

# Financial Results

# First Quarter 2022



# Management Comments

## First Quarter 2022 Earnings



### Gaston Bottazzini

CEO of  
Falabella S.A.

As restrictions to our stores were lifted, visitor flow to our stores and malls has risen sharply. Similarly, our omnichannel platform consolidates its scale, growing **47%** over pre pandemic levels (2019), with stores growing **30%** and online almost tripling its size, while growing by **10%** its proportion within total sales.

I would also like to emphasize the rapid growth in customers participating in the loyalty program and strong growth in our customers opening fully online financial products. Accordingly, we have exceeded customer retention levels and reached **37 million** customers served over the last twelve months, which represents growth of **25%** over the previous year, and an annual increase in total sales of **16%**.

We continue to strengthen our physical-digital ecosystem. During the first quarter, our omni-channel platform reported total regional sales of **US\$ 4 billion** (+18% YoY). The Marketplace platform recorded online sales in GMV of **US\$ 796 million** for the period (+8% YoY) and **US\$ 3.8 billion** for the last twelve months. Sales of third-party products continued to grow and reached **US\$ 141 million** in GMV during the quarter.

Sales in our retail businesses grew **15%** YoY in aggregate for all our markets, with an online business that continues to be significant despite physical stores fully reopening. Online penetration in the region has remained in **22%** over the last 12 months.

Home Improvement has also rapidly grown, with online sales of **US\$ 1.1 billion** over the last 12 months and regional online penetration reaching **14%**.

We continue to expand our Digital Banking business. During the quarter we opened **+230,000** digital cards in Chile, Peru and Colombia, with **61%** of financial product origination coming through online channels over the last 12 months. These abilities helped us to resume strong lending growth during the quarter, and we achieved **+35%** YoY across the region, which exceeded pre-pandemic levels to reach **US\$ 7.8 billion**.

We continued to digitize our customer interactions, as more than **94%** of customer services in the region are now provided through online channels.

Our loyalty program continues to grow, which is driving increased interaction with our customers throughout the region and reached almost **17 million** participants (+43% YoY). Redemptions grew by **83%** YoY during the quarter to reach 2.5 million redemptions, where **36%** were fully online.

Our results experienced a challenging quarter, due to a high comparable base. Despite strong revenue growth (+18% YoY), our expenses increased (+22% YoY) mainly due to a series of non-recurring events, such as cost overruns in maritime transport (+US\$ 18 million) and lease expenses (as store operation returned to normal +US\$ 21 million). These impacts represent **21%** of the increase in SG&A. The consolidated increase would have been **+17%** YoY excluding this effect. Also, expenses to strengthen our online platforms increased, with Opex of **US\$ 19 million** incrementally disbursed on technological developments.

Net income was **US\$ 92 million** during the first quarter 2022, impacted by unrealized losses related to our hedging policy on derivative contracts for

imports, recorded in financial expenses and offset by FX differences on foreign currency obligations (net impact of **-US\$ 55 million** YoY).

We are growing our active customers, sales and loan portfolio, with a healthy credit risk. We are increasing the growth potential of our ecosystem through our main growth engines: Digital Banking and Marketplace.

Therefore, leveraging the progress achieved by digitalizing customer interactions at Banco Falabella is essential.

We still have work to do in the Marketplace. Our growth is currently driven by sales of our retailer's products, rather than third-party product sales. We expect to drive Sellers' sales growth in the second half of the year by introducing an improved management platform for Sellers, which will strengthen our value proposal, along with the payment processing, financing and value-added services within our ecosystem.

## Highlights 1Q-2022

Online GMV  
+8% YoY **US\$ 796 million**

Store Sales  
+18% YoY **US\$ 3,200 million**

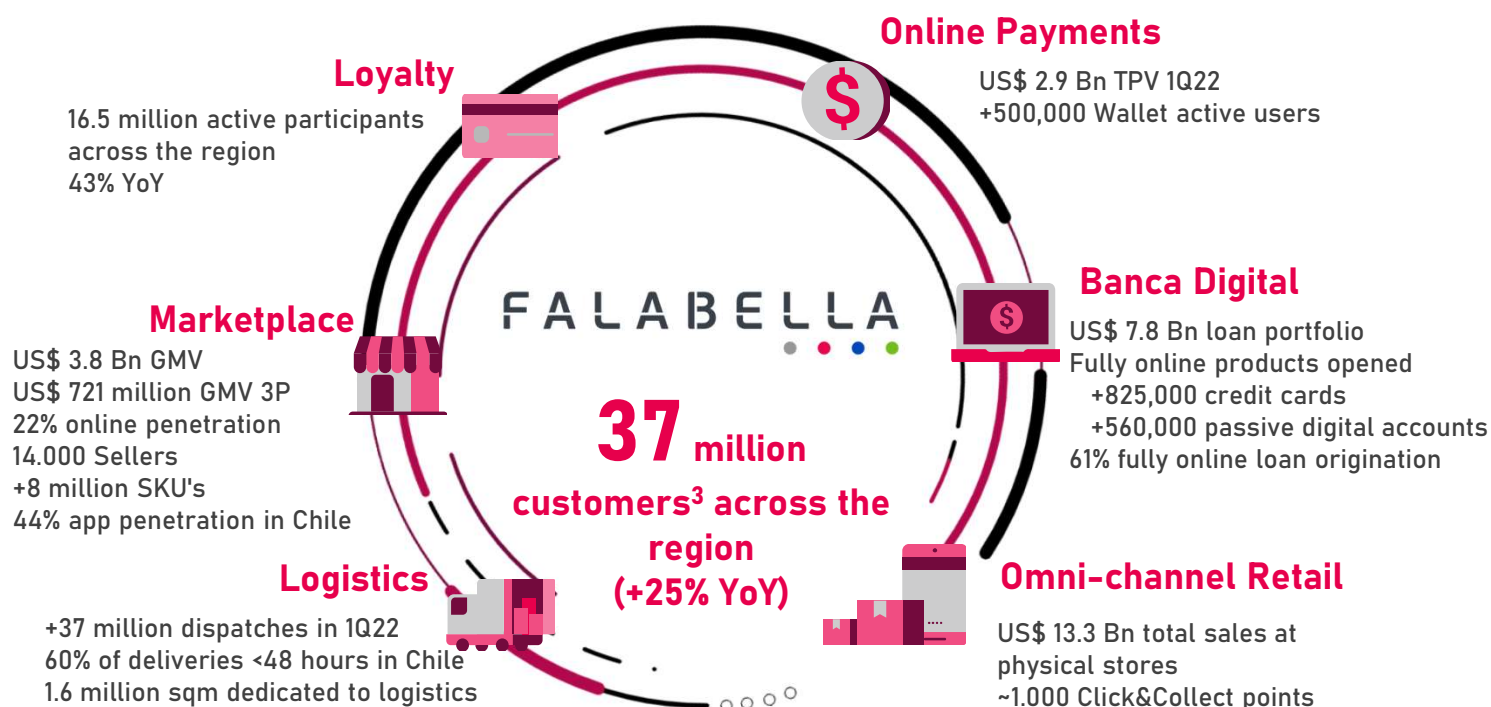
Gross Loan Book  
+35% YoY **US\$ 7,800 million**

TPV  
+25% YoY **US\$ 669 million**

# 01

## Main Indicators (LTM)

### Our Physical-Digital Ecosystem



### Key Financial Indicators<sup>1,2</sup>

US\$ million

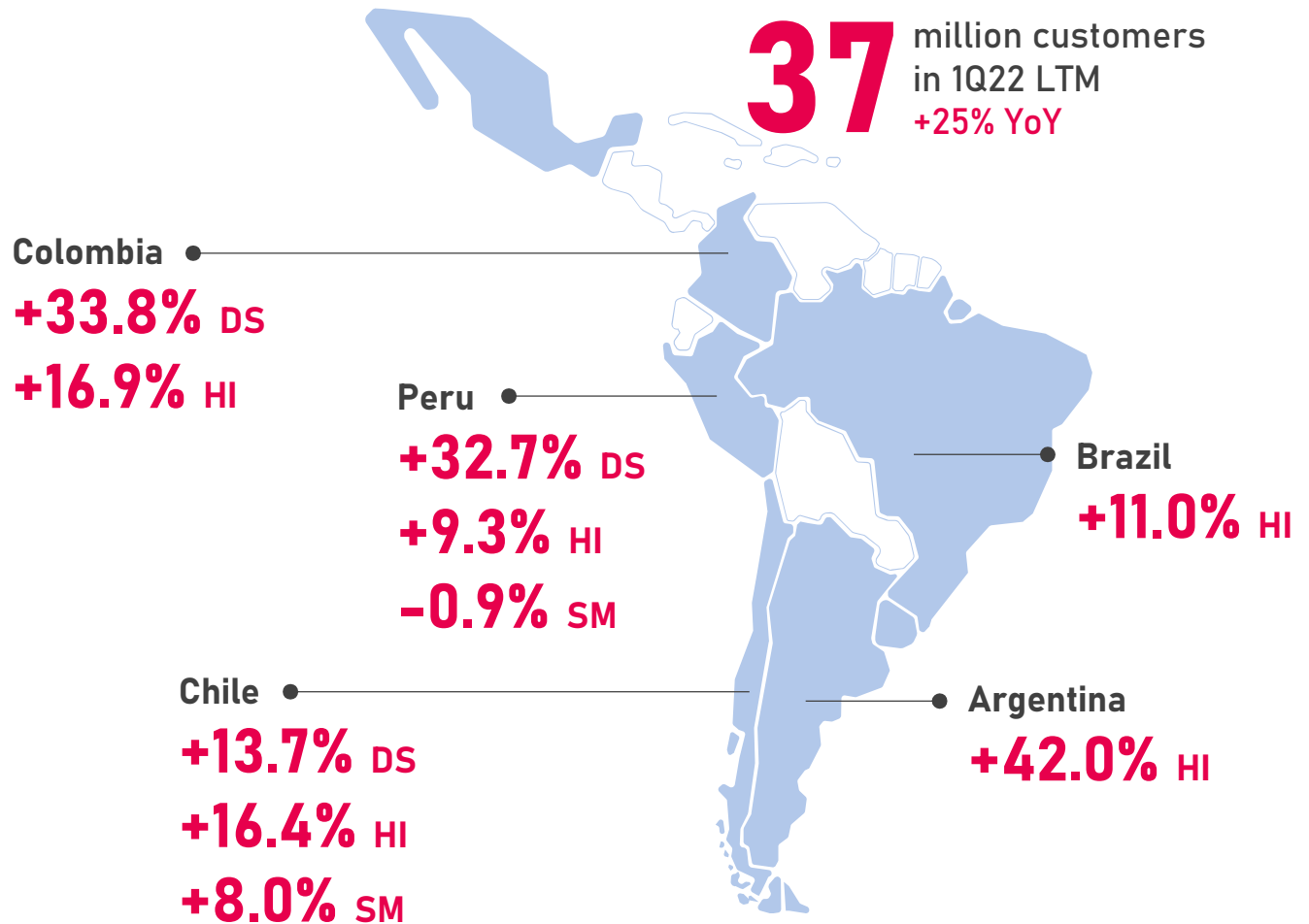
	1Q21	1Q22	Var (%)
<b>Total sales</b>			
GMV Online	738	796	8,0%
GMV own products (1P)	568	655	15,4%
GMV third-party products (3P)	170	141	-17,0%
Total sales of physical stores	2.713	3.200	17,9%
<b>Total sales</b>	<b>3.451</b>	<b>3.996</b>	<b>15,8%</b>
TPV	536	669	24,8%
<b>Financial Results</b>			
Non-Banking Revenue	2.815	3.227	14,6%
Financial Services Revenue	331	492	48,4%
<b>Total Revenue</b>	<b>3.146</b>	<b>3.719</b>	<b>18,2%</b>
EBITDA	447	371	-17,1%
Net (Loss) Income	174	92	-47,2%
<b>Balance Sheet</b>			
Cash (non-banking)	1.294	448	-65,4%
Gross Loan Book	5.782	7.800	34,9%
Total Net Debt (Exc. Banking)	3.319	4.199	26,5%

<sup>1</sup> Values in the table are in the functional currency (Chilean pesos) converted to US dollars at constant exchange rates

<sup>2</sup> Total sales are the total value of merchandise sold, including our own products (1P) and those of third parties (3P), through our omni-channel platform (physical and online stores). Includes value-added taxes. Calculated with neutral exchange rates.

