

FALABELLA

ANNUAL
REPORT
20
20



SODIMAC

TOTTUS

CMR
Falabella

Banco
Falabella

mallplaza

Falabella
INMOBILIARIO

INIO

FALABELLA

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LETTER FROM THE CHAIRMAN OF THE BOARD

CARLO SOLARI

Dear Shareholders

2020 will be a year we will all remember. We are suffering an unprecedented global pandemic whose effects are unpredictable and despite initial hesitancy the world has responded surprisingly quickly. Vaccines were developed in record time and countries began to find solutions to overcome the crisis, albeit with high human, social and economic costs. So we are now developing our business within a new global context.

At Falabella we were aware of our important role in this pandemic, because of our position in the supply chain. We took a dedicated and responsible approach that focused on protecting the health of our employees and customers.

Despite many obstacles and mistakes, we overcame this challenge, thanks to our employees and teamwork. We rapidly assumed our responsibilities, and we are proud to have retained many direct and indirect jobs and supported our customers, local communities and suppliers.

We have undoubtedly changed and built a more efficient and sustainable company.

This year, successful companies were those that had flexible, scalable strategies built on digital processes and the agility, knowledge and resilience to address the unprecedented challenges of operating in a pandemic. All forecasts, and contingency models were overtaken by unimaginable events. However, we did not stand idly by at Falabella. We worked hard to adapt to this context and implemented countless changes within our companies. This was the opportunity to resolve our gaps and weaknesses. These issues had previously prevented us from serving our customers as we desired, but we are addressing them quickly in order to strengthen our services and retain our customers' loyalty.

We can all become digital. We managed to achieve things that we would never have thought possible, regardless of age, gender or education. We managed to remotely and digitally resolve our requirements. We all appreciate physical contact, being able to meet, share, go to a store, to see and touch a product. The world is certainly more digital today than previously, so companies must be more flexible and offer several shopping choices. We live in a world where the physical and the digital realms complement each other in a way that improves our quality of life. Both physical and digital aspects are significant, which

is where Falabella has an advantage that we can nurture and exploit.

Retail is probably the industry that experiences the greatest changes and innovations, and faces global digital competition. This environment means that only a cohesive team with a clear strategy and consistent performance will be successful. Despite the challenges imposed by the social unrest in Chile that began on October 18, 2019 and the pandemic, we comfortably secured the company's liquidity and kept the company on an even keel, by accelerating the implementation of a balanced digital physical ecosystem. Accordingly, we have sacrificed short-term profits to strengthen our long-term strategy.

We want to simplify the lives of our customers, by providing them with products and services that meet their needs and aspirations. We want to be an integral part of our customers' lives and transform how we engage with them. We are creating a platform where our products, own brands, services, loyalty and financing programs, and our stores, shopping centers and distribution centers simplify their lives. Therefore, we are actively promoting our Apps, which allow us to interact with customers in real time, either digitally or through a personalized experience when visiting our shopping centers, stores or branches.

The main objective of 2021 is to build a single Marketplace, as this e-commerce model has proven to be the preferred choice worldwide. It will become our digital mall. A mall that is independent of retailers, which will unify our customers' shopping, payment and financing experience. It is being built on Linio foundations and will leverage the visitor flow from all companies in the group. Each Falabella store, such as Falabella Retail, Sodimac and Tottus, will still focus on their sales and products, in order to strengthen customer loyalty. However, this Marketplace will also provide many other sellers with access to our millions of customers. It is a transformational, philosophical and organizational step for Falabella. We will combine the best

of each group company in a unique platform that will captivate customers with a variety of products and services that they desire.

This year we achieved significant growth in e-commerce and Marketplace sales. The remarkable impact on our long-term sustainability is that these digital sales were achieved using our own solutions, which maintained a direct relationship with the customer, without intermediation.

The road is long and difficult, with lower sales growth initially, but with better prospects for higher growth in the future. We have been able to rapidly develop our own technological solutions, due to the dedication of our Digital Factories, particularly our team in India. We have also been supported by various technology and logistics companies, who have become long-term strategic partners.

As the pandemic dissipates, our shopping centers and stores will increasingly contribute to our omnichannel proposal, which makes us distinctive. We have adapted our business to bring the physical and digital realms together in a complementary manner that empowers them and provides our customers with better solutions. We are committed to making the experience of visiting our shopping centers more entertaining, personalized, and flexible. Our physical presence differentiates us. We have a retail proposal with a strong emphasis on our own exclusive brands, which will help us to retain customer loyalty.

Throughout the pandemic, we have been vigilant with our corporate governance, in progressing transparency and strengthening our control systems. Our commitment to respect people and the environment is unwavering. We value personal growth without discrimination by gender, nationality, or age.

We are convinced that profitability and positive social impact go hand in hand. We will continue with our support programs covering education, entrepreneurship, neighborhood improvement, professional training and environmental protection. We are proud to be the only Chilean retailer in the DJSJ index. We will continue to minimize our impact on the environment.

I cannot end this letter without passing on the Board's heartfelt appreciation for all our employees. Without them we would not be discussing our recovery and the achievements in developing our physical-digital ecosystem. Thank you also to our directors and executives for their constant support during this tough year. Our organization and each individual member has shown a surprising resilience and ability to tackle problems and solve them. I am sure that despite everything we have suffered, and everything that is yet to come after the pandemic, we are already a stronger and better team.

We are creating a regional commercial leader, and I am excited to forge ahead with the great team that we have today.

Thank you very much.
Carlo Solari
Chairman

LETTER FROM THE CEO

GASTON BOTTAZZINI

Dear clients, team, shareholders,

2020 was profoundly challenging due to the Covid-19 pandemic, both globally and for us as a company. The confinement of people, the emergence of remote working, online classes and other challenges, all created new requirements resulting from changes to our customers' lifestyles. Falabella had to respond to these changes in a context of extensive lockdowns, store closures, and mobility restrictions. Despite all of these difficulties, we rose to the challenge, and we have more reasons than ever to be grateful, as an organization.

The pandemic forced us to question every aspect of our business, and at the same time, left us a deep legacy. We had to adapt processes in record time, and deploy strict health & safety protocols, in order to safeguard the health of our customers and teams. Mobility restrictions, combined with the near full closure of physical stores, increased the number of online transactions and home delivery orders to unprecedented levels, which led to record growth in transactions on our e-commerce platforms. This resulted in more than 30 million orders delivered in 2020 in the region, four times more than in 2019. This stressed our logistics infrastructure and saturated our distribution networks, which affected our service levels. As I write these words the scenario continues to be challenging, but we are confident about the commitment of our team to adapt our business, as well as the loyalty of our customers and their trust in our brands.

Accelerating our transformation and strengthening our physical-digital ecosystem has been a priority in this context. Commercial teams focused on e-commerce, and on adapting the assortment to meet drastic changes in customer's needs. This translated into extremely high growth in demand.

Uncertainty regarding the availability of transportation services, delivery capacity in certain geographical areas, and the ability of our teams to reach their workplaces, resulted in decreases in our delivery service levels. We adapted our logistics capabilities, developed new features, and improved our customer services, to adapt to the exceedingly high demand and to regain the trust of our customers. We developed new systems at distribution and transportation centers, and partnered with external logistics suppliers. We turned stores into dark stores, and we created more transfer centers to consolidate orders and make our last mile more efficient, which shortened delivery times.

In this scenario, we decided to integrate our e-commerce platforms into one single site: falabella.com. This will allow us to consolidate customer traffic that today is spread across various domains, and combine 7 million products offered by 10,000 sellers, along with those of our own retailers. This new platform will provide our

customers with access to all the benefits of the Falabella world: our FPay digital wallet, our loyalty program CMR Puntos and the Click & Collect network across all retail formats. It will also allow us to enrich our value proposition for sellers and make our technological developments more efficient.

Similarly, we integrated our last-mile logistics under a new Home Delivery unit. We launched our Digital Logistics Factory, in order to develop solutions that improve our delivery times as well as provide sellers and customers with greater visibility of their deliveries.

We launched our last mile application, Fazil, in Chile and Perú. Fazil experienced a rapid adoption rate, to swiftly become a significant proportion of Tottus' online sales.

We made substantial progress on the digital transformation of our financial business. We opened 250,000 digital credit cards in Chile, Peru and Colombia, following the launch of the first fully digital CMR credit card. We also laid the foundations to introduce a digital checking account with the same characteristics during 2021.

In 2020, we improved our digital processes for transactions, in particular loan origination, and 44% of consumer loans were digitally originated. Finally, we launched our digital wallet and PSP, FPay, and integrated it into our e-commerce platform as a single payment gateway. In our physical stores, FPay gained ground via contactless payments using QR codes.

We expanded our CMR Puntos program to all payment methods, which resulted in program participation rising from 6.4 to 9.5 million customers. Our goal is to eventually reach our current customer base of over 30 million.

We view our stores and malls as having a fundamental role in the construction

of customer relationships over time, and we continue to develop our physical assets in a focused manner.

In 2020, Mallplaza opened Comas in Perú, and acquired the Calima mall in Bogotá, where we will open the first IKEA store in Colombia. Tottus continued to grow in both Chile and Peru, with the opening of two and four stores respectively, while Sodimac continues making progress by opening stores in Mexico and Brazil.

In the second semester, we witnessed how the improved performance of our stores created a virtuous combination with the sustained expansion of online sales, driving high top line growth.

Throughout 2020, we accelerated several plans, such as reducing our exposure in Argentina, to free up resources for other initiatives in the rest of the region. We also adapted our working environment throughout the organization and developed greater agility in decision-making processes. We also centralized some functions and introduced important cultural changes. These changes will translate into sustainable improvements in our business efficiency going forward.

We believe that the professional and personal growth of our employees goes hand in hand with the development of the company. We introduced measures that promote a more meritocratic, innovative, and inclusive working environment. We launched Academia Falabella, a training program aimed at all levels of the organization. This program combines two approaches: one for leaders, which helps us to transfer knowledge, practices and culture; and the other, with a company-wide focus, is aimed at developing skills aligned with our digital transformation. This last initiative offers our store, back office and distribution center teams training opportunities in areas of high projected demand within and outside the company, such as web design or software development.

In terms of ESG, in 2020 we were recognized as one of the five most sustainable retailers in the world, according to the Dow Jones Sustainability Index, and the only one in Chile. This great achievement reflects our company's role in caring for our environment and community, which gained importance in a year marked by an unprecedented pandemic.

We responded to the pandemic by making our physical and digital ecosystem available to the community, via various initiatives and relief campaigns. We gave substantial support to SMEs and micro-entrepreneurs, with onboarding training and opportunities to sell in our marketplaces free of charge. We launched food donation campaigns for vulnerable families, and supported the distribution of food baskets. We helped to set up field hospitals. We launched Arte Falabella, which aims to popularize and propagate art, as well as improve the visibility of craftspeople and products from indigenous communities.

We continued executing the iconic programs associated with our brands, such as online education programs, our "Haciendo Escuela" program focused on elementary education, the "Eddu" financial education program, and Sodimac's "Construyendo Sueños de Hogar" program.

In 2021, we will focus on accelerating the execution of our strategy, with the launch of our integrated e-commerce platform under falabella.com; improve our apps and expand their features both for e-commerce and for our customer experience in stores. We will strengthen our value proposition for sellers, focus on fulfillment services, payment processing and financing solutions. We will progress the digitization of our customer experience, in order to grow the adoption of digital products and develop more efficient financial products. We will expand our loyalty program and open stores in our priority formats, which are home improvement in Mexico and Brazil, supermarkets in Peru and IKEA development.

These initiatives constitute the growth engines that will sustain the momentum gained in the last phase of 2020 and consolidate our position as a comprehensive platform for customers, suppliers, and sellers. As a team, we are immensely proud of our achievements in 2020. We will continue to strengthen and develop our physical-digital ecosystem, simplify the lives of people in Latin America, and transform their shopping experience.

Gaston Bottazzini
CEO



WHO WE ARE

Today the changes are more disruptive, deep and fast, so we understand that the way of facing reality is being ONE team.





WHO WE ARE

FALABELLA

We are one of the leading companies in the digital and physical retail in Latin America.



The customer is always at the core of our decisions. We simplify their lives and transform their shopping experience using simple and personalized solutions, based on a unique omnichannel strategy powered by a physical-digital retail and financial services Ecosystem, which offers them both recognized and own brands that are strongly positioned in our markets. We focus on understanding our customers and meeting all their requirements, which leads us to continually innovate and reinvent our services, in order to provide them with flexible and easy solutions and retain their loyalty.

We operate in **seven countries**, which are Chile, Peru, Colombia, Brazil, Mexico, Argentina and Uruguay. We have purchasing offices in China and India and digital centers in India and Argentina. We operate department stores, home improvement stores, supermarkets, regional shopping centers and power centers, and we provide financial services through a network of **507 stores and 45 shopping centers**.



WE CONTINUE TO PROMOTE AND DEVELOP A PHYSICAL-DIGITAL ECOSYSTEM,

while keeping our

CUSTOMERS AND SELLERS

at the core of our business

BY OFFERING THEM A BETTER RETAIL PROPOSAL

OUR PHYSICAL-DIGITAL ECOSYSTEM



We are progressing our cultural transformation and developing our long-term business approach, which strengthens capabilities that are already part of our value proposition and adds new ones. We understand the need to become a more agile and flexible organization, while maintaining our overriding commitment to focus on customers and employees.

Accordingly, we continue to promote and develop a physical-digital ecosystem, while keeping our customers and Sellers at the core of our business by offering them a better retail proposal.

The differentiating value of our proposal is the unique combination of products, channels and services that we offer to our consumers and Sellers. We have built leading brands in each segment, which serve the customer and seller with proposals that complement and enhance each other, such as shopping centers, stores, products, e-commerce, Marketplace, and logistics, financial and payment services. Engaging with customers improves our understanding of them and enables us to offer them personalized and appropriate proposals that create value.

Our renowned retail formats, shopping centers and financial services have been strengthened over the years, as they combine strategic locations with close customer engagement, which we have strengthened by developing our loyalty program across the region and all our business units. Our strategy is to build a physical-digital ecosystem that carries our customer relationships into the digital realm and grows them, based on a differentiated proposal that takes advantage of the unique assets that we have developed in the physical realm.

We currently focus on strengthening our e-commerce capabilities, empowering the Marketplace business; and transforming our financial services into fully digital products and services with universal payment solutions across our entire ecosystem. Similarly, we continue to strengthen and improve our logistics capabilities, in order to provide faster deliveries and improve the services for our Sellers. We are also strengthening the loyalty program as it is an essential tool that provides our customers with significant benefits, while helping us to improve our understanding of them and create personalized solutions that meet their requirements.

Our continual cultural transformation is based on living and promoting our corporate values and principles, as they are key to developing our Ecosystem strategy and they guide our daily tasks.



OUR VALUES
WE ARE ONE TEAM



We exceed customer expectations



We make things happen

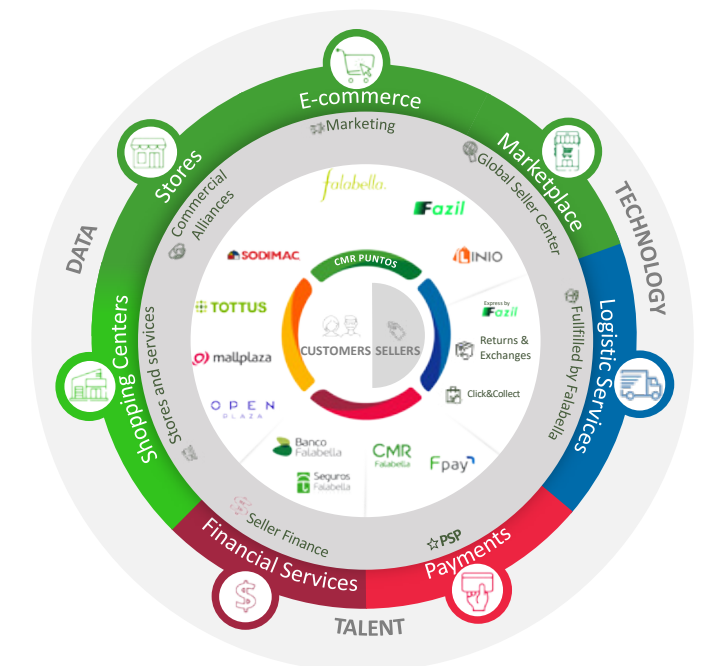


We grow through our achievements



We act with Awareness

OUR PHYSICAL-DIGITAL ECOSYSTEM



OUR BUSINESSES

E-COMMERCE

US\$ 3.335 million
GMV

Marketplace with
10.000 Sellers

US\$ 763 million
GMV

30 million
orders shipped

+7 million
SKUs

36% of department stores
online sales in Chile,
through the App

BANKING & FINTECH

US\$ 6.546 million
loan book

US\$ 2.606 million
TPV

+250.000
Openings of 100% digital
credit cards in 2020

44% of financial products
originations were made
digitally

PHYSICAL RETAIL

US\$ 10.520 million
gross sales in department
stores, home improvement
and supermarkets.

507 Stores
251 Home Improvement
108 Department Stores
148 Supermarkets

45 Shopping Centers
2.353.055 sqm GLA

45 Distribution Centers¹
400 Click & Collect

7 COUNTRIES



30 million
customers across the region

Main financial figures

| (MM CLP) | 2018 | 2019 | 2020 |
|-------------------|-----------|-----------|-----------|
| Revenues | 9,237,342 | 9,410,775 | 9,468,800 |
| Variation (% YoY) | 3,4% | 1,9% | 0,6% |
| EBITDA | 1,204,249 | 1,141,336 | 828,455 |
| Variation (% YoY) | -1,0% | -5,2% | -27,4% |
| Net Profit | 478,468 | 295,474 | 30,758 |
| Variation (% YoY) | -6,1% | -38,2% | -89,6% |

¹ Figures by the end of 2020



OUR PURPOSE

Simplify the lives of people in Latin America by transforming their shopping experience.

We are striving to achieve a profound cultural transformation and a new business approach for the coming years, which strengthens capabilities that are already part of our value proposition and adds new ones. We understand the need to become a more agile and flexible organization, while maintaining our traditional commitment to focus on customers and employees.

This continual cultural transformation is based on living and promoting our corporate values and principles, as they are key to developing our Ecosystem strategy and they guide our daily tasks.



We are **ONE TEAM** We know that changes are increasingly deeper, faster and more disruptive.

We understand current market challenges can only be resolved by working together as **ONE** great team. We have formed a diverse and committed team who are passionate about our customers, who collaborate, communicate and achieve our goals in a direct, honest and constructive manner.

OUR VALUES



**We exceed
customer
expectations**

The customer is at the core of our decisions. Consequently, we anticipate their requirements and we provide an omni-channel proposal and service excellence that adds value, in order to build long-term relationships that strengthen their loyalty to our brands.



**We make things
happen**

We take responsibility for our actions. We take risks and build opportunities to make things happen, based on our traditional entrepreneurial spirit. We apply increasing agility to developing differentiating and attractive proposals for our customers.



**We grow through
our achievements**

We work as a team and invest in our capabilities in order to attract and train the most talented people. We reward their achievements, we encourage them to manage their own development and growth, and we value internal mobility between businesses and countries as a competitive advantage.



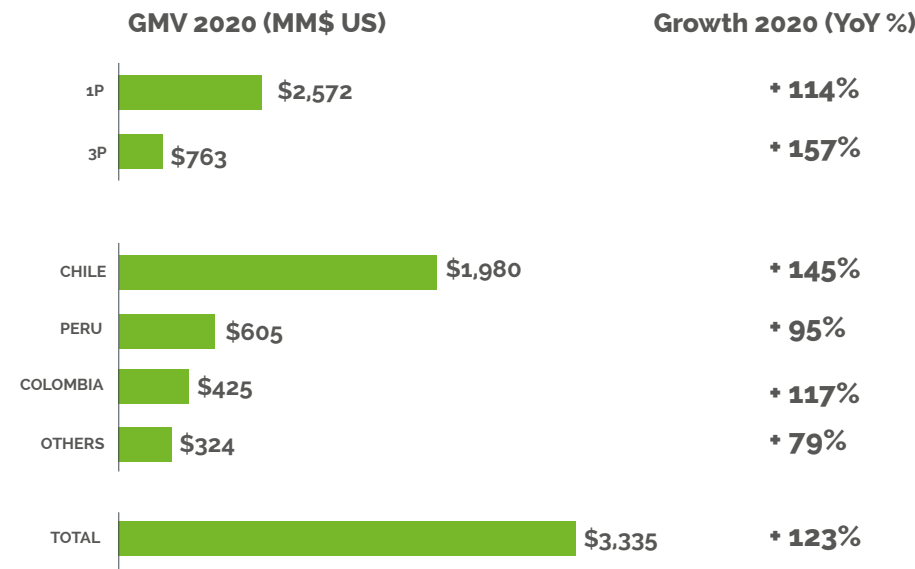
**We act with
awareness**

We are aware of our responsibility to society, local communities and the environment. We always strive to do what is right and operate transparently, to give the best of ourselves to the people of Latin America.

OUR BUSINESSES

E-COMMERCE

US\$ 3.335 million GMV
+7 million SKUs
+10.000 Sellers
30 million orders shipped



We continue to improve our customers' online shopping experience by expanding the features of every digital channel. An important objective is to transform Falabella.com into a unique consolidated platform for all our digital traffic and channels, while improving and adding to the features in our retail and financial Apps. Similarly, another important focus for our investment and growth is providing our Marketplace Sellers with better services.



FAZIL

Tottus' express delivery App in Chile and Peru.

DURING 2020,

IT EXPANDED ITS FEATURES BY INCLUDING THE

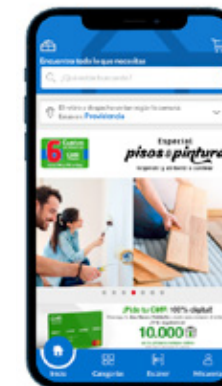
ON-DEMAND

sale and delivery of Falabella and Sodimac products.

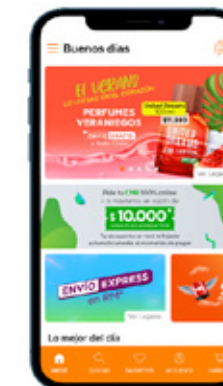
E-commerce Apps



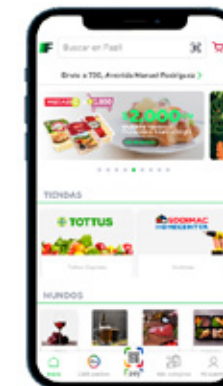
DEPARTMENT STORE



HOME IMPROVEMENT



MARKETPLACE



ON-DEMAND DELIVERY



The focus of integrating our e-commerce platforms is to take advantage of the flywheel effect, where more traffic will drive more sales, which will attract more Sellers to the platform, which will increase the product offering and enrich the retail proposal, which will make it more attractive to customers.

BANKING AND FINTECH



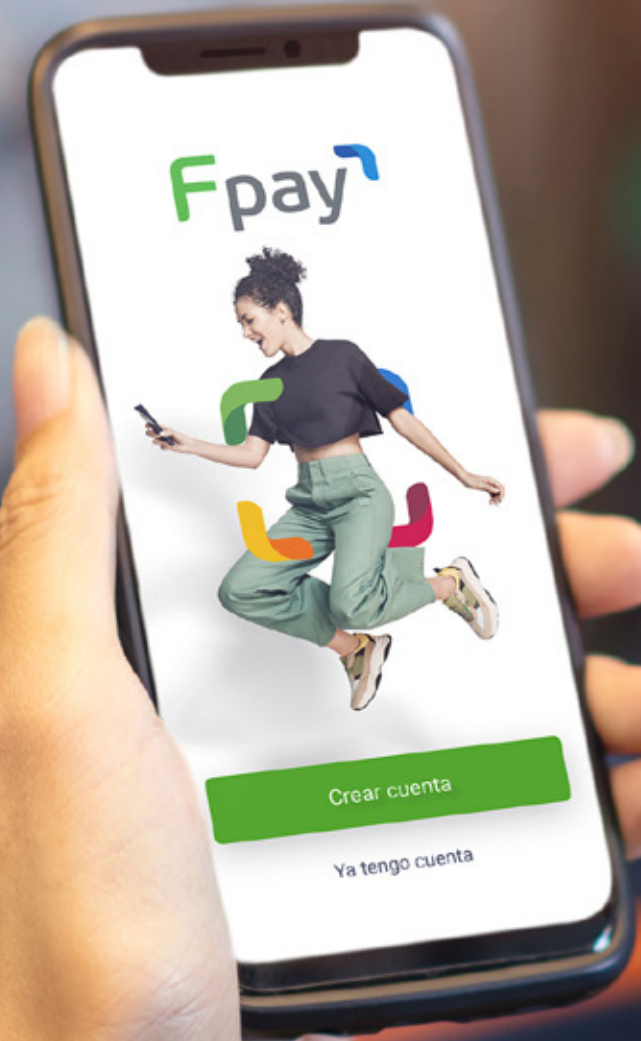
Fpay: Falabella's digital wallet, where users can upload cards from any bank, can initiate transfers between people (P2P) and quickly and easily make contactless payments using a QR code at Falabella, Sodimac, Linio and Fazil stores. The focus in Chile is to expand the network of stores operating with Fpay, which totaled over 3,000 as of December 2020.

Integrated Bank and CMR App: This unified App combines the Banco Falabella and CMR digital channels. It provides financial products and services, particularly to single-product customers, and expands the features of these digital channels.

IN 2020 MORE THAN

250,000
DIGITAL CMR
WERE OPENED ACROSS
THE REGION
USD\$2,606
MM IN TPV

DURING 2020,
44% OF TOTAL
FINANCIAL
PRODUCTS
SALES
WERE MADE THROUGH DIGITAL
CHANNELS



(*) Corresponds to the total volume of sales made through our proprietary payment processing platforms, in our retailers and associated businesses.

FINANCIAL SERVICES

Falabella Financiero provides a wide range of integrated financial products using an ecosystem comprising of many services and digital platforms that combine traditional financial business models with the proximity inherent to the retail business.

Additionally, the division develops various digital payment solutions such as Fpay, the group's virtual wallet, which accommodates various means of payment, transfers between platform users and third-party bank accounts. This division includes CMR Falabella (credit card), Banco Falabella (bank), Seguros Falabella (insurance broker) and CF Seguros (insurance company). It covers Chile, Peru, Colombia, Argentina and Mexico.

| | # CMR Accounts with a Balance | Branches |
|-----------|-------------------------------|----------|
| Chile | 2,592,138 | 160 |
| Peru | 915,347 | 60 |
| Colombia | 1,008,113 | 93 |
| Argentina | 287,306 | 11 |
| Mexico | 266,450 | 133 |
| Total | 5,069,354 | 457 |

The financial services division competes with banks and department store credit card operators. It also competes with other insurance brokers and insurance companies.

According to our analysis based on public information (*), our share of the consumer loans market in Chile is 9.3%¹, based on both CMR and Banco Falabella loans. Banco Falabella's share of the consumer loans market in Peru is 3.74%², according to the Banking, Insurance and AFP Superintendency in Peru. Banco Falabella's share of the consumer loans market in Colombia is 4.80%³, according to the Financial Superintendency in Colombia. CMR's share of credit card and personal loans in Argentina is 0.5%⁴, according to the Argentine Republic Central Bank. Finally, its market

¹ As of December 2020
² As of December 2020
³ As of November 2020
⁴ As of December 2019
⁵ As of December 2020

(*) Source: CMF, cajadechile.cl, Forum, and quarterly financial statements of department stores and automotive.

share in Mexico is 0.41%⁵, according to information from the National Banking and Securities Commission in Mexico.

