Earnings Release

1st Quarter 2024

SMU S.A.

May 13, 2024

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

SMU's revenue for the first quarter of 2024 (1Q24) amounted to CLP 711,564 million, an increase of 1.0% with respect to CLP 704,239 million for the first quarter of 2023 (1Q23). The Unimarc format reported a 2% increase in sales during the period, and online sales increased by 30%. Revenue for the low-cost formats Alvi, Mayorista 10, and Super10 decreased 1.7%, primarily due to the high comparison base from the previous year, when this segment had revenue growth of 11.5%. However, the S10 format, which is one of the priority areas in the Company's organic growth plans, had same-store sales growth of 12% in the first three months of 2024.

As in 2023, the Company continues to see increases in the number of customers and transactions. However, the average ticket has remained low, reflecting the impact of the adverse economic conditions in the behavior of consumers, who are buying fewer quantities and substituting for cheaper products.

Gross profit for the first quarter of 2024 reached CLP 223,934 million, an increase of 4.0% with respect to the CLP 215.299 million generated in 1Q23. Meanwhile, gross margin reached 31.5%, an expansion of 90 basis points (bps) with respect to 30.6% for the same period of the previous year, reflecting the improvements in commercial efficiency.

Operating expenses[1] increased by 6.2% in 1Q24, primarily due to increases in personnel expenses, driven by inflation and the higher minimum wage, and increases in service expenses, for the same reasons, as well as increases in electricity rates.

SMU's **EBITDA**[2] reached CLP 67,132 million in 1Q24, similar to CLP 67,702 million for 1Q23. The Company has been able to maintain an **EBITDA margin well above its 9% target**, reaching 9.4% in the first quarter of 2024. **Operating income** for the first quarter of 2024 totaled CLP 40,767 million, a decrease of CLP 2,895 million (6.6%) with respect to 1Q23, primarily explained by an increase of CLP 2,326 million (9.7%) in depreciation and amortization, reflecting the Company's higher levels of investment in recent years as part of its strategic plans.

Non-operating income improved by CLP 1,274 million in 1Q24 with respect to 1Q23, primarily explained by improvements in the losses on indexed assets and liabilities, due to lower inflation in 1Q24 vs. 1Q23.

Pre-tax income reached CLP 25,254 million in 1Q24, a decrease of CLP 1,621 million (6.0%) with respect to 1Q23, due to the lower operating income, explained by higher depreciation and amortization.

Income tax expense for 1Q24 reached CLP -6,142 million, a negative variation of CLP 1,042 million with respect to 1Q23, primarily explained by lower inflation adjustments to the tax loss carryforward and other tax items, due to lower inflation in 1Q24 vs. 1Q23.

Net income for the first quarter of 2024 totaled CLP 19,113 million, a decrease of CLP 2,663 million (12.2%) with respect to 1Q23, due to the lower pre-tax income and the higher income tax expense.

---

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

With respect to the Company’s **financial position**, in March and April 2023, SMU carried out two successful local bond placements: The Series AR bonds, for UF 1,000,000, have a bullet structure maturing in the year 2034 and an annual interest rate of 4,44% (spread 184 bps). The Series AQ bonds, for UF 1,500,000, have a bullet structure maturing in the year 2029 and an annual interest rate of 4.27% (spread 175 bps). These transactions enabled the Company to flatten its maturity profile for the upcoming years.

SMU’s **cash position** was further strengthened in the first quarter of the year, due to the payment, in January, of the insurance claim for the losses arising from acts of vandalism that took place beginning in October 2019 (CLP 51,815 million). This amount, along with the placement of the Series AR bonds in March, contributed to an increase of CLP 75,880 million in cash and cash equivalents, for a closing balance of CLP 181,098 million as of March 31, 2024. This significant cash surplus provides the Company with financial flexibility.

Management Commentary

With respect to the release of earnings for the first quarter of 2024, SMU's CEO, Marcelo Gálvez, stated, "In the first three months of this year, we were able to maintain our EBITDA of CLP 67 billion, similar to the same period of last year, and we achieved an EBITDA margin of 9.4%, well above our long-term target of 9%. We obtained these results despite the fact that the consumption trends we see in our customers continue to reflect the weak economic situation. As in previous quarters, consumers continue to purchase fewer quantities and substitute for cheaper products, affecting the average ticket and revenue growth. However, we continue to see increases in the number of customers and transactions at all of our formats, helping to offset the lower average ticket."

Mr. Gálvez went on to say, "Revenue for the first quarter increased 1.0% with respect to the same period of 2023, driven by growth of 2% in the Unimarc format. Our low-cost formats Alvi, Mayorista 10, and Super10 had a revenue decrease of 1.7%, which is essentially due to the high comparison base from last year, when this segment saw growth of 11.5%. However, same-store sales for our Super10 format, which is a key focus for our organic growth plan, increased 12% in the first three months of 2024."

"We remain focused on keeping operating expenses under control and working to mitigate the impact of increases to the minimum wage and inflation, among other cost pressures. The efficiency initiatives that we have been implementing aim to increase productivity and, at the same time, improve in-store product availability and customer experience, by changing processes and using new technologies."

