3rd Quarter 2022

EARNINGS RELEASE

SMU S.A.

NOVEMBER 14, 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 September 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 nine months and third 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 nine months of 2021 are not comparable to the figures for the first nine months of 2022. The statements of cash flows for the first nine months of 2021 include cash flows corresponding to OK Market, whereas in the first nine months of 2022, such cash flows are not included.

The statements of financial position are comparable between periods, because the comparison is between September 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 nine months of 2022 (9M22) **increased 16.0%** with respect to the first nine months of 2021 (9M21), totaling CLP 2,060,327 million. This growth was driven by an **increase of 15.0% 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 third quarter of 2022 (3Q22), revenue increased 14.2% with respect to the third quarter of 2021 (3Q21), totaling CLP 723,462 million, with same-store sales growth of 13.0%. **Sales growth for the Alvi, Mayorista 10, and Super10 reached 28.0% for the first nine months and 32.3% for the third quarter.**

It should be noted that revenue for SMU Chile grew 15.8% in 9M22 and 13.9% in 3Q22, whereas the Chilean food retail industry grew 9.6% and 6.2%[1], respectively. The Company's multiformat strategy, with a focus on food, has enabled it to gain market share, satisfying the needs and preferences of its customers in different market segments.

The Company's **gross profit grew 15.1%** in the first nine months of 2022, totaling CLP 603,290 million. As a percentage of revenue, **gross margin amounted to 29.3%**, slightly below the 29.5% reported for the same period of 2021, reflecting the change in sales mix resulting from the strong growth in the low-cost formats. With respect to the third quarter, gross profit grew 14.8%, amounting to CLP 211,167 million. Gross margin for 3Q22 reached 29.2%, an improvement of 20 basis points (bps) with respect to 29.0% for 3Q21.

Operating expenses[2] increased 14.1% in 9M22, primarily due to inflation adjustments and the higher minimum wage. However, measured as a percentage of revenue, operating expenses decreased 40 bps, from 20.3% in 9M21 to 19.9% in 9M22. With respect to the third quarter, operating expenses increased 15.5%, and as a percentage of revenue, they increased 20 bps, from 19.4% in 3Q21 to 19.6% in 3Q22.

EBITDA[3] for the first nine months of 2022 increased 17.1%, totaling CLP 192,552 million, whereas in the third quarter, EBITDA increased 13.2%, to CLP 69,420 million. The EBITDA margin for 9;22 was 9.3%, stable with respect to 9M21. In 3Q22, EBITDA margin reached 9.6%, slightly below the 9.7% margin of 3T21.

Operating income for 9M22 grew 19.6%, to CLP 125,444 million, and in the third quarter it improved 10.0%, totaling CLP 45,799 million.

Non-operating results for the first nine months amounted to a loss of CLP -62,626 million, an improvement of CLP 1,443 million (2.3%) with respect to 9M21. This variation was primarily explained by non-recurring effects in the line-item Other Gains (Losses): (i) a loss of CLP 13,142 million in 9M21 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 in 9M22 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 32,066 million in losses on inflation-indexed assets and liabilities. The Company's non-operating loss for 3Q22 amounted to CLP -27,778 million, a difference of CLP -9,916 with respect to CLP -17,862 million for 3Q21, primarily due to greater losses on inflation-indexed assets and liabilities, which increased CLP 11,545 million.

[1] Source: National Statistics Institute of Chile.

[2] Operating expenses = distribution costs + administrative expenses – depreciation - amortization

[3] EBITDA = Gross profit – distribution costs – administrative expenses + depreciation + amortization

Net income for the first nine months of 2022 amounted to CLP 100,836 million, an increase of CLP 54,112 million (115.8%) with respect to CLP 46,724 million for 9M21, due to both improved operating and non-operating results, as well as the positive impact of inflation on deferred taxes. With respect to the third quarter, net income totaled CLP 29,344 million, an increase of 30.0% with respect to the third quarter of 2021.

With respect to SMU's **financial position**, a recent highlight was the decision, in September and October 2022, respectively, by SMU's local rating agencies ICR and Feller-Rate to **upgrade the Company's credit rating** from A (positive outlook) to A+ (stable outlook). The basis for the upgrades was the strengthening in recent years of both SMU's business profile and its financial profile, reflecting the implementation of the Company's strategic plan.

During the third quarter, the positive trend in the Company's financial indicators continued: interest coverage was 6.0 times as of September 30, 2022, compared to 4.9 times as of December 2021. Net financial liabilities to EBITDA was 3.62 times in September, 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 16.7 times in September 2022 (9.5 times in December 2021), and net financial debt to EBITDA was 2.41 times in September 2022 (2.66 times in December 2021).

