3rd Quarter 2021

EARNINGS RELEASE

SMU S.A.

NOVEMBER 15, 2021

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

SMU's **net income** for the third quarter of 2021 (3Q21) increased 137% with respect to the third quarter of 2020 (3Q20), totaling CLP 22,571 million. Likewise, net income for the first nine months of 2021 (9M21) increased 373% with respect to the first nine months of 2020 (9M20), reaching CLP 46,724 million. In fact, net income for 9M21 was even higher than full-year net income for any year in the Company's history. The strong growth in net income is due to the **significant improvement in operating results** and contributes to a **significant improvement in the Company's return on equity**.

EBITDA[1] for 3Q21 amounted to CLP 63,600 million, an increase of 31.1% with respect to CLP 48,525 million for 3Q20. **EBITDA margin for 3Q21 amounted to 9.8%**, an expansion of 110 basis points (bps) compared to 8.7% in 3Q20. With respect to 9M21, EBITDA amounted to CLP 170,007 million (EBITDA margin of 9.3%), an increase of 35.5% over CLP 125,486 million (EBITDA margin of 7.4%) in 9M20.

Revenue for the third quarter of 2021 increased 16.4% with respect to 3Q20, reaching CLP 649,934 million. Likewise, in the first nine months of 2021, revenue amounted to CLP 1,822,099 million, an increase of 7.9% with respect to the first nine months of 2020. The strong sales performance has been driven by the positive trend, beginning in the second quarter of this year, in the number of transactions, along with an average ticket that remains higher than historical levels, despite the recovery in frequency of purchases.

Same-store sales grew 16.0% in the third quarter and 7.7% in the first nine months of 2021, with highlights in Unimarc, which increased 18.4% in the third quarter; OK Market, which increased 23.3%; and the cash and carry formats, which increased 12.5%. Operations in Peru showed a recovery in the third quarter, with same-store sales growth of 13.4%.

The revenue growth generated greater **operating leverage**, such that **operating expenses**[2] as a percentage of revenue amounted to 19.5% in 3Q21, an improvement of 200 bps with respect to 21.5% for 3Q20. Similarly, for the first nine months of the year, there was an improvement of 180 bps, from 22.3% in 9M20 to 20.5% in 9M21.

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 11.7% in 3Q21 vs. 3Q19 (6.6% in 9M21 vs. 9M19); EBITDA increased 21.2% vs. 3Q19 (19.6% vs. 9M19); and net income increased 119.2% vs. 3Q19 (93.5% vs. 9M19), despite the fact that the comparison is between a period affected by the pandemic (2021) and a period without the pandemic (2019).

With respect to SMU's financial position, the Company's operating cash generation increased CLP 45,574 million (38%) in the first nine months of 2021 with respect to the same period of 2020, associated with the higher EBITDA. The Company's comfortable financial situation is also reflected in its indebtedness ratios: as of September 30, 2021, net financial liabilities to EBITDA amounted to 3.8 times, an all-time low[3].

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

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

[3] Considering the pro forma application of IFRS 16 to periods prior to its application, in order for figures to be comparable.

Management Commentary

With respect to the release of earnings for the third quarter of 2021, SMU's CEO, Marcelo Gálvez, stated, "The positive trends in demand and in the recovery of traffic that we saw in the second quarter continued during the third quarter, as reflected in the 16.4% increase in our revenue. Greater mobility among the population clearly benefited our formats, which generally offer convenient locations and a quick and easy shopping experience to our customers."

Mr. Gálvez went on to say, "In the third quarter, Unimarc had same-store sales growth of 18.4%, while OK Market increased 23.3%, and the cash & carry segment grew 12.5%. We also saw a recovery in Peru, with growth of 13.4%."

"Our solid sales performance drove an increase of 31% in EBITDA, reaching an EBITDA margin of 9.8% in the third quarter, further deepening the flexibility of our financial position, with higher levels of operating cash generation and all-time low levels of indebtedness. These results are also driving profitability. Quarterly net income grew 137%, and net income for the year to September reached an all-time high, even exceeding the highest net income we've ever had for a full-year period."

"In addition to our strong financial results, in the last few months we have made progress on our strategic initiatives. In August we launched a new soft discount format under the brand Super10. With these stores we aim to satisfy the needs of final consumers across all segments, with an assortment that combines quality with attractive prices and a strong presence of SMU's private label products. We opened the first store in August, and today we have four stores in operation."