Chile #1 market position

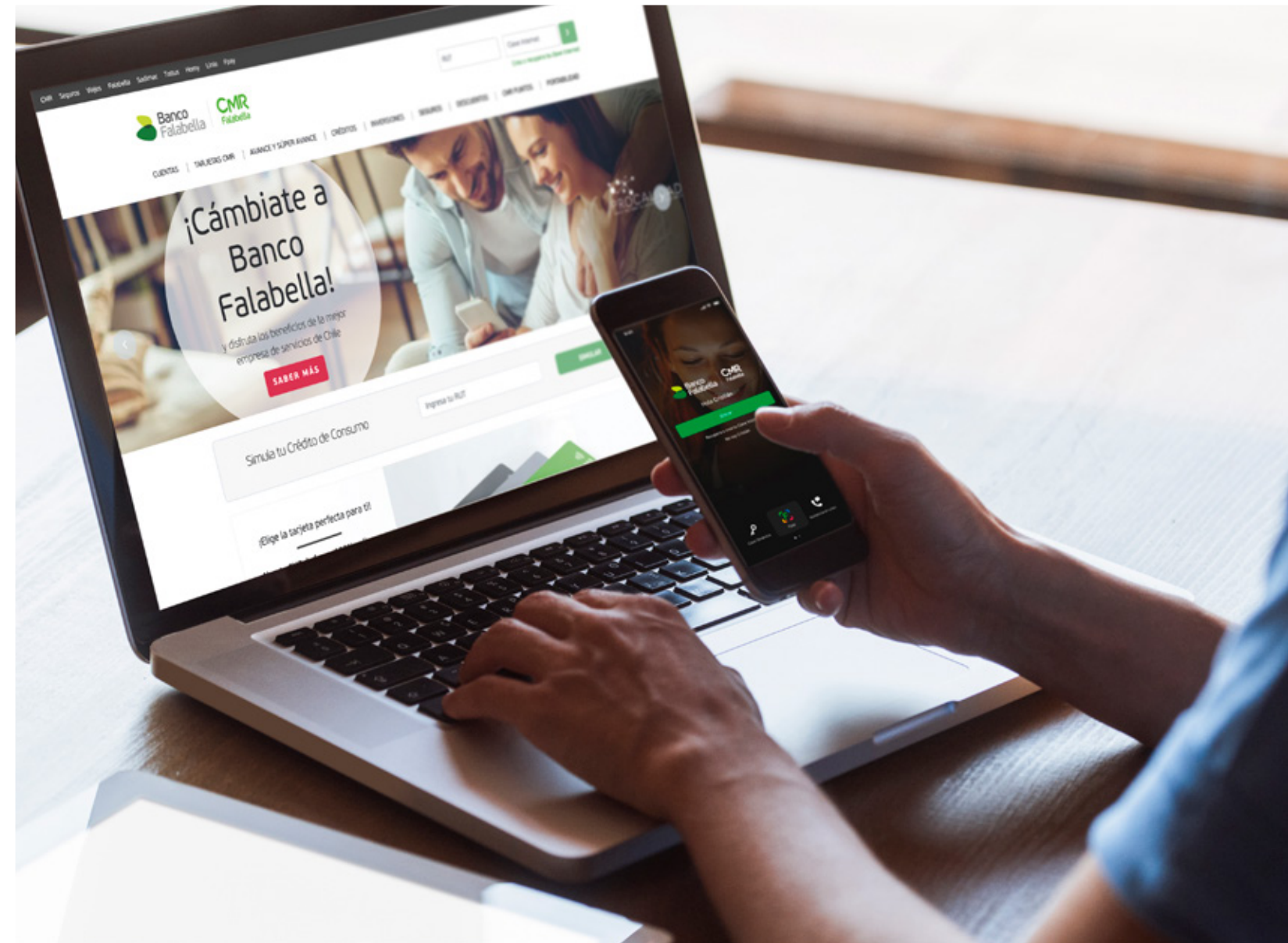
CMR CARDS WITH TRANSACTIONS during the month

Perú #1 market position

#CMR CARDS subject to cardholder billing

Colombia #4 market position

#ACTIVE CMR cards



OUR STRATEGY IS TO BUILD A

PHYSICAL-DIGITAL ECOSYSTEM

that carries our customer relationships into the digital realm and grows them,

based on a differentiated proposal that takes advantage of the unique assets that we have developed in the physical realm.

PHYSICAL RETAIL OUR FORMATS

DEPARTMENT STORES

Falabella Retail is the leading platform for fashion, decoration and electronics in Latin America. It operates in Chile, Peru, Colombia and Argentina, with a network of 108 stores as of December 31, 2020 and a substantial online platform.

This business unit has many competitors in each country, which can be segregated into the four sub sectors of department stores, multi-stores, online stores and specialty chains that focus on supplying a brand, lifestyle or concept.

The market share of our Department Stores by the appropriate category of the retail market is around 26% in Chile, 18% in Peru, 9% in Colombia and 1% in Argentina, according to our market analysis using data from Instituto Nacional de Estadísticas and Encuesta Casen in Chile, the Encuesta Nacional de Hogares in Peru, the Departamento Administrativo Nacional de Estadísticas in Colombia, Euromonitor and other data.



Chile 46 stores

320,408 sqm SALES SURFACE AREA
#1 market position

Peru 30 stores

187,905 sqm SUPERFICIE DE VENTA
#1 market position

Colombia 26 stores

189,589 sqm SALES SURFACE AREA
#1 market position

Argentina 6 stores

34,289 sqm SALES SURFACE AREA
#1 market position

Total 108 stores

732,191 sqm SALES SURFACE AREA

Note: Does not include clothing and footwear specialized stores for exclusive and second generation brands. Peru and Colombia also include Crate & Barrel stores.

HOME IMPROVEMENT

Sodimac is our home improvement business and it provides a wide range of home construction, decoration and maintenance solutions.

The division operates in Chile, Peru, Brazil, Colombia, Mexico, Argentina and Uruguay, using various brands such as Sodimac Homecenter, Sodimac Constructor and Imperial. It also expects to launch the IKEA brand soon.

There are a wide range of competitors to our home improvement stores within each country. There are large construction and home improvement stores and hardware stores many of whom have formed chains. There are other competitors for home improvement products, such as hypermarkets, department stores, specialty stores and construction company suppliers.

Our market share⁶ of this segment is approximately 27% in Chile, 13% in Peru, 13% in Colombia, 1% in Argentina, 4% in Uruguay and less than 1% in Brazil and Mexico, according to our market analysis using data from the Instituto Nacional de Estadísticas, the Encuesta de Presupuestos Familiares and Cámara Chilena de la Construcción in Chile, the Instituto Nacional de Estadística e Informática in Peru, the Departamento Administrativo Nacional de Estadísticas in Colombia, the Instituto Nacional de Estadística y Censos in Argentina, the Instituto Brasileiro de Geografia y Estadística in Brazil, the Instituto Nacional de Estadísticas in Uruguay (INE) and other data.



Chile
85 stores
760,980 sqm SALES SURFACE AREA
#1 market position

Peru
56 tiendas
385,217 sqm SALES SURFACE AREA
#1 market position

Colombia
40 stores
386,256 sqm SALES SURFACE AREA
#1 market position

Argentina
8 stores
84,818 sqm SALES SURFACE AREA
#2 market position

Brazil
53 stores
174,279 sqm SALES SURFACE AREA
#4 market position

Uruguay
3 stores
24,849 sqm SALES SURFACE AREA

Mexico
6 stores
65,628 sqm SALES SURFACE AREA

Total
251 stores
1,882,027 sqm SALES SURFACE AREA



SUPERMARKETS

Our Tottus supermarkets operate hypermarkets, supermarkets and other convenience stores such as Hiperbodega Precio Uno. It currently operates in Chile and Peru from 148 physical stores and a digital platform.

The supermarkets segment includes various competitors, including hypermarkets, supermarkets, self-service stores and neighborhood stores.

Falabella's share of the supermarket industry is around 7% in Chile and 4% in Peru, according to our market analysis using data from the National Institute of Statistics in Chile and the National Institute of Statistics and Informatics in Peru.



Chile
67 stores
201,552 sqm SALES SURFACE AREA
#4 market position

Peru
81 stores
274,000 sqm SALES SURFACE AREA
#2 market position

Total
148 stores
475,552 sqm SALES SURFACE AREA

⁶ The market share calculations for home improvement are not comparable with those published in the 2016 Annual Report due to a change in methodology.

⁷ The calculation methodology used for market share changed by 2020, so the % is not comparable with the previous year.

REAL ESTATE BUSINESS

Falabella operates and manages shopping centers in Chile, Peru and Colombia, through Mallplaza and Open Plaza.



Falabella's real estate division builds and operates shopping centers, manages stores in free standing locations, and gives priority to Falabella's retail stores and the mixed use of property.

Mallplaza: Its value proposition integrates retail stores, entertainment, gastronomy, healthcare, culture and other uses based on a sustainable growth strategy. This adds value for all its stakeholders, while encouraging local development, culture and environmental protection.

Falabella Inmobiliario: It operates smaller-shopping malls in Chile and Peru, with other company subsidiaries operating Falabella, Sodimac and Tottus stores as anchors, which are then complemented by an attractive range of smaller stores and entertainment.

| | Mallplaza | | Open | |
|-----------------|-----------------------|-----------|-----------------------|---------|
| | # of shopping centers | GLA | # of shopping centers | GLA |
| Chile | 17 | 1,381,264 | 9 | 212,152 |
| Peru | 4 | 269,000 | 11 | 326,433 |
| Colombia | 4 | 164,207 | - | - |
| Total | 25 | 1,814,471 | 20 | 538,585 |

The company also owns approximately 1,000,000 additional sqm of leasable surface area in free standing locations within Falabella, Sodimac, Tottus, Maestro and other stores⁹.

Mallplaza's share of the retail market is approximately 3.8% in Chile, 1.91% in Peru and 0.55% in Colombia, according to data from the Instituto Nacional de Estadísticas (INE).

The principal competitors in the real estate business are shopping centers in various formats, such as malls, power centers, strip centers and conventional stores located close to the company's shopping centers, according to research conducted in households and various shopping malls.

The company has a portfolio of projects using its own land and concessions.

The company owns land in Chile in the Valparaíso Region and in the Libertador Bernardo O'Higgins Region.

Falabella Inmobiliario owns land in the IV, V, VIII, IX, XIV and Metropolitan Regions in Chile, to develop future projects.

⁹ Does not include specialized clothing and footwear stores for exclusive and second-generation brands.

Stores and Shopping Centers 2020

| | |
|-----------------------|---------------|
| Sales surface area | 3,089,770 sqm |
| Leasable surface area | 3,353,055 sqm |
| Logistic centers | 1,300,000 sqm |
| # of Shopping Centers | 45 |
| # of stores | 507 |

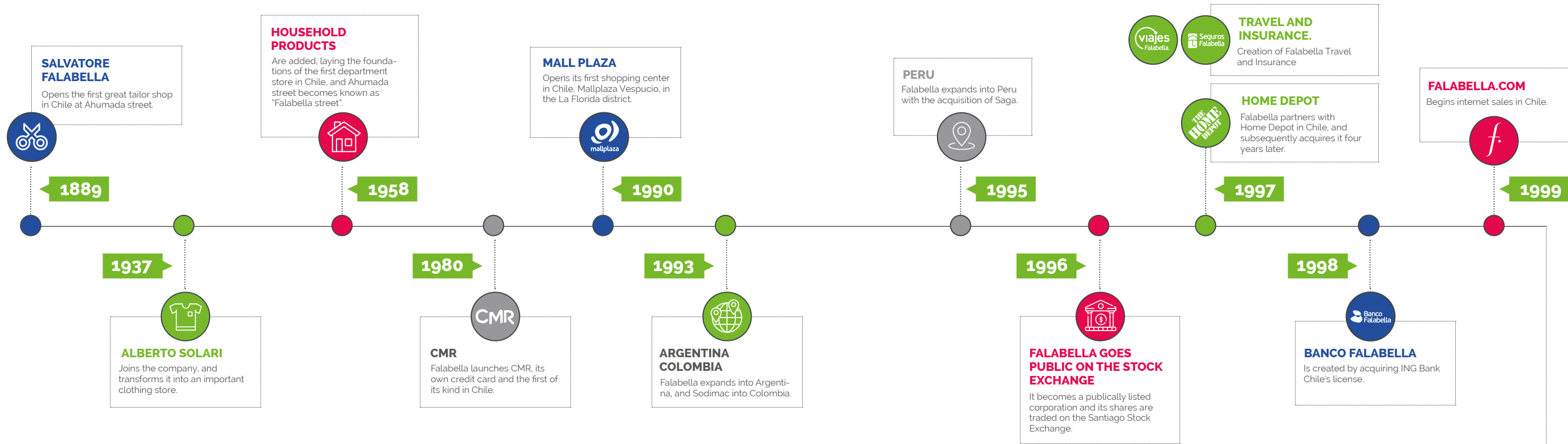
REGIONAL PRESENCE OF OUR SUBSIDIARIES

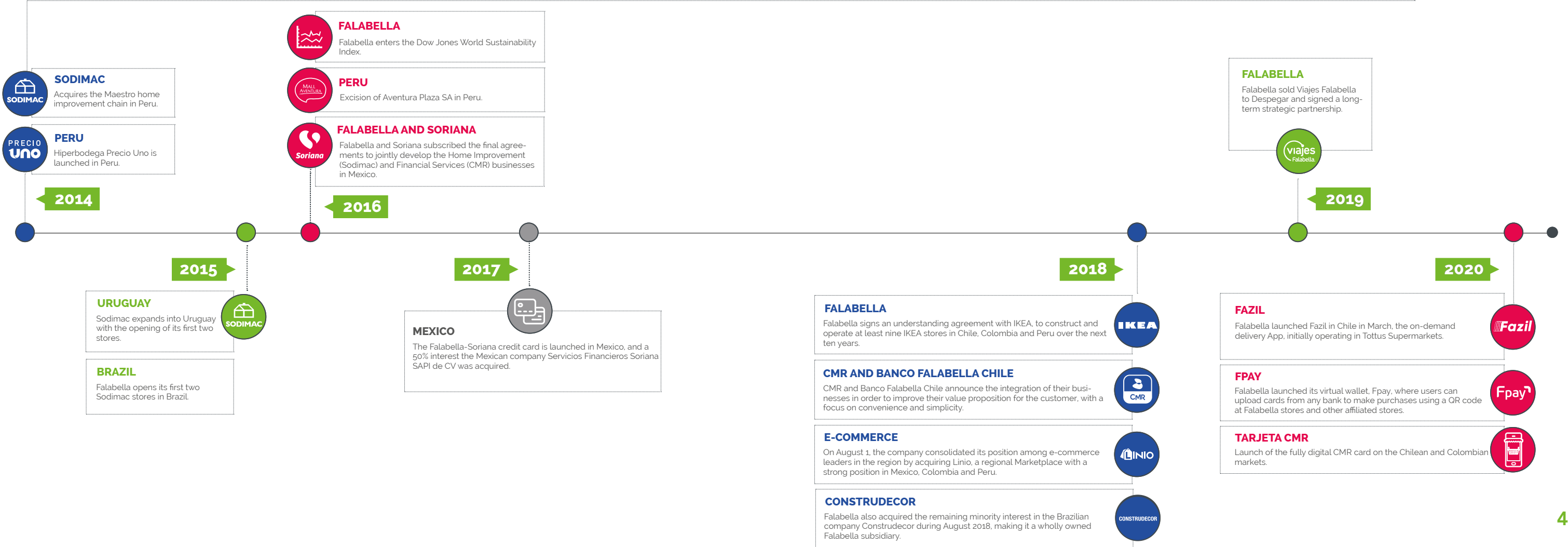
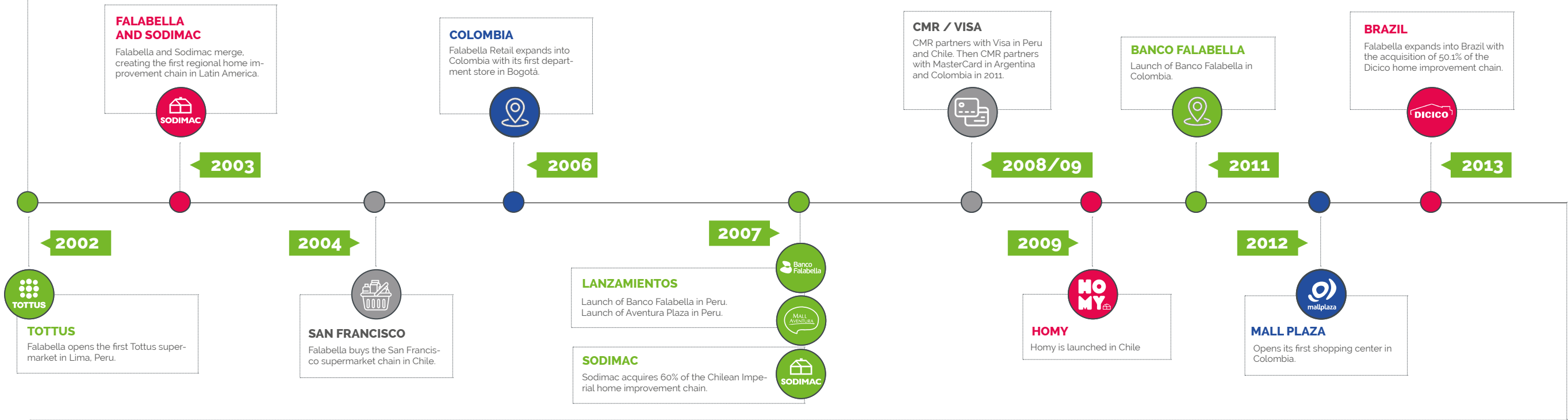


¹⁰ Total employees includes China and India.

¹¹ The Home Improvement Colombia, Home Improvement Mexico and Financial Services Mexico formats do not consolidate, therefore they are not included within the income mix by country.

OUR HISTORY







HOW WE DO IT

At Falabella, we simplify the lives of Latin Americans by transforming their shopping experience.





HOW WE DO IT

At Falabella, we simplify the lives of Latin Americans by transforming their shopping experience. This purpose drives us to continually challenge ourselves and identify high quality retail proposals that are increasingly aligned with our sustainability standards. These proposals should meet our customers' requirements, protect our teams, mitigate our impact on the environment, comply with good corporate governance and inform our investors and regulators.

Our approach begins by creating a commitment to all our external and internal stakeholders, and determining how to create value that has a positive impact on the environmental, social and governance (ESG) issues that are relevant to our business. Accordingly, we are committed to promoting Human Rights and the Sustainable Development Goals.

We have open communication channels that allow our stakeholders to express their requirements and enable us to promote the corporate guidelines that are essential to building Falabella. In addition, we have corporate values and policies that define how we engage with them.

Policies

| | |
|--|--|
| Anti-Trust Policy and Program: | It describes the behavior expected of employees, to prevent breaches to anti-trust regulations. |
| Ethics and Integrity Code: | It describes the behavior expected of employees to: i) establish a unique ethical standard for the whole of Falabella; ii) build trusting relationships with customers, suppliers and employees; iii) protect the Company's value and reputation; and, iv) encourage behavior based on principles. |
| Crime Prevention Policy and Model: | It describes the organizational structure and processes to prevent crimes that may result in criminal liability for the Company. |
| Conflict of Interest Policy: | It defines the principles and criteria that apply to declarations of interest and to resolving conflicts of interest among employees. |
| Environment and Climate Change Policy and Program: | It describes the behavior expected of employees and suppliers in relation to the environment. |
| Diversity and Inclusion Policy: | It defines the basic principles that apply to Falabella and its employees, which aim to build a diverse and inclusive organizational culture and working environment. |

STAKEHOLDER ENGAGEMENT

Customers

Our commitment: We aim to simplify the lives of our customers by transforming their shopping experience and by guaranteeing the quality and safety of the products and services we provide to our customers and in our facilities.

Dialog channels: social networks, physical and online stores, customer service teams, customer satisfaction assessments such as NPS and other channels.

Suppliers

Our commitment: We build constructive and long-term relationships with our suppliers, and we believe that collaboration and trust allows us both to grow.

Dialog channels: B2B digital platform, meetings between buyers and suppliers, supplier training, support programs that improve service standards, support programs for smaller suppliers, and other channels.

Employees

Our commitment: We recognize the essential importance of growth to our employees. So we are committed to their professional development and integral well-being. We actively attract and retain the best talented people and teams in each business, and we value diversity and inclusion.

Dialog channels: integrity channel, internal employee satisfaction surveys, corporate communications channel, corporate volunteering programs, internal mobility programs, Falanet (intranet), union meetings, quality of life teams, and other channels.



Shareholders and Investors

Our commitment: We sustainably create value, and build transparent communication channels with our shareholders and potential investors.

Dialog channels: investor relations team, events and meetings with investors, Annual General Shareholders' Meetings, financial reports (Earnings Release, Quarterly Financial Statements and Annual Report), investor website.

Local Communities and Society

Our commitment: We engage with local communities and contribute to their development and quality of life. We collaborate with social, economic and cultural community development in Latin America, and we implement social programs that have a measurable and significant effect on local communities.

Dialog channels: social action programs, corporate volunteering, members of the Green Building Council, Chambers of Commerce, government entities, among others.

STRATEGIC PRIORITIES

WE GROUP MATERIAL ISSUES INTO SIX MAIN PRIORITIES, TO CREATE ECONOMIC, SOCIAL AND ENVIRONMENTAL VALUE THAT IS ALIGNED WITH OUR STAKEHOLDERS' PRIORITIES

We conducted a corporate materiality assessment for the first time in 2018. This required hiring an independent consultant who specialized in Corporate Citizenship and involved environmental, social and governance issues. The issues we identified were prioritized using two criteria, which are influence on our business, and importance to our external stakeholders. Further details regarding our materiality matrix can be found on page 267 of this report.



1. Exceeding our customers' expectations

- Our growth as a retail company is driven by putting our customers in first place, understanding them and transforming their shopping experience. We retain customer loyalty by providing them with various suitable channels, while guaranteeing the privacy and security of their data.
- Our strategy is based on the 5 priorities of differentiating our value proposition, escalating our logistics capacity, electronic financing and payments, data analysis and business intelligence, and flexible technological platforms.



2. Integral employee development

- We know that changes are increasingly deeper, faster and more disruptive, and we understand current market challenges can only be resolved by working together as a team that is passionate about our customers.
- Our employees are the most important ingredient to achieve the growth and transformation that we continually seek. Therefore, we are committed to building a culture based on meritocracy, agility, inclusion and collaboration.



3. Creating social value

- We focus on strengthening our commitment and giving transcending meaning to our work. We are aware of our responsibility to society, our local communities and the environment.
- We focus on training and creating long-term partnerships that improve the living conditions of children, adolescents and local communities.



4. Governance, ethics and compliance

- We believe that behaving ethically and responsibly is not only doing the right thing, but also the right way to do business. We contribute to a sustainable future in various ways, and conduct our businesses in a transparent, ethical and responsible manner.
- We promote values that reflect our commitment to be transparent and loyal to people, their freedoms and rights.



5. Managing our supply chain

- We build constructive and long-term relationships with our suppliers, and we believe that collaboration and trust enable suppliers and companies to grow.



6. Managing our impact on the environment

- We are committed to developing partnerships with suppliers who share our dedication to conduct their business in a legal, ethical and socially responsible manner.
- We consider that managing our impact on the environment to be a responsibility and also an opportunity to contribute beyond our business to some of the biggest global challenges.
- Our objective is to encourage concern for the environment, and we try to identify and minimize the effects of our business on the environment.



1. EXCEEDING OUR CUSTOMERS' EXPECTATIONS

Our purpose is to simplify the lives of people in Latin America. Exceeding our customers' expectations forms part of our DNA. We aim to interact with them, understand them and be sufficiently flexible to develop innovative proposals that meet their requirements. We aim to transform their shopping experience in all channels and protect their data. Therefore, we have five strategic priorities.



• 1.1 Differentiating our value proposition



• 1.2 Escalating our logistics capacity



• 1.3 Financing and payment methods



• 1.4 Data analysis and business intelligence



• 1.5 Flexible technology platform



1.1 Differentiating our value proposition

We aim to provide our customers with a unique retail proposal, where they can find a wide range of products and a valuable shopping experience.

An exclusive broad product assortment is a differentiator. We are focused on developing our own and other exclusive brands that will strengthen our position.

Developing our brands means that we can:

- **Differentiate ourselves from other retailers and online stores:** An exclusive supply with robust positioning. We developed a proposal for specific customer groups, who we know and understand. Accordingly, many of our own brands have become independently recognized segment leaders. Our own brands enable us to quickly bring innovative proposals to the local market.

- **Provide a suitable proposal:** Combining high quality with low prices enables us to compete against fast-fashion brands, leading brands in supermarkets and home improvement brands for example.

- **Increase the value created by our business:** Our prices are more competitive than those of third-party brands. We leverage digital opportunities in various formats, in order to substantially expand and customize product assortment according to the preferences of each consumer, and increase store collection areas for online purchases.

In 2020 we continued strengthening our value proposal

Home Improvement



2020 was a very challenging year for the home improvement business, where we had to adapt our operating model to include strict safety measures and capacity limits in our stores. We implemented a visit scheduling tool in our Sodimac App, so our customers could choose the day and time of their visit and avoid long lines. We installed this solution in 55 stores in Chile.

Our website and the Sodimac App had to meet explosive demand from customers who preferred to shop online, as these sales reached 16% of total Retail sales during the peak months of the pandemic. Key improvements to our online platform included the new Fpay tool, changes to the My Purchases section and redesigning the browsing experience with a focus on Apps.

The Sodimac App played a key role in these results, as it captured 10% of total annual e-commerce sales in Chile.

Furthermore, we added and improved in-store experience functionalities with a focus on self-service and product location in the aisles, together with a facility to scan the products selected and pay for them directly, which saves time for our customers and minimizes contact between people.

The growth in digital sales resulted in a three-fold increase in deliveries to customers at its peak, which we were able to deliver with good service indicators, due to our investments in technology and logistics.



Department Stores



2020 was dominated by the pandemic, and we quickly changed our processes to meet our customers' requirements. The rapid growth in online demand forced us to expand our pick and deliver capabilities, which required increasing the installed capacity of our Distribution Centers, developing gray stores and generating capacity within other stores with the "Ship from Store" feature, which in December moved around 30% of our volume in Chile. We also integrated with logistics operators to significantly increase our delivery capacity.

We strengthened the Marketplace business model, and we opened the Falabella ecosystem to Sellers who could offer their products on our platform, which accounted for a high proportion of our e-commerce sales. We developed the Fulfillment service to support our Sellers, which allows them to store their products at Falabella's facilities, shorten delivery times to customers and improve their sales. We continued to develop the features of our App, and provide our customers with a seamless experience. Today, the App is our main sales channel, as it captured 36% of online sales in Chile during 2020.

We always aim to surprise our customers and launched new exclusive brands for men (Cascais) focused on summer items, suitcases (Reisen), personal care (Meiner) and mattresses (Dröm). We successfully included a new portfolio of international urban brands based on studies of young people's preferences such as Champion, Fila and Tommy Jeans, and we launched Sybilla Trap, which was promoted by social networks and influencers. We continued to support local fashion through the Local Talent program, which showcases the work of young designers and illustrators in each country.

