

Falabella discloses results of its digital transformation process and introduces last mile application and digital wallet

- *Falabella reaffirmed its strategy to continue consolidating its physical and digital ecosystem, to adapt to evolving consumption habits.*
- *The company introduced its digital wallet, Fpay, and last mile app, Fazil, which seek to simplify and enhance Falabella's digital offering.*

Santiago, April 28th, 2020. To deepen the digital transformation to enhance the physical and digital ecosystem, is part of the strategy that Falabella S.A. will continue to develop to adapt to the evolving needs of its customers. With the current pandemic, this approach is gaining strength, as it accelerates the adoption of digital solutions by customers and adds value to the investments the company has made in recent years. The latter are enabling it to respond successfully to new customer demands.

This was highlighted by the company's Chairman, Carlo Solari, at the Annual Shareholders' Meeting. "Circumstances are forcing everyone to adapt to the digital world instantly. We want to be part of the solution, so we have adapted our e-commerce and logistics operations to the new demands, which are successfully reacting to this challenge".

This strategy has reached key milestones in terms of digital transformation:

- During April, visits to our e-commerce sites grew approximately 40% over the previous year. Particularly in Chile, our e-commerce sales tripled, while Linio grew almost four times.
- Also during April, Falabella.com's sales in Chile accounted for nearly 60% of Falabella Retail's revenues in a comparable month.
- At the same time, the adoption of mobile channels accelerated: Falabella Retail surpassed 1.6 million apps installed in the region and Linio surpassed 3 million apps.
- By the end of March, Banco Falabella reached more than 3.2 million active app by customers, a 54% increase compared to March 2019.

In this context, Gaston Bottazzini, CEO of Falabella, announced two new apps that seek to complement Falabella's offerings to its customers, making their lives easier in this new context.

These are Fazil, the last mile app that offers products from Tottus and will be further complemented with products from other retailers, including Falabella and Sodimac; and Fpay, the new digital payment app that will enable digital transactions in the group's e-commerce and stores, as well as in third party businesses.

"Fazil and Fpay are part of the solutions we want to deliver to our customers to help them simplify their lives, strengthening their supply alternatives, making available all our product offerings while delivering digital payment solutions", said Bottazzini.

Fazil, already operating on a public testing in Chile and Peru, will allow users to access the assortment of products available in Tottus stores and other shops from their mobile phones, as well to schedule deliveries at their convenience, monitor the status of their order in real time and interact with the person in charge of making and delivering the purchase. To date, already Fazil has approximately 20,000 users.

On the other hand, with Fpay available for download in the Apple AppStore and Google Play, users will be able to charge cards from any bank to make purchases through QR code in Falabella companies' stores and other affiliated businesses, and transfer money to their contacts. With the app, people will have all their cards in one place, regardless of the bank issuer. With this, Falabella Financiero continues to move towards a digital banking model.

Bottazzini emphasized that these solutions are enhanced by the investments in technology and logistics that Falabella has been making in recent years, and are complemented by the loyalty program that has been very relevant in maintaining and deepening customer relationships. Regarding the investment plan announced in January 2020, around 40% of the investments planned for this year are expected to be rescheduled.

As for the stores, today Falabella Retail's stores are closed and its online channel has been reinforced. Most of Sodimac's stores are open in all the countries of the region where it operates, except Peru. Tottus, in addition to keeping its stores open, has strengthened its online sales. Most of Banco Falabella's branches are operating except for Argentina. Particularly in Chile, Falabella's management expects to open some Falabella Retail stores during the first half of May, provided there is consensus with the health authority.

Changes in the Board of Directors

On the other hand, the Shareholders' Meeting elected a new Board of Directors composed of Carlo Solari, Juan Carlos Cortés, José Luis del Río, Carlos Heller, María Cecilia Karlezi, Sergio Cardone, Felipe del Río and Hernán Büchi, as independent director. In its first session, the Board of Directors ratified Carlo Solari as Chairman, and Juan Carlos Cortés as Vice Chairman for the next three years.

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 December, the company operated 511 stores and 43 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.