"Net income for the period totaled CLP 19 billion, a decrease of 12%. With stable EBITDA and no one-offs, the main impacts on net income were related to the increase in depreciation, reflecting the higher levels of investment as part of our organic growth plans, and the higher income tax expense, which is a non-cash effect related to the lower inflation this year compared to 2023."

"We have a solid financial position to continue executing our investment plan for 2024, and also to cover our other cash needs, including dividend payments and debt amortizations. In addition to the cash generated by our operations, in March and April we carried out two successful bond placements, for a total of UF 2,500,000, and in January we received the payment of approximately CLP 50 billion from insurance companies, for the claim related to the 2019 social crisis."

"With respect to our operations, we have been moving forward with the initiatives of our strategic plan, including new store openings in the Unimarc, Super10, and Maxiahorro formats in the year to date. The other store openings we have planned for this year are in different stages of design, construction, and permitting; we expect most of these stores to open during the second half of this year. We are pleased to report that the stores we opened in 2023 have been outperforming our expectations."

"Our private label program continues to be a key element in our value proposition, and this year we have launched new products in a range of categories, including sweets, bakery, dairy, and prepared foods."

“Regarding energy efficiency, last year we implemented an energy management system at all of the facilities we operate in Chile, in order to improve energy efficiency and consumption, and in February of this year, the process culminated with ISO 50001 certification of the system, thereby achieving one of the goals of our 2023-2025 strategic plan.”

“In the first few months of this year, we also reached a new milestone in our commitment to gender equality: The National Service for Women and Gender Equity (“SernamEG”) awarded the certification for equality and work-life balance for our Lo Aguirre distribution center, in recognition of its commitment and best practices in the area of gender equality,” concluded Mr. Gálvez.

Highlights

Annual General Shareholders’ Meeting and Final Dividend Payment

On April 25, 2024, SMU held its Annual General Meeting, at which shareholders approved all proposed voting matters, including the payment of a final dividend of CLP 4.75686/share, equivalent to 75% of net income for the fourth quarter of 2023. This dividend was paid on May 8, 2024.

Shareholders also elected the members of the Board of Directors for the 2024-2026 period: Ms. Pilar Dañobeitía, Ms. Francisca Saieh and Messrs. Alejandro Álvarez, Abel Bouchon, Alejandro Danús (independent director), Fernando Del Solar, Enrique Gundermann (independent director), Andrés Olivos, and Raúl Sotomayor.

Following the AGM, the Board of Directors met and agreed to name Ms. Pilar Dañobeitía as Chairwoman and Ms. Francisca Saieh as Vice Chairwoman. The Board also agreed to name the members of the Directors’ Committee (Messrs. Alejandro Álvarez, Alejandro Danús, and Enrique Gundermann) and other Board committees.

Bond Placements

In March and April 2024, SMU carried out two successful local bond placements, enabling the Company to flatten its debt maturity profile for the coming years. On March 21, 2024, the Company placed the Series AR bonds (UF 1,000,000), with a bullet structure maturing in 2034 and a placement rate of 4.44% (spread of 184 bps). On April 4, 2024, the Company place the Series AQ bonds (UF 1,500,000), with a bullet structure maturing in 2029 and a placement rate of 4.27% (spread of 175 bps).

Conference Call

SMU will host a conference call and webcast for investors on Wednesday, May 15, 2024 at 11:00 am ET/ 11:00 am Santiago to discuss its first quarter 2024 results.

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

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

USA: +1 718 866 4614
Chile: +56 228 401 484
Peru: +51 1706 0950
Brazil: +55 612 017 1549
Mexico: +52 55 1168 9973
UK: +44 203 984 9844

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

1. Analysis of Income Statement

SMU's consolidated results for the periods of three months ended March 31, 2024, and 2023 are presented in the table below. All figures are expressed in Chilean pesos (CLP) and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Table 1: Consolidated Income Statement

(CLP Million)	1Q24	1Q23	△%
Revenue	711,564	704,239	1.0%
Cost of Sales	(487,630)	(488,940)	(0.3%)
Gross Profit	**223,934**	**215,299**	**4.0%**
Gross Margin (%)	***31.5%***	***30.6%***	
Distribution Costs	(11,132)	(10,536)	5.7%
Contribution Margin	**212,802**	**204,763**	**3.9%**
Contribution Margin (%)	***29.9%***	***29.1%***	
Administrative Expenses (Excluding Depreciation)	(145,670)	(137,062)	6.3%
EBITDA	**67,132**	**67,702**	**(0.8%)**
EBITDA Margin (%)	***9.4%***	***9.6%***	
Depreciation and Amortization	(26,365)	(24,039)	9.7%
Operating Income	**40,767**	**43,662**	**(6.6%)**
Other Gains (Losses)	(85)	(427)	(80.1%)
Financial Income	2,507	3,338	(24.9%)
Financial Expenses	(14,529)	-13,239	9.7%
Share of Profit (Loss) of Associates	(97)	28	n.a.
Foreign Exchange Differences	394	(292)	n.a.
Income (Loss) on Indexed Assets and Liabilities	(3,702)	(6,195)	(40.2%)
Non-operating Income	**(15,513)**	**(16,787)**	**(7.6%)**
Net Income (Loss) Before Taxes	**25,254**	**26,876**	**(6.0%)**
Income Tax Expense	(6,142)	(5,100)	20.4%
Net Income (Loss) of the Period	**19,113**	**21,776**	**(12.2%)**
Net Income Attributable to Owners of the Parent	19,113	22,211	(13.9%)
Net Income Attributable to Non-controlling Interests	0	(435)	n.a.
Net Income (Loss) of the Period	**19,113**	**21,776**	**(12.2%)**

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

1.1. Results of Operations

1.1.1. Revenue

Revenue for the first quarter of 2024 amounted to CLP 711,564 million, an increase of 1.0% with respect to CLP 704,239 million for the first quarter of 2023.

