaria Beckna Ltda.                        | UF                                | 136   | 442                     | 578              | 680                     | 801                      | 943                      | 1,110                    | 117,708         | 121,242               | Monthly | 16.50%            | 121,820           | 16.50%                         |                              |
| 76.264.990-K           | Inmobiliaria Beckna Ltda.                        | UF                                | 838   | 2,645                   | 3,483            | 3,859                   | 4,276                    | 4,738                    | 5,250                    | 264,812         | 282,935               | Monthly | 10.30%            | 286,418           | 10.30%                         |                              |









| Tax ID No.<br>Creditor                         | Creditor                                       | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                                   |                            |                                   |                                    |                                    |                                    |                           |             | Total Non-current<br>ThCh\$ | Type of repayment | Effective<br>rate<br>% | Nominal amount<br>per contract<br>ThCh\$ | Nominal rate<br>per contract<br>% |
|--|--|-----------------------------------|---|-----------------------------------|----------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------|-------------|-----------------------------|-------------------|------------------------|--|-----------------------------------|
|  |  |                                   | Up to 90<br>days<br>ThCh\$                                    | 90 days<br>to 1<br>year<br>ThCh\$ | Total<br>Current<br>ThCh\$ | 1 year<br>to 2<br>years<br>ThCh\$ | 2 years<br>to 3<br>years<br>ThCh\$ | 3 years<br>to 4<br>years<br>ThCh\$ | 4 years<br>to 5<br>years<br>ThCh\$ | Over 5<br>years<br>ThCh\$ |             |                             |                   |                        |  |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 340   | 1,100                             | 1,440                      | 1,674                             | 1,947                              | 2,263                              | 2,632                              | 302,802                   | 311,318     | Monthly                     | 15.20%            | 312,758                | 15.20%                                   |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 735   | 2,381                             | 3,116                      | 3,631                             | 4,230                              | 4,928                              | 5,741                              | 679,223                   | 697,753     | Monthly                     | 15.40%            | 700,869                | 15.40%                                   |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 7,237   | 22,896                            | 30,133                     | 33,498                            | 37,238                             | 41,395                             | 46,017                             | 1,783,286                 | 1,941,434   | Monthly                     | 10.60%            | 1,971,567              | 10.60%                                   |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 478   | 1,525                             | 2,003                      | 2,262                             | 2,556                              | 2,887                              | 3,262                              | 148,633                   | 159,600     | Monthly                     | 12.30%            | 161,603                | 12.30%                                   |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 1,534   | 4,896                             | 6,430                      | 7,273                             | 8,227                              | 9,305                              | 10,526                             | 485,626                   | 520,957     | Monthly                     | 12.40%            | 527,387                | 12.40%                                   |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 4,683   | 14,737                            | 19,420                     | 21,358                            | 23,490                             | 25,835                             | 28,414                             | 1,565,508                 | 1,664,605   | Monthly                     | 9.60%             | 1,684,025              | 9.60%                                    |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 4,985   | 15,432                            | 20,417                     | 21,740                            | 23,148                             | 24,647                             | 26,244                             | 674,580                   | 770,359     | Monthly                     | 6.30%             | 790,776                | 6.30%                                    |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 4,288   | 13,330                            | 17,618                     | 18,916                            | 20,308                             | 21,804                             | 23,409                             | 877,674                   | 962,111     | Monthly                     | 7.10%             | 979,729                | 7.10%                                    |                                   |
| 96.571.890-7                                   | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 158   | 547                               | 705                        | 939                               | 1,250                              | 1,665                              | 2,217                              | 644,206                   | 650,277     | Monthly                     | 29.00%            | 650,982                | 29.00%                                   |                                   |
| 96.643.660-3                                   | Inmobiliaria El Roble S.A.                     | UF                                | 1,312   | 4,054                             | 5,366                      | 5,696                             | 6,046                              | 6,417                              | 6,812                              | 439,826                   | 464,797     | Monthly                     | 6.00%             | 470,163                | 6.00%                                    |                                   |
| 96.643.660-3                                   | Inmobiliaria El Roble S.A.                     | UF                                | 6,000   | 19,175                            | 25,175                     | 28,551                            | 32,379                             | 36,720                             | 41,644                             | 1,293,009                 | 1,432,303   | Monthly                     | 12.60%            | 1,457,478              | 12.60%                                   |                                   |
| 96.643.660-3                                   | Inmobiliaria El Roble S.A.                     | UF                                | 8,987   | 28,358                            | 37,345                     | 41,301                            | 45,676                             | 50,514                             | 55,865                             | 1,452,833                 | 1,646,189   | Monthly                     | 10.10%            | 1,683,534              | 10.10%                                   |                                   |
| 96.661.550-8                                   | Inmobiliaria E Inversiones Alexis Chahuan S.A. | UF                                | 7,510   | 23,657                            | 31,167                     | 34,350                            | 37,857                             | 41,723                             | 45,983                             | 491,906                   | 651,819     | Monthly                     | 9.80%             | 682,986                | 9.80%                                    |                                   |
| 96.767.250-5                                   | Inmobiliaria Inversur S.A.                     | UF                                | 11,880  | 37,140                            | 49,020                     | 53,217                            | 57,774                             | 62,720                             | 68,090                             | 420,842                   | 662,643     | Monthly                     | 8.20%             | 711,663                | 8.20%                                    |                                   |
| 96.767.450-8                                   | Gestora de patrimonios S.A.                    | UF                                | 8,520   | 26,825                            | 35,345                     | 38,913                            | 42,841                             | 47,166                             | 51,926                             | 165,557                   | 346,403     | Monthly                     | 9.70%             | 381,748                | 9.70%                                    |                                   |
| 96.792.130-0                                   | Inmob. Jaen S.A.                               | UF                                | 4,239   | 13,299                            | 17,538                     | 19,174                            | 20,963                             | 22,920                             | 25,058                             | 1,378,658                 | 1,466,773   | Monthly                     | 9.00%             | 1,484,311              | 9.00%                                    |                                   |
| 96.808.880-7                                   | Importaciones E Inversiones Valencia           | UF                                | 72,798  | 227,212                           | 300,010                    | 324,641                           | 351,293                            | 380,133                            | 270,606                            | -                         | 1,326,673   | Monthly                     | 7.90%             | 1,626,683              | 7.90%                                    |                                   |
| 96.899.330-5                                   | Pasmar S.A.                                    | UF                                | 3,014   | 10,163                            | 13,177                     | 14,189                            | 15,280                             | 16,454                             | 17,719                             | 312,354                   | 375,996     | Monthly                     | 7.40%             | 389,173                | 7.40%                                    |                                   |
| 96.899.330-5                                   | Pasmar S.A.                                    | UF                                | 4,687   | 11,480                            | 16,167                     | 18,731                            | 21,702                             | 25,144                             | 29,132                             | 861,865                   | 956,574     | Monthly                     | 14.80%            | 972,741                | 14.80%                                   |                                   |
| 96.902.160-9                                   | Inmobiliaria E Inversiones Iturrieta S.A.      | UF                                | 17,118  | 56,065                            | 73,183                     | 6,694                             | -                                  | -                                  | -                                  | -                         | 6,694       | Monthly                     | 17.60%            | 79,877                 | 17.60%                                   |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 8,176   | 25,365                            | 33,541                     | 35,865                            | 38,351                             | 41,009                             | 43,852                             | 34,872                    | 193,949     | Monthly                     | 6.70%             | 227,490                | 6.70%                                    |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 10,118  | 31,828                            | 41,946                     | 46,105                            | 50,677                             | 55,702                             | 61,225                             | 49,871                    | 263,580     | Monthly                     | 9.50%             | 305,526                | 9.50%                                    |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 4,126   | 12,820                            | 16,946                     | 18,178                            | 19,500                             | 20,918                             | 22,439                             | 17,894                    | 98,929      | Monthly                     | 7.00%             | 115,875                | 7.00%                                    |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 2,615   | 8,121                             | 10,736                     | 11,500                            | 12,319                             | 13,196                             | 14,135                             | 11,258                    | 62,408      | Monthly                     | 6.90%             | 73,144                 | 6.90%                                    |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 5,878   | 18,593                            | 24,471                     | 27,196                            | 30,224                             | 33,589                             | 37,329                             | 30,700                    | 159,038     | Monthly                     | 10.60%            | 183,509                | 10.60%                                   |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 13,568  | 42,450                            | 56,018                     | 60,905                            | 66,219                             | 71,996                             | 78,277                             | 63,158                    | 340,555     | Monthly                     | 8.40%             | 396,573                | 8.40%                                    |                                   |
| 96.929.630-6                                   | Plusren S.A.                                   | UF                                | 7,383   | 22,865                            | 30,248                     | 32,227                            | 34,335                             | 36,581                             | 38,973                             | 30,894                    | 173,010     | Monthly                     | 6.40%             | 203,258                | 6.40%                                    |                                   |
| 99.532.200-0                                   | Empresa Proulx Chile S.A.                      | UF                                | 3,902   | 12,372                            | 16,274                     | 18,168                            | 20,284                             | 22,645                             | 25,281                             | 1,501,509                 | 1,587,887   | Monthly                     | 11.10%            | 1,604,161              | 11.10%                                   |                                   |
| 99.539.770-6                                   | Inmobiliaria Uncastillo Ltda.                  | UF                                | 18,565  | 58,927                            | 77,492                     | 86,648                            | 96,887                             | 108,331                            | 121,127                            | 100,145                   | 513,138     | Monthly                     | 11.20%            | 590,630                | 11.20%                                   |                                   |
| Lease liabilities qualifying as finance leases |  |                                   | 2,562,477   | 13,920,812                        | 16,483,289                 | 10,936,000                        | 11,684,864                         | 12,568,199                         | 13,388,223                         | 175,141,263               | 223,718,549 |                             |                   | 240,201,838            |  |                                   |















| Tax ID No.<br>Creditor                                | Creditor                                       | Currency<br>or adjustment<br>unit | Amount of liabilities exposed to liquidity risk with maturity |                         |                   |                         |                          |                          |                          |                    |                    | Total Non-current | Type of repayment | Effective rate     | Nominal amount<br>per contract | Nominal rate<br>per contract |
|---|--|-----------------------------------|---|-------------------------|-------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------------------|------------------------------|
|   |  |                                   | Up to 90<br>days  | 90 days<br>to 1<br>year | Total<br>Current  | 1 year<br>to 2<br>years | 2 years<br>to 3<br>years | 3 years<br>to 4<br>years | 4 years<br>to 5<br>years | Over 5<br>years    |                    |                   |                   |                    |                                |                              |
|   |  |                                   | ThCh\$  | ThCh\$                  | ThCh\$            | ThCh\$                  | ThCh\$                   | ThCh\$                   | ThCh\$                   | ThCh\$             | ThCh\$             |                   |                   |                    |                                |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 10,283  | 31,791                  | 42,074            | 44,674                  | 47,435                   | 50,366                   | 53,479                   | 1,640,595          | 1,836,549          | Monthly           | 6.01%             | 1,878,623          | 6.01%                          |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 453   | 1,463                   | 1,916             | 2,222                   | 2,578                    | 2,990                    | 3,468                    | 296,122            | 307,380            | Monthly           | 14.93%            | 309,296            | 14.93%                         |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 981   | 3,174                   | 4,155             | 4,830                   | 5,614                    | 6,525                    | 7,585                    | 664,272            | 688,826            | Monthly           | 15.14%            | 692,981            | 15.14%                         |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 5,588   | 17,694                  | 23,282            | 25,927                  | 28,873                   | 32,153                   | 35,807                   | 1,816,272          | 1,939,032          | Monthly           | 10.81%            | 1,962,314          | 10.81%                         |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 360   | 1,149                   | 1,509             | 1,707                   | 1,931                    | 2,185                    | 2,472                    | 150,635            | 158,930            | Monthly           | 12.41%            | 160,439            | 12.41%                         |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 1,138   | 3,634                   | 4,772             | 5,406                   | 6,124                    | 6,939                    | 7,861                    | 492,341            | 518,671            | Monthly           | 12.55%            | 523,443            | 12.55%                         |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 6,167   | 19,357                  | 25,524            | 27,930                  | 30,564                   | 33,446                   | 36,600                   | 1,525,790          | 1,654,330          | Monthly           | 9.05%             | 1,679,854          | 9.05%                          |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 4,104   | 12,721                  | 16,825            | 17,962                  | 19,175                   | 20,471                   | 21,854                   | 698,374            | 777,836            | Monthly           | 6.56%             | 794,661            | 6.56%                          |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 3,927   | 12,208                  | 16,135            | 17,322                  | 18,598                   | 19,967                   | 21,437                   | 885,946            | 963,270            | Monthly           | 7.13%             | 979,405            | 7.13%                          |                              |
| 96.571.890-7  | Compañía De Seguros De Vida Corpvida S.A.      | UF                                | 87  | 302                     | 389               | 518                     | 690                      | 919                      | 1,224                    | 636,719            | 640,070            | Monthly           | 29.00%            | 640,459            | 29.00%                         |                              |
| 96.643.660-3  | Inmobiliaria El Roble S.A.                     | UF                                | 1,215   | 3,755                   | 4,970             | 5,276                   | 5,600                    | 5,944                    | 6,309                    | 439,135            | 462,264            | Monthly           | 5.98%             | 467,234            | 5.98%                          |                              |
| 96.643.660-3  | Inmobiliaria El Roble S.A.                     | UF                                | 5,202   | 16,624                  | 21,826            | 24,752                  | 28,071                   | 31,835                   | 36,104                   | 1,312,234          | 1,432,996          | Monthly           | 12.65%            | 1,454,822          | 12.65%                         |                              |
| 96.643.660-3  | Inmobiliaria El Roble S.A.                     | UF                                | 7,989   | 25,211                  | 33,200            | 36,718                  | 40,607                   | 44,908                   | 49,665                   | 1,483,354          | 1,655,252          | Monthly           | 10.11%            | 1,688,452          | 10.11%                         |                              |
| 96.643.660-3  | Inmobiliaria El Roble S.A.                     | UF                                | 18,252  | 56,732                  | 74,984            | 80,476                  | 86,369                   | 92,693                   | 99,481                   | 8,612              | 367,631            | Monthly           | 7.09%             | 442,615            | 7.09%                          |                              |
| 96.661.550-8  | Inmobiliaria E Inversiones Alexis Chahuan S.A. | UF                                | 6,700   | 21,105                  | 27,805            | 30,643                  | 33,773                   | 37,221                   | 41,022                   | 528,854            | 671,513            | Monthly           | 9.76%             | 699,318            | 9.76%                          |                              |
| 96.728.340-1  | Inmob Independencia S.A.                       | UF                                | 6,116   | 12,718                  | 18,834            | -                       | -                        | -                        | -                        | -                  | -                  | Monthly           | 10.42%            | 18,834             | 10.42%                         |                              |
| 96.767.250-5  | Inmobiliaria Inversur S.A.                     | UF                                | 10,759  | 33,636                  | 44,395            | 48,197                  | 52,323                   | 56,803                   | 61,667                   | 480,719            | 699,709            | Monthly           | 8.24%             | 744,104            | 8.24%                          |                              |
| 96.767.450-8  | Gestora de patrimonios S.A.                    | UF                                | 7,609   | 23,956                  | 31,565            | 34,752                  | 38,260                   | 42,122                   | 46,373                   | 213,830            | 375,337            | Monthly           | 9.66%             | 406,902            | 9.66%                          |                              |
| 96.792.130-0  | Inmob Jaen S.A.                                | UF                                | 3,812   | 11,959                  | 15,771            | 17,243                  | 18,852                   | 20,611                   | 22,535                   | 1,380,137          | 1,459,378          | Monthly           | 8.96%             | 1,475,149          | 8.96%                          |                              |
| 96.796.820-K  | Soc Inmobiliaria Rentamarket                   | UF                                | 6,386   | 20,235                  | 26,621            | 29,684                  | 33,099                   | 36,907                   | 41,153                   | -                  | 140,843            | Monthly           | 10.94%            | 167,464            | 10.94%                         |                              |
| 96.808.880-7  | Importaciones E Inversiones Valencia           | UF                                | 66,145  | 206,447                 | 272,592           | 294,971                 | 319,187                  | 345,392                  | 373,748                  | 266,060            | 1,599,358          | Monthly           | 7.92%             | 1,871,950          | 7.92%                          |                              |
| 96.867.090-5  | Inmobiliaria El Alarife S.A.                   | UF                                | 850   | 2,619                   | 3,469             | 3,660                   | 3,861                    | 4,074                    | 4,298                    | 50,466             | 66,359             | Monthly           | 5.37%             | 69,828             | 5.37%                          |                              |
| 96.899.330-5  | Pasmar S.A.                                    | UF                                | 15,403  | 32,333                  | 47,736            | 51,754                  | 56,110                   | 60,832                   | 65,951                   | 1,390,826          | 1,625,473          | Monthly           | 8.11%             | 1,673,209          | 8.11%                          |                              |
| 96.899.330-5  | Pasmar S.A.                                    | UF                                | 2,738   | 9,292                   | 12,030            | 12,955                  | 13,951                   | 15,023                   | 16,178                   | 324,528            | 382,635            | Monthly           | 7.43%             | 394,665            | 7.43%                          |                              |
| 96.899.330-5  | Pasmar S.A.                                    | UF                                | 13,509  | 37,762                  | 51,271            | 56,269                  | 61,754                   | 67,775                   | 74,382                   | 1,719,514          | 1,979,694          | Monthly           | 9.34%             | 2,030,965          | 9.34%                          |                              |
| 96.899.330-5  | Pasmar S.A.                                    | UF                                | 6,604   | 24,638                  | 31,242            | 35,569                  | 40,493                   | 46,100                   | 52,483                   | 1,614,130          | 1,788,775          | Monthly           | 13.04%            | 1,820,017          | 13.04%                         |                              |
| 96.899.330-5  | Pasmar S.A.                                    | UF                                | 4,093   | 9,626                   | 13,719            | 15,895                  | 18,416                   | 21,337                   | 24,721                   | 876,029            | 956,398            | Monthly           | 14.81%            | 970,117            | 14.81%                         |                              |
| 96.902.160-9  | Inmobiliaria E Inversiones Iturrieta S.A.      | UF                                | 14,138  | 46,306                  | 60,444            | 71,954                  | 6,582                    | -                        | -                        | -                  | 78,536             | Monthly           | 17.56%            | 138,980            | 17.56%                         |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 7,517   | 23,323                  | 30,840            | 32,977                  | 35,263                   | 37,707                   | 40,320                   | 77,401             | 223,668            | Monthly           | 6.72%             | 254,508            | 6.72%                          |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 9,050   | 28,470                  | 37,520            | 41,241                  | 45,330                   | 49,825                   | 54,766                   | 109,230            | 300,392            | Monthly           | 9.49%             | 337,912            | 9.49%                          |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 3,781   | 11,750                  | 15,531            | 16,661                  | 17,873                   | 19,172                   | 20,567                   | 39,656             | 113,929            | Monthly           | 7.04%             | 128,460            | 7.04%                          |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 2,400   | 7,454                   | 9,854             | 10,556                  | 11,307                   | 12,112                   | 12,974                   | 24,966             | 71,915             | Monthly           | 6.90%             | 81,769             | 6.90%                          |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 5,200   | 16,449                  | 21,649            | 24,060                  | 26,739                   | 29,716                   | 32,025                   | 66,887             | 180,427            | Monthly           | 10.60%            | 202,076            | 10.60%                         |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 12,270  | 38,387                  | 50,657            | 55,077                  | 59,882                   | 65,106                   | 70,786                   | 139,059            | 389,910            | Monthly           | 8.39%             | 440,567            | 8.39%                          |                              |
| 96.929.630-6  | Plusren S.A.                                   | UF                                | 6,814   | 21,101                  | 27,915            | 29,740                  | 31,685                   | 33,758                   | 35,966                   | 68,694             | 199,843            | Monthly           | 6.35%             | 227,758            | 6.35%                          |                              |
| 99.532.200-0  | Empresa Proulx Chile S.A.                      | UF                                | 3,436   | 10,895                  | 14,331            | 16,000                  | 17,863                   | 19,943                   | 22,265                   | 1,501,143          | 1,577,214          | Monthly           | 11.06%            | 1,591,545          | 11.06%                         |                              |
| 99.539.770-6  | Inmobiliaria Uncastillo Ltda.                  | UF                                | 16,330  | 51,817                  | 68,147            | 76,197                  | 85,197                   | 95,260                   | 106,512                  | 217,555            | 580,271            | Monthly           | 11.22%            | 648,868            | 11.22%                         |                              |
| 99.575.000-2  | Distrib Aspen S.A.                             | UF                                | 16,203  | 50,042                  | 66,245            | 70,186                  | 74,361                   | 78,787                   | 83,475                   | 1,487,771          | 1,794,580          | Monthly           | 5.79%             | 1,860,825          | 5.79%                          |                              |
| <b>Lease liabilities qualifying as finance leases</b> |  |                                   | <b>2,689,124</b>  | <b>8,125,663</b>        | <b>10,814,787</b> | <b>17,284,731</b>       | <b>11,911,778</b>        | <b>12,751,912</b>        | <b>13,734,866</b>        | <b>194,452,792</b> | <b>250,136,079</b> |                   |                   | <b>260,950,866</b> |                                |                              |



