EARNINGS RELEASE

1ST QUARTER 2023

MAY 15, 2023

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

During the first quarter of 2023 (1Q23), **SMU's revenue increased 5.9%** with respect to the first quarter of 2022 (1Q22), totaling CLP 704,239 million. In Chile, revenue increased 5.8%, in line with industry growth (5.5% according to the National Statistics Institute), despite the high comparison base. Consumer preferences and behavior for the first quarter of the year 2022 continued to reflect the higher liquidity that characterized the year 2021. In subsequent quarters, due to the inflationary economic environment, consumers started prioritizing saving, a trend that continued in the first quarter of 2023. SMU's **multiformat strategy** allows the Company to satisfy its customers' needs in different socioeconomic groups, with different sophistication levels. During the quarter, the formats **Alvi, Mayorista10 and Super10** had a particularly strong performance, with revenue growth of 11.5% for the segment.

SMU's **gross profit increased 10.3%** in 1T23, and gross margin reached 30.6%, growing 130 base points (bps), reflecting improvements in commercial efficiency. In addition, despite the 13.6% increase in **operating expenses**[1], driven by accumulated annual inflation and higher minimum wage, **SMU's EBITDA**[2] **increased 3.7%, to CLP 67,702 million**, with an EBITDA margin of 9.6%, slightly lower than the 9.8% of 1T22, but well above the Company's target.

The comparison of the Company's **non-operating results** between 1Q23 and 1Q22 was affected by the **sale of OK Market** during the first quarter of 2022, which is reflected in "other gains" and in the income tax expense. Another relevant difference year-over-year was the **lower inflation** in 1T23, generating a lower loss on indexed assets and liabilities, but a higher income tax expense, due to deferred taxes.

These two effects explain the variation in net income for the first quarter, which totaled CLP 21,776 million, lower by CLP 28,025 million with respect to 1Q22. Of this difference, CLP 20,844 million is due to the OK Market effect and CLP 10,608 million is due to higher income taxes. These effects are partially offset by the better non-operating result (CLP 4,585 million), excluding the impact of OK Market. Net income before taxes (excluding the impact of the sale of OK Market) increased CLP 3,961 million (17.3%) in 1Q23 with respect to 1Q22.

With respect to the Company's financial position, in March and April 2023, respectively, the credit rating agencies ICR and Feller-Rate improved the outlook on SMU's rating from "stable" to "positive", confirming its credit rating in the "A+" category. In both cases, the change was the result of the agencies' annual review processes, which were based on the financial statements for the year 2022. The decision to improve the outlook was made in light of the strengthening of the Company's financial position and the sustained operating and financial improvements. The Company is now one step away from a AA- rating.

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

During the first quarter, the positive trend in the Company's financial indicators continued: net interest coverage reached 6.6 times as of March 2023, compared to 6.4 times as of December 2022. Net financial liabilities to EBITDA was 3.30 times as of March 2023, compared to 3.44 times as of December 2022. When these ratios are adjusted to correct for the impact of store rental contracts on EBITDA and financial liabilities, net interest coverage grew to 20.4 times as of March 2023 (17.5 times as of December 2022), and net financial debt to EBITDA was 2.13 times as of March 2023 (2.26 times as of December 2022).

The Company's cash generation is also worth highlighting. Cash from operating activities increased CLP 25,140 million in the quarter, enabling the Company to pay CLP 22,727 million in financial debt maturities and CLP 11,563 million in CAPEX, ending the quarter with CLP 136,129 million in cash and cash equivalents, an increase of CLP 11,597 million with respect to December 2022.

Management Commentary

With respect to the release of earnings for the first quarter of 2023, SMU's CEO, Marcelo Gálvez, stated, "During the first quarter, and in the year to date in general, we have maintained our focus on delivering solutions to our customers, including value propositions that feature an attractive assortment and convenient prices that help to maximize the family budget. We've incorporated new, innovative promotions, such as the *Descuentazo* at Unimarc and the *Ofertas al Chancho* at Mayorista 10. We also continued to grow our private label portfolio, with over 50 new product launches. Through these initiatives, we help customers across our multiple formats to save, solving one of their main concerns."