The Company's cash generation is also worth highlighting. Cash from operating activities increased 13% with respect to 9M21, and the balance of cash and equivalents increased 14% compared to December 2021, despite the fact that the Company has only refinanced 57% of its financial debt maturities during the period and has paid down approximately CLP 24 billion using operating cash.

Management Commentary

With respect to the release of earnings for the first nine months and third quarter of 2022, SMU's CEO, Marcelo Gálvez, stated, "Our performance during the third quarter, with revenue growth of 14.2%, once again demonstrated that SMU's formats are satisfying our customers' needs and preferences in the different segments we serve. Just as we saw in the first half of this year, our low-cost formats Alvi, Mayorista 10, and Super10 had strong growth, with revenue increasing 32.3% with respect to the third quarter of last year."

Mr. Gálvez went on to say, "Our other performance indicators are also very healthy. The number of customers is growing across formats, as is the recovery in the number of transactions, which is up 33% in the year to September. All of these factors contribute to an increase in our market share in Chile."

"Despite the increases we've had in operating expenses, due to high inflation and increases to the minimum wage, our revenue growth and the defensive nature of our business, with a focus on food, have allowed us to continue to achieve profitable growth. EBITDA for the first nine months of the year increased 17.1%, and 13.2% in the third quarter. EBITDA margin is over our target level of 9%, reaching 9.3% in the nine months to September and 9.6% in the third quarter. Similarly, our return on equity reached 17%, an improvement of seven percentage points with respect to December of last year."

"In addition, the solidity of our financial position was recently recognized by both of our credit rating agencies, who upgraded SMU's credit rating from A to A+."

"We've continued making progress with the implementation of our strategic plan for 2020-2022, and we are very pleased with the results so far. For example, with respect to omnichannel growth, in the third quarter we opened three Unimarc stores and one Maxiahorro store. At the end of this month, we will be launching our new strategic plan for the 2023-2025 period."

"Over the last several months, we have reaffirmed our commitment to diversity and inclusion, implementing a new Inclusive Assisted Shopping service that offers customers with a disability or reduced mobility to schedule an appointment to have an Unimarc team member help them while they shop. This new service was one of the winning ideas from an internal contest we have that is designed to promote innovation at SMU, which shows that the commitment to inclusion truly permeates the whole organization."

"A further example of this commitment is our active involvement with the *Teletón*, an institution that provides comprehensive rehabilitation to children and young people with physical disabilities and holds an annual fundraising event. This was our 12th consecutive year participating, and our contribution amounted to CLP 1,315 million, including both the corporate contribution and donations from our employees, who organized activities throughout the year in order to raise funds for this cause. These actions are deeply gratifying, and they motivate us to keep working to achieve a more inclusive society," concluded Mr. Gálvez.

Highlights

Credit Rating Upgrades

On September 26, 2022 and October 5, 2022, respectively, the rating agencies ICR and Feller-Rate upgraded SMU's credit rating from "A" with a positive outlook to "A+" with a stable outlook. The basis for the upgrades was the strengthening in recent years of both SMU's business profile and its financial profile, reflecting the implementation of the Company's strategic plan.

