4th Quarter 2021

EARNINGS RELEASE

SMU S.A.

MARCH 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 December 31, 2021, the OK Market business is presented as available for sale.

Consequently, the accounts in the Company's statements of comprehensive income for the fourth quarter and full year 2020 have been restated in order to provide the same presentation as the fourth quarter and full year 2021 figures. As such, in both periods presented, the results from this business are consolidated in a single line of SMU's statements of comprehensive income, under "Profit (loss) from discontinued operations".

Unlike the statements of comprehensive income, the statements of financial position as of December 31, 2020 have not been restated, and as a result, such figures are not comparable to the figures presented as of December 31, 2021. In 2021, 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".

The statements of cash flows for the year 2020 have not been restated, and as a result, such figures are not comparable to the figures for the year 2021. The statements of cash flows for the year 2020 include cash flows corresponding to OK Market, whereas in 2021, such cash flows are not included. In addition, in 2021, there is an adjustment to eliminate the balance of cash and cash equivalents corresponding to OK Market.

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

SMU's **net income** for the full year 2021 (FY21) **increased 154%** with respect to the full year 2020 (FY20), totaling CLP 75,707 million, more than double the highest profits of any previous year in the Company's history. The strong growth in net income is due to the **significant improvement in operating results**¸ which increased 50.1% in the year. At the same time, net income from continued operations—that is, excluding the OK Market business—grew 170.6% with respect to 2020.

Net income for the fourth quarter of 2021 (4Q21) amounted to CLP 28,982 million, almost reaching in one quarter an amount equivalent to the net income of the full year 2020. This growth is explained by improved operating income (+10.9%) and net income from continued operations (+65.6%) with respect to the fourth quarter of 2020 (4Q20).

As a result, SMU's **return on equity** increased from 4.1% as of December 31, 2020, to 10.1% as of December 31, 2021.

With respect to operating performance (excluding OK Market), **EBITDA**[1] for FY21 amounted to CLP 225,780 million, an **increase of 25.4%** with respect to CLP 180,011 million for FY20. **EBITDA margin for FY21 amounted to 9.1%**, an expansion of 120 basis points (bps) compared to 7.9% in FY20, reflecting the Company's optimization of expenses, as well as significant operating leverage during the period. With respect to the fourth quarter, EBITDA amounted to CLP 61,406 million (EBITDA margin of 8.8%), an increase of 6.6% over CLP 57,622 million (EBITDA margin of 9.4%) in 4Q20.

Revenue for FY21 increased 9.2% with respect to FY20, reaching CLP 2,472,378 million, whereas in 4Q21, revenue amounted to CLP 695,611 million, an increase of 13.6% with respect to 4Q20. Similarly, **same-store sales grew 9.0%** in FY21 and 13.5% in 4Q21. The strong sales performance reflects a number of factors. Fill-in purchases, which are the central focus of Unimarc's value proposition, recovered during the year. In addition, promotional activity—another key strength for Unimarc—returned to pre-pandemic levels. The Company also carried out a reclusterization of stores in order to adapt the product assortment to new customer habits. Furthermore, across all formats there has been a positive trend, beginning in the second quarter of 2021, in the number of transactions, along with an average ticket that remains higher than historical levels, despite the recovery in frequency of purchases.

During 2021, efficiency initiatives enabled the Company to optimize **operating expenses**[2], which increased less than 2%, despite high inflation and increases in minimum wage during the period, meaning that operating expenses decreased in real terms. In addition, sales growth created operating leverage, such that operating expenses as a percentage of revenue amounted to 20.0% in FY21, an improvement of 150 bps with respect to 21.5% for FY20. Similarly, for the fourth quarter, there was an improvement of 70 bps, from 20.1% in 4Q20 to 19.4% in 4Q21.

It should be noted that, in addition to the growth achieved between 2021 and 2020, there are also **significant improvements compared to the same periods of 2019**. Revenue increased 21.0% in 4Q21 vs. 4Q19 (10.1% in FY21 vs. FY19); EBITDA increased 13.3% vs. 4Q19 (17.6% vs. FY19); and net income increased 178% vs. 4Q19 (119% vs. FY19), despite the fact that the comparison is between a period affected by the pandemic (2021) and a period without the pandemic (2019).

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

With respect to SMU's **financial position, operating cash generation increased CLP 62,323 million (35%)** in 2021 with respect to 2020, associated with the higher EBITDA, enabling the Company to reduced indebtedness and improve interest coverage. Further liquidity comes from the sale of OK Market, with proceeds of approximately CLP 49 billion for the equity value of that business. As announced recently, the sale was completed on February 28, 2022, as part of a strategic decision by SMU to focus on its core business through its Unimarc, Alvi, Mayorista 10 and Super10 formats in Chile, and Maxiahorro and Mayorsa in Peru, as well as the ongoing development of its e-commerce business.

Management Commentary

With respect to the release of earnings for the fourth quarter and full year 2021, SMU's CEO, Marcelo Gálvez, stated, "This year we achieved the best results in the Company's history, in terms of revenue, EBITDA, and net income, with significant growth over 2020, but also with respect to all previous years. Net income increased 154% in 2021, driven by an improvement of 50.1% in operating results."

SMU's CFO, Arturo Silva, added that, "The Company's results in terms of cash flow and net income leave us comfortably positioned to continue to implement our strategic plan, while paying dividends to shareholders and also meeting all of our financial obligations."

Mr. Gálvez went on to say, "During this last year we achieved important milestones in the implementation of our strategic plan. With respect to the **customer experience** pillar of the plan, our initiatives to drive sales were focused on making changes to product assortment, in line with customer preferences, as well as a return to high levels of promotional activity, which is a key element in Unimarc's value proposition. We also expanded our private label portfolio, offering quality at an attractive price, with new brands and products. The recovery in the number of transactions, and also in fill-in purchases, also had a positive impact on revenue, as one of our strengths is the convenient location of our stores."

"With respect to **omnichannel growth**, in September we launched Unimarc.cl and the Unimarc app, and over the last several months we have been increasing our geographic coverage. Today we operate in eight regions in Chile, and we plan to make it to all 16 regions by the middle of this year. In 2021 we also increased our online presence through partnerships with last milers, and today we operate in all 16 regions of the country."

"We also launched Super10, a new soft discount format that builds on our multiformat strategy, ending the year with four stores operating under this banner. We also had two new store openings and one reopening for Unimarc, one new opening and one reopening for Alvi, and three new store openings for Maxiahorro, in Peru."

