2nd Quarter 2022

EARNINGS RELEASE

SMU S.A.

AUGUST 16, 2022

Note Regarding Presentation and Comparison of Information

On October 8, 2020, SMU signed a binding agreement for the sale of its OK Market convenience stores to FEMSA Comercio S.A. de C.V., which operates OXXO convenience stores in Chile. On November 26, 2021, the Chilean antitrust authority (*Fiscalía Nacional Económica* or "FNE") approved the Transaction, subject to remedies proposed by the parties. Therefore, and in accordance with the provisions of IFRS 5, in SMU's Consolidated Financial Statements as of June 30, 2022, the OK Market business is presented as available for sale. The sale was completed on February 28, 2022.

Consequently, in the Company's statements of comprehensive income for the first half and second quarter of 2021, amounts corresponding to the OK Market business have been reclassified under a single line, "Profit (loss) from discontinued operations". As a result, the 2021 figures presented are comparable to the 2022 figures.

The statements of cash flows for the first half of 2021 are not comparable to the figures for the first half of 2022. The statements of cash flows for the first half of 2021 include cash flows corresponding to OK Market, whereas in the first half of 2022, such cash flows are not included.

The statements of financial position are comparable between periods, because the comparison is between June 30, 2022 and December 31, 2021, and as of both dates, OK Market is presented as available for sale. Therefore, in both periods, OK Market's assets are consolidated in a single line of SMU's statements of financial position, under "Non-current assets or asset groups classified as held-for-sale", and its liabilities are consolidated in a single line under "Non-current liabilities or liability groups classified as held-for-sale".

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

SMU's **revenue** for the first half of 2022 (1H22) **increased 17.0%** with respect to the first half of 2021 (1H21), totaling CLP 1,336,865 million. This growth was driven by an **increase of 16.2% in same-store sales**, as well as by sales at new stores that have opened over the past year as part of the Company's omnichannel growth strategy. In the second quarter of 2022 (2Q22), revenue increased 16.3% with respect to the second quarter of 2021 (2Q21), totaling CLP 671,635 million, with same-store sales growth of 15.4%.

The success of SMU's **multiformat strategy**, which enables the Company to satisfy the needs and preferences of customers in different segments, is reflected in sales performance during the period: the **Alvi, Mayorista 10, and Super10 formats grew 25.7% in the first half of 2022 and 30.9% in the second quarter**, while Unimarc saw revenue increases of 13.9% in the half and 10.7% in the quarter. While there was revenue growth in all formats, the composition of this increase—in which the economic formats grew more—led to a change in mix that lowered gross margin (in percentage terms) by 50 basis points (bps) in both periods (29.8% in 1H21 vs. 29.3% in 1H22, and 29.8% in 2Q21 vs. 29.3% in 2Q22). However, the Company's **gross profit** grew 15.3% in 1H22, totaling CLP 392,122 million, compared to CLP 340,236 million in 1H21. In the second quarter, gross profit amounted to CLP 196,930 million, 14.4% higher than the CLP 172,201 million for 2Q21.

Operating expenses[1] increased 13.4% in 1H22, primarily due to inflation adjustments and the higher mínimum wage. However, measured as a percentage of revenue, operating expenses decreased 60 bps, from 20.7% in 1H21 to 20.1% in 1H22. With respect to the second quarter, operating expenses increased 16.2% but remained stable as a percentage of revenue (20.7% in 2Q22 and 2Q21), as the increase in revenue (CLP 93,998 million) was greater than the increase in expenses (CLP 19,417 million).

EBITDA[2] for the first half of 2022 increased 19.5%, totaling CLP 123,132 million, with an EBITDA margin of 9.2%, an expansion of 10 bps over the EBITDA margin for 1H21, due to the operating leverage generated by the higher revenue and partially offset by the lower gross margin resulting from the change in mix. In the second quarter, EBITDA increased to 10.1%, amounting to CLP 57,861 million (EBITDA margin 8.6%), compared to CLP 52,549 million (EBITDA margin 9.1%) for 2Q21.

Operating income for 1H22 grew 26.0%, to CLP 79,645 million, and in the second quarter it improved 7.8%, totaling CLP 35,359 million.

Non-operating results for the first half amounted to a loss of CLP -34,848 million, an improvement of CLP 11,359 million (24.6%) with respect to 1H21. This variation was primarily explained by non-recurring effects in the line-item Other Gains (Losses): (i) a loss of CLP 13,142 million from the plan implemented by the Company in February 2021 to optimize its organizational structure, generating savings in the following months; and (ii) a gain of CLP 18.034 million due to the sale of OK Market in February 2022. These effects were partially offset by the high inflation of the period, which led to an increase of CLP 20,521 million in losses on inflation-indexed assets and liabilities. The Company's non-operating loss for 2Q22 amounted to CLP -31,819 million, a difference of CLP -17,431 with respect to CLP -14,387 million for 2Q21, primarily due to greater losses on inflation-indeed assets and liabilities, which increased CLP 16,100 million.

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

Net income for the first half of 2022 amounted to CLP 71,492 million, an increase of CLP 47,339 million (196%) with respect to CLP 24,153 million for 1H21, due to both improved operating and non-operating results, as well as the positive impact of inflation on deferred taxes. With respect to the second quarter, net income totaled CLP 21,690 million, an increase of CLP 2,581 million (13.5%) with respect to the second quarter of 2021.

Con respecto a la **posición financiera** de SMU, cabe destacar que luego de que, en marzo y abril de este año, tanto ICR como Feller-Rate mejoraron las perspectivas de la clasificación de riesgo, la Compañía ha continuado mejorando sus indicadores de liquidez y endeudamiento. La cobertura de gastos financieros a junio 2022 alcanzó 5,7 veces, comparado con 4,9 veces a diciembre de 2021. Asimismo, el indicador pasivo financiero neto sobre EBITDA quedó en 3,54 veces, comparado con 3,86 veces a diciembre de 2021. Ajustando estos indicadores por el efecto del arriendo de locales en el EBITDA y en los pasivos financieros, la cobertura de gastos financieros asciende a 13,8 veces a junio 2022 (9,5 veces a diciembre 2021), y la deuda financiera neta sobre EBITDA a junio 2022 es de 2,57 veces (2,66 veces a diciembre 2021).

With respect to SMU's **financial position**, between March and April of 2022, both ICR and Feller-Rate improved the outlook on SMU's credit rating to positive, and since then, the Company has continued to improve its liquidity and indebtedness ratios. Interest coverage was 5.7 times as of June 30, 2022, compared to 4.9 times as of December 2021. Net financial liabilities to EBITDA was 3.54 times in June, compared to 3.86 times in December. When these ratios are adjusted to correct for the impact of store rental contracts on EBITDA and financial liabilities, interest coverage grew to 13.8 times in June 2022 (9.5 times in December 2021), and net financial debt to EBITDA was 2.67 times in June 2022 (2.66 times in December 2021).