Conference Call

SMU will host a conference call and webcast for investors on Wednesday, November 16, 2022 at 9:00 am ET/ 11:00 am Santiago to discuss its third 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/smu2022q3.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 nine months ended September 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)	3Q22	3Q21**	△%	9M22	9M21**	△%
Revenue	723,462	633,679	14.2%	2,060,327	1,776,767	16.0%
Cost of Sales	(512,295)	(449,667)	13.9%	(1,457,038)	(1,252,519)	16.3%
Gross Profit	**211,167**	**184,012**	**14.8%**	**603,290**	**524,248**	**15.1%**
Gross Margin (%)	*29.2%*	*29.0%*		*29.3%*	*29.5%*	
Distribution Costs	(9,794)	(8,205)	19.4%	(28,453)	(22,653)	25.6%
Contribution Margin	**201,373**	**175,807**	**14.5%**	**574,837**	**501,594**	**14.6%**
Contribution Margin (%)	*27.8%*	*27.7%*		*27.9%*	*28.2%*	
Administrative Expenses (Excluding Depreciation)	(131,953)	(114,507)	15.2%	(382,284)	(337,221)	13.4%
EBITDA	**69,420**	**61,300**	**13.2%**	**192,552**	**164,373**	**17.1%**
EBITDA Margin (%)	*9.6%*	*9.7%*		*9.3%*	*9.3%*	
Depreciation and Amortization	(23,622)	(19,667)	20.1%	(67,109)	(59,528)	12.7%
Operating Income	**45,799**	**41,633**	**10.0%**	**125,444**	**104,845**	**19.6%**
Other Gains (Losses)	164	(1,066)	n.a.	16,854	(13,474)	n.a.
Financial Income	3,267	318	926.4%	8,398	945	788.8%
Financial Expenses	(13,621)	(11,538)	18.0%	(39,400)	(35,792)	10.1%
Share of Profit (Loss) of Associates	(322)	3	n.a.	(374)	4	n.a.
Foreign Exchange Differences	(210)	(66)	218.9%	(300)	(14)	2,057.7%
Income (Loss) for Indexed Assets and Liabilities	(17,058)	(5,513)	209.4%	(47,804)	(15,738)	203.8%
Non-operating Income	**(27,778)**	**(17,862)**	**55.5%**	**(62,626)**	**(64,069)**	**(2.3%)**
Net Income (Loss) Before Taxes	**18,021**	**23,771**	**(24.2%)**	**62,817**	**40,776**	**54.1%**
Income Tax Expense	11,324	(2,493)	(94.4%)	37,484	2,751	1,262.7%
Net Income (Loss) from Continued Operations	**29,344**	**21,278**	**37.9%**	**100,301**	**43,527**	**130.4%**
Net Income (Loss) from Discontinued Operations	**0**	**1,293**	**(100.0%)**	**535**	**3,198**	**(83.3%)**
Net Income (Loss) of the Period	**29,344**	**22,571**	**30.0%**	**100,836**	**46,724**	**115.8%**

*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 nine months of 2022 amounted to CLP 2,060,327 million, an increase of 16.0% with respect to CLP 1,776,767 million for the first nine months of 2021. With respect to the third quarter of 2022, revenue totaled CLP 723,462 million, 14.2% higher than the CLP 633,679 million recorded in the third quarter of 2021.

Table 2: Revenue (CLP MMM)

REVENUE (CLP MMM)	3Q22	3Q21	△%	9M22	9M21	△%
UNIMARC	480	446	*7.5%*	1,387	1,244	*11.6%*
CASH & CARRY	227	171	*32.3%*	626	489	*28.0%*
OTHERS(*)	1.5	3.7	*-58.8%*	4.8	10.4	*-54.1%*
FOOD RETAIL CHILE	708	621	*13.9%*	2,018	1,743	*15.8%*
FOOD RETAIL PERU	15.6	12.4	*25.5%*	42.5	34.2	*24.2%*
CONSOLIDATED	723	634	*14.2%*	2,060	1,777	*16.0%*

(*) "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 15.8% in 9M22 with respect to 9M21, and 13,9% in 3Q22 with respect to 3Q21. It should be noted that, according to the National Statistics Institute of Chile, the Chilean food retail industry grew 9.6% in 9M22 vs. 9M21 and 6.2% in 3Q22 vs. 3Q21. SMU's higher revenue growth means that the Company has gained market share.

The recovery in customer traffic that has taken place in recent periods continued during the third quarter in all formats, 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.

By format, revenue for Unimarc—the traditional supermarket—grew 11.6% in 9M22 and 7.5% in 3Q22, driven by same-stores sales growth. Revenue for the cash & carry segment grew 28.0% in 9M22 and 32.3% in 3Q22, driven by all three banners: Mayorista 10, Super10, and Alvi. 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.

Online sales, through both SMU's own platforms and through strategic partnerships with last milers—who operate at Unimarc and Mayorista 10 stores—account for approximately 2% of revenue at the stores where they operate, reflecting growth in Unimarc.cl. 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, during the third quarter, the Company 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 24.2% in 9M22 (+25.5% in 3Q22), and in local currency, the increase was 6.1% in 9M22, driven by the contribution of new Maxiahorro stores opened in the last year. In the quarter, revenue growth in local currency was 0.6%, reflecting the high comparison base of 3Q21, when revenue in local currency grew 14.3%.