We expanded the Self-Checkout network at our stores, we popularized contactless payment methods using FPay, and we continued to install automated delivery equipment at Click & Collect locations. These measures have protected our customers during the pandemic.

We deployed the assisted online sales service or conversational commerce, which supports our less digitized customers who need online assistance and improves their shopping experience by connecting the customer with an expert using a chat facility.

Falabella Retail provided 2,800 products in its +Green category during 2020 and shared these initiatives with its customers through marketing campaigns such as Eco-Deco and Dress+Green.

The main challenge was to keep up with the growing demand for Home Delivery, which increased over 11-fold across the region towards the third quarter of the year compared to 2019, as a result of store closures, the explosion in online sales and the unavailability of our Click & Collect delivery network.

Supermarkets



The pandemic in 2020 imposed many challenges on Supermarkets. However, the continual focus on the customer at Tottus ensured that challenges became favorable innovative opportunities to improve consumer services and introduce new solutions.

We launched Falabella's last-mile delivery App Fazil in April after a successful test phase and expanded its coverage to over 15 communities and districts. Sodimac, Falabella and pharmacy products were also included in the App to supplement the range provided to customers. The next step is to empower the entire network of Marketplace Sellers with express Delivery services. Chazki played an important role in Fazil's last mile by optimizing the delivery of home orders on the App. The benefits of this partnership include a robust and flexible logistics network that continues to guarantee good customer service.

A gray store strategy was implemented during 2020, with 2 stores in Chile and 4 in Peru by December 2020. These are designed to improve our customer services, as sales through online channels tripled due to the pandemic.

Our own brands grew by 35% in Peru and 19% in Chile, compared to last year. As our own products account for over 30% and 25% of shopping baskets in Peru and Chile, respectively.

Our own brands
grew by
35% in Peru
19% in Chile

Finally, the Ministry of Agriculture granted Tottus an award for innovation and best practice in preventing and reducing food waste in December, which fills us with pride and motivates us to continue looking for new challenges and objectives.

THIS NEW PLATFORM WILL
INITIALLY INCLUDE

**MORE THAN 7
MILLION
PRODUCTS**
from
10,000 SELLERS



WE WILL UNIFY THE GROUP'S E-COMMERCE AND MARKETPLACE PLATFORMS IN FALABELLA.COM

We announced the transformation of Falabella.com into a unique technological platform for e-commerce in September 2020, which brings together all our retail and marketplace products, due to accelerated growth within our digital channels and grew by 123% compared to last year to represent 24% of total sales. We integrated Linio's technological and commercial marketplace capabilities into this new platform and Falabella.com will eventually concentrate all the products available through Falabella Retail, Sodimac, Tottus, Linio and thousands of Sellers. This platform will initially include more than 7 million products from 10,000 Sellers. It will include categories such as home, decoration, fashion, sports, health, supermarket, electronics, technology, books and products from the international marketplace. Customers will be able to find the Falabella group's entire range of products at Falabella.com. They can also find all of Falabella's benefits, such as the Fpay digital wallet, the Loyalty Program, and the Click and Collect global network for collections and returns from all retailers. We will provide Sellers with a unique e-commerce solution, with financing proposals, payment processing and logistics services, thereby simplifying their business. It will be a unique platform that connects with Sellers with tremendous agility and simplicity, so will benefit thousands of SMEs in the region.

**Consolidated
online GMV**
USD\$ 3.3bn and 123%
YoY growth

USD\$ 2,572 million 1P
and with 114% YoY growth

USD\$ 763 million 3P
growth and 157% YoY growth

* Data by the end of 2020

Benefits of the new platform

For Sellers, it provides the best value proposal in terms of:

- Access to a large traffic base to increase potential sales.
- Simple and unique platform, with segmented channels to attract customers.
- Access to financing and payment solutions.
- Logistics solutions, including delivery infrastructure and services to manage exchanges and returns.

For consumers, it provides the best proposal in terms of:

- Greater assortment of products.
- Unique and simplified shopping experience, but with proposal segmentation.
- Financing and payment solutions.
- Many delivery options, such as express delivery, Click & Collect and options for exchanges and returns.

NPS INDICATORS:

Net Promoter Score Retail

| | Chile | | |
|--------------------|-------|------|------|
| | 2018 | 2019 | 2020 |
| • Falabella Retail | 65% | 66% | 66% |
| • Sodimac | 54% | 53% | 37% |
| • Tottus | 56% | 58% | 63% |

| | Peru | | |
|--------------------|------|------|------|
| | 2018 | 2019 | 2020 |
| • Falabella Retail | 65% | 67% | 67% |
| • Sodimac | 59% | 57% | 51% |
| • Tottus | 55% | 69% | 69% |
| • Linio | 36% | 41% | 31% |

| | Colombia | | |
|--------------------|----------|------|------|
| | 2018 | 2019 | 2020 |
| • Falabella Retail | 73% | 75% | 69% |
| • Sodimac | 58% | 57% | 50% |
| • Linio | 50% | 52% | 47% |

| | Argentina | | |
|--------------------|-----------|------|------|
| | 2018 | 2019 | 2020 |
| • Falabella Retail | 68% | 70% | 66% |
| • Sodimac | 63% | 45% | 9% |

| | Brazil | | |
|-----------|--------|------|------|
| | 2018 | 2019 | 2020 |
| • Sodimac | 84% | 71% | 56% |

| | Uruguay | | |
|-----------|---------|------|------|
| | 2018 | 2019 | 2020 |
| • Sodimac | 60% | 46% | 20% |

| | Mexico | | |
|-----------|--------|------|------|
| | 2018 | 2019 | 2020 |
| • Sodimac | 67% | 83% | 53% |
| • Linio | 52% | 49% | 52% |

Net Promoter Score Financial

| | Chile | | |
|-------------------------------|-------|------|------|
| | 2018 | 2019 | 2020 |
| • CMR Argentina | 60% | 52% | 53% |
| • Banco Falabella y CMR Chile | 67% | 64% | 66% |
| • Banco Falabella Perú | 40% | 54% | 66% |
| • Banco Falabella Colombia | 61% | 60% | 61% |
| • Banco Falabella Colombia | 61% | 60% | 61% |

At **FALABELLA** we are accelerating our investments and developing capabilities

to leverage our scale and volume, in order to build the most efficient logistics network in our markets.

Nota: The explosive growth in online sales and the restrictions imposed in the Pandemic by Covid-19, impacted some businesses on the quality of service perceived by customers with a drop in NPS levels.



1.2 Escalating our logistics capacity

At **Falabella**, we want to provide our customers and Sellers with an excellent omni-channel shopping experience. This requires accelerating our investments and developing capabilities to leverage our scale and volume, in order to build the most efficient logistics network in our markets, and provide storage and distribution services for retailers and Sellers; based on a scalable and flexible technological infrastructure.

We faced unprecedented challenges during 2020, as our retail business in the region was restricted to varying degrees due to health and mobility restrictions imposed by the authorities, which made it impossible for our physical stores to operate normally and resulted in a decrease in Click & Collect deliveries. However, online sales grew strongly, resulting in a 124% increase in Department Store sales in the region for example, which represented 49% of total e-commerce sales. Therefore, we had to quickly strengthen and expand our logistics capabilities to handle this rapid online growth and fulfill our commitments to customers.

Falabella Retail in Chile increased its installed capacity by 130% to manage e-commerce growth and transformed some of its physical assets into Dark stores to support last-mile logistics. These fulfilled an essential role by operating as specialized category warehouses to improve delivery efficiency, and by decentralizing picking capacity, together with "Ship from Store" services, to manage the volume of orders.

We increased our dedicated fleet by 350% to strengthen control over deliveries and recover to our service levels prior to the pandemic.

We recognized that our customers value the Click & Collect option, so we launched the first Drive Thru point in Open Kennedy (Chile) during the third quarter of 2020, which increased agility and comfort for customers. We now have 6 automated **Click and Collect** points (Cleverons) and expect to reach 13 points during 2021 that use this technology.

Falabella Retail in Peru implemented the "Put to Wall" order consolidation process and the picking capacity increased by 110%. Gray Stores were created at Atocongo and San Isidro to meet online demand and the Aldeas Distribution Center was commissioned, whose 10,000 sqm are shared between Falabella Retail and FBF, while the Villa El Salvador distribution center is being modernized to subsequently provide exclusively Fulfillment services.

Capacities were also increased in Colombia by over 100% and consolidation processes were improved. The new Home Appliances Warehouse will begin operations by mid-2021. It contains an 11,600 sqm built area and will specialize in storage and retail services for this product category, intensify home delivery services, and create synergies for the three retail formats.

During 2020, we also improved our Fulfillment services to Marketplace Sellers, by putting the entire Falabella logistics chain at their disposal, in order to reach our customers faster.

Sodimac faced a double challenge in 2020. The first was protecting the health of its employees and the second was responding to the explosive growth in demand with fewer employees able to work. Various measures were deployed across all its facilities and countries to protect employees, such as taking their temperature, frequently sanitizing Distribution Centers and redesigning processes to maintain social distancing.

Meanwhile, Sodimac continued to meet its customers' requirements and increase the efficiency of its logistics chain.

In Chile, major milestones included opening a warehouse specifically for Home Appliances and a warehouse specializing in Reverse Logistics. Both distribution centers were designed to improve customer deliveries and reverse logistics services. Progress continued automating the Lo Espejo Distribution Center, with the Super Butler System (SBS) deployed during 2019, which has increased the efficiency of portable product deliveries.

In Peru, Sodimac continued to strengthen its logistics capacity, and expanded the capacity of its Lurin distribution center by 3,700 sqm, which increased its picking positions by more than 1,500.

Systems were added in Brazil, to improve last-mile delivery traceability.

In Colombia, a new flat-bed truck Distribution Center was opened in Madrid, Cundinamarca, to centralize flat-bed truck handling in Bogotá. The GTP robot project was implemented at the Funza Distribution Center, to increase the efficiency of portable product distribution. Tenjo's capacity for non-portable products was increased by 70% and the Sodimac Fulfillment project began.

In Mexico, automatic routing from the Distribution center was implemented during 2020, and home delivery services to foreign areas began, based on local packing networks.

Tottus: The growth of online sales led to tripling its home food delivery capacity, mainly due to opening a new dark store in La Farfana (Chile) and expanding gray stores at La Marina and Huaylas in Peru. The first fully dark store is being built in the heart of modern Lima, which expects to create additional installed capacity for the Tottus.com and Fazil markets in 2021. Non-food capacities were increased in our distribution centers in Chile and Peru, particularly the BTL project which integrates the group's home appliances deliveries and has improved the installed capacity in Peru. The Distribution Center in Chile centralized its refrigerated products entirely under the control of its own personnel.

Distribution centers and Square meters¹²



¹² The total square meters by country includes Distribution Centers, transfer centers and external warehouses



CORPORATE HOME DELIVERY

The Corporate Home Delivery unit integrates the logistics of our retail stores, which previously operated independently, in order to provide our customers and Sellers with an

EXCELLENT DELIVERY EXPERIENCE THAT AIMS TO DELIVER MOST PRODUCTS WITHIN 48 HRS.

The focus of this plan is to:

- Increase the order processing and packing capacity of current distribution centers in Chile, Peru and Colombia.
- Escalate third-party product processing capabilities.
- Integrate logistics assets to unify home delivery logistics (new transfer centers).
- Strengthen Fazil, the last mile App, in Chile and Peru, which will include products from Falabella Retail, Sodimac and third parties, and distribute Tottus products.

The new unit also aims to improve and strengthen the proposal for Sellers, by escalating Fulfillment capacities, as a 15,000 sqm physical space will be dedicated to storage, packaging and third-party product delivery services, in order to support and streamline last-mile performance.

This integrated Home Delivery unit aims to strengthen the omni-channel experience by leveraging the existing store network for multi-format Click & Collect deliveries. We believe that for omni-channel retailers Click & Collect is a differentiating advantage and we will continue to invest and modernize it, in order to improve the shopping experience for our customers.

By the end of 2020, we had nearly **400** C&C points in the region, of which **230** are multi-format,

where our customers can buy their products online and collect them at any physical Falabella, Sodimac or Tottus store that provides this service. We extended the automation system at these points in 16 Falabella, Sodimac and Tottus stores and we hope to reach 42 in 2021, to continue improving delivery productivity and providing our customers with the best experience.



1.3 Financing and payment methods

We achieved significant milestones in 2020, and made progress with our dual purpose of becoming a fintech that provides simple digital banking services, while providing financing and payment services that strengthen the value proposal offered by our ecosystem.

During the year, we also focused on supporting our customers who were affected by the pandemic, particularly those in severe difficulty. Banco Falabella and CMR granted our customers repayment extensions, grace periods and obligation restructuring options, to help them partially overcome the most difficult months of the pandemic. We deployed virtual customer service channels when face-to-face services were reduced, and we were concerned about the safety of our team.

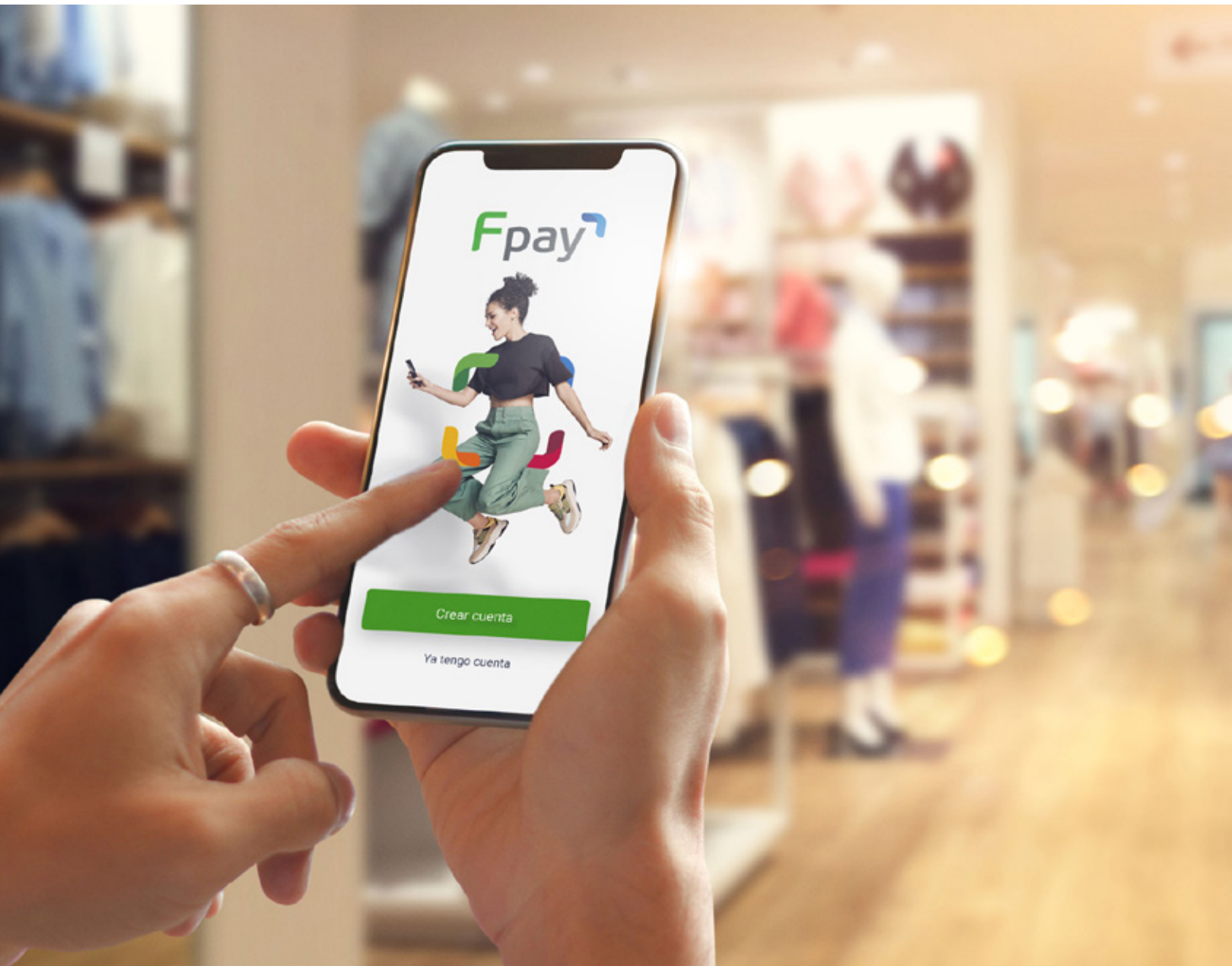
The main 2020 milestones in our transformation into a digital bank were as follows:

Accelerated the digitalization of our products, channels, capabilities and organizational model

- We launched the first fully digital credit card on the market in Chile, Peru and Colombia. Users can operate our fully digital CMR card using their smartphone, and physically pay using QR codes or Tap & Pay and can digitally pay without using the plastic card. This card can be requested online at our e-commerce sites and our customers can immediately receive our Unique Opportunities. Launching this card and other benefits, such as Digital Self-Inspection Auto Insurance, means that our customers can begin enjoying our digital ecosystem.
- We made great progress providing our customers with digital solutions during 2020. We strengthened our digital channels with many new features which simplified our customers' daily interactions with the Bank. An example is a simple and fast payment portal for our less digitalized customers in Chile, Peru and Colombia, where they can pay for their Statements from the public site, without an internet password. Initiatives like this have encouraged our customers to explore digital transactions.
- This year we included **Machine Learning** techniques into our card issuing models in Chile, Peru and Colombia, using the information available from our retailers and our Loyalty Program. It considerably increased the predictive power of our models and expanded the number of customers receiving credit offers by 40% in Chile and Peru, and by 10% in Colombia.
- During 2020 we made progress implementing a **homogeneous, agile and scalable technological architecture** in the region. Examples of this progress are implementing a new banking core in Peru, amending the transactional switch in Chile, Colombia and Mexico, escalating fraud prevention tools by unifying the engines in Chile after the Bank-CMR merger, and migrating information and our main platforms to the cloud, including our digital channels and customer journeys.

Finalized the integration of Banco Falabella and CMR in Chile

- The integration of Banco Falabella and CMR in Chile began towards the end of 2018, the latter becoming a subsidiary and support company for the Bank's business. During 2019, we consolidated both companies and achieved good cross-selling performance as a result of making all our products available at branches of both CMR and Banco Falabella.
- We achieved a new milestone in September 2020 when we integrated the digital channels of our Bank and CMR in Chile. This event simplified the way our customers interact with us and improved personalized communication with our customers, while increasing its importance. It also meant that we could add new features to the Bank's App and Website, such as quotas for card purchases, which strengthened our customers' omni-channel experience.



Developing digital solutions that enhance the value proposal offered by our Falabella ecosystem resulted in the following:

We launched our own digital payment processing solution

- Early in the year, we launched our **Fpay virtual wallet** in Chile, which gave our customers a new digital payment method that can be used in our stores and third-party stores. It is secure, contactless, earns CMR Points and enabled us to incorporate new customers into the Group, by providing a simple tool for transfers between people. In November, we also launched Fpay in Peru.
- In Chile we made significant progress with our **payment gateway** (PSP), where we consolidated CMR card purchasing into our entire e-commerce platform, and third-party cards into Falabella.com and Sodimac.com. We consolidated fraud management into all our sites, which has improved sales conversion and the efficiency of these processes.
- We launched payment using **QR codes** using Fpay in all Falabella, Sodimac and Tottus stores in Chile and Peru, which improved the shopping experience of our customers.

We developed new financing programs for people and Sellers

- We launched **Sales Finance** at Linio Chile during 2020. This is a new form of digital financing for online purchases in installments, but without using a card. Customers can use this solution to purchase expensive items, without using their credit card. We also implemented this innovative solution at our Sodimac stores in Colombia.
- This year we launched a **financing pilot for our Sellers** at Linio Chile, by granting working capital loans so that they can escalate their business with us. This pilot marks a milestone for Banco Falabella, by entering the SME segment through our Sellers. In the future we expect to complement the financing offer to our Sellers with payment and fraud management solutions and our benefits program, which will help them to sell more within the Falabella ecosystem.

Digital customers
2020 / 3,5 million

**Full digital CMR card
openings**
2020 / +250,000

**Total Processed
Value (TPV)**
2020 / US\$2,606MM
Variation 140%

**Origination through
digital channels**
2020 / US\$ 950 million



1.4 Data analysis and business intelligence

Data & Analytics supports Falabella's vision of simplifying the lives of customers in Latin America and transforming their shopping experience. This requires becoming the regional company that best understands its customers and accordingly makes the best decisions, in order to strengthen its value proposition.

Our strategy is based on four pillars. These are first and foremost, focusing on the best talent in Data & Analytics. Second, using these talented people to create tools, products and Data Lakes in the Data Technology ecosystem, which form the foundations that support execution. Third, developing differentiating analytical capabilities for each market, such as advanced analytics and visualization. Four, the most important pillar; making the best use of data in decision-making and adding value to the ecosystem by leveraging the other three pillars.

During 2020, we redefined various processes to ensure that we retain the best Data & Analytics talent in Falabella, and we created Centers of Excellence such as the Chile-India Data Factory, which have made us market leaders in terms of quality and time-to-market.

These teams have completed key short and long term Data Technology projects. We completed Data Lakes in the cloud for each business, we developed the Customer Data Platform (CDP), which is a customer Data Lake for our businesses in Chile, Colombia and Peru that has already begun to create value through Direct Marketing initiatives and customer value propositions. The CDP includes Machine Learning layers that have increased our understanding of customers and the relevance in our interaction with them. The Spain&Latam CDO (Chief Data Officers) Club awarded the "Best Data & Analytics Strategy in Latam" prize to the Falabella Group for this initiative, as it is considered international state-of-the-art in terms of analytics, security and data governance. During 2021, the focus will be expanded to Supply Chain Data Lakes for corporate support departments, such as Finance and HR, and continue the data driven transformation of the remainder of the organization.

Furthermore, a single campaign orchestrator was introduced for every Falabella country and business, to optimally coordinate Direct Marketing campaigns. This project will improve the customer experience, improve their relevance in terms of timing and channel, and introduce best practice to each business.

The combination of these Data Technology initiatives, together with the development of differentiating capabilities for data governance, advanced analytics and visualization, has achieved significant progress for Falabella in personalizing its 1-to-1 contact with customers, both virtually and in person. It has also improved strategic decision-making in terms of prices, inventories and logistics, based on data and advanced analytics, by placing the customer at the center of our decisions.

+265 million
business transactions
annually

+222 million
visits to our shopping
centers in 1 year

+2,143 million
visits to our retailers'
websites

30 million
identified customers

30 million
e-commerce orders



Loyalty program

During 2020, we set out to significantly increase the number of customers in the program, expand redemption options and digitize our customers' main journeys, from registration to the redemption of points.

Accordingly, we achieved several milestones as follows:

- We expanded the program by opening CMR Points for all payment methods in Chile, Peru and Colombia.
- We launched a new promotional product redemption site on a Linio platform, with free delivery on all products.
- We launched the digital redemption of experiences and coupons in Peru and Colombia. Then we launched redemptions at various partner businesses other than Falabella in both countries.
- We significantly expanded redemption options in Chile, Peru and Colombia, with a focus on entertainment, food and remote experiences.
- We migrated to a new consolidated Corporate Loyalty System, which is independent of the Banco Falabella systems in each country.
- We launched a new customer category called "Fan", to reward our most loyal Retail customers. This strengthened the program as it already had the Premium and Elite customer categories.
- We strengthened the importance of the program and the brand, especially in Peru and Colombia, by increasing the value of each point and increasing our presence in our own media and general retail media.

30 million customers in the region

Over 100 redemption partners in the region

+10 million members on the program

+900 thousand digital redemptions during the year



#1 in Top of Mind and Preference in Chile





1.5 Development of a unique and flexible platform

2020: simplifying our customers' lives at every point of contact

Our investment priority continues to focus on technology and aims to develop a flexible and robust technological platform, which strengthens the integration of our e-commerce capabilities as a growth engine for our physical-digital ecosystem. Our technology investments in 2021 are focused on:

- Launching the "Integrated Seller center". This is a unique platform where Sellers can publish their products and manage their payments and invoices.
- Developing a unique e-commerce engine for falabella.com
- Continuing to escalate the capabilities and integration of our unique payment processing platform based on Fpay, to unify e-commerce.
- Strengthening the express delivery management engine based on Fazil, to provide this service on Falabella.com for both products (1P) and Sellers (3P).
- Strengthening logistics system integration and last mile visibility.

Technology is an enabler across the entire organization, and is key to empowering the organizational dimensions of **Culture, Tools and Developments, and IT Capabilities.**

Culture

We have treated the challenges brought by 2020 as opportunities to accelerate the digitalization of our organization and our customers. It tested the speed of our response to ensuring the safety of our employees and customers, while suitably adapting processes and decisions to keep stores, warehouses and central offices functioning, which is absolutely crucial. By adapting to new ways of working, we effectively made technology function remotely and at sufficient scale across the region.

Our teams have demonstrated adaptability, resilience and a tremendous spirit during these difficult times, by keeping the e-commerce portals always available and productivity at its peak. Thus, over 50 programmers and developers events were conducted smoothly during the year, and we are evolving towards an organization where technology is at the core of value.

We built and launched a booking system for our customers to visit our stores, banks, shopping centers and offices. This ensured social distancing and avoided long lines. Today, 100,000 bookings are made each day in all countries. We accelerated the digitalization of customer journeys, given that digital channels have a leading role within the business, which has reduced site response times by half, while more effectively managing the increase in traffic and orders during the pandemic.

Digital Factories in India, Chile and Argentina have continued to increase their capacity, and hired additional specialized developers. These factories have developed agile and continuous automation practices.

Tools and Developments

New developments and better tools are constantly required, to continue building a technological organization, particularly under the new way of working due to the pandemic. Our development teams use tools that accelerate and automate software development, which support the DevOps philosophy.

We continue to strengthen and update our platforms, by eliminating any dependency on legacy systems and replacing them with internal micro-service technology developments, with the aim of reducing response times and increasing flexibility. The key focus of our developments is to integrate our logistics systems, by leveraging a single order orchestrator to improve the traceability of each order and improve delivery times. It uses a cloud-hosted platform and has been completely built in-house to be scalable. Technologies such as BPM, in-memory database, Pub/Sub, real-time communication, Selenium monitoring and VictorOps, form part of this technological transformation journey.

Meanwhile, the technology developed for Fpay is designed to meet the demands of our consumers and we are integrating Fpay online and offline in our retail companies (Falabella Retail, Sodimac, Tottus), Apps and e-commerce (Falabella.com, Sodimac.com, Tottus.com, Linio.com, Fazil), which will help the company to grow and strengthen its digital presence in the financial sector. The integration of Fpay with Falabella's new marketplace strategy has been initiated.

Key pieces of the Data and Analytics ecosystem were developed to drive Falabella in the short and long term. A corporate customer data platform was created that improved our understanding of the requirements and preferences of our customers. CDP was awarded the 2020 Best Data and Analytics Strategy in Latin America.

IT Capabilities

Our focus is on building key systems and platforms that will continually differentiate our businesses and develop our physical-digital ecosystem.