**SMU**



Additional information:

**i. General description of the main terms and conditions of the lease agreements:**

- Termination, renewals and amendments:

In relation to the agreements, their lives generally range between 10 and 40 years. However, there is an early termination option. In relation to renewals, the lessor or lessee should give advanced notice of contract termination; otherwise, it will be understood the contract will renew automatically for 1 to 5 years.

Amendments are generally performed on a monthly basis, given minimum leases are agreed in UF and adjusted at the payment date, according to the changes of this indicator.

In general, the Company may sublease stores or space within the stores. For the year ended December 31, 2017, income from subleasing space amounted to ThCh\$11,652,210 (ThCh\$11,332,268 for year ended December 31, 2016).

SMU S.A. or its subsidiaries commit to use the leased properties for operations related to the Company's line of business, and is required to keep them insured against all risk of fire and earthquake, including additional coverage for stoppages. Also, the Company may not levy mortgages or encumbrances on such real estate during the term of the respective contracts.

- Percentage of sales, contingent rents:

In general, the recognition of the amount was determined by carrying the stipulated guaranteed minimum value at present value over the term of the contract, using as the limit the option of early termination as stipulated in each one. The contracts also state a variable rent of 2% and 3% of the stores' net sales. The difference between the recognized monthly amount and the variable percentage on the sales is the contingent rent recognized as operating income in the caption Store Lease Expenses under "Administrative expenses".

**ii. Contingent rents recognized as expenses**

For all contracts currently in force, the Company has recognized in profit or loss contingent rents for variable lease payments of ThCh\$1,321,122 and ThCh\$1,505,105, for the years ended December 31, 2017 and 2016, respectively.



**iii. Additional information**

As of December 31, 2017 and 2016, the reconciliation of the future payments of finance leases is as follows:

| <b>As of December 31, 2017</b>                         | <b>Up to 1 year<br/>ThCh\$</b> | <b>From 1 to 5 years<br/>ThCh\$</b> | <b>Over 5 years<br/>ThCh\$</b> | <b>Total<br/>ThCh\$</b> |
|--|--------------------------------|-------------------------------------|--------------------------------|-------------------------|
| Minimum financial lease payment payable                | 38,527,592                     | 125,997,243                         | 305,445,759                    | 469,970,594             |
| Minimum financial lease payment payable, present value | 16,483,289                     | 48,577,286                          | 175,141,263                    | 240,201,838             |
| Future financial expense in financial leases           | 22,044,303                     | 77,419,957                          | 130,304,496                    | 229,768,756             |
|  |                                |                                     |                                |                         |
| <b>As of December 31, 2016</b>                         | <b>Up to 1 year<br/>ThCh\$</b> | <b>From 1 to 5 years<br/>ThCh\$</b> | <b>Over 5 years<br/>ThCh\$</b> | <b>Total<br/>ThCh\$</b> |
| Minimum financial lease payment payable                | 34,674,412                     | 140,344,028                         | 340,302,747                    | 515,321,187             |
| Minimum financial lease payment payable, present value | 10,814,787                     | 55,683,287                          | 194,452,792                    | 260,950,866             |
| Future financial expense in financial leases           | 23,859,625                     | 84,660,741                          | 145,849,955                    | 254,370,321             |



## 20. TRADE AND OTHER PAYABLES

a. As of December 31, 2017 and 2016, this caption is composed of the following:

|   | <b>Current</b>     |                    |
|---|--------------------|--------------------|
|   | <b>12.31.2017</b>  | <b>12.31.2016</b>  |
|   | <b>ThCh\$</b>      | <b>ThCh\$</b>      |
| Payables to suppliers   | 401,382,501        | 442,993,969        |
| Withholdings  | 5,580,447          | 5,072,290          |
| Other payables for acquisition of property, plant and equipment | 69,016             | 417,157            |
| Other payables for expenses and services                        | 5,120,865          | 4,339,834          |
| Other trade payables  | <u>2,206,979</u>   | <u>3,257,661</u>   |
| Total (*)   | <u>414,359,808</u> | <u>456,080,911</u> |

(\*) As of December 31, 2016, the balance includes ThCh\$36,402,851 related to Construmart, which as of December 31, 2017, is classified as abilities or liability groups for disposal classified as held-for-sale.

For accounts payable to suppliers, the average payment period to suppliers varies from between 30 to 60 days, while for trade payables it is 30 days; as a result of this, fair value does not differ significantly from its carrying amount.

b. As of December 31, 2017 and 2016, non-current payables are as follows:

|   | <b>Non-current</b> |                   |
|---|--------------------|-------------------|
|   | <b>12.31.2017</b>  | <b>12.31.2016</b> |
|   | <b>ThCh\$</b>      | <b>ThCh\$</b>     |
| Other payables for acquisition of property, plant and equipment | <u>175,473</u>     | <u>148,478</u>    |

Trade and other payables are recognized at their nominal value, as their average payment is reduced and there is no relevant difference to their fair value. As of December 31, 2017, the average payment term of the supermarket segment is 52 days. For such purpose, the average includes the total debt to suppliers of goods, without considering services to suppliers, net of rebates and is divided by cost of sales.



The summary of accounts payable to suppliers is the following:

**SUPPLIERS WITH PAYMENTS DUE AS OF 12.31.2017**

| Type of supplier | ThCh\$ as per payment dates |                   |                  |               |               |               | Total              |
|------------------|-----------------------------|-------------------|------------------|---------------|---------------|---------------|--------------------|
|                  | Up to 30 days (*)           | 31 - 60           | 61 - 90          | 91 - 120      | 121-365       | Over 365      |                    |
| Goods            | 305,434,513                 | 51,416,775        | 1,022,698        | -             | -             | -             | 357,873,986        |
| Services         | 22,967,334                  | 2,308,260         | 67,242           | 37,801        | 68,383        | 45,011        | 25,494,031         |
| Other            | 14,631,377                  | -                 | -                | -             | -             | -             | 14,631,377         |
| <b>Total</b>     | <b>343,033,224</b>          | <b>53,725,035</b> | <b>1,089,940</b> | <b>37,801</b> | <b>68,383</b> | <b>45,011</b> | <b>397,999,394</b> |

**SUPPLIERS WITH PAYMENTS PAST DUE AS OF 12.31.2017**

| Type of supplier | ThCh\$ as per due days |                |                |               |                |                | Total            |
|------------------|------------------------|----------------|----------------|---------------|----------------|----------------|------------------|
|                  | Up to 30 days (*)      | 31 - 60        | 61 - 90        | 91 - 120      | 121-365        | Over 365       |                  |
| Goods            | -                      | 16,989         | 62,187         | 47,240        | 134,274        | 68,931         | 329,621          |
| Services         | 2,698,994              | 84,121         | 109,607        | 45,458        | 16,100         | 99,206         | 3,053,486        |
| <b>Total</b>     | <b>2,698,994</b>       | <b>101,110</b> | <b>171,794</b> | <b>92,698</b> | <b>150,374</b> | <b>168,137</b> | <b>3,383,107</b> |

**SUPPLIERS WITH PAYMENTS CURRENT AS OF 12.31.2016**

| Type of supplier | ThCh\$ as per payment dates |                   |                  |               |          |          | Total              |
|------------------|-----------------------------|-------------------|------------------|---------------|----------|----------|--------------------|
|                  | Up to 30 days (*)           | 31 - 60           | 61 - 90          | 91 - 120      | 121-365  | Over 365 |                    |
| Goods            | 348,205,755                 | 54,133,373        | 3,878,865        | 35,655        | -        | -        | 406,253,648        |
| Services         | 22,236,078                  | 2,495,205         | 40,342           | -             | -        | -        | 24,771,625         |
| Other            | 7,002,229                   | -                 | -                | -             | -        | -        | 7,002,229          |
| <b>Total</b>     | <b>377,444,062</b>          | <b>56,628,578</b> | <b>3,919,207</b> | <b>35,655</b> | <b>-</b> | <b>-</b> | <b>438,027,502</b> |

**SUPPLIERS WITH PAYMENTS PAST DUE AS OF 12.31.2016**

| Type of supplier | ThCh\$ as per due days |                |                |                |                |                | Total            |
|------------------|------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
|                  | Up to 30 days (*)      | 31 - 60        | 61 - 90        | 91 - 120       | 121-365        | Over 365       |                  |
| Goods            | 5,729                  | 221,525        | 252,236        | 160,949        | 474,124        | 137,495        | 1,252,058        |
| Services         | 2,134,405              | 458,190        | 338,920        | 436,256        | 69,146         | 277,492        | 3,714,409        |
| Other            | -                      | -              | -              | -              | -              | -              | -                |
| <b>Total</b>     | <b>2,140,134</b>       | <b>679,715</b> | <b>591,156</b> | <b>597,205</b> | <b>543,270</b> | <b>414,987</b> | <b>4,966,467</b> |

(\*) Variations may exist in current balances payable to suppliers and past due amounts payable to suppliers because of the schedule of payments.

**SMU**

As of December 31, 2017 and 2016, the main suppliers for supermarket segment, per purchase volume are detailed as follows:

**December 31, 2017**

Nestlé Chile S.A.  
Unilever Chile S.A.  
Agrosuper Comercializadora de Alimentos Ltda.  
Empresas Carozzi S.A.  
Comercial Santa Elena S.A.  
CMPC Tissue S.A.  
BAT Chile S.A.  
Watt's Comercial S.A.  
Comercial CCU S.A.  
Cooperativa Agrícola y Lechera de la Unión Ltda.

**December 31, 2016**

Nestlé Chile S.A.  
Agrosuper Comercializadora de Alimentos Ltda.  
Unilever Chile S.A.  
Empresas Carozzi S.A.  
Comercial Santa Elena S.A.  
CMPC Tissue S.A.  
Watt's Comercial S.A.  
BAT Chile S.A.  
Comercial CCU S.A.  
Cooperativa Agrícola y Lechera de la Unión Ltda.

In general terms, contracts with suppliers regulate the terms of supply, as well as the commercial contributions that the supplier must provide to SMU and the payment conditions. In this sense, the life of the contracts is regulated, which are generally annual; also, the amendments to such contracts should be mutually agreed to by the parties.

