

Over the period 2020-2023:

Falabella will invest US\$2.9 billion to continue developing a digital and physical ecosystem

- *38% will be allocated to investments in technology and logistics, to enhance digitization and increase service level and efficiency.*
- *31% will be invested to open new shopping centers and stores nationwide. The main focus will be the expansion of Sodimac Mexico and the rollout of IKEA in the region.*

Santiago, January 8th, 2020.- Falabella announced a US\$2.9 billion investment plan for the period 2020-2023, focused on continuing the development of its physical and digital ecosystem, in order to further enhance its technological development and the geographic reach of its network, while improving the omnichannel experience of its customers.

Gaston Bottazzini, Falabella CEO, pointed out that "in recent years, Falabella has been executing a strong investment plan, which has allowed us to scale up the capabilities of our business units. Today our focus is to grow in e-commerce, to provide better omnichannel solutions to our customers with a high degree of digitization and customization, while capturing the value of the investments already made".

The presented plan aims to continuing the ongoing transformation of Falabella. By having a plan that is less capital intensive in physical assets, the company will benefit from increased flexibility to adapt to new scenarios and opportunities. This plan will focus on:

- Decreasing the pace for future store openings, leveraging on the unmatched reach of the existing network of physical stores.
- New openings only in markets and formats where the company has lower presence.
- Increasing the resources allocated to technology with focus in e-commerce, focused on development of new functionalities and in integrating the store experience into digital
- Enhancing the investments already made in logistics and infrastructure incorporating technological improvements, and expanding the logistic network outside Chile.

Logistics and technology investments

38% of the total (US\$ 1,085 million) will be allocated to the development of IT and logistics projects.

In the last 3 years, relevant investments have been made in logistics, such as the distribution center (DC) of Falabella Chile, the robotization (butlers) of the CD of Sodimac Chile, the multichannel white goods CD in Peru, and the implementation of 131 multiformat Click and Collect modules. Over the next four years, new distribution centers will be opened in Colombia and Peru, along with minor investments in automation of existing facilities in Chile. These investments will allow the company to continue growing the volume of e-commerce, increasing its pick-up and delivery efficiency, while ensuring a good service level to its customers.

In technology, the company will continue to migrate to a cloud-based architecture, further increasing cyber security standards and integrating business intelligence capabilities across all formats. This will be complemented by ongoing spending on technology and digitalization projects across all its business units.

The focus will be on improving the mobile shopping experience, introducing new features in their apps, incorporating new technologies in payment methods, financing platforms and solutions for sellers in our marketplaces. Another important aspect highlighted by Bottazzini will be the incorporation of functionalities that enhance the digital shopping experience in stores.

Investments in stores and shopping centers

In order to further expand the regional physical network, 31% of the investment plan (US\$ 904 million) will be allocated to the opening of two shopping centers (Mallplaza Comas in Peru and Mallplaza Cali in Colombia) and 80 stores. The focus will be on continuing the expansion of the Tottus and Hiperbodegas network, a business that consolidated itself in 2019 as the second player in the Peruvian market; on opening new Sodimac stores in Mexico and on deploying IKEA in Chile, Peru and Colombia.

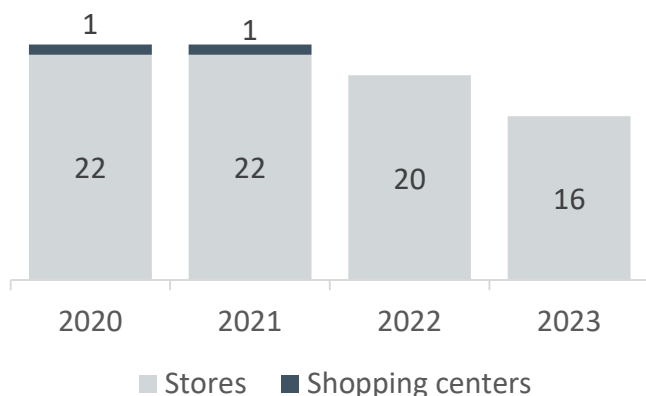
At the same time, 31% (US\$ 883 million) will be invested in optimizing the existing network of stores in the region, through renovations and remodelings that seek to integrate the physical shopping experience with the digital proposal; in improving entertainment proposals in shopping centers; and in repairing damaged stores in Chile.