The integration of a single orchestrator into all business units has improved the quality of communication with our customers. The creation of an integrated cloud-based Data Lake for each business, with the best security and data governance practices, ensures scalability and business decisions based on data and future innovation.

We are replacing the e-commerce system with an easy to expand, modern technological platform, as it has truly become an accelerator for the overall

transformation of the company's digital footprint. The discovery part of the customer journey has already been replaced on all platforms (Falabella, Sodimac, Tottus and Linio), while the transaction part of the experience is ongoing.

We have begun to integrate all the supply chains of our retail companies. A joint distribution pilot was launched in Osorno (Chile) during this year, which will expand during 2021 to another 17 transfer centers, creating a mega-network that will improve delivery times and frequencies.

Our ecosystem capabilities also impact the physical world and generate a true omni channel experience. We want customers to complete their journeys, regardless of the channel where they began a purchase, whether they begin online and complete in-store, or vice versa. We want to suggest personalized recommendations in stores just as we would on the website, to simplify the payment process as much as possible, and make other improvements.



2. COMPREHENSIVE DEVELOPMENT OF OUR EMPLOYEES

Falabella and subsidiaries are comprised of over 100,000 collaborators, belonging to six business units, with operations in seven countries in the region, which makes us intrinsically diverse and proposes a great challenge: to promote the value of being One Team. Collaborators are the most important component for the growth and transformation that we live permanently, and therefore the promotion of a culture based on meritocracy, agility, inclusion and collaboration, is what moves us forward every day.

Therefore, Falabella and each of its subsidiaries has a people management strategy based on 3 pillars: **Agile Talent, Constructive Culture and Flexible Organization.**

I. Agile talent

Talent management is a pivotal pillar of our ecosystem and therefore, we value and work on the professional and personal development of our collaborators. We seek to provide tools that enable the enhancement skills and promote spaces for integral development, which value and recognize our collaborators' achievements, merits, performance and skills.

During 2020, we had a strong focus on attracting digital talent and creating agile work methodologies, in part via the creation of theme-specialized cells within each department. With the above, we seek to adapt the way in which we work, adding flexibility, speed and collaboration, thanks to the involvement of all the necessary business units in the execution of specific projects.

We are continuously providing training and academic education programs which enable people to realize their professional growth plans.



Talent attraction

At Falabella, our purpose is to consolidate as One Team, so we strive to identify and attract the best talent in the market and develop such talent within the Falabella ecosystem. We have emphasized the attraction of talent in the areas of Information Technology, Data and Logistics, for which we conduct various initiatives, led by four cells transversal to the business units: employer brand and recruitment, selection, development and training.

In order to ensure the quality of the candidates and the recognition of Falabella as a benchmark in the digital market, we have carried out a process to strengthen our Employer Brand and defined four axes: we dream big, we grow as a team, we act thinking of others and we live better.



Initiatives to attract talent



Talks y Demos by Falabella: In order to share knowledge among our collaborators and business units, we created the new "Talks" and "Demo" by Falabella instances, which correspond to talks provided by the collaborators themselves, where they showcase the new technologies in Falabella and the features, codes and applications created are shown. To date we have conducted 10 Talks with more than 1,000 participants and six Demo held with more than 700 participants.



Training on LinkedIn Recruiter : we conducted three training sessions during the year for more than 200 leaders, in which they learned to use the platform effectively, learned about the new features of LinkedIn Recruiter and received recommendations to have a greater impact and thus enhance recruiting the best talent for their team and the organization.



Falabella Ambassadors: executive training and certification program, with the objective of showing how culture is lived within Falabella and position our executives in the market, supporting them in the creation of content and disseminating their points of view via LinkedIn. In 2020, we launched our first version with 16 executives belonging to various Falabella business units.



Attraction of Young Professionals: in the search for the best young talent, we leverage the power and variety of our businesses as a competitive advantage. We work as One Team, transmitting a corporate value proposition in the various activities in which we are involved and position Falabella among the best companies to work for. During 2020, we consolidated our presence in Chile, Peru and Colombia via 21 job fairs and 12 university lectures. This work positioned us among the 20 preferred companies to work for young people in technology, achieving position 13 in the First Job Top of Mind study.



Falabella Challenge: We held the first corporate version of the Falabella Challenge in Chile, an event that seeks to attract, identify and select the best young talent to fill vacancies in various businesses. The event was 100% virtual, we had more than 300 people connected and the students were able to learn more about our companies, main challenges and share some time with our leaders.



Internship Day: We want to identify and retain talent before they finish their studies, so we carry out initiatives focused on internship students, such as the 2020 Intern Day in Chile. On this occasion, we invited over 100 interns from the headquarters of all our businesses to a special meeting, where they could share, reflect on the client and enjoy a happy hour.



Training and Development

When employees first join Falabella, we conduct an induction process, e-learning courses and internships in stores or distribution centers, which allow them to get in touch with the company's culture. Always seeking to strengthen our value of being One Team, we have developed a corporate induction capsule that is included in the welcome program of each business, in all the countries where we operate. The goal of this initiative is to welcome all collaborators who are joining Falabella, and let them know about relevant aspects of our culture and way of doing things. This capsule showcases Falabella's purpose, its values, and explains the Physical and Digital Ecosystem strategy, in addition to addressing legal, cybersecurity and sustainability issues that are important for new collaborators to know from their start.

Then, specific and technical courses are available to all employees, which provide them with information and tools to successfully achieve their professional and business objectives.

| | | |
|------------------------------------|-----------|-----|
| Total training hours | 2,880,605 | |
| Average training hours by employee | 34 | |
| Average training hours by gender | WOMEN | MEN |
| | 35 | 34 |

The following data shows that during 2020 there was a drop in training hours in the group of Other Collaborators, given that as a consequence of the Covid-19 pandemic, several of our business units had to adapt the training plan, mainly due to the fact that many of them were designed to be conducted in person. Although in most of the cases it was possible to make a remote mode adaptation, there were other cases in which the activities could not be redesigned.

On the other hand, training hours in Professionals and Technicians and Managers and Executives, were boosted due to an increase in training instances in online mode, including: seminars, leadership academy, webinars and e-learning courses.

Average training hours by employee¹³

| | Managers and Executives | | | Professionals and technicians | | | Other employees | | |
|--------------|-------------------------|-----------|-----------|-------------------------------|-----------|-----------|-----------------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| Female | 52 | 33 | 32 | 26 | 27 | 51 | 27 | 35 | 30 |
| Male | 46 | 35 | 33 | 30 | 30 | 32 | 38 | 46 | 34 |
| Total | 48 | 34 | 33 | 28 | 29 | 40 | 32 | 41 | 32 |



Main training programs

Academia Falabella: We seek to accompany and manage the Falabella cultural transformation, as well as the development of Talent, via empowered leaders who act as essential enablers to achieve our business purpose and strategy. To this end, the Ecosystem Leaders Program was based on offering 100% digital content and learning spaces in the areas of strategy, technology and leadership, with a total of 28 topics addressed, 54 live sessions, 60 video capsules and 32 speakers involved.

Similarly, we implemented the **Digital School**, a job retraining program to enhance the transformation we are experiencing, offering our employees opportunities for training, employability and development in digital roles.

¹³ The calculated data has a 79% total staff coverage, so the training hours could have been longer. Hours reported include training and development activities, both for aspects more related to the execution of functions, as well as instances for the development of transversal professional skills. Training for the management of the Covid-19 pandemic is also included. In-person and remote instances are included.

Its main objectives and results were the following:

- 1.** Develop skills to manage change: 95% of participants passed the Ecosystem Leaders Program courses, evaluating them with a 4.4 score on a satisfaction scale of 1 to 5, and an NPS of 58.
- 2.** Promote a culture of shared values to contribute to the ecosystem: we managed to train 213 executives from all of our businesses and countries, with an average of one training hour per week, achieving 62 certified executives in the program.
- 3.** Create training spaces, transfer of good practices and delivery of tools: 744 people applied to the Digital School (187 Colombia and 557 Chile), of which 150 were selected for the program that consists of 3 phases: Digital Immersion, Technical Bootcamp and Work Practice. Of all 150, 66 people passed the first phase advancing to phase two "Technical Bootcamp", in which we had 46 people training as Front End Developers and 20 as Digital Designers by the end of 2020.

Sponsorship programs¹⁴: In the same professional training context, we have funded MBA and Masters programs abroad since 2009, with the aim of promoting and enabling the improvement and development of collaborators with a good performance and high potential for Falabella. We also have Study Scholarships to access local MBA / Master, Diploma or Career programs, financing 75% of the total fee and granting the remaining 25% as an interest-free loan.

Soy Falabella Platform: as a new solution to our work and learning style, we are deploying a new learning platform. It is customizable for each student, with auto-assignment of classes and access to calendars, documents and course progress profile. This tool also allows us to have greater traceability of content, results and reports in real time. This 2020 we populated the training platform with over 240 courses, divided into 19 topics, tripling our visits.

All business units have robust training meshes to strengthen the customer service, sales and product handling capabilities of all people in direct contact with our customers. The greatest challenge in current learning programs is the speed of the changes experienced by our society, which forces a continuous update of knowledge and skills. With this purpose in mind, we already have conducted the first contents **self management and digitization**, which are the trends that we must continue to promote and which will probably become the main path for learning for collaborators at our businesses.

Performance management initiatives are added to these training instruments, which allow us to identify collaborators with high potential and support their development. We seek to harness the power and diversity of our businesses as a competitive advantage to attract the best talent and create synergies enabling us to make our operation more efficient. Among the main initiatives we find:

¹⁴ For sponsorship programs, the collaborator must meet various requirements. Among them: i) have a satisfactory performance evaluation; ii) have a minimum seniority of 2 years; iii) have the approval of the Director and Area Manager.



**MUE
VETE** →

**IN FALABELLA WE PROMOTE
THE EXCHANGE OF BEST
PRACTICES AND CULTURAL
PRINCIPLES**

**TO STRENGTHEN
OUR VALUE OF
BEING ONE TEAM**

- **Career Plans:** In order to empower and retain our digital talent, we have designed professional growth paths, which comprise several stages and each one of them implies new challenges in terms of **skills** development, which can accompany our collaborators in their professional careers. To date, we have already built 8 career plans geared towards IT, Data and Logistics teams.
- **"Move":** in order to increase the mobility of collaborators between businesses and Falabella countries and promote the exchange of good practices and cultural principles, we communicate and promote job opportunities within the organization, so that our values of being One Team and Grow for our achievements are strengthened.
- **Hiring Experts Leaders Program:** training instances were designed and developed on how to attract talent, conduct successful interviews and have a differentiating process to ensure the selection of the best talent for Falabella.
- **Falabella Digital:** a space that seeks to connect all Falabella's digital talents, to share technological trends, current affairs, development opportunities and self-managed training. Today it has more than 2,500 participants from all the countries where we are present and from different companies.

Turnover and hiring rates at Falabella

Turnover¹⁵ and hiring¹⁶ rates of the company, reached 46% and 37% during 2020, respectively. These percentages include all work contract modes available at Falabella and its business units: fixed-term, indefinite, full-time and part-time work contracts. If we only consider central headquarters staff, with the same contract modalities, the turnover was 35%; while for branches, stores and distribution centers it was 48%.

| Age | |
|-------------------------|-------------|
| | Hiring Rate |
| Less than 30 years | 61% |
| Between 30 and 40 years | 23% |
| Between 41 and 50 years | 16% |
| Between 51-60 years | 10% |
| Between 61-70 years | 5% |
| More than 70 years | 6% |
| Total | 37% |

| Country | |
|--------------|-------------|
| | Hiring Rate |
| Chile | 35% |
| Peru | 50% |
| Argentina | 5% |
| Colombia | 16% |
| Uruguay | 19% |
| Brazil | 33% |
| China | 18% |
| India | 46% |
| Mexico | 90% |
| Total | 37% |

| Work place | |
|--|-------------|
| | Hiring Rate |
| Stores/branches/ shopping malls/ storage/distribution centers | 39% |
| Central offices | 23% |
| Total | 37% |

| Turnover Rate | |
|-------------------------|---------------|
| | Turnover Rate |
| Less than 30 years | 66% |
| Between 30 and 40 years | 33% |
| Between 41 and 50 years | 26% |
| Between 51-60 years | 26% |
| Between 61-70 years | 50% |
| More than 70 years | 96% |
| Total | 46% |

| Turnover Rate | |
|---------------|---------------|
| | Turnover Rate |
| Chile | 47% |
| Peru | 51% |
| Argentina | 70% |
| Colombia | 25% |
| Uruguay | 26% |
| Brazil | 35% |
| China | 25% |
| India | 14% |
| Mexico | 86% |
| Total | 46% |

| Turnover Rate | |
|--|---------------|
| | Turnover Rate |
| Stores/branches/ shopping malls/ storage/distribution centers | 48% |
| Central offices | 35% |
| Total | 46% |

¹⁵ Turnover rate are measured as the total of employees who leave the organization voluntarily or due to dismissal, retirement or death, over the total staff, on the reported period.
¹⁶ Recruitment rates are measured as the number of new hires over the total staff during the reported period.

II. Constructive culture

To strengthen our value of being One Team and achieve cultural alignment, we have worked hard to promote collaboration in all its senses, creating initiatives and tools that are useful for all collaborators, regardless of their business unit. In this fashion, the development of leadership and trust, the promotion of collaboration and the inclusion of all our collaborators, ensuring that they feel connected, respected and valued from their own identity, are our main focuses to achieve a constructive culture.

Develop leadership and trust

Falabella seeks that its collaborators obtain **performance evaluations**¹⁷ that favor their professional development, allow them to trace their growth paths based on dialog, enhance their leadership and align themselves with the culture. In 2020 we carried out two processes: Top management Executive Evaluation, and 360°, 180°, 45° or other performance evaluations, for other collaborators. We managed this through a common tool by which we measure skills, potential and specific KPIs. This is a concrete example of how we promote a culture of everyone being One Team: a common performance evaluation tool, in which skills are based on the same corporate principles and values, for employees of all our businesses at the regional level. The goal of this instrument is not only to identify talent, but to also create individual development plans enabling each assessed employee to improve their results and boost their potential.

In the case of the Executive Evaluation, the goal is to evaluate 100% of the staff with a minimum of four months in the position and / or company, who occupies a manager, assistant manager position and other core positions of the business, including all countries and businesses where Falabella is present today. During 2020, 2,683 executives evaluations were conducted in Chile, Peru, Colombia, Argentina, Brazil, Uruguay, Mexico and Asia.



INCLUDING ALL EVALUATIONS¹⁸ OF OUR COLLABORATORS DURING 2020, OVER 90 THOUSAND WERE CONDUCTED REACHING 86% OF OUR STAFF¹⁹, AS SHOWN BELOW: AL 86% DE NUESTRA DOTACIÓN, COMO SE MUESTRA A CONTINUACIÓN:

TOTAL EVALUATED IN EXECUTIVE:
2,683

TOTAL EVALUATED IN GENERAL PROCESS:

88,846

¹⁸ Executive Evaluation, 180° Evaluation, 90° Evaluation, 45° EDD, among other.

¹⁹ The staff considered for the coverage calculation in 2019 was 90% of the total. For 2020, 100% of the staff was considered.

Percentage of evaluated headcount²⁰

| | Managers and Executives | Professionals and technicians | Other collaborators | Total | |
|--------------|-------------------------|-------------------------------|---------------------|------------|------------|
| | 2020 | 2020 | 2020 | 2019 | 2020 |
| Female | 100% | 87% | 87% | 69 % | 87% |
| Male | 94% | 90% | 82% | 75% | 84% |
| Total | 97% | 89% | 84% | 72% | 86% |

Performance Management Top 200 : In order to follow up on the development plans agreed upon in the performance evaluation talent committees, performance management panels are created by business, which are quarterly reviewed with each corporate general manager and in a monitoring committee with the CEO. These include development actions committed to be deployed with top performers, critical talents, and low performers.

¹⁷ The number of evaluations indicated above corresponds to year 2019, since 2020 performance evaluations will close in the first quarter of 2021.

²⁰ The headcount considered for the coverage calculation in 2019 was 90% of the total. For 2020, 100% was considered of the headcount.

Promote collaboration

With the aim of promoting collaboration and fostering our shared values, we strongly leverage the creation of community and talent retention, which - at the same time - speed up Falabella's transformation. We do part of this effort via the following events:

Hackathon: With the aim of creating a community, retaining talent and speeding up Falabella's transformation, we held a virtual internal event where digital talents from all over our region gathered to star in 48 hours of creation and innovation, in which we sought to design solutions in favor of the digitization of our ecosystem. Over 500 people registered for the event, 62 teams presented solutions (335 collaborators), belonging to six business verticals (Data, Logistics, E-commerce, Payments, Loyalty, Marketplace). To this end, we had 32 mentors who supported the development and evaluation, and 22 leaders involved in the organization.

Made in Falabella¹⁹: in order to sensitize our collaborators about the importance of innovation as the driving force of our culture, recognize the entrepreneurial spirit and promote collaboration and the sense of One Team among people from various units, businesses and countries, Falabella develops this contest in which participants must form teams and submit an innovative project. Corporate Managers, General Managers and Managers of related to innovation and technology, participate as jury of the contest. Additionally, since Falabella values and encourages diversity, groups that are made up of people from different business units / areas / companies / countries, or have members of more than one gender, will receive a higher score in the evaluation.

Roundtable: it is a meeting instance that is held four times a year, which involves about 2,900 Falabella executives. In this instance, teams are acknowledged; cultural issues are discussed via testimonials from collaborators; and the business results are reviewed, addressing the most relevant issues with a multi-business perspective. This is transmitted by streaming to the nine countries in which our offices are located and at the end of the event, via the use of an app, guests can send questions, which are answered by the executives. The objective of this meeting is, on the one hand, to update leaders on the reality of the business and answer their questions about the issues addressed; and on the other hand, aims to strengthen our culture, in a unique instance that allows us to meet as One Team, learning about the main milestones of Falabella's Physical and Digital Ecosystem and recognizing outstanding teams both in the Ecosystem and in living the corporate values.

¹⁹ <https://hechoenfalabella.com/>

Workplace: we are deploying this Facebook tool to strengthen communication, team sense and pride among all collaborators from various businesses and countries, as an information and collaboration network. In 2020, we were able to add Tottus Chile and Peru, in addition to including the almost three thousand leaders of all Falabella businesses and countries into its use, who can also see the Round Table from this platform. During the pandemic, Workplace became the main means of communication for businesses. The challenge going forward is uploading the missing businesses: Falabella Retail and Mallplaza.



The value of being yourself: diversity and inclusion

For Falabella, inclusion implies that we are not only able to attract diverse people, but that all of them are effectively a part of the company, contributing from their identity and circumstances. Inclusion is essential for each person to develop their potential, value and identity and our goal is to reflect this in our organizational culture.

Our team includes over 10 nationalities, we have a 50% women representation and we serve 30 million customers across the region. Diversity is part of our identity. The biggest challenge is to understand inclusion as a strategic and fundamental value in the way we build the future.

In this same sense, Falabella's Diversity and Inclusion Policy sets its commitment to: i) respect and protect the dignity of all people; ii) promote an inclusive and diverse work environment²⁰; and iii) reject any arbitrary discrimination. It also creates standards, structures and common processes, with special emphasis on three Inclusion Groups: Gender, Sexual Diversity and People with Disabilities.

In order to ensure the correct implementation of the aforementioned Policy, it was proposed to work under the Affirmative Actions criterion. These are concrete, perceptible actions, consisting of affirmative commitments requiring execution and which can be measured; The purpose of which is to reduce or avoid the difficulties faced by people belonging to an Inclusion Group and that may obstruct their opportunities to insert, function and fully develop in the workplace.

During 2020, we worked to determine the Affirmative Actions that would apply to each Inclusion Group in a transversal fashion, to all our business units. Some of them are:

- In order to equalize benefits between men and women, it was decided to supplement the maternity salary for women and paternity over the legal limit, in addition to giving five additional days to the legal requirement for men who choose a short paternity leave.
- We defined that, if the ratio between men and women was greater than 60%, the search for candidates of the less represented gender would be forced in order to eliminate gender biases that may exist within certain business areas.
- In order to increase the participation of women in executive positions, we determined that at least 1/3 of the long list of top and middle management must be women.

²⁰ A corporate Diversity and Inclusion Committee was created along these lines, joined by Diversity and Inclusion Committees for each business unit in Chile and a Committee of the same nature for each country in which we operate. Additionally, these data do not include Sodimac in Mexico.

- To equalize and / or improve the benefits to LGBTIQ + collaborators, we provide the same benefits to Civil Union Agreements as marriages, in addition to including LGBTIQ+ couples within our complementary insurance.

Additionally, during 2020 we were able to become the first company in Chile to provide complementary insurance coverage for financing psychological support, hormonal treatment and sex reassignment surgery.

- To increase the attraction of LGBTIQ+ talent, we not only joined the Pride Connection Network, but also began using their Job Portal²¹ to post opening positions within our businesses.
- In order to increase the attraction of talent from People with Disabilities (PwD), we offer support in obtaining credentials to 100% of those who request it, in addition to working hard to comply with the 1% PwD of total staff.

We supplemented this work with the launch of two protocols under the auspice of the Diversity and Inclusion Policy:

- In the quest to be a part of the prevention of Gender Violence and to make accompaniment and guidance mechanisms available to our collaborators, which contribute to the consolidation of a culture based on respect and the dignity of people. With this purpose in mind, we launched the **Protocol Against Gender Violence** that sets measures to work together, to address violence situations that manifest in the workplace, and provide support to collaborators who are affected.
- To highlight our commitment with inclusion and protection of the dignity of all our employees, regardless of their gender identity and expression, we launched the **Protocol for Gender Transition**, which aims to lay the foundations to accompany and support employees who decide to start or continue their transition process in an environment of respect and closeness.

²¹ <https://www.prideconnection.cl/empleos/>. This currently involves Falabella SA, Falabella Inmobiliario Chile and Sodimac Chile.




In parallel with the definition of Affirmative Actions and the launch of both protocols for all business units, we focused on making Falabella's position on this matter known to all collaborators, in addition to generating awareness and training instances. The following are some of the initiatives carried out during the year:

- Workshop on the Protocol for Gender Transition: aimed at people in the Human Resources units, in order to train them in the correct application and activation of the Protocol. For this occasion, there were two testimonies from transsexual Collaborators, who shared their experience in their corresponding businesses.
- Workshop on the Protocol against Gender Violence: aimed at people from the Human Resources units, in order to train them in the correct application and activation of the Protocol. Additionally, a test was carried out to measure knowledge.
- During Pride Month, we held a series of conversations and talks, including a training session on Sexual Diversity issues, supported by

our Pride Connection advisors. All in order to educate and sensitize our collaborators on issues related to sexual diversity.

- Talk "Everything on Wheels": to commemorate the International Day of Persons with Disabilities, we invited María Paz Díaz, former Paralympic tennis player, to tell us her testimony.
- We conducted a training workshop on co-responsibility and biases, led by the social company WoomUp, in which unconscious biases were discussed and co-responsibility was explained, where our collaborators were able to learn specific techniques that help them cope effectively and in a balanced fashion with the various current challenges.
- To promote gender equality in executive positions, we have the Connected Women Network, whose purpose is to make visible and enhance the talent of women and their development and growth within Falabella. During 2020, we strengthened this network by training female directors in each country, thus aligning our purpose and expanding the scope of the different initiatives.
- We launched an internal survey to investigate potential biases and raise initiatives that allow us to move forward together towards a greater representation of women in positions of greater responsibility.

These efforts towards diversity and inclusion by Falabella are expressed in the following pages:

| |  WOMEN |  MEN | TOTAL |
|--------------------------|---|---|---------------|
| Managers and Executives | 1,078 | 1,935 | 3,013 |
| Profesionales y Técnicos | 9,440 | 10,800 | 20,240 |
| Otros Colaboradores | 43,178 | 40,498 | 83,676 |

Managers and Executives

% women
/ total



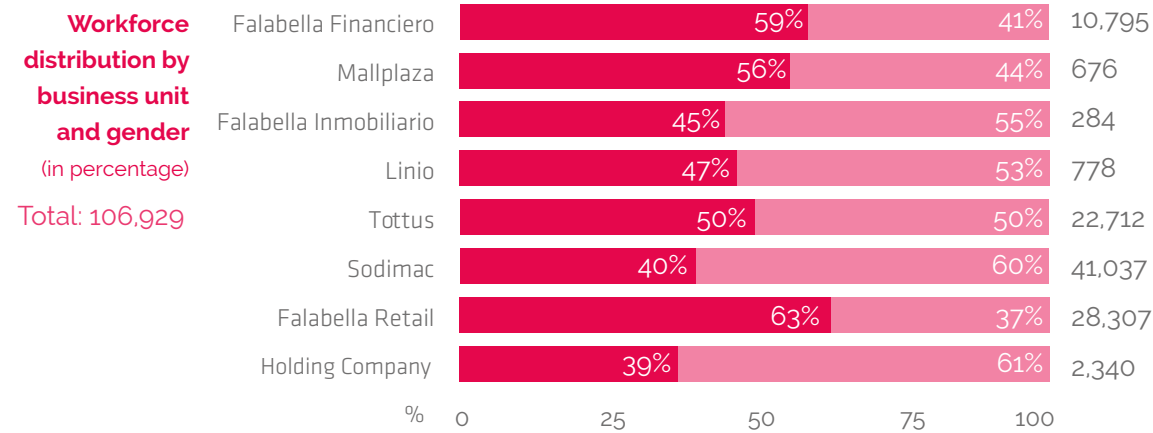
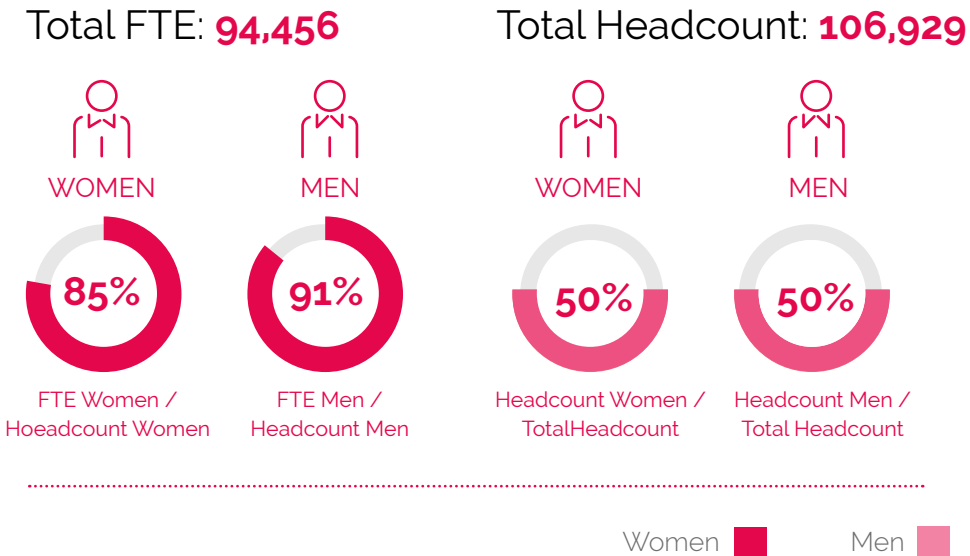
Target
2022



Our goal is to create a work environment that attracts and promotes the professional development of women, in order to achieve a 40% participation by 2022 in our Managers and Executives.