"Our **operating efficiency** initiatives include the implementation of technological tools that allow us to improve in-store product availability and to optimize expenses, and the benefits are evident: this year, operating expenses increased by less than 2%, which is a decrease in real terms."

"In relation to the **committed & sustainable organization** pillar, in 2021 we made progress with our efforts to reduce food waste, implementing food donation directly from stores. To date, this donation system is in place in 98% of our stores in Chile."

"As a food retailer, we also strive to promote responsible sourcing, and this year we have worked to implement questionnaires in order to evaluate our suppliers' practices and certifications. Another recent accomplishment relating to responsible sourcing was the accreditation of our Unimarc Los Militares store with the *Sello Azul* sustainable fishing certification granted by the National Fishing and Aquaculture Service. We are working to certify our other stores that sell fresh fish."

"Two weeks ago, we finalized the sale of our OK Market convenience stores. This transaction was part of a strategic decision to focus on our core business through our Unimarc, Alvi, Mayorista 10 and Super10 formats in Chile, and Maxiahorro and Mayorsa in Peru, as well as the ongoing development of our e-commerce business. It's worth noting that net income from continuing operations in 2021 grew 171%."

"Looking ahead to 2022, we are going to continue working on initiatives that make life easier for our customers: opening new stores, growing our online coverage and sales penetration, and improving our value propositions. I am pleased with our results and achievements for 2021. I would like to thank and congratulate our employees and invite them to continue with the same energy and commitment for the projects that await us this year," concluded Mr. Gálvez.

Highlights

Interim Dividend Payment

On November 29, 2021, SMU's Board of Directors agreed to distribute an interim dividend of CLP 16,928,543,436 (CLP 2.93258 per share), to be charged to retained earnings for 2021. This interim dividend is equivalent to 75% of retained earnings for the third quarter of 2021 and was paid beginning on December 22, 2021 to shareholders of record on the fifth business day prior to such date.

Sale of OK Market

On February 28, 2022, SMU announced the sale of its OK Market convenience business to OXXO. SMU received approximately CLP 49 billion for the equity value of that business, with an estimated impact of CLP 20 billion on net income for the first quarter of 2022. The sale is part of a strategic decision by SMU to focus on its core business through its Unimarc, Alvi, Mayorista 10 and Super10 formats in Chile, and Maxiahorro and Mayorsa in Peru, as well as the ongoing development of its e-commerce business.

Conference Call

SMU will host a conference call and webcast for investors on Wednesday, March 16, 2022 at 10:00 am ET/ 11:00 am Santiago to discuss its fourth quarter 2021 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/smu20220316.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 12 months ended December 31, 2021 and 2020 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)	4Q21	4Q20	△%	2021	2020	△%
Revenue	695.611	612.368	13,6%	2.472.378	2.264.394	9,2%
Cost of Sales	(499.128)	(431.715)	15,6%	(1.751.647)	(1.597.155)	9,7%
Gross Profit	**196.483**	**180.653**	**8,8%**	**720.731**	**667.239**	**8,0%**
Gross Margin (%)	*28,2%*	*29,5%*		*29,2%*	*29,5%*	
Distribution Costs	(8.778)	(7.117)	23,3%	(31.431)	(30.776)	2,1%
Contribution Margin	**187.705**	**173.536**	**8,2%**	**689.300**	**636.463**	**8,3%**
Contribution Margin (%)	*27,0%*	*28,3%*		*27,9%*	*28,1%*	
Administrative Expenses (Excluding Depreciation)	(126.299)	(115.915)	9,0%	(463.520)	(456.452)	1,5%
EBITDA	**61.406**	**57.622**	**6,6%**	**225.780**	**180.011**	**25,4%**
EBITDA Margin (%)	*8,8%*	*9,4%*		*9,1%*	*7,9%*	
Depreciation and Amortization	(20.301)	(20.562)	(1,3%)	(79.829)	(82.780)	(3,6%)
Operating Income	**41.106**	**37.059**	**10,9%**	**145.951**	**97.231**	**50,1%**
Other Gains (Losses)	(1.242)	(2.846)	(56,3%)	(14.717)	(8.223)	79,0%
Financial Income	697	315	121,4%	1.642	929	76,8%
Financial Expenses	(12.490)	(14.592)	(14,4%)	(47.889)	(48.879)	(2,0%)
Share of Profit (Loss) of Associates	72	142	(49,5%)	75	(955)	n.a.
Foreign Exchange Differences	157	139	12,8%	143	(608)	n.a.
Income (Loss) for Indexed Assets and Liabilities	(13.000)	(5.826)	123,1%	(28.738)	(11.330)	153,6%
Non-operating Income	**(25.807)**	**(22.667)**	**13,9%**	**(89.484)**	**(69.067)**	**29,6%**
Net Income (Loss) Before Taxes	**15.298**	**14.392**	**6,3%**	**56.466**	**28.164**	**100,5%**
Income Tax Expense	10.648	1.279	732,4%	13.399	(2.344)	n.a.
Net Income (Loss) from Continued Operations	**25.946**	**15.671**	**65,6%**	**69.865**	**25.820**	**170,6%**
Net Income (Loss) from Discontinued Operations	**3.036**	**4.288**	**(29,2%)**	**5.841**	**4.008**	**45,8%**
Net Income (Loss) of the Period	**28.982**	**19.959**	**45,2%**	**75.707**	**29.828**	**153,8%**

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

1. Analysis of Income Statement

1.1. Results of Operations

1.1.1. Revenue

Revenue for the fourth quarter of 2021 amounted to CLP 695,611 million, an increase of 13.6% with respect to CLP 612,368 million for the fourth quarter of 2020. Likewise, in the full year 2021, revenue amounted to CLP 2,472,378 million, an increase of 9.2% with respect to CLP 2,264,394 million for the full year 2020.

The strong sales performance reflects a number of factors. Fill-in purchases, which are the central focus of Unimarc's value proposition, recovered during the year. In addition, promotional activity—another key strength for Unimarc—returned to pre-pandemic levels. The Company also carried out a reclusterization of stores in order to adapt the product assortment to new customer habits. Furthermore, across all formats there has been a positive trend, beginning in the second quarter of 2021, in the number of transactions, along with an average ticket that remains higher than historical levels, despite the recovery in frequency of purchases.