"Another significant milestone was the launch of our Unimarc.cl e-commerce site and the Unimarc app, strengthening our omnichannel growth and offering an attractive online value proposition to our customers. At the same time, we have continued to move forward with our new store opening plan, with a new Maxiahorro store in August, a new OK Market in September, and a new Unimarc in October."

"We continue to implement the initiatives of our 2020-2022 strategic plan, and for the coming year we have announced a capex plan of CLP 60 billion, with over half of the planned investments going to organic growth, in order to continue strengthening our competitive position and getting closer to our customers," concluded Mr. Gálvez.

Highlights

Interim Dividend Payment

On August 30, 2021, SMU's Board of Directors agreed to distribute an interim dividend of CLP 14,332,269,270 (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.

Launch of Super10

On August 18, 2021, SMU announced the inauguration of its first Super10 store, a new, soft discount format. Super10 offers a new, customer-centric value proposition, including an excellent shopping experience and an optimized assortment, allowing customers to purchase all of the groceries they need for their home: fresh products, dry goods, as well as personal hygiene products. The efficiency and productivity of Super10's operating model reduce costs in order to offer attractive prices. To date the Company has four Super10 stores in operation.

Launch of Unimarc.cl

On September 30, 2021, SMU announced the launch of its Unimarc.cl e-commerce platform and its Unimarc app, currently operating in 42 municipalities in three regions of Chile. The Company expects to expand its coverage to all 16 regions and 25 different cities by the end of the first half of 2022.

Conference Call

SMU will host a conference call and webcast for investors on Wednesday, November 17, 2021 at 9:00 am ET/ 11:00 am Santiago to discuss its third 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):
http://services.choruscall.ca/links/smu20211117.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, 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)	3Q21	3Q20	△%	9M21	9M20	△%
Revenue	649,934	558,165	16.4%	1,822,099	1,688,453	7.9%
Cost of Sales	(459,311)	(389,890)	17.8%	(1,279,435)	(1,186,793)	7.8%
Gross Profit	**190,623**	**168,275**	**13.3%**	**542,664**	**501,660**	**8.2%**
Gross Margin (%)	*29.3%*	*30.1%*		*29.8%*	*29.7%*	
Distribution Costs	(8,347)	(7,487)	11.5%	(23,050)	(23,980)	(3.9%)
Contribution Margin	**182,276**	**160,789**	**13.4%**	**519,614**	**477,681**	**8.8%**
Contribution Margin (%)	*28.0%*	*28.8%*		*28.5%*	*28.3%*	
Administrative Expenses (Excluding Depreciation)	(118,676)	(112,264)	5.7%	(349,607)	(352,194)	(0.7%)
EBITDA	**63,600**	**48,525**	**31.1%**	**170,007**	**125,486**	**35.5%**
EBITDA Margin (%)	*9.8%*	*8.7%*		*9.3%*	*7.4%*	
Depreciation and Amortization	(20,563)	(21,130)	(2.7%)	(62,069)	(64,596)	(3.9%)
Operating Income	**43,037**	**27,395**	**57.1%**	**107,937**	**60,890**	**77.3%**
Other Gains (Losses)	(1,065)	(720)	47.8%	(13,502)	(5,779)	133.7%
Financial Income	326	182	79.0%	968	634	52.7%
Financial Expenses	(11,676)	(12,272)	(4.9%)	(36,190)	(36,915)	(2.0%)
Share of Profit (Loss) of Associates	3	(82)	n.a.	4	(1,097)	n.a.
Foreign Exchange Differences	(66)	(159)	(58.6%)	(14)	(747)	(98.1%)
Income (Loss) for Indexed Assets and Liabilities	(5,511)	(175)	3,045.6%	(15,728)	(5,500)	186.0%
Non-operating Income	**(17,988)**	**(13,227)**	**36.0%**	**(64,463)**	**(49,404)**	**30.5%**
Net Income (Loss) Before Taxes	**25,049**	**14,168**	**76.8%**	**43,474**	**11,486**	**278.5%**
Income Tax Expense	(2,477)	(4,657)	(46.8%)	3,250	(1,617)	n.a.
Net Income (Loss) from Continued Operations	**22,571**	**9,512**	**137.3%**	**46,724**	**9,869**	**373.4%**
Net Income (Loss) of the Period	**22,571**	**9,512**	**137.3%**	**46,724**	**9,869**	**373.4%**

*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 third quarter of 2021 amounted to CLP 649,934 million, an increase of 16.4% with respect to CLP 558,165 million for the third quarter of 2020. Likewise, in the first nine months of 2021, revenue amounted to CLP 1,822,099 million, an increase of 7.9% with respect to CLP 1,688,453 million for the first nine months of 2020.