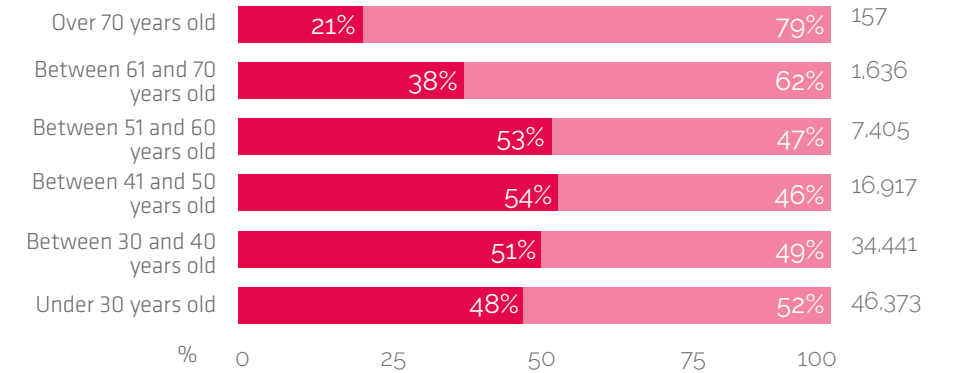
Workforce of Falabella²²

Falabella and its subsidiaries completed year 2020 with a total workforce, in all business units, of 106,929 people. Characterizing our collaborators in demographic terms, 50% are women, 43% are under 30 years old and the majority are of Chilean nationality, followed by Peruvian and Colombian. This is directly related to the size of the operations in each country.



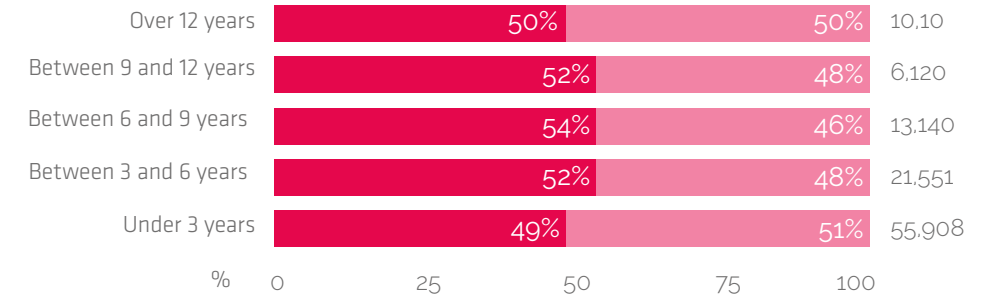
Workforce distribution by age range
(in percentage)

Total: 106,929



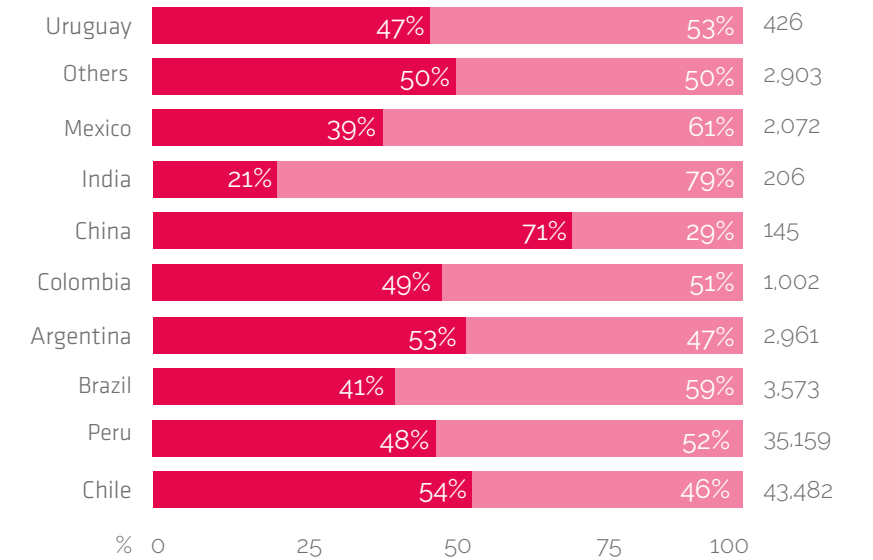
Workforce distribution by seniority in Falabella
(in percentage)

Total: 106,929



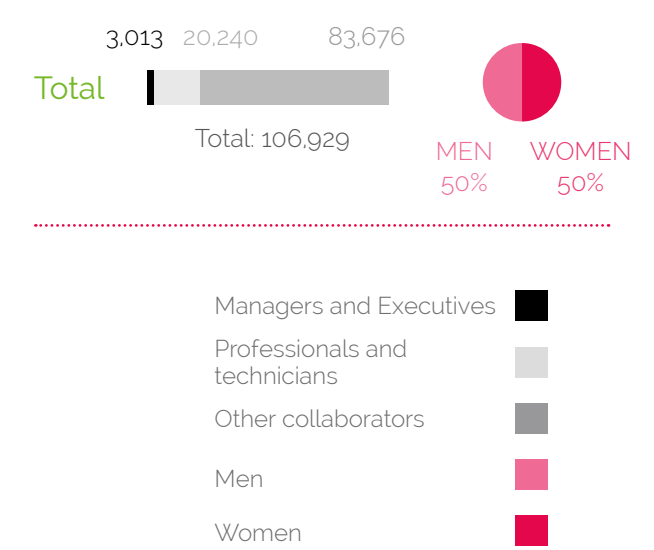
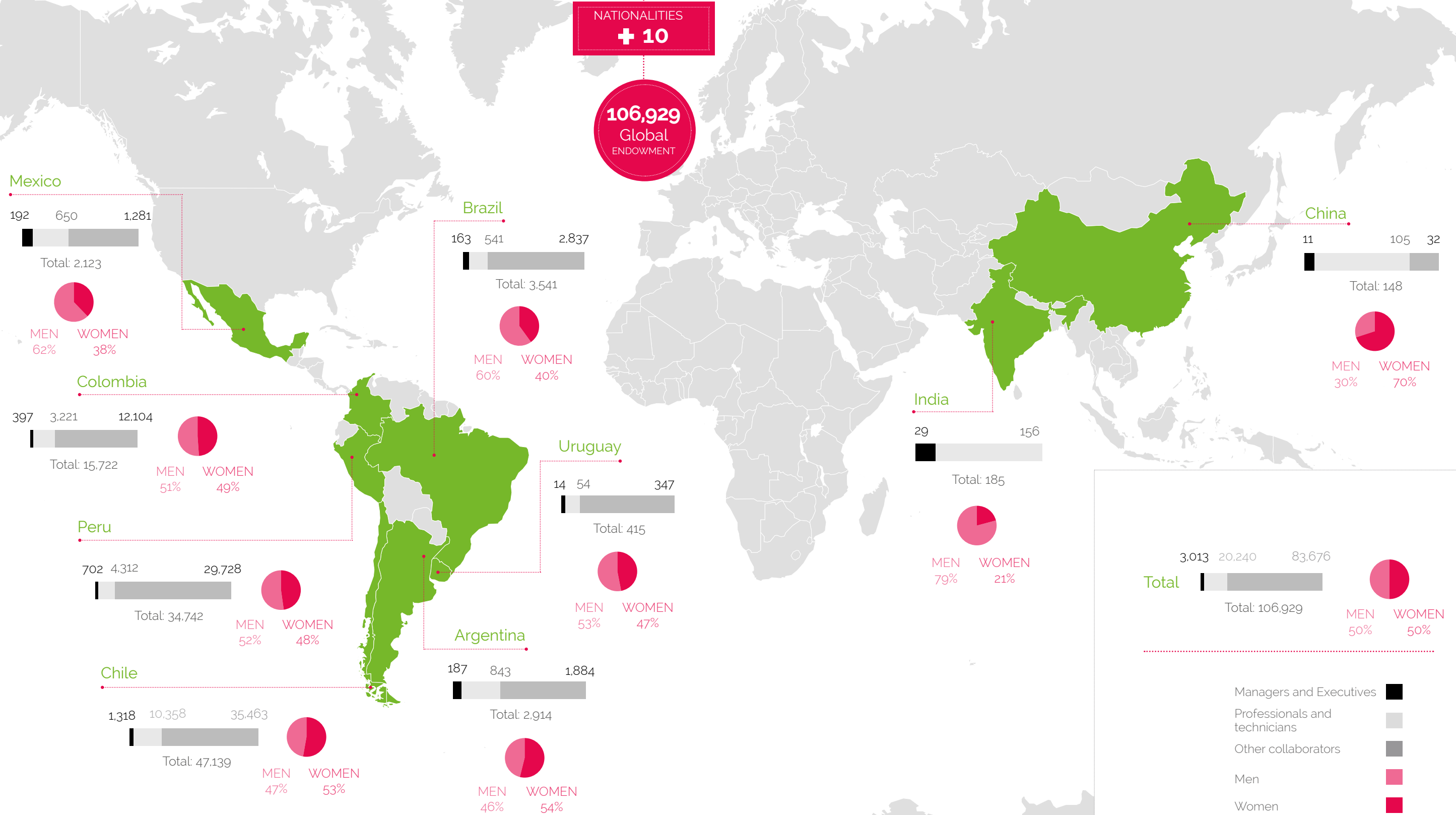
Workforce distribution by nationality
(in percentage)

Total: 106,929



²² The staff includes Falabella S.A. and its subsidiaries, including not consolidated.

Workforce by country in which they are based and by gender



In terms of remuneration, average base salaries of our female workers with respect to the average base salaries of our male workers show the following:

| | Base Salary Women/Men 2020 | % of total workforce |
|-------------------------------|-------------------------------|-------------------------|
| Other collaborators | 100% | 78% |
| Professionals and technicians | 88% | 19% |
| Managers and Executives | 66% | 3% |
| Total | | 100% |

Our policy is that at the same position, the same salary band must exist. The difference shown in the Managers and Executives category is mainly the result of the composition of such category, in that as positions are higher, there is less participation of women.

Specifically for the Chile case, considering this as a location with significant operations, the distribution is as follows:

| | Base Salary Women/Men 2019 | % of total workforce |
|-------------------------------|-------------------------------|-------------------------|
| Other collaborators | 95% | 75% |
| Professionals and technicians | 83% | 22% |
| Managers and Executives | 81% | 3% |
| Total | | 100% |

WE HAVE RECEIVED SOME AWARDS DURING 2020 DUE TO OUR EFFORTS REGARDING INCLUSION.

- In Sodimac and Maestro Peru, we obtained the first place in **GPTW diversity and inclusion**.

- Sodimac Peru obtained the **PODS** award, organized by Peru 2021. We were the winners of the Prosperity category: reducing inequality, managing diversity and inclusion.

This award is due to the Diversity and Inclusion pillar "With You", especially focused on People with Disabilities, with the aim of achieving greater job placement, via inclusive management in all people development processes.

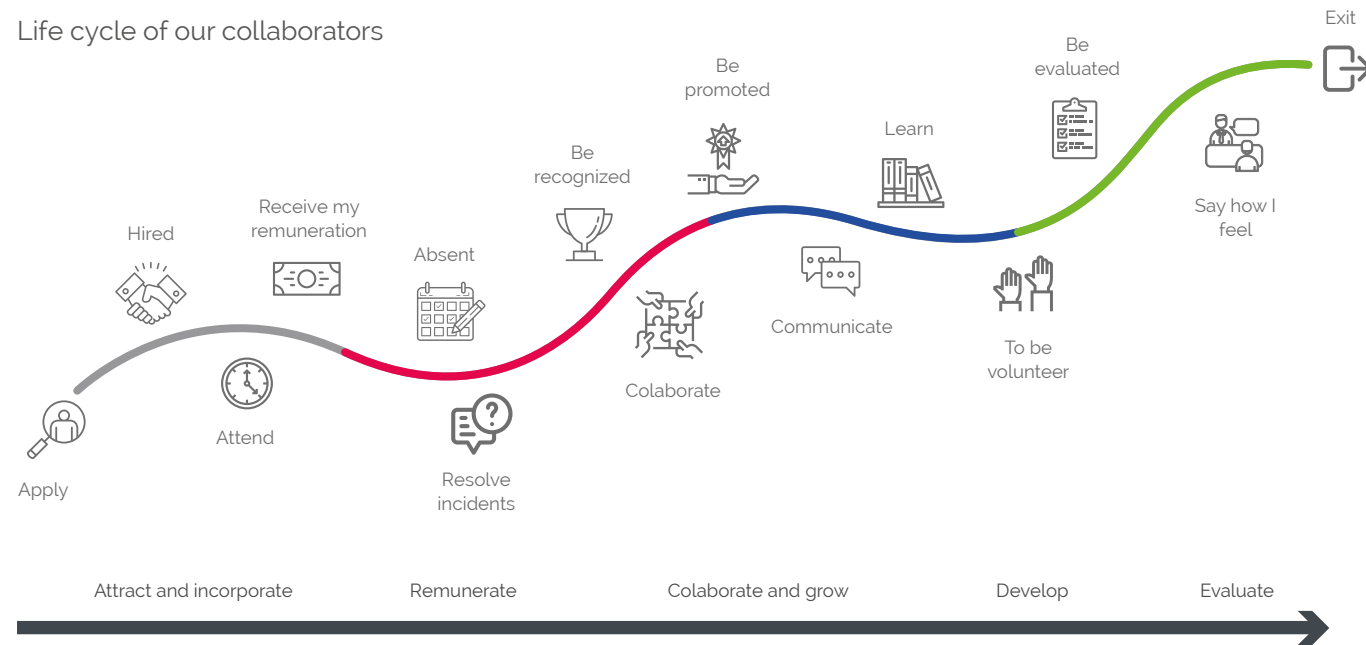
- Falabella Retail was awarded by **Community Women and the Gender Parity Index (GPI)** Chile as one of the two companies that has worked the most on gender equity issues.

- **The Chambers and Partners ranking recognized Falabella's Corporate Legal Affairs and Governance Management as the winner in Latin America, in the Outstanding Company for the Promotion of Diversity and Inclusion category for its contribution to diversity and inclusion in the legal field.**



III. Flexible organization: efficiency and well-being

Life cycle of our collaborators



Improve and Digitize the experience of our collaborators

During 2020, we made progress in looking at our collaborators in a comprehensive fashion, throughout their entire life cycle with us, from the moment they join until they are no longer a part of Falabella. We are convinced that in order to attract, develop and retain the best talent, we must place a special focus on the experience of our collaborators and understand their behavior to make data-based decisions. This is why we created the Management of Organizational Transformation and People Analytics, which seeks to coordinate work with other management offices to achieve this objective, based on three work areas. The first consists of deploying technological capabilities to improve and digitize the experience of our collaborators in the various journeys they live with us during their life cycle in the company. On the other hand, adjust the work structure and models for the achievement of the strategy, with a cross-sectional perspective between businesses. Finally, enable evidence-based decision making for people management, deploying the data management and analysis capabilities required for this purpose.

In this way, we are promoting talent management within the group, with a cross-sectional perspective that encompasses all businesses and countries.



In 2020, we reinforced our commitment to our collaborators:

we held the jobs of more than 2,000 people at risk and we were concerned about creating safe work spaces that will accompany and advise our teams to re-accommodate in this new operating fashion.

Well-being of our collaborators

In the context of the health crisis, we strongly focused on the safety of our workers, prioritizing two aspects: health and well-being, and job and economic stability, all under a continuous and deep communication and

Communication as a key element to face the pandemic:

- Since March 2020 and throughout the year, internal communication campaigns were essential for employees to understand the processes and decisions that Falabella was making about Covid-19, so that they were informed and felt cared for and accompanied. Communication was led from corporate for the entire group and with high coordination levels with the businesses. In addition, these communications included the continuous advice of an infectious disease doctor to keep our collaborators fully informed about the situation.
- Campaigns were of a diverse nature: we have health self-care protocols, operating protocols, tips for remote work, tips to maintain a balance between family and work life, interviews with the consulting physician, a campaign to acknowledge employees, a progressive return campaign, and the relevance of vaccination, among others.
- We leverage heavily on the use of infographics and videos.

We provide safe and healthy spaces, via risk prevention programs and promotion of healthy lifestyles. Our health and safety management system is based on the OHSAS 18001 standard, for the establishment of legal compliance requirements and minimizing accident and disease risks. These apply to all our collaborators, contractors and customers, and are audited by external entities.

In order to identify the main risks and subsequently integrate them into our continuous improvement processes, we have experts in risk prevention and Health and Safety Committees, both in our stores and in our distribution centers, whose policies are reported directly by each of our businesses. We have matrices that allow us to identify and verify risks, which are then weighted and prioritized to be managed in an action plan, which is periodically audited by the Internal Audit units.

Some of the responsibilities of the Committees include: i) advising and instructing workers in the correct use of protection elements; ii) monitor compliance of prevention, health and safety measures, both by companies and workers; iii) investigate the causes of occupational accidents and diseases occurring in the company; and iv) decide if the accident or occupational disease was due to the inexcusable negligence of the worker. These Committees meet once a month, and are entitled to call for extraordinary meetings in the events of accident investigations or upon the request of its chairman, and represents 100% of workers. Employees actively participate in the Occupational Health and Safety Management System via the channels available, such as: information panels, monthly meetings with their supervisor, Intranet and Workplace as a formal means of internal communication where relevant information about the health and safety of workers is submitted.

Falabella and its businesses are governed by local regulations, which mandate to provide medical, financial and preventive benefits to all adherent workers. To ensure the quality thereof, periodic evaluations led by the Risk Prevention Managements are conducted, both for the patient care service and the preventive management indicators, as well as external providers who review activity compliance and coverage, via visits to our facilities and recommendations on updates to current regulations.

We have various services and programs in order to ease workers' access to non-occupational health and medical services, including: virtual gym, healthy lifestyle programs and health campaigns, ophthalmological consultations, nutrition campaigns, talks, prevention and monitoring surveys, recreational activities, mental health support, etc.

To face the Covid-19 Pandemic we had to rearrange the workplace of many of our employees from central offices to their homes, therefore, in order to help them better manage their schedules, also considering their group family, the activities were focused on taking care of their physical, personal and emotional health. Among some of the initiatives:

- Active breaks via streaming: we coordinated short breaks during the remote work day, where we carry out exercises by ACHS instructors, which help to recover energy, improve performance and reduce stress.
- Psychosocial support: we trained secretaries and emergency brigades on the emergency plan in times of pandemic. Additionally, we accessed the ACHS benefit on psychosocial support during the pandemic.
- Remote Work Recommendations: we provided ergonomics at the workplace advice (remote work) and a guide to ergonomic and preventive recommendations, published on Workplace. In addition, we provided ergonomic chairs, ergonomic kits (wrist rests and mouse pads), elements to improve posture during remote work (foot rests), among others, to collaborators with medical or muscular problems.
- Neuro-emotional capsules: We posted five neuro-emotional capsules on Workplace with techniques to harmonize emotions during the pandemic.

To ease access of workers to medical and health care services not related to work, we provided Complementary Health Insurance to all of our workers and their close relatives (legal charges), which is made up of three coverage pillars: life insurance, coverage plan for health expenses (out and in-patient) and catastrophic insurance. Employees can voluntarily include a dental coverage plan and extended life insurance. Additionally, we have an agreement with Isapres that allows access to preferential health plans at a lower cost, expanding and improving coverage and medical protection options. We also provide consultations with physicians who attend our facilities on scheduled days and times.

We conduct campaigns and inspections in order to prevent and manage the possible risks of each business. During 2020, some of these initiatives were modified, since the organization redirected the focus to the prevention and control of employees and customers due to Covid-19 (extending the recommendations and controls to contractors and people linked to the Falabella operation). Some of the initiatives were:

- Preparation of Protocol, Covid-19 Risk Matrix and Health and Safety Procedures to avoid Covid-19 contagion. This was accompanied with the manufacture and installation of gel alcohol pedestals, acrylics and separators in the reception and work stations, order in the work stations and dining rooms to comply with social distancing, supply of masks and face shields to all collaborators in the office, and the installation of signage in various parts of the offices, stores, distribution centers and other facilities.
- Constant safety inspections in the facilities and control of accident indicators with periodic evaluations thereof.
- Periodical training sessions, led by the risk prevention teams, including topics such as : first response to health emergencies, use and management of fire extinguishers, ergonomics in the workplace, emergency psychology, Law 16,744 and certification by the Emergency and Disasters Preparation Institute, on effective operation techniques for emergency brigades, among others.

In any case, at the quantitative level, 2,224 occupational accidents, zero fatalities and 255 occupational diseases were recorded. Regarding the occupational illness frequency rate (OIFR²³) and lost time to injury frequency rate (LTIFR²⁴), these reached values of 1.62 and 14.13 respectively, which were affected by a decrease in the hours worked.

²³ OIFR: Number occupational illnesses resulting in lost time during the reporting period per one million hours worked, during the workday of the year.
²⁴ LTIFR: Number of accidents resulting in lost days during the reporting period per one million hours worked, during the workday of the year.

Occupational health and safety indicators²⁵

| | Women | | | Men | | | Total | | |
|---|------------|------------|------------|-------------|------------|------------|-------------|-------------|-------------|
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| Lost Time Injury Frequency Rate (LTIFR) | 18.75 | 12.81 | 11.47 | 20.53 | 15.91 | 14.33 | 19.68 | 14.41 | 12.96 |
| Occupational illness frequency rate (OIFR) | 0.51 | 1.16 | 1.57 | 0.45 | 1.33 | 1.41 | 0.48 | 1.24 | 1.49 |
| Hours worked | 97,442,674 | 92,626,133 | 82,277,952 | 105,701,984 | 98,758,551 | 89,342,343 | 203,144,658 | 191,384,685 | 171,620,295 |
| Deaths due to an accident at work or occupational illness | - | - | - | - | - | - | - | - | - |
| Total accidents | 1,827 | 1,187 | 944 | 2,170 | 1,571 | 1,280 | 3,997 | 2,758 | 2,224 |
| Total Occupational Diseases | 50 | 107 | 129 | 48 | 131 | 126 | 98 | 238 | 255 |

At Falabella we promote dialog and transparency, recognizing the right to exercise freedom of association, workers' labor rights and collective negotiations for both unions and their union members. Our business units adhere to local labor regulations and create their own internal procedures to optimally and collaboratively carry out union activities, including:

- We have areas specialized in Labor Relations, in addition to a Collective Negotiation Model, with the periodical involvement of various factions on behalf of the company.
- We use various communication channels to maintain a continuous conversation with union leaders, such as: instant messaging, email and phone calls.
- We have called on our collaborators to set up Joint Committees, to become representatives and organizational agents in matters of health, safety and occupational health and prevention of sexual harassment, among others.
- Our induction processes integrate the presentation of the unions.

As of December 2020, 32% of collaborators at our various business units were unionized (covered by class agreements), as in the previous year. In Chile, the unionization percentage reaches 55%.

We do not identify risks in the exercise of freedom of association and collective negotiation by internal operations, in our own production and distribution establishments and centers.

²⁵ Data from our operations in Argentina and Uruguay are not included



We continue working on creating good quality work experiences for our employees:

- Part of our business units participate in "Great Place to Work", which measures employees' perception of the internal environment and the factors linked to production and human resources, which have a direct impact on the company's performance. Companies were categorized according to the number of employees:
 - In Chile, in the companies over 1,000 collaborators category, Falabella Retail and Sodimac occupied 4th and 12th places, respectively.
 - In Peru, in the category of companies with more than 1,000 employees, Tottus was ranked 14th and Sodimac and Maestro ranked 3rd. The latter are first in the Inclusion and Diversity Ranking, while in the Ranking of Best Place for Millennials, Tottus was ranked 11th and Sodimac and Maestro ranked 17th.
- We have flexible work plans, related to flexible entry and exit schedules, remote work options, unpaid leave, among other measures. However, the Covid-19 Pandemic made us rethink and take actions that were cross-sectional to the business units. In this fashion, during 2020 we obtained a hybrid model that allowed collaborators to organize their time with remote and office work, taking care to promote a balance between work and personal life. This was accompanied by communication campaigns that strengthened the value of parental co-responsibility and which helped our collaborators to better manage their schedules.



3. GENERATION OF SOCIAL VALUE

We want to be leaders in creating programs that bring benefits to the majority. To achieve this, we work on skills installation and creation of long-term partnerships enabling us to contribute by improving the living conditions of children, teens and communities where Falabella has a presence.

Due to the diverse nature of each of our businesses, we have five objectives to meet via our social investment:

- Contribute to strengthening and improving the educational development of children and teenagers, essential to improve their skills, contribute to the reduction of learning gaps and promote social integration (Falabella Retail and Tottus).
- Improve habitability conditions in our communities (Sodimac).
- Contribute to the financial inclusion of communities in order to promote inclusive economic growth (Falabella Financiero).
- Provide and promote new knowledge, learning and job opportunities to entrepreneurs and local communities via training (Mallplaza).
- Work on the articulation and relationship with neighbors, civil society organizations and state agencies in the communities, for the development of projects related to human development and equal opportunities (Falabella Inmobiliario and Mallplaza).

Our social investment is made up of:



1. Community investment : refers to the activities and programs designed to strategically face social problems by Falabella, prioritizing those that are most closely related to the experience and core of the business. This is conducted in association or partnership with a community organization.



2. Donations : refers to any transfer of money, items or services, made voluntarily, without receiving any consideration from the person who receives the donation. This is done in response to specific needs, requests or emergency situations.



3. Business initiatives: refers to company activities, normally carried out by the sales department, to support and promote the sales success of the brand and its corporate identity, in association with civil society organizations.

The Covid-19 health emergency posed a great challenge to our social investment, taught us, tested our adaptability and creativity, and mobilized us for reinvention. We made our physical, logistical and digital platforms available to the community, to promote initiatives that enable us to strengthen and protect the care and health of the communities that surround us in each of the social investment components. The main activities include the campaign to donate food to vulnerable families, support for the opening and commissioning of field hospitals, online education programs for children, and support for micro-entrepreneurs in a context of face-to-face sales restrictions.

Red de Alimentos and Falabella joined forces to finance the supply of basic food for families and organizations that need it most. With this partnership, Falabella enabled its digital platforms and web pages (Falabella Retail, Banco Falabella, CMR Falabella, Sodimac, Tottus, Mallplaza, Open Plaza and Linio) so that people could donate simply and easily from their homes and without exposing themselves; in addition to having made a direct donation as a company. Over 90 thousand people were reached with this campaign, and more than 46 thousand boxes of food with non-perishable products were delivered.

The importance of the logistics chain to achieve the supply for all people is essential to face the pandemic. For this reason, in Peru, Hiperbodega reinforced its logistics chain to reach all the cities of the country and transported products by air to the town of Iquitos, to provide support in the face of supply difficulties in the area, as a result of the restrictions on land transportation. To the above we added the efforts of Sodimac and Falabella Retail Chile, which made their logistics chain available to field hospitals and made a donation of items and furniture to enable administrative and rest spaces for the health staff of the emergency hospital located in Espacio Riesco, Huechuraba commune.



Community investment programs²⁶

School Sponsorship Program (PHE) (SDG 4)

Via the School Sponsorship Program, Falabella Retail seeks to build a better future for children and their families, providing comprehensive support for schools near stores, distribution centers and central offices, actively involving its workers. The program is present in Chile, Peru, Colombia and Argentina, from where 4 pillars are deployed:

- Academic Fundamental: whose objective is to develop programs to promote reading in 1st grade.
- Expanding horizons: which seeks to inspire and awaken the interest of students by using games and extracurricular activities such as sports, digitization, healthy eating, music, caring for the environment and responsible finances.
- Digital accessibility and Infrastructure: via which resources are allocated so that the school community has adequate spaces for learning and work, both in schools and at home.
- Volunteering: various activities with the participation of the Falabella collaborators and involvement with the school community.