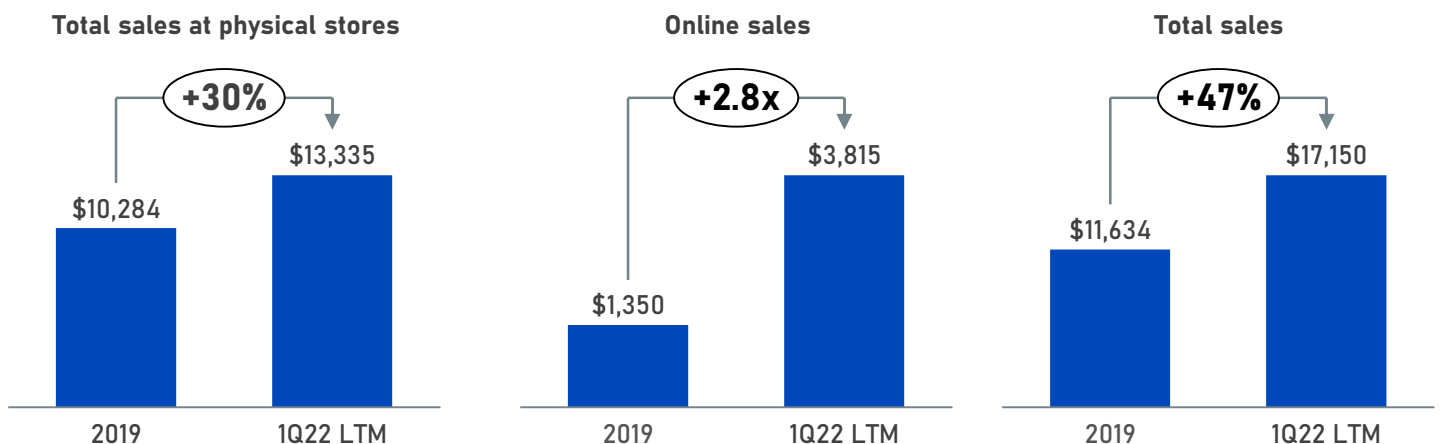
<sup>3</sup> Customers refers to a customer that made at least one purchase in our retailers, in the store or online, or performed a transaction in our banking business, within the last 12 months.

## 02 Our retailers<sup>2</sup> continue growing compared to the previous year



### Our physical-digital ecosystem consolidates its scale

GMV, US\$ million

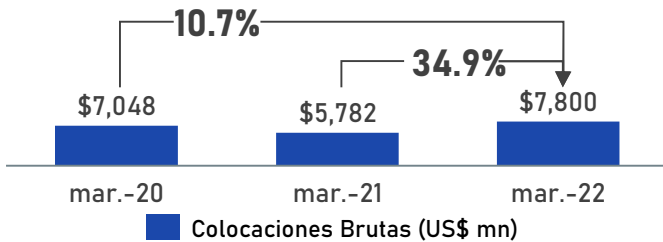


<sup>4</sup>The acronyms for each of the retailers mean the following: DS is Department Stores, HI is Home Improvement and SM is supermarkets. Growth has been calculated in local currency.

## 03

The loan portfolio continues to rapidly grow

Our loan portfolio grew 35% YoY, its largest ever size



We reached third place in consumer loans in Chile as of March 31, 2022, with a market share of more than 11%

**Chile**

**+29.3% YoY**

Local currency

US\$ 5,372 million

**Colombia**

**+46.4% YoY**

Local currency

US\$ 1,526 million

**Peru**

**+36.1% YoY**

Local currency

US\$ 902 million

**REGIONAL**

**+34.9% YoY**

**US\$ 7,800 million**

Lending growth is closely linked to digital banking progress

**6.5** million active customers and growth of 17% YoY

We have already surpassed our pre-pandemic customer base. Our customer base with an active banking app also grew 39% YoY, reaching 4.8 million.

Our online product origination journeys continue to drive growth

During 1Q-2022 we issued:

**+230,000** digital cards

Growth of 54% YoY.

**~180,000** passive digital accounts

Growth of 7.5x YoY.

We currently open more credit cards and passive digital accounts using online channels than physical channels. Online product openings are currently 57% of total product openings.

**94%** of customer services in Chile use online channels

We continue to strengthen our customer service models to reduce our dependence on physical channels for resolving our customers' requirements.

We continue to deepen relationships with our customers and increase their preference for our services

**+36%** in credit card purchases

Credit card purchases from merchants outside our ecosystem represent 65% of the flow.

**1.2 million** customers with simultaneous products

We increased the number of customers with credit cards and active passive accounts by 79%.



Our **CMR card is the most popular card in Chile**, among banking, multi-store and supermarket customers.



We were ranked in **second place by active checking accounts** in Chile, after previously being in fifth place.

We are the **fastest growing bank** by debit card.

Customers are increasingly interacting with our **CMR points loyalty program** throughout the region



**16.5 million** participants

With growth of 43% YoY across the region.

Redemptions grew by **83% YoY** to reach 2.5 million

As of March, online redemptions already represent 36% of total redemptions in the region.

## 04

Our online payment business continues to strengthen

Our payment processing platform and digital wallet **Fpay** continues increasing its transactional flow

**US\$ 669 million**

TPV<sup>5</sup> achieved by the group during 1Q22, +25% YoY.

**US\$ 2.947 million**

TPV achieved over the last 12 months, +14% YoY.

Our digital wallet continues growing

**+510.000 active Fpay users**

Growth 3x YoY.

Peru surpassed 104,000 users, representing growth of +7.7x compared to the previous year.

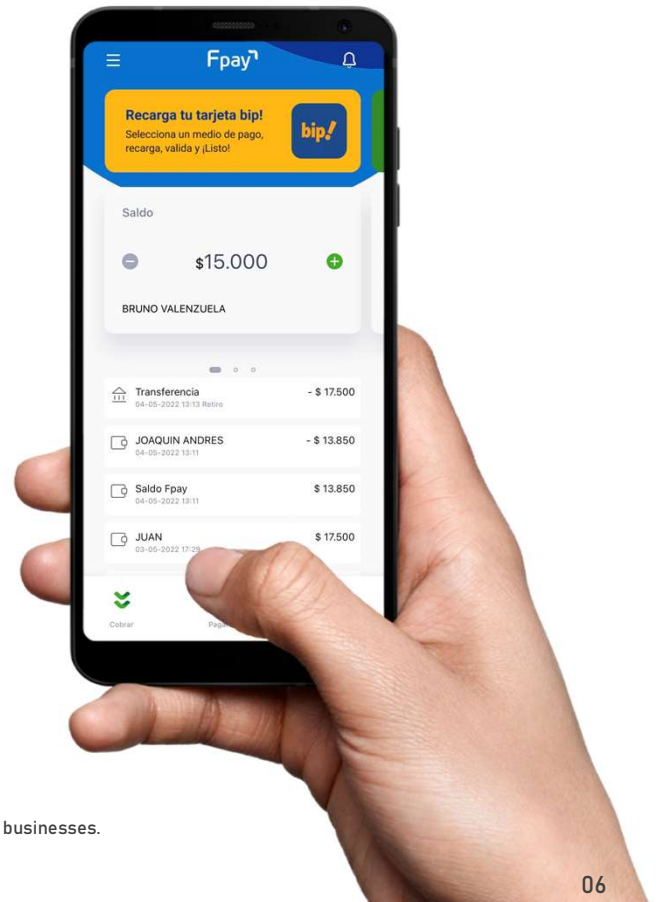
Digital wallets are being increasingly used in our physical stores

Digital wallets were used to pay for **6.4%** of purchases at physical Falabella stores by the end of March, with **2.7%** at Sodimac and **3.0%** at Tottus.

New features for the digital wallet

The **Fpay prepaid account** was launched during March, which is fully online and totally free of charge.

Recharging the bip! public transport payment card was launched in Chile using an app to control this fully online process.



<sup>5</sup>The total volume of sales using our proprietary payment platforms at our retailers and associated businesses.

## **05** Online business growth strengthens

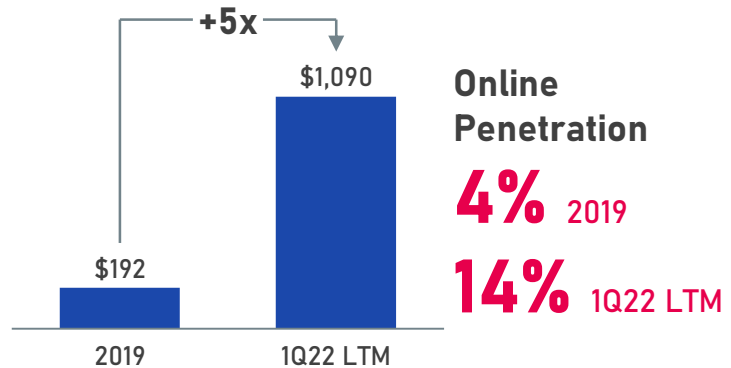
### Home Improvement registers achieves a record of US\$ 1,090 million in online sales

Home Improvement businesses continue to capitalize on consumer momentum in all markets.

The online business for this format continues to expand and achieved sales of US\$ 246 million in the first quarter (+72% YoY) and US\$ 1,090 million for the Last Twelve Months (+91% YoY).

Regional online penetration for this format was 13% during the quarter.

GMV Home Improvement (US\$ million)



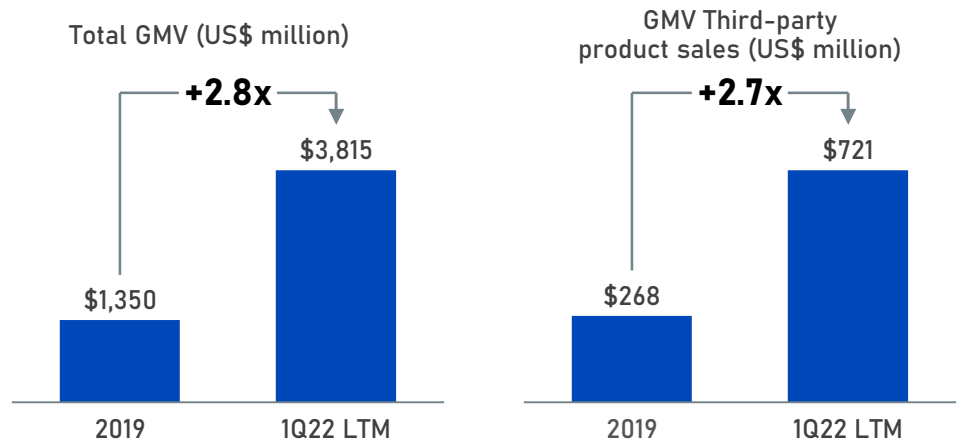
### Falabella.com consolidates its scale

#### Online Penetration Regional total

**12%** 2019

**22%** 1Q22 LTM

#### Online sales triples 2019



#### Falabella.com app penetration Department Stores Chile

Chile

**44%** 1Q-2022

#### We continue to improve our value proposal for Sellers

We launched an improved data and insights module to strengthen our Seller's sales

This platform provides the seller with information on which categories are selling the most and which have the greatest opportunities for growth,

along with information on product stock and insights into the most popular searches

We are continually developing our financing solution for Sellers.

We have financed more than 1,000 Sellers so far.

## ONLINE GMV SUMMARY<sup>6</sup>

GROSS MERCHANDISE VOLUME (US\$ million)

GMV	1Q21	% Total	1Q22	% Total	Var %	LTM
<b>Own products (1P)</b>	<b>568</b>	<b>77%</b>	<b>655</b>	<b>82%</b>	<b>15%</b>	<b>3.094</b>
Department stores	411	56%	385	48%	-6%	1.895
Home improvement	130	18%	230	29%	77%	1.022
Supermarkets	27	4%	40	5%	51%	176
<b>Third party products (3P)</b>	<b>170</b>	<b>23%</b>	<b>141</b>	<b>18%</b>	<b>-17%</b>	<b>721</b>
<b>Total GMV</b>	<b>738</b>	<b>100%</b>	<b>796</b>	<b>100%</b>	<b>8%</b>	<b>3.815</b>

GMV by country	1Q21	% Total	1Q22	% Total	Var %	LTM
Chile	461	63%	482	61%	4%	2.403
Peru	162	22%	177	22%	9%	808
Colombia	62	8%	70	9%	13%	299
Others	52	7%	68	8%	29%	305
<b>Total GMV by country</b>	<b>738</b>	<b>100%</b>	<b>796</b>	<b>100%</b>	<b>8%</b>	<b>3.815</b>

<sup>6</sup> GMV figures are rounded. GMV is gross online sales including VAT using a neutral exchange rate for the Department Stores in Chile, Peru, Colombia and Argentina; Home Improvement in Chile, Peru, Argentina, Brazil and Uruguay; Supermarkets in Chile and Peru; and the Marketplace businesses.



## 06 Mallplaza consolidates its operational recovery and earnings contribution

It business is returning to normal across the region

**100%** Operating GLA

Public health restrictions have been almost eliminated, so our business partners have fully recovered their operational performance.

Recovery in earnings

**+52.7% YoY in revenue**

Mayores ingresos asociados a la normalización en el cobro de arriendos a los socios comerciales que operan con mayor estabilidad.

**75.0% EBITDA margin**

The resumption of normal trading meant that Mallplaza could stabilize its business at pre-pandemic margins.

## 07 Sustainability Milestones

### Falabella reported the consolidated Carbon Footprint of its business for the first time

We are committed to increasing the coverage of our emissions inventory, while maintaining our benchmarks for measuring and aligning our emissions with the international standards in the Greenhouse Gas (GHG) Protocol.