The strong sales performance has been driven by the positive trend, beginning in the second quarter of this year, 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)	3Q21	3Q20	△%	9M21	9M20	△%
UNIMARC	446	375	*19.0%*	1,244	1,136	*9.5%*
CASH & CARRY	171	153	*12.4%*	489	458	*6.6%*
OK MARKET	16.3	12.6	*29.1%*	45.3	36.4	*24.4%*
OTHERS(*)	3.7	5.8	*-35.5%*	10.4	15.0	*-30.6%*
FOOD RETAIL CHILE	638	546	*16.8%*	1,788	1,646	*8.6%*
FOOD RETAIL PERU	12.4	12.5	*-1.0%*	34.2	42.6	*-19.6%*
CONSOLIDATED	650	558	*16.4%*	1,822	1,688	*7.9%*

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

Food Retail Chile revenue increased 16.8% in 3Q21 with respect to 3Q20 and 8.6% in 9M21 vs. 9M20. By format, revenue for Unimarc—the traditional supermarket—grew 18.9% in 3Q21 (9.4% in 9M21), reflecting the improvement in the number of transactions, as well as the average ticket that remains high with respect to historical averages. Revenue for the cash & carry segment increased 12.4% in 3Q21 (3.7% in 9M21), with strong performance in both Alvi and Mayorista 10. The OK Market convenience stores saw a revenue increase of 29.1% in 3Q21 (24.4% in 9M21).

Online sales, through both SMU's own platforms and through last milers—who operate at the Unimarc, OK Market, and Mayorista 10—account for approximately 1% of revenue for the Food Retail Chile segment. A recent highlight was the launch, on September 30, 2021, of the Unimarc.cl e-commerce platform and the Unimarc app. The Company hopes that these new platforms will drive growth in online sales penetration going forward.

In Food Retail Peru, revenue (measured in Peruvian Soles) increased 14.3% in 3Q21 (decrease of 2.7% in 9M21), reflecting the recovery in customer traffic, as government-imposed restrictions on operating hours were lifted, and customers reacted favorably to commercial initiatives. Measured in Chilean pesos, revenue decreased 1.0% in 3Q21 with respect to 3Q20 (-19.6% in 9M21 vs. 9M20), due to the impact of the exchange rate.

Table 3: Same-Store Sales Growth (%)

SSS (△%)	3Q20	4Q20	2020	1Q21	2Q21	3Q21
UNIMARC	*-4.0%*	*7.7%*	*1.0%*	*-5.2%*	*15.4%*	*18.4%*
CASH & CARRY	*7.1%*	*12.9%*	*11.2%*	*-1.5%*	*9.8%*	*12.5%*
OK MARKET	*1.4%*	*27.2%*	*4.3%*	*13.7%*	*27.5%*	*23.3%*
FOOD RETAIL CHILE	*-0.6%*	*9.4%*	*3.9%*	*-3.8%*	*13.6%*	*16.4%*
FOOD RETAIL PERU	*-1.9%*	*4.6%*	*3.3%*	*-1.7%*	*-15.5%*	*13.4%*
CONSOLIDATED	*-0.6%*	*9.1%*	*4.0%*	*-4.1%*	*12.3%*	*16.0%*

Same-store sales (SSS) grew 16.0% in 3Q21, continuing the positive trend that began in the second quarter of 2021, with growth of 12.3%.

By format, SSS for Unimarc increased 18.4% in 3Q21. The cash & carry formats, for their part, saw growth of 12.5%, and OK Market convenience stores grew 23.3%.

Food Retail Peru—which accounts for 2% of SMU's revenue—recorded an increase in SSS (measured in Soles) of 13.4% in 3Q21. As described above, SSS improved with respect to the first half of the year, due to a recovery in the number of transactions and an average ticket that remained high with respect to historical averages.

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

SALES PER SQM (CLP Thousands/sqm)	3Q21	3Q20	△%	9M21	9M20	△%
FOOD RETAIL CHILE	439.8	377.3	*16.6%*	412.2	379.6	*8.6%*
FOOD RETAIL PERU	226.0	223.2	*1.3%*	208.3	251.9	*-17.3%*
CONSOLIDATED	431.9	371.5	*16.3%*	404.7	374.8	*8.0%*

Sales per square meter reached CLP 431,925 for the third quarter of 2021, 16.3% higher than 3Q20. Likewise, sales per square meter for the first nine months of 2021 amounted to CLP 404,696, an increase of 8.0%.