Management Commentary

With respect to the release of earnings for the first half and second quarter of 2022, SMU's CEO, Marcelo Gálvez, stated, "So far this year, we have been very pleased with the results of our multiformat strategy, which allows us to satisfy the needs and preferences of customers in different segments. Our revenue increased 17% in the first half, including growth of 25.7% in the Alvi, Mayorista 10, and Super10 formats, and 13.9% in Unimarc. Performance was similar in the second quarter, with revenue growth of 16.3%. It is worth pointing out that the Company has gained market share, growing more than the Chilean food retail industry in the year to date."

Mr. Gálvez went on to say, "The solid performance in sales was driven by a sustained recovery in the number of transactions, which increased 41% in the first half of this year, compared to the same period of 2021, in our operations in Chile. Due to the higher inflation, we observed changes in customer behavior, including a preference for lower cost products. In order to meet this need, we implemented a marketing campaign called *La Ruta del Ahorro* ("The Path to Savings"), offering new discounts on basic products, in order to help Chilean families save. Another trend we saw during the period was growth in sales of private label products. As part of our strategic plan, as we seek to improve the customer experience, we continue to add new private label products and brands, offering high quality at attractive prices, which has been valued by our customers."

"Same-store sales for the half were up 16.2%, and in the second quarter they grew 15.4%. The new stores we've opened in recent months as part of our omnichannel growth initiatives also contributed to revenue growth. In the first half we had new store openings and reopenings in the Unimarc, Alvi, and Maxiahorro formats, and in July we had two additional openings. In addition, in July we obtained regulatory approval to lease 21 stores that were previously operated by the food retailer Montserrat. These stores are located in areas where our market share is lower, which means that this transaction represents an opportunity to reach more people and to be closer to our customers."

"As part of our omnichannel strategy, in the past few months we have also been strengthening our online offering, both through our own platforms and through partnerships. During the second quarter, we achieved national coverage with Unimarc.cl, operating in all 16 regions of Chile. In addition, in June we announced a strategic partnership with the marketplace Mercado Libre, adding a new online sales channel, and at the beginning of this month, we launched the App Alvi Compras, enabling Alvi's B2B customers to order products online to stock their own businesses."

"This year we have also been moving forward with initiatives relating to efficiency and productivity, including in the area of energy efficiency. We are implementing an energy management system based on ISO 50001, as we aim to better manage our consumption and reduce emissions. In addition, we've signed a new electricity supply contract to use renewable energy sources. This contract covers 30 facilities that account for 25% of the Company's operating consumption, so it will help to reduce our impact. Finally, we recently started a pilot program for sustainable stores to promote reduced energy consumption through sensorization using IoT (internet of things) technology. In addition to contributing to the efficiency of our operations, these initiatives are aligned with our sustainability model and our commitment to caring for the environment."

"We are very proud of another strategic initiative that we recently concluded successfully, as part of the Committed and Sustainable Organization pillar of our plan: the *Unidos* gift card campaign. This is an initiative through which we aim to create shared value with the communities to which we belong. During this campaign, Unimarc, Alvi, Mayorista 10, and Super10 customers purchased gift cards, and as SMU we donated the equivalent of 10% of gift card sales to four organizations whose missions are aligned with the social role we play as a food retailer, and with our commitment to diversity and inclusion."

"The total amount of the donation was Ch$172 million, and the beneficiary organizations were *Fundación Las Rosa*, an institution that helps care for senior citizens; *Comida para Todos* ("Food for All"), a public-private network that strives to eradicate hunger in Chile; Jesuit Migrant Service, an NGO that promotes the dignity and rights of migrants in Chile; and *Corporación Nuestra Casa* ("Our Home Foundation"), which aims to overcome the social exclusion faced by people without housing and which also works with the organization *Chef por Chile* to feed its beneficiaries. We feel deeply satisfied with the results of this campaign," concluded Mr. Gálvez.

Highlights

Partnership with Mercado Libre

On June 8, 2022, SMU announced a strategic partnership between Unimarc and Mercado Libre, the most visited online marketplace in Chile, for the sale of groceries and especially dry goods. The Company plans to gradually increase the assortment available through Mercado Libre, adding new categories and ending the year with an assortment of over 1,300 everyday products. This partnership allows SMU to strengthen its omnichannel growth strategy, diversifying its sales channels in order to reach more of its customers throughout the country.

Lease Contracts for Montserrat Stores

On July 15, 2022, SMU announced that it had signed lease contracts for 21 store locations that were previously operated by the Montserrat supermarket chain, as part of a transaction that was originally announced in July 2021. This transaction is a part of the Company's omnichannel growth strategy. The stores are located in the Santiago Metro and Valparaíso Regions of Chile, where SMU's market share is lower than in the rest of the country; therefore, this transaction will enable the Company to increase its coverage and operate in new municipalities. In order for each of the contracts to go into effect, the conditions for the stores being made available to operate must be met. The Company expects this to begin to happen in the coming months.

Launch of *App Alvi Compras*

On August 1, 2022, SMU announced the launch of *App Alvi Compras*, the new online sales channel for the Alvi cash & carry format that allows the chain's B2B customers—including mom-and-pops and other small businesses—to order and receive products without having to leave their place of business, which means they can continue to serve their own customers and ensure product availability at the same time. As a result, by using *App Alvi Compras*, these customers have an opportunity to grow their businesses and increase profitability.The service is currently available in municipalities within Greater

Santiago (urban zones), and the Company expects to expand coverage to rural zones of the Santiago Metropolitan region, as well as the regions of Coquimbo, Concepción, Osorno, and Maule, in the coming months.

Conference Call

SMU will host a conference call and webcast for investors on Thursday, August 18, 2022 at 11:00 am ET/ 11:00 am Santiago to discuss its second quarter 2022 results.

Dial in:
Toll-Free US Dial in #: +1 (800) 319 4610
International Dial in #: +1 (416) 915 3239
Please dial in 5-10 minutes prior to the scheduled start time and ask for the SMU Earnings Call

Webcast (live):
https://services.choruscall.ca/links/smu2022q2.html

After the call, a recording will be made available at:

https://www.smu.cl/en/inversionistas/informacion-financiera/

Analysis of Financial Statements

SMU's consolidated results for the periods of three and six months ended June 30, 2022 and 2021 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)	2Q22	2Q21**	△%	1H22	1H21**	△%
Revenue	671,635	577,637	16.3%	1,336,865	1,143,088	17.0%
Cost of Sales	(474,706)	(405,436)	17.1%	(944,743)	(802,852)	17.7%
Gross Profit	**196,930**	**172,201**	**14.4%**	**392,122**	**340,236**	**15.3%**
Gross Margin (%)	***29.3%***	***29.8%***		***29.3%***	***29.8%***	
Distribution Costs	(9,279)	(7,203)	28.8%	(18,659)	(14,448)	29.1%
Contribution Margin	**187,651**	**164,998**	**13.7%**	**373,463**	**325,787**	**14.6%**
Contribution Margin (%)	***27.9%***	***28.6%***		***27.9%***	***28.5%***	
Administrative Expenses (Excluding Depreciation)	(129,790)	(112,448)	15.4%	(250,331)	(222,714)	12.4%
EBITDA	**57,861**	**52,549**	**10.1%**	**123,132**	**103,074**	**19.5%**
EBITDA Margin (%)	***8.6%***	***9.1%***		***9.2%***	***9.0%***	
Depreciation and Amortization	(22,502)	(19,752)	13.9%	(43,487)	(39,862)	9.1%
Operating Income	**35,359**	**32,797**	**7.8%**	**79,645**	**63,212**	**26.0%**
Other Gains (Losses)	(1,388)	1,067	n.a.	16,690	(12,408)	n.a.
Financial Income	3,204	73	4,305.3%	5,131	627	718.9%
Financial Expenses	(13,343)	(11,534)	15.7%	(25,780)	(24,254)	6.3%
Share of Profit (Loss) of Associates	(61)	34	n.a.	(52)	1	n.a.
Foreign Exchange Differences	(34)	69	n.a.	(91)	52	n.a.
Income (Loss) for Indexed Assets and Liabilities	(20,197)	(4,097)	393.0%	(30,747)	(10,225)	200.7%
Non-operating Income	**(31,819)**	**(14,387)**	**121.2%**	**(34,848)**	**(46,208)**	**(24.6%)**
Net Income (Loss) Before Taxes	**3,540**	**18,409**	**(80.8%)**	**44,797**	**17,004**	**n.a.**
Income Tax Expense	18,150	(84)	n.a.	26,160	5,244	398.9%
Net Income (Loss) from Continued Operations	**21,690**	**18,325**	**18.4%**	**70,957**	**22,248**	**218.9%**
Net Income (Loss) from Discontinued Operations	**0**	**784**	**(100.0%)**	**535**	**1,905**	**(71.9%)**
Net Income (Loss) of the Period	**21,690**	**19,110**	**13.5%**	**71,492**	**24,153**	**196.0%**

*n.a. = not applicable. Indicates a comparison in percentage terms between a positive number in one period and a negative number in another period.
** See Note on Presentation and Comparison of Information, page 2.

1. Analysis of Income Statement

1.1. Results of Operations

1.1.1. Revenue

Revenue for the first half of 2022 amounted to CLP 1,336,865 million, an increase of 17.0% with respect to CLP 1,143,088 million for the first half of 2021. With respect to the second quarter of 2022, revenue totaled CLP 671,635 million, 16.3% higher than the CLP 577,637 million recorded in the second quarter of 2021.

Table 2: Revenue (CLP MMM)

REVENUE (CLP MMM)	2Q22	2Q21	△%	1H22	1H21	△%
UNIMARC	445	402	*10.7%*	908	797	*13.9%*
CASH & CARRY	211	161	*30.9%*	399	317	*25.7%*
OTHERS(*)	1.6	3.5	*-54.1%*	3.3	6.7	*-51.1%*
FOOD RETAIL CHILE	658	567	*16.0%*	1,310	1,121	*16.8%*
FOOD RETAIL PERU	13.7	10.6	*29.0%*	26.9	21.8	*23.4%*
CONSOLIDATED	672	578	*16.3%*	1,337	1,143	*17.0%*

(*) "Others" includes revenue from Telemercados and the Los Dominicos dark store, as well as all income other than that generated by the Company's operating formats presented in the table.

Food Retail Chile revenue increased 16.8% in 1H22 with respect to 1H21, and 16.0% in 2Q22 with respect to 2Q21. By format, revenue for Unimarc—the traditional supermarket—grew 13.9% in 1H22 and 10.7% in 2Q22, driven by both same-stores sales growth. The trend towards a recovery in traffic that the Company has observed in recent periods continued throughout the first half and second quarter of 2022, with increases of 42% and 51%, respectively, in the number of transactions with respect to the same periods of 2021. The average ticket also continued to gradually decrease, but to a lesser extent than the increase in transactions and remaining well above historical levels.

Revenue for the cash & carry segment grew 25.7% in 1H22 and 30.9% in 2Q22, driven by the Mayorista 10 and Super10 banners, which grew 28% in the half and 34% in the quarter, and Alvi, with 23% growth in the half and 27% in the quarter. The strong performance of these stores shows that they offer attractive value propositions that satisfy the needs of the different segments of customers they serve. These formats saw the same trend in traffic recovery, with a slight decrease in average ticket compared to 2021.

Online sales, through both SMU's own platforms and through strategic partnerships with last milers—who operate at Unimarc stores—account for approximately 1.8% of revenue at stores where they operate. As part of its omnichannel strategy, the Company has been strengthening its online offering, expanding the coverage of Unimarc.cl to reach all 16 regions of Chile during the second quarter and announcing a new strategic partnership with the marketplace Mercado Libre, thereby adding a new sales channel. In addition, the Company recently launched App Alvi Compras, so the chain's B2B customers can shop online to stock their businesses.

In Food Retail Peru, revenue (measured in Chilean pesos) grew 23.4% in 1H22 (+29.0% in 2Q22), and in local currency, the increase was 9.2% in 1H22 (+8.4% in 2Q22), reflecting same-store sales growth, as well as the contribution of new Maxiahorro stores opened in the last year. This segment has shown solid performance, with a value proposition that has been well received by customers.

Table 3: Same-Store Sales Growth (%)

SSS (△%)	1H22	2Q22	1Q22	1H21	2Q21	1Q21
UNIMARC	*13.7%*	*10.7%*	*16.7%*	*4.2%*	*15.4%*	*-5.2%*
CASH & CARRY	*22.6%*	*26.9%*	*18.2%*	*4.0%*	*9.8%*	*-1.5%*
FOOD RETAIL CHILE	*16.2%*	*15.2%*	*17.1%*	*3.9%*	*13.3%*	*-4.2%*
FOOD RETAIL PERU	*4.9%*	*3.5%*	*6.4%*	*-9.0%*	*-15.5%*	*-1.7%*
CONSOLIDATED	*16.2%*	*15.4%*	*17.1%*	*3.4%*	*12.2%*	*-4.3%*

Same-store sales (SSS) grew 16.2% in the first half of 2022 and 15.4% in the second quarter, with performance by format in line with revenue growth: Unimarc increased 13.7% in 1H22 (+10.7% in 2Q22), whereas the cash & carry formats grew 22.6% in 1H22 (+26.9% in 2Q22). As mentioned above, the strong sales performance reflects a recovery in the number of transactions, as well as an average ticket that remains well above historical levels.

Food Retail Peru—which accounts for 2% of SMU's revenue—recorded an increase in SSS (measured in Soles) of 4.9% in 1H22 and 3.5% in 2Q22.

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

SALES PER SQM (CLP Thousands/sqm)	2Q22	2Q21	△%	1H22	1H21	△%
FOOD RETAIL CHILE	465.7	404.7	*15.1%*	464.1	400.2	*16.0%*
FOOD RETAIL PERU	253.2	195.2	*29.7%*	247.4	199.3	*24.1%*
CONSOLIDATED	457.8	396.8	*15.4%*	456.1	392.7	*16.1%*

Sales per square meter reached CLP 456,067 for the first half of 2022, 16.1% higher than 1H21. Food Retail Chile grew 16.0%, whereas Food Retail Peru (measured in Chilean pesos) saw growth of 24.1%, in line with revenue performance. With respect to the second quarter, sales per square meter totaled CLP 457,820, an increase of 15.4% with respect to 2Q21.