During 2019, seventeen stores were opened in total: twelve supermarkets, four in Chile and eight in Peru; four home improvement stores, two in Mexico (reaching five in that country), one in Brazil and one in Peru; and a Falabella store in Colombia. On the other hand, two shopping centers were opened: Mallplaza Buenavista, in Barranquilla, Colombia and Open Kennedy, in Santiago, Chile.

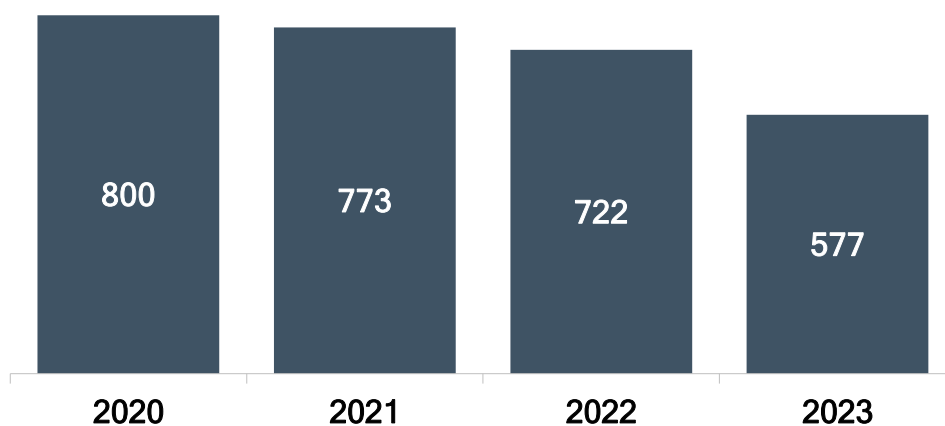
About Falabella

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 September, the company operated 503 stores and 42 shopping centers in Latin America. The company is a member of the Dow Jones Sustainability Index (DJSI World), which groups the main companies that lead efforts in responsible growth at an international level. It was also selected in the DJSI World, DJSI Emerging Markets, the DJSI Chile and the recently created DJSI MILA indexes. More information at investors.falabella.com.

Plan for stores and shopping centers openings



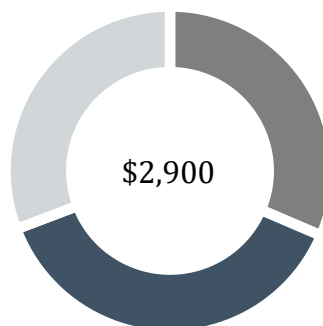
Investment plan (US\$ million)



Remodeling and expansion of existing stores & malls
31%

New stores and malls
31%

IT, logistics & others
38%



Note: The investment plan includes 100% of expected capex for Falabella S.A. and subsidiaries, including Sodimac Colombia, Sodimac Mexico, CMR Mexico, which the Company does not consolidate.

Our discussion and analysis in this document may include estimates, projections and other forms of information that might be considered forward-looking. While these forward-looking statements represent our opinion, as of this date, on the future performance of the economy, our businesses and the industries and markets in which our operations take place –among other material factors that could impact the performance of our company—such projections and estimates are subject to, and may be impacted by, risks and uncertainties that may cause plans announced in this document, or the results that we expect of the same, to deviate materially. We hereby caution the recipients and readers of this announcement to not place expectations over the content of the same that do not adequately ponder such risks and uncertainties. It is important that you bear in mind that by issuing this announcement we are not undertaking an obligation to revise it in the future or release updates of the forward-looking statements that may be included here, based on future events or new information that is not available as of this date, or otherwise. For further information on the risk factors that could impact our projections and estimates about the future, as well as for more detailed information about our company and our businesses, please review our most recent regulatory filings, as well as the publicly-available information that you will find on our company at our investor relations website: <http://investors.falabella.com>.

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). It is the first Latin American retailer to be included in the Dow Jones Sustainability World Index (DJSI), which brings together the world's leading companies committed to sustainable development. Consolidated revenue as of 3Q19 LTM reached US\$12.5 billion.