As a result of the contingency created by the Covid-19 Pandemic and the suspension of face-to-face classes in all of Chile as of March 2020, Falabella Retail reinforced its commitment to the program and sought to maximize its impact. Adapting to the situation of students in the pandemic, it digitally expanded the program, providing remote learning instances with "Making School at Home." Thanks to the above, it was possible to provide educational continuity to the students of the program, promoting didactic material and basic content on their platforms www.haciendoescuela.com and www.falabella.com. Especially in the academic scope, Falabella Retail has created a learning space that allows students to connect with online educational platforms, so that they acquire digital skills and knowledge regarding innovation, experimentation, adaptability and continuous learning. The families' reception of this online content was positive: daily visits increased six-fold and the online programs reached almost 70,000 users.

In addition to having universalized and digitized a large part of the academic content and all the programs of the "Expanding Horizons" profile, Falabella Retail continued to provide personalized support to the teams of the 50 schools that are part of the program. In its commitment to supporting early reading, especially in 1st grade, a personalized Emergency Support Plan was created for schools, providing equipment so that students could continue their studies online. Thanks to the delivery of 2,394 tablets, 2,446 connectivity kits and the support of foundations providing educational advice to schools, students were able to focus their academic development from their homes, in this new way of studying and connecting.

²⁶ Details of the programs and initiatives of each business can be found in the Sustainability Reports for each one.



77 schools and 57,500 boys and girls in the region

benefited from this program, with the continuous support of over 310 company volunteers, who allocated 1,800 hours to the I Am Volunteer program during the year. As a reference, in 2019, 109 schools and 85,792 children were benefited in the region and there were more than 5,000 volunteers from the company who provided 28,107 hours.



Growing Up Healthy with Tottus (SDG 3)

Aligned with the Sustainable Development Goal that promotes a healthy life and universal well-being, Tottus Chile seeks to contribute to the healthy diet of children and their families in the communities where it is present.

To this end, it has been educating boys and girls on healthy eating habits from pre-kindergarten to 4th grade in municipal schools near its stores since 2014, with the voluntary involvement of company collaborators.

During year 2020, Tottus added new schools to the School Sponsorship Program, covering a total of 40 establishments and over 6,000 students. Each of the schools is located in different regions of the country: 31 in the Metropolitan Region, five in the Valparaíso Region, three in O'Higgins and one in the Maule region.

Along with the above, Grow Healthy with Tottus adapted to the challenges posed by the Covid-19 Pandemic and developed its own web platform to replicate much of the educational and physical activity material online and thus reach more families. In addition, a new engagement strategy with schools was defined and educational material was provided online via teachers so that they could share both with their students and on their own social networks. It should be noted that Tottus always maintained contact with the most affected families and provided support with boxes of merchandise.

This is how Grow Healthy managed to reach over 80,000 people, via the log of navigations and visits on its website, sending a newsletter to the school community and Tottus customers, posts on Instagram, Facebook, LinkedIn and catalogs of the company. A fundamental part of the positioning of the program is dissemination among its collaborators via mailings, intranet and internal magazine, as well as with the rest of the business units via Workplace.



Building Home Dreams (SDG 10-11).



Building home dreams: A collaborative and participative community engagement initiative by Sodimac, that involves providing materials and realizing improvement projects to the premises of a range of organizations.

This is done via the voluntary work of company collaborators, along with the community.

In 2020, as a result of the health emergency and given that the phases of the program involve field work that requires an adequate environment for planning and execution, Sodimac had to reschedule the calendar of activities considering that the situation made it impossible to ensure the health conditions required²⁷.

Throughout the 14 years that have elapsed since its creation, Building Home Dreams has developed 788 projects, providing direct assistance to more than 198,000 people thanks to the participation of over 15,000 volunteers. It should be noted that, in the framework of the celebration of its 20 years in the world, Global Pact recognized Sodimac in Chile for the contribution of the program in reducing inequalities and making cities more inclusive, safe, resilient and sustainable. This initiative has benefited foundations focused on the protection of children, the elderly, people with cancer and disabilities; municipal colleges and schools; nurseries and kindergartens; neighborhood councils; indigenous associations; sport centers; firefighters; and the construction of recreation spaces, community gardens and beautification of the environment, among other projects.

Each project includes the repair, remodeling, or improvement of a community facility or environment. Sodimac provides materials with transport and the work of company volunteers, which is essential to achieve a collaborative and participatory space with the communities. To this end, it has an advisory council comprised of company directors and civil society leaders, who are involved in the global evaluation and ensure the correct application of the program, providing advice and points of view on the main issues involving society and its relationship with Sodimac.



²⁷ The company will report the new dates as soon as the situation so allows it via the site www.construyendosenosdehogar.cl



Financial education (SDG 1)

Falabella Financiero includes financial education into its corporate strategy, with the conviction that a better informed society is also a more responsible and empowered society in the management of its personal finances.

Due to the above, in 2020 and given the context of the health crisis, it reinforced all the digital media bringing the Eddu program closer to customers, children, collaborators and the community in general. Via online trainings, live streams in social networks, digital tournaments, podcasts, e-Learning, among others, didactic and simple tips were given to manage personal finances and understand their importance. During 2020, more than 13,800 customers and non-customers watched our live streams; more than 2,000 employees were trained via our e-learning; and more than 220,000 people accessed the website www.edduteayuda.cl. The framework of the Edducity digital tournament involved over 45 schools from the School Sponsorship Program, with the presence of more than 400 students from Chile and Colombia, as well as more than 5,300 children who played on www.edducity.com.



Entrepreneurs and local employment program (SDG 11)

Mallplaza has an entrepreneurial model that integrates its community, commercial and innovation management, in pursuit of the development of an entrepreneurial ecosystem.

Thus, it has deployed a bottom-up development model for entrepreneurs based on the management of the company's commercial spaces and the supply of tools enabling them to improve their work.

In the case of Chile, it consolidated the implementation of the Mallplaza Entrepreneurship Model, which was deployed mainly via Plaza Emprende: an entrepreneurial ecosystem that seeks to contribute to the local economic reactivation. This was achieved via various initiatives such as: entrepreneurial fairs, farmers markets, entrepreneur stores and COVID entrepreneurship points. During 2020, 164 fairs were held and sales of more than US \$ 1,200,000 were recorded in all activities conducted. In this way, it was possible to impact more than five thousand entrepreneurs. Along with the above, Mallplaza began the implementation of the "Tiendas Plaza Emprende", an unprecedented initiative that allows groups of entrepreneurs to make use of premises within Mallplaza shopping centers. Shopping centers in Colombia experienced Christmas with a different meaning, where entrepreneurs were the protagonists via the Plaza Emprende program, giving them the opportunity to offer their products in the most important and central locations of the shopping centers. More than 400 entrepreneurs were a part of the program.



Community engagement (SDG 10)

Mallplaza seeks to create shared value and long-term relationships with the communities and territories where its shopping centers are located, this being a pillar for the development and consolidation of the company.

During 2020, the demands and needs of Mallplaza's stakeholders were transformed due to the pandemic scenario, which prompted the company to deploy various initiatives to create joint value. In this health emergency context, Mallplaza focused on providing concrete support to the social reconstruction and economic reactivation of the territories, identifying opportunities to add value and to consolidate itself as a player that contributes and stimulates development and the local economy. In this way, the Mallplaza Dialogs started in 2019 were continued, holding 85 meetings. This time online, it was possible to maintain a continuous conversation with the neighbors of the shopping centers in the three countries and thus survey their main needs in order to focus the direct aid delivered. Via the above, over 220 residents were impacted and about 12 thousand food kits were delivered. In Peru, the relationship carried out with the communities near Mallplaza Comas during the entire construction process stands out during 2020. The arrival of this shopping center to the north of Lima was based on constant monitoring of the community's perception and bonding actions with neighbors.

Co-creation of partnerships

We work along organizations who develop sustainable value in people and communities, and we support them in scaling solutions for the majority²⁸. Among the main organizations, we can mention:

- **América Solidaria**, with which we work to develop actions contributing to equal opportunities and the overcoming of child poverty on the continent (Falabella Financiero throughout America);
- **Techo**, which we support with various donations, construction materials, logistical support, volunteer work and technical advice (Sodimac in Chile, Uruguay and Peru);
- **Fe y Alegría**, via which we support its network of schools offering academic and training opportunities to the poorest sectors of society (Tottus and Sodimac in Peru);
- **Fundación Junto al Barrio**, with which we work in various neighborhoods to strengthen community organizations and leaders, and improve the livability of urban spaces (Mallplaza and Sodimac in Chile);
- **Corporación Abriendo Puertas**, to which we contribute in the social and labor reintegration work for women deprived of freedom (Falabella Retail in Chile);

²⁸ For further details on the organizations working with Falabella's business units, please see the sustainability reports for each thereof.

- **Red de Alimentos y Banco de Alimentos**, to which we donate products for consumption, for their corresponding contribution to those who need them most (Tottus in Chile and Peru).

Corporate volunteering

Corporate volunteering is one of the main work axes in the relationship with communities, generating positive impacts both at the level of our collaborators and the surrounding environment. We seek to offer relevant opportunities to our employees, which make them feel proud of the company, and committed to the communities around us.

During 2020 our volunteering activities were affected by the Covid-19 Pandemic, since many of the face-to-face activities had to be canceled and our community investment programs adapted, so that where appropriate, volunteering was conducted online. In this way, in some cases volunteering hours increased in a greater proportion than the number of people involved in the activity. Digitization made access easier for part of our collaborators.

This led to a total of 4,500 volunteers from Falabella and its business units, which is equivalent to more than 14,800 total hours. While, in 2019, we had a participation of over 12,000 collaborators, with more than 89,200 hours. This difference is mainly explained by the suspension of face-to-face activities due to the Covid-19 Pandemic. This involved a total cost of \$40 million.

Communications to our collaborators

We use communication to inspire a more sustainable way of living, to co-create and foster continuous dialogue. We encourage people to make positive changes in their daily lives and in their communities. Communication around our impact on people and society, our meaningful actions, is an integral part of our communication.

| SOCIAL INVESTMENT ²⁹ (MM CLP) | 2018 (%) | 2019 (%) | 2020 (%) |
|---|----------|----------|----------|
| Community investment | 71% | 75% | 70% |
| Donations | 24% | 20% | 18% |
| Business initiatives | 5% | 5% | 12% |
| Total Social Investment | 100% | 100% | 100% |

| Type of contribution (MM CLP) | 2018 | 2018 (%) | 2019 | 2019 (%) | 2020 | 2020 (%) |
|----------------------------------|-------|----------|-------|----------|-------|----------|
| Money | 6.406 | 72% | 5.596 | 71% | 5.968 | 77% |
| In-kind | 1.793 | 20% | 1.604 | 20% | 1.211 | 16% |
| Volunteering costs | 369 | 4% | 419 | 5% | 40 | 1% |
| Administration costs | 340 | 4% | 223 | 3% | 491 | 6% |
| Total | 8,909 | 100% | 7,842 | 100% | 7,710 | 100% |

²⁹ For the purposes of this report, the definition used for donations may differ from what is established in the tax regulations, since it is aligned with the criteria provided by GRI Standards and the Dow Jones Sustainability Index.



4. GOVERNANCE, ETHICS AND COMPLIANCE

The company has a governance, ethics and compliance structure that allows it to adequately manage regulatory risks via compliance programs, in matters such as crime prevention, ethics, free competition, the environment and protection of consumer rights.

All our compliance programs contain regulatory elements via which the expected behaviors of employees are defined, as well as the consequences in case of non-compliance; communication elements that disseminate the conduct expectation that is expected of collaborators, and must be transmitted from the highest level in the organization and across its entire structure; execution elements, which are those by which practical application of the regulatory elements of our programs is conducted; and, control elements by means of which the correct application or execution thereof is verified.

Via the aforementioned structure, we manage compliance risks continuously and report the management indicators that measure the effectiveness of our programs on a quarterly basis.



Ethics Program

Falabella has the firm commitment to act ethically and with integrity in the development of its activities, assuming the need to promote a culture of integrity and compliance that guides the conduct of all its collaborators as its own.

For this reason, Falabella S.A. approved the Ethics Program in 2020, which included the approval of a set of internal regulations related to the matter, among which the updating of the Code of Integrity and the Management Policies on Conflicts of Interest and Gifts and Invitations.

The company has an Integrity Channel available to all its collaborators and third parties in general, via which they can make complaints or queries on ethical issues, or raise doubts or concerns related to infractions or breaches of the law or internal regulations. The Integrity Channel makes it possible to identify the most frequently asked or reported matters and, also, to adequately resolve the issues reported, along with focusing efforts on training and communication. Similarly, said Channel has investigation processes in which due process, confidentiality and the absence of reprisals are promoted for complainants or witnesses in good faith.

On the other hand, during 2020, 53 trainings were held for Researchers and Integrity Counselors. These trainings allowed us to have, by the end of 2020, 457 Integrity Counselors, 639 Researchers and 22 Ethics Officers in Falabella.

Crime Prevention Program

At Falabella, we have a crime prevention program called the Crime Prevention Model (MPD), the last update of which was conducted in December 2019³⁰.

The purpose of the MPD is to deploy a form of organization necessary to prevent employees, executives or directors from committing crimes that could result in a criminal liability for Falabella.

One of the focuses and main progresses in year 2020 in crime prevention was the strengthening of the control of risks related to the interaction of the company with third parties (suppliers, sellers and grantees). To this end, three main initiatives were deployed:

³⁰ Update made due to the enactment of Law No. 21.121 that "Modifies the Penal Code and other legal rules for the prevention, detection and prosecution of corruption" and Law No. 21.132 that "Modernizes and Strengthens the Exercise of Public Function of the National Fisheries Service".

- i) The obligation of third parties to complete various statements regarding compliance was updated, while a background check is conducted using specialized software;
- ii) A new supplier creation flow was deployed by which evidence of the requested controls is required, prior to the company's connection with them; and,
- iii) An on-boarding procedure was designed and deployed for sellers in our market places, which includes controls that prevent the risks related to the business relationship established with said sellers.

Similarly, for the Crime Prevention Model to be effective, it is necessary to communicate its various containing elements to Falabella's collaborators. To this end, various communication campaigns were conducted during year 2020, both mass in nature as well as directed to certain specific collaborator groups.

Among the most prominent mass communications are those made via our internal communication systems, in which information was provided on the main topics contained in the MPD; the amendments made to Law No. 20,393³¹ by laws numbers 21,121 and 21,132; on the international day against corruption; and, a message of reinforcement to collaborators, from the Crime Prevention Officers of the various businesses, among other activities. Similarly, the Model was made available to all collaborators via our virtual library, and a copy thereof and the Integrity Code were sent to the new members of the company.

It is important to note that mass communications were replicated in the various businesses and countries in which Falabella operates, which allowed us to reach a universe of over 40,000 collaborators via our internal communication networks.

During year 2020, communications were also addressed to specific collaborator groups within the framework of the "I Play Fair" campaign, which aims to provide training on the importance of complying with the regulations regarding interaction with public officials. In fact, monthly reminders were sent during the year to those collaborators who, due to the nature of the position or function they fulfill, have greater possibilities of attending meetings with public officials, in order to inform them about the controls that they must take into account in said meetings.

Similarly, the new Crime Prevention Officer of Falabella S.A. was appointed during 2020, who, in turn, is the Governance, Ethics and Compliance Manager of said company.

³¹ Law No. 20,393 which "Sets the criminal liability of legal persons for the indicated crimes".



Political contributions

In accordance with our internal policies and regulations, we do not make contributions to political campaigns or lobbying organizations

Free Competition Program

Falabella has a Free Competition Program that includes various regulatory elements and controls that are intended to mitigate the risk of anti-competitive conduct occurring.

During 2020, the focus of the communication and training activities aimed at exposed positions was related to the risks that, in terms of free competition, may arise in Falabella's operation, and at the controls to be complied with to prevent them.

Additionally, regarding the dissemination of content from the Free Competition program, various communications were made during the so-called "Free Competition Month", via Falabella's internal communication systems.

Environmental Program

Demonstrating Falabella's commitment to caring for the environment and the sustainable development of the activities it carries out, also during 2020, the Environmental Program was approved in Falabella S.A.

The purpose of this program is, among others: i) to guide the conduct of collaborators and suppliers in their relationship with the environment; ii) to establish the mechanisms that allow compliance with the legal requirements and environmental commitments that Falabella has assumed; and, iii) to manage the risks experienced by Falabella in its relationship with the environment.

A set of internal regulations related to environmental issues was also approved with the approval of the program, such as the Environmental and Climate Change Policy; the Protocol for the Supervision of Environmental Authorities; the Instructions for Obtaining and Managing Environmental Permits; the Protocol on the Reporting of Information to the Authorities; and the Protocol for the Compliance of Extended Producer Responsibility.

Personal Data Protection Program

During 2020, work was made on the preparation of a Compliance Program regarding the Protection of Personal Data and its various regulatory elements. The objective of this program is to define the general guidelines, principles and activities that must be observed and complied with regarding the protection of personal data.

Human rights

Falabella is aware of its role as a social player that can impact the quality of life of people in the countries where it operates. This is why we have joined the initiatives related to respect for Human Rights.

We support the principles enshrined in the Universal Declaration of Human Rights and in the United Nations Convention on Children's Rights . Along the same lines, Sodimac S.A., Mall Plaza S.A. and Falabella Retail S.A. have all adhered to the United Nations Global Compact, working to disseminate and comply with the principles contained therein, related to human rights, labor relations, the environment and anti-corruption.

Similarly, Falabella promotes respect for the dignity of people, equal opportunities and fairness in the treatment of our collaborators, along with rejecting any conduct that stands for arbitrary discrimination. We reject any violation to human rights of our workers or third parties, who relate to us, which is duly sanctioned by our internal regulations. Similarly, we are committed to developing partnerships with suppliers who share the dedication to conduct our activities in a legal, ethical and socially responsible manner.

During 2020, a due diligence process on human rights was conducted in Mallplaza, in order to identify and assess the current and / or potential risks in this matter in its operations and value chain. The methodology included the analysis of secondary information and the conduction of over 80 interviews to collect and integrate the perception of various interest groups such as collaborators, business partners, suppliers and the community.

Similarly, a corporate level working group on human rights and the company was created, which aims to coordinate work in this matter, in addition to planning awareness, communication and training activities for year 2021.

Risk Management in Times of Pandemic

As a result of the pandemic, in March 2020, Falabella approved a Response Protocol to Covid-19, which contains organization and control measures to adapt Falabella's operation to current legislation and, in this way, prevent the contagion of collaborators, customers and third parties.

The aforementioned document was updated 10 times during 2020, due to the continuous issuance of regulations by the authorities. Similarly, in order to convey the content of the Protocol to those who should know it for a better management, various practical guides were developed, which addressed issues such as: health measures for employees; customer service; and, cleaning and sanitation of facilities. During the same period, other practical guides related to risk management in times of pandemic were also prepared, in which topics such as relationships with public officials; e-commerce and Marketplace; free competition; prevention of corruption were discussed in addition to the new crime that set criminal liability for legal persons, for obtaining benefits via the sending of false or adulterated information to the Unemployment Fund Administrators and the Labor Directorate, within the framework of the Employment Protection Law.

Similarly, in order to maintain the company continuously updated about the legal changes and regulations from the authorities resulting from the pandemic, during year 2020 we began the issuance of a report on legislative and regulatory developments, first on a daily basis and from the month of November, 2 times per week, an effort that continues to this date. Said report is sent to the legal management offices and Crime Prevention Managers of the various Falabella businesses.

Law No. 21,240 was enacted during 2020, which amended the Penal Code. This Law sanctions non-compliance with the preventive measures indicated by the health authorities, creating a new crime that could create criminal liability for legal entities in Chile, contained in article 318 ter. of the Penal Code. The Procedure for Crime Prevention of Art. 318 ter of the Penal Code was approved to this end, and to prevent breaches that could lead to such liability for Falabella, and various dissemination and training activities were carried out on the matter.

Declaration of Interests, Interlocking Control and Related Parties

At the end of 2020, Falabella carried out its annual process of declaration of interests for directors, main executives and other officials considered as exposed positions of the company, in Argentina, Brazil, Chile, Colombia, India, Mexico, Peru and Uruguay. A single form was developed for this process, in which questions about interests, interlocking and operations with related parties were addressed.

In addition, this time a technological tool was used to automate the submission of forms, the processing of responses and the creation of reports. This will allow to have more and better information for risk management in the organization.

Communication Activities

During 2020, more than 40 publications were made on various topics such as crime prevention, ethics, free competition, the environment, diversity and inclusion, and prevention and response measures in the face of the pandemic. Overall, more than 48,500 views and more than 1,600 interactions were achieved with our collaborators.

Education and Training Activities

It is also important to note the education and training activities carried out during year 2020. Given the contingency created by the coronavirus pandemic, these activities were carried out via digital platforms that also made it possible to assess the knowledge acquired by the attendees.

In this matter, we worked in five areas of action:

- i) Induction in the recruitment process of new collaborators, in which topics such as crime prevention, free competition, use of the Integrity Channel, protection of consumer rights, protection of personal data and the environment were discussed.
- ii) Training on the Crime Prevention Model in Chile and countries with the participation of a large number of collaborators: Chile (29,917), Peru (10,857), Colombia (3,314), Argentina and Uruguay (2,575), Mexico (924) and China (124).
- iii) Training for those in charge of crime prevention in Falabella, via a conference called "Sinergy EPD", which addressed topics similar to those mentioned above.

iv) Training for Falabella senior executives, which was done via the conference called "I Play Fair", which reviewed issues related to crime prevention, free competition and protection of personal data. This activity was conducted on various occasions in various business units both in Chile and abroad, with a total involvement of 927 executives.

v) Training for exposed positions in the area of free competition and crime prevention model.

Involvement in organizations and associations

At Falabella, we are involved in various associations and organizations, national and international, in order to develop strategic partnerships with common interests and objectives that reinforce sustainability.

The total contributed during 2020 was \$1,421 million, whose majority contribution was concentrated in the Chambers and Associations of Shopping Centers, Financial Organizations and Chambers of Commerce, which involved a total of \$1,249 million.

The contribution made to Financial Organizations is intended to promote self-regulation initiatives and the development of best business practices in the country. The contribution made seeks to promote continuous improvement for the benefit of the inclusion and protection of consumers, promoting the highest standards of service quality and enabling a better understanding of the products offered to our and potential customers. During 2020, the amount contributed was \$492 million.

The contribution to Chambers of Commerce seeks to contribute to economic development in the countries where we operate, by collaboration and trust. We maintain open communication with large and small companies, with the aim of advancing in common and complementary development that enables us to achieve higher and better standards to project responsible growth in the region. During 2020, the amount contributed was \$321 million.

Finally, contributions provided to Chambers and Associations of Shopping Centers are a strategic decision to align ourselves and share good practices for the benefit of shopping centers, in addition to discussing the issues that affect the union. During 2020, the amount contributed was \$182 million.

Finally, the contribution made to Universities is in line with our interest in: supporting the development of studies that contribute to the core of our businesses, developing our collaborators via study grants and training, creating bonds that allow us to attract new talent, in addition to supporting programs seeking to promote entrepreneurship and innovation. The contribution made in 2020 corresponds to \$240 million.

We are committed to providing sustained value to our shareholders

In addition to allocating our efforts and resources in an ethical, responsible and efficient manner, we are committed to providing our stakeholders with **regular and timely access to relevant and reliable information**, both in relation to the rules and the exercise of government, as well as results achieved. In pursuit of this objective:

- We periodically report on economic-financial results, as well as any fact deemed relevant or of interest to the company, pursuant to current regulations.
- We comply with the current rules and regulations of each country in which the company's subsidiaries are present.
- We have an Investor Relations team, seeking to provide the investment community with objective information with which to evaluate the fair valuation of the company's shares, bonds and other financial instruments, and limit their unnecessary volatility, ensuring a timely and proactive scope. This team will also seek to provide a strategic vision of the company's leadership from the investor's perspective on competitive dynamics and macroeconomic trends.



5. MANAGING OUR SUPPLY CHAIN

Each year, in our continued drive to innovate and stimulate the growth of our business, we improve and expand the scope of our supply chain to include best practices, knowledge, people and new materials. We work to improve in the way in which we produce, deliver and recover our products, including sustainability in everything that we do by creating a system connected to our business and impact.

Our suppliers are our main business partners and a source of strategic value for Falabella. We seek to strengthen long-term relationships with them, supporting their growth, caring for their working capital and jointly promoting sustainable production.

We work with over 37,300 active suppliers³² from all around the world, with whom we have ties ranging from buying manufacturing, manufacturing a product designed by us, to acquiring licenses³³.

In 2020, our efforts were focused on promoting initiatives that would promote the creation of value for our local suppliers and on supporting micro-entrepreneurs in our Marketplace and shopping centers; in addition to continuing to strengthen our supply chain in a responsible manner.

Support for micro, small and medium sized companies

In order to support micro-entrepreneurs during the Covid-19 Pandemic and give them tools to succeed in the world of e-commerce, the company opened its Falabella.com, Linio.cl and Sodimac.com Marketplace for free, for three months, to those ventures that will enter as new sellers. All the above accompanied by training and driven by marketing and dissemination campaigns carried out by the Banco Falabella and CMR team. By the end of the campaign, the advantages of online sales had been democratized to more than 600 entrepreneurs in Chile.

In 2020, our businesses worked with 21,835 SMBs, which account for around 58% of all suppliers.

³² Suppliers who had movements or transactions during the year with Falabella and its subsidiaries. Excludes Argentina, Brazil, Mexico and Uruguay.

³³ No company business unit has suppliers individually accounting for more than 10% of total purchases made in the period, for the supply of segment goods and services.

f.

Falabella Retail

Marketplace for artisans: in Chile we joined the campaign "United for artisans" of the Fundación Artesanías de Chile³⁴, supporting 2,300 traditional artists who, as a result of the pandemic, faced complex moments without being able to access their usual sales channel. We opened our Marketplace for them to join as Falabella.com sellers, marketing and disseminating their traditional products using our virtual showcase.

Art Falabella: seeking to democratize and bring art to thousands of people across Chile, we created Art Falabella, a quality photography space at Falabella.com, which aims to connect artists from all over Chile with much wider audiences. The project was carried out in conjunction with Fundación Antenna and includes more than 300 unpublished photographs of almost 40 Chilean artists.

Colombia Designs: responding to our interest in democratizing fashion, we deployed the Colombia Diseña digital space along with Inexmoda. Via this alliance, 30 Colombian designers accessed the Falabella Marketplace in Colombia, with benefits such as 0% commission per sale during the first 6 months, in addition to advertising and exposure to the more than 20 million monthly visitors that the portal has in the country.

Made in Peru: in order to promote Peruvian work and talent, we launched the Made in Peru initiative, where we brought together more than 120 brands and 18 thousand Peruvian products from various categories, which were available in the Falabella App and Falabella.com. As part of this action, we promoted Peruvian design, entering into an agreement with the Alliance of Fashion Designers of Peru which included the participation of renowned designers from the country. Additionally, we launched two locally produced collections: one for Basement, with designer Noe Bernacelli, and one for Mossimo such as designer Ivana Yturbe.



