

Investor day.

2022

FALABELLA

falabella.com



 SODIMAC

 TOTTUS

 mallplaza

 Banco Falabella

 Fpay



This presentation contains forward-looking statements, including statements regarding the intent, belief or current expectations of the company and its management. Investors are cautioned that any such forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties including, but not limited to, the risks detailed in the company's financial statements, and actual results could differ materially from those indicated by such forward-looking statements.

All numbers in this presentation are expressed as of LTM June 2022, converted to US Dollars and rounded to millions.

FALABELLA

falabella.com



 SODIMAC

 TOTTUS

 mallplaza

 Banco Falabella

Fpay⁺



GASTON BOTTAZZINI CEO

INTRODUCTION

Our virtuous cycle results from our omnichannel retail and financial services leveraging each other to grow



37 million
Total Customers

564
Stores & Malls

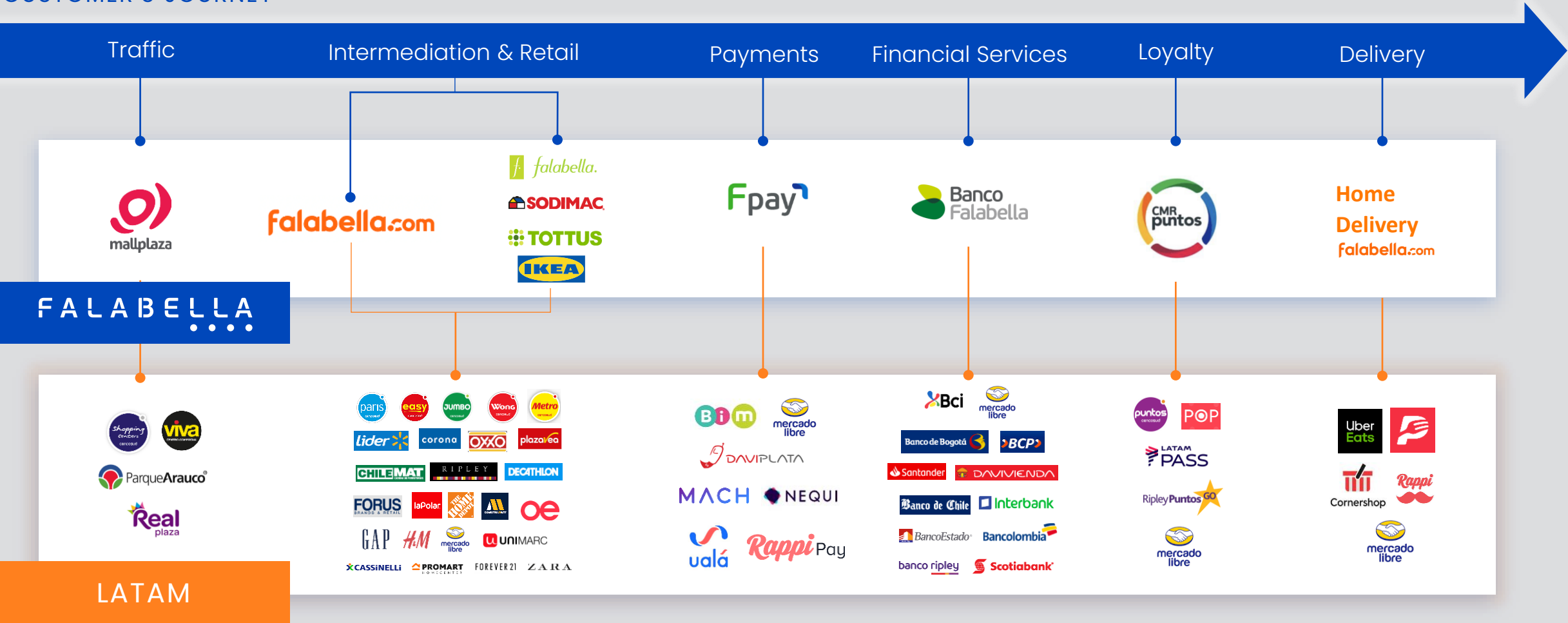
6.8 million
Banking Customers

Operations in
7 countries



To interact at all touchpoints of the customer journey, we incorporated Falabella.com, Fpay and Home Delivery unit

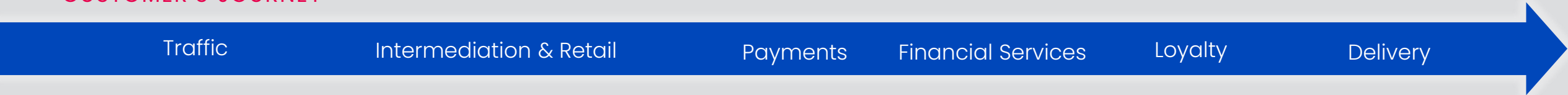
CUSTOMER'S JOURNEY



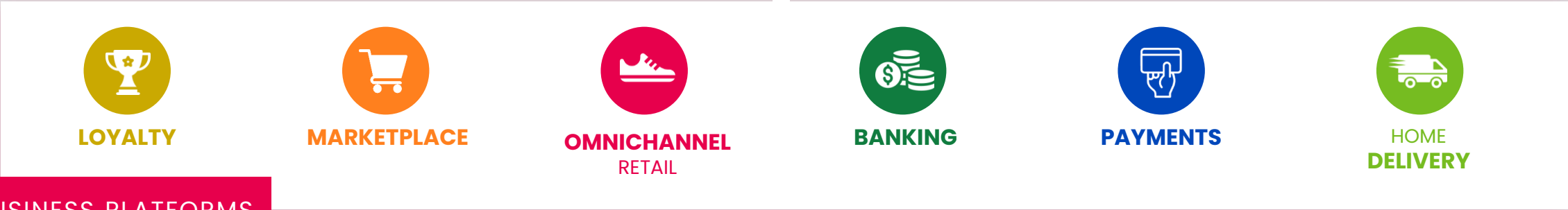
All products and services under a same umbrella and in a consistent journey for the customer

To continue accelerating growth we have created six cross business platforms

CUSTOMER'S JOURNEY



FALABELLA



BUSINESS PLATFORMS

Each platform plays a key role and has defined a clear ambition to meet their purpose



LOYALTY

To be the preferred program, fanatizing our clients

17.5 mn Active participants

25% Of point redemptions made digitally



MARKETPLACE

To be the preferred Marketplace For customers and Sellers in the region

US\$ 3.1 bn GMV

+17,000 Sellers in our Marketplace as of Aug-22



OMNICHANNEL RETAIL

Offer the best products, brands and experiences

US\$ 16 bn Total Sales

564 Stores and Shopping Centers



BANKING

Position Banco Falabella as the leading digital bank

US\$ 7.3 bn Gross Loan Book

+60% Fully digital loan origination



PAYMENTS

Position Fpay as the customer's preferred payment platform

US\$ 2.6 bn TPV

+600k Monthly active wallet users



HOME DELIVERY

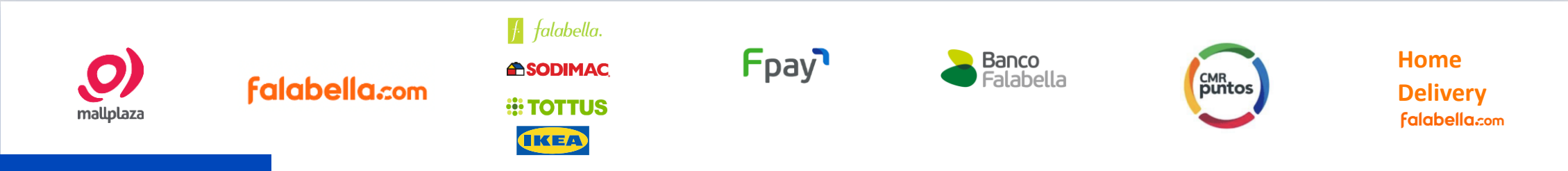
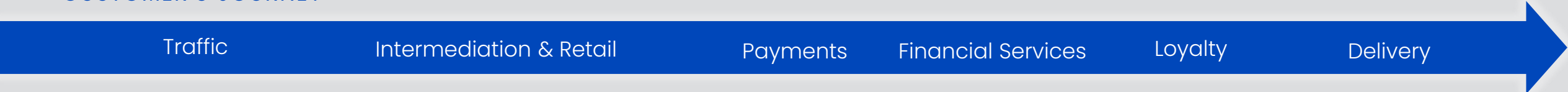
Exceed customer delivery expectations

+34 mn Dispatches

60% Of deliveries in less than 48 hours in Chile

We have built a physical-digital ecosystem supported by our data, analytics, technology, and people in a sustainable business environment

CUSTOMER'S JOURNEY



FALABELLA



ENABLERS

Committed to ESG and a **sustainable business development**



1. Marketplace

JAIME RAMÍREZ
MARKETPLACE

2. Omnichannel Retail

ALEJANDRO ARZE
HOME IMPROVEMENT

FRANCISCO IRARRÁZAVAL
DEPARTMENT STORES

3. Home Delivery

FRANCISCO IRARRÁZAVAL
DEPARTMENT STORES

4. Digital Banking & Payments

JUAN MANUEL MATHEU
FINANCIAL SERVICES

5. Loyalty

JUAN MANUEL MATHEU
FINANCIAL SERVICES

6. Operational Leverage

ALEJANDRO GONZÁLEZ
CFO

7. ESG

GASTON BOTTAZZINI
CEO

Agenda

A person is sitting at a desk, using a laptop. Their hands are on the keyboard. To the left of the laptop is a small potted plant with green leaves. To the right is a white coffee cup with a lid. The person is wearing a brown sweater and blue jeans. The background shows a window with blinds.

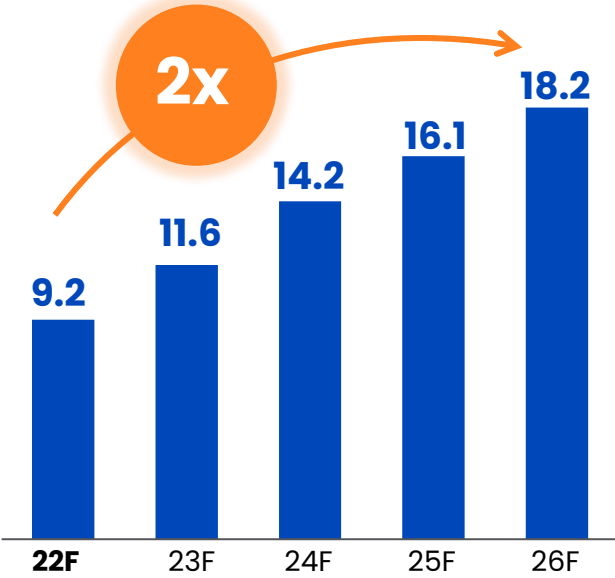
1

JAIME RAMÍREZ MARKETPLACE

MARKETPLACE

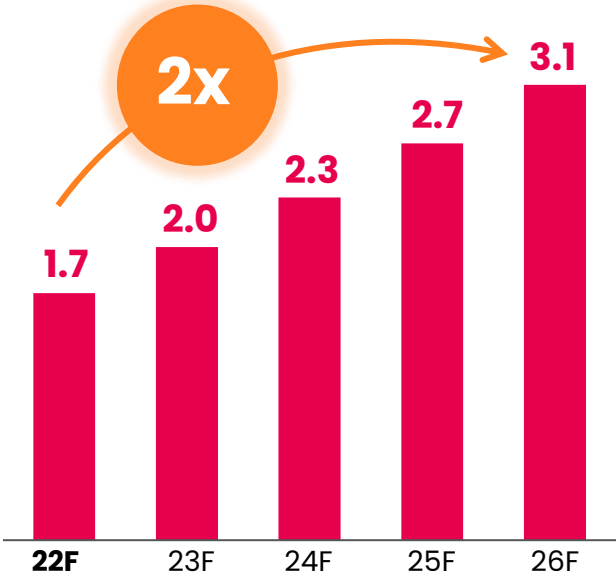
We have leadership positions in markets with attractive growth perspectives

Expected e-commerce market evolution (US\$ billion)



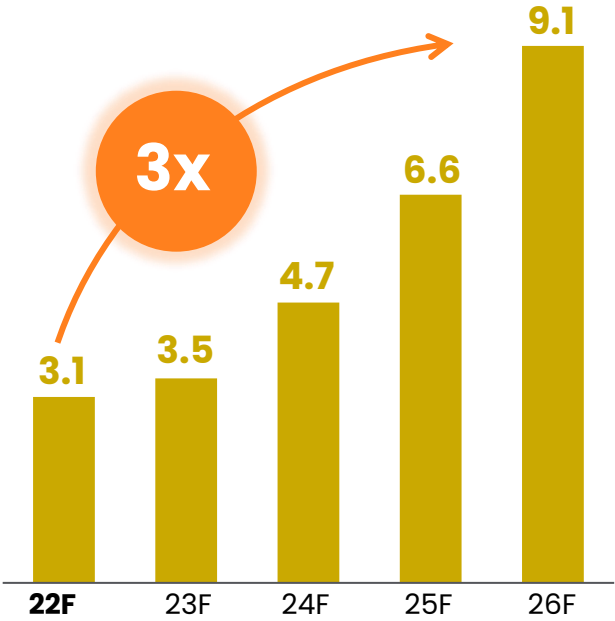
12.0% → 18.0%
Estimated e-commerce penetration

 Chile **#1** market position



7.4% → 11.4%
Estimated e-commerce penetration

 Peru **#1** market position



3.0% → 6.5%
Estimated e-commerce penetration

 Colombia **#2** market position

Note: E-commerce growth estimations based on data from Euromonitor and local Commerce Chambers in each country. Market sizes include retail categories, excluding financial services and tourism.

And we leverage our ecosystem to further differentiate our value proposition for our customers...

Broad, competitive and curated catalogue of 1P and 3P products



Millions of local and international products, with access to exclusive brands
Access to our retailers' exclusive catalogue

Personalized frictionless purchase and post-purchase experience



Personalized buying experience with special journeys
Self-service post-purchase portal to allow comprehensive resolution of most issues

Quick, convenient and reliable delivery alternatives



Multiple delivery alternatives at competitive prices
Ability to leverage physical network



Leading loyalty program in the region

Valuable benefits for members, including attractive redemption alternatives and extended free shipping



Proprietary payment processing platform

Allows for frictionless check-out experience, higher approval rates and faster reimbursements



Comprehensive financing alternatives for our customers

Access to exclusive offers through our CMR credit card

...and for our sellers

High quality traffic



Access to +100 million visits of loyal customers per month
Optimized paid-traffic strategy
Above-average conversion rates

Unique Falabella.com seller experience



Fast and simple sign-up and onboarding for our sellers
Access to seller support
Effective logistics with multiple options matching seller needs

Tools to sell more



On-site and in-store display services, targeted messaging, media advertising
Analytics and reporting services



Delivery solutions

Fulfillment services
Click & Collect
Express delivery alternatives
Returns at our retailers' stores and partners, and pick-up from home



Financial Services & Payments

Wide range of financing options
Fpay portal for seller cash management

Having a single marketplace allows us to take advantage of the consolidated traffic of our retailers and brands

Falabella.com

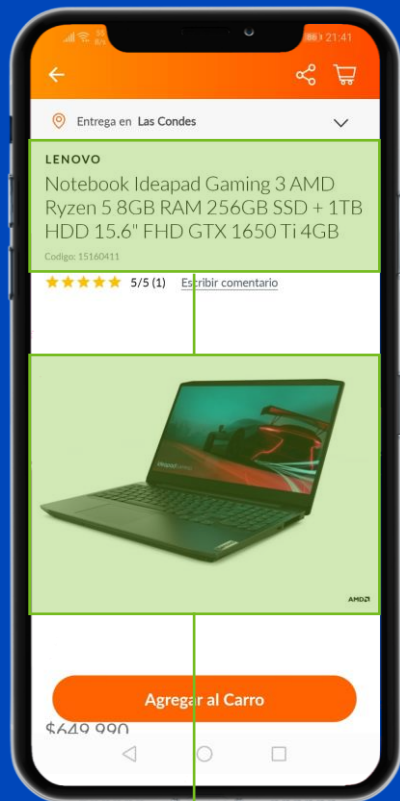
consolidates the traffic and products of each of our retailers, thus enhancing its network effects and transforming itself into an everything store

A consolidated platform also allows to reduce dependence on paid traffic



We also shifted to a microservices-based architecture, which provides us with greater flexibility, scalability and speed...