Our carbon footprint has been measured for our department stores, home improvement stores, supermarkets, financial services and shopping centers in Chile, Peru and Colombia, which covers 96% of our businesses.



# Highlights for the period

## Falabella Retail Chile provides a new service to give clothes a second life

People can transform and customize their jeans, turn them into a new product and extend their useful life at the "F Workshop". The initiative promotes a circular economy within the company's +Verde strategy. For the first time the F workshop will be rolled out beyond Santiago to Antofagasta, La Serena, El Trébol, Concepción, Temuco and Viña del Mar.

## Spark Program - Alliance with Imagine and Microsoft

Falabella Retail wants startups to propose innovative solutions to their challenges through Imagine and Microsoft's "Spark" program. This initiative promotes collaboration between large companies and startups in Chile and provides development opportunities that will soon be rolled out across the region.

## Tottus launches an environmentally sensitive line of clothing

We are committed to caring for the planet, and we launched a new line of children's and adults' clothing in Chile made from recycled polyester and organic cotton. These products are made from materials that reduce landfill waste and require less water and energy to produce. Because environmentally sensitive clothes look good on everyone!

## Mallplaza in Peru was awarded "AIS Certification" for its four malls

This certification evaluates access to all the components of its physical, functional and virtual structures. The AIS (Accessibility Indicator System) certification was created by the Accessibility and Social Responsibility Foundation. It recognizes accessibility in an integral manner and as a dimension of social responsibility for entities seeking continuous improvement.

## Mallplaza implements new Plaza 0 model

Plaza 0 is an unprecedented circular economy and waste management model that transforms Mallplaza's food courts to make them free of single-use packaging and it will manage the entire recycling chain in collaboration with business partners.

Plaza 0 replaces disposable containers with reusable tableware/crockery managed by Mallplaza. This provides an orderly, efficient and clean solution for business partners, which encourages good environmental practices, facilitates compliance with the law, and improves the visitor experience.

## Awards

**Falabella Retail Chile:** was ranked second in the most recent Great Place To Work (GPTW) survey for companies with more than 1,000 employees.

**Mallplaza Chile:** Chile 3D study ranks Mallplaza as the most popular shopping mall brand in Chile.

**Sodimac Chile:** was ranked fourth in the 2021 Great Place to Work for Women survey in Chile and eleventh for companies with more than 1,000 employees.

**Sodimac Peru:** Sodimac and Maestro were ranked first in the 2022 Great Place to Work for Women in Peru and third for companies with more than 1,000 employees.

**Sodimac Brazil:** was ranked third in the 2021 Great Place to Work survey for retail companies with more than 1,000 employees.

**Tottus Peru:** was ranked second in the Great Place to Work survey for companies with more than 1,000 employees.

## Highlights for the period

# 08

### Events during the period

### Physical expansion plan

Our selective physical expansion plan progressed, as we opened two Supermarkets and two Home Improvement stores.

**4** new stores in the region

**16,988** sqm in new stores

	Chile	Chile	Brazil
Format	Supermarkets	Home Improvement	Home Improvement
City	Santiago/Valparaíso	Temuco	São Paulo
Surface Area (sqm)	3.312	11.582	2.094
Opened	2	1	1
<b>Total Country</b>	<b>72</b>	<b>85</b>	<b>53</b>

### Events after the closing

### Annual General Meeting of Falabella S.A.

The Annual General Shareholders' Meeting of Falabella S.A. was held on April 19, 2022, which approved the following:

- The annual report, the consolidated financial statements and the opinion of the Company's external auditors, all relating to the year ended December 31, 2021.
- The distribution of a final dividend payable from 2021 earnings of Ch\$65 per share. The interim dividend of Ch\$30 per share was paid on September 29, 2021, so these total Ch\$95 per share payable from 2021 earnings, a total dividend of US\$ 301 million. The final dividend will be paid on April 28, 2022 to shareholders registered in the shareholder registry on April 22, 2022.
- The Company's dividend policy for the year ended December 31, 2022, which consists of distributing at least 30% of net distributable income for 2022.
- The appointment of EY Servicios Profesionales de Auditoria y Asesorías SpA. as the Company's external auditors for 2022.

## 09 Falabella announced US\$ 711 million in investments for 2022

### Technology and logistics represent ~60% of planned investments for 2022 (US\$ 418 million)

The plan focuses on launching Falabella.com in Peru and Colombia, strengthening our digital banking capabilities, increasing order processing capacity and shortening delivery times.

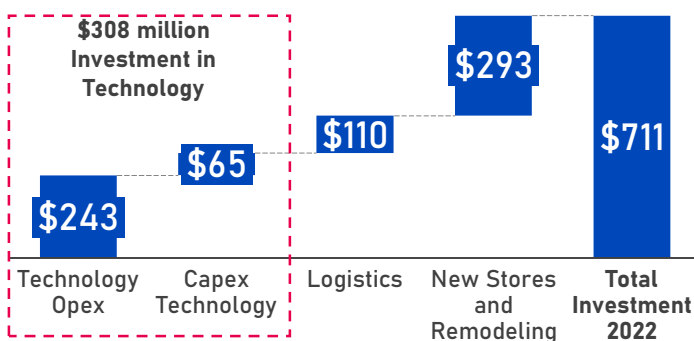
### Investments in technology platforms (US\$ 308 million total, US\$ 65 million Capex, US\$ 243 million Opex)

- Launch Falabella.com in Peru and Colombia
- Continuously improve e-commerce platforms and constantly add new product categories
- Expand App functionality to optimize the in-store shopping experience, by focusing on the complete customer journey from an omnichannel perspective
- Strengthen digital banking platforms and position Banco Falabella's App as the main customer service channel
- Strengthen Fpay, by expanding its functionality as the payment processor for the integrated e-commerce platform, and implementing new use cases such as a digital wallet

### Logistics investments (US\$ 110 million)

- Increase the order processing and packing capacity at existing distribution centers in Chile, Peru and Colombia.
- Expand our third-party product processing capabilities, covering warehousing, packaging and delivery services.
- Improve "On Demand Delivery" and expand product assortment to broaden the capabilities and products available to Marketplace sellers.

### Capex Plan (US\$ million)



The remaining ~40% (US\$ 293 million) of these planned investments will be used for opening and remodeling stores

### Opening stores (US\$ 135 million) to continue developing selected growth opportunities

- IKEA opening in Chile
- Expanding the number of supermarkets in Peru
- Continuing to grow Home Improvement in Mexico
- Expanding the number of Home Improvement stores in Brazil
- Store openings in 2022: 19 in total, 5 Tottus (4 in Peru, 1 in Chile), 2 IKEA in Chile, 11 Sodimac (4 in Mexico, 2 in Brazil, 4 in Chile and 1 in Colombia), 1 Falabella in Colombia

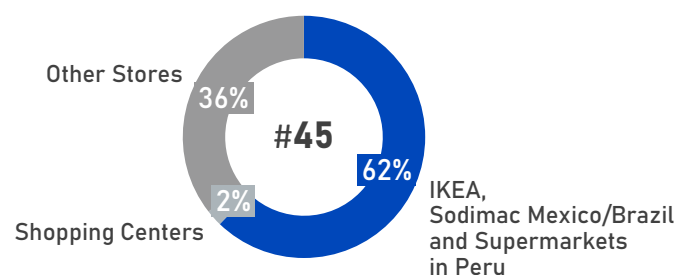
### Renovation of selected locations (US\$ 158 million)

- Optimize existing sales areas to improve "showrooming" of own brand and third-party products
- Enhance our self-service capabilities by leveraging the ability of our Apps to find products and streamline the checkout process
- Strengthen the store's logistics role, to support our "Click&Collect" deliveries, improve the returns and exchange experience, and expand our "ship from store" capabilities
- Support the development of IKEA stores

### We are investing in technology and logistics, while decreasing the capital allocated to physical stores

- Accordingly, we have included Opex components in our investment guidance for 2022. Total technology and logistics investment for 2022: US\$ 418 million (US\$ 243 million in Opex and US\$ 175 million in Capex)
- We updated our guidance from the previous year regarding store opening and remodeling investments, 2022: US\$ 293 million, 2023: US\$ 303 million

### Store openings for 2022-2023



## CONSOLIDATED STATEMENT OF NET INCOME

(US\$ million)

	1Q21	% Rev.	1Q22	% Rev.	Var %
Revenues of Non-Banking Operations	2.815		3.227		14,6%
Revenues of Banking Operations	331		492		48,4%
<b>Total Revenues</b>	<b>3.146</b>	<b>100,0%</b>	<b>3.719</b>	<b>100,0%</b>	<b>18,2%</b>
COGS of Non-Banking Operations	(1.947)	-61,9%	(2.276)	-61,2%	16,9%
COGS of Banking Operations	(64)	-2,0%	(214)	-5,8%	234,9%
<b>Gross Profit</b>	<b>1.135</b>	<b>36,1%</b>	<b>1.229</b>	<b>33,0%</b>	<b>8,2%</b>
SG&A Expenses	(828)	-26,3%	(1.011)	-27,2%	22,1%
<b>Operational Income</b>	<b>307</b>	<b>9,8%</b>	<b>218</b>	<b>5,9%</b>	<b>-29,1%</b>
Depreciation + Amortization	140	4,4%	153	4,1%	9,4%
<b>EBITDA</b>	<b>447</b>	<b>14,2%</b>	<b>371</b>	<b>10,0%</b>	<b>-17,1%</b>
Other Income / (Expenses)	(5)		3		-147,0%
Net Financial Income / (Cost)	(49)		(165)		236,6%
Profit / (Loss) in Associates	7		8		16,2%
Exchange Rate Differences	(19)		42		-318,0%
<b>Non-Operating Profit</b>	<b>(67)</b>	<b>-2,1%</b>	<b>(113)</b>	<b>-3,0%</b>	<b>67,9%</b>
<b>Profit Before Tax Expenses</b>	<b>240</b>	<b>7,6%</b>	<b>105</b>	<b>2,8%</b>	<b>-56,2%</b>
Income Tax	(58)		5		-108,3%
Minority Interest	(8)		(18)		120,1%
<b>Net Profit / (Loss)</b>	<b>174</b>	<b>5,5%</b>	<b>92</b>	<b>2,5%</b>	<b>-47,2%</b>

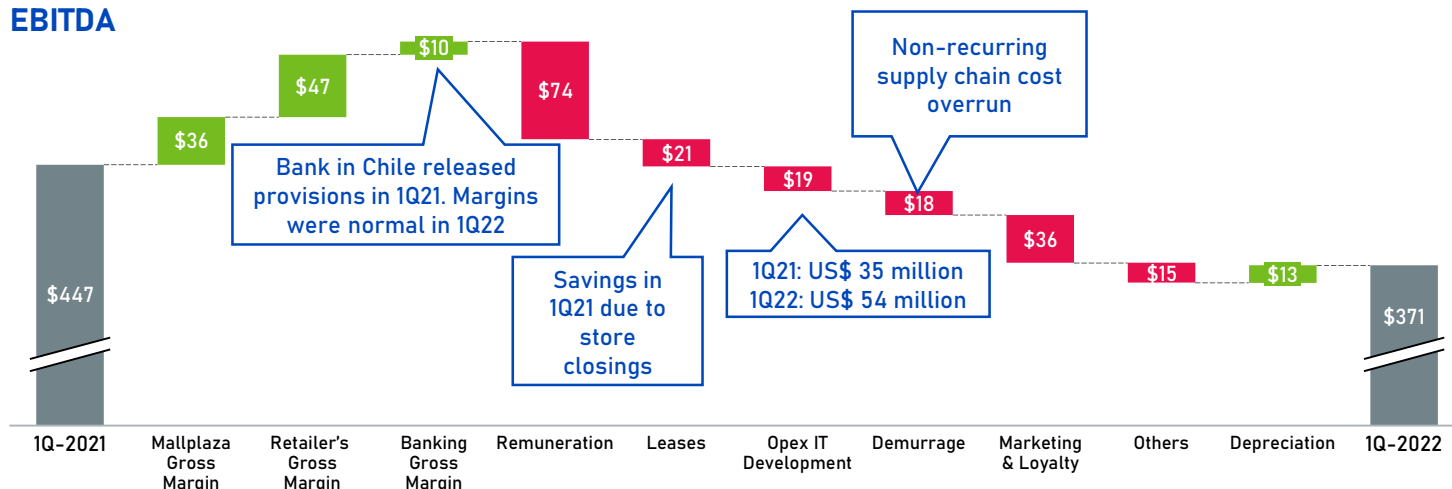
During the first quarter of 2022, the company's consolidated revenue was US\$ 3,719 million, an increase of 18% YoY. This change is mainly due to:

- Operating revenue growth of 15% in our retail businesses across almost all formats and businesses. Particularly, 16% sales growth in Home Improvement and 14% in Department Stores, both in Chile with challenging comparable base.
- Increased revenue from the banking business, driven by higher interest income and commissions from a loan portfolio that grew 35% YoY.
- Recovery in shopping center revenue, particularly the 53% increase in Mallplaza's revenue compared to the previous year, explained by trading without closures or significant public health restrictions.