Table 3: Same-Store Sales Growth (%)

SSS (△%)	9M22	3Q21	2Q22	1Q22	9M21	3Q21	2Q21	1Q21
UNIMARC	*11.3%*	*7.1%*	*10.7%*	*16.7%*	*8.9%*	*18.4%*	*15.4%*	*-5.2%*
CASH & CARRY	*24.6%*	*28.1%*	*26.9%*	*18.2%*	*6.8%*	*12.5%*	*9.8%*	*-1.5%*
FOOD RETAIL CHILE	*15.0%*	*12.9%*	*15.2%*	*17.1%*	*8.0%*	*16.2%*	*13.3%*	*-4.2%*
FOOD RETAIL PERU	*-0.6%*	*-7.3%*	*3.5%*	*6.4%*	*-2.1%*	*13.4%*	*-15.5%*	*-1.7%*
CONSOLIDATED	*15.0%*	*13.0%*	*15.4%*	*17.1%*	*7.7%*	*16.0%*	*12.2%*	*-4.3%*

Same-store sales (SSS) grew 15.0% in the first nine months of 2022 and 13.0% in the third quarter, with performance by format in line with revenue growth: Unimarc increased 11.3% in 9M22 (+7.1% in 3Q22), whereas the cash & carry formats grew 24.6% in 9M22 (+28.1% in 3Q22). As mentioned above, the strong sales performance reflects the attractive value propositions offered by each format, satisfying customer needs and driving a recovery in the number of transactions.

Food Retail Peru—which accounts for 2% of SMU's revenue—recorded a decrease in SSS (measured in Soles) of 0.6% in 9M22 and 7.3% in 3Q22, reflecting the high comparison base from 3Q21 and greater competition from the traditional trade. However, new stores opened in the north of Peru during the last year, which are not included in SSS calculations, have outperformed projections for their first year of operations.

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

SALES PER SQM (CLP Thousands/sqm)	3Q22	3Q21	△%	9M22	9M21	△%
FOOD RETAIL CHILE	499.5	439.8	*13.6%*	475.9	412.2	*15.5%*
FOOD RETAIL PERU	283.5	226.0	*25.4%*	259.5	208.3	*24.6%*
CONSOLIDATED	491.4	431.9	*13.8%*	467.9	404.7	*15.6%*

Sales per square meter reached CLP 467,886 for the first nine months of 2022, 15.6% higher than 9M21. Food Retail Chile grew 15.5%, whereas Food Retail Peru (measured in Chilean pesos) saw growth of 24.6%, in line with revenue performance. With respect to the third quarter, sales per square meter totaled CLP 491,419, an increase of 13.8% with respect to 3Q21.

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

NUMBER OF STORES	3Q22	3Q21
UNIMARC	284	283
CASH & CARRY	95	95
FOOD RETAIL CHILE	379	378
FOOD RETAIL PERU	28	25
CONSOLIDATED	407	403

SALES AREA (THOUSANDS OF SQM)	3Q22	3Q21
UNIMARC	347	346
CASH & CARRY	123	122
FOOD RETAIL CHILE	470	468
FOOD RETAIL PERU	19	18
CONSOLIDATED	489	487

Table 6: Store Openings and Closures

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

As of September 30, 2022, SMU's operations included 379 stores in Chile, distributed from Arica to Punta Arenas—similar to the 378 stores in operation at the end of 3Q21—and a total of 469,839 square meters. In Peru, the Company had 28 stores, with 19,251 square meters, for a **total of 407 stores and 489,090 square meters** between the two countries.

During the first nine months of 2022, SMU opened four Unimarc stores, in three different regions of Chile, and two Maxiahorro stores, 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 410,737 million for the first nine months of 2022, an increase of 14.1% with respect to CLP 359,874 million for 9M21. As a percentage of revenue, operating expenses amounted to 19.9% in 9M22 and 20.3% in 9M21, an improvement of 40 bps. With respect to the third quarter of 2022, operating expenses totaled CLP 141,747 million (19.6% of revenue), an increase of 15.5% with respect to CLP 122,712 million (19.4% of revenue) for 3Q21.

Distribution costs for 9M22 totaled CLP 28,453 million, an increase of 25.6% with respect to 9M21. Distribution costs as a percentage of revenue amounted to 1.4% in 9M22 and 1.3% in 9M21. In 3Q22, distribution costs amounted to CLP 9,794 million (1.4% of revenue), an increase of 19.4% with respect to CLP 8,205 million (1.3% of revenue) in 3Q21. 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 382,284 million (18.6% of revenue) in 9M22, an increase of 13.4% with respect to CLP 337,221 million (19.0% of revenue) in 9M21, but an improvement of 40 bps as a percentage of revenue. Similarly, in the third quarter, administrative expenses increased 15.2%, to CLP 131,953 million (18.2% of revenue), compared to CLP 114,507 million (18.1% of revenue) in 3Q21.