Food Retail Chile sales per square meter increased 16.6% in 3Q21 compared to 3Q20 (+8.6% in 9M21 vs. 9M20). For its part, Food Retail Peru (measured in Chilean pesos) recorded a decrease of 1.3% in 3Q21 (-17.3% in 9M21), strongly impacted by the exchange rate.

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

NUMBER OF STORES	3Q21	3Q20
UNIMARC	283	285
CASH & CARRY	95	95
OK MARKET	128	123
FOOD RETAIL CHILE	506	503
FOOD RETAIL PERU	25	24
CONSOLIDATED	531	527

SALES AREA (THOUSANDS OF SQM)	3Q21	3Q20
UNIMARC	346	347
CASH & CARRY	122	123
OK MARKET	15	14
FOOD RETAIL CHILE	483	483
FOOD RETAIL PERU	18	19
CONSOLIDATED	501	502

Table 6: Store Openings and Closures

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

As of September 30, 2021, SMU's operations included **506 stores** in Chile, distributed from Arica to Punta Arenas—similar to the 503 stores in operation at the end of 3Q20—and a total of **482,818** square meters.

The number of stores as of September 30, 2021 includes six 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 six stores include three Unimarc stores and three Alvi stores. In addition, the total store number includes two OK Market stores that are located in universities or malls that are temporarily closed due to the COVID-19 pandemic.

During the first nine months of 2021, the Company opened seven OK Market stores and one Unimarc store, as well as deciding to permanently close one Unimarc store and three OK Market stores.

In Peru, as of September 30, 2021, the Company had 25 stores, with 18,353 square meters. During the first nine months of 2021, the Company opened two 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 531 stores and a total selling space of 501,665 square meters at period end, including Chile and Peru.

1.1.2. Distribution Costs and Administrative Expenses

Distribution costs plus administrative expenses (excluding depreciation and amortization) totaled CLP 127,023 million for the third quarter of 2021, an increase of 6.1% with respect to CLP 119,751 million for 3Q21. As a percentage of revenue, operating expenses amounted to 19.5% in 3Q21 and 21.5% in 3Q20, an improvement of 200 bps. With respect to the first nine months of 2021, operating expenses amounted to CLP 372,657 million (20.5% of revenue), a decrease, in nominal terms, of 0.9% compared to CLP 376,174 million (22.3% of revenue) for 9M20.

Distribution costs for 3Q21 totaled CLP 8,347 million, an increase of 11.5% with respect to 3Q20. Distribution costs as a percentage of revenue amounted to 1.3% in both periods. For 9M21 distribution costs amounted to CLP 23,050 million (1.3% of revenue), 3.9% lower than CLP 23,980 million (1.4% of revenue) for 9M20. During the first nine months of the year, the decrease in accumulated distribution costs is explained by the lower average cost of oil, as well as the lower average exchange rate. Both of these variables are included in the algorithm used to determine transportation cost. However, the increase in distribution costs in the third quarter is due to the higher average cost of oil during that period, with an average exchange rate similar to 3Q20.

Administrative expenses (excluding depreciation and amortization) totaled CLP 118,676 million (18.3% of revenue) in 3Q21, an increase of 5.7% with respect to CLP 112,264 million (20.1% of revenue) in 3Q20. For 9M21, administrative expenses amounted to CLP 349,607 million (19.2% of revenue), a decrease of 0.7% with respect to CLP 352,194 million (20.9% of revenue) for 9M20.

Administrative expenses include extraordinary expenses directly related to the pandemic. These expenses amounted to CLP 1,819 million in 3Q21, a reduction of 15.9% with respect to CLP 2,161 million recorded in 3Q20. For 9M21, COVID expenses amounted to CLP 6,145 million, a reduction of 17.4% with respect to CLP 7,437 million in 9M20.

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

a. Increase of CLP 3,101 million (+5.5% YoY) in personnel expenses, primarily due to an increase in employee benefits, as well as higher minimum wage and inflation adjustments affecting salaries and wages, partially offset by lower average headcount in the period.

b. Increase of CLP 1,499 million (+24.3% YoY) in lease expenses, primarily due to inflation, new store openings, and higher variable payments associated with higher sales.

c. Increase of CLP 744 million (+3.5% YoY) in services, primarily due to increases in inflation and minimum wage, which are the main elements of the cost of these services.

d. Increase of CLP 673 million (+15.6% 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 616 million (+22.4%) in advertising expenses, primarily due to the increase in advertising and promotional activity during the period, including the launch of Unimarc.cl.

f. Increase of CLP 606 million (+20.8% YoY) in external services, primarily due to expenses associated with investment projects, such as consulting services and technology expenses.