Table 2: Revenue (CLP Bn)

REVENUE (CLP BN)	1Q24	1Q23	△%
UNIMARC	486	476	*2.0%*
CASH & CARRY	206	210	*-1.7%*
OTHERS(*)	3.8	4.0	*-6.0%*
FOOD RETAIL CHILE	696	690	*0.9%*
FOOD RETAIL PERU	15.3	14.1	*8.5%*
CONSOLIDATED	712	704	*1.0%*

(*) "Others" includes all revenue other than that generated by the Company's operating formats presented in the table.

Food Retail Chile revenue increased 0.9% in 1Q24 with respect to 1Q23, driven by a 2.0% increase in the Unimarc format. The cash & carry segment, which includes the low-cost formats Alvi, Mayorista 10 and Super10, reported a decrease of 1.7%. However, it is important to note that the comparison base for this segment is more challenging, due to the 11.5% increase in the first quarter of 2023.

As in 2023, the Company continues to see increases in the number of customers and transactions. However, the average ticket has remained low, reflecting the impact of the adverse economic conditions in the behavior of consumers, who are buying fewer quantities and substituting for cheaper products.

Online sales, through both SMU's own platforms and strategic partnerships with last milers, grew 30% in the first quarter of 2024, accounting for 3.3% of revenue at stores with online operations in 1Q24[3], a significant increase with respect to 2.3% for the same period of 2023.

Revenue for Food Retail Peru, measured in Chilean pesos, increased 8.5%, reflecting the appreciation of the Chilean peso during the past year. Measured in local currency, revenue decreased 8.5%, reflecting the complex economic scenario that affects consumption. Additionally, two older, underperforming Maxiahorro stores were closed, helping to optimize the store portfolio. The effect of these closures was partially offset by the opening of a new store in January 2024. Likewise, as in previous years, the new stores that have been opened as part of the Company's organic growth plan continued to perform better than expected during the first quarter of 2024.

[3] Considers Unimarc format.

Table 3: Same-Store Sales Growth (%) *(*)*

SSS (△%)	1Q24	1Q23
UNIMARC	*0.4%*	*1.8%*
CASH & CARRY	*-4.3%*	*10.8%*
FOOD RETAIL CHILE	*-1.0%*	*4.4%*
FOOD RETAIL PERU	*-10.4%*	*-0.9%*
CONSOLIDATED	*-0.9%*	*4.3%*

(*) SSS Food Retail Peru and Consolidated for 1Q23 have been modified with respect to the figures that were originally published in order to correct a calculation error.

Same-store sales (SSS) decreased by 0.9% in the first quarter of 2024. The difference with respect to revenue growth is due to the new stores that have opened in the last 12 months, which contribute to revenue but are not included in the calculation of same-store sales. By format, in 1Q24 Unimarc increased 0.4%, whereas the cash & carry segment decreased by 4.3%, but with a more challenging comparison base (10.8% increase in 1Q23). It is worth highlighting that SSS for the Super10 format increased by 12% in 1Q24, showing that customers are reacting positively to this relatively new format.

For Food Retail Peru, SSS (measured in soles) decreased by 10.4% in the first quarter of 2024. However, it is important to note that the Maxiahorro stores that have opened in the north of the country, which is the geographic focus area for future growth, had an increase of 1.3% in SSS for the first quarter.

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

SALES PER SQM (CLP Thousands/sqm)	1Q24	1Q23	△%
FOOD RETAIL CHILE	474	481	*-1.4%*
FOOD RETAIL PERU	260	237	*9.7%*
CONSOLIDATED	467	471	*-0.9%*

(*) Sales per square meter for Food Retail Peru and Consolidated for 1Q23 have been modified with respect to the figures that were originally published in order to correct a calculation error.

Sales per square meter reached CLP 466,730 for the first quarter of 2024, 0.9% lower than the first quarter of 2023. Food Retail Chile decreased by 1.4%, primarily explained by the increased selling area due to the new stores opened during the period, which are still maturing. Food Retail Peru (measured in Chilean pesos) saw an increase of 9.7%, reflecting the increase in sales (measured in Chilean pesos), in addition to the decrease of square meters due to the store closures described above.