Gross margin was US\$ 1,229 million in 1Q22, up 8% YoY, mainly explained by a US\$ 84 million higher contribution from our non-banking businesses and US\$ 10 million from our banking businesses.

- The higher contribution from the non-banking businesses was explained by the shopping center and Department Store businesses in the region, together with margin containment compared to the previous year resulting from a rebalancing in the annual category mix and better sales performance. Home improvement contributed to a lesser extent, mainly explained by lower margins due to challenging comparatives, which experienced a zero promotional environment despite strong demand for its products.
- The higher contribution from the banking business was explained by good performance from the Colombian business, where revenue grew by 56% and its portfolio by 46% in local currency. This was partially offset by the business in Chile, which reported abnormally high margins in 1Q21 due to releasing provisions following a portfolio decrease and healthy credit risk levels. Operating revenue grew by 47% in the current quarter and its portfolio by 29%, while maintaining healthy exposure to risk and normal margins.

## EBITDA



Consolidated EBITDA was US\$ 371 million during the quarter, a decrease of -17% YoY. This decrease is mainly explained by the 22% increase in selling and administrative expenses, due to the following reasons:

- Higher staff remuneration, explained by increased volumes and sales through physical and digital channels.
- Higher lease expenses, as our stores returned to normal operation. We achieved extraordinary savings in lease expenses during the previous period as a result of operational intermittency due to the public health restrictions.
- Extraordinary logistical cost overruns associated with international freight delays, mainly supplying the Home Improvement format, which totaled approximately US\$ 18 million.

- Higher advertising expenses, due to higher physical store sales and business volumes in all channels and higher loyalty expenses, as a result of the increase in participants and points redeemed in our loyalty program.
- Higher technological development expenses (Opex), which increased by US\$ 19 million YoY. During 1Q22, technology development Opex totaled US\$ 54 million.

Net income was US\$ 92 million during the first quarter of 2022, a decrease of 47% YoY. This was mainly impacted by unrealized losses related to our hedging policy on derivative contracts for imports, recorded in financial expenses and offset by FX differences on foreign currency obligations. (net impact of -US\$ 55 MM YoY).

Operating net income decreased mainly due to lower contributions from Home Improvement Chile and Banco Falabella Chile, followed by the Supermarkets in Chile and Peru.

## Cash and liquidity

The Company's consolidated cash and cash equivalents totaled US\$ 2,730 million as of March 31, 2022.

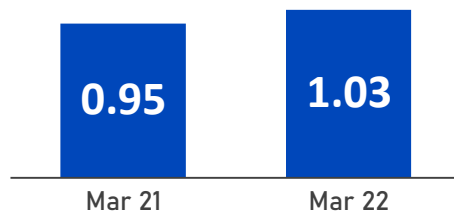
- Non-banking businesses: US\$ 448 million.
- Banking businesses: US\$ 2,282 million.

## Debt

- Total debt for the non-banking businesses was US\$ 4,647 million as of March 31, 2022, an increase of 0.7% YoY.
- Net debt was US\$ 4,199 million as of March 31, 2022.

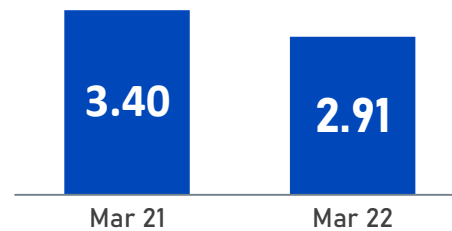
### Leverage

Non-Banking Businesses <sup>(Net)</sup>



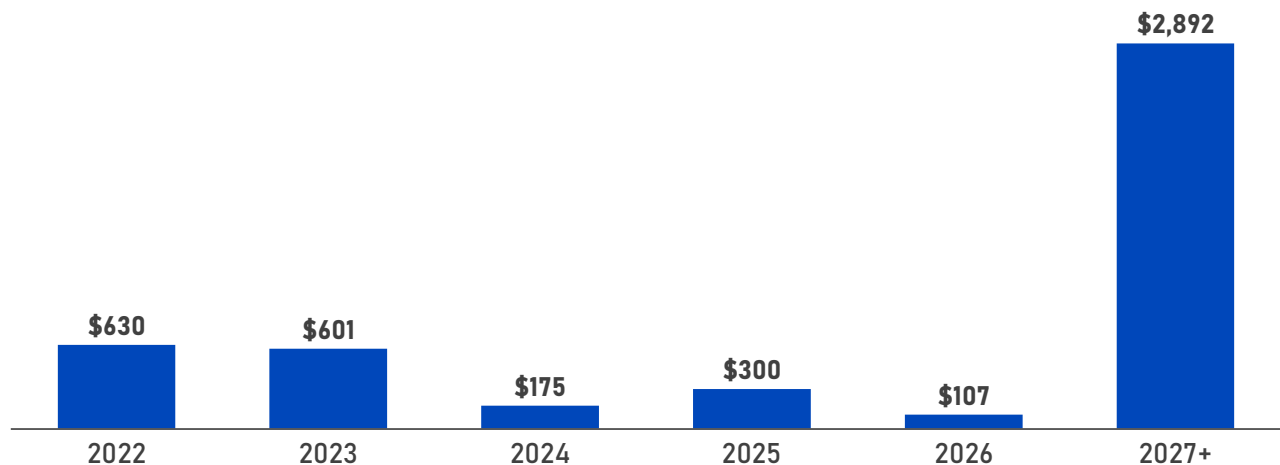
### Net Financial Debt / EBITDA

Non-Banking Businesses<sup>7</sup>



## Debt Maturity Profile (US\$ million)

Non-Banking Businesses<sup>8,9</sup>



Total Consolidated Financial Debt (excluding banking businesses): US\$ 4,706 million

<sup>7</sup> EBITDA = Gross profit - distribution costs - administrative expenses - expenses by function + depreciation. Net financial debt = current financial liabilities + non-current financial liabilities - hedging assets - cash and cash equivalents.

<sup>8</sup> Balances in US\$ are converted at the closing exchange rate for each country.

<sup>9</sup> Total consolidated financial debt not include Falabella's banking businesses, which are Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia, nor accrued interest. The repayment profile is based on the sum of principal repayments for each period.

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### Notes:

All figures in US dollars are calculated at the official exchange rate on April 1, 2022: CLP/USD 787.98

Symbols for quarters: 1Q, 2Q, 3Q & 4Q.

Symbols for cumulative periods: 6M, 9M, 12M

Symbols for currencies: CLP: Chilean pesos; US\$: US dollars; PEN: Peruvian nuevos soles; COP: Colombian pesos;

ARS: Argentine pesos; BRL: Brazilian reals.

Th: thousands; MM: millions; Bn: thousand of millions.

YoY: compared to the same period last year.

QoQ: compared to the immediately preceding quarter.



## I. INGRESOS RETAIL

Retail revenue for 1Q22 (CLP million)<sup>10,11</sup>

	1Q21	1Q22	Var %	Var Local Currency %
<b>Chile</b>				
Department Stores	425.469	483.709	13,7%	13,7%
Home Improvement	728.350	847.987	16,4%	16,4%
Supermarkets	222.198	240.054	8,0%	8,0%
<b>Peru</b>				
Department Stores	121.282	172.938	42,6%	32,7%
Home Improvement	180.173	211.361	17,3%	9,3%
Supermarkets	252.193	268.436	6,4%	-0,9%
<b>Colombia</b>				
Department Stores	78.715	107.656	36,8%	33,8%
Home Improvement	251.674	300.196	19,3%	16,9%
<b>Argentina</b>				
Home Improvement	20.061	25.763	28,4%	42,0%
<b>Brazil</b>				
Home Improvement	48.630	62.836	29,2%	11,0%

<sup>10</sup> All changes are in nominal terms and have been calculated both in Chilean pesos and the local currency for each country.

<sup>11</sup> Argentina's revenue is affected by IAS 29.

## II. RESULTS BY BUSINESS UNIT

### Results by segment 1Q22 (CLP million)

#### Chile

	Department Stores			Home Improvement			Supermarkets		
	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)
Revenues	425.469	483.709	13,7%	728.350	847.987	16,4%	222.198	240.054	8,0%
Gross Profit	125.135	135.523	8,3%	234.036	240.955	3,0%	59.706	60.550	1,4%
Gross Margin	29,4%	28,0%	(139)	32,1%	28,4%	(372)	26,9%	25,2%	(165)
SG&A	(133.358)	(133.145)	-0,2%	(148.907)	(196.422)	31,9%	(54.480)	(62.487)	14,7%
SG&A / Revenues	-31,3%	-27,5%	382	-20,4%	-23,2%	(272)	-24,5%	-26,0%	(151)
Operating Profit	(8.223)	2.378	-128,9%	85.129	44.533	-47,7%	5.226	(1.937)	-137,1%
Operating Margin	-1,9%	0,5%	242	11,7%	5,3%	(644)	2,4%	-0,8%	(316)
EBITDA	11.168	22.426	100,8%	109.498	70.576	-35,5%	16.517	11.355	-31,3%
EBITDA Margin	2,6%	4,6%	201	15,0%	8,3%	(671)	7,4%	4,7%	(270)

#### Banco Falabella Chile

	1Q21	1Q22	(%, bps)
Revenues	171.133	251.892	47,2%
Gross Profit	164.560	146.853	-10,8%
Gross Margin	96,2%	58,3%	(3.786)
SG&A	(65.053)	(79.153)	21,7%
SG&A / Revenues	-38,0%	-31,4%	659
Operating Profit	99.507	67.700	-32,0%
Operating Margin	58,1%	26,9%	(3.127)
EBITDA	104.277	73.120	-29,9%
EBITDA Margin	60,9%	29,0%	(3.190)

### International businesses

	Peru			Colombia			Argentina			Brazil		
	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)
Revenues	602.875	727.122	20,6%	133.530	192.645	44,3%	59.376	29.635	-50,1%	48.630	62.836	29,2%
Gross Profit	175.164	207.433	18,4%	49.243	76.496	55,3%	30.306	15.075	-50,3%	18.157	22.363	23,2%
Gross Margin	29,1%	28,5%	(53)	36,9%	39,7%	283	51,0%	50,9%	(17)	37,3%	35,6%	(175)
SG&A	(158.086)	(187.271)	18,5%	(57.923)	(70.958)	22,5%	(26.420)	(16.678)	-36,9%	(15.992)	(20.716)	29,5%
SG&A / Revenues	-26,2%	-25,8%	47	-43,4%	-36,8%	654	-44,5%	-56,3%	(1.178)	-32,9%	-33,0%	(8)
Operating Profit	17.078	20.162	18,1%	(8.681)	5.537	-163,8%	3.886	(1.603)	-141,3%	2.165	1.647	-23,9%
Operating Margin	2,8%	2,8%	(6)	-6,5%	2,9%	938	6,5%	-5,4%	(1.195)	4,5%	2,6%	(183)
EBITDA	43.139	48.805	13,1%	(1.296)	13.491	-1141,2%	4.579	(880)	-119,2%	4.621	4.845	4,8%
EBITDA Margin	7,2%	6,7%	(44)	-1,0%	7,0%	797	7,7%	-3,0%	(1.068)	9,5%	7,7%	(179)

### Others

	Plaza S.A.			Other, elimination & anulment			Falabella		
	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)	1Q21	1Q22	(%, bps)
Revenues	59.621	91.046	52,7%	28.027	3.407	-87,8%	2.479.209	2.930.333	18,2%
Gross Profit	38.000	66.504	75,0%	333	(3.401)	-1122,6%	894.639	968.351	8,2%
Gross Margin	63,7%	73,0%	931	1,2%	-99,8%	(10.101)	36,1%	33,0%	(304)
SG&A	(4.854)	(12.211)	151,6%	12.560	(17.670)	-240,7%	(652.513)	(796.711)	22,1%
SG&A / Revenues	-8,1%	-13,4%	(527)	44,8%	-518,6%	(56.344)	-26,3%	-27,2%	(87)
Operating Profit	33.146	54.293	63,8%	12.892	(21.071)	-263,4%	242.126	171.640	-29,1%
Operating Margin	55,6%	59,6%	404	46,0%	-618,5%	(66.445)	9,8%	5,9%	(391)
EBITDA	46.638	68.315	46,5%	13.102	(19.900)	-251,9%	352.243	292.153	-17,1%
EBITDA Margin	78,2%	75,0%	(319)	46,7%	-584,1%	(63.084)	14,2%	10,0%	(424)