Table 2: Revenue (CLP MMM)

REVENUE (CLP MMM)	4Q21	4Q20	△%	2021	2020	△%
UNIMARC	489	431	*13.7%*	1,733	1,567	*10.6%*
CASH & CARRY	187	162	*15.2%*	676	621	*8.8%*
OTHERS(*)	3.3	4.7	*-28.7%*	13.7	19.6	*-30.2%*
FOOD RETAIL CHILE	680	598	*13.7%*	2,422	2,207	*9.8%*
FOOD RETAIL PERU	15.8	14.7	*7.5%*	50.0	57.3	*-12.7%*
CONSOLIDATED	696	612	*13.6%*	2,472	2,264	*9.2%*

(*) "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 13.7% in 4Q21 with respect to 4Q20 and 9.8% in FY21 vs. 9FY20. By format, revenue for Unimarc—the traditional supermarket—grew 13.7% in 4Q21 (10.6% in FY21). The solid levels of demand seen in this format reflect the combination between the number of transactions and the average ticket. In the full year, both figures are higher than in 2020, whereas in the fourth quarter, the number of transactions continue to show a strong recovery, and average ticket is slightly below 4Q20 levels but remains well above 4Q19.

The trend in revenue for the cash & carry segment is similar, with an increase of 15.2% in 4Q21 (8.8% in FY21), with strong performance in both Alvi and Mayorista 10. The number of transactions and average ticket for FY21 and 4Q21 are above 2020 levels, and when compared with 2019, transactions are lower, but average ticket is significantly higher than historical levels. In addition to the strong demand overall in this segment, there is a positive effect from new openings, reopenings, and store remodels during 2021.

Online sales, through both SMU's own platforms and through last milers—who operate at Unimarc stores—account for approximately 0.9% of revenue for Unimarc. During 2021 the Company has been strengthening its omnichannel strategy, launching the Unimarc.cl e-commerce platform and the Unimarc app on September 30, and expanding its geographic coverage from the Santiago Metro Region to seven additional regions, with plans to reach all regions of Chile by mid-2022. The Company also expanded geographic coverage through last milers, reaching a total of 149 stores as of December 31, 2021, compared with 90 stores as of the same date in 2020. In this way, SMU is able to take advantage of its strong regional presence—operating in all 16 regions of the country through last milers—and drive growth in online sales penetration going forward.

In Food Retail Peru, revenue (measured in Peruvian Soles) increased 10% in 4Q21 (0.8% in FY21), reflecting the recovery in customer traffic, as government-imposed restrictions on operating hours were lifted, and customers reacted favorably to commercial initiatives. In addition, the performance of new Maxiahorro stores opened in recent periods has exceeded expectations. Measured in Chilean pesos, revenue increased 7.5% in 4Q21 with respect to 4Q20 (decrease of 12.7% in FY21 vs. FY20), due to the impact of the exchange rate.

Table 3: Same-Store Sales Growth (%)

SSS (△%)	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
UNIMARC	*7,7%*	*1,0%*	*-5,2%*	*15,4%*	*18,4%*	*13,2%*	*10,1%*
CASH & CARRY	*12,9%*	*11,2%*	*-1,5%*	*9,8%*	*12,5%*	*14,9%*	*8,9%*
FOOD RETAIL CHILE	*9,0%*	*3,8%*	*-4,2%*	*13,3%*	*16,2%*	*13,7%*	*9,5%*
FOOD RETAIL PERU	*4,6%*	*3,3%*	*-1,7%*	*-15,5%*	*13,4%*	*8,4%*	*0,8%*
CONSOLIDATED	*8,7%*	*4,0%*	*-4,1%*	*12,3%*	*16,0%*	*13,5%*	*9,0%*

Same-store sales (SSS) grew 13.5% in 4Q21, continuing the positive trend that began in the second and third quarter of 2021 (+12.3% and +16.0%), reaching total growth for the year of 9.0%.

By format, SSS for Unimarc increased 13.2% in 4Q21 (10.1% in FY21), whereas the cash & carry formats saw growth of 14.9% (8.9% in FY21). As mentioned above, the strong sales performance reflects a recovery in the number of transactions, as well as an average ticket that remains well above historical levels. For the cash & carry segment, the high growth comes on the top of a high comparison base (SSS of 12.9% in 4Q20 and 11.2% in FY20). In 2020, growth was mostly concentrated in Alvi, but in 2021, Mayorista 10 had significant growth, and Alvi maintained a solid performance.

Food Retail Peru—which accounts for 2% of SMU's revenue—recorded an increase in SSS (measured in Soles) of 8.4% in 4Q21, a significant improvement with respect to the first half of the year, with an average ticket that higher than historical averages.

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

SALES PER SQM (CLP Thousands/sqm)	4Q21	4Q20	△%	2021	2020	△%
FOOD RETAIL CHILE	484.5	429.3	*12.9%*	432.8	395.6	*9.4%*
FOOD RETAIL PERU	284.2	246.8	*15.1%*	228.2	250.6	*-9.0%*
CONSOLIDATED	476.8	422.5	*12.9%*	425.0	390.1	*9.0%*

Sales per square meter reached CLP 476,836 for the fourth quarter of 2021, 12.9% higher than 4Q20. Likewise, sales per square meter for FY21 amounted to CLP 425,015, an increase of 9.0%.

Food Retail Chile sales per square meter increased 12.9% in 4Q21 compared to 4Q20 (+9.4% in FY21 vs. FY20). For its part, Food Retail Peru (measured in Chilean pesos) recorded an increase of 15.1% in 4Q21, reflecting the recovery in sales as well as the efficient size of newly opened stores. In FY21 sales per square meter in Peru decreased 9.0%, strongly impacted by the exchange rate.

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

NUMBER OF STORES	4Q21	4Q20	SALES AREA (THOUSANDS OF SQM)	4Q21	4Q20
UNIMARC	283	283	UNIMARC	347	346
CASH & CARRY	96	95	CASH & CARRY	124	123
FOOD RETAIL CHILE	379	378	FOOD RETAIL CHILE	470	469
FOOD RETAIL PERU	26	25	FOOD RETAIL PERU	19	20
CONSOLIDATED	405	403	CONSOLIDATED	489	489

Table 6: Store Openings and Closures

OPENINGS AND CLOSURES	4Q20		1Q21		2Q21		3Q21		4Q20	
	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.	OPEN.	CLOS.
UNIMARC	0	2	1	1	0	0	0	0	1	1
CASH & CARRY	0	0	0	0	0	0	0	0	1	0
FOOD RETAIL CHILE	0	2	1	1	0	0	0	0	2	1
FOOD RETAIL PERU	1	0	1	2	0	0	1	0	1	0

As of December 31, 2021, 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 4Q20—and a total of **489,192** square meters.