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

NUMBER OF STORES	1Q24	1Q23	SALES AREA (THOUSANDS OF SQM)	1Q24	1Q23
UNIMARC	290	286	UNIMARC	352	349
CASH & CARRY	99	95	CASH & CARRY	128	122
FOOD RETAIL CHILE	389	381	FOOD RETAIL CHILE	481	471
FOOD RETAIL PERU	29	29	FOOD RETAIL PERU	18	19
CONSOLIDATED	418	410	CONSOLIDATED	499	489

Table 6: Store Openings and Closures

OPENINGS AND CLOSURES	1Q23		2Q23		3Q23		4Q23		1Q24	
	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.
UNIMARC	1	0	2	1	2	0	4	1	0	2
CASH & CARRY	0	0	0	1	1	0	3	0	1	0
FOOD RETAIL CHILE	1	0	2	2	3	0	7	1	1	2
FOOD RETAIL PERU	0	0	1	0	0	0	0	0	1	2

As of March 31, 2024, SMU's operations included 389 stores in Chile, distributed from Arica to Punta Arenas, eight more than the 381 stores at the end of 1Q23, and a total of 480,565 square meters. In Peru, the Company had 29 stores (18,481 square meters), same number as in 1Q23, but with a decrease in the selling area, due to store openings and closures during the period. In total, between Chile and Peru, the Company has **418 stores and 499.046 square meters.**

During the first quarter, the Company kept making progress on its organic growth plan, opening two stores: a Super10 in Limache and a Maxiahorro in Peru. During the period, the Company also closed two Unimarc stores in Chile and two Maxiahorro stores in Peru. These stores had been consistently underperforming the rest of the format over the last several years.

1.1.2. Distribution Costs and Administrative Expenses

Operating expenses (distribution costs plus administrative expenses, excluding depreciation and amortization) totaled CLP 156,802 million for 1Q24, an increase of 6.2% with respect to CLP 147.597 million registered in 1Q23. As a percent of sales, operating expenses were 22.0% in 1Q24, an increase of 108 pb with respect to 21.0% registered in 1Q23.

Distribution costs for the first quarter of 2024 reached CLP 11,132 million, an increase of 5.7% with respect to CLP 10,536 million for the first quarter of 2023. Distribution costs as a percentage of revenue amounted to 1.6% in 1Q24 and 1.5% in 1Q23. The increase in distribution costs is explained by the higher cost of oil, as well as the high levels of inflation—variables that affect the algorithm used to determine transportation cost.

Administrative expenses (excluding depreciation and amortization) totaled CLP 145,670 million (20.5% of revenue) in the first quarter of 2024, an increase of 6.3% with respect to the CLP 137,062 million (19.5% of revenue) reported in the first quarter of 2023.

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

a. Increase of CLP 2,571 million (+3.8% YoY) in personnel expenses, primarily due to the higher average minimum wage (12.2%), inflation adjustments (+4.8%), and new store openings, partially offset by a lower average headcount.
b. Increase of CLP 2,540 million (+28.2% YoY) in services, primarily explained by higher rates on electricity, security services, and cleaning services, associated with inflation and higher minimum wage, and higher expenses related to higher online sales.
c. Increase of CLP 961 million (+9.3% YoY) in advertising expenses services, primarily due to the launch of new campaigns.
d. Increase of CLP 547 million (+8.7% YoY) in credit card commissions, advertising expenses, due to the increase in the use of electronic forms of payment.
e. Increase of CLP 481 million (+9.4% YoY) in maintenance.
f. Increase of CLP 363 million (+7.6% YoY) in external services, primarily due to the implementation of new strategic projects.

Table 6: Average Headcount

AVERAGE HEADCOUNT	1Q24	1Q23	△%
STORES CHILE	21,021	21,555	*-2.5%*
HEADQUARTERS CHILE	2,045	2,198	*-7.0%*
FOOD RETAIL CHILE	23,066	23,753	*-2.9%*
STORES PERU	541	555	*-2.4%*
HEADQUARTERS PERU	167	165	*1.0%*
FOOD RETAIL PERU	708	720	*-1.6%*
TOTAL	23,774	24,473	*-2.9%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for the first quarter of 2024 totaled CLP 223,934 million, an increase of 4.0% with respect to CLP 215,299 million generated in the first quarter of 2023. In percentage terms, gross margin amounted to 31.5% in 1Q24, an expansion of 90 bps over the 30.6% of 1Q23, reflecting the improved commercial efficiency.

Contribution margin for the first quarter of 2024 totaled CLP 212,802 million (29.9% of revenue), an increase of 3.9% with respect to CLP 204,763 million (29.1% of revenue) for the first quarter of 2023.

EBITDA for the first quarter of 2024 totaled CLP 67,132 million, similar to the first quarter of 2023. **EBITDA margin** reached 9.4% in 1Q24, 20 bps lower than the 9.6% reported for 1Q23, but well above the Company's 9% long-term target.

EBITDA adjusted for store rental expenses (EBITDA including all rental expenses, including those not included in administrative expenses under IFRS 16) for 1Q24 totaled CLP 44,211 million, 4.9% lower than CLP 46,506 million reported in 1Q23, due to higher rental payments, related to inflation and new store openings.

Operating income for the first quarter of 2024 totaled CLP 40,767 million, a decrease of CLP 2,895 million (6.6%) with respect to the CLP 43,662 million of the first quarter of 2023, due to an increase of CLP 2,326 million (9.7%) in depreciation and amortization, reflecting the Company's higher investment levels in recent years as part of its strategic plans.

1.2 Non-operating Income[4]

The consolidated **non-operating loss** for SMU totaled CLP -15,513 million in the first quarter of 2024, an improvement of CLP 1,274 million with respect to CLP -16,787 million reported in the first quarter of 2023. The variation is primarily explained by the lower inflation levels in 1Q24 compared to 1Q23, which generated an improvement of CLP 2,492 million in the **loss on indexed assets and liabilities**.