"It's important to keep in mind the fact that in early 2022, consumer behavior still reflected the higher liquidity we saw in 2021, preferring more sophisticated products, which generated a high comparison base for the first quarter of 2023. In the following quarters, given the high levels of inflation, consumers began to prioritize savings, and that continues to be the case today. Despite this high comparison base, we achieved revenue growth of 5.9%, slightly above the market, and EBITDA growth of 3.7%, with respect to the first quarter of 2022. In addition, we achieved an EBITDA margin of 9.6%, well above our target level."

Mr. Gálvez went on to say, "With respect to net income, in the first quarter of last year, we had the non-recurring effect of the sale of OK Market, which makes it difficult to compare the numbers. However, excluding that effect, pre-tax income improved 17.3%. Net income for the first quarter of 2023 totaled nearly CLP 22 billion, and we maintained our double-digit return on equity, which was 13% for the period."

"In addition, over the last two months, both of our credit rating agencies, ICR and Feller-Rate, improved the outlook on our rating, from stable to positive, and in the first quarter, the sustained strengthening of our financial position continued, with improvements in indebtedness ratios and very solid cash generation."

"With respect to our strategic plan, in these first months of the year, we've opened two new Unimarc stores and inaugurated our fifth Super10 store. We've also made excellent progress on construction on the other store openings we've planned for this year. Regarding the Montserrat project, we've just received the first stores, and we are beginning to prepare the remodeling projects in order to open those stores during the second half of the year."

"In initiatives relating to customer experience, the strong sales of private label products has continued, growing 27% in the quarter. I would also like to highlight our Alvi Members Expo event, where over 6,000 B2B customers who belong to Club Alvi were able to meet with over 35 suppliers and 80 major brands. Through this activity, Alvi aimed to create value for its members, helping them to discover new products and assortments so they can grow their businesses."

"Finally, at the beginning of this month, we had a significant accomplishment relating to energy efficiency and sustainability: we obtained the Energy Sustainability Agency's Clean Business certification, as a company that generates cargo. As part of our commitment to climate action, we have been encouraging the transport companies we work with to adopt technologies to improve energy performance. We have been able to get 70% of the transportation fleet we hire to join the Clean Business program, and we have been helping them in their own certification process," concluded Mr. Gálvez.

Highlights

Improved Credit Rating Outlook

In March and April 2023, respectively, the credit rating agencies ICR and Feller-Rate improved the outlook on SMU's rating from "stable" to "positive", confirming its credit rating in the "A+" category. In both cases, the change was the result of the agencies' annual review processes, which were based on the financial statements for the year 2022. The decision to improve the outlook was made in light of the strengthening of the Company's financial position and the sustained operating and financial improvements. The Company is now one step away from a AA- rating.

Annual General Meeting and Final Dividend Payment

SMU's Annual General Meeting was held on April 20, 2023. Shareholders approved all voting matters, including the approval of the annual report and financial statements, designation of independent auditors and credit rating agencies, and Board member remunerations, among others. In addition, shareholders agreed to distribute a final dividend of CLP 4.06695 per share, paid on April 28, 2023, consistent with the Company's dividend policy.

Conference Call

SMU will host a conference call and webcast for investors on Wednesday, May 17, 2023 at 11:00 am ET/ 11:00 am Santiago to discuss its first quarter 2023 results.

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

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

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

1. Analysis of Income Statement

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

Table 1: Consolidated Income Statement

(CLP Million)	1Q23	1Q22	△%
Revenue	704,239	665,230	5.9%
Cost of Sales	(488,940)	(470,037)	4.0%
Gross Profit	**215,299**	**195,192**	**10.3%**
Gross Margin (%)	*30.6%*	*29.3%*	
Distribution Costs	(10,536)	(9,380)	12.3%
Contribution Margin	**204,763**	**185,812**	**10.2%**
Contribution Margin (%)	*29.1%*	*27.9%*	
Administrative Expenses (Excluding Depreciation)	(137,062)	(120,542)	13.7%
EBITDA	**67,702**	**65,271**	**3.7%**
EBITDA Margin (%)	*9.6%*	*9.8%*	
Depreciation and Amortization	(24,039)	(20,985)	14.6%
Operating Income	**43,662**	**44,286**	**(1.4%)**
Other Gains (Losses)	(427)	18,078	n.a.
Financial Income	3,338	1,927	73.3%
Financial Expenses	(13,239)	(12,437)	6.4%
Share of Profit (Loss) of Associates	28	9	211.6%
Foreign Exchange Differences	(292)	(57)	414.5%
Income (Loss) for Indexed Assets and Liabilities	(6,195)	(10,550)	(41.3%)
Non-operating Income	**(16,787)**	**(3,030)**	**454.1%**
Net Income (Loss) Before Taxes	**26,876**	**41,256**	**(34,9%)**
Income Tax Expense	(5,100)	8,010	n.a
Net Income (Loss) from Continued Operations	**21,776**	**49,266**	**(55.8%)**
Net Income (Loss) from Discontinued Operations	**0**	**535**	**(100.0%)**
Net Income (Loss) of the Period	**21,776**	**49,801**	**(56.3%)**
Net income attributable to owners of the Parent	22,211	49,909	(55.5%)
Net income attributable to non-controlling interests	(435)	0	n.a.
Net Income (Loss) of the Period	**21,776**	**49,801**	**(56.3%)**