The main increases during the first nine months are described below:

a. Increase of CLP 15,685 million (+9.2% YoY) in personnel expenses, primarily due to the higher average minimum wage (+11%) and inflation adjustments (+8.8%) in 9M22 with respect to 9M21, partially offset by high levels of absenteeism during the period.

b. Increase of CLP 11,760 million (+18.3% 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 4,140 million (+31.8% 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 3,080 million (+24.3% YoY) in IT services, primarily due to the implementation of strategic initiatives, including new modules of SAP and improvements to e-commerce platforms, as well as increases associated with the value of the UF and the dollar.

e. Increase of CLP 2,145 million (+11.5% YoY) in lease expenses, primarily due to inflation, new store openings, and higher variable payments associated with higher sales.

f. Increase of CLP 2,008 million (+20.7%) in external services, primarily due to consulting services on strategic projects.

g. Increase of CLP 1,516 million (+16.5%) in advertising expenses.

The main increases during the third quarter are described below:

a. Increase of CLP 6,836 million (+11.8% YoY) in personnel expenses, primarily due to the higher average minimum wage and inflation adjustments.

b. Increase of CLP 3,910 million (+18.3% YoY) in services, primarily due to 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).

c. Increase of CLP 1,653 million (+34.0% 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 1,068 million (+30.5%) in external services, primarily due to consulting services on strategic projects.

e. Increase of CLP 1,058 million (+23.9% YoY) in IT services, primarily due to the implementation of strategic initiatives, including new modules of SAP and improvements to e-commerce platforms, as well as increases associated with the value of the UF and the dollar.

Table 7: Average Headcount

AVERAGE HEADCOUNT	3Q22	3Q21	△%	9M22	9M21	△%
STORES CHILE	21,371	22,316	*-4.2%*	21,977	22,620	*-2.8%*
HEADQUARTERS CHILE	2,097	2,054	*2.1%*	2,051	2,017	*1.7%*
FOOD RETAIL CHILE	23,467	24,370	*-3.7%*	24,028	24,637	*-2.5%*
STORES PERU	548	489	*12.1%*	531	475	*11.8%*
HEADQUARTERS PERU	166	158	*5.1%*	162	156	*4.3%*
FOOD RETAIL PERU	714	647	*10.4%*	693	631	*9.9%*
CONSOLIDATED	24,182	25,017	*-3.3%*	24,721	25,267	*-2.2%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for the first nine months of 2022 totaled CLP 603,290 million, an increase of 15.1% with respect to CLP 524,248 million for 9M21. With respect to the third quarter, gross profit amounted to CLP 211,167 million, an increase of 14.8% with respect to CLP 184,012 million for 3Q21. In percentage terms, gross margin amounted to 29.3% in 9M22, 20 bps lower than 9M21 (29.5%), reflecting the change in sales mix. As described above, all of the Company's formats had sales growth, but the economic formats grew more than the traditional formats. With respect to the third quarter, gross margin was 20 bps higher, reaching 29.2% and reflecting the lower comparison base of 3Q21.

Contribution margin totaled CLP 574,837 million (27.9% of revenue) in 9M22, an increase of 14.6% compared to CLP 501,594 million (28.2% of revenue) for 9M21. Contribution margin for 3Q22 totaled CLP 201,373 million (27.8% of revenue), an increase of 14.5% compared to CLP 175,807 million (27.7% of revenue) for 3Q21.

EBITDA for 9M22 totaled CLP 192,552 million, an increase of 17.1% with respect to CLP 164,373 million in 9M21. EBITDA margin for both periods amounted to 9.3%. With respect to 3Q22, EBITDA amounted to CLP 69,420 million (EBITDA margin 9.6%), an increase of 13.2% with respect to CLP 61,300 million (EBITDA margin 9.7%) for 3Q21.

EBITDAR (EBITDA less lease expenses) totaled CLP 213,283 million (EBITDAR margin of 10.4%) in 9M22, an increase of 16.6% with respect to CLP 182,958 million (EBITDAR margin 10.3%) in 9M21. With respect to 3Q22, EBITDAR amounted to CLP 76,319 million (EBITDAR margin 10.5%), an increase of 12.2% with respect to CLP 68,025 million (EBITDAR margin 10.7%) for 3Q21.

EBITDA adjusted for store rental expenses (EBITDA including all rental expenses, including those not included in administrative expenses under IFRS 16) for 9M22 totaled CLP 135,479 million, an increase of 20.1% with respect to CLP 112,794 million in 9M21. EBITDA adjusted for store rental expenses for 3Q22 totaled CLP 49,272 million, an increase of 11.4% with respect to CLP 44,249 million in 3Q21.