**Confirming operations**

As of December 31, 2017, the company records no confirming operations (ThCh\$12,242,450 as of December 31, 2016, which detail is presented in Note 19 a).



21. OTHER PROVISIONS

As of December 31, 2017 and 2016, this caption comprises the following:

**a. Detail**

The detail is as follows:

|                            | Current              |                      | Non-current          |                      |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
|                            | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
| Provision for lawsuits (*) | 1,227,464            | 1,360,232            | -                    | -                    |

The balance as of December 31, 2016, includes ThCh\$36,814 related to Construmart, which as of December 31, 2017, is classified as available-for-sale liabilities.

(\*) See the detail of lawsuits in Note 24 d).

**b. Movements in provisions per employee benefit are as follows:**

| Movements in provisions                | Current<br>ThCh\$ | Non-current<br>ThCh\$ |
|--|-------------------|-----------------------|
| Balance as of January 1, 2017          | 1,360,232         | -                     |
| Transfer for available-for-sale assets | (36,815)          |                       |
| Increase in current provisions         | 2,022,654         |                       |
| Reversal in current provisions         | (2,118,607)       | -                     |
| Balance as of December 31, 2017        | 1,227,464         | -                     |
| Balance as of January 1, 2016          | 2,536,603         | -                     |
| Increase in current provisions         | 4,789,067         | -                     |
| Reversal in current provisions         | (5,965,438)       | -                     |
| Balance as of December 31, 2016        | 1,360,232         | -                     |

**SMU**

## 22. PROVISION OF EMPLOYEE BENEFITS

SMU and its subsidiaries provide employee benefit plans such as vacation and bonuses, which are awarded in accordance with current regulations and also provides, to a small part of its active workers, severance indemnity payments, which are determined and recognized in the financial statements according to the criteria described in Note 3). This last benefit relates mainly to severance indemnity payments, where the beneficiary assigned by each union is paid a given number of salaries or amounts at the date of termination, with legal cap. This benefit is enforceable once the employee has provided services to the Companies.

Short-term obligations correspond mainly to the accrued cost of vacations and bonuses.

Long-term obligations correspond mainly to severance indemnity payments measured at current value based on the term of collective agreements currently effective that include such benefit.

In addition, the Company provides a long-term incentive which will be accrued as of December 31, 2019 and will be paid during 2020, provided that at least 95% of the business goal established for the period from January 1, 2017 through December 31, 2019 is met. If such goal is achieved by a percentage of less than 95%, solely the payment of the retention bonus will be applicable. Such benefit is included in the Provision for Benefits and Bonuses for employees, non-current.

### a) As of December 31, 2017 and 2016, the detail of balances of provisions for employee benefits is the following:

|                              | Current              |                      | Non-current          |                      |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
|                              | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ |
| Provision for bonuses        | 8,103,214            | 14,432,672           | 2,225,717            | -                    |
| Accrued vacations            | 8,836,046            | 9,103,435            | -                    | -                    |
| Severance indemnity payments | 119,300              | 424,176              | 473,522              | 108,167              |
| Total                        | <u>17,058,560</u>    | <u>23,960,283</u>    | <u>2,699,239</u>     | <u>108,167</u>       |

As of December 31, 2016, the current balance includes ThCh\$2,687,406 related to Construmart, which as of December 31, 2017, is classified as liabilities or liability groups for disposal classified as held-for-sale.





**b) Movements in provisions per employee benefit are as follows:**

| Movements in provisions               | Provision for employee benefits and bonuses |                    | Accrued vacations |                    |
|---------------------------------------|---|--------------------|-------------------|--------------------|
|                                       | Current ThCh\$                              | Non-current ThCh\$ | Current ThCh\$    | Non-current ThCh\$ |
| Balance as of January 1, 2017         | 14,432,672                                  | -                  | 9,103,435         | -                  |
| Transfer to available-for-sale assets | (1,305,585)                                 | -                  | (1,260,826)       | -                  |
| Increase in current provisions        | 13,966,579                                  | 2,225,717          | 9,003,020         | -                  |
| Use of provisions                     | (18,990,452)                                | -                  | (8,009,583)       | -                  |
| Balance as of December 31, 2017       | <u>8,103,214</u>                            | <u>2,225,717</u>   | <u>8,836,046</u>  | <u>-</u>           |
| Balance as of January 1, 2016         | 8,347,250                                   | 749,943            | 8,933,642         | -                  |
| Increase in current provisions        | 20,099,139                                  | -                  | 7,596,360         | -                  |
| Use of provisions                     | (14,763,660)                                | -                  | (7,426,567)       | -                  |
| Transfer to current                   | 749,943                                     | (749,943)          | -                 | -                  |
| Balance as of December 31, 2016       | <u>14,432,672</u>                           | <u>-</u>           | <u>9,103,435</u>  | <u>-</u>           |

**c) Movements in provisions for severance indemnity payments are as follows:**

The Company maintains defined benefit plans with some of its employees. As reconciliation between defined benefit obligations, and the detail of the losses for the year, are provided as follows:

|                                       | Current ThCh\$ | Non-current ThCh\$ |
|---------------------------------------|----------------|--------------------|
| Balance as of January 1, 2017         | 424,176        | 108,167            |
| Transfer to available-for-sale assets | (120,995)      | -                  |
| Increase in current provisions        | 45,240         | 365,355            |
| Use of provisions                     | (229,121)      | -                  |
| Balance as of December 31, 2017       | <u>119,300</u> | <u>473,522</u>     |
| Balance as of January 1, 2016         | 149,550        | 267,292            |
| Increase in current provisions        | 554,994        | -                  |
| Use of provisions                     | (439,493)      | -                  |
| Transfer to current                   | 159,125        | (159,125)          |
| Balance as of December 31, 2016       | <u>424,176</u> | <u>108,167</u>     |

As of December 31, 2017, there are no defined contribution plans.



**23. OTHER NON-FINANCIAL LIABILITIES**

As of December 31, 2017 and 2016, this caption is composed of the following:

|                              | <b>Current</b>    |                   | <b>Non-current</b> |                   |
|------------------------------|-------------------|-------------------|--------------------|-------------------|
|                              | <b>12.31.2017</b> | <b>12.31.2016</b> | <b>12.31.2017</b>  | <b>12.31.2016</b> |
|                              | <b>ThCh\$</b>     | <b>ThCh\$</b>     | <b>ThCh\$</b>      | <b>ThCh\$</b>     |
| Prepaid leases (1)           | 1,840,799         | 1,862,044         | 8,094,136          | 9,737,617         |
| Value-added tax fiscal debit | 674,621           | 2,357,106         | -                  | -                 |
| Other prepaid income         | 921,062           | 961,869           | -                  | -                 |
| Investment in associates (2) | -                 | -                 | -                  | 1,524,230         |
| <b>Total</b>                 | <b>3,436,482</b>  | <b>5,181,019</b>  | <b>8,094,136</b>   | <b>11,261,847</b> |

As of December 31, 2016, the balance includes ThCh\$587,258 related to Construmart S.A., which as of December 31, 2017 is classified as available-for-sale.

(1) General Description of the Contract:

Corresponds to agreements for the lease of space for the installation and operation of automated teller machines owned by Itaú-Corpbanca, in all existing and future stores across the Country. Such lease agreement establishes that Itaú-Corpbanca pays in advance the total amount owed for the space leased to install a maximum of 500 Automatic Teller Machines and during the life of the agreement, until the advance payment is completely used, which amounted to ThCh\$24,639,637 (historical).

Maturity table as of:

| <b>December 31, 2017</b> | <b>Maturity</b>    |                     |                     | <b>Total</b>     |
|--------------------------|--------------------|---------------------|---------------------|------------------|
|                          | <b>0 to 1 year</b> | <b>1 to 5 years</b> | <b>Over 5 years</b> |                  |
|                          | <b>ThCh\$</b>      |                     |                     |                  |
| Prepaid leases           | <u>1,840,799</u>   | <u>7,363,196</u>    | <u>730,940</u>      | <u>9,934,935</u> |

| <b>December 31, 2016</b> | <b>Maturity</b>    |                     |                     | <b>Total</b>      |
|--------------------------|--------------------|---------------------|---------------------|-------------------|
|                          | <b>0 to 1 year</b> | <b>1 to 5 years</b> | <b>Over 5 years</b> |                   |
| Prepaid leases           | <u>1,862,044</u>   | <u>7,448,176</u>    | <u>2,289,441</u>    | <u>11,599,661</u> |

As of December 31, 2017, there are no unguaranteed residual values recognized in favor of the lessor.

The contract establishes no additional contingent rents or amounts to the monthly rent per automated teller machine.



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(2) As of December 31, 2017 and 2016, the detail of the investment in associates accounted for under the equity method, is the following:

| December 31, 2016 | Number of shares | Ownership 12.31.2016 % | Balance as of 01.01.2017 ThCh\$ | Additions ThCh\$ | Loss for the year ThCh\$ | Sales ThCh\$ | Subtotal ThCh\$ | Total 12.31.2016 ThCh\$ |
|-------------------|------------------|------------------------|---------------------------------|------------------|--------------------------|--------------|-----------------|-------------------------|
| Unicard S.A.(*)   | 13,316           | 49.0000%               | (2,643,642)                     | (554,400)        | 606,137                  | -            | (2,591,905)     | (2,591,905)             |
| Unired S.A.       | 47,441           | 48.9982%               | 3,430,333                       | -                | 685,802                  | -            | 4,116,135       | 4,116,135               |
| Total             |                  |                        | 786,691                         | (554,400)        | 1,291,939                | -            | 1,524,230       | 1,524,230               |

(\*) On May 3, 2017, the associate SMU Corp S.A., changed its name to Unicard S.A.

The detailed information on these associates is recorded in note 15.

(3) As of December 31, 2016, the current balance includes ThCh\$587,216 related to Construmart S.A., which as of December 31, 2017 is classified as liabilities or liability groups for disposal classified as held-for-sale.



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## 24. CONTINGENCIES, LAWSUITS AND RESTRICTIONS

As of December 31, 2017, the SMU Group and its direct and indirect subsidiaries present the following guarantees, contingencies, commitments and restrictions:

### a) Contingencies

As of December 31, 2017, the Company is not exposed to other contingencies for which no provision has been recognized, for such lawsuits in which the possibility of adverse sentence is probable, existing other lawsuits against the Company which probability of adverse sentence is lower, for which no provision has been recognized.

### b) Commitments

On January 30, 2014, SMU S.A. and its subsidiaries Rendic Hermanos S.A., Construmart S.A. and Abu Gosch y Compañía Limitada, as debtors, as well as its subsidiaries Súper 10 S.A., Rendic Hermanos S.A. and Construmart S.A. as guarantors and co-debtors, entered into a Syndicated Rescheduling and Joint Guarantee and Co-debt Agreement with its financial creditors, that amends and reschedules all the obligations of the debtors with the creditors. After December 31, 2014, the restructuring agreement of SMU S.A. and its subsidiaries with its creditors was amended, by virtue of which the companies related to Retail Holdings S.A. ("Retail") y Gestora Omega Limitada Holding and Compañía en Comandita por Acciones ("Omega") were added, which received loans for the Syndicated Rescheduling Agreement from the Creditors. In addition, the date, payment conditions and financial restriction established previously were amended.

On February 3, 2015, the related company Cía. Inmobiliaria y de Inversiones SAGA SpA, was also included in the Syndicated Rescheduling Agreement, after acquiring part of the interest in Banco BICE.

On December 1, 2015, the related companies Retail and Omega increased their involvement in Tranche II of the Syndicated Loan, which allowed to postpone the payment of such Tranche to the long-term.

On January 26, 2017, SMU S.A. and its subsidiaries repaid the total debt maintained with related parties Retail Holdings S.A., Gestora Omega Limitada Holding and Compañía en Comandita por Acciones, and Cía. Inmobiliaria y de Inversiones SAGA SpA.

Additionally, in the same date, the Company repaid the debt maintained with Retail Holding III SpA, a related party and initial creditor of the Syndicated Rescheduling and Joint Guarantee and Co-debt Agreement.

On June 30, 2017, the Company has performed the second partial payment of the Syndicated Loan (UF193,368 from a total of UF1,067,805) as well as the second partial payment of the loan with Banco BICE (UF7,241 from a total of UF40,228). The remaining balance of such partial payment (UF874,437 for scheduled creditors and UF32,987 for Banco BICE) has been extended for 30 days and subsequently for an additional 30 day



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period through August 30, 2017, as a result of the fact that the scheduled creditors and Banco BICE will evaluate the refinancing proposal received on June 22 from BanChile Asesoría Financiera S.A and BCI Asesoría Financiera S.A., which have an underwriting of 50% and which had to be approved by all creditors within such period including the amendments in the schedule such as decreases in the spread. Finally, this refinancing proposal was not approved by all creditors. Consequently, the remaining partial payment will be paid on August 30, 2017.

Accordingly, such Syndicated Rescheduling and Joint Guarantee and Co-debt Agreement results in the following debt commitments:

1. As of December 31, 2017, Rendic Hermanos S.A., Construmart S.A. and Súper 10 S.A. are the guarantors and co-debtors of SMU S.A. to secure obligations of ThCh\$6,312,339 and UF41,094 with Banco Bilbao Vizcaya Argentaria Chile.
2. As of December 31, 2017, Rendic Hermanos S.A., Construmart S.A. and Súper 10 S.A. are the guarantors and co-debtors of SMU S.A. to secure obligations of UF1,856,232 with Banco de Crédito e Inversiones.
3. As of December 31, 2017, Rendic Hermanos S.A., Construmart S.A. and Súper 10 S.A. are the guarantors and co-debtors of SMU S.A. to secure obligations of UF 734,563 with Banco de Chile.
4. As of December 31, 2017, Rendic Hermanos S.A., Construmart S.A. and Súper 10 S.A. are the guarantors and co-debtors of SMU S.A. to secure obligations of UF786,170 with Banco del Estado de Chile.
5. As of December 31, 2017, Rendic Hermanos S.A., Construmart S.A. and Súper 10 S.A. are the guarantors and co-debtors of SMU S.A. to secure obligations of UF553,904 with Scotiabank.
6. As of December 31, 2017, Rendic Hermanos S.A. became guarantor and co-debtor of SMU S.A. in order to secure to Banco Security the credit granted to SMU S.A. for an amount of UF118,871.
7. As of December 31, 2017, Rendic Hermanos S.A., Construmart S.A. and Súper 10 S.A. became guarantor and co-debtor of SMU S.A. in order to secure to Banco Santander the credit granted to SMU S.A. for an amount of ThCh\$4,045,244 and UF157,159.
8. As of December 31, 2017, Rendic Hermanos S.A., has obligations with Banco BICE for UF203,004.
9. As of December 31, 2017, Rendic Hermanos S.A., has obligations with Banco Itaú for UF355,671.



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10. As of December 31, 2017, Rendic Hermanos S.A., has obligations with Banco Rabobank for UF74,022.

11. As of December 31, 2017, Rendic Hermanos S.A., has obligations with Banco de Chile for UF61,251.

12. As of December 31, 2017, Rendic Hermanos S.A., has obligations with Banco del Estado Chile for UF11,144.

13. As of December 31, 2017, Abu Gosch y Compañía Limitada has obligations with Banco de Crédito e Inversiones for UF3,810.