MARKETPLACE



Product Catalog



Price



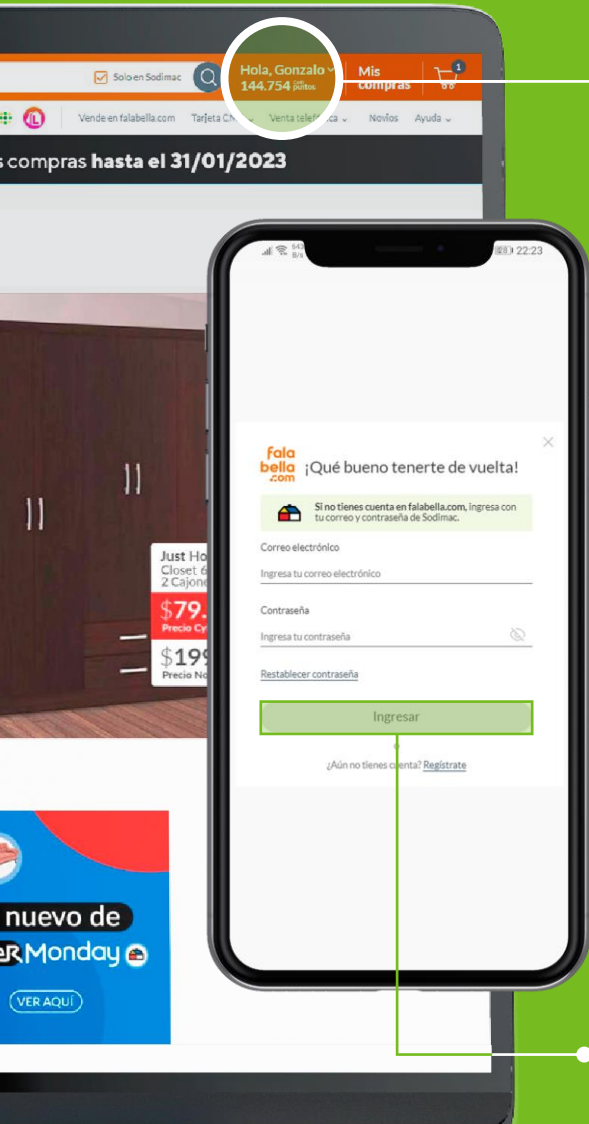
Cart



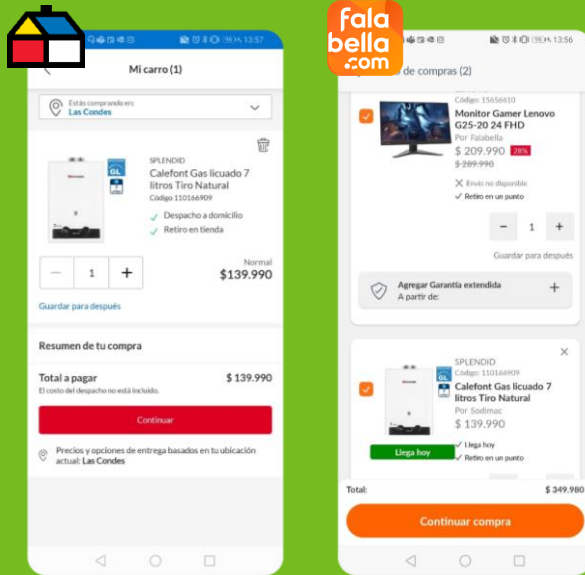
Inventory

...and introduced one single identity for our customers across all platforms enabling a seamless integrated experience

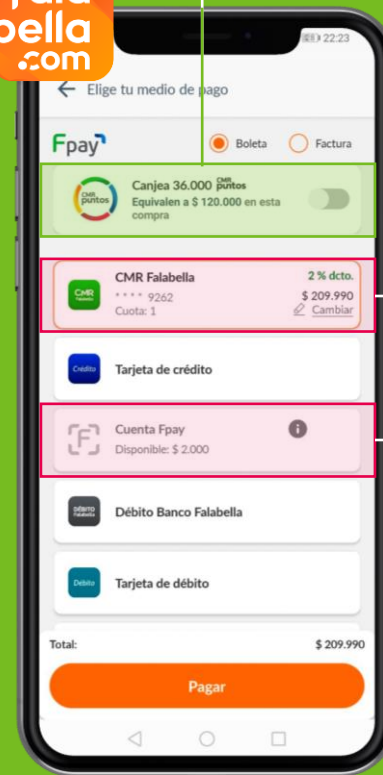
MARKETPLACE



Shared shopping cart (Falabella and Sodimac app)

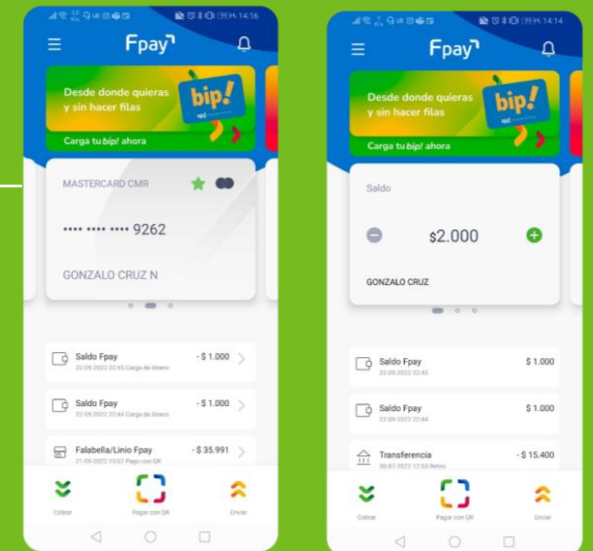


• **Login**
with Falabella or
Sodimac credentials

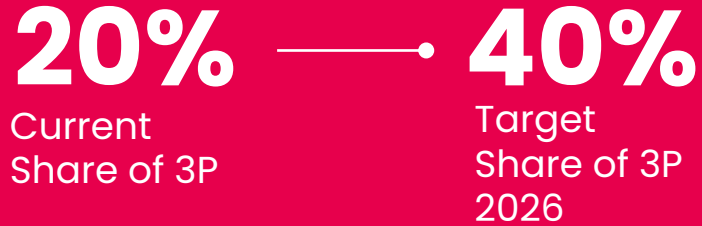


• **Payment methods**
Shared across Falabella.com
and Fpay wallet

23.5 million identities
enrolled in our Customer
Identity platform



We have a comprehensive plan to attract more sellers and drive growth



Enhance performance

Structured first 90-day plan to increase time-to-first-sale

Improve seller support for sellers to focus on growth

Continue roll-out of loyalty f.plus program to encourage better operational behavior



Top

Strategic Sellers: Large sellers in categories where we are strong and can complement the offering

Hybrid Sellers: Falabella Group vendors that are not already selling in Falabella.com

Integrated Sellers: Sellers that have a system that can be automatically integrated with Falabella.com.



Mid and longtail

We will attract smaller sellers by:

Simplifying and improving our onboarding process

Partnering with key allies such as agencies and SME associations

The integration of falabella.com in Chile is delivering strong results after one year of operation



E-commerce Site Traffic

#1

1H22 Chile¹



Sellers with Sales

+55%

Growth Aug-22 vs Launch 21²



Seller NPS

+17pp

Aug-22 vs Aug-21 Chile



VAS Revenue

2.1x

Growth YTD Aug-22 vs YTD Aug-21³

(1) Source: Similar Web; Chile, Falabella Group; (2) Includes Chile, Peru, Colombia and Mexico (3) Includes Chile, Peru, Colombia; VAS: Value Added Services

Leveraging the Chilean experience is delivering promising results in Peru

MARKETPLACE



Successful technological roll-out

Leveraged learnings from launch in Chile

Technological roll-out in approximately half the time of Chile

Sales growth driven by 3P

One month after the launch, share of 3P registered a double-digit growth year over year

Traffic increase

Traffic share increased **during the first month after launching, rising from 12% in July to 17% in August**, despite having had a cyber-day the previous month

We will continue to optimize our launch strategy with our upcoming launch in Colombia

MARKETPLACE



Starting with stronger 3P base

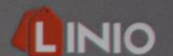
We have +5.000 sellers with sales in Linio Colombia, and the focus will be on migrating that base to falabella.com and accelerate its growth

Nº 1 market player

The combination of the catalog from our retailers with the growth potential of the Marketplace will give us the leadership position in the country, surpassing all competitors

RETIRA EN TIENDA

falabella.com



ARGALA
APP 

2

COMPRAS ONLINE
RETIRA EN TIENDA
SIN COSTO ESPACHO

falabella.com
SODIMAC
TOTTUS

COVID 19
JUNTOS PODEMOS PREVENIRLO

COVID 19
JUNTOS PODEMOS PREVENIRLO

COVID 19

COVID 19
JUNTOS PODEMOS PREVENIRLO

CHANNEL STRATEGY: ALEJANDRO ARZE HOME IMPROVEMENT

PRODUCT STRATEGY: FRANCISCO IRARRÁZAVAL DEPARTMENT STORES

OMNICHANNEL RETAIL

Channel Strategy

OMNICHANNEL RETAIL



**SELECT
REGIONAL
GROWTH
OPPORTUNITIES**



**E-COMMERCE
STRATEGY**



**DIGITAL AND
PHYSICAL
INTEGRATION
OF THE SHOPPING
EXPERIENCE**



**MALLS AS
URBAN
CENTERS**

We operate a portfolio of leading and well recognized retail brands with leadership position in each of it's markets

OMNICHANNEL RETAIL

Retailer's physical channel strategy

falabella. —●— Optimize the store footprint

 **SODIMAC** —●— Continue leading in core markets and advance Mexico and Brazil expansion

 **TOTTUS** —●— Consolidate positioning in middle income segments

 **IKEA** —●— Continue expanding in Chile and enter Colombia and Peru





Select Regional Growth Opportunities



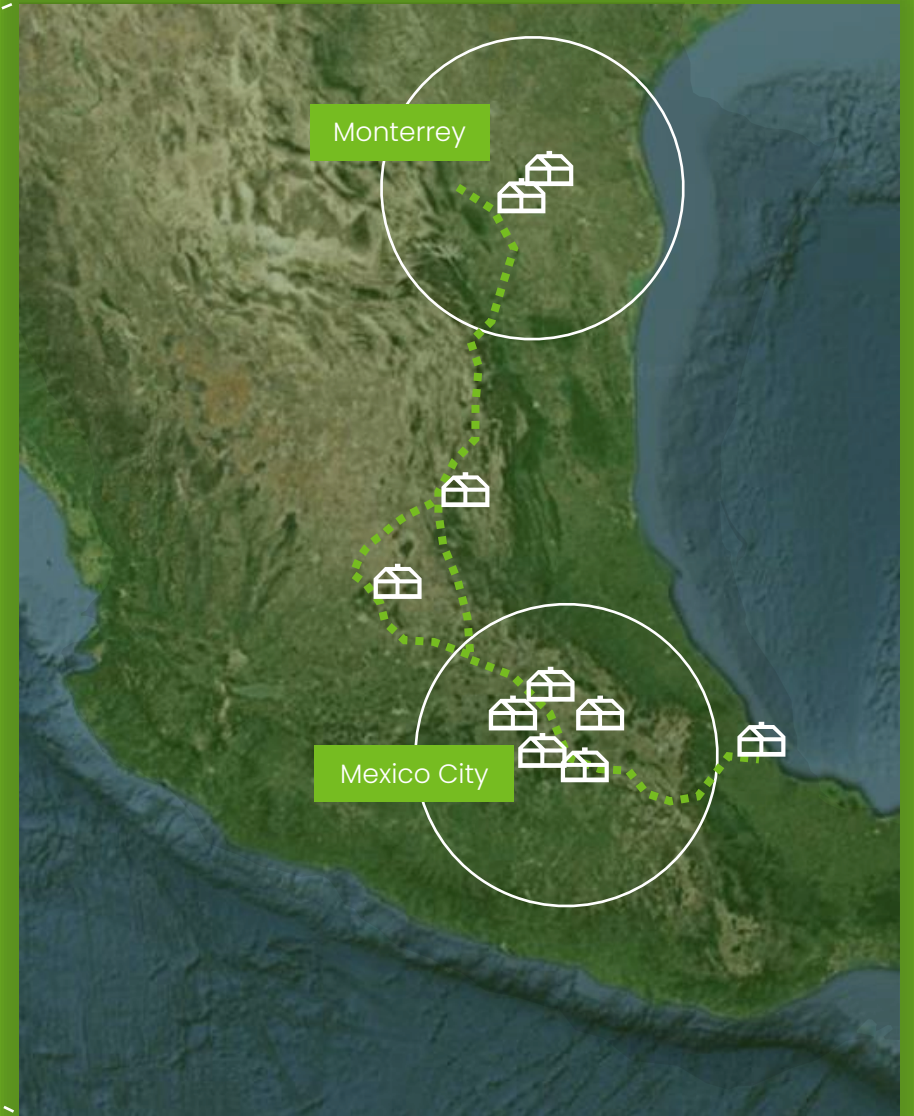
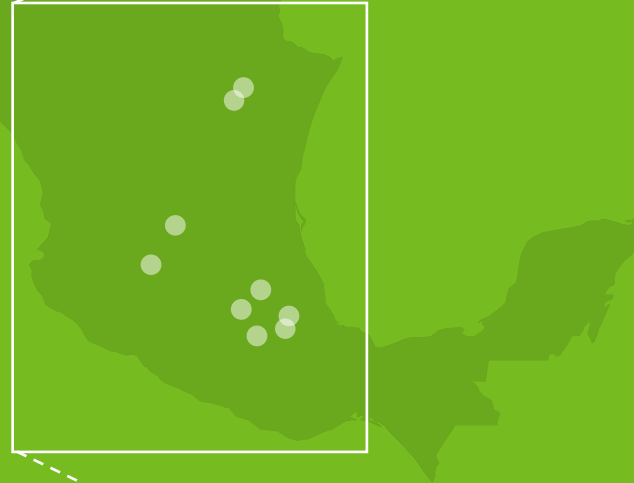
OMNICHANNEL RETAIL

Sodimac Mexico

Fragmented and **underpenetrated** in **home improvement** categories

Focus on **PRO segment** customers

Consolidating our greenfield with 4-6 openings per year focused on our presence in Mexico City, Monterrey and the logistic corridor between them



US\$
127 million
Revenue 2Q22 LTM

10
stores open and 6
under development

98,522
sqm



Select regional growth opportunities



OMNICHANNEL RETAIL

Sodimac Brazil

Converted Dico, a specialty store into a broader HI store

Profitable operation with a relevant scale and presence in the **São Paulo area**

Continue **growing organically** with **2-4 openings per year**



US\$
284 million
Revenue 2Q22 LTM

53
stores in Sao Paulo State

180k
sqm





Select regional growth opportunities



OMNICHANNEL RETAIL



Inauguration of the **first IKEA store** in South America

Exceeded our forecast expectations

+12k

customers a day
at the store

3x

number of visits
we expected online



2023

First of 3 openings in **Colombia** (Bogotá, Cali and Medellín)



Assesing locations and timeline for entering **Peru**



2nd store will open in **Santiago** during 4Q22



E-Commerce strategy

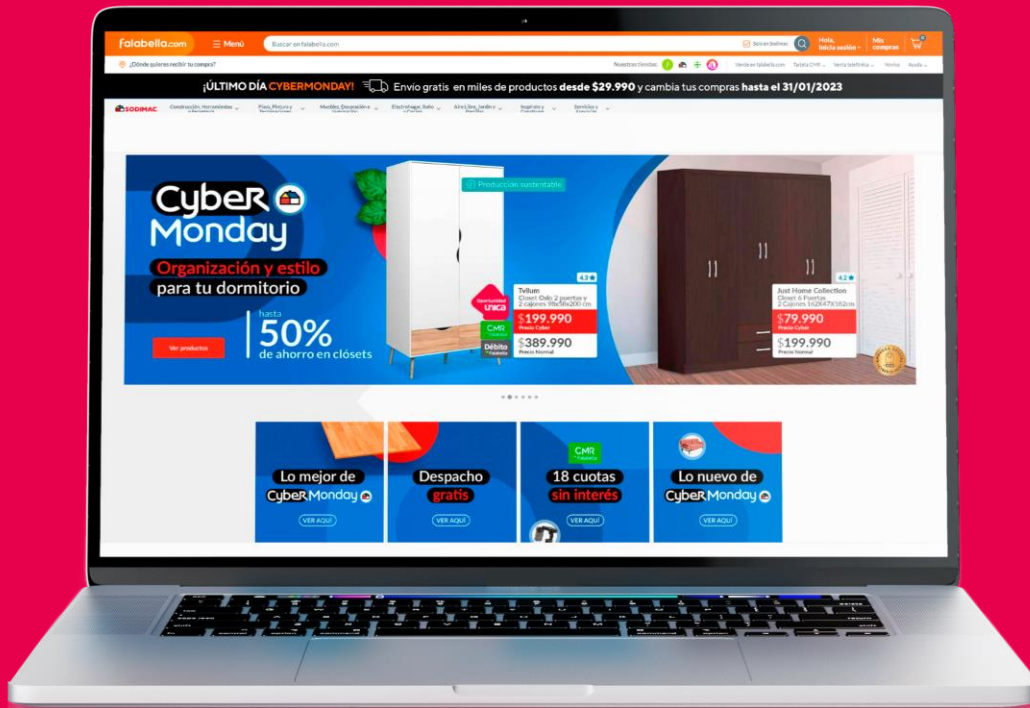


OMNICHANNEL RETAIL

Our dedicated Stores-in-store

allow our retailers to showcase their catalogues and benefit from the higher traffic base of falabella.com

#1 Our retailers focus on being the best sellers on the marketplace



Strategic focus for our retailers



- Focus on core categories as apparel, electronics and beauty
- Develop exclusive assortment



- Differentiated journeys per product category and projects
- Focus on the PRO segment



- Focus on food segment as hypermarket Seller



Digital and physical integration



OMNICHANNEL RETAIL

LOGISTIC ROLE OF THE STORE

- ✓ **Click & Collect** for pick up and increase store traffic
- ✓ **Return and exchange** for online purchase
- ✓ **Ship from store** to optimize fulfillment