This effect was partially offset by an increase of CLP 1,290 million (9.7%) in **financial expenses**, due to the increase in obligations for rights of use and the impact of inflation on UF-denominated liabilities. Additionally, financial income decreased CLP 831 million in the first quarter of 2024, primarily explained by lower interest rates on time deposits with respect to the first quarter of 2023.

1.3 Income Tax Expense and Net Income

Pre-tax income totaled CLP 25,254 million in 1Q24, a decrease of CLP 1,621 million (6.0%) with respect to 1Q23, due to the lower operating income, explained by the higher depreciation and amortization, partially offset by the improvement in non-operating income.

Income tax expense for 1Q24 reached to CLP -6,142 million, a negative difference of CLP 1,042 million with respect to the expense of CLP -5,100 million registered in 1Q23. The variation is primarily explained by the lower inflation adjustment over the tax loss carryforward and other tax items, due to lower inflation in 1Q24 vs. 1Q23.

Net income for the first quarter of 2024 totaled CLP 19,113 million, CLP 2,663 million (12.2%) lower than the CLP 21,776 million reported for the first quarter of 2023, due to lower pre-tax income and higher tax expense.

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

2. Analysis of Statement of Financial Position

Table 8: Statement of Financial Position as of March 31, 2024 and December 31, 2023

(CLP Million)	March 2024	December 2023	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	181,098	105,218	75,880	72.1%
Other Current Financial Assets	3,717	3,685	31	0.9%
Other Current Non-Financial Assets	27,864	26,940	924	3.4%
Trade Accounts Receivable and Other Receivables, Net	85,162	141,894	(56,732)	(40.0%)
Accounts Receivable from Related Companies	631	506	125	24.7%
Inventories	219,501	218,438	1,063	0.5%
Current Tax Assets	4,350	4,428	(78)	(1.8%)
Total Current Assets	**522,324**	**501,111**	**21,213**	**4.2%**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	391	392	(2)	(0.5%)
Other Non-Current Non-Financial Assets	2,648	2,561	87	3.4%
Non-Current Accounts Receivable	2,400	2,184	216	9.9%
Investments Accounted for Using the Equity Method	3,007	3,104	(97)	(3.1%)
Intangible Assets Other Than Goodwill	67,638	66,832	806	1.2%
Goodwill	474,660	473,848	812	0.2%
Property, Plant, and equipment, net	869,734	867,478	2,256	0.3%
Deferred tax assets	461,279	466,662	(5,383)	(1.2%)
Total Non-Current Assets	**1,881,757**	**1,883,062**	**(1,305)**	**(0.1%)**
TOTAL ASSETS	**2,404,080**	**2,384,173**	**19,908**	**0.8%**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	172,847	170,205	2,642	1.6%
Current Trade and Other Accounts Payable	434,847	428,082	6,765	1.6%
Accounts Payable to Related Companies	667	619	49	7.8%
Other Current Provisions	4,171	3,998	172	4.3%
Current Tax Liabilities	1,298	1,183	115	9.7%
Current Provisions for Employee Benefits	17,195	37,530	(20,335)	(54.2%)
Other Current Non-Financial Liabilities	1,575	9,226	(7,651)	(82.9%)
Total Current Liabilities	**632,599**	**650,842**	**(18,243)**	**(2.8%)**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	926,625	909,666	16,958	1.9%
Non-Current Trade and Other Accounts Payable	9,865	10,210	(345)	(3.4%)
Non-Current Provisions for Employee Benefits	273	406	(132)	(32.6%)
Total Non-Current Liabilities	**936,763**	**920,282**	**16,481**	**1.8%**
TOTAL LIABILITIES	**1,569,362**	**1,571,125**	**(1,762)**	**(0.1%)**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Reacquired Own Equity	(833)	(833)	-	0.0%
Retained Earnings	159,867	140,754	19,113	13.6%
Other Reserves	151,943	149,386	2,557	1.7%
Equity Attributable to the Owners of the Parent Company	834,718	813,048	21,670	2.7%
Total Equity	**834,718**	**813,048**	**21,670**	**2.7%**
TOTAL LIABILITIES AND EQUITY	**2,404,080**	**2,384,173**	**19,908**	**0.8%**

2.1. Assets

As of March 31, 2024, SMU's **total assets** increased by CLP 19,908 million (0.8%) with respect to December 31, 2023, totaling CLP 2,404,080 million.

Current assets as of March 31, 2024, increased by CLP 21,213 million (4.2%) with respect to December 31, 2023, totaling CLP 522,324 million. The primary variations during the period were:

a. Increase of CLP 75,880 million in cash and cash equivalents, primarily explained by the payment of CLP 51,815 million received from insurance companies in January 2024 for the insurance claim for losses arising from acts of vandalism that took place beginning in October 2019. Additionally, in March 2024, the Company placed the Series AR bonds for UF 1,000,000. The rest of the movements in cash and cash equivalents are described in section 3. Cash Flow Statements.

b. Decrease of CLP 56,732 million in current trade accounts receivable and other receivables net, primarily explained by the decrease of the account receivable for the insurance claim explained above (CLP 51,815 million), in addition to lower accounts receivable from Transbank, due to the seasonality of the business.