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

NUMBER OF STORES	2Q22	2Q21	SALES AREA (THOUSANDS OF SQM)	2Q22	2Q21
UNIMARC	281	283	UNIMARC	346	346
CASH & CARRY	95	95	CASH & CARRY	123	123
FOOD RETAIL CHILE	376	378	FOOD RETAIL CHILE	468	469
FOOD RETAIL PERU	27	24	FOOD RETAIL PERU	19	18
CONSOLIDATED	403	402	CONSOLIDATED	487	487

Table 6: Store Openings and Closures

OPENINGS AND CLOSURES	2Q21		3Q21		4Q21		1Q22		2Q22	
	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.
UNIMARC	0	0	0	0	1	1	1	3	0	0
CASH & CARRY	0	0	0	0	1	0	0	0	0	1
FOOD RETAIL CHILE	0	0	0	0	2	1	1	3	0	1
FOOD RETAIL PERU	0	0	1	0	1	0	1	0	0	0

As of June 30, 2022, SMU's operations included 376 stores in Chile, distributed from Arica to Punta Arenas—similar to the 378 stores in operation at the end of 2Q21—and a total of 468,297 square meters. In Peru, the Company had 27 stores, with 18,297 square meters, for a **total of 403 stores and 487,223 square meters** between the two countries.

During the first half of 2022, SMU opened one Unimarc store, in La Serena, and one Maxiahorro, in Piura. In addition, the Company reopened an Alvi store that had been closed since January 2020, due to the acts of vandalism during the social unrest in Chile beginning on October 18, 2019. During the period, three Unimarc stores and one Alvi store that had not operated since the fourth quarter of 2019 (January 2020 in the case of Alvi) were removed from the total number of stores.

1.1.2. Distribution Costs and Administrative Expenses

Operating expenses (distribution costs plus administrative expenses, excluding depreciation and amortization) totaled CLP 268,990 million for the first half of 2022, an increase of 13.4% with respect to CLP 237,162 million for 1H21. As a percentage of revenue, operating expenses amounted to 20.1% in 1H22 and 20.7% in 1H21, an improvement of 60 bps. With respect to the second quarter of 2022, operating expenses totaled CLP 139,068 million (20.7% of revenue), an increase of 16.2% with respect to CLP 119,651 million (20.7% of revenue) for 2Q21.

Distribution costs for 1H22 totaled CLP 18,659 million, an increase of 29.1% with respect to 1H21. Distribution costs as a percentage of revenue amounted to 1.4% in 1H22 and 1.3% in 1H21. In 2Q22, distribution costs amounted to CLP 9,279 million (1.4% of revenue), an increase of 28.8% with respect to CLP 7,203 million (1.2% of revenue) in 2Q21. 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—as well as the increase in centralized sales.

Administrative expenses (excluding depreciation and amortization) totaled CLP 250,331 million (18.7% of revenue) in 1H22, an increase of 12.4% with respect to CLP 222,714 million (19.5% of revenue) in 1H21, but an improvement of 80 bps as a percentage of revenue. Similarly, in the second quarter, administrative expenses increased 15.4%, to CLP 129,790 million, but decreased 20 bps as a percentage of revenue (19.3% in 2Q22 vs. 19.5% in 2Q21).

The main increases during the first half are described below:

a. Increase of CLP 8,849 million (+7.9% YoY) in personnel expenses, primarily due to the higher average minimum wage (+10.3%) and inflation adjustments (+7.4%) in 1H22 with respect to 1H21, partially offset by high levels of absenteeism.

b. Increase of CLP 7,850 million (+18.2% YoY) in services, primarily due to expenses related to temporary services to cover employee absenteeism; higher rates on utilities, cleaning services, and security services, associated with inflation and higher minimum wage (as these are the main elements of the cost of these services); and demurrage charges.

c. Increase of CLP 2,487 million (+30.4% YoY) in credit card commissions, due to the increase in the use of electronic forms of payment, higher rates charged under the new four-party model, and higher sales.

d. Increase of CLP 2,026 million (+24.5% YoY) in IT services, primarily due to the implementation of strategic initiatives, including new modules of SAP, as well as increases associated with the value of the UF and the dollar.

e. Increase of CLP 1,972 million (+16.6% YoY) in lease expenses, primarily due to inflation, new store openings, and higher variable payments associated with higher sales.

f. Increase of CLP 1,159 million (+19.8%) in advertising expenses.

The main increases during the second quarter are described below:

a. Increase of CLP 8,540 million (+15.2% YoY) in personnel expenses, primarily due to the higher average minimum wage and inflation adjustments.

b. Increase of CLP 3,709 million (+17.2% YoY) in services, primarily due to expenses related to temporary services to cover employee absenteeism; higher rates on utilities, cleaning services, and security services, associated with inflation and higher minimum wage (as these are the main elements of the cost of these services); and demurrage charges.

c. Increase of CLP 1,254 million (+27.5% YoY) in credit card commissions, due to the increase in the use of electronic forms of payment, higher rates charged under the new four-party model, and higher sales.

d. Increase of CLP 1,112 million (+26.6% YoY) in IT services, primarily due to the implementation of strategic initiatives, including new modules of SAP, as well as increases associated with the value of the UF and the dollar.

e. Increase of CLP 1,052 million (+36.0%) in advertising expenses.

Table 7: Average Headcount

AVERAGE HEADCOUNT	2Q22	2Q21	△%	1H22	1H21	△%
STORES CHILE	22,101	21,859	*1.1%*	22,280	22,772	*-2.2%*
HEADQUARTERS CHILE	2,032	2,012	*1.0%*	2,033	1,998	*1.8%*
FOOD RETAIL CHILE	24,133	23,871	*1.1%*	24,313	24,770	*-1.8%*
STORES PERU	517	453	*14.1%*	523	468	*11.6%*
HEADQUARTERS PERU	160	154	*3.5%*	160	154	*3.9%*
FOOD RETAIL PERU	676	607	*11.4%*	683	623	*9.7%*
CONSOLIDATED	24,810	24,478	*1.4%*	24,996	25,393	*-1.6%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for the first half of 2022 totaled CLP 392,122 million, an increase of 15.3% with respect to CLP 340,236 million for 1H21. With respect to the second quarter, gross profit amounted to CLP 196,930 million, an increase of 14.4% with respect to CLP 172,201 million for 2Q21. However, in percentage terms, gross margin decreased 50 basis points in both periods (29.8% in 1H21 vs. 29.3% in 1H22, and 29.8% in 2Q21 vs. 29.3% in 2Q22) as a result of the change in revenue mix. AS explained above, all of the Company's formats had sales growth, but the economic formats grew more than the traditional formats.

Contribution margin totaled CLP 373,463 million (27.9% of revenue) in 1H22, an increase of 14.6% compared to CLP 325,787 million (28.5% of revenue) for 1H21. Contribution margin for 2Q22 totaled CLP 187,651 million (27.9% of revenue), an increase of 13.7% compared to CLP 164,998 million (28.6% of revenue) for 2Q21.