IMPROVED IN-STORE EXPERIENCE

- ✓ **Self check out** & digital payments
- ✓ **Self assistance** (app in the store)
- ✓ **Mobile sales** (buy online from the store)

STORE OF THE FUTURE

- ✓ Focused on **product experience**
- ✓ **Digital experiences** to enhance sales
- ✓ **Use the stores as a showroom** for our products

Higher integration among channels and retailers

Optimize logistics costs

Faster deliveries and client satisfaction

Higher efficiency in store inventory management

Increased operational flexibility



Digital and physical integration



OMNICHANNEL RETAIL

We are leveraging on our app to enhance the customer's journey in the physical store with a strong focus on customization

Approaching the store



Greeting

Browsing and selecting



Product information



Click & Try

Purchasing and check-out



Self Checkout



Scan & Go

Delivering products



Rapid collection



Click & Collect line



Express Delivery

Returns and exchanges



Schedule exchanges



Returns Drop Box



Digital and physical integration



OMNICHANNEL RETAIL

Case example: using the app to shop for shoes at the store

Using the app, the consumer is able to check sizes available in inventory, view prices and scan and pay, without assistance



Scan to check prices



Check inventory



Tap and pay



NEED HELP

SCAN THIS QR CODE TO CHECK PRICES, SIZES AND TO PAY

Scanning the QR code switches the app to store mode

Malls as urban centers



OMNICHANNEL RETAIL

MALL OF THE FUTURE

- ✓ Become the preferred urban center, positioned as a **safe** destination with proposals way beyond retail
- ✓ Attract incremental traffic by rebalancing tenant mix, decreasing retail and increasing **entertainment, experiences and food & beverages**

MONETIZE THE VALUE CREATED

- ✓ Opportunity to monetize real state assets as offices, **multifamily, air space**
- ✓ **Incremental revenues from ecosystem value added services**

INTEGRATED INTO THE ECOSYSTEM

- ✓ Key role in **data generation** and customer engagement with Falabella
- ✓ Opportunity to bring in tenants to become **marketplace sellers**



Key takeaways

Channel Strategy



Selective growth opportunities

Home Improvement
in Brazil and Mexico

IKEA in Chile, Peru
and Colombia



Integration of
e-commerce with
physical stores,
with a focus on
adding value for
the customer

Become the top seller
on Falabella.com

Strengthening digital and
showrooming experiences

Logistical role of the store



Optimizing the
physical
footprint

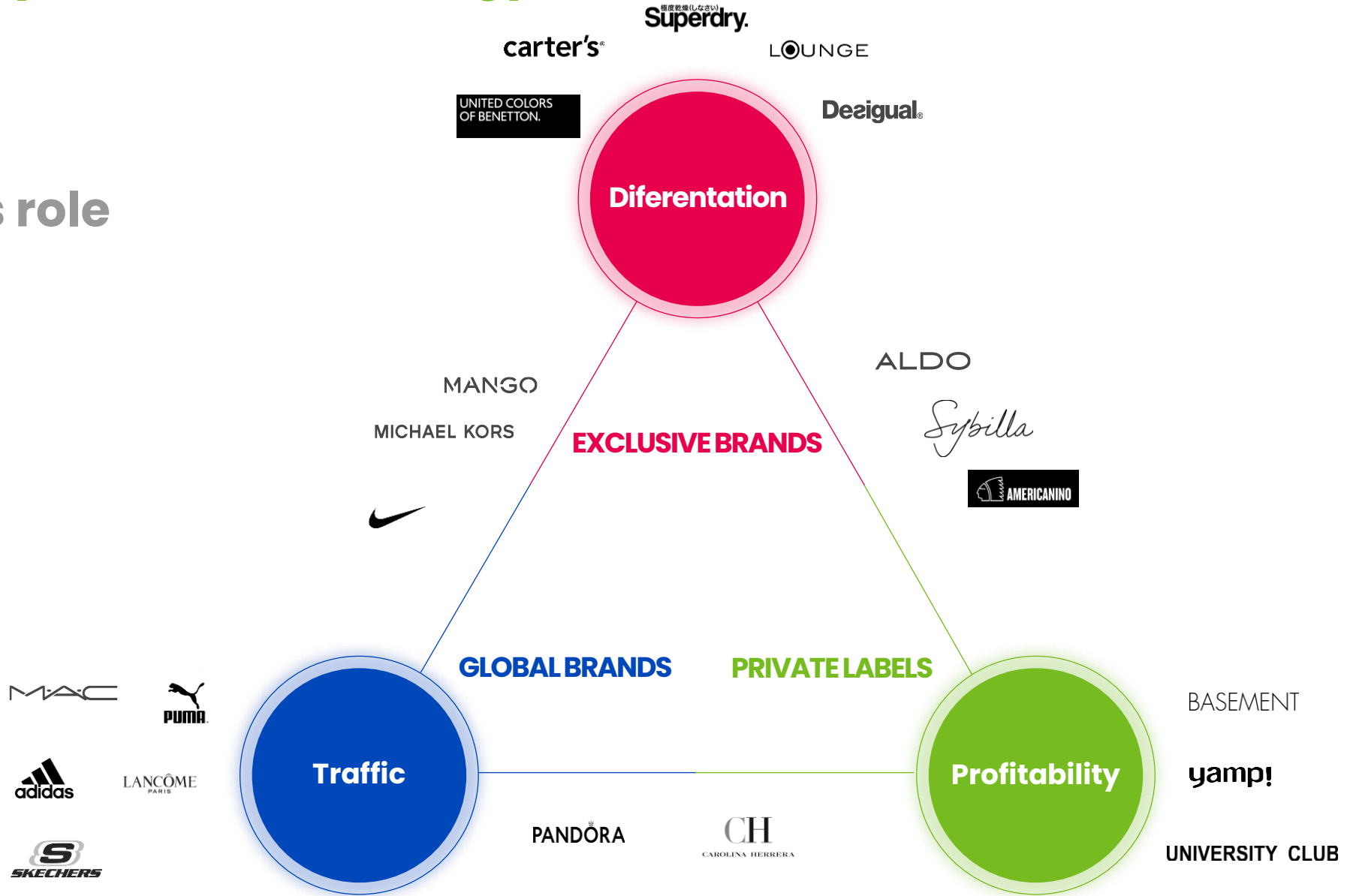
Selective store closures

Increase the profitability
of the current footprint

Reduce retail space in
shopping centers, and
increase entertainment
and Food and Beverages

Category and Brand Strategy

Brands role



Category and Brand Strategy

OMNICHANNEL RETAIL



**CENTRALIZE
NON-DIFFERENTIABLE
CATEGORIES**



**INCREASE PRIVATE
LABEL SHARE ON
SPECIALIST
CATEGORIES**





**EFFICIENT
SOURCING
PROCESS**

Centralize non-differentiable categories



We are shifting from managing categories by business units into a brand and category management.

| CATEGORIES | <i>falabella.</i> |  SODIMAC |  TOTTUS |
|-------------------------------|-------------------|---|--|
| Furniture & Mattress | ✓ | ✓ | ✓ |
| Bed & linings | ✓ | ✓ | ✓ |
| Electronics & Home Appliances | ✓ | ✓ | ✓ |
| Apparel & Footwear | ✓ | | |
| Health & Beauty | ✓ | | |
| Construction & Finishes | | ✓ | |
| Construction Hardware | | ✓ | |
| Supermarket Food | | | ✓ |
| Supermarket Non Food | | | ✓ |

Centralize non-differentiable categories



OMNICHANNEL RETAIL

We are centralizing management of non differentiable categories

Categories to be Centralized

High online penetration and hard to differentiate.

CATEGORIES

falabella.

 **SODIMAC**

 **TOTTUS**

Furniture & Mattress



Bed & linings



Electronics & Home Appliances



Apparel & footwear



Health & Beauty



Construction & Finishes



Construction Hardware



Supermarket Food



Supermarket Non Food



Centralize non-differentiable categories



OMNICHANNEL RETAIL

Shift from a Format category management into a **Centralized Brand oriented management**

CATEGORIES

falabella.

SODIMAC

TOTTUS

Categories to be Centralized

High online penetration and hard to differentiate.

Furniture & Mattress



Bed & linings



Electronics & Home Appliances



Furniture & Decor



ROBERTA ALLEN

mica. BASEMENT HOME



Crate&Barrel

Divano SofasMuebles



tvilum

NOVAHÛS
Inspiración para tu hogar



Bed & linings

mica.

AMBIENTA

ROBERTA ALLEN

BASEMENT HOME

TEXTIL VINA

UNITED COLORS OF BENETTON.



drimkip

Electronics & Home Appliances

DDesign



Würden



ANKER
POWER YOUR MOBILE LIFE

eufy
SECURITY

eufy

TÒYÒTÒMI

Instant Pot

soundcore

SAMSUNG



Lenovo

Hisense



Increase private label share



OMNICHANNEL RETAIL

We are shifting from managing categories and business separately

CATEGORIES

falabella.

 **SODIMAC**

 **TOTTUS**

Furniture & Mattress



Bed & linings



Electronics & Home Appliances



Apparel & footwear



Health & Beauty



Construction & Finishes



Construction Hardware



Supermarket Food



Supermarket Non Food



Specialist Categories

Categories specialized by format that can be differentiated



Increase private label share



OMNICHANNEL RETAIL

Achieve high private label penetration through optimal Price/Quality relationship

falabella. Apparel & footwear
Health & Beauty

 **SODIMAC** Construction Finishes
Construction Hardware

 **TOTTUS** Edible PGC
Inedible PGC

PRIVATE LABEL
Sales Penetration **44%**

PRIVATE LABEL
Sales Penetration **74%**

PRIVATE LABEL
Sales Penetration **26%**





Efficient sourcing process



Purchase Consolidation

Efficiencies by consolidating purchases of categories that are **marketed by several BU's**

Synergies

Synergies by jointly using purchasing offices in China and India



LATAM
Opportunity to consolidate our store replenishment logistics for centralized categories

+100k
Imported Containers per year

ASIA
Opportunity to joint shipments by ports and suppliers

275
Ports of Origin



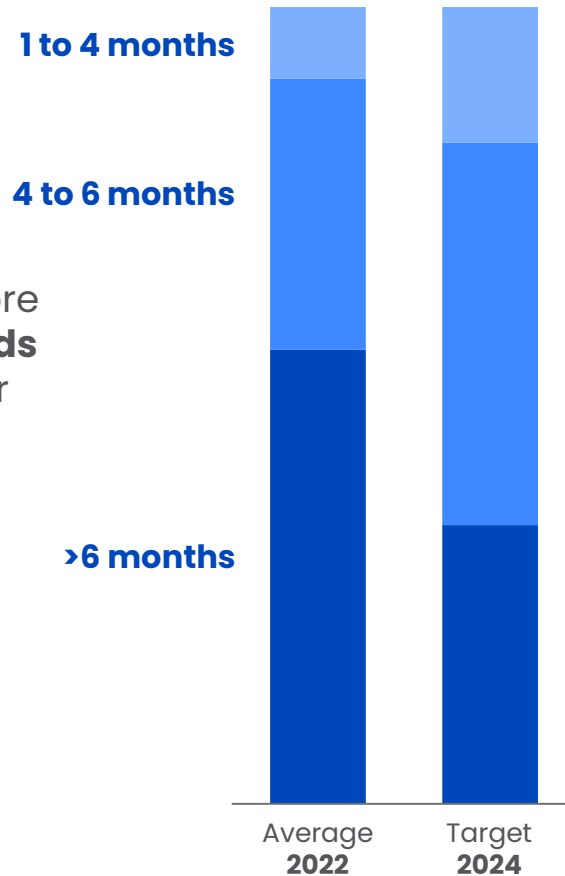
Efficient sourcing process



Reduce Cycle Times

Buy as late as possible in the east in order to have more **information from local trends** that may emerge and better **visibility of OTB**

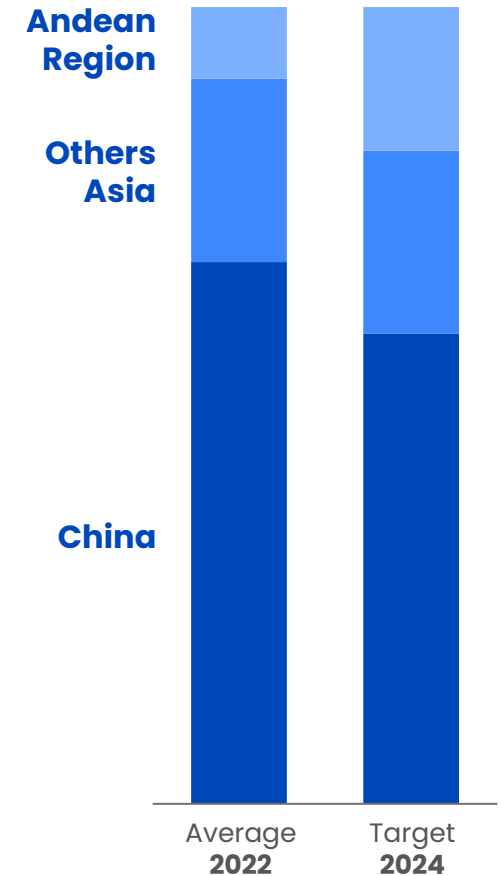
Apparel projected purchase anticipation



Diversification & Nearby Sourcing

Reduce the risks of suppliers and region, prioritizing **regional sourcing capabilities**. Being able to buy close to the season and react to trends

Apparel sales projection by origin



Key takeaways

Product Strategy



Rationalize IP categories

Centralize Non-Differentiable category management.

Increase private label penetration on the Specialist Categories



Efficient sourcing process

Shorten product purchase cycles

Diversify and optimize origins

Capture international logistics synergies



3

FRANCISCO IRARRÁZAVAL DEPARTMENT STORES

HOMEDELIVERY

falabella.com

estamos en camino para llegar en menos de 48hrs

falabella.com

falabella.com

falabella.com

falabella.com

jHola!

jHola!

jHola!

jHola!