*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 2023 amounted to CLP 704,239 million, an increase of 5.9% with respect to CLP 665,230 million recorded in the first quarter of 2022.

Table 2: Revenue (CLP MMM)

REVENUE (CLP BN)	1Q23	1Q22	△%
UNIMARC	476	462	*3.0%*
CASH & CARRY	210	188	*11.5%*
OTHERS(*)	4.0	1.7	*144.7%*
FOOD RETAIL CHILE	690	652	*5.8%*
FOOD RETAIL PERU	14.1	13.2	*6.8%*
CONSOLIDATED	704	665	*5.9%*

(*) "Others" includes all revenue other than that generated by the Company's operating formats presented in the table. Additionally, in 1Q23, it includes revenue from the financial services business. See Note Regarding Presentation and Comparison of Information, page 20.

Food Retail Chile revenue increased 5.8% in the first quarter of 2023 with respect to 1Q22, in line with industry growth (5.5% according to the National Statistics Institute), despite the high comparison base. Consumer preferences and behavior for the first months of 2022 continued to reflect the higher liquidity that characterized the year 2021. In subsequent quarters, due to the inflationary economic environment, consumers started prioritizing saving and focusing much more on prices, a trend that continued during the first quarter of 2023.

SMU's multiformat strategy allows the Company to satisfy the needs of its customers in different socioeconomic segments and with different levels of sophistication. As such, during the first quarter, the cash & carry segment, which includes the formats Alvi, Mayorista10 and Super10, grew 11.5%. Meanwhile, Unimarc, the traditional supermarket, had revenue growth of 3.0% in 1Q23 with respect to 1Q22. In all formats, as in previous periods, customer traffic continued to increase, whereas the average ticket also continued to gradually decrease, but to a lesser extent than the increase in transactions and remaining well above historical levels.

Online sales, through both SMU's own platforms and through strategic partnerships with last milers, account for 2.3% of revenue at stores with online operations. Growth in recent quarters reflects the higher penetration of Unimarc.cl, with an increased number of transactions, due to expanded coverage and operating improvements, including the micro-fulfillment center, which helps to improve the customer experience, through more complete and exact orders.

In Food Retail Peru, revenue (measured in Chilean pesos) grew 6.8% in 1Q23, (+6.7% in local currency), driven primarily by new Maxiahorro stores, which are the focus of future growth of SMU in Peru.

Table 3: Same-Store Sales Growth (%)

SSS (△%)	1T23	1Q22
UNIMARC	*1.8%*	*16.7%*
CASH & CARRY	*10.8%*	*18.2%*
FOOD RETAIL CHILE	*4.4%*	*17.1%*
FOOD RETAIL PERU	*-1.5%*	*6.4%*
CONSOLIDATED	*4.2%*	*17.1%*

Same-store sales (SSS) grew 4.2% in the first quarter of 2023, and 4.4% in Chile, over a high comparison base in the first quarter of 2022, when consumption levels were higher. By format, cash & carry segment kept growing double digits, with 10.8% in 1Q23, while Unimarc increased 1.8%. Same-store sales for food retail Peru (measured in soles) decreased 1.5% in 1Q23, primarily due to the fact that growth in Peru is driven by new openings in the north of the country, which have outperformed projections for their first year of operations. However, not all of these stores are included in the same-store sales calculation yet.