Non-current assets as of March 31, 2024, decreased by CLP 1,305 million (0.1%) with respect to December 31, 2023, totaling CLP 1,881,757 million. The primary variations during the period were:

a. Decrease of CLP 5,383 million in deferred tax assets, primarily due to the decrease of CLP 17,513 million in deferred tax assets, partially offset by the decrease of CLP 12,131 million in deferred tax liabilities.

b. Increase of CLP 2,256 million in property, plant, and equipment, primarily due to additions during the period (CLP 26,909 million), partially offset by depreciation for the period (CLP 24,634 million). The additions during the period include capex projects, such as fitting out new stores, and new rental contracts, recognized as rights of use.

a. Increase of CLP 806 million in intangible assets other than goodwill, explained by the additions of the period (CLP 2,537 million), partially offset by the amortization of the period (CLP 1,731 million).

2.2. Liabilities

As of March 31, 2024, the Company's **total liabilities** decreased by CLP 1,762 million (0.1%) with respect to December 31, 2023, totaling CLP 1,569,362 million.

Current liabilities as of March 31, 2024, decreased by CLP 18,243 million (2.8%) with respect to December 31, 2023, totaling CLP 632,599 million.

The primary variations during the period are detailed as follows:

a. Decrease of CLP 20,335 million in current provisions for employee benefits, primarily due to the decrease of CLP 17,940 million in provisions for performance incentive bonuses, due to the payment of the bonus during the first quarter, partially offset by the provision of bonuses for the current period. Additionally, the vacations provision decreased CLP 2,456 million, due to vacations taken during the summer months.

b. Decrease of CLP 7,651 million in other current non-financial liabilities, primarily explained by a CLP 7,742 million decrease in VAT fiscal debit.

c. Increase of CLP 6,765 million in current trade accounts payable and other payables, primarily explained by a due to the decrease of CLP 15,886 million in accounts payables to suppliers, related to the cut-off date for payments, partially offset by an increase of CLP 15,462 million in withholdings associated with the payment of bonuses to employees during the first quarter, as the taxes and voluntary pension fund contributions are paid in April.

a. Increase of CLP 2,642 million in other current financial liabilities, primarily explained by an increase of CLP 1,972 million in obligations with the public and a CLP 978 million increase in obligations for rights of use, due to inflation adjustments. The transfer from non-current to current of upcoming maturities was offset by capital payments (CLP 23,252 million for bank debt and bonds and CLP 15,249 million for rights of use).

As of March 31, 2024, **non-current liabilities** increased by CLP 16,481 million (1.8%) with respect to December 2023, amounting to CLP 936,763 million. The primary variation during the period was an increase of CLP 16,958 million in other non-current financial liabilities, explained by (i) the placement of the Series AR bonds in March (UF 1,000,000); (ii) the addition of new rental contracts during the period; and (iii) increases in the UF price, partially offset by the transfer to current of the upcoming maturities.

2.3. Shareholders' Equity

Shareholders' equity increased by CLP 21,670 million (2.7%), primarily explained by the increase of CLP 19,113 million in retained earnings, corresponding to the profit for the period, in addition to an increase in other reserves (CLP 2,557 million), due to the effect of the exchange rate on the investments in Peru.

3. Analysis of Statement of Cash Flows

Table 9: Statement of Cash Flows for the 3 Months Ended March 31, 2024 and 2023

(CLP Million)	March 2024	March 2023	△$
Net Cash Flows From (Used in) Operating Activities	104,215	72,581	31,634
Net Cash Flows From (Used in) Investing Activities	(13,405)	(11,667)	(1,738)
Net Cash Flows From (Used in) Financing Activities	(14,931)	(49,317)	34,387
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**75,880**	**11,597**	**64,283**
Net Increase (Decrease) in Cash and Cash Equivalents	**75,880**	**11,597**	**64,283**
Cash and Cash Equivalents at Beginning of Period	105,218	124,531	(19,313)
Cash and Cash Equivalents at End of Period	**181,098**	**136,129**	**44,969**

During the first quarter of 2024, cash provided by **operating activities** totaled CLP 104,215 million, an increase of CLP 31,634 million compared to CLP 72,581 million for the first quarter of 2023. The higher generation of cash flow is primarily explained by the payment received for the insurance claim for the losses arising from acts of vandalism that took place beginning in October 2019, for CLP 51,815 million, in addition to lower payments to employees (CLP 1,272 million), partially offset by the decrease in sale of goods and rendering of services (CLP 15,129 million), the increase of payments to suppliers (CLP 2,861 million) and the increase in other payments for operating activities (CLP 2,878 million).

Cash used in **investing activities** for 1Q24 totaled a net outflow of CLP -13,405 million, a difference of CLP 1,738 million, compared to the net inflow of CLP 11,667 million for 1Q23. The difference is mainly due to a higher level of **CAPEX** in the quarter, which includes the purchases of property, plant and equipment and purchases of intangible assets, amounting to CLP 13,343 million in 1Q24 and CLP 11,563 million 1Q23.