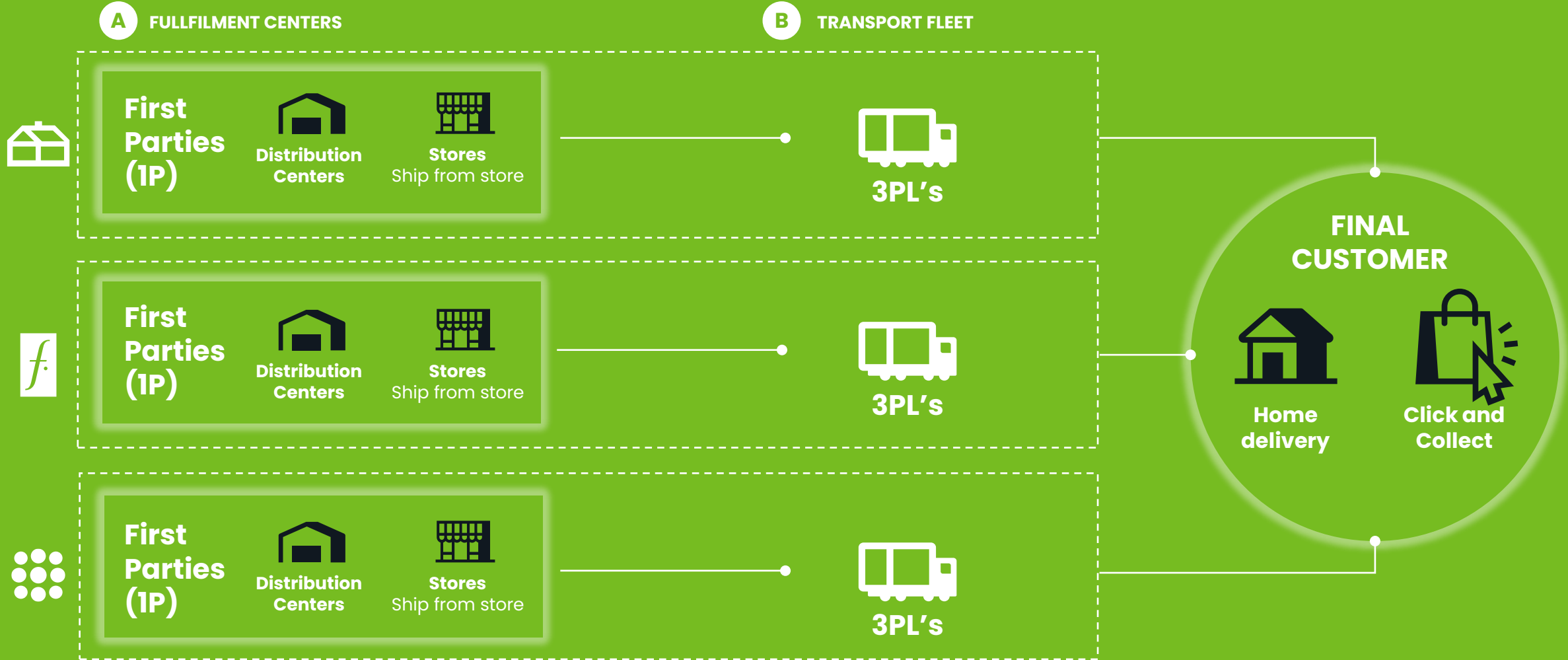
falabella.com

FRANCISCO IRARRÁZAVAL DEPARTMENT STORES

HOMEDELIVERY

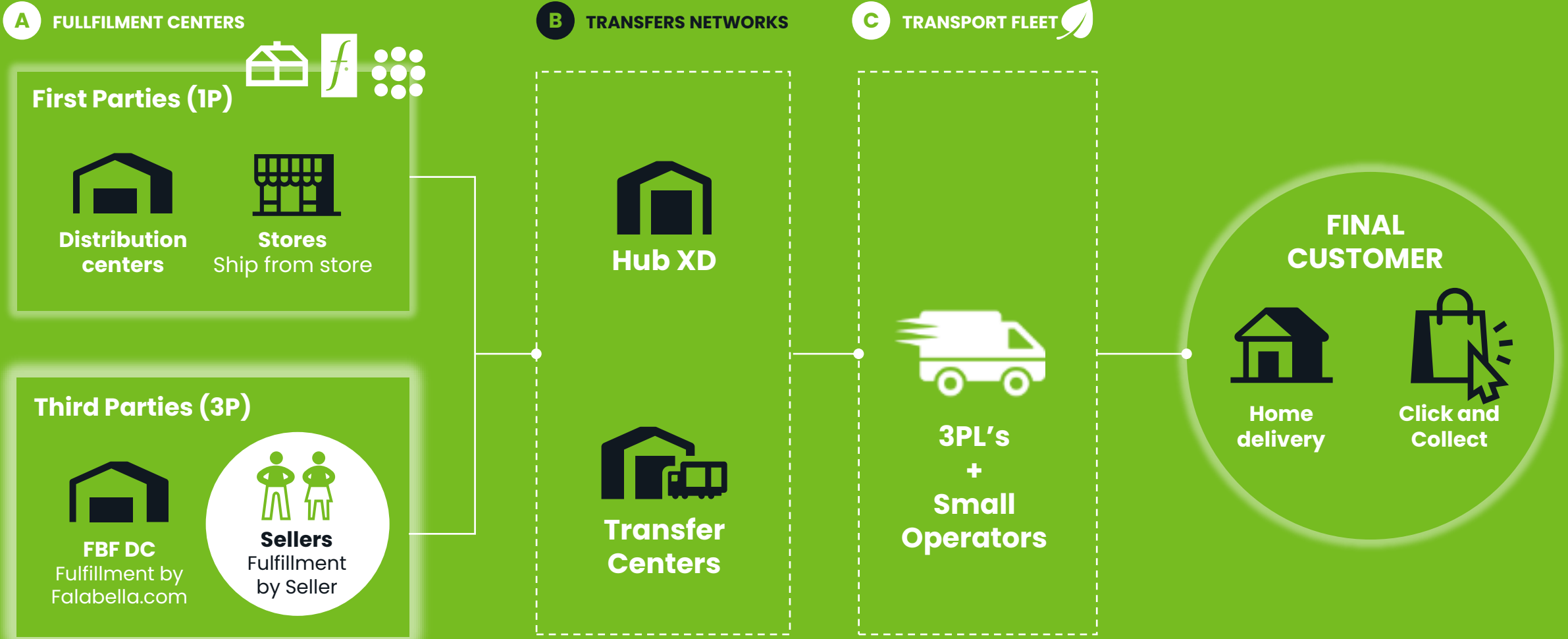
Developing our own logistic network

The new Home Delivery structure will capitalize efficiencies in the flow densification costs and will continue to increase delivery speed

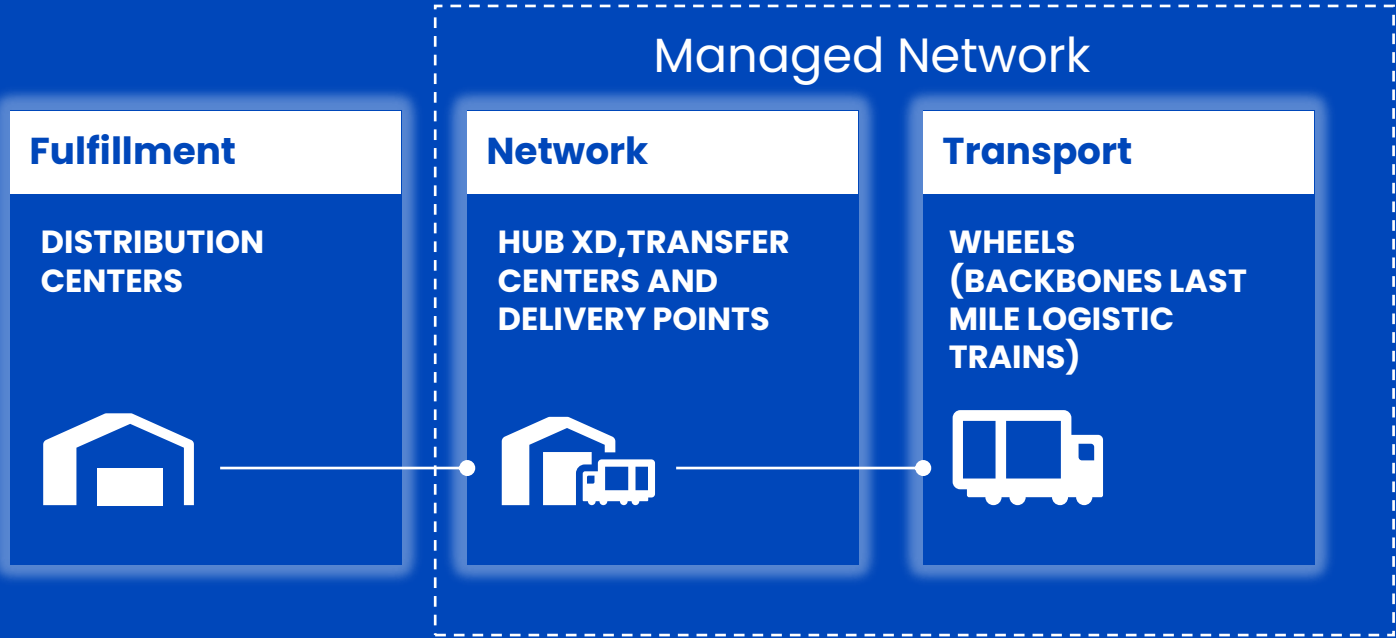


Developing our own logistic network

The new Home Delivery structure will capitalize efficiencies in the flow densification costs and will continue to increase delivery speed



Strategic plan



Efficiency

Support the scalable growth of our network, by efficiently using our logistics network and identifying synergies between the volumes of our 1P and 3P Sellers



Service

Meet our customers' service and delivery expectations



Speed

Develop a logistics network that delivers our products to most of our customers within 24 hours

We lever our existing assets to enhance our value proposition

1.6 million sqm dedicated to logistics

518 stores across the region

Fulfillment

Growing order processing capabilities for sellers

Network

Expanding cross-dock capabilities to increase speed and efficiency

Transport

Optimize last mile speed and cost, balancing own fleet and 3PLs

DISTRIBUTION CENTERS



60 DC's

4 Fulfillment centers New

25k sqm in Chile

6.6k sqm in Peru

9.8k sqm in Colombia

CROSS DOCK HUBS, TRANSFER CENTERS AND DELIVERY POINTS



2 HUB Crossdock New

21 Transfer Centers

+60k sqm

~1,000 C&C points

LAST MILE NETWORK (trunk routes and volumen aggregation)



>1,600 home delivery trucks per day

> 34 million dispatches

HOME DELIVERY



LOGISTICS ASSETS PER COUNTRY



We are building our own microservices platform to support the Home Delivery Operation

HOME DELIVERY

PROMISE

Promise and reservation

New

Inventory and availability

New

ORDER MANAGEMENT

Inbound

New

Fulfillment

New

Reverse

New

Outbound

New

EXECUTORS

Transport Management

Warehouse Management

Backstore Management

New

Distribution Network

ANALYTICS

Falabella.com leverages stores and logistics capabilities to offer competitive 1P and 3P delivery options

HOME DELIVERY

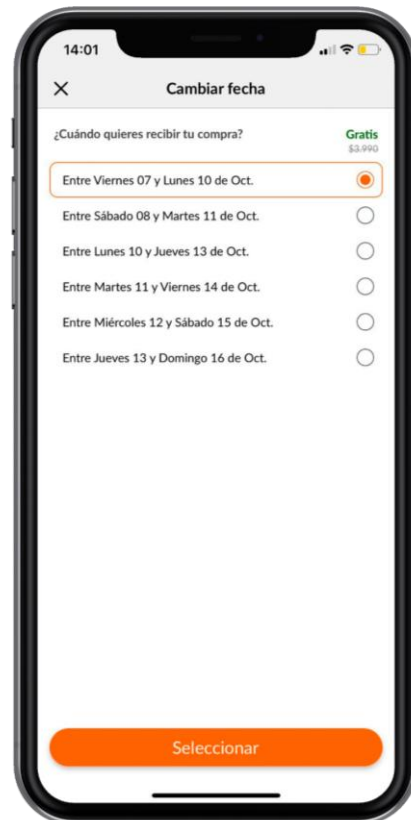
Falabella.com Delivery options

HOME DELIVERY PARCEL

Same day

24 h/48 h

Pick a date



65% Share in total deliveries

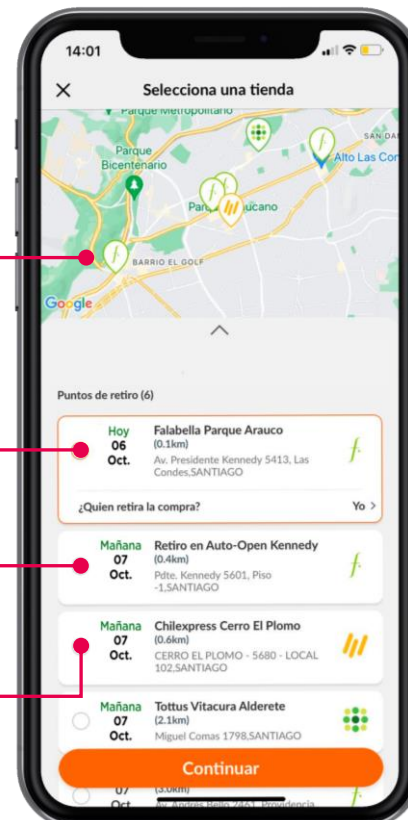
CLICK & COLLECT

Georeferentation for nearby stores

Same day pick-up Alternatives

Next day pick-up Alternatives

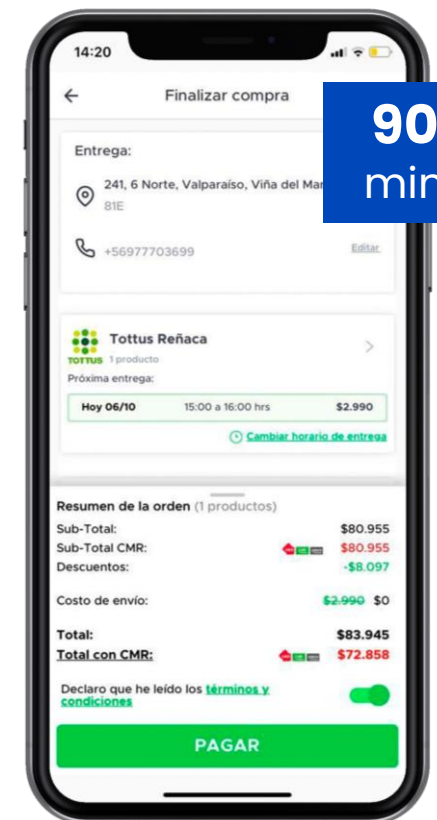
Next day pick-up at Third party pick-up point



30% Share in total deliveries

QUICK COMMERCE

90 min



5% Share in total deliveries

Increasing speed, service quality and flexibility for 3P sellers

1

Fulfillment by Falabella + delivery through our network



Drop off



SELLER

HDC

Storage
Picking
Packing

Pickup
Delivery

We take care of all the seller's logistics, from the warehouse to the customer



3P SELLERS

2

Fulfillment by Seller + delivery through our network



Drop off



SELLER

HDC

Pickup
Cross-dock
Delivery

The seller stores the products in **their own warehouse** and after a drop-off or pick-up service, **we take care of the delivery**



TOTTUS



3P SELLERS

3

Direct Delivery by seller

New



Drop off



SELLER

HDC

Mid-size or large Sellers can make direct deliveries, **without using our Home Delivery network**



3P SELLERS



Faster deliveries

40% → 60%

Number of deliveries in <48 hours¹



Cost competitiveness

-30%

In costs per shipment²



Managed Network

45% → 60%

Orders delivered with Falabella Managed Network³



Service Level

95%

Customer Service Level as of June 2022

¹ Percentage as proportion of customer visits that had a delivery offer in less than 48 hours. Total Chile.

² Difference between 2021-22 in unitary cost, total Chile. Includes inflation effect in the corresponding periods.

³ Difference between 2021-22 in percentage of orders delivered within Falabella Managed Network.



JUAN MANUEL MATHEU FINANCIAL SERVICES

DIGITAL BANKING



We are building a financial ecosystem to become the #1 personal bank in the countries where we operate



Digital Bank



6.8 million
Active customers

US\$7.3 bn loan
portfolio

US\$17.8 bn credit / debit card
purchases LTM



Payment



+600k Active
users

+20 million
Transactions per year

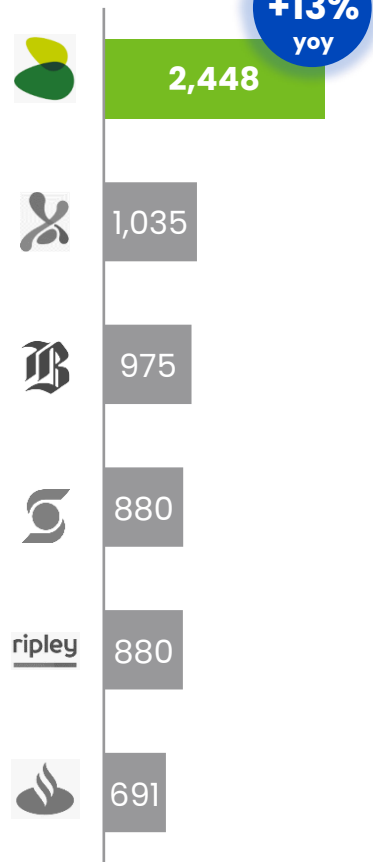
17k Merchants

Our strategy has outperformed the market



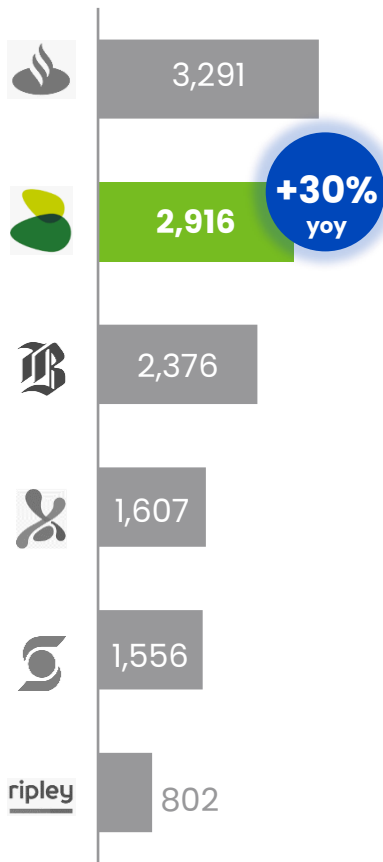
Credit Cards

(# '000 May-22)



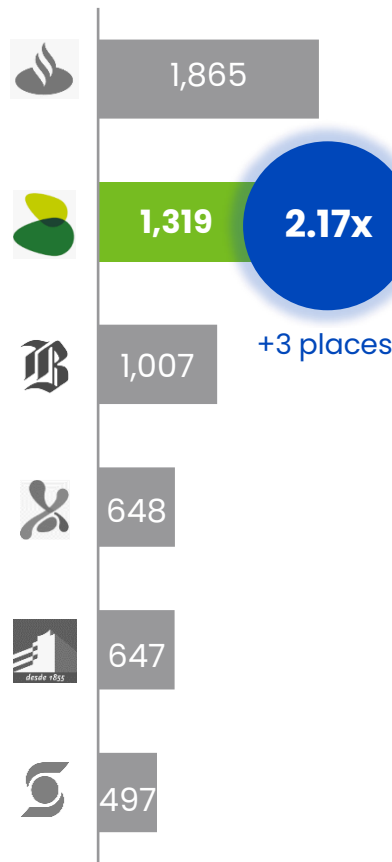
Credit Card Purchases

(\$million; May 22 YTD)



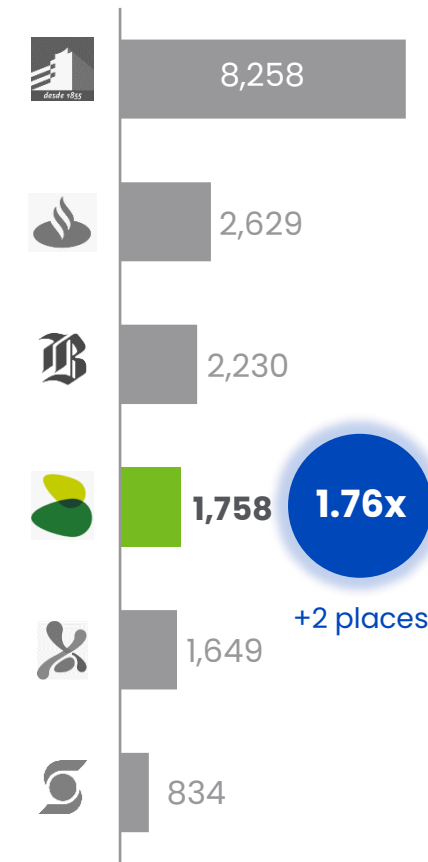
Current Accounts

(# '000; May-22)