The number of stores as of December 31, 2021 includes five stores that were not operating due to fires or other damage caused by acts of vandalism during the social unrest in Chile beginning on October 18, 2019. By format, these five stores include three Unimarc stores and two Alvi stores.

During the 2021, SMU opened two Unimarc stores and one Alvi, as well as reopening three stores that had been closed since the period of social unrest mentioned above. The Company also decided to permanently close one Unimarc store, and another store from this format is temporarily closed due to a fire.

In Peru, as of December 31, 2021, the Company had 26 stores, with 18,704 square meters. During 2021, the Company opened three new Maxiahorro store and closed two Mayorsa stores that were located in the same shopping center as a new Mayorsa store that was opened in December 2020 in order to replace these two stores.

SMU has a total of 405 stores and a total selling space of 489,192 square meters at period end, including Chile and Peru.

1.1.2. Distribution Costs and Administrative Expenses

During 2021, efficiency initiatives enabled the Company to optimize **operating expenses**[3], which increased less than 2%, despite high inflation and increases in minimum wage during the period, meaning that operating expenses decreased in real terms. In addition, sales growth created operating leverage.

Distribution costs plus administrative expenses (excluding depreciation and amortization) totaled CLP 135,077 million for the fourth quarter of 2021, an increase of 9.8% with respect to CLP 123,032 million for 4Q20. As a percentage of revenue, operating expenses amounted to 19.4% in 4Q21 and 20.1% in 4Q20, an improvement of 70 bps. With respect to FY21, operating expenses amounted to CLP 494,951 million (20.0% of revenue), an increase of 1.6% compared to CLP 487,228 million (21.5% of revenue) for FY20.

Distribution costs for 4Q21 totaled CLP 8,778 million, an increase of 23.3% with respect to 4Q20. Distribution costs as a percentage of revenue amounted to 1.3% in 4Q21 and 1.2% in 4Q20. For FY21 distribution costs amounted to CLP 31,431 million (1.3% of revenue), 2.5% higher than CLP 30,776 million (1.4% of revenue) for FY20. During 2021, the increase in distribution costs is explained by the higher cost of oil (in the third and fourth quarters, as well as the high levels of inflation, and the exchange rate. These variables affect the algorithm used to determine transportation cost (total readjustment in 2021: +14.87% vs. -3.62% in 2020).

Administrative expenses (excluding depreciation and amortization) totaled CLP 126,299 million (18.2% of revenue) in 4Q21, an increase of 9.0% with respect to CLP 115,915 million (18.9% of revenue) in 4Q20. For FY21, administrative expenses amounted to CLP 463,520 million (18.7% of revenue), an increase of 1.5% with respect to CLP 456,452 million (20.2% of revenue) for FY20, but as a percentage of revenue, this is an improvement of 150 bps.

Administrative expenses include extraordinary expenses directly related to the pandemic. These expenses amounted to CLP 1,745 million in 4Q21, a reduction of 5.0% with respect to CLP 1,837 million recorded in 4Q20. For FY21, COVID expenses amounted to CLP 7,728 million, a reduction of 20.7% with respect to CLP 9,112 million in FY20.

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

The main variations in administrative expenses in the fourth quarter of 2021 were as follows:

a. Increase of CLP 4,250 million (+7.1% YoY) in personnel expenses, primarily due to an increase in employee benefits related to the Company's strong performance, as well as higher minimum wage and inflation adjustments affecting salaries and wages, partially offset by lower average headcount and a higher rate of absenteeism in the period.
b. Increase of CLP 1,421 million (+48.1%) in advertising expenses, primarily due to the increase in advertising and promotional activity during the period, including the launch and roll-out of Unimarc.cl and new private label products.
c. Increase of CLP 1,401 million (+6.6% YoY) in services, primarily due to expenses related to temporary services to cover employee absenteeism, as well as increases in inflation and minimum wage, which are the main elements of the cost of these services.
d. Increase of CLP 1,183 million (+26.3% YoY) in credit card commissions, due to both the fact that the use of electronic forms of payment has increased during the period and to higher sales.
e. Increase of CLP 1,155 million (+19.3% YoY) in lease expenses, primarily due to inflation, new store openings, and higher variable payments associated with higher sales.

The main variations in administrative expenses in the full year 2021 were as follows:

a. Increase of CLP 3,296 million (+14.7% YoY) in lease expenses, primarily due to inflation, new store openings, and higher variable payments associated with higher sales.
b. Decrease of CLP 2,570 million (-1.1% YoY) in personnel expenses, primarily due to lower average headcount and a higher rate of absenteeism in the period, as well as a reduction in pandemic-related expenses, due to optimization efforts. This reduction was achieved despite the higher minimum wage (5.9%) and inflation adjustments (3.4%) in FY21.
c. Increase of CLP 2,496 million (+15.4% YoY) in credit card commissions, due to both the fact that the use of electronic forms of payment has increased during the period and to higher sales.
d. Increase of CLP 1,948 million (+16.8% YoY) in advertising expenses, primarily due to the increase in advertising and promotional activity during the period, including the launch of Unimarc.cl.
e. Decrease of CLP 1,634 million (-12.9% YoY) in materials, mainly due to efficiencies in pandemic-related expenses.
f. Increase of CLP 1,486 million (+1.7% YoY) in services, primarily due to expenses related to temporary services to cover employee absenteeism, as well as increases in inflation and minimum wage, which are the main elements of the cost of these services.

Table 7: Average Headcount

AVERAGE HEADCOUNT	4Q21	4Q20	△%	2021	2020	△%
STORES CHILE	22.299	24.636	*-9,5%*	22.540	25.134	*-10,3%*
HEADQUARTERS CHILE	2.020	1.964	*2,8%*	2.017	1.960	*2,9%*
FOOD RETAIL CHILE	24.318	26.600	*-8,6%*	24.557	27.094	*-9,4%*
STORES PERU	529	491	*7,8%*	489	468	*4,5%*
HEADQUARTERS PERU	165	159	*3,6%*	158	151	*4,5%*
FOOD RETAIL PERU	694	650	*6,8%*	647	619	*4,5%*
CONSOLIDATED	25.013	27.250	*-8,2%*	25.204	27.713	*-9,1%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for FY21 totaled CLP 720,731 million (29.2% of revenue), an increase of 8.0% with respect to CLP 667,239 million (29.5% of revenue) for FY20. With respect to 4Q21, gross profit amounted to CLP 196,483 million (28.2% of revenue), an increase of 8.8% over CLP 180,653 million (29.5% of revenue) in 4Q20.