14. As of December 31, 2017, Abu Gosch y Compañía Limitada has obligations with Banco de Chile for UF 27,012.

15. As of December 31, 2017, Construmart S.A., has obligations with Banco Bilbao Vizcaya Argentaria for UF58,597.

16. As of December 31, 2017, Construmart S.A., has obligations with Corpbanca for UF38,970.

17. As of December 31, 2017, Construmart S.A., has obligations with Banco Itaú for UF143,023.

18. Additionally, such rescheduling included a revolving credit facility of ThCh\$5,000,000 for foreign trade transactions. Accordingly, from such amount, the subsidiaries Rendic Hermanos S.A. Abu Gosch y Cía. Ltda. and Construmart S.A. used, as of December 31, 2017, ThCh\$2,762,299 and the share by bank is as follows:

|  |       |
|--|-------|
| a. Banco Crédito e Inversiones           | 1.8%  |
| b. Banco de Chile                        | 4.1%  |
| c. Banco Estado de Chile                 | 79.3% |
| d. Banco Bilbao Vizcaya Argentaria Chile | 14.8% |

Also, SMU S.A. and its subsidiaries have the following current loans:

19. Construmart S.A. as of December 31, 2017, has short-term obligations with Factoring Security S.A., for ThCh\$1,130.

20. SMU S.A. and its subsidiaries in order to guarantee the full and comprehensive compliance with the obligations resulting from the lease agreement of space in stores for installing the automatic teller machines of Itaú-CorpBanca, SMU S.A. provided an insurance policy for an amount equivalent to 5% of the value of the rentals in the agreement.

21. Mayorsa S.A.C. maintains contracts named "Comfort Letter" with the suppliers Unión de Cervecerías Peruanas Backus and Johnston S.A.A. for US\$1,200,000, current and guaranteed by SMU Chile; and with Alicorp S.A.A. for PEN 2,500,000.



As of December 31, 2017, the SMU Group is not aware of any other contingency or commitment that could affect the interpretation of the accompanying consolidated financial statements.

**Operating leases:**

The main operating leases contracted by the Company for an indefinite term or for over one year are as follows:

- Administrative office lease.
- Warehouse lease.
- Stores and branches lease.

As of December 31, 2017 and 2016, the composition of future minimum operating lease payments is as follows:

| <b>Term</b>  | <b>12.31.2017<br/>Committed<br/>amount<br/>ThCh\$</b> | <b>12.31.2016<br/>Committed<br/>amount<br/>ThCh\$</b> |
|--------------|---|---|
| 0 to 1 year  | 40,705,397  | 44,230,958  |
| 1 to 5 years | 185,893,285   | 163,756,256   |
| Over 5 years | <u>452,741,119</u>                                    | <u>449,036,872</u>                                    |
| Total        | <u>679,339,801</u>                                    | <u>657,024,086</u>                                    |

Some contracts are for an indefinite term or automatically renewable, provided parties do not announce their intention to terminate such contract, which could generate payments for over five years.

**c) Recovery of insurance claims**

Mainly corresponds to the collection of the compensation for damages associated with the disruption of the activities related to the landslide and fire in Bellavista, Concepción, which affected its facilities resulting in their temporary closure. Because of this situation, claims were filed that are currently pending payment of ThCh\$191,132.

**d) Lawsuits:**

As of December 31, 2017, the consolidated SMU Group presents pending lawsuits against it for claims in the normal course of business, which, according to the Group's management and legal counsel, do not represent a significant risk to its equity. Provisions have been recorded in the respective direct and indirect subsidiaries for those lawsuits which, according to the Group's legal counsel, could generate a loss in the financial statements (see Note 21 a).



As of December 31, 2017 and 2016, the detail of lawsuits considered to generate probable losses for which provisions have been recognized is as follows:

|  | December 31, 2017 |                  |                  | December 31, 2016 |                  |                  |
|--|-------------------|------------------|------------------|-------------------|------------------|------------------|
|  | No. of Cases      | Amount ThCh\$    | Provision ThCh\$ | No. of cases      | Amount ThCh\$    | Provision ThCh\$ |
| <b>Civil</b>   | <b>8</b>          | <b>188,402</b>   | <b>49,379</b>    | <b>18</b>         | <b>361,804</b>   | <b>205,494</b>   |
| Collection   | 2                 | 59,613           | 5,613            | 8                 | 176,884          | 122,884          |
| Indemnification for damages on contract termination                          | 2                 | 78,800           | 12,500           | 5                 | 134,507          | 31,000           |
| Other lawsuits   | 4                 | 49,989           | 31,266           | 5                 | 50,413           | 51,610           |
| <b>Labor</b>   | <b>54</b>         | <b>595,909</b>   | <b>249,504</b>   | <b>69</b>         | <b>938,140</b>   | <b>281,967</b>   |
| Compensation for work accidents  | 13                | 354,716          | 117,010          | 5                 | 531,977          | 41,500           |
| Wrongful dismissal and collection of social security and healthcare payments | 41                | 241,193          | 132,494          | 64                | 406,163          | 240,467          |
| <b>Labor fines</b>   | <b>138</b>        | <b>372,015</b>   | <b>372,015</b>   | <b>183</b>        | <b>399,856</b>   | <b>399,856</b>   |
| Labor fines (1)  | 138               | 372,015          | 372,015          | 183               | 399,856          | 399,856          |
| <b>Local court</b>   | <b>84</b>         | <b>501,496</b>   | <b>145,044</b>   | <b>72</b>         | <b>571,356</b>   | <b>149,634</b>   |
| Breach of Consumer Protection Law and Civil Action                           | 34                | 245,941          | 64,843           | 56                | 502,271          | 123,544          |
| Breach of security guards regulation   | 35                | 137,506          | 57,170           | 14                | 62,285           | 22,390           |
| Indemnification for contract termination                                     | 15                | 118,049          | 23,031           | 2                 | 6,800            | 3,700            |
| <b>Sanitary investigations</b>   | <b>198</b>        | <b>411,522</b>   | <b>411,522</b>   | <b>170</b>        | <b>323,281</b>   | <b>323,281</b>   |
| Sanitary investigations  | 198               | 411,522          | 411,522          | 170               | 323,281          | 323,281          |
| <b>Total</b>   | <b>482</b>        | <b>2,069,344</b> | <b>1,227,464</b> | <b>512</b>        | <b>2,594,437</b> | <b>1,360,232</b> |

- (1) Relates to labor fines imposed by inspectors from the Labor Inspector's Office where, mainly is because of noncompliance with: having updated employment contracts, establishing schedules for entry and breaks, absence of procedures for hygiene and safety, among others.

Suit filed by the FNE against Cencosud, Walmart and SMU S.A.

On January 13, 2016, the Company was notified that the National Economic Prosecutor's Office filed a suit against Cencosud, SMU and Walmart for alleged practices against free competition consisting of agreements or practices designed to fix, through suppliers, a sales price to the public of fresh poultry meat in supermarkets that was equal to or higher than the wholesaler list price. The National Economic Prosecutor's Office requested the payment of a fine of 30,000 Annual Tax Units (UTA) from each of the entities involved.

On March 22, 2016, the Company replied to the suit requesting its dismissal and absolutely denying the existence of any collusive actions or actions which affect free competition.

On April 6, 2016, the TDLC issued the resolution beginning the evidentiary stage, which contains the relevant, substantial and controversial facts that should be subject to such evidentiary stage within the proceeding. This resolution was noticed to the Company on June 28, 2016.

On October 20, 2016, the TDLC resolved the appeals for reconsideration filed by the defendants against the resolution that received the case for trial, which resulted in the beginning of the evidentiary stage.

On August 3, 2017, the TDLC ended the evidentiary stage.





On December 19, 2017, the public hearing was held where the allegations by the parties were received. The TDLC is expected to provide the first instance judgment within the next 6 months.

Additionally, as of December 31, 2017 and 2016, other lawsuits exist, which Management believes could potentially generate losses, which are detailed as follows:

|  | December 31, 2017 |                  |                  | December 31, 2016 |                  |                  |
|--|-------------------|------------------|------------------|-------------------|------------------|------------------|
|  | No. of Cases      | Amount ThCh\$    | Provision ThCh\$ | No. of Cases      | Amount ThCh\$    | Provision ThCh\$ |
| <b>Civil</b>   | <b>3</b>          | <b>1,222,857</b> | <b>-</b>         | <b>8</b>          | <b>808,862</b>   | <b>-</b>         |
| Collection   | 1                 | 1,032,857        | -                | 4                 | 13,862           | -                |
| Indemnification for damages on contract termination                          | 2                 | 190,000          | -                | 4                 | 795,000          | -                |
| <b>Labor</b>   | <b>11</b>         | <b>298,415</b>   | <b>-</b>         | <b>27</b>         | <b>380,566</b>   | <b>-</b>         |
| Compensation for work accidents  | 3                 | 82,346           | -                | 7                 | 79,973           | -                |
| Wrongful dismissal and collection of social security and healthcare payments | 8                 | 216,069          | -                | 20                | 300,593          | -                |
| <b>Local court</b>   | <b>16</b>         | <b>161,901</b>   | <b>-</b>         | <b>32</b>         | <b>198,038</b>   | <b>-</b>         |
| Breach of Consumer Protection Law and Civil Action                           | 8                 | 62,689           | -                | 16                | 103,569          | -                |
| Indemnification for contract termination                                     | 5                 | 86,343           | -                | 3                 | 48,656           | -                |
| Breach of security guards regulation, Alcohol Law and others                 | 3                 | 12,869           | -                | 13                | 45,813           | -                |
|  | <b>30</b>         | <b>1,683,173</b> | <b>-</b>         | <b>67</b>         | <b>1,387,466</b> | <b>-</b>         |

## e) Restrictions

### Definitions

Both for bank restrictions and bond series, the following is understood to be:

- Net Financial Debt: the difference between: (i) the sum of the accounts included the Consolidated Financial Statements prepared under IFRS “Other Financial Liabilities - Current” and “Other Financial Liabilities - Non-Current ”, discounting "Lease Obligations classified as Finance Leases" recognized under “Other Financial Liabilities - Current And Non-Current ” , and (ii) the “Cash and Cash Equivalents” account.
- Net Financial Liability: the difference between: (i) the sum of the accounts in the Consolidated Financial Statements prepared under IFRS included in “Other financial liabilities - current” and “Other Financial Liabilities – Non-current”, and (ii) the “Cash and Cash Equivalents” account.
- EBITDA: the sum of the following accounts of the Consolidated Statement of Comprehensive Income: “Revenue”, “Cost of Sales”, “Distribution Costs”, “Administrative Expenses” and discounting “Depreciation and Amortization of intangible assets” shown in the Notes to the Consolidated Financial Statements.
- EBITDAR: shall correspond to EBITDA minus rental expenses presented in the notes to the financial statements.
- Net Financial Expenses: the difference in absolute value of (i) the “Finance Costs” account and (ii) the “Finance Income” account of the Consolidated Statement of Comprehensive Income.



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### Restrictions with Banks and Financial Institutions

SMU S.A. and its subsidiaries has entered into loan agreements with the following financial institutions: Banco BBVA, Banco de Crédito e Inversiones, Banco BICE, Banco de Chile, Banco Itaú CorpBanca, Banco del Estado de Chile, Banco RaboBank, Banco Santander, Banco ScotiaBank, Banco Security.

Most of these contracts establish the compliance with certain covenants, mainly referring to providing periodic financial information, among others, and the compliance with financial indicators, according to the debt agreements.

Financial indicators must be measured annually in the financial statements as of December 31 of each year, up to December 31, 2015.

As of December 31, 2017, the detail of the restrictions or financial limits is as follows:

- Net Financial Liabilities to Equity Ratio.
  - 12.31.2017  $\leq$  2.75 times.
  - 12.31.2018  $\leq$  2.50 times.
  - 12.31.2019  $\leq$  2.25 times.
  
- Net Financial Debt to EBITDA ratio.
  - 12.31.2017  $\leq$  5.0 times.
  - 12.31.2018  $\leq$  4.0 times.
  - 12.31.2019  $\leq$  3.0 times.
  
- Net Financial Expense hedging, corresponding to the quotient between EBITDA and Net Financial Expenses of the last 12 months.
  - 12.31.2017  $\geq$  2.0 times.
  - 12.31.2018  $\geq$  2.0 times.
  - 12.31.2019  $\geq$  2.5 times.

As of December 31, 2017, the Company complies with the restrictions on obligations with banks.

At the end of this note, financial ratios described above are shown as calculated as of December 31, 2017.

### Restrictions with bondholders

#### **Local bonds:**

In relation to the SMU S.A. bond series: BCSMU-B, BCSMU-D, BCSMU-G, and BSDSU-K, the restrictions are measured on a quarterly basis considering a 12-month retrospective periods for profit or loss accounts.

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On October 7, 2016, the Company communicated through essential event that at the same date, bondholders' meetings were held of Series B and Series C bonds, charged to the line of bonds registered in the Securities Registry of the Chilean Superintendence of Securities and Insurance under number 649; and of Series D charged to the line of bonds registered with the Securities Registry of the Chilean Superintendence of Securities and Insurance under number 650.

At the meeting of bondholders of Series B and Series D, it was agreed, among other matters, the following amendments to the Issue Contracts: i) modifying the covenant related to the Indebtedness Level, establishing its measurement starting from December 2019; and (ii) modifying the covenant related to the Net Financial Expense Hedging, establishing that the issue should maintain a level of Net Financial Expense Hedging over or equal to: /One/ 1.5 times from December 31, 2016 through to December 31, 2017; /Two/ 2 times from December 31, 2017 through December 31, 2019; and /Three/ 2.5 times from December 31, 2019 through the remaining term of the Issue Contract.

On April 24, 2017, bonds were placed for UF1,500,000 with a charge to line No. 667, BCSMU-G series.

On April 24, 2017, bonds were placed for UF1,500,000 with a charge to line No. 667, BCSMU-K series.

At the Bondholders' meeting held on May 23, 2017 for Series G and K Bonds, the bondholders agreed on the following amendments to the Line Issuance Contract: (i) including a covenant consisting of maintaining in its quarterly financial statements a level of Net Financial Indebtedness of less than or equal to 1.3 times, establishing its measurement from December 2019; and (ii) modifying the covenant on Coverage of Net Financial Expenses, which must be greater than or equal to: /a/ 1.5 times from December 31, 2016 through December 31, 2017; /b/ 2 times from December 31, 2017 through December 31, 2019; and /c/ 2.5 times from December 31, 2019 through the remaining term of the Line Issuance Contract.

Accordingly, the covenants on the Line will remain under the same terms as the covenants in this matter contained in the SMU bond lines registered with the Securities Registry maintained by such Superintendence under numbers 650 and 668.

On September 28, 2017, bonds were placed for UF1,000,000 with a charge to line No. 667, BCSMU-P Series.

As of December 31, 2017, the Company complies with the Financial Expense Coverage Ratio Covenant established for local bonds, which is the only covenant requirement on such date.

#### **International bond:**

In relation to the indenture contract (the "Contract") entered into according to the regulations of Rule 144-A and Regulation S, both of the US Securities Act of 1933, the obligation to maintain financial ratios enabling the bondholders to accelerate them, if such financial ratios are not complied with, is not stipulated. Notwithstanding the above, non-compliance with the financial ratios limits certain activities of the issuer, such as obtaining additional indebtedness, if the financial ratios are not maintained.



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As of December 31, 2017, the Company is not in compliance with such financial ratios, so the existence of two limits of indebtedness contained in section 4.09 of the "Limitation on Indebtedness" of the Contract to which the Company is currently subject, one is for operating by US\$25,000,000, and the other financial by US\$50,000,000.

The financial ratios involved are as follows:

(i) Net Financial Liabilities / EBITDAR.

Measured quarterly. Starting from March 31, 2016, it must be lower than or equal to 4.0 times.

As of December 31, 2017, this indicator is met.

(ii) Net Financial Expense Hedging (EBITDA/Net Financial Expense).

Measured quarterly. Starting from March 31, 2015, it must be higher than or equal to 2.5 times.