Sodimac

Sodimac provided free training and support to those who joined as new suppliers, in addition to not charging a commission for their sales for three months. This initiative, which was supported by Asociación de Emprendedores de Chile (Asech) and Sistema B Chile, is part of the efforts that Sodimac has carried out for years in support of entrepreneurs and is part of the support for the aPóYaMe initiative led by the Ministry of Economy and the Chamber of Commerce of Santiago to enable the access of small and medium-sized companies to online commerce. Currently, Sodimac offers approximately 1,800 mini-SMB products on its site, and in 2020 alone, more than 30,000 units of micro-entrepreneur items were sold.



Tottus

In Peru, Tottus expedited payment to its suppliers of perishable products, with a period of seven days, for four months. The objective was to grant them liquidity so that they could supply us smoothly and also achieve a positive impact on the families that depend on them.



Linio

Linio created a *landing page*³⁵ exclusively to promote SMBs, displaying them in various parts of the site and social networks, which led to greater traffic to their products. Additionally, in partnership with the Chamber of Commerce of Santiago (CCS), SMB sellers were offered a lower commission, a 100% discount on the monthly fee for using the platform and online sales training by Linio. Finally, partnerships were made with various associations, including: ASECH, Empresas B, MeetLatam, MasterCard, Municipalidad de Las Condes and Municipalidad de Providencia. A webinar on how to sell on Linio was also held along with the latter.



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³⁴ Non-profit entity, certified as Fair Trade by the World Fair Trade Organization (WFTO).

³⁵ <https://www.linio.cl/cm/pymes>

Sustainable sourcing

Our own brands are a strategic pillar for Falabella. Via these we offer an exclusive portfolio with the latest trends at competitive prices. In addition to providing differentiation and greater value for our clients, with its own brands Falabella achieves a greater influence over the production process, being able to extend its environmental and social commitment to its supply chain.

In order to systematize and achieve greater traceability of our raw materials from Asia, we have created a program that allows us to identify standards and certifications proving the origin of the products. The +Green project identifies our products with at least 50% of their materials certified as sustainable by an internationally recognized entity.



In 2020, Falabella Retail offered a portfolio of 2,800 products in its + Green category and, via marketing campaigns such as Eco-Deco and Wear +Green, shared these initiatives with its customers.

Management axes for responsible sourcing at Falabella Retail:

- Materialities: own brands make an effort to prioritize recycled materials, organic attributes and fair trade.
- Control: each sustainable material must be certified by a reputable international body.
- Packaging and labeling: in the +Green lines, the aim is to minimize the waste of packaging materials, as well as prioritize the use of FSC-certified containers, packaging and labels.

We carry out our activities in a legal, ethical and socially responsible manner. Complying with labor legislation is not the only requirement for joint-work, but also to operate pursuant to universal Human Rights principles³⁶. In order to create long-term relationships with our suppliers, promote their growth, care for their working capital and commitment to sustainable production, we worked on multiple fronts:

- The Compliance and Management Office, along with the Governance Management Office, have a **Supplier Negotiation Instruction for Free Competition**, which provides specific guidelines and rules of conduct guiding our collaborators in their relationships and negotiations with suppliers.

- We worked with Sedex³⁷ (Supplier Ethical Data Exchange), an organization that gives us access to the SMETA Social Audit Protocol, with which we transfer good practices to our own brand suppliers for their responsible and comprehensive development.

Due to the mobility and movement restrictions resulting from the Covid-19 Pandemic, and the protection required by our workers to avoid contagion, during 2020 we made the decision to stop the audits of our own brand suppliers, carrying out only those that were rated as Immediate Action or High Risk levels. As an alternative, Sedex arranged a remote evaluation that despite not being formally considered as a SMETA audit, has allowed us to adapt the visits to the digital format to identify and mitigate any serious conditions in the workshops where our products are manufactured.

From the audits conducted during 2020, 12 suppliers with negative social impacts were identified, corresponding to the Falabella Retail businesses. Among the social problems identified we can mention: occupational health and hygiene situations, risk prevention protocols and work hours, among others. We worked and trained all the aforementioned suppliers to improve their conditions and standards, so we were not forced to end the contractual relationship with any of them.

- By the end of 2020, **47%** of retail business suppliers and **37%** of the real estate business with a valid agreement include **Social Responsibility Clauses**³⁸, whose objective is to specify the ethical and human rights conditions under which suppliers must operate. Also, **15%** have an **environmental clause**; In the case of home improvement, this number reaches **48%** of suppliers.

- Both Mallplaza and Sodimac use **ESG Suppliers** to supplement the company's efforts in risk management and sustainable monitoring in its relationship with supplier firms. In 2020, Mallplaza obtained 84%, while in 2019 it obtained 75%. In the case of Sodimac, the measurement had to be suspended as a result of the crisis unleashed by Covid-19.

³⁶ For further information please see: 'Guiding Principles of Business and Human Rights of the United Nations'.

³⁷ Non-profit organization that promotes good practices in matters of social responsibility and creates an information platform for suppliers and contractors. Through it, it is possible to access information regarding social responsibility standards from various providers worldwide.

³⁸ Vendor Compliance u otra.



MANAGING OUR IMPACT ON THE ENVIRONMENT

We see caring for the environment as a responsibility to manage our impact and an opportunity to contribute beyond our business to some of the biggest global challenges. We faced this with good operational practices that allow us to identify, measure and manage our impact. Our goal is to achieve a sustainable and committed operation via circular initiatives, waste recovery and our climate strategy.

We are committed to taking responsibility of the waste we create

It is by good operational practices and circularity projects that we manage to continue increasing our valuation and reducing the total waste disposed of in landfills.

To manage our generation and disposal of waste we seek strategic partnerships with public and private entities that allow us to increase valuation and reduce generation in line with the international objectives. That is why in Chile we have adhered to various Clean Production Agreements (APL), consisting of the deployment of good practices aimed at reducing the solid waste volumes disposed of at sanitary landfills, by introducing circular economy practices.

- Since 2018, Falabella Retail maintains the Los Dominicos store adhered to the Zero Waste for Disposal APL. During 2020, despite the temporary closure of the store as a result of the Covid-19 Pandemic, the 80% valuation commitment was met for the months where the measurement was carried out, with 100% compliance with the system.
- Along with the deployment of the Zero Waste for Disposal APL in La Cisterna and Puente Alto, with the latter including a Food Production Center, Tottus managed to increase waste recovery by more than 15%. This was achieved thanks to the execution of an agreement with a comprehensive waste manager, recovery of organic waste via composting and recycling of farinaceous waste such as rice, noodles and dry dough in the form of raw material for the production of animal feed. This increase in valuation made it possible to reach 100% compliance with the APL valuation goals, which was validated by the corresponding committee.
- In the context of Tottus own brands, we made progress in the implementation of the Eco labeling APL in search of creating more sustainable and environmentally responsible packaging. 13 SKUs were certified during 2020, which will have the recycling seal granted by the Ministry of the Environment.

As part of our recovery initiatives, we promote recycling in our stores and headquarters.

- During 2020, Falabella Retail Chile managed to value 57% of its non-hazardous waste with 100% coverage in the quantification, which includes more than 30 tons managed with energy recovery, from our distribution centers and more than four tons of organic waste composted in our in-store Green Points. On the other hand, 100% of the hazardous waste was disposed of in authorized security cells according to current regulations.



IN CHILE, SODIMAC ADDED TWO NEW POINTS TO ITS NATIONAL NETWORK OF CLEAN POINTS, REACHING A TOTAL OF 20 RECYCLING POINTS, being the largest in the country.

• In Chile, Sodimac added two new clean points to its Sodimac National Clean Point Network, reaching a total of 20 recycling points, being the largest in the country. These points are operated by Triciclos and are distributed from Arica to Chiloé, where twelve types of recyclable materials are received with a guaranteed recovery destination. During 2020, network activity was strongly affected by the quarantines enforced in the context of the Covid-19 Pandemic. However, these activities were recognized as essential and a gradual reopening was carried out in several districts with defined health protocols, scheduled visits and capacity limits. Over 268 thousand visits from customers and the community were received during 2020, and over 2 thousand tons were recycled, 42% more than in 2019. Further, Papa John's and Sodimac subscribed an agreement that will allow adding the first spaces for people to leave their pizza boxes and these are later composted. This is an unprecedented initiative in the country to collect these boxes and value them later.

| SODIMAC | Recycling at Clean Points | | |
|---------|---------------------------|---------|---------|
| | 2018 | 2019 | 2020 |
| Tons | 3,206 | 4,162 | 2,409 |
| Visits | 832,049 | 847,097 | 268,322 |

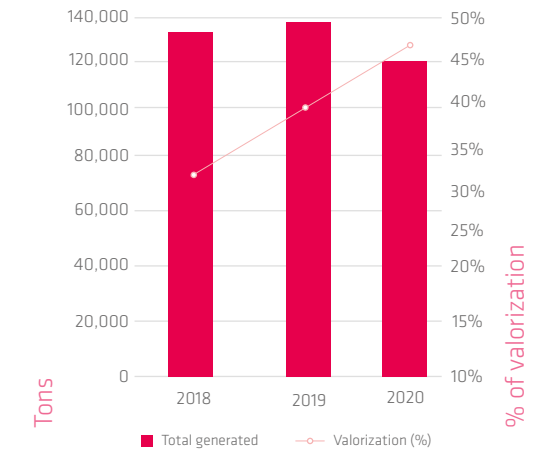
• Sodimac in Colombia has been carrying out waste segregation and recycling practices for more than 20 years, which has made it possible to improve its recovery. In 2020, more than 4,200 tonnes of waste were recycled thanks to these measures. Recycled materials include cardboard, plastic, scrap, wood, expanded polystyrene, among others. Along the same lines, 88,000 units of post-consumer tires were recovered for reclaiming by an alliance with Sistema Verde, a company that seeks to minimize the environmental impact of its industrial partners.

• In 2020, the 15 stores adhering to the recovery program in favor of Banco de Alimentos del Perú (BAP) for food, along with the distribution center, have managed to benefit 577 people in a vulnerable situation, with 395 tons of food (almost double vs. 2019), in addition to avoiding the emission of 17 tons of CO₂³⁹.

• At Mallplaza Chile, we reduced the percentage of our waste sent to landfill disposal to 54%, compared to 57% in 2019. This is part of the commitment of our shopping centers towards a zero waste operation, which has been promoted using biodigesters and internal composters for the recovery of organics generated by tenants with food preparation, which are collected using containers in the technical corridors. The recovery of organics reached 553 tons in 2020, which accounts for 5% of the total non-hazardous waste generated. Similarly, more than 2,800 tons of waste generated in the shopping centers of the Metropolitan region contributed to the NCRE generation that Consorcio Santa Marta injects into the National Electric Grid.

³⁹ CO₂ carbon dioxide

Generation and recovery of non-hazardous waste



| Waste management by method and type of waste (tons) | Reuse | | Recycling | | Composting | | Energy recovery | | Landfill disposal | | Other disposal methods | |
|---|---------------------|---------------|------------|---------------|------------|---------------|-----------------|---------------|-------------------|---------------|------------------------|---------------|
| | Hazardous | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | Non-Hazardous |
| | Non Hazardous Waste | 0 | 97 | 115 | 36,728 | 0 | 1,372 | 365 | 2,497 | 505 | 43,910 | 436 |
| Hazardous Waste | 0 | 0 | 2 | 2,089 | 0 | 635 | 0 | 2,878 | 0 | 8,340 | 0 | 0 |
| Total | 0 | 97 | 117 | 38,817 | 0 | 2,006 | 365 | 5,374 | 505 | 52,251 | 436 | 893 |

*Note: includes data from our Retail and Real Estate businesses in Chile, Peru and Colombia.

During 2020, we sent more than 38 thousand tons of waste to recycling processes, which accounts for 39% of the total non-hazardous waste generated by our operation in the region. Recycled waste includes a variety of materials, such as paper, cardboard, wood, plastic, glass and textiles, which is possible thanks to our constant search for alliances to recover the waste we generate.

In total, non-hazardous waste recovered⁴⁰ reached more than 46 thousand tons, which accounts for 47% of the total waste generated at the regional level, sustaining a 16% increase in the last 3 years.

In our operation, the tons of waste managed are determined using various operational practices, including traceability certificates issued by waste managers, scales in our own equipment and facilities, and third-party shipping documents. In Chile, these figures are periodically reported to the relevant authority via the National Waste Statement System and the Hazardous Waste Statement and Monitoring System.

⁴⁰ The waste recovery percentage corresponds to the sum of the tons reused, recycled, composted and with energy recovery by incineration, over the total waste generated.

A PATH TO CIRCULARITY

Our businesses have been strengthening their commitment to circularity and creating projects beyond compliance, understanding that proper waste management delivers direct benefits to all our stakeholders, both due to the decreased impact on the environment and to the creation of synergies and support in the generation of new jobs.

f. Falabella Retail

Recycling and Reuse of Clothes Hangers

Project via which we seek to reduce operational waste in our stores and warehouses in Chile, via the recovery of plastic hangers in good condition. Along the same lines, hangers in poor condition are recycled and the material is used to create new hangers by thermoforming. With this, we reduced the shipments of Polystyrene (PS) waste to landfills, which have a materiality that is highly polluting due to its slow degradation. In 2020, 167 tons (equivalent to three million hangers) were recovered grouping reuse and recycling of raw materials, maintaining a 15% decrease in the acquisition costs of this consumable.

Manufacture of plastic bags

By our initiative that began at the end of 2019, we are in charge of managing the residual plastics from the operation of stores and warehouses in Chile via an alliance with ECOPRO. They are in charge of transforming these materials into low-density bags, for the transport of waste and final disposal thereof, and for the protection of clothings when transferred from domestic factories to stores. In 2020, this resulted in a 327 tons decrease of plastic operational waste with disposal to landfill.



Tottus

At Tottus Peru we continued to strengthen our partnerships with Bioconvertin, Bioils and Banco de Alimentos del Peru (BAP), specialists in recovery and management of recoverable waste, with the ultimate aim of reducing the environmental impact of our operation and giving this value back to the community. To these actions we have added the use of organic waste from the Food Production Plant (PPA): more than 200 tons that, instead of ending up in a sanitary landfill, have been converted into animal feed, which accounts for over 30% of organic waste compared to 2019. On the other hand, Bioconvertin - a project developed by the Institut de Recherche pour le Développement and the Universidad Peruana Cayetano Heredia (UPCH) - transforms our products that are no longer edible from the Mega Plaza store, the largest in Peru, into poultry and fish food.



Sodimac

Sodimac Peru initiatives

In Peru, Sodimac continued to participate in initiatives such as "Make it for your beach" and "Earth Hour". In March, more than 60 volunteers from Lima and the provinces, along with their families, cleaned Waikiki beach and other beaches in northern Peru, together doing over 360 hours of volunteering. Similarly, we continued to strengthen our partnership with EcoTrash, a social company that seeks to optimize the recycling process and create employment opportunities for women and young collectors. During 2020, it was possible to collect 5.3 tons of paper and 1.2 tons of bottles for recycling.

Waste recycling

In Colombia, concrete residues generated by bag ruptures or material expiration are transferred to Fortecem to be used as raw materials in the production of new concrete bags. During 2020, this circularity initiative allowed the recycling of 15.4 tons of cement, which corresponds to 13.3% less than in 2019. This decrease is explained by an impact on recycling processes as an effect of the Covid-19 pandemic. Similarly, wood residues from the cutting and sizing area at the stores are used for the manufacture of pot bases, which are once again sold. 11 tons of wood were reclaimed during 2020.

Changes to the materiality of containers and packaging

During 2020, Sodimac Chile continued working on its rightsizing program, with a view to optimizing the use of plastics and cardboard, via packaging that is properly adjusted to the size of the product. This action allows to have more products in a single shipment, lower CO2 emissions are created from the cost of transport fuel and an efficient use of space in containers, warehouses and stores is also obtained. In 2020, the size of 5,082 SKUs was redesigned and decreased along with suppliers.

Mulch

Within the framework of joining the Zero Waste to Disposal APL and in partnership with the Armony manager, we continued to deploy the circular economy project for pallet and wood waste created in stores. A product called Mulch was created from this waste, which is sold in Sodimac stores. The reverse logistics system is used by using the same trucks which take products to stores and instead of returning empty, they haul wood waste for processing. In 2020, more than 520 thousand products were sold using more than 334 tons of recycled wood and thus avoiding 270 tons of equivalent CO2 by not disposing of the wood in landfills.

Climate strategy

We are making progress in measuring, reducing and mitigating Greenhouse Gas (GHG) emissions and promoting the rational and efficient use of energy throughout the value chain.

I. Commitment to expanding the measurement of the Carbon Footprint

Our most urgent action is related to having a comprehensive and standardized baseline throughout our value chain in the region, with uniform standards and calculation methodologies. The above, in order to understand where the greatest impacts are and guide the reduction of our GHG emissions.



The carbon footprint is measured under three categories or scopes⁴¹:

Scope 1: Direct emissions. Correspond to GHG emissions associated with sources that are under the direct control of the company.

Scope 2: Indirect emissions. Correspond to the emissions from the generation of electrical energy that is acquired by the company.

Scope 3: Indirect emissions. Correspond to GHG emissions from activities in the value chain that are outside the direct control of the company, but that occur as a result of its operation.

⁴¹ According to the methodology proposed by the WRI / WBSCD Greenhouse Gas Protocol (GHG).

For the 2020 period, we coordinated the verification of the carbon footprint for our businesses in Chile under the same auditing entity. This allows us to continue making progress in the standardization of quantification criteria and methodologies for all business units in Chile.

- At Falabella Retail Chile, the carbon footprint of 2019 and 2020 was measured with full coverage of the operations: 49 stores, two distribution centers and headquarters.
- Falabella Financiero measured its carbon footprint for the first time in Chile, in the three scopes for 100% of its facilities: 93 branches and four central offices.
- Sodimac annually measures its Carbon Footprint since 2010 and each year has worked to improve the quality and breadth of its measurement. During 2020, it measured its footprint in the three scopes, in all its stores, distribution centers and headquarters.
- In 2020, Tottus Chile carried out the measurement of the carbon footprint for 2019 and 2020 in the three scopes for all its supermarkets, the central office and the two food production centers located within branches. Similarly, the collaborators and customers' transportation items, and the goods and services purchased, were included into scope 3, improving the accuracy of this measure.
- Falabella Real Estate continued to make progress with its commitment to measure and manage its carbon footprint, so by 2020 and by Huella Chile, it measured scopes 1, 2 and 3 in 100% of its shopping centers.
- In 2020, we were able to measure scope 3 for the first time at Mallplaza Chile, including relevant items such as the transportation of employees and customers to the shopping centers and the waste created in the operation. Along the same lines, Falabella Retail included a product footprint, both from the manufacturing upstream of the operation and at the end of life downstream.
- Our Sodimac operation in Colombia continues to measure its carbon footprint in scope 1 and 2, including all stores and headquarters. During 2020, in Sodimac Colombia we planted 5,000 trees, managing to maintain a 16% compensation of the footprint created in the last 10 years.
- At Falabella Colombia we measure our carbon footprint in scope 1 and 2 for 100% of our stores, the distribution center and headquarters in 2019. To offset 100% of these emissions, we acquired 7,010 carbon credits via the COLCX entity. For the 2020 period, we maintained coverage and included scope 3 within our quantification, measuring air and land transportation and distribution, waste created in the operation and purchased consumables.
- The carbon footprint was measured for the first time in Falabella Peru for the 2019 and 2020 periods in our 30 stores, headquarters and the two distribution centers.
- The carbon footprint is measured at Sodimac Peru under scopes 1, 2 and 3 of all stores nationwide, distribution center and support office. Categories measured in scope 3 include the transportation of employees, the creation of waste, business trips by air, and the transportation of supplies.

Carbon Footprint measurement under scopes 1.2 and 3, for our operations in Chile:

Chile

188* stores,
100% coverage

*No incluye Imperial

93 bank
branches

100% coverage

26 shopping
centers,

100% coverage

6 distribution
centers,

100% coverage

Carbon Footprint measurement under scopes 1 and 2 for our operations in the region:

Peru

86 stores,
51% coverage

4 shopping
centers,
27% coverage

3 distribution
centers,
60% coverage

Colombia⁴²

66 stores,
100% coverage

4 shopping
centers,
100% coverage

3 distribution
centers,
100% coverage

100%
compensation
in Falabella
Retail and **16%**
in Sodimac, in
Scopes 1 and 2.

Note: The coverage is calculated as the number of stores / distribution centers / shopping centers with a carbon footprint measurement, out of the total of each.



IN CHILE,
**FALABELLA
FINANCIERA**
MEASURED ITS
**CARBON
FOOTPRINT
FOR THE FIRST
TIME,**

IN THE THREE SCOPES FOR:

93 BANK BRANCHES AND
4 CENTRAL OFFICES

⁴² Sodimac Colombia included Scope 3 into its 2020 measurement, where it quantified the emissions from the transport of products from port to the distribution centers and stores.

Carbon Footprint of our businesses

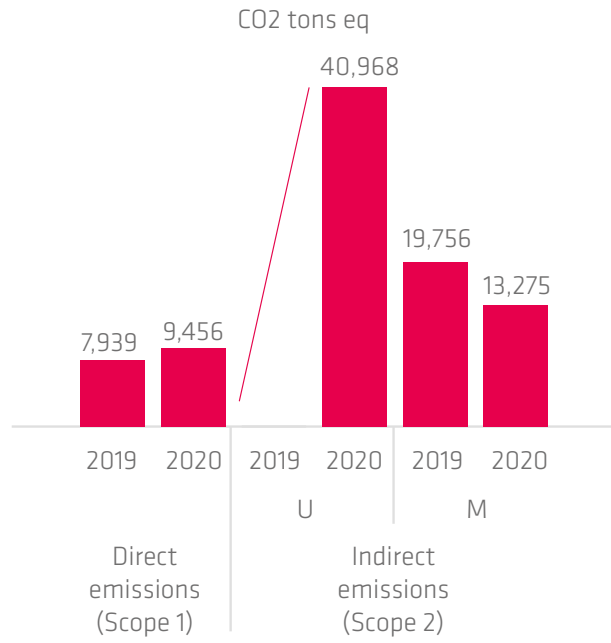


Chile

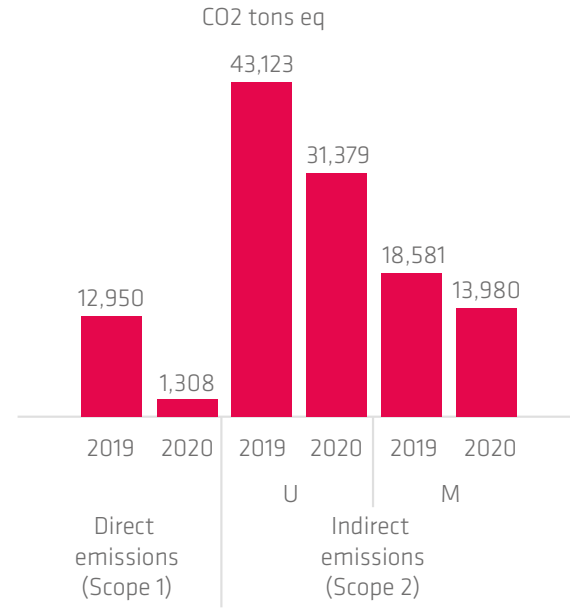
Audit: Geoinvest

Quantification: Proyectae.

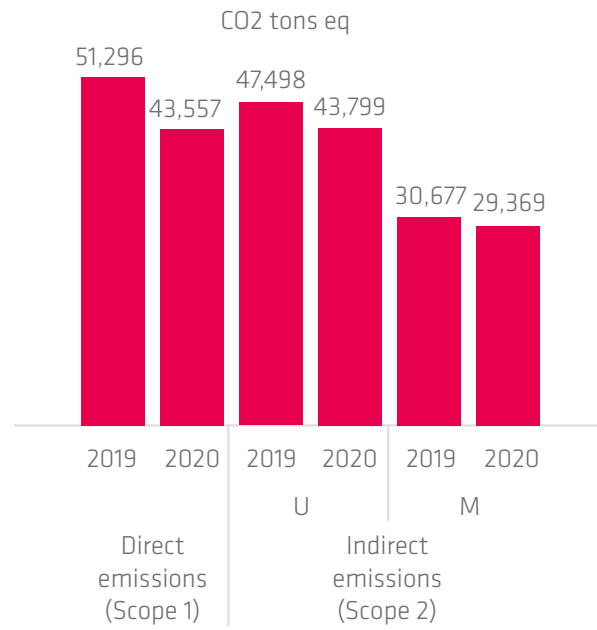
Sodimac



Falabella Retail



Tottus





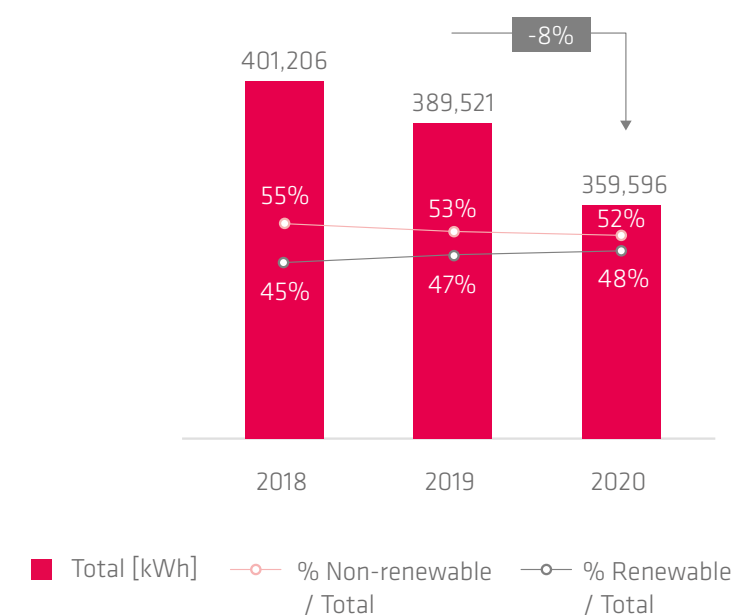
II. We seek to promote the efficient use of resources, mainly in the energy context

Our work in Energy Efficiency essentially refers to the rational use of electrical energy used in stores, distribution centers and shopping centers, without generating an impact on operational processes or store comfort levels towards customers and collaborators.

Since 2017, at Falabella we have been increasing the supply of Non-Conventional Renewable Electric Energy (NCRE) for the Falabella Retail, Sodimac, Tottus and Falabella Inmobiliario facilities by an alliance with Acciona Energía in Chile. During 2020, we increased the number of stores supplied by this corporate contract to improve our clean energy matrix. In Chile:

- During 2020, we managed to reach 100 facilities⁴⁴ with NCRE supply, by including the Tottus supermarket in Mallplaza La Serena and the Homecenter Quilín store to the Acciona agreement.
- In our retail formats, we reached 54% of the power supply coming from renewable sources.
- In our real estate businesses, the power supply coming from NCRE accounted for 94% of total power consumption.

Evolution of consumption and energy matrix Retail Chile



⁴⁴ These include Falabella Inmobiliario distribution centers and shopping centers, home improvement stores, department stores and supermarkets.