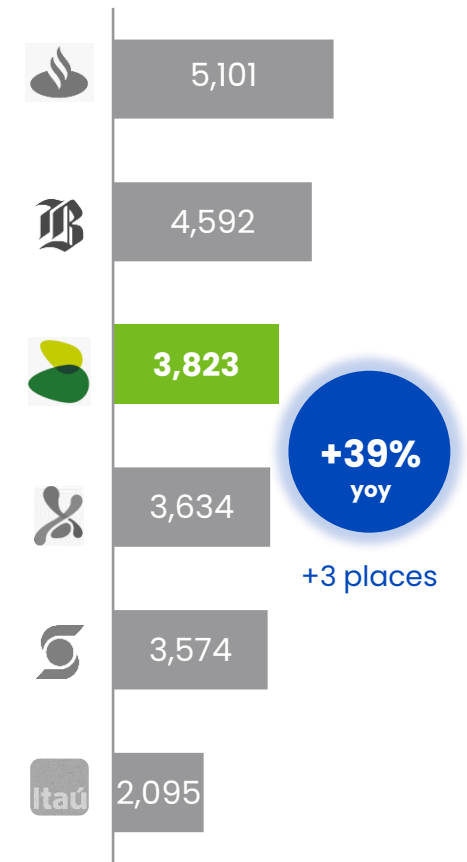
Debit Card Purchases

(\$million; May 22 YTD)



Consumer Loans

(\$million; Jun-22)



Source: CMF Market Data as of May 2022 (Consumer Loans June 2022)

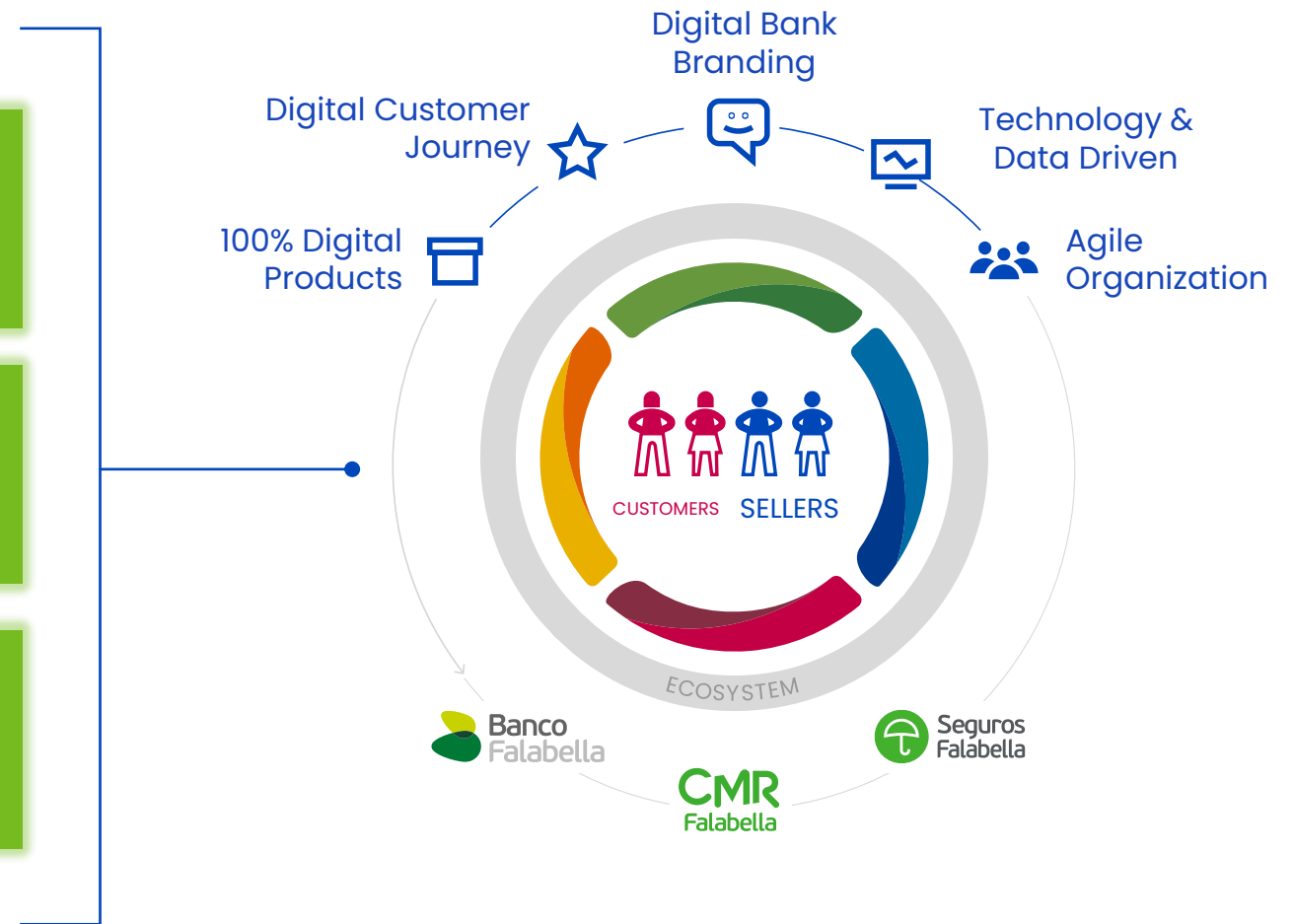
Our transformation into **a digital bank**

Digital
customer experience

Enhance
risk models

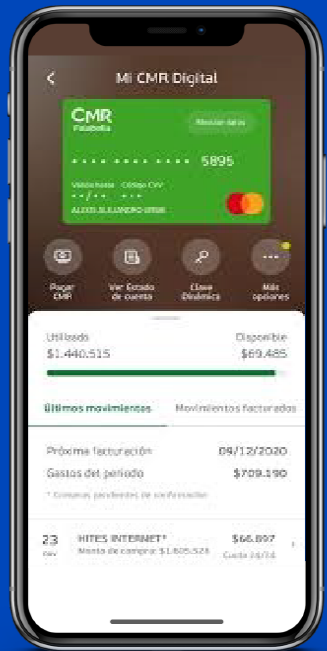
Operational efficiency

Our Value Proposition

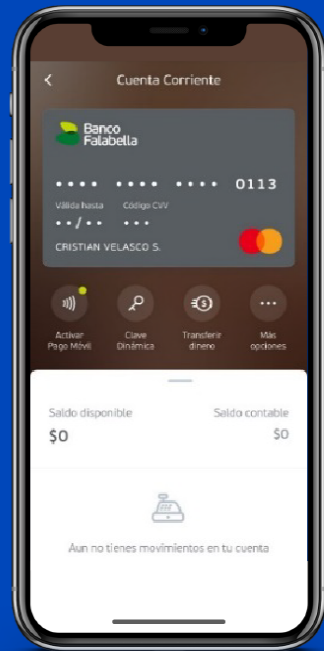


Digital and Mobile-First Client Journey with Intuitive UX & Support from Other Channels

DIGITAL BANKING



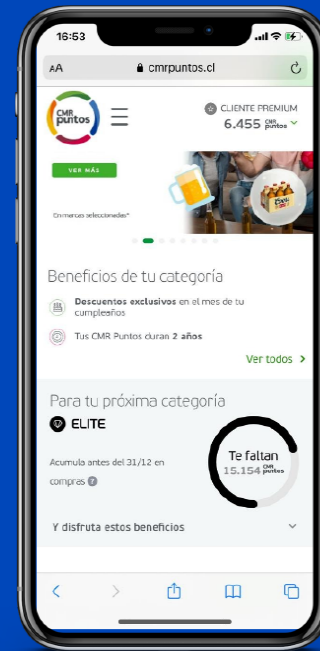
Credit card opening



Account opening



QR & NFC payments



Loyalty points redemptions



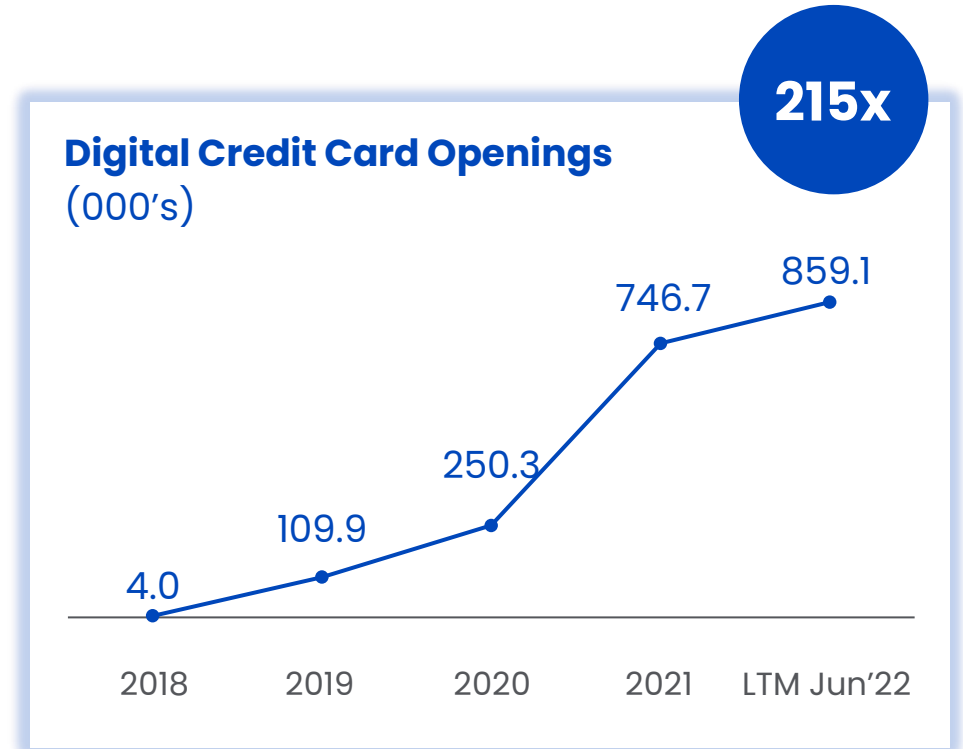
Personalized anti-fraud settings



Frictionless cross-sell of products

100% Digital Products: Credit Card case example

Accelerating Customer Acquisition

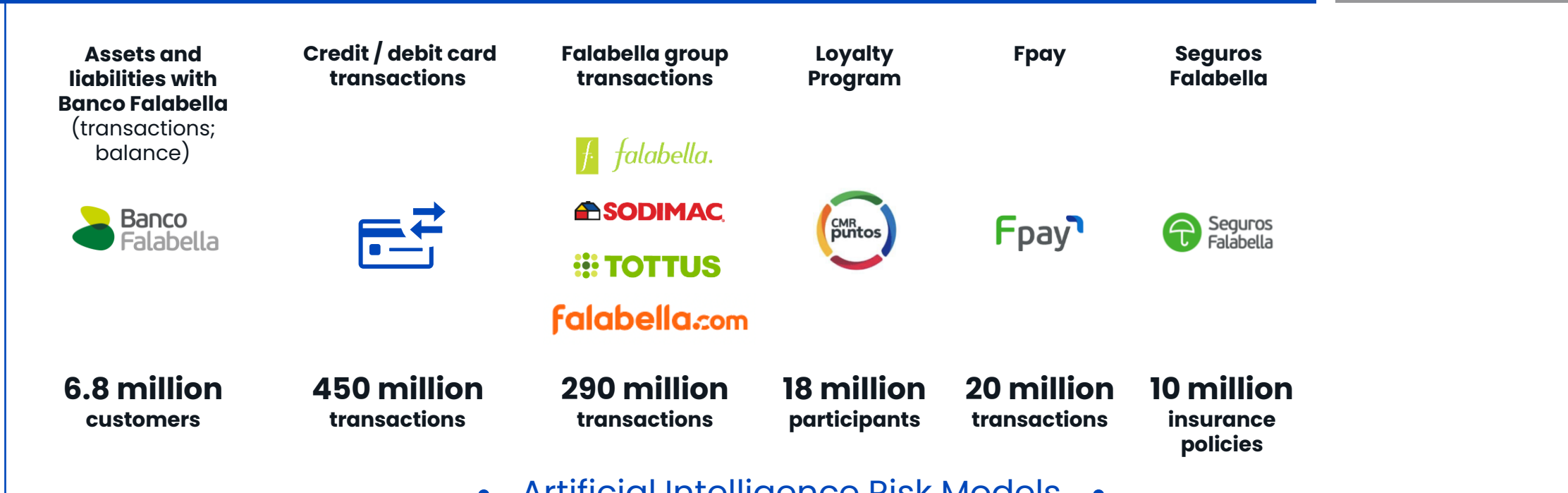


Leveraging our ecosystem data to manage our credit risk

+5,000 variables for our model

ECOSYSTEM SOURCES

EXTERNAL SOURCES



Superior
credit risk assessment

Solid
fraud management

Comprehensive
collection strategy

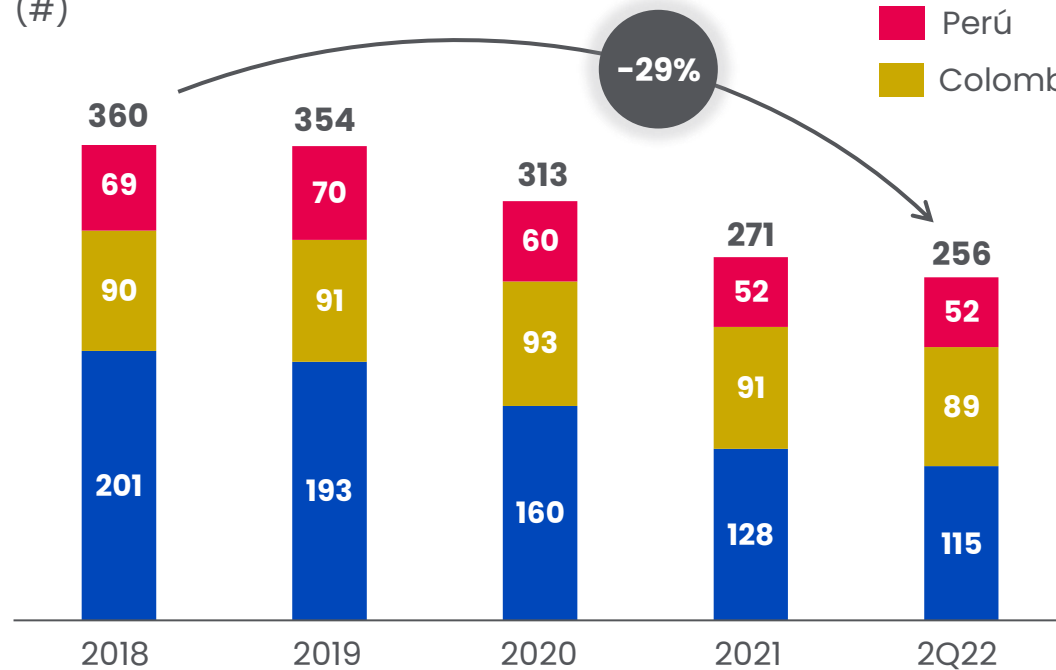
Improving operational efficiencies

100% digital products & journeys, to allow self-service

Leverage physical presence of Ecosystem for a "Phygital" (hybrid) model

Branches (#)

Chile
Perú
Colombia



Note: 2018 considers CMR Falabella branches in Chile

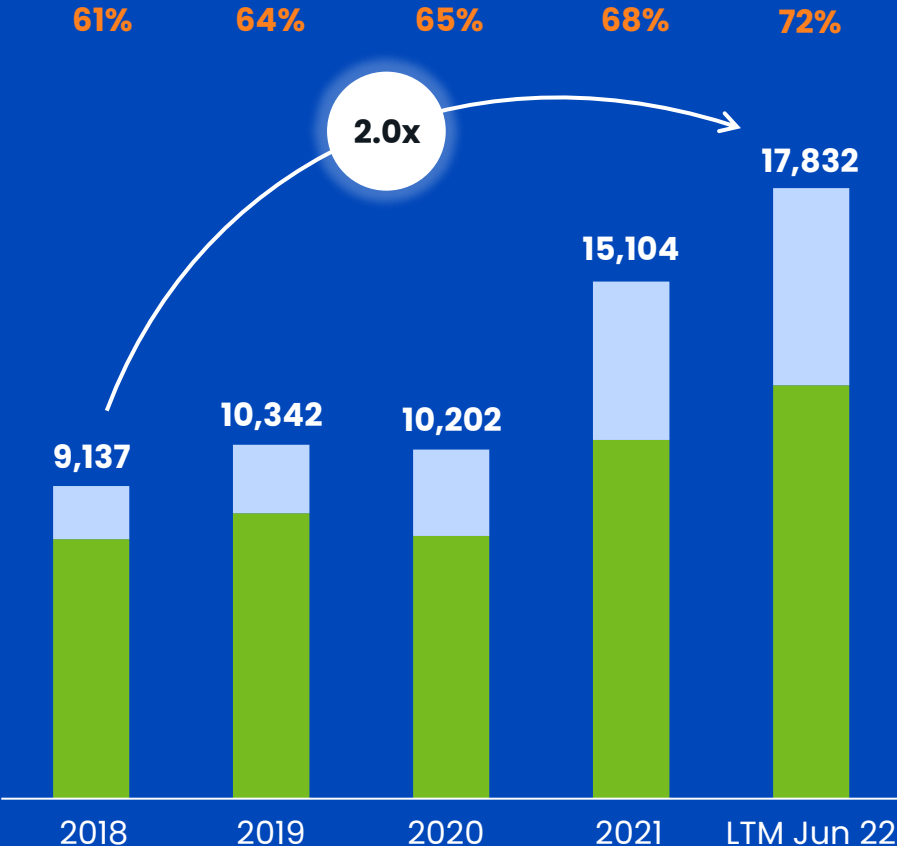


Our strategy is delivering growth

Product Openings
(#'000)