EBITDA for 1H22 totaled CLP 123,132 million, an increase of 19.5% with respect to CLP 103,073 million in 1H21. EBITDA margin for 1H22 amounted to 9.2%, an expansion of 20 basis points compared to 9.0% in 1H21. With respect to 2Q22, EBITDA amounted to CLP 57,861 million (EBITDA margin 8.6%), an increase of 10.1% with respect to CLP 52,549 million (EBITDA margin 9.1%) for 2Q21.

EBITDAR (EBITDA less lease expenses) totaled CLP 136,964 million (EBITDAR margin of 10.2%) in 1H22, an increase of 19.2% with respect to CLP 114,933 million (EBITDAR margin 10.1%) in 1H21. With respect to 2Q22, EBITDAR amounted to CLP 64,575 million (EBITDAR margin 9.6%), an increase of 10.1% with respect to CLP 58,672 million (EBITDAR margin 10.2%) for 2Q21.

EBITDA adjusted for store rental expenses (EBITDA including all rental expenses, including those not included in administrative expenses under IFRS 16) for 1H22 totaled CLP 86,208 million, an increase of 25.8% with respect to CLP 68,545 million in 1H21. EBITDA adjusted for store rental expenses for 2Q22 totaled CLP 39,151 million, an increase of 9.8% with respect to CLP 35,649 million in 2Q21.

1.2 Non-operating Income[3] and Income Tax Expense

The consolidated **non-operating loss** for SMU totaled CLP -34,848 million in 1H22, a difference of CLP 11,359 million with respect to CLP -46,208 million in 1H21. The main variations were:

a. **Other gains (losses)**: positive variation of CLP 29,098 million, primarily due to three non-recurring effects: (i) Gain of CLP 18,034 million in 1H22 from the sale of OK Market, which was completed on February 28; (ii) Loss of CLP 13,142 million in 1H21 due to the plan implemented by the Company in February 2021 to optimize its organizational structure, as a result of the operating efficiency initiatives that have been implemented as part of the strategic plan, including the incorporation of technological tools and redesigning in-store processes. This plan started to generate savings in March 2021; and (iii) Loss of CLP 1,452 million due to fines from the tax authority in Peru, relating to previous periods.
b. **Losses on inflation-indexed assets and liabilities**: negative variation of CLP 20,521 million, due to higher inflation with respect to 1H21.
c. **Financial income**: positive variation of CLP 4,504 million, as higher levels of cash during the period led to an increase in time deposits, and interest rates were higher.
d. **Financial expenses**: negative variation of CLP 1,526 million, primarily due to the increase in the UF (higher inflation), affecting financial costs associated with UF-denominated liabilities.

With respect to the second quarter of 2022, the non-operating loss amounted to CLP -31,819 million, a difference of CLP -17,431 million with respect to CLP -14,387 million for 2Q21. The main variations were:

a. **Losses on inflation-indexed assets and liabilities**: negative variation of CLP 16,100 million, due to higher inflation with respect to 2Q21.
b. **Financial income**: positive variation of CLP 3,132 million, as higher levels of cash during the period led to an increase in time deposits, and interest rates were higher.
c. **Other gains (losses)**: negative variation of CLP 2,455 million, primarily due to fines from the tax authority in Peru for CLP 1,451 million, relating to previous periods.
d. **Financial expenses**: negative variation of CLP 1,809 million, primarily due to the increase in the UF (higher inflation).

The **income tax benefit** for 1H22 amounted to CLP 26,160 million, a difference of CLP 20,916 million with respect to CLP 5,244 million for 1H21. Similarly, in the second quarter of 2022, the income tax benefit amounted to CLP 18,150 million, a difference of CLP 18,234 million with respect to the income tax expense of CLP -84 million reported for 2Q21. The variation is primarily due to higher inflation, resulting in higher inflation adjustments to the tax loss carryforward.

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

1.3 Results of Discontinued Operations: OK Market

The results of the OK Market business are presented consolidated in one line, “Net income from discontinued operations” (see Note on Presentation and Comparison of Information, page 2).

Revenue for OK Market in 1Q22 amounted to CLP 9,147 million, a decrease of 68.5% with respect to CLP 29.077 million reported in 1H21, reflecting the fact that OK Market ceased to belong to the SMU Group on February 28, 2022, so 1H22 results only reflect two months of operations, whereas 1H21 results include six months.

Similarly, gross profit for this business fell 67.9%, and operating expenses decreased 61.5%.

Net income from discontinued operations amounted to CLP 535 million in 1H22, a decrease of 71.9% compared to CLP 1,905 million in 1H21.

1.4 Net Income

SMU reported **net income** of CLP 71,492 million for the first half of 2022, an increase of CLP 47,339 (196.0%) compared to CLP 24,153 million for 1H21, due to the improvement in both operating income, non-operating income, and income tax effects. With respect to the second quarter, net income increased by 13.5%, amounting to CLP 21,690 million for 2Q22.

2. Analysis of Statement of Financial Position

Table 8: Statement of Financial Position as of June 30, 2022 and December 31, 2021

(CLP Million)	June 2022	December 2021	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	117,460	113,794	3,666	3.2%
Other Current Financial Assets	2,723	8	2,714	32,716.4%
Other Current Non-Financial Assets	28,037	28,496	(459)	(1.6%)
Trade Accounts Receivable and Other Receivables, Net	31,975	93,719	(61,745)	(65.9%)
Accounts Receivable from Related Companies	17,431	16,004	1,427	8.9%
Inventories	258,192	231,874	26,318	11.4%
Current Tax Assets	2,207	2,698	(491)	(18.2%)
Non-Current Assets Classified as Held for Sale	-	41,665.6	(41,666)	(100.0%)
Total Current Assets	**458,025**	**528,259**	**(70,234)**	**(13.3%)**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	389	1,713	(1,324)	(77.3%)
Other Non-Current Non-Financial Assets	2,433	2,270	163	7.2%
Non-Current Accounts Receivable	41,211	2,351	38,860	1,653.0%
Investments Accounted for Using the Equity Method	13,364	13,750	(386)	(2.8%)
Intangible Assets Other Than Goodwill	64,266	61,514	2,752	4.5%
Goodwill	473,478	472,573	906	0.2%
Property, Plant, and equipment, net	736,163	713,965	22,198	3.1%
Deferred tax assets	450,568	424,088	26,480	6.2%
Total Non-Current Assets	**1,781,873**	**1,692,224**	**89,649**	**5.3%**
TOTAL ASSETS	**2,239,898**	**2,220,482**	**19,416**	**0.9%**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	166,079	146,700	19,379	13.2%
Trade and Other Current Payables	403,998	423,762	(19,764)	(4.7%)
Accounts Payable to Related Companies	662	918	(256)	(27.9%)
Other Current Provisions	2,494	2,193	301	13.7%
Current Tax Liabilities	0	139	(139)	(100.0%)
Current Provisions for Employee Benefits	20,202	34,647	(14,444)	(41.7%)
Other Current Non-Financial Liabilities	1,276	7,378	(6,102)	(82.7%)
Non-Current Liabilities Classified as Held for Sale	-	10,877.1	(10,877)	(100.0%)
Total Current Liabilities	**594,711**	**626,612**	**(31,901)**	**(5.1%)**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	873,925	838,520	35,404	4.2%
Non-Current Payables	0	1	(1)	(100.0%)
Deferred Tax Liabilities	0	74	(74)	(100.0%)
Non-Current Provisions for Employee Benefits	4,092	2,514	1,578	62.8%
Other Non-Current Non-Financial Liabilities	-	-	-	-
Total Non-Current Liabilities	**878,017**	**841,109**	**36,908**	**4.4%**
TOTAL LIABILITIES	**1,472,728**	**1,467,721**	**5,006**	**0.3%**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Reacquired Own Equity	(540)	0	(540)	-
Retained Earnings	92,262	79,858	12,404	15.5%
Other Reserves	151,706	149,161	2,545	1.7%
Equity Attributable to the Owners of the Parent Company	767,170	752,761	14,409	1.9%
Non-Controlling Interest	-	-	-	-
Total Equity	**767,170**	**752,761**	**14,409**	**1.9%**
TOTAL LIABILITIES AND EQUITY	**2,239,898**	**2,220,482**	**19,416**	**0.9%**