Contribution margin totaled CLP 689,300 million (27.9% of revenue) in FY21, an increase of 8.3% compared to CLP 636,463 million (28.1% of revenue) for FY20. For 4Q21, contribution margin amounted to CLP 187,705 million (27.0% of revenue), 8.2% higher than CLP 173,536 million (28.3% of revenue) for 4Q20.

EBITDA totaled CLP 225,780 million in FY21, an increase of 25.4% with respect to CLP 180,011 million in FY20. EBITDA margin for FY21 amounted to 9.1%, an expansion of 120 basis points (bps) compared to 7.9% in FY20, reflecting the Company's optimization of expenses, as well as significant operating leverage during the period. With respect to the fourth quarter, EBITDA amounted to CLP 61,406 million (EBITDA margin of 8.8%), an increase of 6.6% over CLP 57,622 million (EBITDA margin of 9.4%) in 4Q20.

EBITDAR (EBITDA less lease expenses) totaled CLP 251,500 million (EBITDAR margin of 10.2%) in FY21, an increase of 24.2% with respect to CLP 202,435 million (EBITDAR margin 8.9%) in FY20. For the fourth quarter of 2021, EBITDAR amounted to CLP 68,542 million (EBITDAR margin of 9.9%), 7.8% higher than CLP 63,602 million (EBITDAR margin of 10.4%) for 4Q20.

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

The consolidated **non-operating loss** for SMU totaled CLP -89,484 million in FY21, a difference of CLP 20,417 million with respect to CLP -69,067 million in FY20, primarily due to:

a. **Losses on inflation-indexed assets and liabilities** increased by CLP 17,408 million, due to higher inflation, as well as higher average UF-denominated debt during the period, especially in the first quarter, as the Company issued the series AL bond in December 2020 to pay the series G and K bonds in March 2021.

b. **Other gains (losses)**: Other losses increased by CLP 6,493 million in FY21:

   i. The loss of CLP -14,717 million in 2021 was primarily due to the plan implemented by the Company in February 2021 to optimize its organizational structure (loss of CLP 13,142 million), 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 began generating savings in March 2021. In addition, losses on sales and disposals of property, plant, and equipment amounted to CLP 2,682 million in FY2021.

   ii. The loss of CLP -8,223 million in 2021 was primarily due to non-recurring effects related to acts of vandalism that took place in Chile beginning on October 18, 2019 and continuing into the early months of 2020 (loss of CLP 7,299 million) and a fine relating to a free competition proceeding (CLP 2,064 million), partially offset by the recovery of insurance (CLP 2,106 million), partially offset by the estimated recovery in insurance (CLP 2,783 million).

For the fourth quarter of 2021, the non-operating loss amounted to CLP -25,807 million, a difference of CLP 3,140 million with respect to CLP -22,667 million for 4Q20, primarily due to higher loses on inflation-indexed assets and liabilities (difference of CLP 7,174 million), due to higher inflation in the period, partially offset by lower financial expenses (difference of CLP 2,101 million).

The **income tax benefit** for FY21 amounted to CLP 13,399 million, a difference of CLP 15,743 million with respect to CLP -2,344 million for FY20. With respect to 4Q21, income tax benefit amounted to CLP 10,648 million, a variation of CLP 9,369 million with respect to CLP 1,279 million for 4Q20. In both the third quarter and the nine months, the difference is primarily due to higher inflation, resulting in higher inflation adjustments to the tax loss carryforward, as well as the better pre-tax results.

[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).

Revenue for OK Market in 2021 amounted to CLP 62,816 million, an increase of 20.9% with respect to CLP 51,952 million reported in 2020. It should be noted that in 2020, this business was significantly impacted by the pandemic, with a strong recovery beginning in the fourth quarter of 2020 and throughout all of 2021. This tren can also be observed in the same-store sales figures:

SSS	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
OK MARKET	-0.7%	-11.6%	1.4%	27.2%	4.3%	13.7%	27.5%	23.3%	8.8%	17.5%

Similarly, gross profit for this business grew 18.8%, while operating expenses increased 7.3%. Non-operating expenses decreased 51.9% in 2021 compared to 2020.

Net income from discontinued operations amounted to CLP 5,841 million in 2021, an increase of 45.8% compared to 2020. With respect to 4Q21, net income for this business decreased 29.2% compared to 4Q20, primarily due to the high comparison base from the recovery that began in that quarter.

1.4 Net Income

SMU reported **net income** of CLP 75,707 million for the full year 2021, **154%** higher than CLP 29,828 million for 2020, due to the **significant improvement in operating results**¸ which increased CLP 48,719 million (50.1%) in the year. Pre-tax income increased 100.5% in 2021, and net income from continued operations increased 170,6% with respect to 2020.

Net income for the fourth quarter of 2021 amounted to CLP 28,982 million, almost reaching in one quarter an amount equivalent to the net income of the full year 2020. This growth is explained by higher net income from continued operations, which increased 65.6% (CLP 10,275 million), partially offset by the decrease of 29.2% (CLP 1,252 million) in net income from discontinued operations.