The main variations in administrative expenses in the first nine months of 2021 were as follows:

a. Decrease of CLP 6,624 million (-3.6% YoY) in personnel expenses, primarily due to lower average headcount in the period and a reduction of CLP 864 million in pandemic-related expenses, due to optimization efforts. This reduction was achieved despite the higher minimum wage (4.9%) and inflation adjustments (3.1%) in 9M21.
b. Decrease of CLP 2,008 million (-19.5% YoY) in materials, including a decrease of CLP 1,056 million in pandemic-related expenses.
c. Increase of CLP 2,540 million (+13.4% YoY) in lease expenses, primarily due to inflation, new store openings, and higher variable payments associated with higher sales.
d. Increase of CLP 1,387 million (+11.6% 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 800 million (+8.9% YoY) in external services, primarily due to expenses associated with investment projects, such as consulting services and technology expenses.
f. Increase of CLP 529 million (+6.1% YoY) in advertising expenses, primarily due to the increase in advertising and promotional activity during the period, including the launch of Unimarc.cl.
g. Increase of CLP 457 million (3.7% YoY) in maintenance.

Table 7: Average Headcount

AVERAGE HEADCOUNT	3Q21	3Q20	△%	9M21	9M20	△%
STORES CHILE	23,472	25,703	*-8.7%*	23,772	26,402	*-10.0%*
HEADQUARTERS CHILE	2,081	2,002	*3.9%*	2,043	1,982	*3.1%*
FOOD RETAIL CHILE	25,553	27,706	*-7.8%*	25,815	28,384	*-9.0%*
STORES PERU	489	452	*8.2%*	475	460	*3.4%*
HEADQUARTERS PERU	158	153	*3.5%*	156	148	*4.8%*
FOOD RETAIL PERU	647	605	*7.0%*	631	608	*3.7%*
CONSOLIDATED	26,201	28,311	*-7.5%*	26,446	28,992	*-8.8%*

1.1.3. Gross Margin, Contribution Margin, and EBITDA

Gross profit for the third quarter of 2021 totaled CLP 190,623 million (29.3% of revenue), an increase of 13.3% with respect to CLP 168,275 million (30.1% of revenue) for 3Q20. With respect to 9M21, gross profit amounted to CLP 542,664 million (29.8% of revenue), an increase of 8.2% over CLP 501,660 million (29.7% of revenue) in 9M20.

Contribution margin totaled CLP 182,276 million (28.0% of revenue) in 3Q21, an increase of 13.4% compared to CLP 160,789 million (28.8% of revenue) for 3Q20. For the first nine months of 2021, contribution margin amounted to CLP 519,614 million (28.5% of revenue), 8.8% higher than CLP 477,681 million (28.3% of revenue) for 9M20.

EBITDA totaled CLP 63,600 million in 3Q21, an increase of 31.1% with respect to CLP 48,525 million in 3Q20. EBITDA margin for 3Q21 amounted to 9.8%, an expansion of 110 bps compared to 8.7% in 3Q20, reflecting the impact of improved operating leverage in the period. With respect to 9M21, EBITDA amounted to CLP 170,007 million (EBITDA margin of 9.3%), an increase of 35.5% over CLP 125,486 million (EBITDA margin of 7.4%) in 9M20.

EBITDAR (EBITDA less lease expenses) totaled CLP 71,274 million (EBITDAR margin of 11.0%) in 3Q21, an increase of 30.3% with respect to CLP 54,700 million (EBITDAR margin 9.8%) in 3Q20. For the first nine months of 2021, EBITDAR amounted to CLP 191,442 million (EBITDAR margin of 10.5%), 32.6% higher than CLP 144,381 million (EBITDAR margin of 8.6%) for 9M20.

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

The consolidated **non-operating loss** for SMU totaled CLP -17,988 million in 3Q21, a difference of CLP 4,762 million with respect to CLP -13,227 million in 3Q20. The primary variation was an increase of CLP 5,336 million in losses on inflation-indexed assets and liabilities, due to higher inflation in the period compared to 3Q20.