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

SALES PER SQM (CLP Thousands/sqm)	1Q23	1Q22	△%
FOOD RETAIL CHILE	481.0	462.6	*4.0%*
FOOD RETAIL PERU	249.7	241.6	*3.3%*
CONSOLIDATED	472.1	454.3	*3.9%*

Sales per square meter reached CLP 472,112 for 1Q23, 3.9% higher than 1Q22. Food retail Chile grew 4.0%, whereas food retail Peru (measured in Chilean pesos) saw growth of 3.3%.

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

NUMBER OF STORES	1Q23	1Q22
UNIMARC	286	281
CASH & CARRY	95	96
FOOD RETAIL CHILE	381	377
FOOD RETAIL PERU	29	27
CONSOLIDATED	410	404

SALES AREA (THOUSANDS OF SQM)	1Q23	1Q22
UNIMARC	349	346
CASH & CARRY	122	124
FOOD RETAIL CHILE	471	469
FOOD RETAIL PERU	19	19
CONSOLIDATED	491	488

Table 6: Store Openings and Closures

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

As of March 31, 2023, SMU's operations included 381 stores in Chile, distributed from Arica to Punta Arenas, four more than the 377 stores at the end of 1Q22, and a total of 471,409 square meters. In Peru, the Company had 29 stores, an increase of two stores compared to the 27 stores in 1Q22, with 19,277 square meters, for a **total of 410 stores and 490,686 square meters** between the two countries.

During the first quarter of 2023, the Company opened one Unimarc store in Puerto Montt, increasing its coverage in the region. Additionally, a conversion from Mayorista 10 to Super10 was made in the Santiago Metropolitan region.

1.1.2. Distribution Costs and Administrative Expenses

Operating expenses (distribution costs plus administrative expenses, excluding depreciation and amortization) totaled CLP 147,597 million for the first quarter of 2023, an increase of 13.6% with respect to CLP 129,922 million for 1Q22. As a percentage of revenue, operating expenses amounted to 21.0% in 1Q23, compared to 19.5% in the same period of last year.

Distribution costs for 1Q23 totaled CLP 10,536 million, an increase of 12.3% with respect to CLP 9,380 in 1Q22. Distribution costs as a percentage of revenue amounted to 1.5% in the first quarter of 2023, and 1.4% in the same period of last year. 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 137,062 million (19.5% of revenue) in 1Q23, an increase of 13.7% with respect to CLP 120,542 million (18.1% of revenue) in 1Q22.

The main variations during the first quarter of 2023 are described below:

a. Increase of CLP 11,534 million (+20.5% YoY) in personnel expenses, primarily due to the higher average minimum wage (17.1%), and inflation adjustments (+13.3%), partially offset by a lower average headcount.

b. Increase of CLP 1,691 million (+6.6% YoY) in services, primarily explained by higher rates on electricity, security services and cleaning services, associated with inflation and higher minimum wage, as well as higher expenses related to sales growth in Unimarc.cl

c. Increase of CLP 1,450 million (+43.9% YoY) in external services, primarily due to consulting services on strategic projects.

d. Increase of CLP 1,424 million (+29.3% 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.

e. Increase of CLP 1,149 million (+23,0% YoY) in IT services, primarily due to the implementation of strategic initiatives.

Table 7: Average Headcount

AVERAGE HEADCOUNT	1Q23	1Q22	△%
STORES CHILE	21,555	22,459	*-4.0%*
HEADQUARTERS CHILE	2,198	2,023	*8.6%*
FOOD RETAIL CHILE	23,753	24,483	*-3.0%*
STORES PERU	555	529	*4.9%*
HEADQUARTERS PERU	165	161	*2.9%*
FOOD RETAIL PERU	720	689	*4.4%*
TOTAL	24,473	25,172	*-2.8%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for the first quarter of 2023 totaled CLP 215,299 million, an increase of 10.3% with respect to CLP 195,192 million for the first quarter of 2022. In percentage terms, gross margin amounted to 30.6% in 1Q23, 130 bps higher than the 1Q22 (29.3%), reflecting the improved commercial efficiency.

Contribution margin totaled CLP 204,763 million (29.1% of revenue) in 1Q23, an increase of 10.2% with respect to CLP 185,812 million (27.9% of revenue) for 1Q22.