### III. FINANCIAL BUSINESSES

#### Banco Falabella: Statement of Net Income

	Banco Falabella Chile			Banco Falabella Peru			Banco Falabella Colombia		
	1Q21	1Q22	Var. %	1Q21	1Q22	Var. %	1Q21	1Q22	Var. %
<b>Main Results</b>	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Interest income and adjustments	142.439	207.488	45,7%	146.915	199.026	35,5%	171.800	259.890	51,3%
Interest expense and adjustments	(14.366)	(35.201)	145,0%	(20.026)	(25.692)	28,3%	(28.233)	(58.242)	106,3%
<b>Net interest income and adjustments</b>	<b>128.073</b>	<b>172.287</b>	<b>34,5%</b>	<b>126.888</b>	<b>173.334</b>	<b>36,6%</b>	<b>143.567</b>	<b>201.648</b>	<b>40,5%</b>
Fee and commission income	27.853	41.866	50,3%	50.608	56.950	12,5%	65.153	108.070	65,9%
Fee and commission expense	(13.106)	(19.051)	45,4%	(10.332)	(11.637)	12,6%	(12.820)	(18.643)	45,4%
<b>Net fee and commission income</b>	<b>14.748</b>	<b>22.816</b>	<b>54,7%</b>	<b>40.275</b>	<b>45.313</b>	<b>12,5%</b>	<b>52.334</b>	<b>89.427</b>	<b>70,9%</b>
Net income from financial operations	4.282	(385)	-109,0%	2.567	3.702	44,2%	10.698	11.980	12,0%
Other operating net income	840	2.537	202,0%	1.120	9.166	718,7%	332	1.404	322,9%
<b>Operational Income</b>	<b>147.943</b>	<b>197.254</b>	<b>33,3%</b>	<b>170.850</b>	<b>231.515</b>	<b>35,5%</b>	<b>206.931</b>	<b>304.459</b>	<b>47,1%</b>
Provision for loan losses	16.617	(50.402)	-403,3%	(57.459)	(87.838)	52,9%	(85.360)	(97.075)	13,7%
Operating expenses	(65.053)	(79.152)	21,7%	(125.005)	(148.863)	19,1%	(116.096)	(156.356)	34,7%
<b>Operating Income</b>	<b>99.506</b>	<b>67.700</b>	<b>-32,0%</b>	<b>(11.614)</b>	<b>(5.186)</b>	<b>-55,3%</b>	<b>5.476</b>	<b>51.028</b>	<b>831,9%</b>
<b>Net Income</b>	<b>76.278</b>	<b>57.866</b>	<b>-24,1%</b>	<b>(8.964)</b>	<b>(4.398)</b>	<b>-50,9%</b>	<b>3.190</b>	<b>31.931</b>	<b>901,1%</b>
Efficiency ratio	<b>44,0%</b>	<b>40,1%</b>		<b>73,2%</b>	<b>64,3%</b>		<b>56,1%</b>	<b>51,4%</b>	

#### Banco Falabella: Statement of Financial Position and Operating Data<sup>12</sup>

	Banco Falabella Chile			Banco Falabella Peru			Banco Falabella Colombia		
	mar-21	mar-22	Var. %	mar-21	mar-22	Var. %	mar-21	mar-22	Var. %
<b>Selected Balance Sheet Accounts</b>	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Cash and deposits in banks	163.374	513.302	214,2%	751.646	872.995	16,1%	141.106	215.645	52,8%
Trading investments	1.321.789	1.639.173	24,0%	524.519	385.501	-26,5%	580.559	624.217	7,5%
Loans from customers, gross	3.273.306	4.232.771	29,3%	2.428.160	3.305.085	36,1%	3.846.754	5.632.862	46,4%
Allowance for loan losses	(188.785)	(249.060)	31,9%	(244.173)	(292.548)	19,8%	(312.997)	(329.768)	5,4%
Loans from customers, net	3.084.521	3.983.711	29,2%	2.183.987	3.012.537	37,9%	3.533.757	5.303.094	50,1%
<b>Total Assets</b>	<b>5.512.471</b>	<b>7.312.920</b>	<b>32,7%</b>	<b>3.987.799</b>	<b>4.807.289</b>	<b>20,5%</b>	<b>4.621.536</b>	<b>6.632.151</b>	<b>43,5%</b>
Deposits	1.380.820	1.793.115	29,9%	580.909	559.665	-3,7%	990.955	1.076.472	8,6%
Time deposits	1.232.335	1.655.763	34,4%	2.372.217	2.725.756	14,9%	2.480.930	3.451.830	39,1%
Total deposits	2.613.155	3.448.878	32,0%	2.953.126	3.285.422	11,3%	3.471.885	4.528.302	30,4%
Other financial liabilities	375.737	379.173	0,9%	28.494	336.389	1080,6%	145.685	498.800	n/a
<b>Total Liabilities</b>	<b>4.621.254</b>	<b>6.277.060</b>	<b>35,8%</b>	<b>3.337.532</b>	<b>3.971.289</b>	<b>19,0%</b>	<b>4.018.992</b>	<b>5.887.225</b>	<b>46,5%</b>
Total Equity	891.218	1.035.860	16,2%	650.266	836.000	28,6%	602.544	744.926	23,6%
<b>Total Liabilities + Total Equity</b>	<b>5.512.471</b>	<b>7.312.920</b>	<b>32,7%</b>	<b>3.987.799</b>	<b>4.807.289</b>	<b>20,5%</b>	<b>4.621.536</b>	<b>6.632.151</b>	<b>43,5%</b>
<b>Operational information</b>									
NPL (+90 days)	53.956	73.660	36,5%	106.665	44.730	-58,1%	106.221	91.628	-13,7%
Current, Saving and checking Accounts	1.083.305	1.402.643	29,5%	1.044.285	1.180.446	13,0%	1.696.379	1.888.940	11,4%
Open Accounts (with balance)	2.609.902	2.878.674	10,3%	889.114	969.600	9,1%	1.018.531	1.243.721	22,1%
Average Loan (local currency)	1.254.187	1.470.389	17,2%	2.731	3.409	24,8%	3.776.767	4.529.039	19,9%
Duration (months)	5,5	5,5	-0,3%	8,4	13,6	62,3%	16,7	16,6	-0,3%
ATMs	390	349	-10,5%	173	153	-11,6%	66	66	0,0%
Branches	146	116	-20,5%	58	52	-10,3%	94	91	-3,2%
<b>Ratios</b>									
NPL / Loans from customers, gross	1,6%	1,7%		4,4%	1,4%		2,8%	1,6%	
Allowance for loan losses/NPL	3,5	3,4		2,3	6,5		2,9	3,6	
Basilea	15,8%	19,7%		12,5%	14,9%		12,6%	13,6%	
ROAE	27,0%	29,2%		-19,2%	-7,8%		0,9%	13,9%	
ROAA	3,5%	3,6%		-3,2%	-1,4%		0,1%	1,7%	

<sup>12</sup> ROA and ROE at Banco Falabella Chile is based on LTM net income after integrating the Bank with CMR.

Sales percentage using CMR cards<sup>13</sup> (LTM)

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Chile - Falabella	47,7%	49,1%	49,0%	45,5%	44,9%	43,4%	40,9%	41,1%	41,8%
Chile - Sodimac	25,8%	25,6%	23,2%	20,8%	18,9%	17,3%	17,0%	17,7%	18,7%
Chile - Tottus	18,8%	17,9%	16,2%	15,2%	14,9%	14,8%	15,0%	15,6%	16,1%
Peru - Falabella, Sodimac, Tottus	36,9%	35,7%	34,2%	33,1%	32,9%	33,9%	34,4%	34,5%	34,9%
Colombia - Falabella y Sodimac	23,5%	23,1%	23,0%	22,0%	21,8%	22,1%	22,0%	22,4%	22,7%

<sup>13</sup> Sales percentage using CMR cards is sales using this card compared to total sales for each business.

#### IV. CONSOLIDATED FINANCIAL STATEMENTS

	As of March 31st, 2022 TH\$	As of March 31st, 2021 TH\$
<b>Statement of Income</b>		
<b>Non-banking Business</b>		
Revenue from continuing operations	2.542.936.901	2.218.078.455
Cost of sales	(1.793.310.926)	(1.534.201.314)
<b>Gross Profit</b>	<b>749.625.975</b>	<b>683.877.141</b>
Distribution costs	(55.163.396)	(45.456.562)
Administrative expenses	(557.392.563)	(465.395.413)
Other expenses, by function	(42.424.348)	(29.113.605)
Other gains (losses)	2.016.356	(4.290.924)
Financial income	5.396.444	22.714.385
Financial expenses	(108.657.836)	(47.771.875)
Equity interest in profits (losses) of associates accounted for using the equity method	6.011.224	5.203.080
Foreign currency translation	33.227.037	(15.240.587)
Income from indexation units	(26.964.404)	(13.628.005)
<b>Profit (Loss), before Taxes</b>	<b>5.674.489</b>	<b>90.897.635</b>
Income tax expense	17.397.789	(22.309.986)
<b>Profit (Loss) from Non-banking Business</b>	<b>23.072.278</b>	<b>68.587.649</b>
<b>Banking Services (Presentation)</b>		
Interest revenue	285.305.242	199.942.221
Interest expenses	(40.952.386)	(20.257.767)
<b>Net Income from Interest</b>	<b>244.352.856</b>	<b>179.684.454</b>
Indexation revenue	20.160.672	8.733.881
Indexation expenses	(13.572.480)	(5.951.274)
<b>Net Income from Indexation</b>	<b>6.588.192</b>	<b>2.782.607</b>
Fee revenue	79.105.146	51.602.325
Fee expenses	(27.733.485)	(18.941.513)
<b>Net Fee Income</b>	<b>51.371.661</b>	<b>32.660.812</b>
Net income from financial operations	(9.603.660)	10.009.511
Net exchange gains (losses)	12.199.547	(3.061.392)
Other operating income	2.825.333	852.088
Provision for loan losses	(89.008.413)	(12.166.688)
<b>Total Operating Income, net</b>	<b>218.725.516</b>	<b>210.761.392</b>
Employee remunerations and expenses	(35.602.400)	(33.791.594)
Administrative expenses	(83.697.561)	(56.811.942)
Depreciation and amortization	(10.636.787)	(9.394.300)
Other operating expenses	(11.793.877)	(12.549.788)
<b>Total Operating Expenses</b>	<b>(141.730.625)</b>	<b>(112.547.624)</b>
<b>Operating Income</b>	<b>76.994.891</b>	<b>98.213.768</b>
Income from equity method investments in companies	149.268	100.282
<b>Income before Income Taxes</b>	<b>77.144.159</b>	<b>98.314.050</b>
Income tax expense	(13.632.186)	(23.191.688)
<b>Profit (loss) from Banking Business</b>	<b>63.511.973</b>	<b>75.122.362</b>
<b>Profit (Loss)</b>	<b>86.584.251</b>	<b>143.710.011</b>
<b>Profit (loss), Attributable to:</b>		
Owners of the parent	72.533.534	137.326.451
Non-controlling interests	14.050.717	6.383.560
<b>Profit (Loss)</b>	<b>86.584.251</b>	<b>143.710.011</b>
<b>Earnings (loss) per share</b>		
<b>Basic earnings (loss) per share</b>		
Basic earnings (loss) per share from continuing operations	0,03	0,05
<b>Basic Earnings (Loss) per Share</b>	<b>0,03</b>	<b>0,05</b>
<b>Diluted Earnings (Loss) per Share</b>		
Diluted earnings (loss) per share from continuing operations	0,03	0,05
<b>Diluted Earnings (Loss) per Share</b>	<b>0,03</b>	<b>0,05</b>

Balance Sheet	As of	As of
	March 31st, 2022	December 31st, 2021
	TH\$	TH\$
<b>Assets</b>		
<b>Non-banking Businesses</b>		
<b>Current assets</b>		
Cash and cash equivalents	352.744.191	533.265.538
Other financial assets	45.139.530	45.368.100
Other non-financial assets	159.602.326	123.118.533
Trade and other accounts receivable	370.417.792	392.422.932
Accounts receivable from related parties	24.217.290	19.394.535
Inventory	2.072.069.509	1.867.793.791
Tax assets	57.562.928	52.894.382
<b>Total of current assets different from those assets or disposal groups classified as held for sale or as held for distribution to owners</b>	<b>3.081.753.566</b>	<b>3.034.257.811</b>
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	36.504.206	38.129.032
<b>Non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>	<b>36.504.206</b>	<b>38.129.032</b>
<b>Total Current Assets</b>	<b>3.118.257.772</b>	<b>3.072.386.843</b>
<b>Non-current Assets</b>	-	-
Other financial assets	369.497.134	507.250.640
Other non-financial assets	79.812.677	79.200.811
Accounts receivable from clients	10.607.322	11.810.824
Accounts receivable to related parties	32.175.120	30.315.227
Investments accounted for using the equity method	246.753.751	246.099.787
Intangible assets other than goodwill	331.732.564	331.012.433
Goodwill	632.521.422	626.955.302
Property, plant and equipment	3.607.995.613	3.562.938.875
Investment properties	3.410.563.473	3.406.025.227
Non-current tax assets	13.593.063	13.289.193
Deferred tax assets	305.024.856	260.646.688
<b>Total Non-current Assets</b>	<b>9.040.276.995</b>	<b>9.075.545.007</b>
<b>Total Assets – Non-banking Business</b>	<b>12.158.534.767</b>	<b>12.147.931.850</b>
<b>Banking Services Assets (Presentation)</b>	-	-
Cash and bank deposits	744.167.067	562.625.424
Transactions with settlement in progress	72.601.037	59.886.059
Financial assets at fair value held for trading	84.024.014	99.356.256
Retro-purchase agreements and securities loans	-	15.171.250
Financial derivative contracts	758.956.291	692.381.202
Loans and receivables from clients – Commercial	73.094.286	73.287.020
Loans and receivables from clients – Mortgage	573.415.240	568.571.242
Loans and receivables from clients – Consumer	5.167.899.023	4.704.969.068
Financial assets at fair value with impact in other comprehensive income	1.760.947.057	2.018.807.924
Available for sale instruments	3.490.415	3.810.616
Investments in companies	76.459.033	78.416.922
Intangibles	55.153.673	57.637.796
Property, plant and equipment	20.714.354	21.297.373
Current taxes	84.837.915	75.691.795
Deferred taxes	202.326.481	252.740.585
Other assets	44.715	61.484
<b>Total Bank Services Assets</b>	<b>9.678.130.601</b>	<b>9.284.712.016</b>
<b>Total Assets</b>	<b>21.836.665.368</b>	<b>21.432.643.866</b>