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

The consolidated **non-operating loss** for SMU totaled CLP -622,626 million in 9M22, a difference of CLP 1,443 million with respect to CLP -64,069 million in 9M21. The main variations were:

a. **Losses on inflation-indexed assets and liabilities**: negative variation of CLP 32,066 million, due to higher inflation with respect to 9M21.
b. **Other gains (losses)**: positive variation of CLP 30,328 million, primarily due to two non-recurring effects: (i) Gain of CLP 18,034 million in 9M22 from the sale of OK Market, which was completed on February 28; and (ii) Loss of CLP 13,142 million in 9M21 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.
c. **Financial income**: positive variation of CLP 7,453 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 3,608 million, primarily due to the increase in the UF (higher inflation), affecting financial costs associated with UF-denominated liabilities.

With respect to the third quarter of 2022, the non-operating loss amounted to CLP -27,778 million, a difference of CLP -9,916 million with respect to CLP -17,862 million for 3Q21, primarily explained by higher losses on inflation-indexed assets and liabilities (negative variation of CLP 11,545 million), due to higher inflation with respect to 3Q21.

The **income tax benefit** for 9M22 amounted to CLP 37,484 million, a difference of CLP 34,733 million with respect to CLP 2,751 million for 9M21. Similarly, in the third quarter of 2022, the income tax benefit amounted to CLP 11,324 million, a difference of CLP 13,817 million with respect to the income tax expense of CLP -2,493 million reported for 3Q21. The variation is primarily due to higher inflation, resulting in higher inflation adjustments to the tax loss carryforward.

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

1.3 Results of Discontinued Operations: OK Market

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).

Net income from discontinued operations amounted to CLP 535 million in 9M22, a decrease of 83.3% compared to CLP 3,198 million in 9M21, reflecting the fact that OK Market ceased to belong to the SMU Group on February 28, 2022, so 9M22 results only reflect two months of operations, whereas 9M21 results include nine months.

1.4 Net Income

SMU reported **net income** of CLP 100,836 million for the first nine months of 2022, an increase of CLP 54,112 (115,8%) compared to CLP 46,724 million for 9M21, due to the improvement in both operating income, non-operating income, and income tax effects. With respect to the third quarter, net income increased by 30.0%, amounting to CLP 29,344 million for 3Q22.

2. Analysis of Statement of Financial Position

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

(CLP Million)	September 2022	December 2021	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	130,182	113,794	16,388	14.4%
Other Current Financial Assets	6,574	8	6,566	79,136.4%
Other Current Non-Financial Assets	31,654	28,496	3,158	11.1%
Trade Accounts Receivable and Other Receivables, Net	36,204	93,719	(57,516)	(61.4%)
Accounts Receivable from Related Companies	18,967	16,004	2,964	18.5%
Inventories	261,263	231,874	29,389	12.7%
Current Tax Assets	1,666	2,698	(1,032)	(38.2%)
Non-Current Assets Classified as Held for Sale	-	41,665.6	(41,666)	(100.0%)
Total Current Assets	**486,510**	**528,259**	**(41,749)**	**(7.9%)**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	394	1,713	(1,319)	(77.0%)
Other Non-Current Non-Financial Assets	5,485	2,270	3,215	141.6%
Non-Current Accounts Receivable	41,403	2,351	39,052	1,661.2%
Investments Accounted for Using the Equity Method	13,042	13,750	(708)	(5.1%)
Intangible Assets Other Than Goodwill	65,023	61,514	3,509	5.7%
Goodwill	473,396	472,573	823	0.2%
Property, Plant, and equipment, net	750,269	713,965	36,304	5.1%
Deferred tax assets	461,842	424,088	37,753	8.9%
Total Non-Current Assets	**1,810,854**	**1,692,224**	**118,630**	**7.0%**
TOTAL ASSETS	**2,297,363**	**2,220,482**	**76,881**	**3.5%**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	168,509	146,700	21,809	14.9%
Trade and Other Current Payables	436,957	423,762	13,195	3.1%
Accounts Payable to Related Companies	571	918	(346)	(37.8%)
Other Current Provisions	3,178	2,193	985	44.9%
Current Tax Liabilities	0	139	(139)	(100.0%)
Current Provisions for Employee Benefits	22,307	34,647	(12,340)	(35.6%)
Other Current Non-Financial Liabilities	1,263	7,378	(6,115)	(82.9%)
Non-Current Liabilities Classified as Held for Sale	-	10,877.1	(10,877)	(100.0%)
Total Current Liabilities	**632,784**	**626,612**	**6,172**	**1.0%**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	880,078	838,520	41,557	5.0%
Non-Current Payables	0	1	(1)	(100.0%)
Deferred Tax Liabilities	0	74	(74)	(100.0%)
Non-Current Provisions for Employee Benefits	4,833	2,514	2,319	92.2%
Other Non-Current Non-Financial Liabilities	-	-	-	-
Total Non-Current Liabilities	**884,911**	**841,109**	**43,802**	**5.2%**
TOTAL LIABILITIES	**1,517,695**	**1,467,721**	**49,974**	**3.4%**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Reacquired Own Equity	(833)	0	(833)	-
Retained Earnings	105,339	79,858	25,481	31.9%
Other Reserves	151,420	149,161	2,260	1.5%
Equity Attributable to the Owners of the Parent Company	779,668	752,761	26,907	3.6%
Non-Controlling Interest	-	-	-	-
Total Equity	**779,668**	**752,761**	**26,907**	**3.6%**
TOTAL LIABILITIES AND EQUITY	**2,297,363**	**2,220,482**	**76,881**	**3.5%**