2. Analysis of Statement of Financial Position

Table 8: Statement of Financial Position as of December 31, 2021 and 2020

(CLP Million)	December 2021	December 2020	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	113,794	197,716	(83,922)	(42.4%)
Other Current Financial Assets	8	18	(10)	(55.0%)
Other Current Non-Financial Assets	28,496	12,692	15,804	124.5%
Trade Accounts Receivable and Other Receivables, Net	93,719	91,520	2,199	2.4%
Accounts Receivable from Related Companies	16,004	15,845	159	1.0%
Inventories	231,874	188,730	43,144	22.9%
Current Tax Assets	2,698	2,971	(273)	(9.2%)
Non-Current Assets Classified as Held for Sale	41,665.6	-	41,666	-
Total Current Assets	**528,259**	**509,493**	**18,766**	**3.7%**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	1,713	259	1,454	561.6%
Other Non-Current Non-Financial Assets	2,270	2,443	(173)	(7.1%)
Non-Current Accounts Receivable	2,351	1,731	619	35.8%
Non-Current Accounts Receivable from Related Parties	-	-	-	-
Investments Accounted for Using the Equity Method	13,750	14,116	(366)	(2.6%)
Intangible Assets Other Than Goodwill	61,514	59,475	2,039	3.4%
Goodwill	472,573	474,893	(2,320)	(0.5%)
Property, Plant, and equipment, net	713,965	693,190	20,775	3.0%
Deferred tax assets	424,088	426,350	(2,261)	(0.5%)
Total Non-Current Assets	**1,692,224**	**1,672,457**	**19,767**	**1.2%**
TOTAL ASSETS	**2,220,482**	**2,181,950**	**38,533**	**1.8%**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	146,700	206,318	(59,618)	(28.9%)
Trade and Other Current Payables	423,762	362,549	61,213	16.9%
Accounts Payable to Related Companies	918	1,152	(235)	(20.4%)
Other Current Provisions	2,193	2,080	113	5.4%
Current Tax Liabilities	139	1,663	(1,524)	(91.7%)
Current Provisions for Employee Benefits	34,647	20,738	13,909	67.1%
Other Current Non-Financial Liabilities	7,378	9,696	(2,318)	(23.9%)
Non-Current Liabilities Classified as Held for Sale	10,877.1	-	10,877	-
Total Current Liabilities	**626,612**	**604,195**	**22,417**	**3.7%**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	838,520	848,123	(9,603)	(1.1%)
Non-Current Payables	1	14	(13)	(93.0%)
Deferred Tax Liabilities	74	75	(2)	(2.3%)
Non-Current Provisions for Employee Benefits	2,514	5,020	(2,506)	(49.9%)
Other Non-Current Non-Financial Liabilities	-	-	-	-
Total Non-Current Liabilities	**841,109**	**853,233**	**(12,124)**	**(1.4%)**
TOTAL LIABILITIES	**1,467,721**	**1,457,428**	**10,293**	**0.7%**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Retained Earnings	79,858	52,617	27,241	51.8%
Other Reserves	149,161	148,162	998	0.7%
Equity Attributable to the Owners of the Parent Company	752,761	724,521	28,239	3.9%
Non-Controlling Interest	-	-	-	-
Total Equity	**752,761**	**724,521**	**28,239**	**3.9%**
TOTAL LIABILITIES AND EQUITY	**2,220,482**	**2,181,950**	**38,533**	**1.8%**

2.1. Assets

As of December 31, 2021, SMU's **total assets** increased by CLP 38,533 million (1.8%) with respect to December 31, 2020, totaling CLP 2,220,482 million.

Current assets as of December 31, 2021 increased CLP 18,766 million (3.7%) with respect to December 31, 2020, totaling CLP 528,259 million. The primary variations during the period were:

a. A decrease of CLP 83,922 million in cash and cash equivalents, primarily due to the amortization of the Series G and K bonds that matured in March. The remaining variations in cash and cash equivalents are described in section 3. Analysis of Statement of Cash Flows.

b. An increase of CLP 43,144 million in inventory, primarily due to the increase in the cost of inventory, as a result of rising supplier costs; an increase in imports in transit; and an increase in the quantity of inventories as part of the Company's strategy to ensure product availabilities in stores.

c. An increase of CLP 41,666 million in non-current assets or asset groups classified as held-for-sale, related to the sale of OK Market (see Note on Presentation and Comparison of Information, page 2).

d. An increase of CLP 15,804 million in other current non-financial assets, primarily due to an increase in prepaid insurance, due to the renewal of insurance policies; an increase in the VAT fiscal credit; and an increase in advances to foreign suppliers.

Non-current assets as of December 31, 2021 increased CLP 19,767 million (1.2%) with respect to December 31, 2020, totaling CLP 1,692,224 million. The primary variation during the period was an increase of CLP 20,775 million in property, plant, and equipment, due to additions for the period (CLP 116,448 million), partially offset by depreciation for the period (CLP 71,207 million) and disposals/sales (CLP 7,389 million). In addition, property, plant, and equipment amounting to CLP 17,887 million was reclassified to assets held for sale.

2.2. Liabilities

As of December 31, 2021, the Company's **total liabilities** increased by CLP 10,293 million (0.7%) with respect to December 31, 2020, totaling CLP 1,467,721 million.

Current liabilities as of December 31, 2021 increased by CLP 22,417 million (3.7%) with respect to December 2020, totaling CLP 626,612 million.

The primary variations during the period are detailed as follows:

a. An increase of CLP 61,213 million in current trade and other accounts payable, primarily due to the increase in accounts payable to suppliers (CLP 67,406 million), related to an increase in the cost of inventory, partially offset by a lower balance of dividends payable (CLP 8,948 million), due to interim dividends paid during the year.

b. A decrease of CLP 59,618 million in other current financial liabilities, primarily due to: (i) decrease of CLP 34,645 million in obligations with the public, from the amortization of the

Series G and K bonds, which matured in March (CLP 88,150 million), partially offset by the transfer from non-current to current of a portion of the Series AL, T, and B bonds, as well as the variation of the UF (inflation) during the period; and (ii) a decrease of CLP 25,286 million in bank loans, due to payments made during the year.

c. An increase of CLP 13,909 million in current provisions for employee benefits, primarily due to the provision for benefits and bonuses related to the improvement in the Company's results.

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

Non-current liabilities as of December 31, 2021 decreased by CLP 12,124 million (1.4%) with respect to December 2020, amounting to CLP 841,109 million.

The primary variations during the period are detailed as follows:

a. Decrease of CLP 9,603 million in other non-current financial liabilities, primarily due to the decrease of CLP 28,970 million in obligations with the public, due to the transfer from non-current to current of a portion of the Series AL, T, and B bonds (CLP 28,801 million, CLP 16,718 million, and CLP 7,656 million, respectively), partially offset by inflation during the period. In addition, obligations for rights of use increased by CLP 19,670 million, due to the effect of inflation and new lease contracts recognized during the period.
b. Decrease of CLP 2,506 million in the non-current provision for employee benefits, primarily due to a decrease of CLP 2,493 million in benefits and bonuses, due to the transfer from non-current to current.

2.3. Shareholders' Equity

Shareholders' equity increased by CLP 28,239 million (3.9%), primarily explained by the increase of CLP 27,241 million in retained earnings, due to net income for the period (CLP 75,707 million), partially offset by dividends paid during the period (CLP 48,466 million).

3. Analysis of Statement of Cash Flows

Table 9: Statement of Cash Flows for the Years Ended December 31, 2021 and 2020

(CLP Million)	December 2021	December 2020	△$
Net Cash Flows From (Used in) Operating Activities	239,846	177,523	62,323
Net Cash Flows From (Used in) Investing Activities	(47,196)	(40,898)	(6,298)
Net Cash Flows From (Used in) Financing Activities	(276,572)	10,281	(286,853)
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**(83,922)**	**146,906**	**(230,828)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(83,922)**	**146,906**	**(230,828)**
Cash and Cash Equivalents at Beginning of Period	197,716	50,810	146,906
Cash and Cash Equivalents at End of Period	**113,794**	**197,716**	**(83,922)**

During 2021, cash provided by **operating activities** totaled CLP 239,846 million, an increase of CLP 62,323 million compared to CLP 177,523 million for 2020. The higher operating cash generation is mainly due to the increase of CLP 246,190 million in cash receipts from the sale of goods and rendering of services, partially offset by higher payments to suppliers (CLP 171,655 million) and employees (CLP 3,455 million).