Cash used in **financing activities** for the first quarter of 2024 totaled a net outflow of CLP -14,931 million, a positive variation of CLP 34,387 million, mainly explained by (i) proceeds from long-term loans for CLP 37,029 million, due to the placement of the Series AR bonds, partially offset by (ii) repayment of loans for CLP 23,252 million; (iii) payment of financial leases for CLP 15,249 million; and (iv) interest payments for CLP 13,458 million. In the first quarter of 2023, cash from financing activities totaled a net outflow of CLP -49,317 million, explained by (i) repayment of loans for CLP 22,727 million; (ii) payment of financial leases for CLP 14,273 million; and (iii) payment of interest for CLP 12,317 million.

4. Financial Indicators

Table 10: Financial Indicators

			Mar. 24	Dec. 2023
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0.83	0.77
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0.48	0.43
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0.65	0.66
Total Liabilities / Equity	times	*Total liabilities / Equity*	1.88	1.93
Net Financial Debt / Equity	times	*(Other current financial liabilities - current obligations for rights of use + other non-current financial liabilities - non-current obligations for rights of use - cash and cash equivalents)/Shareholders' equity*	0.44	0.53
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	40.31	41.43
Net Financial Liabilities / EBITDA	times	*(Other current financial liabilities + other non-current financial liabilities - cash and cash equivalents)/EBITDA for the last 12 months*	3.51	3.71
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	40.41	42.07
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	12.07	11.81
Accounts Payable Days	days	*Average current trade and other accounts payable for the period / (Daily cost of goods sold for the period * 1.19)*	66.92	66.68
EFFICIENCY (12 months)				
Interest Coverage (Last 12 months)	times	*EBITDA for the last 12 months / (financial expenses for the last 12 months - financial income for the last 12 months)*	5.62	5.90
Gross Margin (Last 12 months)	%		30.89	30.67
EBITDA (Last 12 months)	CLP MM		261,910	262,480
EBITDA Margin (Last 12 months)	%		9.13	9.17
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	0.80	3.66
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	0.99	4.57
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	2.29	10.73
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	9.26	9.15
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	12.79	12.50
EBITDA Adjusted for Store Rental Expenses				
EBITDA Adjusted for Store Rental Expenses (Last 12 months)	CLP MM	*EBITDA including store rental expenses not included in administrative expenses under IFRS*	174,075	176,370
Interest Coverage Adjusted for Store Rental Expenses (Last 12 mmonths)	times	*EBITDA Adjusted for Store Rental Expenses for the last 12 months / (interest expense for the last 12 months -interest on liabilities for rights of use for the last 12 months - financial income for the last 12 months)*	12.74	14.37
Net Financial Debt/EBITDA Adjusted for Store Rental Expenses	times	*(Other current financial liabilities - current obligations for rights of use + other non-current financial liabilities - non-current obligations for rights of use - cash and cash equivalents)/EBITDA Adjusted for Store Rental Expenses for the last 12 months*	2.13	2.43

With respect to **liquidity** indicators, the higher liquidity ratio and acid ratio are due to increases in current assets and decreases in current liabilities, for the reasons explained in section 2 of the current document.

With respect to **indebtedness**, there is a decrease in these indicators, primarily explained by increases in equity and cash and cash equivalents, for the reasons described in section 2 of current document.

With respect to **working capital** indicators, the main differences are in inventory turnover, due to the decrease in average inventory, and the accounts receivable turnover, due to an increase in average current accounts receivable, for the reasons described in section 1 of this document.

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

With respect to **profitability** indicators, the lower ROA and ROE are due to the lower net income and lower operating income, for the reasons described in section 1 of this document. Additionally, there are increases in the asset and equity accounts, for the reasons describer in section 2 of this document. The higher ROIC is primarily explained by the lower capital employed.

5. Risk Management

The main risks faced by SMU, as well as certain measures taken by the Company to mitigate such risks, are described in note 4 to SMU's consolidated financial statements as of March 31, 2024.

6. Relevant Events During the Period

1. On March 18, 2024, SMU announced its investment plan for 2024, for a total amount of CLP 120 billion pesos, including growth initiatives, such as store openings and store remodeling, in addition to investments in operating efficiency and maintenance CAPEX.
2. On March 21, 2024, the Company filed an essential fact, informing the placement of dematerialized bearer bonds in the local Chilean market under Series AR (ticker BCSMU-AR), charged to the bond line that is registered with the Securities Registry of the CMF under number 1,171 ("Series AR Bonds"). The series was placed at an annual interest rate of 4.44%, with an annual coupon rate of 4.2%, and a maturity date of February 28, 2034. The placement of the Series AR Bonds was for a total amount of UF 1 million.
3. On March 25, 2024, the Company filed an essential fact, informing that that the Company's Board of Directors agreed to the following:
    a) To call an Annual Ordinary Shareholders' Meeting to be held on April 25, 2024, at 10:00 am, at Cerro El Plomo 5680 11th floor, Las Condes, Santiago, in order to inform the Company's shareholders of and/or to submit for the approval of the Company's shareholders the following matters:
        i. Approve annual report and financial statements for the 2023 period.
        ii. Approve the report of independent auditors.
        iii. Election of the members of the Board of Directors.
        iv. Approve remunerations of Board of Directors and other corporate committees for the 2024 period. Inform Board of Directors expenses incurred during 2023 period.
        v. Inform activities and expenses of Directors' Committee for the 2023 period and determine remunerations and budget for the 2024 period.
        vi. Inform operations referred to under Title XVI of Law No. 18,046 (related-party operations).