2.1. Assets

As of June 30, 2022, SMU's **total assets** increased by CLP 19,416 million (0.9%) with respect to December 31, 2021, totaling CLP 2,239,898 million.

Current assets as of June 30, 2022 decreased CLP 70,234 million (13.3%) with respect to December 31, 2021, totaling CLP 458,025 million. The primary variations during the period were:

a. A decrease of CLP 61,745 million in current trade accounts receivable and other accounts receivable, primarily due to (i) a decrease in accounts receivable from Transbank, related to the seasonality of the business, and (ii) the transfer from current to non-current of the account receivable related to the payment of insurance for business interruption and physical damages arising from the acts of vandalism that took place beginning on October 18, 2019, in the amount of CLP 39,610 million. This change is due to the expected timing of payment, associated with the arbitration proceeding to be carried out between SMU and the insurance companies. However, the Company maintains its estimate of a high probability of recovery the amounts claimed, based on the insurance adjuster's verification of both the coverage and the amounts, as well as the opinion of the external legal counsel, who are experts in insurance.
b. A decrease of CLP 41,666 million in non-current assets or asset groups classified as held-for-sale, due to the completion of the sale of OK Market during the first quarter (see Note on Presentation and Comparison of Information, page 2).
c. An increase of CLP 26,318 million in inventory, primarily due to the increase in the cost of inventory, as a result of rising supplier costs, as well as the seasonality of the business.
d. An increase of CLP 3,666 million in cash and cash equivalents, due to the variations described in section 3. Analysis of Statement of Cash Flows.

Non-current assets as of June 30, 2022 increased CLP 89,649 million (5.3%) with respect to December 31, 2021, totaling CLP 1,781,873 million. The primary variations during the period were:

a. Increase of CLP 38,860 million in non-current accounts receivable, due to the transfer from current to non-current of the account receivable related to the payment of insurance for business interruption and physical damages arising from the acts of vandalism that took place beginning on October 18, 2019, in the amount of CLP 39,610 million. This change is due to the expected timing of payment, associated with the arbitration proceeding to be carried out between SMU and the insurance companies. However, the Company maintains its estimate of a high probability of recovery the amounts claimed, based on the insurance adjuster's verification of both the coverage and the amounts, as well as the opinion of the external legal counsel, who are experts in insurance
b. Increase of CLP 26,480 million in deferred tax assets, primarily due to the increase in tax loss carryforwards, due to inflation adjustments and the impact of the sale of OK Market.
c. Increase of CLP 22,198 million in property, plant, and equipment, primarily due to additions during the period (CLP 63,047 million), partially offset by depreciation (CLP 38,876 million).

2.2. Liabilities

As of June 30, 2022, the Company's **total liabilities** increased by CLP 5,006 million (0.3%) with respect to December 31, 2021, totaling CLP 1,472,728 million.

Current liabilities as of June 30, 2022 decreased by CLP 31,901 million (5.1%) with respect to December 2021, totaling CLP 594,711 million.

The primary variations during the period are detailed as follows:

a. A decrease of CLP 19,764 million in current trade accounts payable and other payables, primarily due to the cut-off date for payments.

b. An increase of CLP 19,379 million in other current financial liabilities, primarily due to an increase of CLP 23,963 million in obligations with the public, from the transfer from non-current to current of a portion of the Series B, T, and AL bonds (CLP 40,266 million), as well as the variation of the UF (inflation) during the period and accrued interest, partially offset by payments of a portion of the Series B and AL bonds for CLP 20,791 million. In addition, obligations for rights of use increased by CLP 5,885 million. These increases were partially offset by a decrease of CLP 10,321 million in bank debt, due to payments made during the period.

c. A decrease of CLP 14,444 million in current provisions for employee benefits, primarily due to the decrease of CLP 14,085 million in the provision for benefits and bonuses as a result of the payment of bonuses during the period.

d. A decrease of CLP 10,877 million in non-current liabilities or liability groups classified as held-for-sale, related to the completion of the sale of OK Market in the first quarter (see Note on Presentation and Comparison of Information, page 2).

e. A decrease of CLP 6,102 million in other current non-financial liabilities, primarily due to a decrease of CLP 6,079 million in VAT fiscal debit.

Non-current liabilities as of June 30, 2022 increased by CLP 36,908 million (4.4%) with respect to December 2021, amounting to CLP 878,017 million. The primary variation during the period was the increase of CLP 35,404 million in other non-current financial liabilities, related to the placement of the Series AO bonds (UF 1 million), as well as inflation and the addition of new rental contracts, partially offset by the transfer from non-current to current of a portion of the Series B, T, and AL bonds.

2.3. Shareholders' Equity

Shareholders' equity increased by CLP 14,409 million (1.9%), primarily explained by the increase of CLP 12,404 million in retained earnings, due to net income for the period (CLP 71,492 million), less dividends paid (CLP 59,088 million). In addition, other reserves increased by CLP 2,545 million, due to the positive effect of exchange rate variations on the investment in Peru.

3. Analysis of Statement of Cash Flows

Table 9: Statement of Cash Flows for the Six Months Ended June 30, 2022 and 2021

(CLP Million)	June 2022	June 2021	△$
Net Cash Flows From (Used in) Operating Activities	88,816	97,140	(8,324)
Net Cash Flows From (Used in) Investing Activities	24,928	(18,795)	43,723
Net Cash Flows From (Used in) Financing Activities	(110,078)	(181,869)	71,791
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**3,666**	**(103,523)**	**107,190**
Net Increase (Decrease) in Cash and Cash Equivalents	**3,666**	**(103,523)**	**107,190**
Cash and Cash Equivalents at Beginning of Period	113,794	197,672	(83,878)
Cash and Cash Equivalents at End of Period	**117,460**	**94,148**	**23,312**

During the first half of 2022, cash provided by **operating activities** totaled CLP 88,816 million, a decrease of CLP 8,324 million compared to CLP 97,140 million for 1H21. During the period, cash receipts from the sale of goods and rendering of services increased by CLP 222,941 million, while payments to suppliers increased by CLP 221,486 million, payments to employees by CLP 1,608 million, and other operating payments by CLP 12,590 million (primarily related to VAT payments from higher sales). At the same time, interest received increased by CLP 4,489 million during the period.

