



Shareholders' meeting of Falabella approves capital increase to accelerate digitalization and consolidate leadership in the Region

- *The capitalization implies the issuance of 84.3 million shares. The resources will be mainly used to fund the acquisition and strengthening of Linio, to develop a digital ecosystem through investments in logistics and technology; and to establish Ikea in Chile, Peru and Colombia.*

Santiago, August 20th. The shareholders of Falabella approved today an increase of the company's capital through the issuance of 84.3 million shares, equivalent to US\$ 800 million.

The capitalization will be used to fund the acquisition and to strengthen Linio, a Latin American marketplace; accelerate investments in logistics and technology to create a digital ecosystem to support Falabella's current development; establish Ikea in Chile, Peru and Colombia; and to consolidate its increase in the equity interest of Sodimac Brazil.

Falabella will invest US\$285 million in Linio. US\$138 million will be used to fund the acquisition, and the remainder to strengthen its operations in the region. Another US\$ 200 million will be used to accelerate projects in logistics associated with its three retail formats; building capabilities to provide fulfilment services for third parties; and to continue with the development of an e-payments platform. It will also invest US\$120 million in improving its ability to know and serve its clients through data analytics and cybersecurity. In addition, it will deploy the first US\$ 150 MM of the Ikea project in the short term. Last, it will dedicate US\$80 million to consolidate Sodimac Brazil.

The CEO of Falabella, Gaston Bottazzini, said that the capital injection "will allow us to respond to changes in customer preferences by building a digital ecosystem through the acceleration of investments in logistics and technology. In this way, we will continue improving our value proposition for our customers through different platforms which complement our existing stores and consolidating our leadership in the Region".

To support the capital increase, the controlling shareholders of Falabella have committed to subscribe US\$ 100 million. In addition, the shareholders authorized a simultaneous and synchronized secondary offering. The HCQ group (Cuneo family) will be the only shareholder that will participate in it with a block of 21 million shares. These shares together with those that the controlling shareholders will resign, will be offered to international and local investors.

In this context, the president of Falabella, Carlo Solari, explained that "the capital increase, combined with the secondary placement, will contribute to enlarge and diversify the shareholder base of the company, and leave sufficient shares in the market to attract large national and international investment funds. The new resources will allow us to retain a solid financial position and keep the necessary flexibility to capture opportunities that might arise in the future"

Falabella is present in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, through five business units (department stores, home improvement, supermarkets, real estate and financial services). At the end of March, the company operated 494 stores and 42 shopping centers in Latin America. The company is part of the Dow Jones Sustainability Index (DJSI World), which brings



together the main companies that lead efforts in sustainable growth internationally. It was also selected in the indices DJSI Emerging Markets, the DJSI Chile and the newly created DJSI MILA. More information about Falabella at www.investors.falabella.com