2.1. Assets

As of September 30, 2022, SMU's **total assets** increased by CLP 76,881 million (3.5%) with respect to December 31, 2021, totaling CLP 2,297,363 million.

Current assets as of September 30, 2022 decreased CLP 41,749 (7.9%) with respect to December 31, 2021, totaling CLP 486,510 million. The primary variations during the period were:

a. A decrease of CLP 57,516 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 this subject matter.

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 29,389 million in inventory, primarily due to higher merchandise costs related to rising supplier costs, as well as the seasonality of the business.

d. An increase of CLP 16,388 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 September 30, 2022 increased CLP 118,630 million (7.0%) with respect to December 31, 2021, totaling CLP 1,810,854 million. The primary variations during the period were:

a. Increase of CLP 39,052 million in non-current accounts receivable, primarily 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 this subject matter.

b. Increase of CLP 37,753 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 36,304 million in property, plant, and equipment, primarily due to additions during the period (CLP 100,864 million), partially offset by depreciation (CLP 59,950 million) and sales, disposals, and derecognition (CLP 3,754 million) during the period.

d. Increase of CLP 3,509 million in intangible assets other than goodwill, primarily due to additions during the period (CLP 10,689 million), partially offset by amortization for the period (CLP 7,159 million).

e. Increase of CLP 3,215 million in other non-current, non-financial assets, primarily due to the increase in pre-paid insurance, related to policies that were renewed in June and August 2022.

2.2. Liabilities

As of September 30, 2022, the Company's **total liabilities** increased by CLP 49,974 million (3.4%) with respect to December 31, 2021, totaling CLP 1,517,695 million.

Current liabilities as of September 30, 2022 increased by CLP 6,172 million (1.0%) with respect to December 2021, totaling CLP 632,784 million.

The primary variations during the period are detailed as follows:

a. An increase of CLP 21,809 million in other current financial liabilities, primarily due to an increase of CLP 28,591 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 60,105 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 40,656 million. In addition, obligations for rights of use increased by CLP 5,867 million. These increases were partially offset by a decrease of CLP 12,452 million in bank debt, due to payments made during the period.

b. An increase of CLP 13,195 million in current trade accounts payable and other payables, primarily due to the cut-off date for payments.

c. A decrease of CLP 12,340 million in current provisions for employee benefits, primarily due to the decrease of CLP 12,213 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 6,115 million in other current non-financial liabilities, primarily due to a decrease of CLP 6,001 million in VAT fiscal debit.

Non-current liabilities as of September 30, 2022 increased by CLP 43,802 million (5.2%) with respect to December 2021, amounting to CLP 884,911 million. The primary variation during the period was the increase of CLP 41,557 million in other non-current financial liabilities, primarily due to the increase of CLP 26,273 million in obligations for rights of use, due to inflation and the incorporation of new rental contracts. In addition, non-current obligations with the public increased CLP 13,403 million, due to the placement of the Series AO bonds (UF 1 million) in March 2022, as well as inflation, 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 26,907 million (3.6%), primarily explained by the increase of CLP 25,481 million in retained earnings, due to net income for the period (CLP 100,836 million), less dividends paid (CLP 75,355 million). In addition, other reserves increased by CLP 2,260 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 Nine Months Ended September 30, 2022 and 2021