	As of March 31st, 2022	As of December 31st, 2021
	TH\$	TH\$
<b>Balance Sheet</b>		
<b>Net Equity and Liabilities</b>		
<b>Non-banking Business</b>		
<b>Current Liabilities</b>		
Other financial liabilities	696.771.731	508.082.080
Leasing liabilities, current	98.684.143	96.132.009
Trade and other accounts payable	1.267.720.725	1.296.379.060
Accounts payable to related parties	31.732.411	33.530.717
Other current provisions	27.126.586	27.769.367
Current tax liabilities	90.416.694	90.466.042
Employee benefits provisions	164.495.233	207.125.196
Other non-financial liabilities	152.576.774	188.173.945
<b>Total Current Liabilities</b>	<b>2.529.524.297</b>	<b>2.447.658.416</b>
<b>Non-current Liabilities</b>	-	-
Other financial liabilities	3.061.885.674	3.143.925.925
Leasing liabilities, non-current	999.525.944	978.459.876
Trade and other accounts payable, non-current	1.125.909	1.098.361
Other long-term provisions	9.470.550	9.394.347
Deferred tax liabilities	603.745.697	613.288.475
Employee benefits provision	51.235.192	47.702.105
Other non-financial liabilities	48.545.864	48.385.267
<b>Total Non-current Liabilities</b>	<b>4.775.534.830</b>	<b>4.842.254.356</b>
<b>Total Non-banking Business Liabilities</b>	<b>7.305.059.127</b>	<b>7.289.912.772</b>
<b>Banking Services Liabilities (Presentation)</b>	-	-
Deposits and other demand liabilities	2.130.336.818	2.311.017.791
Transactions with settlement in progress	329.765.429	448.849.277
Time deposits and other term deposits	3.018.261.880	2.422.073.787
Financial derivative contracts	809.098.231	779.430.144
Due to banks	772.679.551	781.593.376
Debt instruments issued	188.674.215	183.629.545
Issued regulatory capital financial instruments	29.313.678	28.378.307
Other financial obligations	62.755.390	65.170.753
Leasing liabilities	24.434.395	26.397.415
Deferred taxes	21.365.442	19.975.132
Provisions	55.212.066	53.761.481
Other liabilities	368.695.550	377.389.356
<b>Total Banking Services Liabilities</b>	<b>7.810.592.645</b>	<b>7.497.666.364</b>
<b>Total Liabilities</b>	<b>15.115.651.772</b>	<b>14.787.579.136</b>
<b>Net Equity</b>	-	-
Issued capital	919.419.389	919.419.389
Retained earnings	4.985.203.945	4.912.670.411
Share premium	93.482.329	93.482.329
Own shares in portfolio	(27.738.111)	(27.738.111)
Other reserves	(254.093.446)	(246.427.061)
<b>Equity attributable to owners of the parent</b>	<b>5.716.274.106</b>	<b>5.651.406.957</b>
Non-controlling interests	1.004.739.490	993.657.773
<b>Total Equity</b>	<b>6.721.013.596</b>	<b>6.645.064.730</b>
<b>Total Equity and Liabilities</b>	<b>21.836.665.368</b>	<b>21.432.643.866</b>

## Results for First Quarter 2022

	As of March 31st, 2022	As of March 31st, 2021
	TH\$	TH\$
<b>Statement of cash flows</b>		
<b>Cash flows provided by (used in) operating activities</b>		
<b>Non-banking Business (Presentation)</b>		
<b>Classes of proceeds from operating activities</b>		
Proceeds from sale of goods and providing services	3,094,624,432	2,760,786,034
<b>Classes of payments</b>		
Payment to suppliers for supplying goods and services	(2,824,531,572)	(2,381,136,135)
Payments to and on account of employees	(324,699,733)	(263,339,563)
Income taxes refunded (paid)	(27,989,497)	(13,614,609)
Other cash inflows (outflows)	(74,384,433)	(117,093,840)
<b>Subtotal net cash flows provided by Non-banking Business operating activities</b>	<b>(156,980,803)</b>	<b>(14,398,113)</b>
<b>Banking Services (Presentation)</b>		
Consolidated net income (loss) for the period	63,511,973	75,122,362
<b>Charges (credits) to income that do not involve cash movements:</b>		
Depreciation and amortization	10,636,787	9,394,300
Credit risk provision	107,657,924	36,023,208
Net profit from equity method investments	(149,268)	(100,282)
Other charges that do not involve significant cash flow movements	13,632,186	23,191,688
Net change in interest, indexations and fees accrued on assets and liabilities	(51,298,146)	2,422,293
<b>Changes in assets and liabilities affecting operating cash flow:</b>		
Increase in investments under resale agreements and obligations under repurchase agreements	15,171,250	(25,066,817)
Decrease (increase) in loans and accounts receivable from clients	(551,819,648)	430,579
Net decrease in instruments held for trading	(23,813,171)	33,289,163
Increase in deposits and other demand obligations	(180,680,973)	58,179,413
(Decrease) increase in deposits and other time deposits	624,163,021	(153,692,322)
Increase (decrease) in obligations with banks	(62,780,164)	(10,919,825)
Other use of cash	26,611,639	(114,145,689)
<b>Subtotal net cash flows provided by Banking Services operating activities</b>	<b>(9,156,590)</b>	<b>(65,871,929)</b>
<b>Net cash flows provided by operating activities</b>	<b>(166,137,393)</b>	<b>(80,270,042)</b>
<b>Cash flows provided by (used in) investing activities</b>		
<b>Non-banking Business (Presentation)</b>		
Contributions made to related companies	(10,129,500)	(13,698,187)
Loans to related parties	(8,480,954)	(941,228)
Proceeds from disposal of property, plant and equipment	261,833	656,082
Additions to property, plant and equipment	(53,613,058)	(60,719,269)
Purchases of intangible assets	(12,718,504)	(11,341,903)
Additions to other long-term assets	(16,332,205)	(17,162,340)
Dividends received	5,016	4,681
Interest received	4,442,545	3,584,738
Other cash inflows (outflows)	(1,529,961)	5,561,436
<b>Subtotal net cash flows used in investing activities in the Non-banking Business</b>	<b>(98,094,788)</b>	<b>(94,055,990)</b>
<b>Banking Services (Presentation)</b>		
Net decrease in investment securities available for sale	211,566,736	61,929,610
Purchase of fixed assets	(5,501,194)	(5,184,132)
Dividends received	172,823	-
Other sources of cash	(9,841)	(216,654)
<b>Subtotal net cash flows used in Banking Services investing activities</b>	<b>206,228,524</b>	<b>56,528,824</b>
<b>Net cash flows used in investing activities</b>	<b>108,133,736</b>	<b>(37,527,166)</b>
<b>Cash flows provided by (used in) financing activities</b>		
<b>Non-Banking Services (Presentation)</b>		
Amounts from the issuance of shares	2,611,700	1,846,381
Payments for selling the entity's shares		
Proceeds from long-term loans	589,943,909	195,095,311
Proceeds from short-term loans	126,676,511	131,379,729
<b>Total proceeds from loans</b>	<b>716,620,420</b>	<b>326,475,040</b>
Loans (payment) received to related parties		
Payment of loans	(600,098,177)	(377,514,536)
Dividends paid	(5,414,083)	-
Interest paid	(23,626,305)	(27,108,200)
Other cash outflows	(7,177,851)	(7,577,808)
<b>Subtotal net cash flows provided by (used in) Non-banking Business financing activities</b>	<b>82,915,704</b>	<b>(83,879,123)</b>
<b>Banking Services (Presentation)</b>		
Retrieval of letters of credit	(2,605,463)	(2,065,370)
Bond Issuance and other liabilities (payment)	59,846,380	36,380,572
Other cash outflows	114,685	167,751
<b>Subtotal net cash flows provided by (used in) Banking Services financing activities</b>	<b>57,355,602</b>	<b>34,482,953</b>
<b>Net cash flows (used in) provided by financing activities</b>	<b>140,271,306</b>	<b>(49,396,170)</b>
<b>Net increase in cash and cash equivalents, before the effect of changes in the exchange rate</b>	<b>82,267,649</b>	<b>(167,193,378)</b>
<b>Effects of changes in the exchange rate on cash and cash equivalents</b>		
Effects of changes in the exchange rate on cash and cash equivalents	5,748,413	(8,613,600)
<b>Net increase in cash and cash equivalents</b>	<b>88,016,062</b>	<b>(175,806,978)</b>
Cash and cash equivalents at beginning of period	2,063,026,048	2,462,375,816
<b>Cash and cash equivalents at end of period</b>	<b>2,151,042,110</b>	<b>2,286,568,838</b>



## Cash Flow - Chilean Businesses (CLP million)

As of March 31st,2022	Department Stores	Home Improvement	Supermarkets	Banco Falabella	Plaza S.A.
Cash flow from operating activities	(162.558.809)	47.004.255	(9.188.648)	(7.996.021)	71.989.428
Cash flow from investing activities	(4.837.103)	(15.546.019)	(5.469.119)	198.860.928	(15.999.144)
Cash flow from financing activities	150.650.148	(35.143.921)	13.416.801	57.431.017	(87.242.964)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(16.745.764)</b>	<b>(3.685.685)</b>	<b>(1.240.966)</b>	<b>248.295.924</b>	<b>(31.252.680)</b>
Impact of exchange rate differences on cash and cash equivalents	2.387.663	1.827.745	(22.899)	0	(303.932)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>55.459.228</b>	<b>33.455.728</b>	<b>5.519.104</b>	<b>1.318.397.377</b>	<b>125.026.025</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>41.101.127</b>	<b>31.597.788</b>	<b>4.255.239</b>	<b>1.566.693.301</b>	<b>93.469.413</b>

As of March 31st,2021	Department Stores	Home Improvement	Supermarkets	Banco Falabella	Plaza S.A.
Cash flow from operating activities	(50.086.537)	111.218.359	(8.606.716)	(118.155.595)	54.899.650
Cash flow from investing activities	(1.025.695)	(10.762.986)	(36.395.647)	84.173.797	(14.171.343)
Cash flow from financing activities	19.692.129	(90.067.502)	40.763.071	34.482.953	(67.105.092)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(31.420.103)</b>	<b>10.387.871</b>	<b>(4.239.292)</b>	<b>501.155</b>	<b>(26.376.785)</b>
Impact of exchange rate differences on cash and cash equivalents	209.799	76.119	47.144	0	(372.331)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>45.439.783</b>	<b>48.881.589</b>	<b>11.250.913</b>	<b>1.093.163.695</b>	<b>202.514.435</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14.229.479</b>	<b>59.345.579</b>	<b>7.058.765</b>	<b>1.093.664.850</b>	<b>175.765.319</b>

## Cash Flow - International Businesses (CLP million)

As of March 31st,2022	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	(44.027.034)	(60.307.207)	490.361	3.224.042
Cash flow from investing activities	(16.975.988)	8.848.668	(2.867.343)	(1.161.936)
Cash flow from financing activities	34.001.568	1.522.072	(4.538)	(1.693.096)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(27.001.454)</b>	<b>(49.936.467)</b>	<b>(2.381.520)</b>	<b>369.010</b>
Impact of exchange rate differences on cash and cash equivalents	15.380.953	(8.522.771)	(786.909)	2.359.096
<b>Cash and cash equivalents at the beginning of the period</b>	<b>295.889.859</b>	<b>128.860.194</b>	<b>8.290.405</b>	<b>19.726.708</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>284.269.358</b>	<b>70.400.956</b>	<b>5.121.976</b>	<b>22.454.814</b>

As of March 31st,2021	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	(69.260.679)	54.916.435	4.267.103	1.014.323
Cash flow from investing activities	(19.774.329)	13.263.286	1.204.958	(4.720.083)
Cash flow from financing activities	37.980.487	(91.108.020)	(2.605.394)	(926.696)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(51.054.521)</b>	<b>(22.928.300)</b>	<b>2.866.667</b>	<b>(4.632.456)</b>
Impact of exchange rate differences on cash and cash equivalents	(4.732.002)	(1.149.249)	(1.226.140)	(1.722.106)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>330.754.756</b>	<b>98.755.021</b>	<b>15.339.825</b>	<b>26.303.953</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>274.968.233</b>	<b>74.677.472</b>	<b>16.980.352</b>	<b>19.949.391</b>