As of December 31, 2017, this ratio is not complied with.

At the end of this note, financial ratios indicated above are shown as calculated as of December 31, 2017.

In addition, note that financial restrictions are included that limit certain activities of the issuer if it does not meet these financial ratios, such as paying dividends, the disposal of the proceeds from the sale of assets and granting guarantees, among others. Also, the bond issuer is required to comply with certain covenant obligations, including the obligation to deliver periodic financial information, among others.



### Financial Indicators

As of December 31, 2017, the existing financial indicators are detailed as follows:

| <b>Detail</b>       | <b>ThCh\$</b> |
|---------------------|---------------|
| Cash on hand        | 110,540,362   |
| Financial liability | 797,413,141   |
| Financial debt      | 557,211,303   |
| Equity              | 592,774,774   |
| EBITDA (*)          | 142,035,923   |
| EBITDAR (*)         | 200,027,900   |
| Finance expense (*) | 66,148,972    |
| Finance income (*)  | 1,016,085     |

| <b>Detail</b>                     | <b>Indicator</b> |
|-----------------------------------|------------------|
| Net financial liability/equity    | 1.16             |
| EBITDA / Net finance expense      | 2.18             |
| Net financial liability / EBITDAR | 3.43             |
| Net financial debt / EBITDA       | 3.14             |

(\*) These amounts are calculated on the basis of rolling 12-month period.



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## 25. CAPITAL AND RESERVES

### Movements in equity:

#### a. Paid-in capital and number of shares

As of December 31, 2017, the Company's capital is the following:

#### Capital

| Series | Subscribed capital<br>ThCh\$ | Paid-in capital<br>ThCh\$ |
|--------|------------------------------|---------------------------|
| Single | 1,195,165,045                | 1,195,165,045             |

#### Number of shares with no par value

| Series | No. of shares authorized | No. of subscribed shares | No. of shares paid-in | No. of shares with voting rights |
|--------|--------------------------|--------------------------|-----------------------|----------------------------------|
| Single | 6,227,590,953            | 5,372,576,856            | 5,372,576,856         | 5,372,576,856                    |

#### b. Shareholder

As of December 31, 2017 and 2016, the Company's main shareholders are detailed as follows:

| Shareholders as of December 31, 2017                           | %               | Shareholders as of December 31, 2016                | %              |
|--|-----------------|---|----------------|
| Inversiones Sams SpA   | 24.958%         | Inversiones SMU Matriz Ltda.                        | 29.889%        |
| Inversiones SMU Matriz Ltda.                                   | 20.293%         | Inversiones SAMS SpA                                | 19.198%        |
| Gestora Omega Ltda. Holding y Cía. en CpA                      | 7.636%          | Gestora Omega Ltda. Holding y Cía. en CpA           | 11.247%        |
| FIP Epsilon  | 3.637%          | Inversiones SAMS III SpA                            | 10.756%        |
| FIP Alpha  | 3.326%          | FIP Epsilon   | 5.357%         |
| FIP Gamma  | 3.023%          | FIP Alpha   | 4.899%         |
| BTG Pactual Small Cap Chile Fondo de Inversión                 | 2.510%          | FIP Gamma   | 4.453%         |
| Compass Small Cap Chile Fondo de Inversion                     | 2.510%          | Corpgroup Holding Inversiones Ltda.                 | 3.123%         |
| Larrain Vial S.A. Corredores de Bolsa                          | 2.433%          | Agrícola Corniglia Ltda.                            | 2.453%         |
| Siglo XXI Fondo de Inversión                                   | 2.266%          | FIP Ipsilon   | 1.622%         |
| BTG Pactual Chile S.A. Corredores de Bolsa                     | 2.157%          | Bravo y Cía. S.A.                                   | 1.619%         |
| Corp Group Holding Inversiones Ltda.                           | 2.120%          | FIP Ipsilon II                                      | 1.504%         |
| Agrícola Corniglia Ltda.                                       | 1.665%          | Bravo CAS Ltda.                                     | 1.181%         |
| Chile Fondo de Inversión Small Cap                             | 1.434%          | Gestora Omega BG Uno Limitada y Cía. en CpA         | 1.096%         |
| Banco Itau Corp Banca por Cuenta de Inversionistas Extranjeros | 1.298%          | Inversiones Epsilon II S.A                          | 0.913%         |
| Moneda SA AFI para Pionero Fondo de Inversión                  | 1.160%          | FIP Brator II                                       | 0.551%         |
| Bravo y Cía. S.A.  | 1.099%          | FIP Ipsilon III                                     | 0.076%         |
| Banco de Chile por Cuenta de Terceros no Residentes            | 1.068%          | Gestora Omega Cuarenta y Uno Limitada y Cía. en CpA | 0.059%         |
| Otros  | 15.407%         | Gestora Omega Limitada BG Dos y Cía. en CpA         | 0.004%         |
| <b>Total</b>   | <u>100.000%</u> |   | <u>100.00%</u> |

#### c. Dividend Policy

The Company's by-laws expressly establish in article thirty nine that: "Annually, it shall be determined at the corresponding Shareholders' Meeting the use given to profits, if any, notwithstanding the legal and statutory provisions". At each year-end, the amount of the obligation with the shareholders is determined, net of any dividends that may have been approved during the

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year, and it is accounted for in “provisions” and charged to an account included in Net Equity called “Reserve for proposed dividends” and final dividends are recorded as a decrease in net equity when they are approved by the respective body, which in the first case is normally the Company’s Board of Directors and, in the second case, the General Shareholders Meeting.

As of December 31, 2017, no or final dividends have been paid.

#### **d. Capital increase**

##### **As of December 31, 2016:**

At the Extraordinary Shareholders’ Meeting held on December 30, 2015, an increase of the Company’s capital was agreed in the amount of ThCh\$230,000,000 resulting in capital totaling ThCh\$1,217,072,711, through the issuance of 2,486,486,486 same-series shares with no par value. Also, the capital increase approved by the Extraordinary Stockholders’ Meeting held on October 2, 2013 and ratified by the Extraordinary Stockholders’ Meeting held on April 30, 2014, amounting to Ch\$111,333,333,333 was canceled, after concluding that at the date of the Meeting, the 622,300,722 shares representing such increase have not been subscribed and paid by the stockholders.

##### **As of December 31, 2017**

On January 24, 2017, the Company performed a placement of 1,150,000,000 shares at the Santiago Stock Exchange. The total price per share amounted to Ch\$113, through the mechanism called Order Book auction. The total amount from the share placement was ThCh\$129,950,000.

On November 16, 2017, the Company performed a placement of 575,000,000 shares at the Santiago Stock Exchange. The total price per share amounted to Ch\$165, through the mechanism called Order Book auction. The total amount from the share placement was ThCh\$94,875,000.

As of December 31, 2017, an amount of 761,486,486 shares are pending placement in the market from the capital increase authorized at the Extraordinary Shareholders' Meeting of December 30, 2015.

**SMU****Movements in paid-in capital during the years ended December 31, 2017 and 2016:**

|   | <b>ThCh\$</b>        |
|---|----------------------|
| Balance as of January 1, 2017           | 970,340,045          |
| Capital increase through share issuance | <u>224,825,000</u>   |
| Balance as of December 31, 2017         | <u>1,195,165,045</u> |
| <br>                                    |                      |
| Balance as of January 1, 2016           | 970,340,045          |
| Capital increase through share issuance | <u>-</u>             |
| Balance as of December 31, 2016         | <u>970,340,045</u>   |

**e. Movements in other reserves**

|  | <b>ThCh\$</b>      |
|--|--------------------|
| Balance as of January 1, 2017                                  | 147,372,878        |
| Foreign currency translation difference - foreign subsidiaries | (257,897)          |
| Cash flow hedge reserve  | (4,600,171)        |
| Issuance expenses and placement of shares                      | <u>(4,837,277)</u> |
| Balance as of December 31, 2017                                | <u>137,677,533</u> |
| <br>   |                    |
| Balance as of January 1, 2016                                  | 148,545,791        |
| Foreign currency translation difference - foreign subsidiaries | <u>(1,172,913)</u> |
| Balance as of December 31, 2016                                | <u>147,372,878</u> |



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## 26. ISSUANCE EXPENSES AND PLACEMENT OF SHARES

On January 24, 2017 and November 16, 2017, a capital increase generated expenses as a result of the issuance and placement of shares recorded under Other reserves (Note 25 e) as of December 31, 2017, which correspond to:

|  | <b>12.31.2017</b>  |
|--|--------------------|
|  | <b>ThCh\$</b>      |
| Expenses related to financial advisory | (2,316,482)        |
| Expenses related to legal advisory     | (1,519,160)        |
| Allocation related to commissions      | (707,710)          |
| Financial reports                      | (217,184)          |
| Registration and Inscription Rights    | (7,258)            |
| Publications                           | (35,700)           |
| Other                                  | <u>(33,783)</u>    |
| Total                                  | <u>(4,837,277)</u> |

## 27. CAPITAL MANAGEMENT

The objective of SMU Group, related to capital management, is to ensure its operations and that the business continues as a going concern in the long-term, looking to maximize the Company's value and maintaining optimal capital structure to reduce its cost.

SMU monitors its equity based on the leverage ratio. This ratio is calculated by dividing the Net Financial Liability by total Equity, according to the definitions in Note 24 e). Capital requirements are based on the Company's financing needs, looking to maintain and comply with financial guarantees established in each current debt agreements, as well as ongoing business operations.

Accordingly, SMU has combined different sources of financing such as: capital increases, bank borrowings, obligations with the public through bond issuance, and cash flows from operating activities.



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## 28. NON-CONTROLLING INTERESTS

The detail of this caption is the following:

| Company          | Non-controlling interest percentage |            | Equity     |            | Profit or loss |            |
|------------------|-------------------------------------|------------|------------|------------|----------------|------------|
|                  | 12.31.2017                          | 12.31.2016 | 12.31.2017 | 12.31.2016 | 12.31.2017     | 12.31.2016 |
|                  | %                                   | %          | ThCh\$     | ThCh\$     | ThCh\$         | ThCh\$     |
| Chile Tools S.A. | 0.001                               | 0.001      | (9)        | (9)        | -              | -          |
| Total            |                                     |            | (9)        | (9)        | -              | -          |

## 29. EARNINGS (LOSSES) PER SHARE

Earnings per share are calculated dividing the profit or loss attributable to the owners of the Parent by the weighted average of common shares outstanding. The detail is as follows:

|  | 01.01.2017<br>12.31.2017 | 01.01.2016<br>12.31.2016<br>Restated |
|--|--------------------------|--------------------------------------|
|  | ThCh\$                   | ThCh\$                               |
| Continuing operations  | 26,298,742               | 10,928,647                           |
| Discontinuing operations   | 1,338,374                | 1,280,904                            |
| Weighted average number of basic shares<br>outstanding during the period | <u>4,797,576,856</u>     | <u>3,647,576,855</u>                 |
| Basic earnings per share - Continuing operations                         | <u>0.00548</u>           | <u>0.00300</u>                       |
| Basic earnings per share - Discontinued operations                       | <u>0.00028</u>           | <u>0.00035</u>                       |
| Total basic earning per share  | <u>0.00576</u>           | <u>0.00335</u>                       |

As of December 31, 2017 and 2016, SMU S.A. has had no operations with a potential dilutive effect assuming diluted losses per share other than the basic earnings (losses) per share during 2017.



**30. REVENUE**

For the years ended December 31, 2017 and 2016, this caption comprises the following:

|                                | <b>01.01.2017</b>    | <b>01.01.2016</b>    |
|--------------------------------|----------------------|----------------------|
|                                | <b>12.31.2017</b>    | <b>12.31.2016</b>    |
|                                |                      | <b>Restated</b>      |
|                                | <b>ThCh\$</b>        | <b>ThCh\$</b>        |
| Sales revenue                  | 2,239,894,907        | 2,202,429,891        |
| Revenue from service rendering | 11,652,210           | 11,332,268           |
| Other income                   | <u>6,011,319</u>     | <u>8,106,496</u>     |
| Total                          | <u>2,257,558,436</u> | <u>2,221,868,655</u> |

**31. ADMINISTRATIVE AND DISTRIBUTION EXPENSES**

a) For the years ended December 31, 2017 and 2016, this caption comprises the following:

|         | <b>01.01.2017</b>   | <b>01.01.2016</b>   |
|---------|---------------------|---------------------|
|         | <b>12.31.2017</b>   | <b>12.31.2016</b>   |
|         |                     | <b>Restated</b>     |
|         | <b>ThCh\$</b>       | <b>ThCh\$</b>       |
| Freight | <u>(24,678,045)</u> | <u>(22,742,580)</u> |

b) For the years ended December 31, 2017 and 2016, the detail of administrative expenses is the following:

|  | <b>01.01.2017</b>    | <b>01.01.2016</b>    |
|--|----------------------|----------------------|
|  | <b>12.31.2017</b>    | <b>12.31.2016</b>    |
|  |                      | <b>Restated</b>      |
|  | <b>ThCh\$</b>        | <b>ThCh\$</b>        |
| Personnel expenses (Note 32)           | (231,521,627)        | (223,885,007)        |
| Depreciation and amortization          | (48,027,027)         | (51,114,909)         |
| Lease and shared expenses              | (57,991,977)         | (54,716,177)         |
| Services                               | (79,470,852)         | (76,946,277)         |
| IT services                            | (12,647,326)         | (10,431,685)         |
| Advertising                            | (20,132,457)         | (20,676,149)         |
| Insurance                              | (4,087,850)          | (3,620,053)          |
| Credit card commissions                | (11,824,398)         | (11,105,501)         |
| Materials                              | (18,110,933)         | (19,337,874)         |
| Maintenance                            | (15,085,038)         | (14,014,602)         |
| External services                      | (10,013,703)         | (10,464,154)         |
| Allowance for doubtful accounts        | (211,698)            | (1,639,835)          |
| Travel, transportation and formalities | (3,649,165)          | (3,445,581)          |
| Fines and Sanctions                    | (1,694,579)          | (1,901,798)          |
| Business licenses and township permits | (998,458)            | (1,145,521)          |
| Other                                  | <u>(3,304,176)</u>   | <u>(3,340,827)</u>   |
| Total                                  | <u>(518,771,264)</u> | <u>(507,785,950)</u> |



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### 32. PERSONNEL EXPENSES

For the years ended December 31, 2017 and 2016, the detail of personnel expenses recorded in the caption administrative expenses is the following:

|                          | <b>01.01.2017</b>           | <b>01.01.2016</b>           |
|--------------------------|-----------------------------|-----------------------------|
|                          | <b>12.31.2017</b>           | <b>12.31.2016</b>           |
|                          |                             | <b>Restated</b>             |
|                          | <b>ThCh\$</b>               | <b>ThCh\$</b>               |
| Wages and salaries       | (164,368,758)               | (157,274,914)               |
| Employee benefits        | (51,091,102)                | (50,625,735)                |
| Other personnel expenses | <u>(16,061,767)</u>         | <u>(15,984,358)</u>         |
| <b>Total</b>             | <u><b>(231,521,627)</b></u> | <u><b>(223,885,007)</b></u> |

### 33. OTHER GAINS (LOSSES)

For the years ended December 31, 2017 and 2016, this caption comprises the following:

|   | <b>01.01.2017</b>       | <b>01.01.2016</b>         |
|---|-------------------------|---------------------------|
|   | <b>12.31.2017</b>       | <b>12.31.2016</b>         |
|   |                         | <b>Restated</b>           |
|   | <b>ThCh\$</b>           | <b>ThCh\$</b>             |
| <b>Other income (expenses)</b>                                    |                         |                           |
| Insurance recoveries  | 2,071,000               | 727,442                   |
| Lease contract termination/changes (*)                            | 3,081,722               | 147,598                   |
| Disposal of property, plant and equipment                         | (1,153,920)             | (1,649,355)               |
| Provision for debt, Network Retail SpA (**)                       | -                       | (3,137,331)               |
| Fire / flood / earthquake losses in stores                        | (323,473)               | (797,105)                 |
| Difference in fine payable to Free Competition Tribunal (TDLC)    | -                       | (946,699)                 |
| Loss related to sale of interest in investment of Unicard S.A.    | (280,175)               | -                         |
| Reversal for excess in provision for property plant and equipment | -                       | 510,029                   |
| Gain related to lawsuit in favor of SMU S.A.                      | 553,226                 | -                         |
| Other   | <u>(573,849)</u>        | <u>1,069,909</u>          |
| <b>Total</b>  | <u><b>3,374,531</b></u> | <u><b>(4,075,512)</b></u> |

(\*) Corresponds to the net value of the asset and liability of lease contracts recognized as finance leases which were derecognized during the year, in accordance with IAS 17.