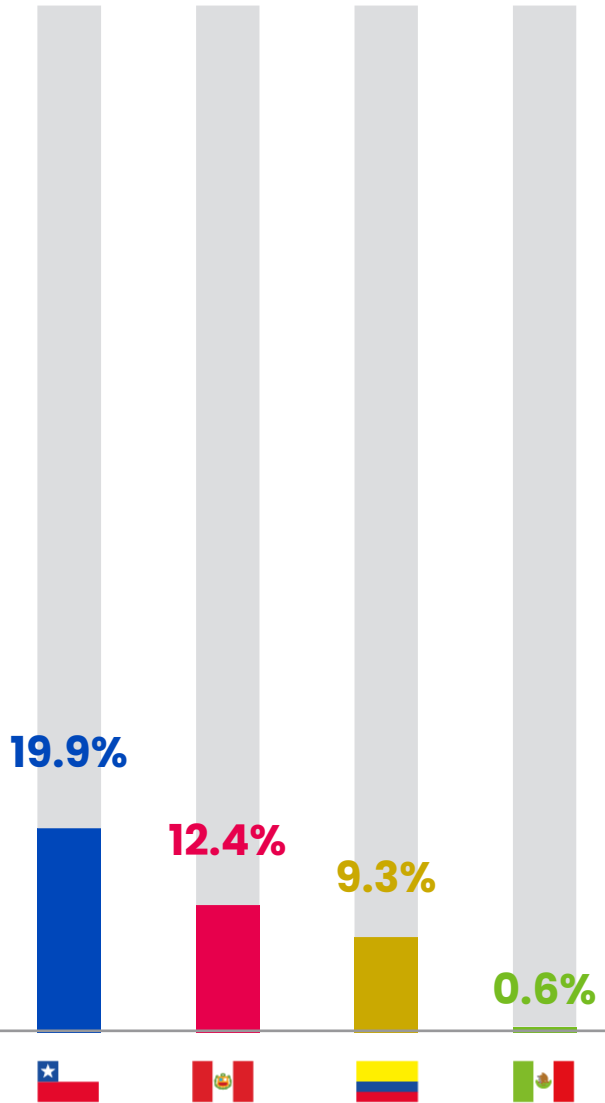
Volume of card purchases
(US\$ million)



- Credit Card
- Debit Card
- Checking Account
- % On Them

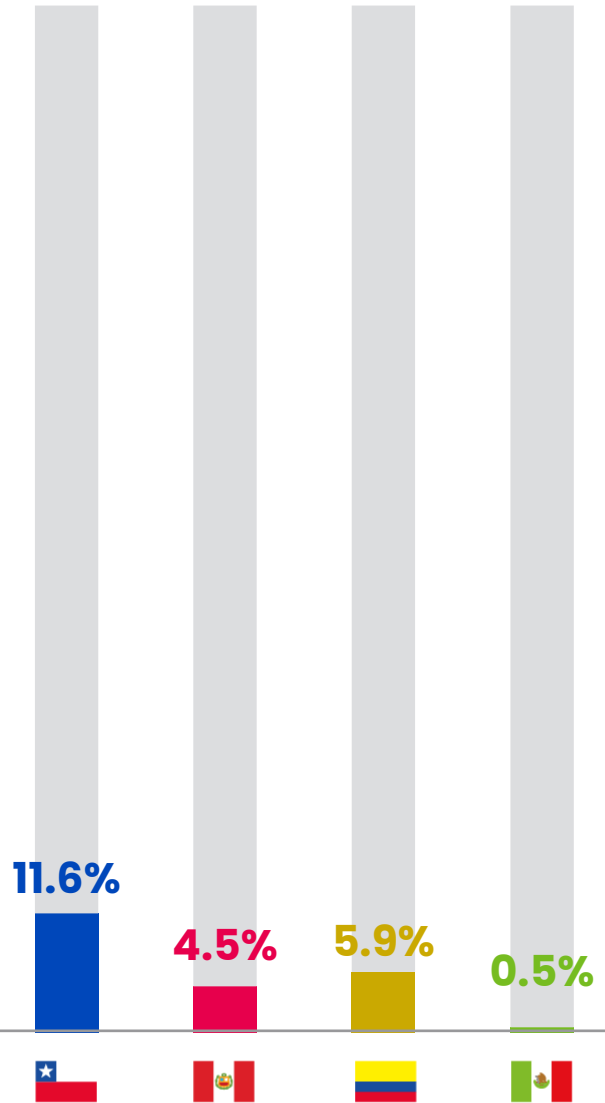
Volume of card purchases

Market share by country (%)



Consumer Loans stock

Market share by country (%)



We have a healthy business with

high growth potential

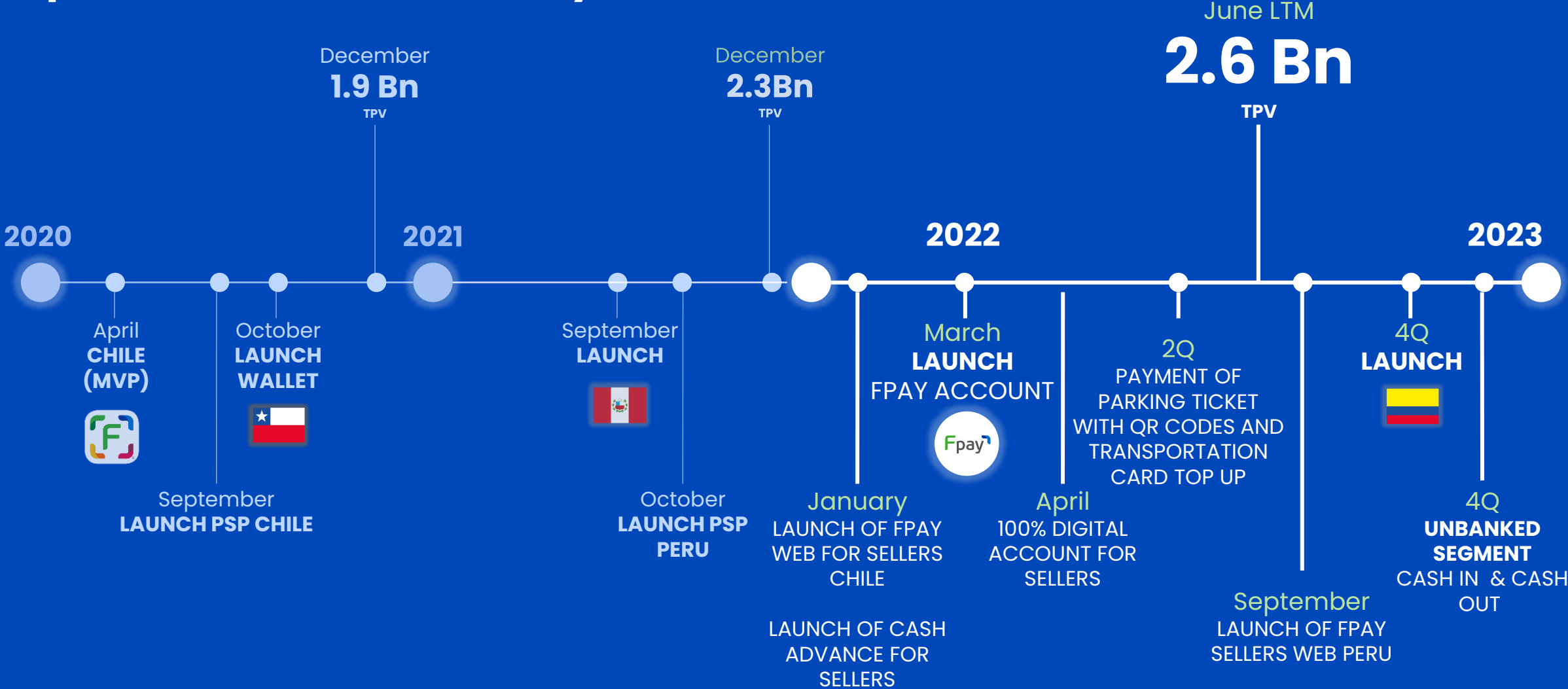
Source: CMF for Chile (release jun22); SBS for Perú (release jul22 for purchase and jun22 for Loans), Superfinanciera de Colombia (release may22), and in Mexico is used the data of Comisión Nacional Bancaria y de Valores for Mexico to estimate the market (release dec21)
Note: Consumer Credit in Colombia includes Credit Card Loans + Personal Loans; and in Mexico includes only Credit Card Loans



JUAN MANUEL MATHEU FINANCIAL SERVICES

PAYMENTS

We want to have the best payment experience within our ecosystem



We have developed a proprietary payment platform that empowers our ecosystem

PAYMENTS



Simple, frictionless payment through our wallet and e-commerce platform



CONSUMERS

Benefits from Falabella ecosystem



Higher approval rate



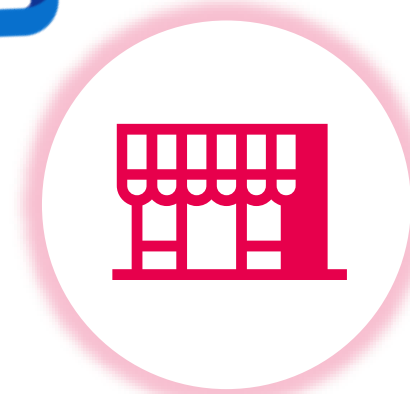
Low level of fraud



Conversion rate above the industry average



FALABELLA ECOSYSTEM



MARKETPLACE SELLERS



Settlement of Marketplace sales

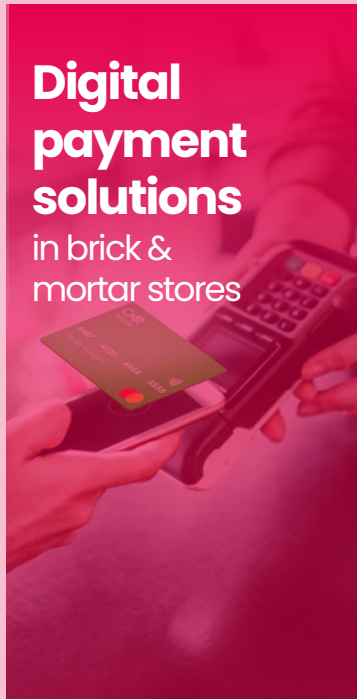
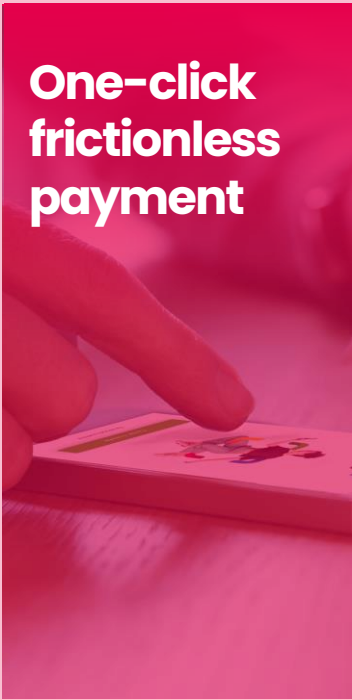


Financial products: Payment advances and working capital

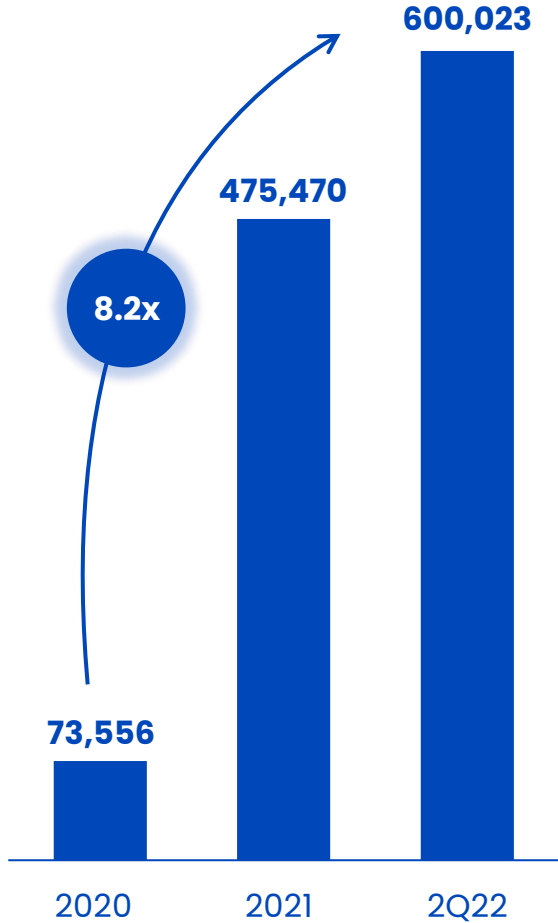


Payment processing solutions for business

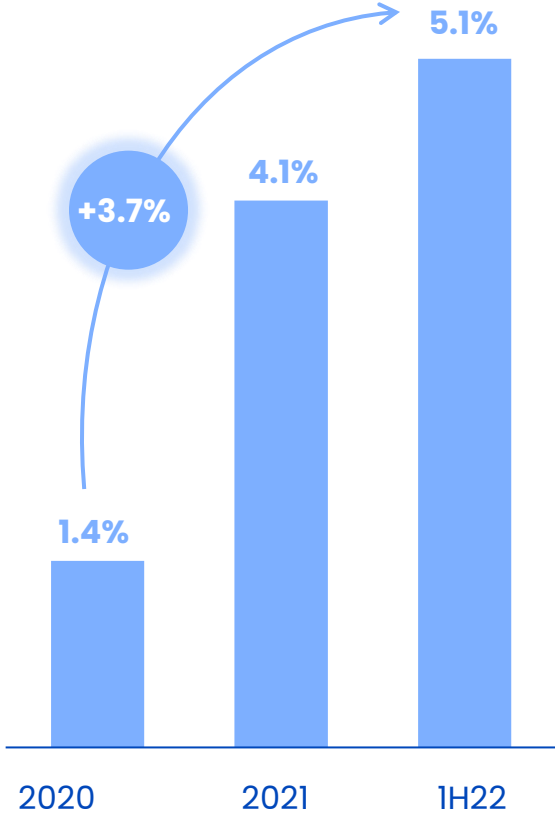
We provide our customers a simple and frictionless payment solution



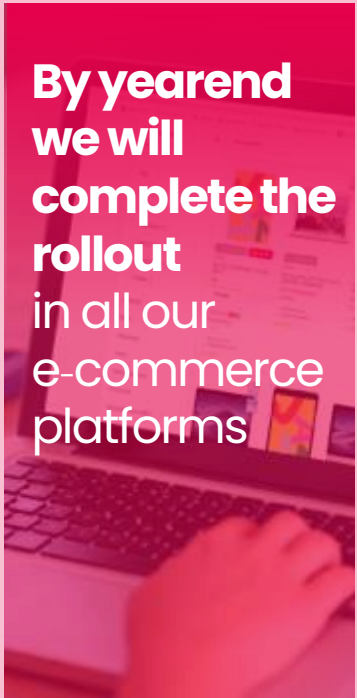
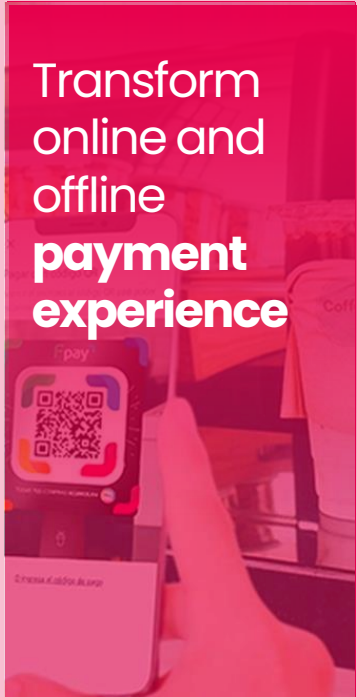
Active Users (#)



Share of payments made with the digital wallet in our physical stores (%)