EBITDA for the first quarter of 2023 totaled CLP 67,702 million, an increase of 3.7% with respect to CLP 65,271 million in the first quarter of 2022. EBITDA margin for 1Q23 was 9.6%, 20 bps lower than the 9.8% reported for 1Q22 was 9.8%, due to the high comparison base, but still remaining well above the long-term target of 9%.

EBITDA adjusted for store rental expenses (EBITDA including all rental expenses, including those not included in administrative expenses under IFRS 16) for the first quarter of 2023 totaled CLP 46,506 million, similar to CLP 47,056 million in 1Q22.

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

The consolidated **non-operating loss** for SMU totaled CLP -16,787 million in the first quarter of 2023, a difference of CLP -13,757 million with respect to CLP -3,030 million in 1Q22, primarily explained by the non-recurring effect of the sale of OK Market in 1Q22, which generated a CLP 18,342 million gain.

Excluding this effect, the non-operating result would have improved CLP 4,585 million in 1Q23, primarily due to: (i) lower losses on inflation-indexed assets and liabilities (CLP 4,355 million) due to lower inflation in 1Q23 with respect to 1Q22, and (ii) higher financial income (CLP 1,411 million), as higher levels of cash during the period led to an increase in time deposits, and interest rates were higher, partially offset by (iii) an increase of CLP 802 million in financial expenses, primarily due to the increase in the UF (higher inflation), affecting financial costs associated with UF-denominated liabilities.

The **income tax expense** for the first quarter of 2023 amounted to CLP -5,100 million, a negative variation of CLP 13,110 million with respect to the income tax benefit of CLP 8,010 million recorded in the first quarter of 2022. The difference is explained mostly by: (i) income tax benefit generated by the sale of OK Market in 1Q22 (positive effect in 1Q22: CLP 2,502 million); (ii) the better net income before taxes in 1Q23, excluding the effect of the sale of OK Market (negative difference in 1Q23: CLP 1,070 million); and (iii) the lower inflation adjustments to the tax loss carryforward and other tax items, due to lower inflation in 1Q23 vs. 1Q22.

1.3 Results of Discontinued Operations: OK Market

On February 28, 2022, the convenience business OK Market was sold, and consequently, the results of this business are presented consolidated in a single line, "Net income from discontinued operations", in the financial statements of SMU as of March 31, 2023 (see Note Regarding Presentation and Comparison of Information, page 20). SMU's results in 1Q22 include two months where OK Market operated as part of the SMU Group, generating CLP 535 million of net income, whereas in 1Q23, this business was no longer part of the Company's operations.

1.4 Net Income

SMU reported **net income** of CLP 21,776 million for the first quarter of 2023, a decrease of CLP 28,025 (56.3%) compared to CLP 49,801 million for the first quarter of 2022, primarily explained by the non-recurring effect of the sale of OK Market in 1Q22, equivalent to CLP 20,844 million. Additionally, there is a difference of CLP 10,608 million in the income tax, due to lower inflation in 1Q23 with respect to 1Q22, generating a lower inflation adjustment to the tax loss carryforward, partially offset by the better non-operating result of CLP 4,585 million. Net income before taxes, excluding the effect of the sale of OK Market, grew CLP 3,961 million (17.3%) in 1Q23 with respect to 1Q22.

[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)