(\*\*) During the second quarter of 2016, the Company made an allowance for doubtful accounts related to receivables from Network Retail S.p.A. associated with the sale of the Bigger stores.



**34. FINANCE INCOME AND FINANCE COSTS**

a) For the years ended December 31, 2017 and 2016, this caption comprises the following:

|   | <b>01.01.2017</b> | <b>01.01.2016</b> |
|---|-------------------|-------------------|
|   | <b>12.31.2017</b> | <b>12.31.2016</b> |
|   |                   | <b>Restated</b>   |
|   | <b>ThCh\$</b>     | <b>ThCh\$</b>     |
| Interest received on investments                              | 1,009,499         | 967,032           |
| Interests on leases of stores<br>classified as finance leases | <u>6,586</u>      | <u>313,251</u>    |
|   | <u>1,016,085</u>  | <u>1,280,283</u>  |

b) For the years ended December 31, 2017 and 2016, this caption comprises the following:

|   | <b>01.01.2017</b>   | <b>01.01.2016</b>   |
|---|---------------------|---------------------|
|   | <b>12.31.2017</b>   | <b>12.31.2016</b>   |
|   |                     | <b>Restated</b>     |
|   | <b>ThCh\$</b>       | <b>ThCh\$</b>       |
| Interests and expenses for financial liabilities              | (42,074,675)        | (47,691,670)        |
| Interests on leases of stores<br>classified as finance leases | (23,601,660)        | (23,761,709)        |
| Interests on financial leases                                 | <u>(472,637)</u>    | <u>(698,329)</u>    |
| Total   | <u>(66,148,972)</u> | <u>(72,151,708)</u> |

**35. FOREIGN CURRENCY EXCHANGE DIFFERENCES**

For the years ended December 31, 2017 and 2016, this caption comprises the following:

|                                       |                 | <b>01.01.2017</b> | <b>01.01.2016</b> |
|---------------------------------------|-----------------|-------------------|-------------------|
|                                       | <b>Currency</b> | <b>12.31.2017</b> | <b>12.31.2016</b> |
|                                       |                 | <b>ThCh\$</b>     | <b>ThCh\$</b>     |
| Cash and cash equivalents             | US\$            | 400,387           | 7,870             |
| Inventories                           | US\$            | 83,946            | 111,417           |
| Trade payables due to related parties | US\$            | 1,589,039         | 4,370,520         |
| Other financial liabilities           | US\$            | 6,731,888         | 11,889,727        |
| Trade payables                        | US\$            | <u>(705,971)</u>  | <u>(206,245)</u>  |
| Total                                 |                 | <u>8,099,289</u>  | <u>16,173,289</u> |



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### 36. INCOME (EXPENSE) FOR INFLATION-ADJUSTED UNITS

For the years ended December 31, 2017 and 2016, this caption comprises the following:

| Concept                     | Inflation-<br>adjusted<br>unit | 01.01.2017          | 01.01.2016          |
|-----------------------------|--------------------------------|---------------------|---------------------|
|                             |                                | 12.31.2017          | 12.31.2016          |
|                             |                                | ThCh\$              | Restated<br>ThCh\$  |
| Trade and other receivables | UF                             | 25,787              | 61,745              |
| Interest-bearing loans      | UF                             | (9,966,899)         | (17,443,616)        |
| Other                       | UF                             | <u>(61,703)</u>     | <u>(205,820)</u>    |
| Total                       |                                | <u>(10,002,815)</u> | <u>(17,587,691)</u> |

### 37. SEGMENT REPORTING

#### Financial information by operating segment

The Company's operating segments comprise assets and resources to provide products or services that are subject to risks and returns different from those of other operating segments and that develop business activities from which they can earn revenues and incur in expenses, including those revenues and expenses related to transactions with other components of SMU. Normally, these correspond to operating companies that have differentiated financial information, develop these business activities, and whose operating income is reviewed regularly by the Company's Board of Directors, to make decisions regarding the allocation of resources to the segments and evaluate their performance. When establishing the reportable segments, those with similar economic characteristics have been grouped. SMU operations are performed mainly in Chile, with two minor subsidiaries in Peru. However, the predominant economic environment is the domestic Chilean market.

Segment performance is evaluated by several indicators, from which EBITDA is the most important.

The Company's business segments are the following:

- The supermarket segment, including stores of various sizes with country-wide coverage, grouped under the Unimarc, Mayorista 10, Alvi, Ok Market trademarks, telephone and Internet sales through Telemercados, and convenience stores. All include the sale of a wide variety of retail and wholesale products, including groceries, fruits and vegetables, non-food, among others.
- The building supplies segment is provided by the sales of the Construmart S.A. the main activity of which is the trading of products related to construction, this segment is classified as Non-Current Assets/Liabilities or groups of assets/liabilities held for sale, as of December 31, 2017.



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- The criteria used to measure the performance of the business segments correspond the accounting policies used in preparing the consolidated financial statements.



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Information by segment, as of December 31, 2017 and 2016, is as follows:

|  | Supermarkets         |                      | Construction supplies |                    | Otros (*)          |                     | Total                |                      |
|--|----------------------|----------------------|-----------------------|--------------------|--------------------|---------------------|----------------------|----------------------|
|  | 12.31.2017           | 12.31.2016           | 12.31.2017            | 12.31.2016         | 12.31.2017         | 12.31.2016          | 12.31.2017           | 12.31.2016           |
|  | ThCh\$               | ThCh\$               | ThCh\$                | ThCh\$             | ThCh\$             | ThCh\$              | ThCh\$               | ThCh\$               |
| <b>Current assets</b>  |                      |                      |                       |                    |                    |                     |                      |                      |
| Cash and cash equivalents  | 50,206,087           | 46,182,602           | -                     | 2,202,612          | 60,334,275         | 111,698             | 110,540,362          | 48,496,912           |
| Other current financial assets   | 15,431               | 10,782               | -                     | 68,480             | -                  | -                   | 15,431               | 79,262               |
| Other current non-financial assets   | 17,247,231           | 7,120,146            | -                     | 782,915            | 5,392,437          | 4,217,934           | 22,639,668           | 12,120,995           |
| Trade and other receivables, current   | 47,332,842           | 48,613,373           | -                     | 33,583,652         | (260,040)          | 363,175             | 47,072,802           | 82,560,200           |
| Trade receivables due from related parties, current                          | 56,381,082           | 57,300,280           | -                     | 31,402,437         | (42,018,540)       | (81,497,755)        | 14,362,542           | 7,204,962            |
| Inventories  | 194,156,534          | 173,996,324          | -                     | 40,029,329         | -                  | -                   | 194,156,534          | 214,025,653          |
| Current tax assets   | 5,104,506            | 6,168,964            | -                     | 300,018            | 218,468            | 435,602             | 5,322,974            | 6,904,584            |
| Non-current assets or assets groups for disposal classified as held-for-sale | -                    | -                    | 101,311,138           | -                  | -                  | -                   | 101,311,138          | -                    |
| <b>Total current assets</b>  | <b>370,443,713</b>   | <b>339,392,471</b>   | <b>101,311,138</b>    | <b>108,369,443</b> | <b>23,666,600</b>  | <b>(76,369,346)</b> | <b>495,421,451</b>   | <b>371,392,568</b>   |
| <b>Non-current assets</b>  |                      |                      |                       |                    |                    |                     |                      |                      |
| Other non-current financial assets   | 66,280               | 16,327               | -                     | -                  | 175,000            | 175,111             | 241,280              | 191,438              |
| Other non-financial non-current assets                                       | 24,643,893           | 20,475,948           | -                     | 59,312             | 4,502              | 1,040,428           | 24,648,395           | 21,575,688           |
| Trade and other receivables, non current                                     | 2,296,251            | 1,805,320            | -                     | -                  | 72,355             | 30,045              | 2,368,606            | 1,835,365            |
| Equity accounted investees   | -                    | -                    | -                     | -                  | 3,075,911          | -                   | 3,075,911            | -                    |
| Intangible assets other than goodwill  | 67,517,352           | 68,093,041           | -                     | 1,387,075          | 10,767,054         | 7,718,376           | 78,284,406           | 77,198,492           |
| Goodwill   | 356,559,491          | 356,828,259          | -                     | -                  | 117,693,963        | 117,693,963         | 474,253,454          | 474,522,222          |
| Property, plant and equipment, net   | 406,010,918          | 433,668,782          | -                     | 8,117,838          | 3,960,384          | 61,462              | 409,971,302          | 441,848,082          |
| Deferred tax assets  | 328,270,647          | 335,112,888          | -                     | 6,005,570          | 85,059,448         | 77,048,957          | 413,330,095          | 418,167,415          |
| <b>Total non-current assets</b>  | <b>1,185,364,832</b> | <b>1,216,000,565</b> | <b>-</b>              | <b>15,569,795</b>  | <b>220,808,617</b> | <b>203,768,342</b>  | <b>1,406,173,449</b> | <b>1,435,338,702</b> |
| <b>TOTAL ASSETS</b>  | <b>1,555,808,545</b> | <b>1,555,393,036</b> | <b>101,311,138</b>    | <b>123,939,238</b> | <b>244,475,217</b> | <b>127,398,996</b>  | <b>1,901,594,900</b> | <b>1,806,731,270</b> |

(\*) This column includes the information of the supporting office and consolidation adjustments.





**SMU**



**LIABILITIES AND EQUITY**

|  | Supermarkets         |                      | Construction supplies |                    | Others (*)           |                      | Total                |                      |
|--|----------------------|----------------------|-----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|
|  | 12.31.2017           | 12.31.2016           | 12.31.2017            | 12.31.2016         | 12.31.2017           | 12.31.2016           | 12.31.2017           | 12.31.2016           |
| <b>Current liabilities</b>   |                      |                      |                       |                    |                      |                      |                      |                      |
| Other current financial liabilities  | 25,308,937           | 33,114,553           | -                     | 1,963,210          | 45,033,388           | 91,095,833           | 70,342,325           | 126,173,596          |
| Trade and other payables   | 408,723,841          | 413,571,220          | -                     | 37,321,432         | 5,635,967            | 5,188,259            | 414,359,808          | 456,080,911          |
| Trade payables due to related entities, current                                      | 545,246,847          | 498,223,770          | -                     | 70,470,654         | (541,889,860)        | (551,255,521)        | 3,356,987            | 17,438,903           |
| Other current provisions   | 1,195,490            | 1,315,448            | -                     | 36,814             | 31,974               | 7,970                | 1,227,464            | 1,360,232            |
| Current tax liabilities  | -                    | 12,465               | -                     | -                  | -                    | -                    | -                    | 12,465               |
| Provisions for employee benefits, current  | 9,307,304            | 7,308,499            | -                     | 2,687,406          | 7,751,256            | 13,964,378           | 17,058,560           | 23,960,283           |
| Other current non-financial liabilities  | 3,436,482            | 4,593,761            | -                     | 587,258            | -                    | -                    | 3,436,482            | 5,181,019            |
| Non-current liabilities or liability groups for disposal classified as held-for-sale | -                    | -                    | 60,929,254            | -                  | -                    | -                    | 60,929,254           | -                    |
| <b>Total current liabilities</b>   | <b>993,218,901</b>   | <b>958,139,716</b>   | <b>60,929,254</b>     | <b>113,066,774</b> | <b>(483,437,275)</b> | <b>(440,999,081)</b> | <b>570,710,880</b>   | <b>630,207,409</b>   |
| <b>Non-current liabilities:</b>  |                      |                      |                       |                    |                      |                      |                      |                      |
| Other payables, non-current  | 240,957,769          | 301,255,450          | -                     | 11,758,226         | 486,113,047          | 422,861,077          | 727,070,816          | 735,874,753          |
| Trade and other payables due to related parties, non-current                         | 121,525              | 148,478              | -                     | -                  | 53,948               | -                    | 175,473              | 148,478              |
| Trade payables due to related parties, non-current                                   | -                    | 8,818,141            | -                     | 3,335,279          | -                    | 66,900,414           | -                    | 79,053,834           |
| Deferred tax assets  | 69,582               | 68,779               | -                     | -                  | -                    | -                    | 69,582               | 68,779               |
| Provision for employee benefits, non-current   | 848,276              | 107,851              | -                     | -                  | 1,850,963            | 316                  | 2,699,239            | 108,167              |
| Other non-current non-financial liabilities  | 8,094,136            | 9,737,616            | -                     | -                  | -                    | 1,524,231            | 8,094,136            | 11,261,847           |
| <b>Total non-current liabilities</b>   | <b>250,091,288</b>   | <b>320,136,315</b>   | <b>-</b>              | <b>15,093,505</b>  | <b>488,017,958</b>   | <b>491,286,038</b>   | <b>738,109,246</b>   | <b>826,515,858</b>   |
| <b>Net equity attributable to owners of</b>  |                      |                      |                       |                    |                      |                      |                      |                      |
| Share capital  | 782,293,416          | 782,293,416          | -                     | 72,446,514         | 412,871,629          | 115,600,115          | 1,195,165,045        | 970,340,045          |
| Retained earnings (losses)   | (273,720,310)        | (309,356,336)        | -                     | (71,977,372)       | (466,347,764)        | (386,371,203)        | (740,067,795)        | (767,704,911)        |
| Other reserves   | (196,121,310)        | (195,862,347)        | 40,067,377            | (4,691,222)        | 293,416,959          | 347,926,447          | 137,677,533          | 147,372,878          |
| Non-controlling interests  | 46,281               | 42,272               | -                     | 1,039              | (46,290)             | (43,320)             | (9)                  | (9)                  |
| <b>Total equity</b>  | <b>312,498,356</b>   | <b>277,117,005</b>   | <b>40,067,377</b>     | <b>(4,221,041)</b> | <b>239,894,534</b>   | <b>77,112,039</b>    | <b>592,774,774</b>   | <b>350,008,003</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,555,808,545</b> | <b>1,555,393,036</b> | <b>100,996,631</b>    | <b>123,939,238</b> | <b>244,475,217</b>   | <b>127,398,996</b>   | <b>1,901,594,900</b> | <b>1,806,731,270</b> |

(\*) This column includes the information of the supporting office and consolidation adjustments. For further understanding purposes, the most significant items are detailed below.