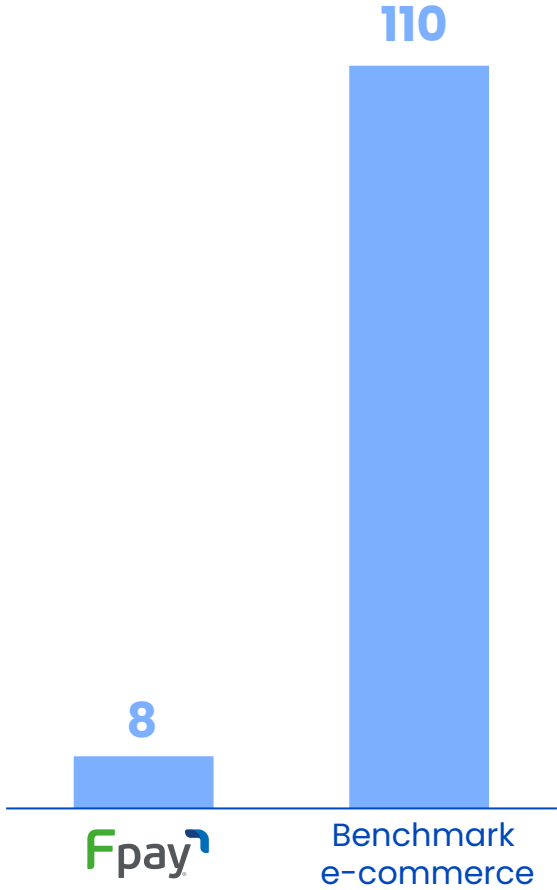
Our payment solution is delivering higher approval levels and lower fraud



Approval Rate (%)
On our e-commerce in Chile

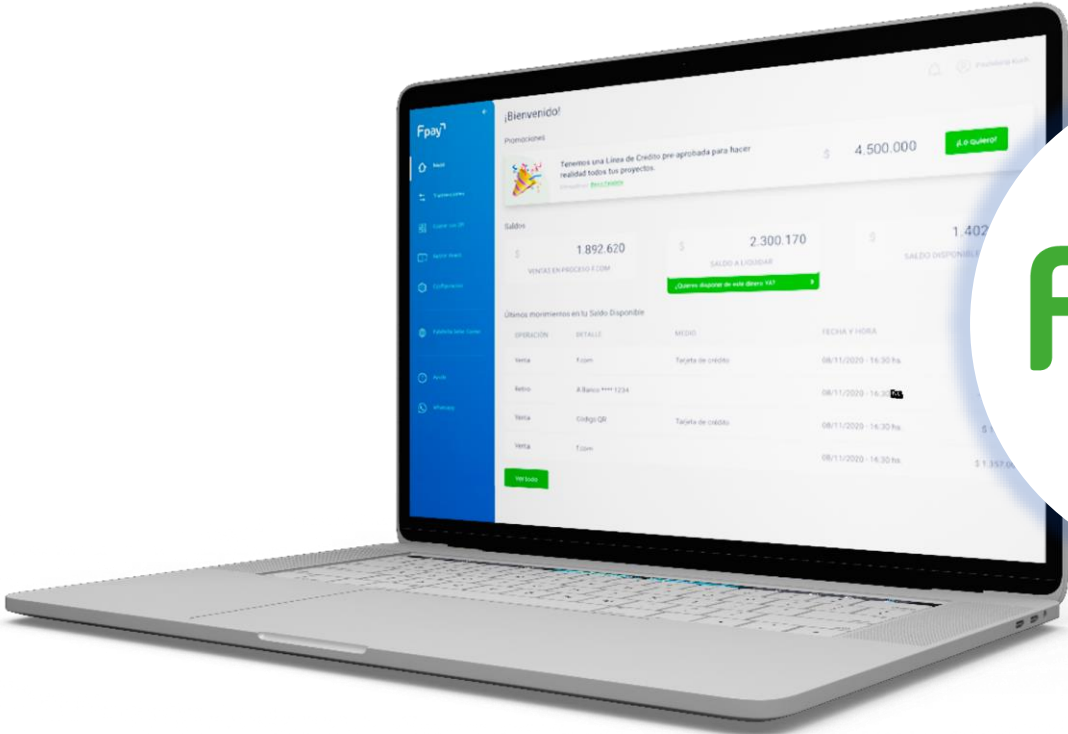


Net Fraud (NBP)
On our e-commerce in Chile



Source: benchmark elaborated using data from "E-commerce fraud monitor Latin America", Rankingslatam

Fpay will be the key enabler to help our Marketplace Sellers grow their businesses



CASH MANAGEMENT
Payment settlements and collection



SELLERS FINANCE
Cash advance
Working capital financing



OTHER VALUE ADDED SERVICES



FRICITIONLESS, REMOTE AND DIGITAL EXPERIENCE

5

JUAN MANUEL MATHEU FINANCIAL SERVICES

LOYALTY



Our loyalty program is the centerpiece of our transformation into a data driven company

Value proposition

Customers earn loyalty points for their purchases in Falabella and partner stores, which they can redeem for multiple products and experiences

Benefits



Special offers



Flexibility



Business objectives

Data + Opt-in

Customer acquisition

Increase purchase frequency and reduce churn

We continue expanding partnership across key categories



Home Improvement



E-commerce



Financial Services



Transportation



Department Stores



Malls



Travel



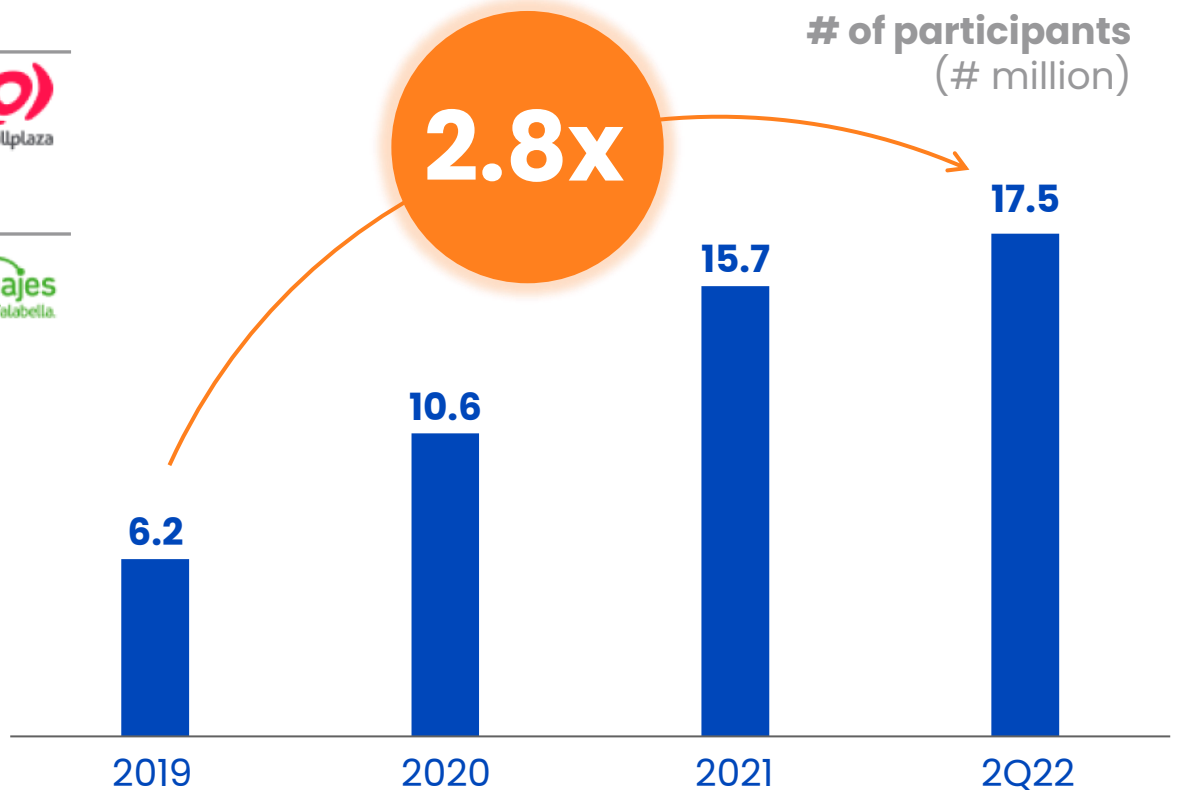
Gas & Energy



Supermarket & Convenience Stores



Health and pharmacy



We have leadership positions in our core markets



Source: Preference data in each country. Internal tracking; August 2022

LOYALTY

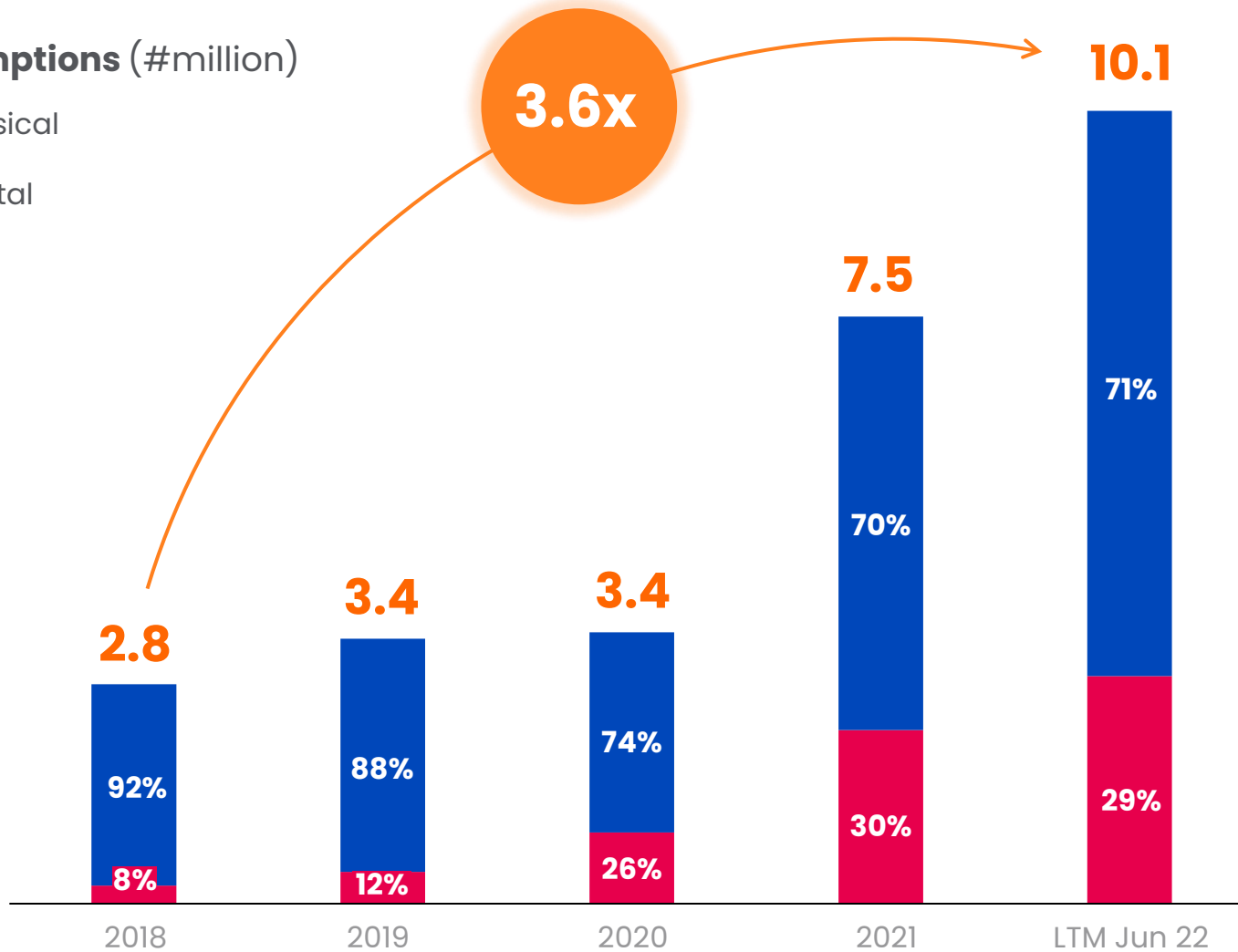
Our
program
is highly
valued
in every market



Our customer engagement continues growing

Redemptions (#million)

- Physical
- Digital



CMR Puntos platform in our digital channels



CMR Points is a targeted marketing tool...

Example: Gamification for increasing customer base and retention

...that seeks to engage customers through personalized challenges to earn more points

+180K

Customers won at least one challenge



Our loyalty program has a positive effect in cross-sells

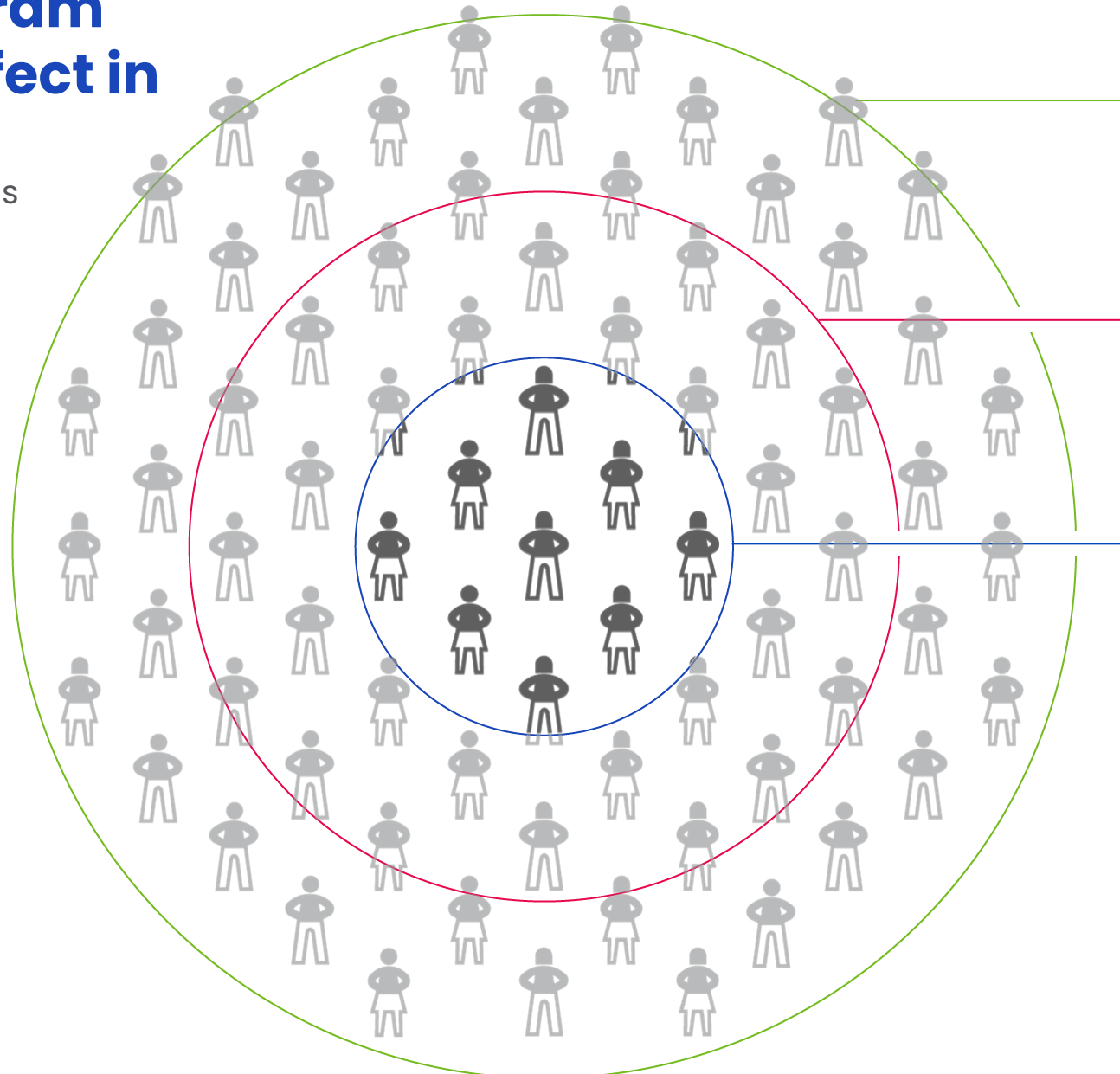
Example: Credit card openings

Acquisition campaigns

1.000 CMR puntos

Con tu CMR acumulas \$150 = 1 CMR punto

Partners: f, SODIMAC, TOTTUS, INIO, Fazel, San Valdes, Lipigas, Econorent, Viajes Fabella, ahullada



+17.5 million
Participants

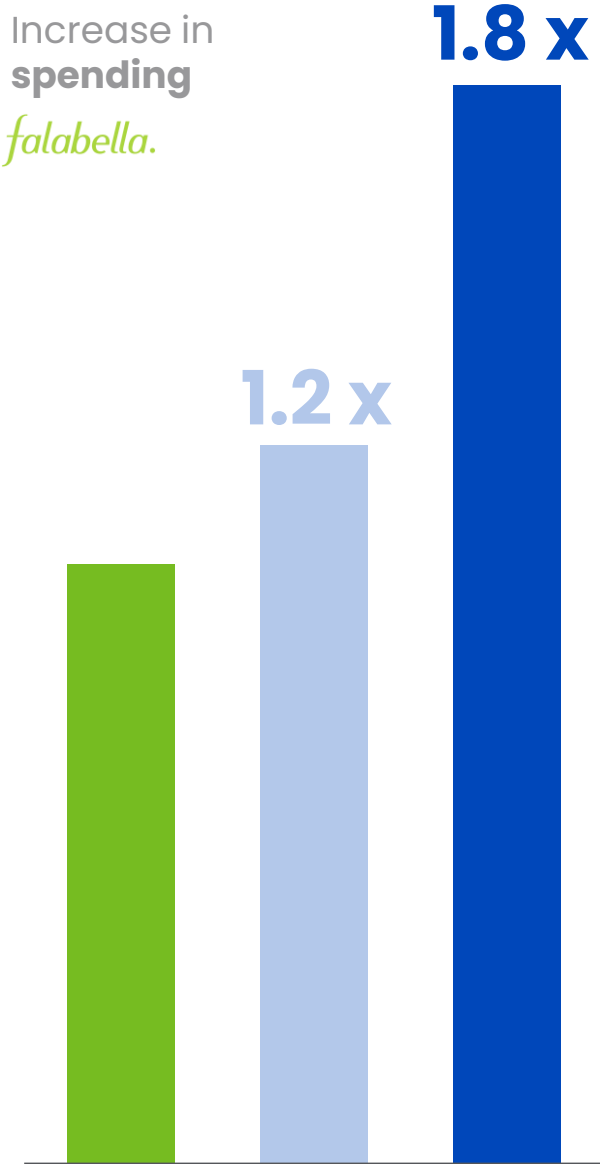
+1.8 million
Participant with Pre-qualified Credit Card