Cash provided by **investing activities** for 1H22 totaled a net inflow of CLP 24,928 million, a difference of CLP 43,723 million compared to the net outflow of CLP -18,795 million for 1H21. The main cash inflow in 1H22 was from the sale of OK Market (CLP 49,100 million), whereas the main outflow of cash in investing activities is for **CAPEX**, which includes purchases of property, plant and equipment and purchases of intangible assets and amounted to CLP 22,397 million in 1H22 and CLP 19,276 million in 1H21.

Cash used in **financing activities** for 1H22 totaled a net outflow of CLP -110,078 million, mainly explained by (i) payments of dividends for CLP 59,088 million; (ii) repayment of loans for CLP 32,354 million (Series B and AL bonds and bank debt); (iii) interest payments for CLP 25,151 million; and (iv) payments of financial leases for CLP 24,766 million; partially offset by proceeds from long-term loans for CLP 31,820 million, from the placement of Series AO bonds. In 1H21, cash used in financing activities totaled a net outflow of CLP -181,869 million, mainly explained by: (i) payment of loans for CLP 103,903 million; (ii) payments of financial leases for CLP 26,834 million; (iii) interest payments of CLP 24,978 million; and (iv) dividend payments for CLP 26,153 million.

4. Financial Indicators

Table 10: Financial Indicators

			Jun. 2022	Dec. 2021
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0.77	0.84
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0.34	0.47
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0.66	0.66
Total Liabilities / Equity	times	*Total liabilities / Equity*	1.92	1.95
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*	0.58	0.55
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	40.38	42.69
Net Financial Liabilities / EBITDA	times	*(Other current financial liabilities + other non-current financial liabilities - cash and cash equivalents)/EBITDA for the last 12 months*	3.54	3.86
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	46.69	43.22
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	7.11	11.33
Accounts Payable Days	days	*Average current trade and other accounts payable for the period / (Daily cost of goods sold for the period * 1.19)*	66.27	67.90
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)*	5.68	4.88
Gross Margin (Last 12 months)	%		28.98	29.15
EBITDA (Last 12 months)	CLP MM		245,838	225,780
EBITDA Margin (Last 12 months)	%		9.22	9.13
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	5.49	3.41
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	6.97	4.33
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	16.04	10.06
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	10.38	9.27
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	14.89	13.26
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*	174,521	156,859
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)*	13.78	9.48
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*	2.57	2.66

With respect to **liquidity** indicators, the difference between December 2021 and June 2022 is due to the fact that the decrease in current assets was greater than the decrease in current liabilities, as explained in section 2 of this document.

With respect to **indebtedness** indicators, the variation in the ratio between net financial debt and shareholders' equity is because the increase in net financial debt was greater than the increase in shareholders' equity, as described in section 2 of this document. Likewise, the variation in the ratio between net financial liabilities and EBITDA is because the increase in net financial liabilities was less than the increase in EBITDA for the last 12 months, as explained in sections 1 and 2 of this document.

With respect to **working capital** indicators, the primary differences are in inventory turnover, due to the increase in inventory levels, and in accounts receivable days, due to the decrease in current accounts payable, as explained in section 2 of this document.

With respect to **efficiency** and **profitability** indicators, the improvements are primarily explained by the increase in EBITDA, operating income, and net income for the last 12 months, as explained in section 1 of this document.

5. Risk Management

The main risks faced by SMU, as well as certain measures taken by the Company to mitigate such risks, are described in note 4 to SMU's consolidated financial statements as of June 30, 2022.

6. Relevant Events During the Period

1. On February 28, 2022, the Company filed an essential fact, informing:
    a) As informed in the essential fact filed on October 8, 2020, SMU's subsidiaries Supermercados Chile S.A. and Inversiones SMU SpA (together, the "Sellers"), which own 100% of the shares of OK Market S.A. ("OK Market"), today executed a binding agreement (herein, the "Agreement") with FEMSA Comercio, S.A. de C.V. (herein, "FEMSA" and together with the Sellers, the "Parties"), for the sale of 100% of OK Market's shares and the sale of the merchandise in OK Market's stores at the closing date (herein, the "Transaction").
    b) As informed in the abovementioned essential fact, the Transaction was subject to a series of conditions for its completion, including, among others, approval by anti-trust authorities, the negotiation of a share purchase agreement according to which shares shall be transferred, and completion of due diligence by FEMSA.
    c) On November 26, 2021, the Chilean antitrust authority (*Fiscalía Nacional Económica* or "FNE") approved the Transaction, subject to remedies proposed by the parties.
    d) The regulatory requirements that are necessary to complete the Transaction have been met, and the due diligence process has been satisfactorily completed by FEMSA. Therefore, I hereby inform you that today the sale of OK Market has been completed, through the execution of a share purchase agreement.
    e) The total price received by SMU as a result of the sale amounts to CLP 49,474,788,613. As stated in the essential fact filed on October 8, 2020, SMU's Board of Directors

approved that the proceeds from this transaction will be used primarily towards the execution of the Company's strategic plan

f) The Company estimates that the impact from the Transaction on first quarter 2022 net income will be approximately CLP 20,000 million.

2. On March 15, 2022, the Company filed an essential fact, informing the placement of dematerialized bearer bonds in the local Chilean market under Series AO (ticker BCSMU-AO), charged to the bond line that is registered with the Securities Registry of the CMF under number 1.098 ("Series AO Bonds"). The series was placed at an annual interest rate of 6.25%, with an annual coupon rate of 6.3%, and a maturity date of March 1, 2027.
The placement of the Series AO Bonds was for a total amount of UF 1 million. The Company intends to use the total amount of the net proceeds from the placement to refinance existing financial liabilities.

3. On March 28, 2022, the Company filed an essential fact, informing that that the Company's Board of Directors agreed the following:

(1) To call an Annual Ordinary Shareholders' Meeting to be held on April 21, 2022, 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:

a. Approve annual report and financial statements for the 2021 period.
b. Approve the report of independent auditors.
c. Approve remunerations of Board of Directors and other corporate committees for the 2022 period. Inform Board of Directors expenses incurred during 2021 period.
d. Inform activities and expenses of Directors' Committee for the 2021 period and determine remunerations and budget for the 2022 period.
e. Inform operations referred to under Title XVI of Law No. 18,046 (related-party operations).
f. Designate independent audit firm for the 2022 period.
g. Designate credit rating agencies for the 2022 period.
h. Dividend payment and distribution of net income for the 2021 period.
i. Designate newspaper in which legally required notifications will be published.
j. Review any other matter that is of interest to shareholders and pertains to the Annual Ordinary Shareholders' Meeting.