**SMU**

## Detail of the consolidation adjustment:

| <b>Trade receivables due from related parties, current</b>                                       | <b>12.31.2017<br/>ThCh\$<br/>Unaudited</b> | <b>12.31.2016<br/>ThCh\$</b> |
|--|--|------------------------------|
| Total trade receivables due from related parties not included in the consolidation of SMU        | 6,036,161                                  | 6,005,994                    |
| Total trade receivables due from subsidiaries included in the consolidation of SMU               | 462,644,931                                | 479,616,597                  |
| Consolidation adjustment SMU Group   | <u>(510,699,632)</u>                       | <u>(567,120,346)</u>         |
| Total  | <u>(42,018,540)</u>                        | <u>(81,497,755)</u>          |
| <b>Trade payables due to related parties, current</b>  | <b>12.31.2017<br/>ThCh\$</b>               | <b>12.31.2016<br/>ThCh\$</b> |
| Total current trade payables due to related parties not included in the consolidation of SMU     | -  | 15,426,770                   |
| Total trade payables due to subsidiaries included in the consolidation of SMU                    | 440,197                                    | 438,055                      |
| Consolidation adjustment SMU Group   | <u>(510,699,632)</u>                       | <u>(567,120,346)</u>         |
| Total  | <u>(510,259,435)</u>                       | <u>(551,255,521)</u>         |
| <b>Trade and other payables due to related parties, non-current</b>                              | <b>12.31.2017<br/>ThCh\$</b>               | <b>12.31.2016<br/>ThCh\$</b> |
| Total non-current trade payables due to related parties not included in the consolidation of SMU | -  | <u>66,900,414</u>            |



**SMU**



|  | Supermarkets       |                        | Construction supplies |                        | Others (*)          |                        | Total              |                        |
|--|--------------------|------------------------|-----------------------|------------------------|---------------------|------------------------|--------------------|------------------------|
|  | 12.31.2017         | 12.31.2016<br>Restated | 12.31.2017            | 12.31.2016<br>Restated | 12.31.2017          | 12.31.2016<br>Restated | 12.31.2017         | 12.31.2016<br>Restated |
|  | ThCh\$             | ThCh\$                 | ThCh\$                | ThCh\$                 | ThCh\$              | ThCh\$                 | ThCh\$             | ThCh\$                 |
| <b>Statements of income</b>  |                    |                        |                       |                        |                     |                        |                    |                        |
| Revenue  | 2,257,219,975      | 2,221,739,594          | -                     | -                      | 338,461             | 129,061                | 2,257,558,436      | 2,221,868,655          |
| Cost of sales  | (1,620,288,102)    | (1,610,900,951)        | -                     | -                      | 187,870             | (423,560)              | (1,620,100,232)    | (1,611,324,511)        |
| <b>Gross profit</b>  | <b>636,931,873</b> | <b>610,838,643</b>     | <b>-</b>              | <b>-</b>               | <b>526,331</b>      | <b>(294,499)</b>       | <b>637,458,204</b> | <b>610,544,144</b>     |
| Distribution costs   | (24,674,642)       | (22,734,627)           | -                     | -                      | (3,403)             | (7,953)                | (24,678,045)       | (22,742,580)           |
| Administrative expenses  | (503,435,545)      | (492,938,736)          | -                     | -                      | (15,335,719)        | (14,847,214)           | (518,771,264)      | (507,785,950)          |
| Other income (expense)   | 4,113,628          | (3,127,101)            | -                     | -                      | (739,097)           | (948,411)              | 3,374,531          | (4,075,512)            |
| Finance income   | 2,818,453          | 5,804,024              | -                     | -                      | (1,802,368)         | (4,523,741)            | 1,016,085          | 1,280,283              |
| Finance costs  | (67,601,863)       | (68,449,454)           | -                     | -                      | 1,452,891           | (3,702,254)            | (66,148,972)       | (72,151,708)           |
| Share of losses on associates, joint ventures and equity-accounted | -                  | -                      | -                     | -                      | (1,964,428)         | (1,291,939)            | (1,964,428)        | (1,291,939)            |
| Foreign currency translation differences                           | 332,298            | (346,800)              | -                     | -                      | 7,766,991           | 16,520,089             | 8,099,289          | 16,173,289             |
| Income (expense) from inflation-adjusted units                     | (4,378,797)        | (7,452,393)            | -                     | -                      | (5,624,018)         | (10,135,298)           | (10,002,815)       | (17,587,691)           |
| <b>Profit (loss) before tax</b>                                    | <b>44,105,405</b>  | <b>21,593,556</b>      | <b>-</b>              | <b>-</b>               | <b>(15,722,820)</b> | <b>(19,231,220)</b>    | <b>28,382,585</b>  | <b>2,362,336</b>       |
| Income tax revenue (expense)                                       | (8,469,100)        | 2,934,217              | -                     | -                      | 6,385,257           | 5,632,094              | (2,083,843)        | 8,566,311              |
| <b>Profit (loss) from continuing operations</b>                    | <b>35,636,305</b>  | <b>24,527,773</b>      | <b>-</b>              | <b>-</b>               | <b>(9,337,563)</b>  | <b>(13,599,126)</b>    | <b>26,298,742</b>  | <b>10,928,647</b>      |
| <b>Profit from discontinued operations</b>                         | <b>-</b>           | <b>-</b>               | <b>1,338,374</b>      | <b>1,280,904</b>       | <b>-</b>            | <b>-</b>               | <b>1,338,374</b>   | <b>1,280,904</b>       |
| <b>Profit (loss) for the year</b>                                  | <b>35,636,305</b>  | <b>24,527,773</b>      | <b>1,338,374</b>      | <b>1,280,904</b>       | <b>(9,337,563)</b>  | <b>(13,599,126)</b>    | <b>27,637,116</b>  | <b>12,209,551</b>      |
| Depreciation and amortization                                      | (46,711,521)       | (50,053,955)           | -                     | -                      | (1,315,506)         | (1,060,954)            | (48,027,027)       | (51,114,909)           |
| EBITDA for the year (1)  | 155,533,207        | 145,219,235            | -                     | -                      | (13,497,285)        | (14,088,712)           | 142,035,922        | 131,130,523            |

(\*) This column includes the information of the supporting office and consolidation adjustments.

(1) EBITDA: the sum of the following accounts of the Consolidated Statement of Comprehensive Income: "Revenue", "Cost of Sales", "Distribution Costs", "Administrative Expenses" and discounting the amount in "Depreciation and Amortization".



Reconciliation of the information of reported segments under IFRS

|  | <b>12.31.2017</b>           | <b>12.31.2016</b>           |
|--|-----------------------------|-----------------------------|
|  | <b>ThCh\$</b>               | <b>ThCh\$</b>               |
| <b>Revenue</b>   |                             |                             |
| Total revenue from reported segments                         | 2,257,219,975               | 2,221,739,594               |
| Total revenue from other segments                            | 338,461                     | 129,061                     |
| <b>Total consolidated revenue</b>                            | <u><u>2,257,558,436</u></u> | <u><u>2,221,868,655</u></u> |
| <br>   |                             |                             |
| <b>Profit (loss) before tax</b>                              |                             |                             |
| Profit or loss before tax related to other reported segments | 44,105,405                  | 21,593,556                  |
| Profit or loss before tax related to other segments          | (15,722,820)                | (19,231,220)                |
| <b>Consolidated profit (loss) before tax</b>                 | <u><u>28,382,585</u></u>    | <u><u>2,362,336</u></u>     |
| <br>   |                             |                             |
| <b>Assets</b>  |                             |                             |
| Assets from reported segments                                | 1,657,119,683               | 1,679,332,274               |
| Assets for other segments                                    | 244,475,217                 | 127,398,996                 |
| <b>Total consolidated assets</b>                             | <u><u>1,901,594,900</u></u> | <u><u>1,806,731,270</u></u> |
| <br>   |                             |                             |
| <b>Liabilities</b>   |                             |                             |
| Liabilities from reported segments                           | 1,304,239,443               | 1,406,436,310               |
| Liabilities for other segments                               | 4,580,683                   | 50,286,957                  |
| <b>Total consolidated liabilities</b>                        | <u><u>1,308,820,126</u></u> | <u><u>1,456,723,267</u></u> |
| <br>   |                             |                             |
| <b>EBITDA</b>  |                             |                             |
| Ebitda from reported segments                                | 155,533,207                 | 145,219,235                 |
| Ebitda from other segments                                   | (13,497,285)                | (14,088,712)                |
| <b>Total Consolidated EBITDA</b>                             | <u><u>142,035,922</u></u>   | <u><u>131,130,523</u></u>   |

**SMU**

#### Geographic Information:

The Company operates in Chile and Peru. When recording the geographic information, revenue has been based on the geographic location of the customers and non-current assets were based on their geographic location.

| <b>Revenue</b>                    | <b>12.31.2017</b>           | <b>12.31.2016</b>           |
|-----------------------------------|-----------------------------|-----------------------------|
|                                   | <b>ThCh\$</b>               | <b>ThCh\$</b>               |
| Chile                             | 2,214,424,995               | 2,183,623,765               |
| Peru                              | 43,133,441                  | 38,244,890                  |
| <b>Total Consolidated Revenue</b> | <b><u>2,257,558,436</u></b> | <b><u>2,221,868,655</u></b> |

| <b>Non-current assets (*)</b>                | <b>12.31.2017</b>         | <b>12.31.2016</b>           |
|--|---------------------------|-----------------------------|
|  | <b>ThCh\$</b>             | <b>ThCh\$</b>               |
| Chile  | 980,682,989               | 1,003,593,558               |
| Peru   | 12,160,365                | 13,577,729                  |
| <b>Total consolidated non-current assets</b> | <b><u>992,843,354</u></b> | <b><u>1,017,171,287</u></b> |

(\*)Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets.

| <b>EBITDA</b>                    | <b>12.31.2017</b>         | <b>12.31.2016</b>         |
|----------------------------------|---------------------------|---------------------------|
|                                  | <b>ThCh\$</b>             | <b>ThCh\$</b>             |
| Chile                            | 143,347,532               | 134,312,247               |
| Peru                             | (1,311,610)               | (3,181,724)               |
| <b>Total Consolidated EBITDA</b> | <b><u>142,035,922</u></b> | <b><u>131,130,523</u></b> |

#### Main customer:

SMU has no transactions with any external customer that represents 10% or more of revenue. SMU does not depend on one customer or a limited number of customers.

The movements in cash flows for the years ended December 31, 2017 and 2016, are detailed as follows:

|                      | <b>Supermarkets</b> | <b>Construction supplies</b> | <b>Other (*)</b>  | <b>Total 12.31.2017</b> |
|----------------------|---------------------|------------------------------|-------------------|-------------------------|
|                      | <b>ThCh\$</b>       | <b>ThCh\$</b>                | <b>ThCh\$</b>     | <b>ThCh\$</b>           |
| Operating activities | 87,210,976          | -                            | -                 | 87,210,976              |
| Investing activities | (121,709,596)       | -                            | 85,326,625        | (36,382,971)            |
| Financing activities | 38,772,931          | -                            | (27,557,486)      | 11,215,445              |
| <b>Total</b>         | <b>4,274,311</b>    | <b>-</b>                     | <b>57,769,139</b> | <b>62,043,450</b>       |

|                      | <b>Supermarkets</b> | <b>Construction supplies</b> | <b>Other (*)</b> | <b>Total 12.31.2016</b> |
|----------------------|---------------------|------------------------------|------------------|-------------------------|
|                      | <b>ThCh\$</b>       | <b>ThCh\$</b>                | <b>ThCh\$</b>    | <b>ThCh\$</b>           |
| Operating activities | 114,402,711         | 6,585,403                    | -                | 120,988,114             |
| Investing activities | (83,203,032)        | (803,589)                    | 62,278,990       | (21,727,631)            |
| Financing activities | (32,637,773)        | (6,835,708)                  | (62,213,796)     | (101,687,277)           |
| <b>Total</b>         | <b>(1,438,094)</b>  | <b>(1,053,894)</b>           | <b>65,194</b>    | <b>(2,426,794)</b>      |

(\*) This column includes the information of the supporting office and consolidation adjustments.

The supermarket segment includes different formats, which detail is the following:

| ASSETS  | Retailers            |                      | Wholesalers          |                      | Total supermarket segment |                      |
|---|----------------------|----------------------|----------------------|----------------------|---------------------------|----------------------|
|   | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$      | 12.31.2016<br>ThCh\$ |
| <b>Current assets :</b>                             |                      |                      |                      |                      |                           |                      |
| Cash and cash equivalents                           | 38,415,333           | 36,879,592           | 11,790,754           | 9,303,010            | 50,206,087                | 46,182,602           |
| Other current financial assets                      | 15,431               | 10,782               | -                    | -                    | 15,431                    | 10,782               |
| Other current non-financial assets                  | 15,637,214           | 5,573,161            | 1,610,017            | 1,546,985            | 17,247,231                | 7,120,146            |
| Trade and other receivables, current                | 36,358,526           | 37,219,716           | 10,974,316           | 11,393,657           | 47,332,842                | 48,613,373           |
| Trade receivables due from related parties, current | 33,797,185           | 34,685,571           | 22,583,897           | 22,614,709           | 56,381,082                | 57,300,280           |
| Inventories   | 152,460,156          | 132,439,628          | 41,696,378           | 41,556,696           | 194,156,534               | 173,996,324          |
| Current tax assets                                  | 1,354,806            | 2,356,327            | 3,749,700            | 3,812,637            | 5,104,506                 | 6,168,964            |
| <b>Total current assets</b>                         | <b>278,038,651</b>   | <b>249,164,777</b>   | <b>92,405,062</b>    | <b>90,227,694</b>    | <b>370,443,713</b>        | <b>339,392,471</b>   |
| <b>Non-current assets</b>                           |                      |                      |                      |                      |                           |                      |
| Other non-current financial assets                  | 66,280               | 16,327               | -                    | -                    | 66,280                    | 16,327               |
| Other non-financial non-current assets              | 22,462,419           | 18,775,910           | 2,181,474            | 1,700,038            | 24,643,893                | 20,475,948           |
| Trade and other receivables, non current            | 1,936,676            | 1,635,512            | 359,575              | 169,808              | 2,296,251                 | 1,805,320            |
| Intangible assets other than goodwill               | 30,834,235           | 30,574,132           | 36,683,117           | 37,518,909           | 67,517,352                | 68,093,041           |
| Goodwill  | 309,730,830          | 309,730,829          | 46,828,661           | 47,097,430           | 356,559,491               | 356,828,259          |
| Property, plant and equipment, net                  | 308,706,228          | 329,728,540          | 97,304,690           | 103,940,242          | 406,010,918               | 433,668,782          |
| Deferred tax assets                                 | 292,609,292          | 306,306,452          | 35,661,355           | 28,806,436           | 328,270,647               | 335,112,888          |
| <b>Total non-current assets</b>                     | <b>966,345,960</b>   | <b>996,767,702</b>   | <b>219,018,872</b>   | <b>219,232,863</b>   | <b>1,185,364,832</b>      | <b>1,216,000,565</b> |
| <b>TOTAL ASSETS</b>                                 | <b>1,244,384,611</b> | <b>1,245,932,479</b> | <b>311,423,934</b>   | <b>309,460,557</b>   | <b>1,555,808,545</b>      | <b>1,555,393,036</b> |