(CLP Million)	September 2022	September 2021	△$
Net Cash Flows From (Used in) Operating Activities	185,697	164,738	20,959
Net Cash Flows From (Used in) Investing Activities	5,958	(31,143)	37,100
Net Cash Flows From (Used in) Financing Activities	(175,267)	(222,371)	47,104
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**16,388**	**(88,776)**	**105,164**
Net Increase (Decrease) in Cash and Cash Equivalents	**16,388**	**(88,776)**	**105,164**
Cash and Cash Equivalents at Beginning of Period	113,794	197,672	(83,878)
Cash and Cash Equivalents at End of Period	**130,182**	**108,896**	**21,286**

During the first nine months of 2022, cash provided by **operating activities** totaled CLP 185,697 million, an increase of CLP 20,959 million compared to CLP 164,738 million for 9M21. During the period, cash receipts from the sale of goods and rendering of services increased by CLP 307,821 million, while payments to suppliers increased by CLP 269,039 million, payments to employees by CLP 5,581 million, and other operating payments by CLP 18,978 million (primarily related to VAT payments from higher sales). At the same time, interest received increased by CLP 7,430 million during the period.

Cash provided by **investing activities** for 9M22 totaled a net inflow of CLP 5,958 million, a difference of CLP 37,100 million compared to the net outflow of CLP -31,143 million for 9M21. The main cash inflow in 9M22 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 36,224 million in 9M22 and CLP 31,624 million in 9M21.

Cash used in **financing activities** for 9M22 totaled a net outflow of CLP -175,267 million, mainly explained by (i) payments of dividends for CLP 75,355 million; (ii) repayment of loans for CLP 55,492 million (Series B, T, and AL bonds and bank debt); (iii) payments of financial leases for CLP 38,376 million; and (iv) interest payments for CLP 37,031 million; partially offset by proceeds from long-term loans for CLP 31,820 million, from the placement of Series AO bonds. In 9M21, cash used in financing activities totaled a net outflow of CLP -222,371 million, mainly explained by: (i) repayment of loans for CLP 106,697 million; (ii) dividend payments of CLP 40,485 million; (iii) payments of financial leases for CLP 39,946 million; and (iv) interest payments of CLP 34,750 million.

4. Financial Indicators

Table 10: Financial Indicators

			Sept. 2022	Dec. 2021
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0.77	0.84
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0.36	0.47
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0.66	0.66
Total Liabilities / Equity	times	*Total liabilities / Equity*	1.95	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*	0.55	0.55
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	41.69	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*	3.62	3.86
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	45.69	43.22
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	7.15	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)*	67.02	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)*	5.99	4.88
Gross Margin (Last 12 months)	%		29.02	29.15
EBITDA (Last 12 months)	CLP MM		253,959	225,780
EBITDA Margin (Last 12 months)	%		9.21	9.13
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	5.65	3.41
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	7.12	4.33
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	16.65	10.06
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	10.50	9.27
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	14.97	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*	179,544	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)*	16.65	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*	2.41	2.66

With respect to **liquidity** indicators, the difference between December 2021 and September 2022 is due to the fact that current assets decreased, whereas current liabilities increased, as explained in section 2 of this document.

With respect to **indebtedness** indicators, there are no significant variations between December 2021 and September 2022.

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 September 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 September 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 September 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 net income for the first quarter of 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 September 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.

10. 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.

11. 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. Through this launch, SMU continues to develop its omnichannel strategy and adding a new online sales platform to its existing offering, which includes Unimarc.cl, Unimarc app, and partnerships with Mercado Libre and the last milers Rappi and Pedidos Ya.

12. On August 16, 2022, the Company filed an essential fact, informing that the Board of Directors had agreed to distribute an interim dividend of CLP 16,267,800,721 (CLP 2.82270 per share), to be charged to retained earnings for 2022. This interim dividend is equivalent to 75% of net income for the second quarter of 2022 and was paid beginning on September 6, 2022 to shareholders of record on the fifth business day prior to such date.

13. On September 26, 2022, the rating agency ICR upgraded the Company's local credit rating from A (positive outlook) to A+ (stable outlook).

7. Subsequent Events

1. On October 5, 2022, the rating agency Feller-Rate upgraded the Company's local credit rating from A (positive outlook) to A+ (stable outlook). This upgrade follows the upgrade by the rating agency ICR on September 26, 2022, and consequently, SMU now has a credit rating of A+, with a stable outlook, with both of its rating agencies.

About SMU

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

Caution Regarding Forward-Looking Statements

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

Contact Information

For investor inquiries, please contact:

Carolyn McKenzie: cmckenzie@smu.cl

For media inquiries, please contact:

Andrea Osorio: aosorioy@smu.cl
Sebastián De Ferrari: sdeferrari@smu.cl