Cash used in **investing activities** for 2021 totaled a net outflow of CLP -47,196 million, a difference of CLP 6,298 million compared to CLP -40,898 million for 9M20. The main use 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 46,708 million in 2021 and CLP 32,139 million in 2020.

Cash used in **financing activities** for 2021 totaled a net outflow of CLP -276,572 million, mainly explained by: (i) repayment of loans for CLP 120,600 million; (ii) dividend payments of CLP 57,414 million; (iii) payments of financial leases for CLP 48,598 million; and (iv) interest payments of CLP 49,961 million. In 2020, cash used in financing activities totaled a net inflow of CLP 10,281 million, mainly explained by: proceeds from loans for CLP 210,331 million, including the placement of the series AK bonds in June (UF 3 million), the placement of the series AL bonds in December (UF 3 million), and other short-term loans contracted during the period (approximately CLP 38,500 million), partially offset by: (i) repayment of loans for approximately CLP 74,536 million; (ii) interest payments of CLP 48,728 million; (iii) payments of financial leases for CLP 50,823 million; and (iv) dividend payments of CLP 25,962 million.

4. Financial Indicators

Table 10: Financial Indicators

			Dec. 2021	Dec. 2020
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0,84	0,84
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0,47	0,53
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0,66	0,67
Total Liabilities / Equity	times	*Total liabilities / Equity*	1,95	2,01
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	0,59
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	42,69	41,46
Net Financial Liabilities / EBITDA	times	*(Other current financial liabilities + other non-current financial liabilities - cash and cash equivalents)/EBITDA for the last 12 months*	3,86	4,62
Net Financial Debt / EBITDA	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 for the last 12 months*	1,85	2,29
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	43,22	42,52
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	11,33	11,97
Accounts Payable Days	days	*Average current trade and other accounts payable for the period / (Daily cost of goods sold for the period * 1.19)*	67,90	69,28
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)*	4,88	3,82
Gross Margin (Last 12 months)	%		29,15	29,74
EBITDA (Last 12 months)	CLP MM		225.780	185.471
EBITDA Margin (Last 12 months)	%		9,13	8,01
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	3,41	1,37
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	4,33	1,75
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	10,06	4,12
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	9,27	6,60
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	13,26	9,63

With respect to **liquidity** indicators, the difference between December 2020 and December 2021 is mainly due to the fact that the decrease in the difference between current assets and inventory, as explained in section 2 of this document.

With respect to **indebtedness** indicators, the primary variation is observed in the ratio of net financial debt/EBITDA and net financial liabilities/EBITDA and is explained by the increase in EBITDA for the last 12 months, as explained in section 1 of this document.

With respect to **working capital** indicators, there are no significant changes in the period.

With respect to **efficiency** indicators, the improvement in the interest coverage ratio is primarily explained by the increase in EBITDA for the last 12 months, as explained in section 1 of this document.

With respect to **profitability** indicators, the primary variations are explained by improvements in net income and operating income for the last 12 months.

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 December 31, 2021.

6. Relevant Events During the Period

1. On January 11, 2021, the Company filed an essential fact, informing that that the Company's Board of Directors agreed to call an Extraordinary Shareholders' Meeting, following a request by Inversiones SAMS SpA, a shareholder that holds more than 10% of SMU's shares, that the Company call such meeting to evaluate the payment of a special dividend.

   The proposal to be submitted for shareholder approval is as follows: To pay a special dividend, to be charged to retained earnings for previous periods, of CLP 10,608,000,000, equivalent to CLP 1.83765 per share. If approved, the dividend would be paid beginning on February 5, 2021 to shareholders of record as of the fifth business day prior to such date.

   The Extraordinary Shareholders' Meeting will be held on January 29, 2021 at 10:00 am at the Company's offices at Cerro El Plomo 5680 11th floor, Las Condes, Santiago. 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

2. As a consequence of the operating efficiency initiatives that SMU is implementing as part of its strategic plan, including the incorporation of new technologies and the redesign of in-store processes, the Company prepared a plan to optimize its organizational structure. This plan was approved by the Board of Directors on January 25, 2021 and carried out during the month of February 2021. The cost of this plan is approximately CLP 13 billion and will be recognized in the first quarter 2021 financial statements.

3. On January 29, 2021, the Company filed an essential fact, informing that that shareholders at SMU's Extraordinary Shareholders' Meeting approved the payment of a special dividend, to be charged to retained earnings for previous period, in the amount of CLP 1.83765 per share, for a total amount of CLP 10,607,975,859, to be paid beginning on February 5, 2021 to shareholders of record on the fifth business day prior to such date.

4. On February 1, 2021, the Company provided an update on the status of the sale of its convenience store business, OK Market, to OXXO (FEMSA Comercio), which was announced on October 8, 2020. As the Company reported at the time, the transaction is subject to regulatory approval, and as part of that process, today the Chilean antitrust authority (*Fiscalía Nacional Económica* or "FNE") notified the Company of its decision to extend its analysis of the transaction by up to 90 business days.

5. On March 30, 2021, 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 20, 2021, at 10:00 am, at Cerro El Plomo 5680 11th floor, Las Condes, Santiago, in order to be 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 2020 period.
b. Approve the report of independent auditors.
c. Elect the members of the Board of Directors.
d. Approve remunerations of Board of Directors and other corporate committees for the 2021 period. Inform Board of Directors expenses incurred during 2020 period.
e. Inform activities and expenses of Directors' Committee for the 2020 period and determine remunerations and budget for the 2021 period.
f. Inform operations referred to under Title XVI of Law No. 18,046 (related-party operations).
g. Designate independent audit firm for the 2021 period.
h. Designate credit rating agencies for the 2021 period.
i. Dividend payment and distribution of net income for the 2020 period.
j. Designate newspaper in which legally required notifications will be published.
k. 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 2.0379 per share, for a total amount of CLP 11,762,722,134, to be charged to net income for the year 2020. Such dividend would be paid on April 27, 2021 to shareholders of record as of the fifth business day prior to such date.

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.

6. On March 31, 2021, the rating agency ICR upgraded SMU's credit rating from A- (positive outlook) to A (stable outlook).