**SMU**



**LIABILITIES AND EQUITY**

|   | Retailers            |                      | Wholesalers          |                      | Total supermarket segment |                      |
|---|----------------------|----------------------|----------------------|----------------------|---------------------------|----------------------|
|   | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$      | 12.31.2016<br>ThCh\$ |
| <b>Current liabilities:</b>                         |                      |                      |                      |                      |                           |                      |
| Other current financial liabilities                 | 14,696,205           | 28,689,394           | 10,612,732           | 4,425,159            | 25,308,937                | 33,114,553           |
| Trade and other payables                            | 328,687,295          | 330,678,139          | 80,036,546           | 82,893,081           | 408,723,841               | 413,571,220          |
| Trade payables due to related entities, current     | 427,516,969          | 398,336,135          | 117,729,878          | 99,887,635           | 545,246,847               | 498,223,770          |
| Other current provisions                            | 1,050,110            | 1,068,198            | 145,380              | 247,250              | 1,195,490                 | 1,315,448            |
| Current tax liabilities                             | -                    | 12,465               | -                    | -                    | -                         | 12,465               |
| Provisions for employee benefits, current           | 7,440,432            | 5,871,324            | 1,866,872            | 1,437,175            | 9,307,304                 | 7,308,499            |
| Other current non-financial liabilities             | 3,070,714            | 4,282,268            | 365,768              | 311,493              | 3,436,482                 | 4,593,761            |
| <b>Total current liabilities</b>                    | <b>782,461,725</b>   | <b>768,937,923</b>   | <b>210,757,176</b>   | <b>189,201,793</b>   | <b>993,218,901</b>        | <b>958,139,716</b>   |
| <b>Non-current liabilities:</b>                     |                      |                      |                      |                      |                           |                      |
| Other non-current financial liabilities             | 177,094,495          | 228,063,602          | 63,863,274           | 73,191,848           | 240,957,769               | 301,255,450          |
| Non-current liabilities                             | 1,888                | -                    | 119,637              | 148,478              | 121,525                   | 148,478              |
| Trade payables due to related entities, non-current | -                    | 8,818,141            | -                    | -                    | -                         | 8,818,141            |
| Deferred tax liabilities                            | 69,582               | 68,779               | -                    | -                    | 69,582                    | 68,779               |
| Provision for employee benefits, non-current        | 592,249              | 54,362               | 256,027              | 53,489               | 848,276                   | 107,851              |
| Other non-current non-financial liabilities         | 8,094,136            | 9,737,616            | -                    | -                    | 8,094,136                 | 9,737,616            |
| <b>Total non-current liabilities</b>                | <b>185,852,350</b>   | <b>246,742,500</b>   | <b>64,238,938</b>    | <b>73,393,815</b>    | <b>250,091,288</b>        | <b>320,136,315</b>   |
| <b>Net equity attributable to owners of</b>         |                      |                      |                      |                      |                           |                      |
| Share capital                                       | 683,888,732          | 683,888,732          | 98,404,684           | 98,404,684           | 782,293,416               | 782,293,416          |
| Accumulated losses                                  | (146,771,397)        | (185,348,037)        | (126,948,634)        | (124,008,299)        | (273,720,031)             | (309,356,336)        |
| Other reserves                                      | (261,095,081)        | (268,332,516)        | 64,973,771           | 72,470,169           | (196,121,310)             | (195,862,347)        |
| Non-controlling interests                           | 48,282               | 43,877               | (2,001)              | (1,605)              | 46,281                    | 42,272               |
| <b>Total equity</b>                                 | <b>276,070,536</b>   | <b>230,252,056</b>   | <b>36,427,820</b>    | <b>46,864,949</b>    | <b>312,498,356</b>        | <b>277,117,005</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>                 | <b>1,244,384,611</b> | <b>1,245,932,479</b> | <b>311,423,934</b>   | <b>309,460,557</b>   | <b>1,555,808,545</b>      | <b>1,555,393,036</b> |





**SMU**



|   | Retailers            |                      | Wholesalers          |                      | Total supermarket segment |                      |
|---|----------------------|----------------------|----------------------|----------------------|---------------------------|----------------------|
|   | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$ | 12.31.2016<br>ThCh\$ | 12.31.2017<br>ThCh\$      | 12.31.2016<br>ThCh\$ |
| <b>Statements of income</b>                       |                      |                      |                      |                      |                           |                      |
| Revenue   | 1,642,838,480        | 1,607,852,766        | 614,381,495          | 613,886,828          | 2,257,219,975             | 2,221,739,594        |
| Cost of sales                                     | (1,113,486,705)      | (1,100,706,249)      | (506,801,397)        | (510,194,702)        | (1,620,288,102)           | (1,610,900,951)      |
| <b>Gross profit</b>                               | <u>529,351,775</u>   | <u>507,146,517</u>   | <u>107,580,098</u>   | <u>103,692,126</u>   | <u>636,931,873</u>        | <u>610,838,643</u>   |
| Distribution costs                                | (20,549,960)         | (19,053,743)         | (4,124,682)          | (3,680,884)          | (24,674,642)              | (22,734,627)         |
| Administrative expenses                           | (406,108,078)        | (397,695,609)        | (97,327,467)         | (95,243,127)         | (503,435,545)             | (492,938,736)        |
| Other income (expense)                            | 4,059,021            | (3,673,590)          | 54,607               | 546,489              | 4,113,628                 | (3,127,101)          |
| Finance income                                    | 2,450,431            | 5,380,281            | 368,022              | 423,743              | 2,818,453                 | 5,804,024            |
| Finance costs                                     | (54,141,327)         | (55,809,144)         | (13,460,536)         | (12,640,310)         | (67,601,863)              | (68,449,454)         |
| Foreign currency translation differences          | 377,515              | (174,460)            | (45,217)             | (172,340)            | 332,298                   | (346,800)            |
| Income (expense) from inflation-adjusted units    | (3,094,913)          | (5,224,736)          | (1,283,884)          | (2,227,657)          | (4,378,797)               | (7,452,393)          |
| <b>Profit (loss) before tax</b>                   | <u>52,344,464</u>    | <u>30,895,516</u>    | <u>(8,239,059)</u>   | <u>(9,301,960)</u>   | <u>44,105,405</u>         | <u>21,593,556</u>    |
| Income tax revenue (expense)                      | (13,767,824)         | (1,660,294)          | 5,298,724            | 4,594,511            | (8,469,100)               | 2,934,217            |
| <b>Profit (loss) from continuing operations</b>   | <u>38,576,640</u>    | <u>29,235,222</u>    | <u>(2,940,335)</u>   | <u>(4,707,449)</u>   | <u>35,636,305</u>         | <u>24,527,773</u>    |
| <b>Profit (loss) from discontinued operations</b> | -                    | -                    | -                    | -                    | -                         | -                    |
| <b>Profit (loss) for the year</b>                 | <u>38,576,640</u>    | <u>29,235,222</u>    | <u>(2,940,335)</u>   | <u>(4,707,449)</u>   | <u>35,636,305</u>         | <u>24,527,773</u>    |
| <b>Depreciation and amortization</b>              | <u>(34,878,031)</u>  | <u>(37,731,138)</u>  | <u>(11,833,490)</u>  | <u>(12,322,817)</u>  | <u>(46,711,521)</u>       | <u>(50,053,955)</u>  |
| <b>EBITDA for the year</b>                        | <u>137,571,768</u>   | <u>128,128,303</u>   | <u>17,961,439</u>    | <u>17,090,932</u>    | <u>155,533,207</u>        | <u>145,219,235</u>   |



**SMU**



### 38. ENVIRONMENT

SMU and its subsidiaries adhere to the principles of “Sustainable Development”, which combines economic development protecting the environment and the health and safety of its personnel.

SMU S.A. recognizes that these principles are important for the well-being of its personnel, the protection of the environment and the success of its operations.

Note the Company's special concern for the current regulation referred to as "Extended Responsibility of the Provider" (the ERP Act), where from its issue, the Company has searched for identifying the information of all the "priority products" where the Company is involved (e.g., containers and packaging) engaging the advisory from specialists for the effective implementation of control and measurement mechanisms for potential negative impacts that the Act seeks to protect.

As of December 31, 2017, the Company made no reimbursements related to environmental issues. During December 31, 2016, SMU recorded expenses due to the payment of the fine imposed for the late submission of a statement on emissions from fixed sources of 3 Monthly Tax Units.

The activities of SMU S.A. and its subsidiaries operate in accordance with the currently effective legislation, and at the closing date of the financial statements, fully comply with municipal ordinances or requirements issued by other environmental regulators.



39. FOREIGN CURRENCY

As of December 31, 2017 and 2016, this caption comprises the following:

| Assets                    | Foreign Currency | Functional currency | 12.31.2017              |                          |                        |                           | 12.31.2016              |                          |                        |                           |
|---------------------------|------------------|---------------------|-------------------------|--------------------------|------------------------|---------------------------|-------------------------|--------------------------|------------------------|---------------------------|
|                           |                  |                     | Current assets          |                          | Non-current assets     |                           | Current assets          |                          | Non-current assets     |                           |
|                           |                  |                     | 1 to 3 months<br>ThCh\$ | 3 to 12 months<br>ThCh\$ | 1 to 5 years<br>ThCh\$ | 5 years or more<br>ThCh\$ | 1 to 3 months<br>ThCh\$ | 3 to 12 months<br>ThCh\$ | 1 to 5 years<br>ThCh\$ | 5 years or more<br>ThCh\$ |
| Cash and cash equivalents | US\$             | Ch\$                | 518,804                 | -                        | -                      | -                         | 246,919                 | -                        | -                      | -                         |
| Cash and cash equivalents | PEN              | Ch\$                | 36,384,801              | -                        | -                      | -                         | 546,982                 | -                        | -                      | -                         |
| <b>Total assets</b>       |                  |                     | <b>36,903,605</b>       | <b>-</b>                 | <b>-</b>               | <b>-</b>                  | <b>793,901</b>          | <b>-</b>                 | <b>-</b>               | <b>-</b>                  |

| Liabilities  | Foreign Currency | Functional currency | 12.31.2017              |                          |                         |                           | 12.31.2016              |                          |                         |                           |
|--|------------------|---------------------|-------------------------|--------------------------|-------------------------|---------------------------|-------------------------|--------------------------|-------------------------|---------------------------|
|  |                  |                     | Current liabilities     |                          | Non-current liabilities |                           | Current liabilities     |                          | Non-current liabilities |                           |
|  |                  |                     | 1 to 3 months<br>ThCh\$ | 3 to 12 months<br>ThCh\$ | 1 to 5 years<br>ThCh\$  | 5 years or more<br>ThCh\$ | 1 to 3 months<br>ThCh\$ | 3 to 12 months<br>ThCh\$ | 1 to 5 years<br>ThCh\$  | 5 years or more<br>ThCh\$ |
| Other current financial liabilities (*)                      | US\$             | Ch\$                | 1,214,997               | 1,186,002                | -                       | -                         | 7,208,464               | 2,847,643                | -                       | -                         |
| Trade and other payables due to related parties, non-current | US\$             | Ch\$                | -                       | -                        | -                       | -                         | 4,787                   | -                        | 58,792,122              | -                         |
| Other non-current financial liabilities (*)                  | US\$             | Ch\$                | -                       | -                        | 928,105                 | -                         | -                       | -                        | 231,623,088             | -                         |
| <b>Total liabilities</b>                                     |                  |                     | <b>1,214,997</b>        | <b>1,186,002</b>         | <b>928,105</b>          | <b>-</b>                  | <b>7,213,251</b>        | <b>2,847,643</b>         | <b>290,415,210</b>      | <b>-</b>                  |

(\*) Net of derivatives.



#### 40. SUBSEQUENT EVENTS

- On January 4, 2018, the Board of Directors approved starting a process for dismissing employees as part of the operating efficiencies on which the Company is working. Such process considered the dismissal of 1,800 employees from the Company, with a related expense of approximately Ch\$7,942 million.
- On January 17, 2018, the Company communicated to the Financial Market Commission through an essential event that on such date, the Company's Board of Directors approved, in accordance with the agreement reached at the Extraordinary Shareholders' Meeting of December 30, 2015 and supplemented by the agreement at the Extraordinary Shareholders' Meeting of December 2, 2016, offered for market placement an amount of 400,000,000 shares, issued with a debit to the capital increase approved at the abovementioned meetings. As of January 17, 2018, there was a remaining balance for placement of 761,486,486 shares.

Such shares were offered for placement through the Santiago Stock Exchange, by way of the mechanism referred to as auction of an Order Record, for which the placement agents are BTG Pactual Chile S.A. Corredora de Bolsa and Larraín Vial Corredora de Bolsa.

- Through the essential event dated January 22, 2018, the Company communicated the placement through the Santiago Stock Exchange, by way of the mechanism referred to as auction of an Order Record for a total of 400,000,000 shares of the Company, at a price of Ch\$185 per share, for which the placement agents are BTG Pactual Chile S.A. Corredora de Bolsa and Larraín Vial Corredora de Bolsa. Total amount from the share placement was ThCh\$74,000,000.
- Through the essential event dated January 29, 2018, the Company communicated the following:
  1. Through the essential event dated November 9, 2017, Alvi Supermercados Mayoristas S.A. and Inversiones SMU SpA, (jointly referred to as the "Sellers"), subsidiaries of the Company and owners of 100% of the share capital of Construmart S.A. entered into a binding agreement (hereinafter the "Agreement") with Larraín Vial Servicios Profesionales Ltda., (hereinafter "Larraín Vial") for the sale of 100% of share capital owned by them in Construmart S.A., (hereinafter the "Transaction").
  2. In the aforementioned essential event, the Company communicates that the Transaction was subject to a number of conditions for its close, including, among others, the performance by Larraín Vial of a due diligence of Construmart S.A. and its subsidiaries.
  3. Note that by means of the essential event the Company communicated that Larraín Vial, acting on behalf of and for the benefit of a group of investors that will be contributors of the Fondo de Inversión Privado Hammer (the "Buyer"), having



finished the due diligence process on Construmart, confirms to the Sellers its intention to continue the process for the acquisition of Construmart under the terms contained in the Agreement.

4. The price of the Transaction has been determined as amounting to UF 1,845,655 (one million eight hundred and forty-five thousand six hundred and fifty-five UF), which is subject to the discount of the Net Financial Debt and the other adjustments that are customary to this type of transactions, which will be performed on the date of close of the Transaction. Regarding the amount reported in the essential event identified in the preceding paragraph number 1 herein, it remains unchanged and could increase such price once Construmart receives the payment of an account receivable from a third party for the same amount.
5. The close of the Transaction will be performed on the second business day subsequent to the date in which compliance with certain final conditions for close have been verified, as agreed by the parties. Such conditions include among others that the Transaction has been noticed and obtaining the approval from the Free Competition Tribunal authorities.

Finally, at the date of the essential event, it was not possible to accurately determine the impact that these events could have on the Company's profit or loss.

- On February 9, 2018, the Company made a partial prepayment of its international bond. Such bond was placed in February 2013 for US\$300 million maturing in February 2020. The prepayment was composed of a principal amount of US\$120 million, additional costs related to the prepayment of US\$2.33 million, and the interest accrued at that date of US\$0.026 million. Accordingly, the total amount paid was US\$122.35 million. The prepayment was made using funds from the capital increase made in November 2017.
- On March 22, 2018, the Company communicated to its bondholders of its international bond that on April 2, 2018 it will make a new partial prepayment of such bond, which will amount to US\$80 million of principal, plus the prepayment cost and interest accrued at such date. The prepayment will be made using funds from the capital increase made in January 2018. Subsequent to the prepayment, the current balance of the international bond will amount to US\$100 million maturing in February 2020.
- Risk raters:
  1. On January 24, 2018, ICR improved the Company's risk rating from BB+ (positive outlook) to BBB- (positive outlook) relating to the investment grade.



2. On January 26, 2018, Feller Rate improved the Company's risk rating from BB+ (positive outlook) to BBB- (positive outlook) relating to the investment grade.
3. On February 6, Humphreys improved the rating from BBB- (stable outlook) to BBB (stable outlook).

Because of this, SMU has an investment grade risk rating from its three local risk raters (Feller rate, Humphreys and ICR). Additionally, with respect to the international risk rating:

4. On March 12, 2018, the risk rater Moody's improved the rating outlook from stable to positive, maintaining the rating at B3.
- Between January 1, 2018 and the date of issuance of these consolidated financial statements there have been no other subsequent events that could significantly affect the interpretation of these Consolidated Financial Statements.

\* \* \* \* \*