2. Analysis of Statement of Financial Position

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

(CLP Million)	March 2023	December 2022	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	136,129	124,531	11,597	9.3%
Other Current Financial Assets	3,561	6,734	(3,173)	(47.1%)
Other Current Non-Financial Assets	25,788	35,737	(9,949)	(27.8%)
Trade Accounts Receivable and Other Receivables, Net	55,049	81,633	(26,585)	(32.6%)
Accounts Receivable from Related Companies	324	401	(78)	(19.3%)
Inventories	252,566	245,353	7,212	2.9%
Current Tax Assets	3,670	2,844	826	29.0%
Total Current Assets	**477,086**	**497,235**	**(20,148)**	**(4.1%)**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	396	396	(0)	(0.1%)
Other Non-Current Non-Financial Assets	2,758	3,921	(1,164)	(29.7%)
Non-Current Accounts Receivable	41,791	41,358	433	1.0%
Investments Accounted for Using the Equity Method	3,280	3,253	28	0.9%
Intangible Assets Other Than Goodwill	67,184	67,473	(290)	(0.4%)
Goodwill	473,097	472,939	158	0.0%
Property, Plant, and equipment, net	760,193	762,790	(2,597)	(0.3%)
Deferred tax assets	473,805	479,271	(5,467)	(1.1%)
Total Non-Current Assets	**1,822,503**	**1,831,402**	**(8,899)**	**(0.5%)**
TOTAL ASSETS	**2,299,589**	**2,328,637**	**(29,047)**	**(1.2%)**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	165,226	164,346	880	0.5%
Trade and Other Current Payables	432,213	446,798	(14,584)	(3.3%)
Accounts Payable to Related Companies	718	1,017	(300)	(29.5%)
Other Current Provisions	3,222	3,033	189	6.2%
Current Tax Liabilities	1,197	257	940	365.8%
Current Provisions for Employee Benefits	15,978	26,223	(10,244)	(39.1%)
Other Current Non-Financial Liabilities	1,440	10,765	(9,325)	(86.6%)
Total Current Liabilities	**619,994**	**652,438**	**(32,444)**	**(5.0%)**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	857,681	876,600	(18,919)	(2.2%)
Non-Current Provisions for Employee Benefits	13,494	12,267	1,227	10.0%
Total Non-Current Liabilities	**871,175**	**888,868**	**(17,692)**	**(2.0%)**
TOTAL LIABILITIES	**1,491,169**	**1,541,305**	**(50,136)**	**(3.3%)**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Reacquired Own Equity	(833)	(833)	-	0.0%
Retained Earnings	136,793	114,582	22,211	19.4%
Other Reserves	144,741	145,428	(687)	(0.5%)
Equity Attributable to the Owners of the Parent Company	804,443	782,919	21,524	2.7%
Non-Controlling Interest	3,977	4,412	- 435	(9.9%)
Total Equity	**808,420**	**787,331**	**21,089**	**2.7%**
TOTAL LIABILITIES AND EQUITY	**2,299,589**	**2,328,637**	**(29,047)**	**(1.2%)**

2.1. Assets

As of March 31, 2023, SMU's **total assets** decreased by CLP 29,047 million (1.2%) with respect to December 31, 2022, totaling CLP 2,299,589 million.

Current assets as of March 31, 2023 decreased CLP 20,148 million (4.1%) with respect to December 31, 2022, totaling CLP 477,087 million. The primary variations during the period were:

a. Decrease of CLP 26,585 million in current trade accounts receivable and other accounts receivable primarily due to the decrease in accounts receivable from Transbank, reflecting the seasonality of the business.
b. Increase of CLP 11,597 million in cash and cash equivalents, due to the variations described in section 3. Analysis of Statement of Cash Flows.
c. Decrease of CLP 9,949 million in other current non-financial assets, primarily due to lower VAT fiscal credit (CLP 5,815) related to seasonality, as well as the decrease in pre-paid insurance (CLP 2,874 million), related to the amortization of these policies over the period.
d. Increase of CLP 7,212 million in inventory, primarily due to higher merchandise costs related to the increase in supplier costs.
e. Decrease of CLP 3,173 million in other current financial assets, due to lower time deposits at the end of the period.

Non-current assets as of March 31, 2023 decreased CLP 8,899 million (0.5%) with respect to December 31, 2022, totaling CLP 1,822,503 million. The primary variations during the period were:

a. Decrease of CLP 5,467 million in deferred tax assets, primarily due to the decrease of CLP 6,340 million in tax loss carryforwards, due to lower inflation adjustments.
b. Decrease of CLP 2,597 million in property, plant, and equipment, primarily due to depreciation (CLP 22,337 million) and sales, disposals, and derecognition (CLP 1,158 million), partially offset by additions during the period (CLP 22,099 million).

2.2. Liabilities

As of March 31, 2023, the Company's **total liabilities** decreased by CLP 50,136 million (3.3%) with respect to December 31, 2022, totaling CLP 1,491,169 million.

Current liabilities as of March 31, 2023 decreased by CLP 32,444 million (5.0%) with respect to December 2022, totaling CLP 619,994 million.