V. GROSS MERCHANDISE VOLUME (GMV) (CLP million) <sup>14</sup>

GMV	1Q21	% Total	1Q22	% Total	Var %	LTM
<b>Own products (1P)</b>	<b>447.414</b>	<b>77%</b>	<b>516.368</b>	<b>82%</b>	<b>15%</b>	<b>2.437.626</b>
Department stores	324.021	56%	303.206	48%	-6%	1.493.316
Home improvement	102.478	18%	181.531	29%	77%	805.233
Supermarkets	20.915	4%	31.632	5%	51%	139.077
<b>Third party products (3P)</b>	<b>133.899</b>	<b>23%</b>	<b>111.180</b>	<b>18%</b>	<b>-17%</b>	<b>568.371</b>
<b>Total GMV</b>	<b>581.313</b>	<b>100%</b>	<b>627.548</b>	<b>100%</b>	<b>8%</b>	<b>3.005.997</b>

GMV by country	1Q21	% Total	1Q22	% Total	Var %	LTM
Chile	363.617	63%	379.694	61%	4%	1.893.679
Peru	127.737	22%	139.479	22%	9%	636.570
Colombia	48.657	8%	55.089	9%	13%	235.316
Others	41.302	7%	53.286	8%	29%	240.432
<b>Total GMV by country</b>	<b>581.313</b>	<b>100%</b>	<b>627.548</b>	<b>100%</b>	<b>8%</b>	<b>3.005.997</b>

VI. ONLINE PENETRATION <sup>15</sup>

Online Penetration	1Q21	1Q22	LTM 1Q21	LTM 1Q22
Department Stores	45%	34%	53%	37%
Home Improvement	9%	13%	11%	14%
Supermarkets	4%	5%	4%	5%
<b>Total</b>	<b>21%</b>	<b>20%</b>	<b>26%</b>	<b>22%</b>

<sup>14</sup> GMV is based on the gross online sales of the Department Stores businesses in Chile, Peru, Colombia and Argentina; Home Improvement businesses in Chile, Peru, Argentina, Brazil and Uruguay; Supermarket businesses in Chile and Peru; and Linio.

<sup>15</sup> Online penetration percentage is the ratio of total gross sales from online channels over total gross sales from both online and physical channels.

**VII. NOMINAL SALES GROWTH PER EQUIVALENT STORE - SAME STORE SALES (SSS)** <sup>16,17,18,19</sup>

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Chile</b>									
Department Stores	N/A	N/A	-5,0%	22,7%	30,1%	N/A	N/A	15,5%	N/A
Home Improvement	-5,1%	-9,7%	22,6%	33,7%	31,9%	85,2%	32,9%	22,9%	16,0%
Supermarkets	5,3%	7,1%	13,3%	25,9%	10,0%	19,3%	7,8%	4,1%	4,0%
<b>Peru</b>									
Department Stores	N/A	N/A	-26,2%	-1,2%	N/A	N/A	N/A	15,4%	N/A
Home Improvement	N/A	N/A	15,3%	11,8%	N/A	N/A	N/A	8,8%	9,6%
Supermarkets	4,9%	N/A	19,7%	17,7%	10,2%	3,2%	3,0%	-2,0%	-2,8%
<b>Colombia</b>									
Department Stores	N/A	N/A	-31,4%	-21,5%	N/A	N/A	N/A	29,3%	26,7%
Home Improvement	N/A	N/A	1,2%	15,9%	N/A	N/A	30,3%	14,3%	16,3%
<b>Argentina</b>									
Home Improvement	N/A	N/A	-8,9%	30,0%	N/A	191,4%	122,0%	40,3%	48,2%
<b>Brazil</b>									
Home Improvement	-3,6%	19,5%	36,9%	30,5%	35,3%	N/A	9,7%	-1,2%	8,1%

Regarding the calculation of Same Store Sales:

Due to the operational intermittency resulting from the sanitary restrictions imposed by the pandemic, the calculation of the metric is invalidated in the following cases:

- The Department Store format in Chile saw its operation affected during 1Q21, with partial closures. When considering the sales of all stores and excluding new openings, the growth in sales during 1Q22 was 34.5%
- The Department Store format in Peru saw its operation affected during 1Q21, with partial closures. When considering the sales of all stores and excluding new openings, the growth in sales during 1Q22 was 59.3%

<sup>16</sup> All growth rates are in nominal terms and have been calculated using the local currency for each country. In Argentina they are net of gross income tax (IIBB).

<sup>17</sup> Nominal sales growth by store includes sales from online channels until 2019 (if any). Subsequently, online sales have been excluded from this analysis, as a result of the COVID-19 pandemic.

<sup>18</sup> The SSS calculation does not include stores that have had significant changes to their sales area since the comparable period, due to remodeling, expansions, reductions or closures.

<sup>19</sup> The term "N/A" means this metric is not applicable, due to the operational impact on physical stores in the context of the pandemic.

VIII. NUMBER OF STORES AND SALES AREAS FOR RETAIL FORMATS <sup>20,21</sup>

	March 2021		March 2022	
	Sales Area	Stores (#)	Sales Area	Stores (#)
<b>Chile</b>				
Department Stores	320.408	46	318.855	46
Home Improvement	753.110	84	766.761	85
Supermarkets	200.906	67	210.445	72
<b>Perú</b>				
Department Stores	185.970	30	191.897	31
Home Improvement	385.217	56	388.526	56
Supermarkets	274.000	81	278.667	85
<b>Colombia</b>				
Department Stores	189.680	26	189.183	26
Home Improvement	386.256	40	385.990	40
<b>Argentina</b>				
Department Stores	19.494	3	0	0
Home Improvement	72.199	7	72.207	7
<b>Brasil</b>				
Home Improvement	174.279	53	180.170	53
<b>Uruguay</b>				
Home Improvement	24.849	3	33.619	4
<b>México</b>				
Home Improvement	65.628	6	94.548	9
<b>Total Stores</b>	<b>3.051.996</b>	<b>502</b>	<b>3.110.868</b>	<b>514</b>

IX. NUMBER OF SHOPPING CENTERS AND LEASABLE AREA OF REAL ESTATE OPERATORS <sup>22,23</sup>

	March 2021		March 2022	
	GLA (sqm)	Shopping Malls (#)	GLA (sqm)	Shopping Malls (#)
<b>Chile</b>				
Mallplaza	1.357.000	17	1.398.012	17
Open	218.400	10	218.198	10
<b>Peru</b>				
Mallplaza	264.000	4	293.123	4
Open	320.286	11	320.233	11
<b>Colombia</b>				
Mallplaza	165.000	4	164.200	4
<b>Total Real State</b>	<b>2.324.686</b>	<b>46</b>	<b>2.393.765</b>	<b>46</b>

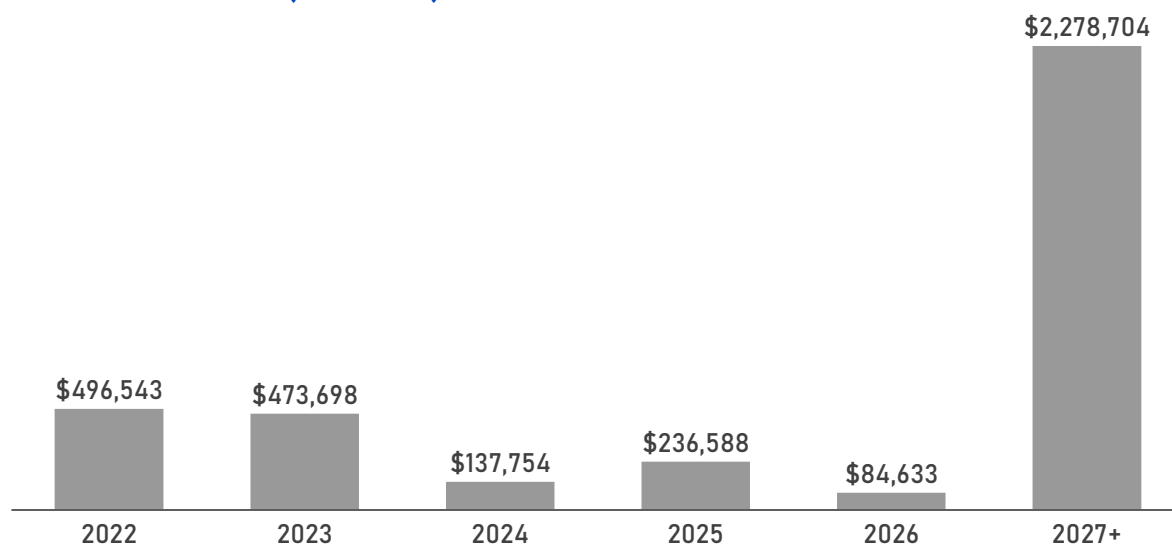
<sup>20</sup> The sales area includes the checkout line. It represents approximately 8% of the surface area at Tottus. This definition may differ from how other market players measure it.

<sup>21</sup> Excludes own-brand Stand Alone stores (Crate & Barrel in Peru and Colombia) with effect from 2Q20.

<sup>22</sup> Falabella and its subsidiaries also own approximately one million additional square meters of leasable area in free standing locations at Falabella, Sodimac, Tottus, Maestro and other stores.

<sup>23</sup> Open includes Power Centers and Shopping Centers, which are locations where there are two anchor stores and smaller stores, other than those operated by Mallplaza. Autoplaza is not considered a separate shopping center.

## X. DEBT MATURITY PROFILE (CLP million)



Total Consolidated Financial Debt (excluding banking businesses): MM\$3.707.921

XI. COLLECTION DAYS<sup>24</sup>, PAYMENT DAYS AND INVENTORY ROTATION DAYS<sup>25</sup>

## Chile

	Department Stores		Home Improvement		Supermarkets		Plaza S.A.	
	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22
Average Collection Period	9,6	8,8	11,3	10,2	6,9	6,5	60,0	49,0
Average Payment Period	59,4	50,6	48,4	42,5	42,3	47,0	NA	NA
Days of inventory	97,4	128,2	50,2	88,9	54,1	74,6	NA	NA

International Businesses<sup>26</sup>

	Peru		Argentina		Colombia		Brazil	
	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22
Average Collection Period	2,6	2,6	18,5	19,0	6,2	3,8	55,4	71,4
Average Payment Period	53,2	43,8	79,3	119,7	70,9	64,3	112,4	113,7
Days of inventory	88,6	110,5	91,7	123,2	135,4	131,7	117,7	133,6

<sup>24</sup> Collection days do not include receivables from Promotora CMR and retail formats, which are Department Stores, Home Improvement and Supermarkets.

<sup>25</sup> Average collection days excluding Plaza S.A.: Trade and other receivables, current, net \* 90 / Operating revenue. Average collection days for Plaza S.A. are collection days. Average payment days: Trade and other payables, current \* 90 / Cost of sales. Inventory days: Inventory, net \* 90 / Cost of sales.

<sup>26</sup> These indicators include retail businesses only, except for Peru, which includes Maestro's two real estate companies.

## XII. CONSOLIDATED EARNINGS AS OF MARCH 2022

## Consolidated Statement of Net Income 1Q22 (CLP million)

	1Q21	% Rev.	1Q22	% Rev.	Var %
Revenues of Non-Banking Operations	2.218.078		2.542.937		14,6%
Revenues of Banking Operations	261.131		387.396		48,4%
<b>Total Revenues</b>	<b>2.479.209</b>	<b>100,0%</b>	<b>2.930.333</b>	<b>100,0%</b>	<b>18,2%</b>
COGS of Non-Banking Operations	(1.534.201)	-61,9%	(1.793.311)	-61,2%	16,9%
COGS of Banking Operations	(50.369)	-2,0%	(168.671)	-5,8%	234,9%
<b>Gross Profit</b>	<b>894.639</b>	<b>36,1%</b>	<b>968.351</b>	<b>33,0%</b>	<b>8,2%</b>
SG&A Expenses	(652.513)	-26,3%	(796.711)	-27,2%	22,1%
<b>Operational Income</b>	<b>242.126</b>	<b>9,8%</b>	<b>171.640</b>	<b>5,9%</b>	<b>-29,1%</b>
Depreciation + Amortization	110.117	4,4%	120.513	4,1%	9,4%
<b>EBITDA</b>	<b>352.243</b>	<b>14,2%</b>	<b>292.153</b>	<b>10,0%</b>	<b>-17,1%</b>
Other Income / (Expenses)	(4.291)		2.016	0,0%	-147,0%
Net Financial Income / (Cost)	(38.685)		(130.226)		236,6%
Profit / (Loss) in Associates	5.303		6.160		16,2%
Exchange Rate Differences	(15.241)		33.228		-318,0%
<b>Non-Operating Profit</b>	<b>(52.914)</b>	<b>-2,1%</b>	<b>(88.822)</b>	<b>-3,0%</b>	<b>67,9%</b>
<b>Profit Before Tax Expenses</b>	<b>189.212</b>	<b>7,6%</b>	<b>82.818</b>	<b>2,8%</b>	<b>-56,2%</b>
Income Tax	(45.502)		3.766		-108,3%
Minority Interest	(6.384)		(14.050)		120,1%
<b>Net Profit / (Loss)</b>	<b>137.326</b>	<b>5,5%</b>	<b>72.534</b>	<b>2,5%</b>	<b>-47,2%</b>

## 1. Revenues

Falabella's consolidated operating revenue for the first quarter was CLP 2,930,333 million, representing 18.2% growth compared to 1Q21, explained by a higher revenue contribution from the retail and banking formats, in particular, the Home Improvement, Department Store and Banking business in Chile, Department Stores in Peru, and Mallplaza.