vii. Designate independent audit firm for the 2024 period.
viii. Designate credit rating agencies for the 2024 period.
ix. Dividend payment and distribution of net income for the 2023 period.
x. Designate newspaper in which legally required notifications will be published.
xi. Review any other matter that is of interest to shareholders and pertains to the Annual Ordinary Shareholders' Meeting.

b) To submit for shareholder approval at such Annual Shareholders' Meeting a proposal for the payment of a final dividend in the amount of CLP 4.75686per share, to be charged to net income for 2023, which is in addition to the interim dividends of CLP 2.89043 per share, CLP 2.44451 per share, and CLP 1.46218 per share, paid on June 5, September 7, and December 5, 2023, respectively, for a total amount of CLP 66,587,963,359 (75% of net income). The remaining balance to be paid amounts to CLP 23,438,669,409, or CLP 4.75686 per share. If approved, such dividend would be paid on May 08, 2024 to shareholders of record as of the fifth business day prior to such date.

7. Subsequent Events

1. On April 4, 2024, the Company filed an essential fact, informing the placement of dematerialized bearer bonds in the local Chilean market under Series AQ (ticker BCSMU-AQ), charged to the bond line that is registered with the Securities Registry of the CMF under number 1,171 ("Series AQ Bonds"). The series was placed at an annual interest rate of 4.27%, with an annual coupon rate of 4.2%, and a maturity date of March 15, 2029. The placement of the Series AQ Bonds was for a total amount of UF 1.5 million.
2. On April 25, 2024, the Company filed an essential fact, informing that at the Company's Annual General Shareholders' Meeting held that day, shareholders approved the following resolutions:

    i. Approve annual report and financial statements for the 2023 period.
    ii. Approve the report of independent auditors for the 2023 period.
    iii. Elect the following members of the Board of Directors for the next three years:
    - Pilar Dañobeitía Estades
    - Francisca Saieh Guzmán
    - Alejandro Álvarez Aravena
    - Abel Bouchon Silva
    - Fernando Del Solar Concha
    - Andrés Olivos Bambach
    - Raúl Sotomayor Valenzuela
    - Alejandro Danús Chrighin (Independent Director)
    - Enrique Gundermann Wylie (Independent Director)

iv. Approve remunerations of Board of Directors and other corporate committees for the 2024 period. In addition, shareholders were informed of Board of Directors expenses incurred during the 2023 period.
v. Approve remunerations and budget of the Directors' Committee for the 2024 period and inform activities and expenses of such committee during 2023.
vi. Approve the report of operations referred to under Title XVI of Law No. 18,046 (related-party operations).
vii. Designate Ernst & Young (EY) as the independent audit firm for the 2024; and designate Feller-Rate and ICR as local credit rating agencies for the 2024 period.
viii. Designate the El Pulso section of La Tercera as the newspaper in which legally required notifications will be published.
ix. Distribute to shareholders a final dividend in the amount of CLP 4.75686 per share to be charged to net income for the year 2023. This final dividend is in addition to the interim dividends of CLP 2.89043 per share, CLP 2.44451 per share, and CLP 1.46218 per share, paid on June 5, September 7, and December 5, 2023, respectively, all of which were charged to net income for the year 2023. The sum of the proposed final dividend and the interim dividends that have been paid is CLP 66,587,963,359, which equivalent to 75% of 2023 net income. The final dividend of CLP 4.75686 (total amount of CLP 27,414,762,652) will be paid on May 8, 2024 to shareholders of record as of the fifth business day prior to such date.

In addition, following the shareholders' meeting, the Board of Directors held a meeting and agreed to the following:

i. Designate Ms. Pilar Dañobeitía Estades as Chairwoman of the Board and Ms. Francisca Saieh Guzmán as Vice Chairwoman of the Board.
ii. Designate Mr. Alejandro Danús, Mr. Enrique Gundermann, and Mr. Alejandro Álvarez Aravena as members of the Company's Directors' Committee, constituted per the requirements of Article 50 bis of the Chilean Corporations Act (*Ley 18.046)*.
iii. Designate the following directors as members of the other Board committees:

Audit and Risk Committee

- Pilar Dañobeitía Estades
- Andrés Olivos Bambach
- Alejandro Álvarez Aravena

Investment Committee

- Abel Bouchon Silva
- Pilar Dañobeitía Estades
- Andrés Olivos Bambach
- Francisca Saieh Guzmán
- Alejandro Danús Chrighin

Human Resources and Sustainability Committee

- Fernando Del Solar Concha
- Pilar Dañobeitía Estades
- Francisca Saieh

Compliance Committee

- Pilar Dañobeitía Estades,
- Andrés Olivos Bambach
- Enrique Gundermann Wylie

Strategy Committee

In accordance with this committee's statutes, its members are:

- Marcelo Gálvez Saldias, Chief Executive Officer
- Pilar Dañobeitía Estades, Chairwoman of the Board
- Francisca Saieh Guzmán, Vice Chairwoman of the Board

About SMU

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

Caution Regarding Forward-Looking Statements

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

Contact Information

For investor inquiries, please contact:

Carolyn McKenzie: cmckenzie@smu.cl

Sofía Pérez: sperezs@smu.cl

For media inquiries, please contact:

María Verónica Meinero: mmeinero@smu.cl

Arturo Baeza: abaeza@smu.cl