The primary variations during the period are detailed as follows:

a. Decrease of CLP 14,584 million in current trade accounts payable and other payables, primarily due to the cut-off date for payments.
b. Decrease of CLP 10,244 million in current provisions for employee benefits, primarily due to the payment of performance incentive bonuses during the period, as well as the decrease in

the vacation provision, following the summer months when more employees used vacation time.

c. Decrease of CLP 9,325 million in other current non-financial liabilities, primarily due to a decrease in VAT fiscal debit.

d. An increase of CLP 880 million in other current financial liabilities, primarily due to UF adjustments (inflation) during the period. The main movements in this account during 1Q23 were the transfer from non-current to current of bank loans and obligations with the public (CLP 21,481 million), offset by payments of bank loans and obligations with the public (CLP 22,727 million) during the same period.

Non-current liabilities as of March 31, 2023 decreased by CLP 17,692 million (2.0%) with respect to December 2022, amounting to CLP 871,175 million. The primary variation during the period was a decrease of CLP 18,919 million in other non-current financial liabilities, primarily due to the transfer from non-current to current of obligations with the public (CLP 20,481 million), obligations for rights of use (CLP 2,353 million), and bank loans (CLP 1,000 million), partially offset by inflation adjustments to UF-denominated liabilities.

2.3. Shareholders' Equity

Shareholders' equity increased by CLP 21,089 million (2.7%), primarily explained by the increase of CLP 22,211 million in retained earnings.

3. Analysis of Statement of Cash Flows

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

(CLP Million)	March 2023	March 2022	△$
Net Cash Flows From (Used in) Operating Activities	72,581	47,442	25,140
Net Cash Flows From (Used in) Investing Activities	(11,667)	(8,534)	(3,133)
Net Cash Flows From (Used in) Financing Activities	(49,317)	5,529	(54,847)
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**11,597**	**44,437**	**(32,840)**
Net Increase (Decrease) in Cash and Cash Equivalents	**11,597**	**44,437**	**(32,840)**
Cash and Cash Equivalents at Beginning of Period	124,531	113,749	10,737
Cash and Cash Equivalents at End of Period	**136,129**	**158,231**	**(22,102)**

During the first quarter of 2023, cash provided by **operating activities** totaled CLP 72,581 million, an increase of CLP 25,140 million compared to CLP 47,442 million for the first quarter of 2022. During the period, cash receipts from the sale of goods and rendering of services increased by CLP 46,418 million and interest income received increased by CLP 1,411 million, while payments to suppliers increased by CLP 21,636 million and payments to employees increased by CLP 3,854 million. Other operating payments decreased by CLP 2,892 million (primarily related to lower VAT payments due to increased purchases of goods and services.

Cash used in **investing activities** for the first quarter of 2023 totaled a net outflow of CLP -11,667 million, a difference of CLP -52,606 million compared to the net inflow of CLP 40,940 million for 1Q22. The difference is mainly due to the proceeds from the sale of OK Market in 1Q22, which amounted to CLP 49,474 million. Excluding that non-recurring effect, the difference in cash used in investing activities would be CLP -3,133 million between 1Q23 and 1Q22 The main cash outflow during both periods was for **CAPEX**, which includes purchases of property, plant and equipment and purchases of intangible assets and amounted to CLP 11,563 million in 1Q23 and CLP 8,757 million in 1Q22.

Cash used in **financing activities** for 1Q23 totaled a net outflow of CLP -49,317 million, mainly explained by (i) repayment of loans for CLP 22,727 million; (ii) payments of financial leases for CLP 14,273 million; and (iii) interest payments for CLP 12,317 million. In 1Q22, cash from financing activities totaled a net inflow of CLP -5,529 million, mainly explained by proceeds from long-term loans for CLP 31,820 million, from the placement of Series AO bonds, partially offset by: (i) payments of financial leases for CLP 12,237 million; (ii) interest payments of CLP 10.053 million; and (iii) repayment of loans for CLP 4,001 million.