7. On April 19, 2021, the rating agency Feller-Rate upgraded SMU's credit rating from A- (stable outlook) to A (stable outlook).

8. On April 20, 2021, the Company filed an essential fact, informing that shareholders at SMU's annual general shareholders' meeting approved the following:

(1) Approve annual report and financial statements for the 2020 period.

(2) Approve the report of independent auditors.

(3) Elect the following people as members of the Company's Board of Directors for the next three years:

a. Pilar Dañobeitía Estades
b. Francisca Saieh Guzmán
c. Alejandro Alvarez Aravena
d. Abel Bouchon Silva
e. Fernando Del Solar Concha
f. Andrés Olivos Bambach
g. Raúl Sotomayor Valenzuela
h. Rodrigo Pérez Mackenna (Independent Director)
i. Tina Rosenfeld Kreisselmeyer (Independent Director)

(4) Approve remunerations of Board of Directors and other corporate committees for the 2021 period. In addition, shareholders were informed of Board of Directors expenses incurred during 2020 period.

(5) Approve remunerations of the Directors' Committee for the 2021 period and inform activities and expenses of such committee during 2020.

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

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

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

(9) Distribute to shareholders a final dividend of CLP 2.03769 per share, for a total amount of CLP 11,762,722,134, to be charged to net income for the year 2020. Such dividend will be paid beginning on April 27, 2021 to shareholders of record as of the fifth business day prior to such date.

9. On April 27, 2021, the Company filed an essential fact, informing that the Board of Directors had agreed to the following at its meeting held on April 26, 2021:

(1) Designate Ms. Pilar Dañobeitía Estades as Chairwoman of the Board.

(2) Designate Ms. Francisca Saieh Guzmán as Vice Chairwoman of the Board.

(3) Designate Ms. Tina Rosenfeld Kreisselmeyer, Mr. Alejandro Álvarez Aravena, and Mr. Rodrigo Pérez Mackenna as members of the Company's Directors' Committee, constituted per the requirements of Article 50 bis of the Chilean Corporations Act (*Ley 18.046*).

(4) Designate the following directors as members of the other Board committees:

Audit and Risk Committee

Pilar Dañobeitía

Andrés Olivos

Tina Rosenfeld

Investment Committee

Abel Bouchon

Pilar Dañobeitía

Rodrigo Pérez Mackenna

Andrés Olivos

<u>Human Resources Committee</u>

Fernando Del Solar

Pilar Dañobeitía

Francisca Saieh

<u>Sustainability Committee</u>

Tina Rosenfeld

Pilar Dañobeitía

Francisca Saieh

Fernando Del Solar

<u>Compliance Committee</u>

Pilar Dañobeitía

Tina Rosenfeld

Andrés Olivos

10. On June 2, 2021, the Company filed an essential fact, informing that the Board of Directors had agreed to distribute an interim dividend of CLP 3,782,480,985 (CLP 0.65525 per share), to be charged to retained earnings for 2021. This interim dividend is equivalent to 75% of retained earnings as of March 31, 2021 and was paid beginning on June 21, 2021 to shareholders of record on the fifth business day prior to such date.

11. On June 4, 2021, the Company informed that the deadline for the Chilean antitrust authority (*Fiscalía Nacional Económica* or "FNE") to finalize its review of the transaction, which was originally set for June 9, 2021, had been suspended, as the parties had offered mitigation measures for the consideration of the FNE. This suspension, which is common in processes of this nature, had a duration of 15 business days subject to renewal.

12. On July 27, 2021, the Company filed an essential fact, informing of an agreement with Inmobiliaria Santander S.A., detailed as follows:

    SMU S.A. and Inmobiliaria Santander S.A. ("ISSA") signed a binding Framework Contract for the lease, for a period of 35 years, of up to 22 business locations where supermarkets from the Montserrat chain previously operated (the "Agreement").

    In line with the Organic Growth pillar of the Company's strategic plan for 2020-2022, the purpose of the Agreement is to accelerate such growth and expand the coverage of the Company's formats in the Santiago Metro and Valparaíso Regions, where SMU's market share is lower.

    The Agreement is subject to a series of conditions, including, among others, completion of a due diligence procedure by SMU, covering ISSA's commercial locations, and the approval of the free competition authorities, in accordance with Resolution No. 43/2021 issued by the Chilean Antitrust Court (Tribunal de Defensa de la Libre Competencia). The request for such approval will be submitted in the coming weeks.

Finally, we inform you that at this time it is not possibly to accurately determine the impact that this Agreement may have on the Company's results. Likewise, and due to the conditions to with the Agreement is subject, it is not possibly to accurately estimate the date on which the Agreement will be completed.

13. On August 30, 2021, the Company filed an essential fact, informing that the Board of Directors had agreed to distribute an interim dividend of ThCLP 14,332,269 (CLP 2.48282 per share), to be charged to retained earnings for 2021. This interim dividend is equivalent to 75% of retained earnings for the second quarter of 2021 and was paid beginning on September 28, 2021 to shareholders of record on the fifth business day prior to such date.

14. On November 26, 2021, the Company filed an essential fact, informing that the Chilean antitrust authority (*Fiscalía Nacional Económica* or "FNE") issued a resolution approving the sale of the OK Market convenience store business to FEMSA Comercio S.A. de C.V., the operator in Chile of the OXXO convenience store chain, subject to remedies proposed by the parties.

    Consequently, the sale process—which was announced on October 8, 2020—will continue to move forward. Completion of the transaction is subject to the remedies proposed to the FNE, as well as a final due diligence process to be carried out by the buyer, and the subsequent signing of the share purchase agreement.

    The press release issued by the FNE is available at the following link: https://www.fne.gob.cl/en/fne-aprueba-la-compra-de-ok-market-por-parte-de-oxxo-sujeta-a-la-desinversion-de-16-locales-y-otras-medidas-de-mitigacion/.

15. On November 29, 2021, the Company filed an essential fact, informing that the Board of Directors had agreed to distribute an interim dividend of ThCLP 16,928,543 (CLP 2.93258 per share), to be charged to retained earnings for 2021. This interim dividend is equivalent to 75% of retained earnings for the third quarter of 2021 and was paid beginning on December 21, 2021 to shareholders of record on the fifth business day prior to such date.

7. Subsequent Events

1. On February 28, 2022, the Company filed an essential fact, informing:

    (1) 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").
    (2) 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.
    (3) On November 26, 2021, the Chilean antitrust authority (*Fiscalía Nacional Económica* or "FNE") approved the Transaction, subject to remedies proposed by the parties.
    (4) 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.

(5) 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

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

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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