For the first nine months of 2021, the non-operating loss amounted to CLP 64,463 million, a difference of CLP 15,059 million with respect to CLP 49,404 million for 9M20, primarily due to:

a. **Other gains (losses)**: Other losses increased by CLP 7,724 million in 9M21, totaling CLP 13,502 million, 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. With respect to 9M20, other losses totaled CLP 5,779 million, 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 5,645 million) and a fine relating to a free competition proceeding (CLP 2,064 million), partially offset by the recovery of insurance (CLP 2,797 million).

[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)

b. **Losses on inflation-indexed assets and liabilities** increased by CLP 10,228 million in 9M21 compared to 9M20, 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.

c. **Share of profit (loss) of associates** improved by CLP 1,101 million, due to the improvement in the results obtained by associate companies.

The **income tax expense** for 3Q21 amounted to CLP -2,477 million, a decrease of CLP 2,179 million with respect to CLP -4,657 million for 3Q20. With respect to 9M21, income tax benefit amounted to CLP 3,250 million, a variation of CLP 4,867 million with respect to the income tax expense of CLP -1,617 million for 9M20. In both the third quarter and the nine months, the difference is due to the better pre-tax results and higher inflation, resulting in higher inflation adjustments to the tax loss carryforward.

1.3 Net Income

SMU reported **net income** of CLP 22,571 million for the third quarter of 2021, 137% (CLP 13,060 million) higher than CLP 9,512 million for 3Q20, explained by the improvement of CLP 15,642 million in operating income for the period. Likewise, net income for the first nine months amounted to CLP 46,724 million, an increase of CLP 36,855 million (373%) over CLP 9,869 million reported for 9M20, due to the improvement of CLP 47,047 million in operating income.

2. Analysis of Statement of Financial Position

Table 8: Statement of Financial Position as of September 30, 2021 and December 31, 2020

(CLP Million)	September 2021	December 2020	△$	△%
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	109,069	197,716	(88,647)	(44.8%)
Other Current Financial Assets	15	18	(3)	(17.9%)
Other Current Non-Financial Assets	29,725	12,692	17,033	134.2%
Trade Accounts Receivable and Other Receivables, Net	70,240	91,520	(21,281)	(23.3%)
Accounts Receivable from Related Companies	16,061	15,845	216	1.4%
Inventories	241,390	188,730	52,660	27.9%
Current Tax Assets	1,989	2,971	(982)	(33.1%)
Total Current Assets	**468,489**	**509,493**	**(41,004)**	**(8.0%)**
NON-CURRENT ASSETS				
Other Non-Current Financial Assets	760	259	501	193.7%
Other Non-Current Non-Financial Assets	3,205	2,443	763	31.2%
Non-Current Accounts Receivable	2,409	1,731	678	39.1%
Non-Current Accounts Receivable from Related Parties	-	-	-	-
Investments Accounted for Using the Equity Method	13,678	14,116	(438)	(3.1%)
Intangible Assets Other Than Goodwill	58,562	59,475	(913)	(1.5%)
Goodwill	474,929	474,893	36	0.0%
Property, Plant, and equipment, net	719,556	693,190	26,366	3.8%
Deferred tax assets	428,159	426,350	1,809	0.4%
Total Non-Current Assets	**1,701,259**	**1,672,457**	**28,802**	**1.7%**
TOTAL ASSETS	**2,169,748**	**2,181,950**	**(12,202)**	**(0.6%)**
LIABILITIES				
CURRENT LIABILITIES				
Other Current Financial Libialities	141,966	206,318	(64,352)	(31.2%)
Trade and Other Current Payables	408,182	362,549	45,633	12.6%
Accounts Payable to Related Companies	524	1,152	(628)	(54.5%)
Other Current Provisions	1,884	2,080	(196)	(9.4%)
Current Tax Liabilities	0	1,663	(1,663)	(100.0%)
Current Provisions for Employee Benefits	28,721	20,738	7,983	38.5%
Other Current Non-Financial Liabilities	1,787	9,696	(7,909)	(81.6%)
Total Current Liabilities	**583,064**	**604,195**	**(21,131)**	**(3.5%)**
NON-CURRENT LIABILITIES				
Other Non-Current Financial Liabilities	845,615	848,123	(2,508)	(0.3%)
Non-Current Payables	2	14	(12)	(86.5%)
Deferred Tax Liabilities	24	75	(51)	(67.9%)
Non-Current Provisions for Employee Benefits	1,614	5,020	(3,406)	(67.8%)
Other Non-Current Non-Financial Liabilities	-	-	-	-
Total Non-Current Liabilities	**847,255**	**853,233**	**(5,977)**	**(0.7%)**
TOTAL LIABILITIES	**1,430,320**	**1,457,428**	**(27,109)**	**(1.9%)**
EQUITY				
Issued Capital	523,742	523,742	-	0.0%
Retained Earnings	67,804	52,617	15,187	28.9%
Other Reserves	147,882	148,162	(280)	(0.2%)
Equity Attributable to the Owners of the Parent Company	739,428	724,521	14,907	2.1%
Non-Controlling Interest	-	-	-	-
Total Equity	**739,428**	**724,521**	**14,907**	**2.1%**
TOTAL LIABILITIES AND EQUITY	**2,169,748**	**2,181,950**	**(12,202)**	**(0.6%)**