4. Financial Indicators

Table 10: Financial Indicators

			Mar. 2023	Dec. 2022
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0.77	0.76
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0.36	0.39
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0.65	0.66
Total Liabilities / Equity	times	*Total liabilities / Equity*	1.84	1.96
Net Financial Debt / Equity	times	*(Other current financial liabilities - current obligations for rights of use + other non-current financial liabilities - non-current obligations for rights of use - cash and cash equivalents)/Shareholders' equity*	0.49	0.54
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	41.58	42.33
Net Financial Liabilities / EBITDA	times	*(Other current financial liabilities + other non-current financial liabilities - cash and cash equivalents)/EBITDA for the last 12 months*	3.30	3.44
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	45.83	43.14
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	7.34	9.38
Accounts Payable Days	days	*Average current trade and other accounts payable for the period / (Daily cost of goods sold for the period * 1.19)*	67.98	66.14
EFFICIENCY (12 months)				
Interest Coverage (Last 12 months)	times	*EBITDA for the last 12 months / (financial expenses for the last 12 months - financial income for the last 12 months)*	6.58	6.42
Gross Margin (Last 12 months)	%		29.85	29.55
EBITDA (Last 12 months)	CLP MM		268,764	266,332
EBITDA Margin (Last 12 months)	%		9.38	9.42
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	4.52	5.67
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	5.70	7.12
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	12.87	16.77
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	10.83	10.72
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	15.34	15.10
EBITDA Adjusted for Store Rental Expenses				
EBITDA Adjusted for Store Rental Expenses (Last 12 months)	CLP MM	*EBITDA including store rental expenses not included in administrative expenses under IFRS*	187,746	188,296
Interest Coverage Adjusted for Store Rental Expenses (Last 12 mmonths)	times	*EBITDA Adjusted for Store Rental Expenses for the last 12 months / (interest expense for the last 12 months -interest on liabilities for rights of use for the last 12 months - financial income for the last 12 months)*	20.40	17.52
Net Financial Debt/EBITDA Adjusted for Store Rental Expenses	times	*(Other current financial liabilities - current obligations for rights of use + other non-current financial liabilities - non-current obligations for rights of use - cash and cash equivalents)/EBITDA Adjusted for Store Rental Expenses for the last 12 months*	2.13	2.26

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

With respect to **indebtedness** indicators, the improvement in the ratio of net financial debt to shareholders' equity is due to the reduction in net financial debt, as well as the increase in shareholders' equity, as explained in section 2 of this document. The improvement in the ratio of net financial liabilities to EBITDA is due to the reduction in net financial liabilities and the higher EBITDA, as explained in sections 2 and 1 of this document, respectively.

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

With respect to **efficiency** and **profitability** indicators, the lower profitability is due to the fact that in net income for the 12 months to March 2023 does not include the non-recurring effect of the sale of OK Market, which took place in February 2022 and therefore does impact net income for the year ended December 31, 2022.

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, 2023.

6. Relevant Events During the Period

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

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

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

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

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

7. Subsequent Events

1. On April 20, 2023, the Company filed an essential fact, informing that shareholders at SMU's annual general shareholders' meeting approved the following:
   a) Approve annual report and financial statements for the 2022 period.
   b) Approve the report of independent auditors.
   c) Approve remunerations of Board of Directors and other corporate committees for the 2023 period. In addition, shareholders were informed of the Board of Directors expenses incurred during the 2022 period.
   d) Approve remunerations of the Directors' Committee for the 2023 period and inform activities and expenses of such committee during 2022.
   e) Approve the report of operations referred to under Title XVI of Law No. 18,046 (related-party operations).
   f) Designate KPMG Auditores Consultores Limitada as the independent audit firm; and designate Feller-Rate and ICR as local credit rating agencies for the 2023 period.
   g) Designate the El Pulso section of La Tercera as the newspaper in which legally required notifications will be published.
   h) Distribute to shareholders a final dividend of CLP 4.06695 per share, to be charged to net income for 2022, which is in addition to the interim dividends of CLP 6.47041 per share, CLP 2.82270 per share, and CLP 3.81874 per share, paid on June 6, September 6, and December 7, 2022, respectively, for a total amount of CLP 99,065,586,952 (75% of net income). The remaining balance to be paid amounts to CLP 23,438,669,409, or CLP 4.06695 per share. Such dividend was paid beginning on April 28, 2023 to shareholders of record as of the fifth business day prior to such date.

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

8. Note Regarding Presentation and Comparison of Information

Sale of OK Market

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

Consequently, in the Company's statements of comprehensive income, when comparing the two periods presented, in 1Q22, the amounts corresponding to the OK Market business for the first two months of 2022 are presented under a single line, "Profit (loss) from discontinued operations", whereas in 1Q23, there is no profit or loss associated with this business.

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

Consolidation of Financial Services Companies

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

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

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

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

About SMU

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

Caution Regarding Forward-Looking Statements

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

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