Banking segment revenue increased by 48.4% compared to the same quarter last year, mainly due to higher interest and commission income from the loan portfolio that grew by 35% YoY.

Operating revenue from retail formats in Chile grew by 14.2% in the quarter, as a result of the continued consumer dynamism. Accordingly, retail formats reported strong growth in online sales, which reached CLP 379,694 million (+4% YoY), and represented 20% of total sales. The Department Store format grew 13.7% compared to 1Q21, mainly explained by physical channels returning to business as normal, resulting in 48% YoY growth in total physical store sales during the quarter. Revenues at Home Improvement grew by 16.4% compared to 1Q21 and online sales increased by 47% YoY. Supermarkets reported growth of 8.0% YoY. Revenue at Banco Falabella increased by 47.2% during the quarter, accompanied by growth of 29.3% in the loan portfolio.

Consolidated revenue in Peru grew 20.6% in 1Q22. This was mainly explained by Department Stores with growth of 42.6% YoY (+32.7% in local currency) and Home Improvement with growth of 17.3% YoY (+9.3% in local currency). Supermarket revenue fell by 0.9% in local currency, while the Banking business recorded an increase of 33.5% YoY in local currency revenue, mainly due to an expansion in the bank's loan portfolio of 36.1% YoY in local currency.

Consolidated revenue in Colombia grew by 44.3% compared to the first quarter last year. This was associated with an improvement in operating revenue from the Department Stores format, which grew by 36.8% YoY (+33.8% in local currency). This was accompanied by the Banking business, which increased operating revenue by 55.7% and its loan portfolio by 46.4% in local currency.

Revenue in Brazil grew by 29.2% in the quarter compared to the same period last year. The format reported growth of 11.0% in local currency, supported by good performance from physical stores and growth in online sales.

Revenue in Argentina decreased by 50.1% during 1Q22, compared to the same period last year. This is mainly due to closing the Department Stores format in the country and selling the financial business portfolio. The Home Improvement format reported growth of 28.4% YoY (+42.0% in local currency).

## 2. Operational results

The Company's net operating income for the first quarter was CLP 171,640 million, which represents a decrease of 29.1% compared to 1Q21. This consolidated decrease was mainly explained by the 22.1% increase in selling and administrative expenses, due to the following reasons: 1) Higher staff remuneration, explained by increased volumes and sales through physical and digital channels. 2) Higher lease expenses, as our stores returned to normal trading. We achieved extraordinary savings in lease expenses during the comparable period as a result of operational intermittency due to the public health restrictions. 3) Extraordinary logistical cost overruns associated with international freight delays, mainly supplying the Home Improvement format. 4) Higher advertising expenses, due to higher physical store sales and business volumes in all channels. 5) Higher loyalty expenses, as a result of the increase in participants and points redeemed in our loyalty program. 6) Higher technological development expenses (Opex), which increased year on year.

Furthermore, contributions from Home Improvement, Banking and Supermarkets were lower. This was partially offset by a higher contribution from the Real Estate business and the Department Stores format throughout the region.

The retail formats in Chile reported net operating income of CLP 44,974 million, a decrease of -45.2% over net operating income for the same quarter last year. This was associated with lower contributions from the Supermarket business and Home Improvement format, partially offset by the Department Stores format.

Banco Falabella Chile achieved net operating income of CLP 67,700 million during the quarter, equivalent to a decrease of 32.0% compared to 1Q21, mainly explained by an increase in portfolio risk costs.

Mallplaza achieved net operating income of CLP 54,293 million during the quarter, an increase of 63.8% over net operating income for the same quarter last year. This is due to revenue increases associated with lease income from business partners returning to normal, as they are now trading with greater stability.

The Peruvian businesses earned net operating income of CLP 20,162 million during the quarter, an increase of 18.1% over net operating income for 1Q21, mainly due to a higher contribution from Department Stores, partially offset by the Supermarket format.

Colombia reported net operating income for the quarter of CLP 5,537 million, representing an improvement over the negative result for the same quarter last year. This is due to higher contributions to gross margins.

Brazil reported net operating income of CLP 1,647 million, down 23.9% YoY, driven by an increase in selling and administrative expenses.

## 3. Non-Operating Results and Net Profit

The non-operating loss was CLP 88,822 million for the quarter, which was 67.9% higher than in the same period in 2021, mainly due to unrealized losses on import hedging derivative contracts recorded as financial expenses, offset by the exchange differences on foreign currency obligations.

Net Profit was CLP 72,534 million for the first quarter 2022, which represents a decrease of 47.2% YoY. Operating net income decreased mainly due to lower contributions from Home Improvement Chile and Banco Falabella Chile, followed by the Supermarkets in Chile and Peru.



## 4. Balance Sheet

As of March 31, 2022 (CLP million)

	As of December 31st,	As of March 31st, 2022	Var %
Current Assets - Non Banking Business	3.072.387	3.118.258	1,5%
Non Current Assets - Non Banking Business	9.075.544	9.040.277	-0,4%
<b>Total Assets - Non Banking Business</b>	<b>12.147.931</b>	<b>12.158.535</b>	<b>0,1%</b>
<b>Total Assets - Banking Business</b>	<b>9.284.712</b>	<b>9.678.131</b>	<b>4,2%</b>
<b>Total Assets</b>	<b>21.432.643</b>	<b>21.836.666</b>	<b>1,9%</b>
Current Liabilities - Non Banking Business	2.447.658	2.529.524	3,3%
Non Current Liabilities - Non Banking Business	4.842.254	4.775.535	-1,4%
<b>Total Liabilities - Non Banking Business</b>	<b>7.289.912</b>	<b>7.305.059</b>	<b>0,2%</b>
<b>Total Liabilities - Banking Business</b>	<b>7.497.666</b>	<b>7.810.593</b>	<b>4,2%</b>
<b>Total Liabilities</b>	<b>14.787.578</b>	<b>15.115.652</b>	<b>2,2%</b>
<b>Total Equity</b>	<b>6.645.065</b>	<b>6.721.014</b>	<b>1,1%</b>
<b>Total Liabilities + Equity</b>	<b>21.432.643</b>	<b>21.836.666</b>	<b>1,9%</b>

Non-banking current assets increased by CLP 45,871 million compared to December 2021, mainly driven by an increase in inventories due to the increase in retail business dynamism, offset by a decrease in cash and cash equivalents following the payment of financial liabilities. Non-banking non-current assets decreased by CLP 35,267 million, mainly due to a decrease in other non-current financial assets caused by the fall in value of hedging assets. Banking business total assets increased by CLP 393,419 million compared to December 2021, mainly due to the increase in customer's consumer loans and receivables, partially offset by a decrease in financial assets at fair value with impact in other comprehensive income. Consequently, total consolidated assets increased by CLP 404,023 million.

Non-banking current liabilities increased by CLP 81,866 million compared to December 2021, mostly explained by the increase in other current financial liabilities, partially offset by current provisions for employee benefits and other current non-financial liabilities. Non-banking non-current liabilities decreased by CLP 66,719 million, mainly due to a decrease in other financial non-current liabilities, partially offset by an increase in lease liabilities. Banking business total liabilities increased by CLP 312,927 million, mainly due to an increase in savings and other time deposits, partially offset by deposits and other demand obligations, and a decrease in transactions pending settlement. Consequently, total liabilities increased by CLP 328,074 million.

Shareholders' equity increased by CLP 75,949 million as a result of earnings for the period.

## 5. Cash Flow Statement

As of March 31, 2022 (CLP million)

	As of March 31st, 2021	As of March 31st, 2022	Var %
Cash flow from operating activities - Non Banking Business	(14.398)	(156.981)	990,3%
Cash flow from operating activities - Banking Business	(65.872)	(9.157)	-86,1%
<b>Cash flow from operating activities</b>	<b>(80.270)</b>	<b>(166.138)</b>	<b>107,0%</b>
Cash flow from investment activities - Non Banking Business	(94.056)	(98.095)	4,3%
Cash flow from investment activities - Banking Business	56.529	206.229	264,8%
<b>Cash flow from investment activities</b>	<b>(37.527)</b>	<b>108.134</b>	<b>-388,1%</b>
Cash flow from financing activities - Non Banking Business	(83.879)	82.916	-198,9%
Cash flow from financing activities - Banking Business	34.483	57.356	66,3%
<b>Cash flow from financing activities</b>	<b>(49.396)</b>	<b>140.272</b>	<b>-384,0%</b>
Increase (decrease) in cash and cash equivalents	(167.193)	82.268	-149%
Impact of exchange rate differences on cash and cash equivalents	(8.614)	5.748	-167%
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2.462.376</b>	<b>2.063.026</b>	<b>-16,2%</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2.286.569</b>	<b>2.151.042</b>	<b>-5,9%</b>

Cash flow from operating activities at non-banking businesses decreased by CLP 142,583 million during 1Q22 compared to the same quarter last year, mainly due to higher payments to suppliers of goods and services to purchase inventories. Cash flow from operating activities at banking businesses was less negative by CLP 56,715 million, due to an increase in customer loans and receivables and time deposits, offset by a decrease in demand deposits. Consequently, consolidated cash flow from operating activities for 1Q22 was CLP 85,868 million lower than the same period last year.

Cash flow from investing activities at non-banking businesses increased by CLP 4,039 million over 1Q21, mainly due to higher loans to related entities and other cash outflows, partially offset by lower purchases of property, plant and equipment. Cash flow from investing activities at banking businesses increased by CLP 149,700 million compared to last year, due to a net decrease in financial assets at fair value through comprehensive income. Consequently, consolidated cash flow from investing activities for 1Q22 was CLP 145,661 million higher than the same period in 2021.

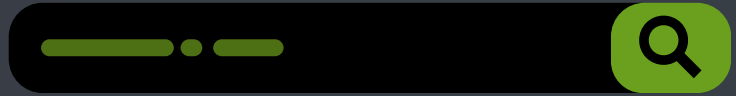
Cash flow from financing activities at non-banking business for 1Q22 was CLP 166,795 million higher than the comparable period, due to receipts from short and long-term loans. Cash flow from financing activities at banking businesses increased by CLP 22,873 million compared to the same period last year, due to higher loans received and other liabilities. Consequently, consolidated cash flow from financing activities increased by CLP 189,668 million compared to the same period last year.

## Definitions for Non-Banking Business Units

Operational	
Clients	Consider a person who made at least one purchase at our retailers, online or in-store, or a transaction at our banking businesses in the last 12 months.
Loyalty Participants	Customers who have accumulated points in the last 12 months. CMR holders and customers with other means of payment are considered.
GMV	GMV is gross online sales including VAT using a neutral exchange rate for the Department Stores in Chile, Peru, Colombia and Argentina; Home Improvement in Chile, Peru, Argentina, Brazil and Uruguay; Supermarkets in Chile and Peru; and the Third-party businesses.

## Definitions for Banking Business Units

Selected Balance Sheet Accounts	
Demand Deposits	Deposits in current and saving accounts, and other demand deposits
Other financial liabilities	Debt instruments issued, bank credits and other financial obligations
Income Statement	
Loan-loss provision expense	Provision expense for loan losses, plus write-offs of recoveries
Operational information	
NPL (+90 days)	Loans with +90 days delinquency
Passive accounts	Non-interest bearing accounts, such as checking and saving accounts, with a balance
Credit cards with balance	Number of primary credit cards that have a balance, have been used in the last 24 months, and have their payments up to date or have delinquency of 90 days or less
Average loan	Gross customer loans divided by total credit cards with a balance
Duration	Macaulay Duration
ATMs	Number of ATMs
Ratios	
Basilea	Effective equity over risk-weighted assets, as defined by each country's financial services regulator
Efficiency ratio - CMR	Administrative expenses over gross profit (excluding credit risk cost)
Efficiency ratio - Banks	Operating expense over operating revenue
ROAE - Banks	Return on Average Equity: is an adjusted version of ROE in wich the denominator is the average of shareholder's equity on the last 13 months
ROAA - Banks	Return on Average Assets: is an adjusted version of ROA in wich the denominator is the average of total assets on the last 13 months
ROAE - CMR	Return on Average Equity: is an adjusted version of ROE in wich the denominator is the average of shareholder's equity on the last 5 quarters
ROAA - CMR	Return on Average Assets: is an adjusted version of ROA in wich the denominator is the average of total assets on the 5 last quarters



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