2.1. Assets

As of September 30, 2021, SMU's **total assets** decreased by CLP 12,202 million (0.6%) with respect to December 31, 2020, totaling CLP 2,169,748 million.

Current assets as of September 30, 2021 decreased CLP 41,004 million (8.0%) with respect to December 31, 2020, totaling CLP 468,489 million. The primary variations during the period were:

a. A decrease of CLP 88,647 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 52,660 million in inventory, primarily due to the seasonality of the business.

c. A decrease of CLP 21,281 million in trade accounts receivable and other accounts receivable, primarily due to a decrease in accounts receivable from Transbank, related to the seasonality of the business.

d. An increase of CLP 17,033 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 September 30, 2021 increased CLP 28,802 million (1.7%) with respect to December 31, 2020, totaling CLP 1,701,259 million. The primary variation during the period was an increase of CLP 26,366 million in property, plant, and equipment, due to additions for the period (CLP 87,745 million), partially offset by depreciation for the period (CLP 55,520 million) and disposals/sales (CLP 5,936 million).

2.2. Liabilities

As of September 30, 2021, the Company's **total liabilities** decreased by CLP 27,109 million (1.9%) with respect to December 31, 2020, totaling CLP 1,430,320 million.

Current liabilities as of September 30, 2021 decreased by CLP 21,131 million (3.5%) with respect to December 2020, totaling CLP 583,064 million.

The primary variations during the period are detailed as follows:

a. A decrease of CLP 64,352 million in other current financial liabilities, primarily due to: (i) decrease of CLP 49,290 million in obligations with the public, from the amortization of the Series G and K bonds, which matured in March (CLP 88,058 million), partially offset by the transfer from non-current to current of the first amortization of the Series AL and T bonds (CLP 14,958 million and CLP 17,552 million, respectively), as well as accrued interest and the variation of the UF (inflation) during the period; and (ii) a decrease of CLP 16,118 million in bank loans.
b. An increase of CLP 45,633 million in current trade and other accounts payable, primarily due to accounts payable to suppliers and related to the cut-off date for payments.
c. An increase of CLP 7,983 million in current provisions for employee benefits, primarily due to the provision for benefits and bonuses.
d. A decrease of CLP 7,909 million in other current non-financial liabilities, primarily due to a decrease in the VAT fiscal debit (CLP 5,356 million), as well as lower prepaid income for lease of space (CLP 2,422 million).

Non-current liabilities as of September 30, 2021 decreased by CLP 5,977 million (0.7%) with respect to December 2020, amounting to CLP 847,255 million.

The primary variations during the period are detailed as follows:

a. Decrease of CLP 3,406 million in the non-current provision for employee benefits, primarily due to a decrease of CLP 3,375 million in the for benefits and bonuses, por the transfer from non-current to current.
b. Decrease of CLP 2,508 million in other non-current financial liabilities, primarily due to the decrease of CLP 21,437 million in obligations with the public, due to the transfer from non-current to current of the first amortization of the Series AL and T bonds (CLP 14,958 million and CLP 17,552 million, respectively), partially offset by inflation during the period. In addition, obligations for rights of use increased by CLP 19,865 million, due to the effect of inflation and new lease contracts recognized during the period.

2.3. Shareholders' Equity

Shareholders' equity increased by CLP 14,907 million (2.1%), primarily explained by the increase of CLP 15,187 million in retained earnings, due to net income for the period (CLP 46,724 million), partially offset by dividends paid during the period (CLP 31,537 million).