+500k
Openings/year
(1.7x YoY) from our loyalty database

...and increase customer engagement

Example: Growth in our customers spending and customer retention in Chile

- Not Participating
- Potential Redeemer
- Redeemer & Banco Falabella customer





6

ALEJANDRO GONZÁLEZ CFO

OPERATIONAL LEVERAGE

We continue navigating through a challenging context

OPERATIONAL LEVERAGE

Very high growth in 2021

Now facing an economic deterioration

Cost increases while walking out the pandemic

Higher logistic costs, delays in shipments leading to higher inventory levels

Adverse macro economic conditions

Context of higher than anticipated inflation and interest rates

Investing in our digital transformation and loyalty

To continue driving engagement and growing our ecosystem

Our Response: an efficiency plan to deliver incremental value

OPERATIONAL LEVERAGE

Higher operational integrations

among retailers to drive efficiencies

Focused product strategy across our retailer

focused on IP inventory management, Price optimization and, and sourcing cost savings

Rationalize fixed cost base

to better navigate adverse macro scenarios and have a more agile operation

Reduce overall expenses

by reducing company layers and further centralizing functions

Comprehensive efficiency levers to improve margins

OPERATIONAL LEVERAGE

Lever for

Gross Margin

Revenues
and
margins

Rationalization of our mix of categories, brands and SKU's

Pricing management under inflationary context

IP for **high rotation** and **high margin** categories, 3P for longtail

Recover efficiencies in international logistics

Inventories

Shortening product purchase cycles while diversifying and optimizing origins

To improve profitability

Comprehensive efficiency levers to improve margins

OPERATIONAL LEVERAGE

Lever for

EBITDA Margin

**Store
operation
expenses**

Rationalization of physical footprint, improving profitability per sqm, by decreasing stores sizes and selective closures

Further deployment of self-service initiatives

**Logistics,
marketing
and SG&A**

Continue improving logistics processes and efficiencies in our warehouses and last mile, while increasing shipping recovery

Decrease in mass marketing expenditure to instead push direct marketing leveraging our loyalty program

Banking

Continue reducing number of physical branches

**Corporate
Efficiencies**

Further centralization of business functions and processes and reducing layers of management company wide

Technology

Continue phasing out legacy systems

Continue integrating operations to optimize technology Infrastructure expenses

To improve profitability

Comprehensive efficiency levers to improve margins

OPERATIONAL LEVERAGE

Lever for

Gross Margin

Revenues and margins

Inventories

Lever for

EBITDA Margin

Store operation expenses

Logistics, marketing and SG&A

Banking

Corporate Efficiencies

Technology

Timing and Impact

Executed by 4Q23

Will deliver a minimum of 200bps of Gross EBITDA margin improvement



7

GASTON BOTTAZZINI CEO

ESG



Our sustainability efforts have been recognized by the Dow Jones Sustainability Index, as the only Chilean listed company to be selected on all four groups for the past five years



2021

DJSI World **DJSI** Emerging Markets
DJSI MILA **DJSI** Chile



Falabella's purpose to make life simpler and more enjoyable is supported by five ESG pillars with clear aspirations

Simplificar y disfrutar más la vida

Environmental



CLIMATE ACTION

Mitigate our emissions and achieve a climate resilient operation



CIRCULARITY AND WASTE

Promote optimal resource recovery through integrated waste management



DIVERSITY, EQUITY AND INCLUSION

Enable our people to become their best selves in the workplace



SOCIAL IMPACT

Improve life conditions for the communities where we operate



COMPLIANCE AND HUMAN RIGHTS

Conduct due effective due diligence processes throughout our organization to ensure compliance and respect for human rights and cybersecurity

Implementing impactful environmental initiatives at each business level

+verde

NADA SE PIERDE, TODO SE REUTILIZA



+Verde

3,800 products
with sustainable
raw material

30% share
of apparel sales
during 2021



Embracing a
**clean energy
transition**

**+60 stores LEED
certified stores
with solar panels
& +70 facilities**
with EV chargers
for customers

**Promoting
electromobility**
to our Home
Delivery carriers

plaza 0

reducir | reutilizar | reciclar

Una iniciativa de
Mallplaza Egaña por
un Patio de Comidas
libre de residuos

- residuos + medio ambiente



Plaza 0

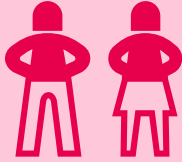
**Free of single-use
packaging**
transformation for
Mallplaza food courts

1,103 kilograms of waste
recovered in food courts
as of July 31st

We have set the foundations to commit to long term ESG targets while achieving relevant milestones



Secured 100% renewable energy supply for our operations in Chile and Peru



Launched a companywide **diversity and inclusion policy**



On track to deliver on our commitment to have **40% of our top and middle management positions held by women** by yearend 2022



We assessed the baseline

In 2022 we completed a comprehensive baseline of our GHG emissions and waste, through all scopes and businesses



We are defining an aspiration and roadmap

Setting targets to become Net-zero in Scopes 1 and 2 and divert our waste from landfills



Commit and execute strategy

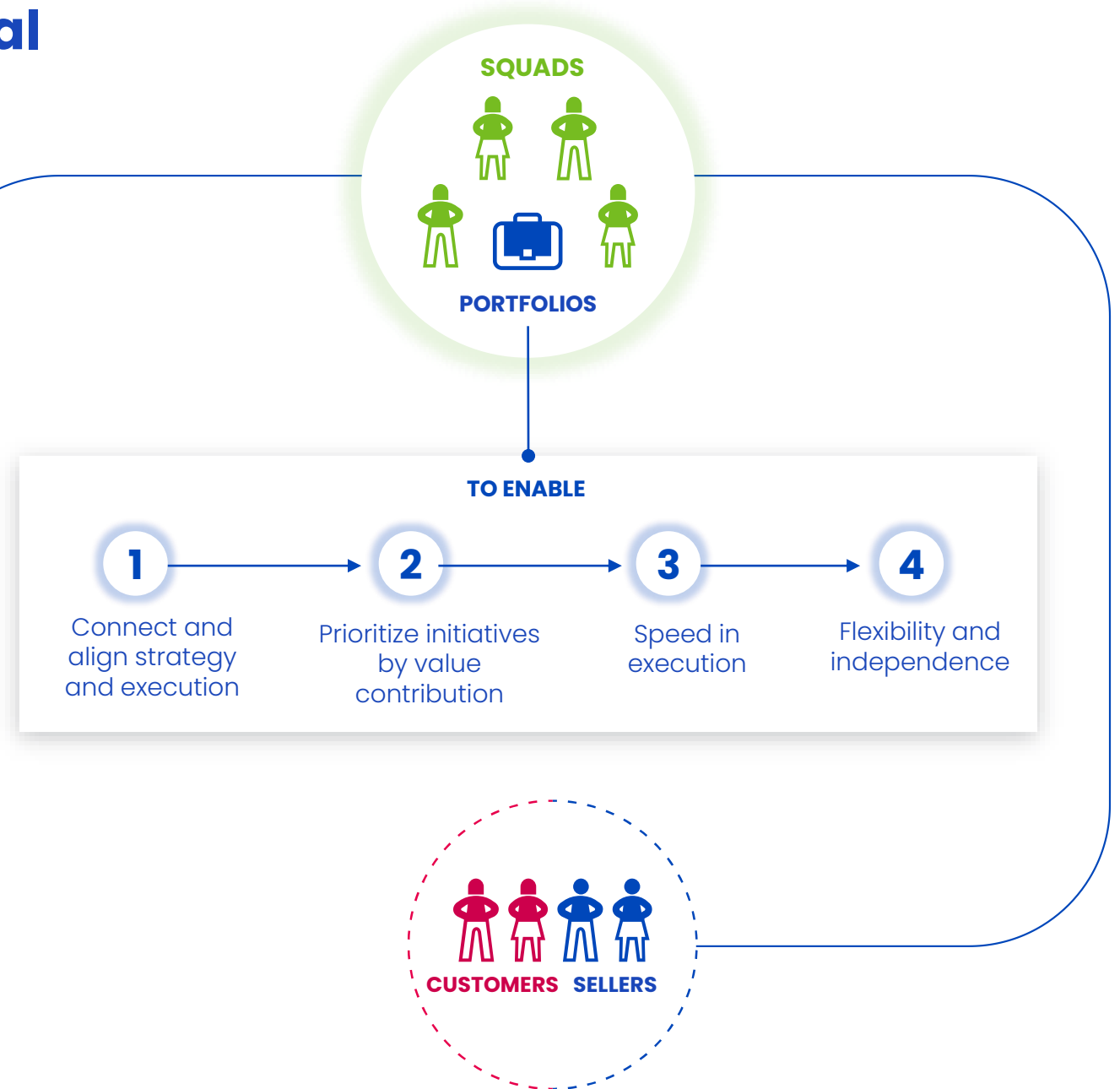
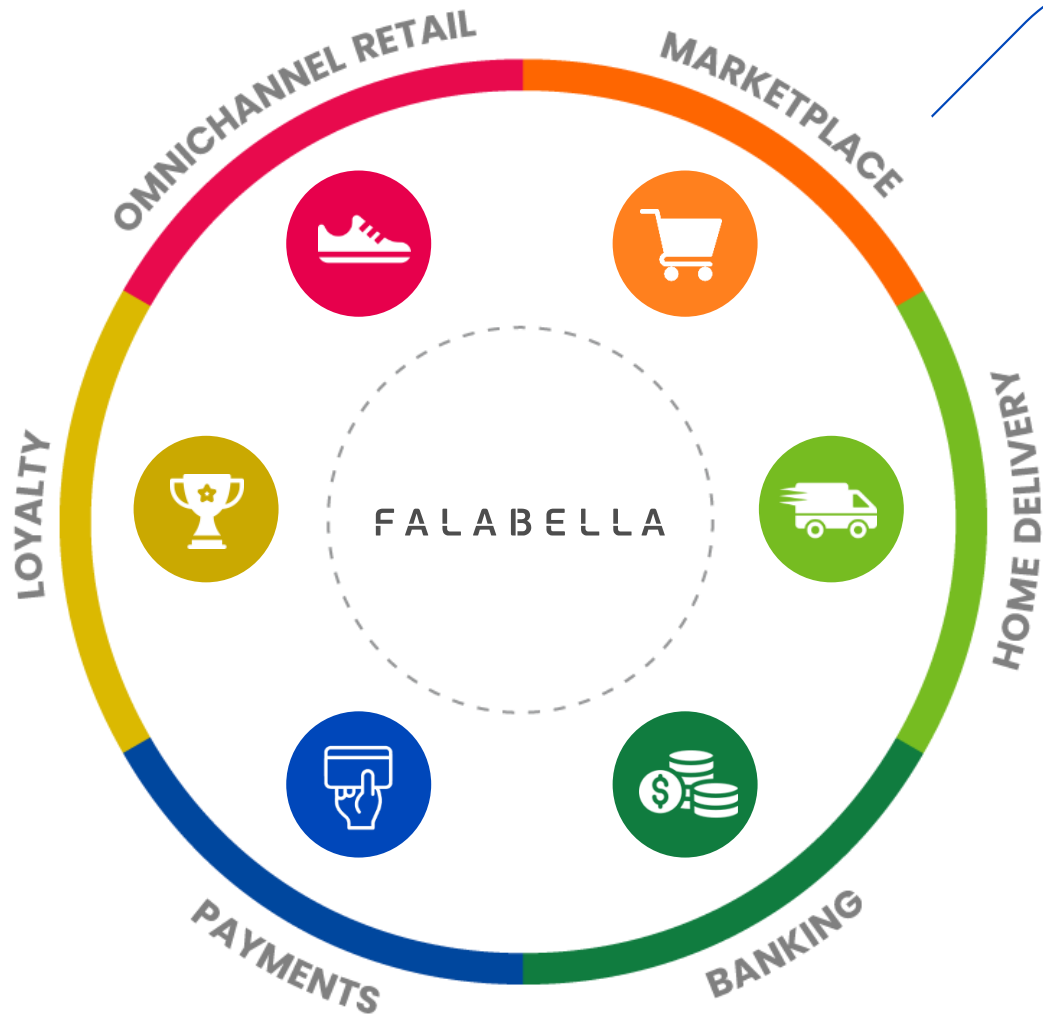
Deploy operational levers to accomplish our commitments and continually review our targets



GASTON BOTTAZZINI CEO

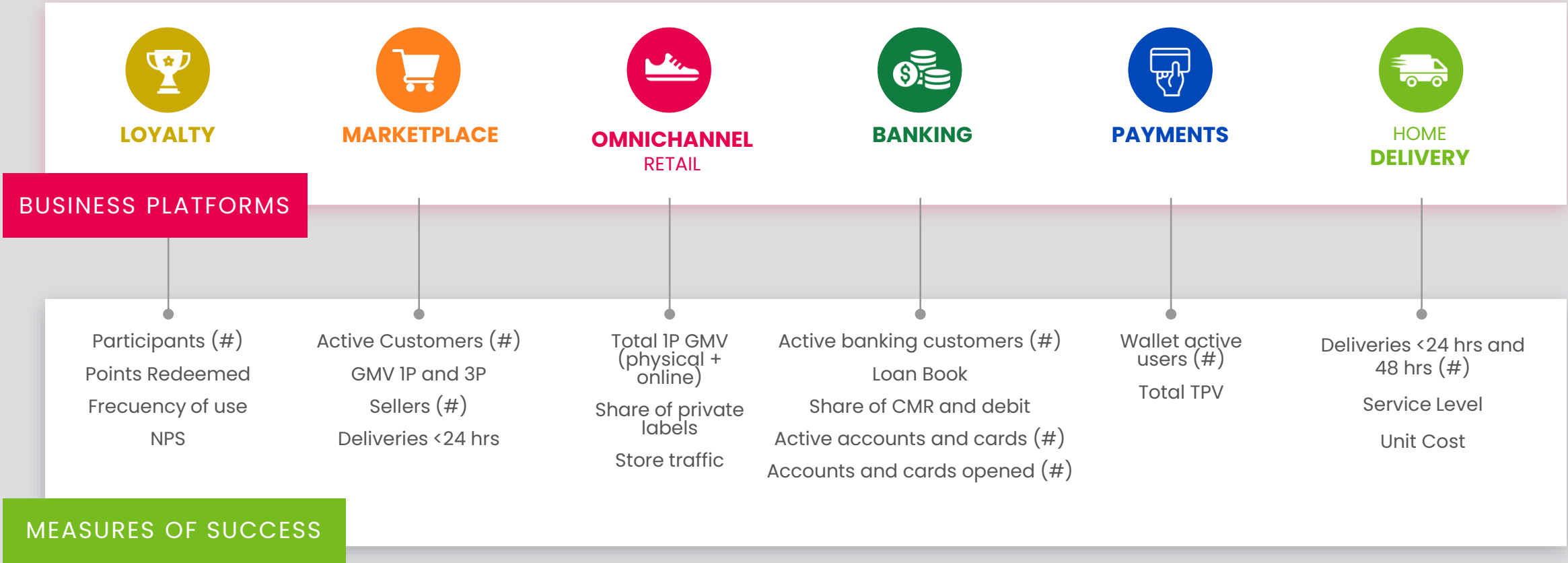
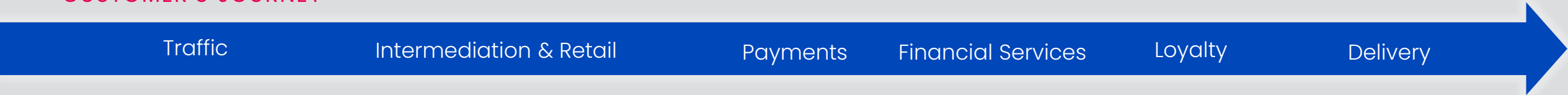
CLOSING REMARKS

We are shifting from a traditional organization to product teams



Each platforms have clear measures of success to ensure agile delivery

CUSTOMER'S JOURNEY



**Robust
Strategy**

**Focused
Execution**

**Committed
Team**

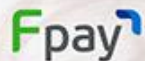
Continuing to grow requires a common purpose that focuses on our customers and our team

**Simplificar y disfrutar
más la vida**

falabella.com

 Banco Falabella

 TOTTUS

 Fpay

 mallplaza

 SODIMAC





Investor day.

2022

FALABELLA

falabella.com



 SODIMAC

 TOTTUS

 mallplaza

 Banco Falabella

 Fpay