(2) To submit for shareholder approval at such Annual Shareholders' Meeting a proposal for the payment of a final dividend in the amount of CLP 3.76549 per share, which is in addition to the interim dividends of CLP 0.65525 per share, CLP 2.48282 per share, and CLP 2.93258 per share, paid on June 23, September 28, and December 22, 2021, respectively, for a total amount of CLP 56,779,874,116, or CLP 9.83614 per share. If approved, such dividend would be paid on April 29, 2022 to shareholders of record as of the fifth business day prior to such date.

(3) In addition, the Board of Directors agreed to call an Extraordinary Shareholders' Meeting, to be held immediately after the Annual Ordinary Shareholders' Meeting, in order to discuss and vote on the following matters:

a. Approval of a share repurchase program, in accordance with Articles 27A to 27C of the Corporations Act (Ley de Sociedades Anónimas) of Chile, as well as other applicable regulations.

b. Approval of the details of the share repurchase program, in particular: (a) the maximum amount or percentage to be acquired; (b) the purpose and duration of the share repurchase program, which may not exceed five years; (c) delegation to the Board of Directors of the responsibility for setting the purchase price for the respective shares; (d) authorization of the Board of Directors to directly acquire shares representing up to 1% of shares within any 12-month period, without the need to apply the pro rata procedure; (e) authorization of the Board of Directors to sell the shares acquired, through a preferential rights offering or without a preferential rights offering when the total amount of shares to be sold within any 12-month period does not exceed 1% of shares; and (f) any other relevant conditions.

c. In general, approval of any other agreements necessary to implement the share repurchase program and other related resolutions.

In light of public health concerns related to the COVID-19 pandemic, the Board of Directors also agreed to offer shareholders to the option to participate remotely. Further information about how to participate remotely in the meeting will be available soon on the Company's website.

4. On March 31, 2022, the rating agency ICR improved the outlook on SMU's credit rating from A (stable outlook) to A (positive outlook).

5. On April 21, 2022, the Company filed an essential fact, informing that shareholders at SMU's annual general shareholders' meeting approved the following:

   a. Approve annual report and financial statements for the 2021 period.

   b. Approve the report of independent auditors.

   c. Approve remunerations of Board of Directors and other corporate committees for the 2022 period. In addition, shareholders were informed of Board of Directors expenses incurred during 2021 period.

   d. Approve remunerations of the Directors' Committee for the 2022 period and inform activities and expenses of such committee during 2021.

   e. Approve the report of operations referred to under Title XVI of Law No. 18,046 (related-party operations).

   f. Designate KPMG Auditores Consultores Limitada as the independent audit firm; and designate Feller-Rate and ICR as local credit rating agencies.

   g. Designate the El Pulso section of La Tercera as the newspaper in which legally required notifications will be published.

   h. Distribute to shareholders a final dividend of CLP 3.76549 per share, which is in addition to the interim dividends of CLP 0.65525 per share, CLP 2.48282 per share, and CLP 2.93258 per share, paid on June 23, September 28, and December 22, 2021, respectively, for a total amount of CLP 56,779,874,116, or CLP 9.83614 per share (75% of net income). The balance of net income from 2021, CLP 18,926,776,778, will remain in the retained earnings account of shareholders' equity. Such dividend was paid beginning on April 29, 2022 to shareholders of record as of the fifth business day prior to such date.

i. Approve a dividend policy to distribute 75% of net income of each period.

The Company also held an Extraordinary Shareholders' Meeting, at which shareholders approved the following resolutions:

a. Approve a dividend policy to distribute 75% of net income of each period.
b. Approve a share repurchase program, in accordance with Articles 27A to 27C of the Corporations Act (*Ley de Sociedades Anónimas*) of Chile, as well as other applicable regulations.
c. Approve that the maximum amount of the share repurchase program will not exceed the Company's retained earnings. The Company may not hold shares in excess of 5% of total shares outstanding.
d. Approve that the duration of the share repurchase program will be five years beginning on today's date, and the objective of the program is for SMU to be able to purchase its own shares in order to obtain potential benefits for the Company and its shareholders.
e. Delegate to the Board of Directors the responsibility for setting the purchase price for the respective shares.
f. Authorize the Board of Directors to directly acquire shares representing up to 1% of shares within any 12-month period, without the need to apply the pro rata procedure.
g. Authorize the Board of Directors to sell the shares acquired, through a preferential rights offering or without a preferential rights offering when the total amount of shares to be sold within any 12-month period does not exceed 1% of shares.
h. Delegate to the Board of Directors any additional matters necessary to implement the share repurchase program and other related resolutions.

6. On April 29, 2021, the rating agency Feller-Rate ICR improved the outlook on SMU's credit rating from A (stable outlook) to A (positive outlook).
7. On May 16, 2022, the Company filed an essential fact, informing that the Board of Directors had agreed to distribute an interim dividend of CLP 37,350,939,015 (CLP 6.47041 per share), to be charged to retained earnings for 2022. This interim dividend is equivalent to 75% of retained earnings as of March 31, 2022 and was paid beginning on June 6, 2022 to shareholders of record on the fifth business day prior to such date.
8. On May 30, 2022, the Company filed an essential fact, informing that its Board of Directors agreed to begin the share buyback program that was approved at the Extraordinary Shareholders' Meeting held on April 21, 2022. The Board authorized the Company's Management to directly acquire up to 1% of SMU's shares, without the need to apply the pro rata procedure, during the six months starting today, at a market price it deems convenient. At the end of the six-month period, the Board will evaluate whether the buyback program should continue for a new period.

9. On June 8, 2022, the Company announced a partnership between Unimarc and the marketplace Mercado Libre to sell groceries, especially dry goods. This partnership allows SMU to continue strengthening its omnichannel growth strategy, diversifying its sales channels.

7. Subsequent Events

1. On July 15, 2022, the Company filed an essential fact, informing the following:

    (1) As informed in the Essential Fact filed on July 27, 2021, SMU and Inmobiliaria Santander S.A. ("ISSA") executed, on such date, a binding Framework Contract for the lease of business locations where supermarkets from the Montserrat chain previously operated (the "Agreement").

    (2) In such filing, the Company reported that the Transaction was subject to a series of conditions, including, among others, the approval of free competition authorities and the completion of a due diligence procedure by SMU, covering ISSA's commercial locations.

    (3) The Transaction has been approved by the free competition authorities, and the due diligence procedure has been completed, and therefore, SMU and ISSA have executed lease contracts for 21 store locations (the "Lease Contracts").

    (4) Should the terms and conditions defined in the Lease Contracts be met, ISSA will make the properties available to SMU, in order to begin construction on the stores the Company will operate. On such date, SMU or one of its subsidiaries will also execute a purchase agreement for the assets located inside of each store location.

    (5) Finally, we hereby inform you that it is not currently possible to accurately estimate the impact that the Transaction will have on the Company's results. Approve annual report and financial statements for the 2021 period.

About SMU

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

Caution Regarding Forward-Looking Statements

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

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