3. Analysis of Statement of Cash Flows

Table 9: Statement of Cash Flows for the Nine Months Ended September 30, 2021 and 2020

(CLP Million)	September 2021	September 2020	△$
Net Cash Flows From (Used in) Operating Activities	164,866	119,293	45,574
Net Cash Flows From (Used in) Investing Activities	(31,143)	(26,176)	(4,967)
Net Cash Flows From (Used in) Financing Activities	(222,371)	(50,489)	(171,882)
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rates	**(88,647)**	**42,628**	**(131,275)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(88,647)**	**42,628**	**(131,275)**
Cash and Cash Equivalents at Beginning of Period	197,716	50,810	146,906
Cash and Cash Equivalents at End of Period	**109,069**	**93,439**	**15,631**

During the first nine months of 2021, cash provided by **operating activities** totaled CLP 164,866 million, an increase of CLP 45,574 million compared to CLP 119,293 million for the same period of 2020. The higher operating cash generation is mainly due to the increase of CLP 140,243 million in cash receipts from the sale of goods and rendering of services, related to the higher revenue described in section 1 of this document, partially offset by higher payments to suppliers (CLP 79,896 million) and employees (CLP 3,334 million).

Cash used in **investing activities** for 9M21 totaled a net outflow of CLP -31,143 million, a difference of CLP 4,967 million compared to CLP -26,176 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 31,623 million in 9M21 and CLP 23,917 million in 9M20.

Cash used in **financing activities** for 9M21 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. In 9M20, cash used in financing activities totaled a net outflow of CLP -50,489 million, mainly explained by: proceeds from loans for CLP 120,097 million, including the placement of the series AK bonds in June (UF 3 million) and other short-term loans contracted during the period (approximately CLP 35,500 million), partially offset by: (i) repayment of loans for approximately CLP 70,634 million; (ii) interest payments of CLP 36,231 million; (iii) payments of financial leases for CLP 37,771 million; and (iv) dividend payments of CLP 25,950 million.

4. Financial Indicators

Table 10: Financial Indicators

			Sept. 2021	Dec. 2020
LIQUIDITY				
Liquidity Ratio	times	*Current assets/current liabilities*	0.80	0.84
Acid Ratio	times	*(Current assets - inventories)/current liabilities*	0.39	0.53
LEVERAGE				
Total Liabilities / Total Assets	times	*Total liabilities / Total assets*	0.66	0.67
Total Liabilities / Equity	times	*Total liabilities / Equity*	1.93	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*	0.57	0.59
Current Liabilities / Total Liabilities	%	*Total current liabilities/Total liabilities*	40.76	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*	3.82	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*	1.84	2.29
WORKING CAPITAL				
Days of Inventory	days	*Average inventory for the period / Daily cost of goods sold for the period*	45.38	42.52
Accounts Receivable Days	days	*Average current trade and other accounts receivable for the period / (Daily revenue for the period * 1.19)*	10.07	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)*	68.27	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)*	4.85	3.82
Gross Margin (Last 12 months)	%		29.79	29.74
EBITDA (Last 12 months)	CLP MM		229,991	185,471
EBITDA Margin (Last 12 months)	%		9.39	8.01
PROFITABILITY (12 months)				
Return on Assets	%	*Net income last 12 months / Total assets*	3.07	1.37
Return on Assets (excluding goodwill)	%	*Net income last 12 months / (Total assets - goodwill)*	3.93	1.75
Return on Equity	%	*Net income last 12 months / Shareholders' Equity*	9.02	4.12
Return on Invested Capital (including goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + goodwill + property, plant and equipment)*	9.37	6.60
Return on Invested Capital (excluding goodwill)	%	*Operating income last 12 months / (Accounts receivable + inventories + intangible assets + property, plant and equipment)*	13.45	9.63

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

With respect to **indebtedness** indicators, the 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, the primary variation is observed in inventory turnover and is due to the variation in average inventory, due to the seasonality of the business, as described in section 2 of this document.

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.

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 September 30, 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

Human Resources Committee

Fernando Del Solar

Pilar Dañobeitía

Francisca Saieh

Sustainability Committee

Tina Rosenfeld

Pilar Dañobeitía

Francisca Saieh

Fernando Del Solar

Compliance Committee

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.

About SMU

SMU is the largest Chilean food retailer, based on number of stores, and the third largest Chilean food retailer, based on revenue for the year ended December 31, 2020. We operate our food retail business in Chile through four different formats: supermarkets (*Unimarc*), cash and carry stores (*Mayorista 10* and *Alvi*), convenience stores (*OK Market*) and an online grocer (*Telemercados*). We also operate in Peru, through two food cash and carry 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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