Regional energy consumption⁴⁵ (kWh)

| | Non-Renewable Energy (ENR) | | | ENR Consumption | NCRE Consumption | Total consumption |
|------------------------------------|----------------------------|----------------|-------------|-----------------|------------------|-------------------|
| | Fossil fuels | Electricity | Other power | | | |
| Retail business | 63,279 | 470,578 | 1 | 533,858 | 176,332 | 710,190 |
| Real Estate Business ⁴⁶ | 2,810 | 32,533 | - | 35,342 | 105,809 | 141,171 |
| Total | 66,089 | 503,111 | 1 | 569,201 | 282,141 | 851,341 |



In Sodimac Chile, during 2020, progress was made in a progressive plan for electro-mobility in the operation, both in home deliveries and in logistics between distribution centers and stores. For this reason, Sodimac received a certification from the Giro Limpio program of the Energy Sustainability Agency (AgenciaSE), which acknowledges, in the case of cargo-creating companies, those that moving least 50% of their cargo in trucks belonging to transportation companies committed to energy efficiency and emissions reduction. In the first year of this initiative, Sodimac was selected to participate in the new Electro Mobility Accelerator nationwide.



At Falabella, we understand our responsibility and we are committed to managing our operational water consumption. Our most demanding uses are in shopping centers, distribution centers and support offices. Along these lines, the search for efficiencies in the use of this valuable resource has resulted in the inclusion of more facilities into international certifications and standards that require a series of measures to ensure the rational use of the resource. Additionally, we continue to promote improvements in water management associated with landscaping, with the use of treated effluents from the treatment of organic waste in biodigesters in Mallplaza shopping centers. Another example of this is our Huachipa Logistics Center in Tottus Peru, which enabled three wastewater treatment plants producing over 150 cubic meters of water daily for internal supply, with which the complex's gardens are watered.

| Regional water consumption ⁴⁷ (m ³) | 2018 | 2019 ⁴⁷ | 2020 |
|--|------------------|--------------------|------------------|
| Municipal Water | 6,475,434 | 6,722,446 | 4,462,620 |
| Fresh Surface Water | - | 53,281 | - |
| Fresh Well Water | 391,059 | 514,237 | 293,026 |
| Water returned to origin | - | - | - |
| Total water consumption | 6,866,493 | 7,289,964 | 4,755,646 |



Sustainable Facilities

We promote sustainable real estate development with the construction of stores and buildings with high infrastructure and operation standards, which demonstrate our commitment to and progress regarding climate change, create efficiencies and reduce our impact on the environment.

- During 2020, the Mallplaza Buenavista shopping center in Barranquilla completed its certification process, with which we reached a total of 5 LEED-certified shopping centers in the region, while Mallplaza Comas in Peru, Mallplaza Arica and Mallplaza Los Dominicos are still in the certification process. In addition, the environmental management audits ISO 14.001 and ISO 50.001 for Energy Efficiency were carried out, achieving the recertification of all Mallplaza shopping centers in Chile.
- During 2020, our Falabella Retail Arkadia and Buenavista stores in Colombia, as well as the Arica, Viña del Mar, Independencia, Los Angeles and Valdivia stores were LEED Silver certified. This totals 34 stores with this distinction, which account for 31% of the total department stores in the region. With the above, Falabella Retail demonstrates its commitment to equip its stores with considerable energy

⁴⁵ The energy consumed by our businesses in Argentina, Mexico and Uruguay is not included.

⁴⁶ The energy consumption in the real estate business includes the energy used by the Falabella, Sodimac, Tottus, Maestro and third-party stores, which are located in the Falabella Inmobiliario shopping centers. Mallplaza changed its reporting methodology and only included the consumption of common and indoor spaces.

⁴⁷ The water consumption data in the table for 2019 includes activities of Tottus, Sodimac (excluding Argentina), Falabella Retail (excluding Chile and Argentina), Mallplaza and Falabella Inmobiliario. The consumption of Falabella Retail Chile, Banco Falabella and Seguros Falabella in Peru and Colombia was included by 2020.

efficiency attributes without affecting the customer's shopping experience, with low-consumption climate and lighting technologies.

- Falabella Retail is a member of the executive committee of the Chile Green Building Council, a non-profit organization that aims to promote and drive construction and sustainable development via technological innovation, certification and the promotion of good practices in the efficient use of energy, water and raw materials used for the construction of the assets. During 2020, the executive committee promoted instances of discussion and technical round tables on these issues, with a strategic focus on promoting the certification of buildings, articulating public and private efforts, generating innovative projects and supporting the professional training of the various actors that make up the value chain in sustainable construction.

- In Sodimac Chile, during 2020 we continued our plan to replace light fixtures to LED lighting, adding three new stores with this technology. This leaves us with 33 stores at the end of the period with this attribute of energy efficiency, which achieves electricity consumption savings of near 15%. Additionally, with the support of our corporate infrastructure subsidiary, the plan for photovoltaic panels on the roofs of the Sodimac facilities continued to be developed. In 2020, 20 stores were added to this plan, totaling 52 generation plants. This made it possible to supply over 11 million kWh, contributing with over 15% of the energy matrix of Homecenter stores and Sodimac distribution centers in Chile.

In the region we have:

5 LEED certified shopping centers

133 facilities with eco-friendly features⁴⁸

3 shopping centers under LEED certification process

45 LEED stores

⁴⁸ Stores, distribution centers, shopping centers, and headquarters are included.

INVESTMENT PLAN

FALABELLA WILL INVEST US \$ 796 MILLION IN 2021

Technology and logistics concentrate 56% of the announced investments, mainly focused on the integration of e-commerce proposals under Falabella.com and on scaling logistics capabilities, along with shortening delivery times

Investments in logistics for US \$ 140 million, focused on:

- Increasing the order processing capacity of existing distribution centers
- Scaling the processing capacity of third-party products (warehousing, packaging and delivery services)
- Integrating and scaling the capacity of the existing network of transfer centers,
- Construction of new cargo-consolidation facilities (cross-dock) from various sources and increase the the last mile density.

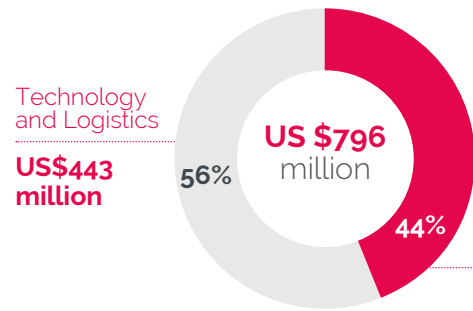
Investments in technology for US \$ 303 million (of which US \$ 92 million are to be recorded as Capex and US \$ 211 million as operating expenses), focused on:

- Technological developments focused mainly on finalizing the integration of e-commerce platforms, such as:
 - Integrated seller center, a unique platform for Sellers to manage their product postings and payments and invoices.
 - Unique e-commerce engine for falabella.com
 - Single payment processing platform (based on Fpay) for unified e-commerce.
 - Enhancement of the express delivery management engine (based on Fasil) to provide this service on Falabella.com, for both 1P and Sellers (3P) products
- Technological developments to enhance logistics

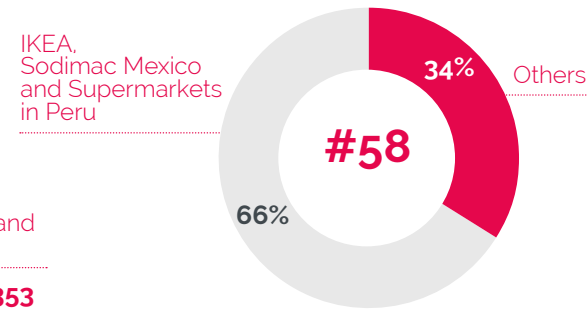
Investments for \$ 353 million in store openings and remodeling

- US \$ 110 million to continue developing expansions with strong growth potential
 - Opening of IKEA in Chile, Peru and Colombia
 - Expanding the supermarket business in Peru
 - Continue to expand home improvement in Mexico
- US \$ 243 million in remodeling and expansions, mainly focused on:
 - Support the development of IKEA stores
 - Home improvement store remodelings in the region

Investment Plan to 2021



Store openings for 2021-2023





CORPORATE GOVERNANCE

We have a governance body that continuously manages the economic, social and environmental risks relevant to our business.





CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Falabella's Board of Directors is composed of nine members who are appointed for three year periods, and may be re-elected indefinitely. The Board does not have any alternate members.



An Annual General Shareholders' Meeting was held on April 28, 2020 that appointed the current directors of the Company for the statutory 3 year period.

As of December 31, 2020, Falabella's Board of Directors was composed of the following members:

| Chilean ID number | Name | Title | Profession | Director since | 2020 Attendance |
|-------------------|-------------------------------|------------------------|--|----------------|-----------------|
| 9,585.749-3 | Carlo Solari Donaggio | Chairman | Civil Engineer | 2011 | 16 |
| 7,017.522-3 | Juan Carlos Cortés Solari | Vice Chairman | Bachelor of Science in Business Administration | 2002 | 16 |
| 5,718.666-6 | Hernán Büchi Buc | Director (Independent) | Civil Engineer | 1996 | 16 |
| 5,082.229-K | Sergio Cardone Solari | Director | Business Administrator | 1986 | 16 |
| 5,851.869-7 | Felipe Aurelio del Río Goudie | Director | Civil Engineer | 2020 | 16 |
| 4,773.832-6 | José Luis del Río Goudie | Director | Civil Engineer | 2003 | 15 |
| 8,717.000-4 | Carlos Heller Solari | Director | Agricultural Engineering Technician | 2002 | 14 |
| 7,005.097-8 | María Cecilia Karlezi Solari | Director | Entrepreneur | 2003 | 13 |
| 8,506.868-7 | Paola Cúneo Queirolo | Director | Bachelor of Science in Business Administration | 2014 | 16 |

Note:

Carlo Solari Donaggio has been Chairman of the Board since 2014.
 Juan Carlos Cortés has been Vice Chairman of the Board of Directors since 2014.

The Board met 16 times during 2020, with an average attendance of 93%. The statutes of Falabella S.A. state that board members are not required to attend a minimum number of meetings, however at least five members of the Board are required to attend each meeting.

The Board is composed of seven men and two women, and all have Chilean nationality.

The composition of the Board by age range and length of service is shown below.

| Age | Directors | Length of service | Directors |
|-------------------------|-----------|--------------------------|-----------|
| Under 30 years | 0 | Under 3 years | 1 |
| Between 30 and 40 years | 0 | Between 3 and 6 years | 1 |
| Between 41 and 50 years | 1 | Over 6 and under 9 years | 0 |
| Between 51 and 60 years | 4 | Between 9 and 12 years | 1 |
| Between 61 and 70 years | 1 | Over 12 years | 6 |
| Over 70 years old | 3 | | |

Summary of Directors' remuneration in 2020 (ThCh\$)

| Chilean ID number | Director | 2020 (ThCh\$) | | |
|-------------------|------------------------------|--------------------|-----------------------|------------------|
| | | Fixed Remuneration | Variable Remuneration | Total |
| 9.585.749-3 | Carlo Solari Donaggio | 184,188 | 206,831 | 391,020 |
| 5.082.229-K | Sergio Cardone Solari | 15,775 | 103,416 | 119,191 |
| 5.718.666-6 | Hernan Buchi Buc | 15,775 | 103,416 | 119,191 |
| 8.717.000-4 | Carlos Heller Solari | 15,775 | 103,416 | 119,191 |
| 7.017.522-3 | Juan Carlos Cortés Solari | 15,775 | 103,416 | 119,191 |
| 4.773.832-6 | Jose Luis del Río Goudi | 15,775 | 103,416 | 119,191 |
| 7.005.097-8 | María Cecilia Karlezi Solari | 15,775 | 103,416 | 119,191 |
| 6.066.460-9 | Paola Cuneo Queirolo | 15,775 | 103,416 | 119,191 |
| 5.898.685-2 | Juan Pablo del Río. Goudie | 6,273 | 103,416 | 109,688 |
| 5.851.869-7 | Felipe del Río Goudie | 9,502 | | 9,502 |
| TOTAL | | 310,389 | 1,034,157 | 1,344,547 |



Photo:
 1- Felipe Del Río Goudie • 2- Sergio Cardone Solari • 3- José Luis del Río Goudie • 4- Carlos Heller Solari • 5- Paola Cúneo Queirolo
 6- Carlo Solari Donaggio • 7- Juan Carlos Cortés Solari • 8- María Cecilia Karlezi Solari • 9- Hernán Büchi Buc

Summary of Directors' remuneration in 2019 (ThCh\$)

| Chilean ID number | Director | 2019 (ThCh\$) | | |
|-------------------|------------------------------|--------------------|-----------------------|------------------|
| | | Fixed Remuneration | Variable Remuneration | Total |
| 9.585.749-3 | Carlo Solari Donaggio | 228,549 | 334,928 | 563,477 |
| 5.082.229-K | Sergio Cardone Solari | 18,426 | 167,464 | 185,890 |
| 5.718.666-6 | Hernan Buchi Buc | 18,395 | 167,464 | 185,859 |
| 8.717.000-4 | Carlos Heller Solari | 18,426 | 167,464 | 185,890 |
| 7.017.522-3 | Juan Carlos Cortés Solari | 18,426 | 167,464 | 185,890 |
| 4.773.832-6 | Jose Luis del Río Goudi | 18,426 | 167,464 | 185,890 |
| 7.005.097-8 | María Cecilia Karlezi Solari | 18,426 | 167,464 | 185,890 |
| 6.066.460-9 | Paola Cuneo Queirolo | 18,426 | 167,464 | 185,890 |
| 5.898.685-2 | Juan Pablo del Río. Goudie | 18,426 | 167,464 | 185,890 |
| TOTAL | | 375,926 | 1,674,639 | 2,050,566 |

Summary of Subsidiary's Directors' remuneration in 2020 (ThCh\$)

| | DIRECTORS | HIPERMERCADOS TOTTUS S.A. | MALLS | SODIMAC | FIF | RETAIL | 2020 |
|-------------|------------------------------|---------------------------|----------------|----------------|---------------|---------------|----------------|
| 6.066.460-9 | Paola Cuneo Queirolo | - | - | 15,506 | - | - | 15,506 |
| 5.082.229-K | Sergio Cardone Solari | - | 68,855 | - | 15,932 | 15,839 | 100,626 |
| 8.717.000-4 | Carlos Heller Solari | - | - | - | - | 63,741 | 63,741 |
| 7.017.522-3 | Juan Carlos Cortés Solari | 48,041 | - | - | - | - | 48,041 |
| 4.773.832-6 | Jose Luis del Rio Goudie | - | - | 15,506 | - | - | 15,506 |
| 9.585.749-3 | Carlo Solari Donaggio | 15,933 | 34,427 | - | 15,932 | 15,839 | 82,131 |
| 5.898.685-2 | Juan Pablo del Rio Goudie | - | - | 92,805 | - | - | 92,805 |
| 5.851.869-7 | Felipe del Rio Goudie | - | - | - | 6,335 | - | 6,335 |
| 7.005.097-8 | María Cecilia Karlezi Solari | - | - | 15,506 | - | - | 15,506 |
| | TOTALS | 63,974 | 103,282 | 139,323 | 38,198 | 95,420 | 440,198 |

Summary of Subsidiary's Directors' remuneration in 2019 (ThCh\$)

| | DIRECTORS | HIPERMERCADOS TOTTUS S.A. | MALLS | SODIMAC | FIF | RETAIL | 2019 |
|-------------|------------------------------|---------------------------|----------------|----------------|---------------|----------------|----------------|
| 6.066.460-9 | Paola Cuneo Queirolo | - | - | 18,732 | - | - | 18,732 |
| 5.082.229-K | Sergio Cardone Solari | - | 76,995 | - | 18,578 | 18,581 | 114,154 |
| 8.717.000-4 | Carlos Heller Solari | - | - | - | - | 74,323 | 74,323 |
| 7.017.522-3 | Juan Carlos Cortés Solari | 55,751 | - | - | - | - | 55,751 |
| 4.773.832-6 | Jose Luis del Rio Goudie | - | - | 18,732 | - | - | 18,732 |
| 9.585.749-3 | Carlo Solari Donaggio | 18,584 | 38,497 | - | 21,669 | 18,581 | 97,331 |
| 5.898.685-2 | Juan Pablo del Rio Goudie | - | - | 111,721 | - | - | 111,721 |
| 7.005.097-8 | María Cecilia Karlezi Solari | - | - | 18,732 | - | - | 18,732 |
| | TOTALS | 74,334 | 115,492 | 167,916 | 40,248 | 111,485 | 509,475 |

The Board did not hire any consultancy services during 2020



BOARD COMMITTEES

Directors' Committee

The Board of Directors was entirely re-appointed at the Annual General Shareholders' Meeting held on April 28, 2020 for the statutory period of three years. Mr. Hernán Büchi Buc was appointed as an independent Director at that meeting (hereinafter "Independent Director"). The Board of Directors met on the same date, and pursuant to Article 50 bis of the LSA, the Independent Director appointed Messrs. Sergio Cardone Solari and José Luis del Rio Goudie as members of the Directors Committee. Therefore, this Committee is composed of the appointed Directors from that date and is chaired by the Independent Director.

The Committee's expenditure budget and the remuneration of each member for 2020 were set by the Company's shareholders at its AGM held on April 28, 2020, pursuant to the following:

The Committee's budget for operating expenditure and consultancy services on relevant matters was set as the sum of the annual remuneration of the Committee members. The remuneration of each Committee member was set at i) a fixed monthly fee equivalent in pesos to one third of the fixed monthly fee for a Director, for each Committee meeting attended by the member. The Chairman of the Committee will receive an additional fixed monthly fee equivalent in pesos to 160 *unidades de fomento* gross for each month or fraction thereof that the position has been held. Also, ii) variable annual remuneration equivalent in pesos to a third of the variable annual remuneration for a Director. Also iii) these amounts are in addition to the remuneration received by Committee members in their capacity as Directors.

The Committee did not incur any consultancy expenses during 2020.

Meetings

The Committee met five times during 2020, on February 25, May 11, August 24, November 9 and December 14.

Matters Addressed

The Committee addressed matters within its jurisdiction at its meetings during 2020. These included matters indicated in Article 50 bis of the LSA and other matters delegated to the Committee by the Board of Directors, as follows:

- Examined the quarterly and annual financial statements, including reports submitted both by the Company's executives as well as external auditors, expressing its opinion on them prior to their submission to the Board and when appropriate to the shareholders, for their approval.
- Proposed external auditors and private risk rating agencies to the Board of Directors, which were then proposed to shareholders.
- Informed the Board of Directors regarding the suitability of hiring the Company's external auditors for non-audit services, under the terms of numeral six of subsection eight of Article 50 bis of the LSA.
- Examined information related to the transactions referred to in Chapter XVI of the LSA, as well as the remuneration systems and compensation plans for the Company's senior executives, in relation to the program of variable and contingent long-term incentives for 2020-2023 (the "2020 LTI Plan"). It recommended that the Board approve the mutual lending contracts that enable the Company's senior executives to participate in the 2020 LTI Plan, as these are deemed related party transactions.

- Reviewed progress with the internal audit plan for the Company and its subsidiaries, and the internal control report submitted by the Company's external auditors.
- Reviewed the reports submitted by the Company's Internal Audit Department, and approved the Company's internal audit plan for 2021.
- Reviewed and commented on: i) the policies, procedures, protocols and other measures adopted by the management of the Company and its subsidiaries to: a) protect the health of employees and customers against the COVID-19 pandemic (hereinafter the "Pandemic"); and, b) compliance with the law and regulations issued by the authorities in relation to controlling the Pandemic and mitigate COVID-19 infections; ii) the prevention of new and incremental risks related to the Pandemic, such as those arising from employees

working remotely, stock-taking using alternative methods to physical stock-taking and protecting the systems of the Company and its subsidiaries; iii) additional internal audits related to the risks associated with the Pandemic, and changes in focus, emphasis and approach to working by the Company's internal auditors caused by the Pandemic; and, iv) changes in focus, emphasis and approach to working by the Company's external auditors caused by the Pandemic.

During the meeting held on February 25, 2020, the Committee evaluated the audit service proposals received from external audit companies for 2020, and proposed that the Board submit a duo of external auditors to the shareholders from the following companies: i) first choice, EY Servicios Profesionales de Auditoría y Asesorías SpA (hereinafter "EY"); and, ii) second choice, Deloitte Auditores y Consultores Limitada.

The Committee recorded that it considered EY's proposal to be the first choice in view of the following professional aspects and EY's service proposal:

- The quality of the professional team in charge of the Company's audit;
- The Company's prior experience with EY;
- EY's international presence in the countries where the Company and its subsidiaries operate their businesses;
- The financial proposal for the audit services; and,
- The recent addition of new countries and businesses that need careful auditing.

At the same Committee meeting, it proposed to the Board the following risk rating agencies for securities issued by the Company that are available to the public:
Retain Fitch Chile Clasificadora de Riesgo Limitada and Feller-Rate Clasificadora de Riesgo Limitada as risk rating agencies for the shares, bonds and commercial paper issued in Chile by the Company.
Retain Standard & Poor's and Fitch Ratings as risk rating agencies for securities issued abroad.

Also holding the Standard & Poor's and Fitch Ratings rating agencies for the classification of securities issued abroad.

Members and Attendance at Meetings:

| Director | 2020 Attendance | 2019 Attendance |
|------------------------------|-----------------|-----------------|
| Hernán Büchi Buc (Chairman)* | 5 | 8 |
| Sergio Cardone Solari | 5 | 7 |
| José Luis del Río Goudie | 4 | 7 |

*Independent Director

Remuneration of the Directors Committee (ThCh\$):

| Chilean ID number | Director | Fixed Remuneration | Variable Remuneration | Total 2020 | Total 2019 |
|-------------------|--------------------------|--------------------|-----------------------|------------|------------|
| 5.082.229-K | Sergio Cardone Solari | 2.108 | 34.472 | 36.580 | 57.862 |
| 5.718.666-6 | Hernán Büchi Buc | 50.371 | 34.472 | 84.843 | 91.827 |
| 4.773.832-6 | Jose Luis del Río Goudie | 1.586 | 34.472 | 36.058 | 58.381 |
| Total | | | | 157.481 | 208.070 |

STRATEGY COMMITTEE



The Strategy Committee evaluates industry trends and their implications for Falabella together with strategic opportunities for the business with a focus on the medium and long term and submit proposals to the Board.

The Strategy Committee carefully examines the alignment of corporate and business unit strategic plans. It proposes adjustments to the strategic plan submitted by management, it examines investment and divestment analysis, and submits proposals regarding the Company's investment policies and risk management. The Committee is also responsible for directing analyses and developing proposals on critical issues at the request of the Board of Directors.

The Strategy Committee met 3 times during 2020.

Members and Attendance at Meetings:

| Director | 2019 Attendance | 2020 Attendance |
|------------------------------------|-----------------|-----------------|
| Carlo Solari Donaggio (Presidente) | 3 | 3 |
| Juan Carlos Cortés Solari | 2 | 3 |
| Sergio Cardone Solari | 2 | 3 |
| José Luis del Río Goudie | 2 | 3 |
| Paola Cúneo Queirolo | 3 | 3 |
| Felipe del Río Goudie | - | 3 |



COMPENSATION AND TALENT COMMITTEE

The Committee analyzes compensation policies, performance evaluations and talent management, and reviews director's nominations throughout the group, when appropriate.

The Committee analyses and proposes compensation policies for executives of the Company and its subsidiaries, and it evaluates long-term incentives during the year.

The Committee ensures that the performance of the Company's senior executives is correctly evaluated.

The Committee is regularly informed of the key issues regarding talent management and appointments within the organization.

The Committee proposes procedures regarding succession plans for the CEO and front-line executives, and monitors the performance of key executives.

The Compensation and Talent Committee met twice during 2020:

Members and Attendance at Meetings:

| Director | 2019 Attendance | 2020 Attendance |
|--------------------------------------|-----------------|-----------------|
| Juan Carlos Cortés Solari (Chairman) | 2 | 2 |
| Carlo Solari Donaggio | 2 | 2 |
| Juan Pablo del Río Goudie | 2 | - |
| Felipe del Río Goudie | - | 2 |
| Sergio Cardone Solari | - | 2 |

Note:

Felipe del Río joined in 2020 and replaced Juan Pablo del Río.



MANAGEMENT: SENIOR EXECUTIVES AS OF DECEMBER 31, 2020

| Chilean ID number | Name | Position | Education | Years in the Group | Date of Appointment |
|-------------------|---|--|-------------------------------------|--------------------|---------------------|
| 22.923.569-9 | Gaston Bottazzini | Chief Executive Officer | Economist | 12 | 01-06-2018 |
| 10.054.917-4 | Alejandro González Dale | Chief Financial Officer | Business Administrator | 14 | 06-11-2006 |
| 13.660.520-8 | Jordi Gaju Nicolau | Chief Strategy Officer | Business Administrator | 11 | 01-09-2018 |
| 9.959.968-5 | Gonzalo Smith Ferrer | Chief Legal and Governance Officer | Attorney | 5 | 16-12-2015 |
| 7.003.348-8 | Jorge Joannon Errázuriz | Chief Internal Audit Officer | Civil Engineer | 6 | 01-08-2014 |
| 24.293.561-6 | Helder Jorge Antunes Mao De Ferro ⁴⁸ | Chief Information Technology Officer | Bachelor of Business Administration | 3 | 01-02-2019 |
| 11.833.668-2 | María Francisca Prieto Arroyo | Chief People Officer | Business Administrator | 9 | 01-09-2018 |
| 0-E (Foreign) | Pablo Ardanaz | Argentina Country Manager | Industrial Engineer | 14 | 01-08-2016 |
| 7.649.739-7 | Rodrigo Fajardo Zillueruelo | Colombia Country Manager | Business Administrator | 26 | 09-02-2010 |
| 0-E (Foreign) | Juan Fernando Correa Malachowsk | Peru Country Manager | Industrial Engineer | 17 | 01-01-2017 |
| 22.051.269-K | Gonzalo Somoza García ⁴⁹ | Corporate General Manager Department Stores | Civil Engineer | 21 | 25-04-2014 |
| 12232048-0 | Alejandro Arze Safian | Corporate General Manager Home Improvement | Business Administrator | 23 | 01-03-2020 |
| 21.658.334-5 | Juan Manuel Matheu Loitegui | Corporate General Manager Falabella Financiero | Bachelor of Business Administration | 11 | 01-06-2018 |
| 7.556.207-1 | Fernando de Peña Iver | General Manager Mall Plaza | Civil Engineer | 31 | 01-01-1990 |
| 0-E (Foreign) | Johann Ramberg Arnillas | Corporate General Manager Supermarkets | Economist | 17 | 01-09-2018 |
| 7.617.431-8 | Ricardo Hepp de Los Ríos | General Manager Falabella Real Estate | Business Administrator | 26 | 01-04-2009 |
| 14705241-3 | Benoit de Grave | Falabella.com General Manager | Business | 8 | 23-09-2019 |

⁴⁸ Mr. Helder Mao de Ferro was Corporate IT Manager until 14 January 2021. As of 15 January 2021, Mr. Ashish Grover replaced him as Corporate IT Manager.

⁴⁹ The Corporate General Manager of Department Stores Gonzalo Somoza held this position until March 31, 2021. As of April 1, 2021 Francisco Irarrázaval assumed as Corporate General Manager Department Stores

As of December 31, 2020, no executive or director has signed the controlling shareholders' agreement described below, and none have a share interest greater than 0.5% in the Company. Neither is their combined share interest greater than 0.5% of the company.



Nine of the senior executives have Chilean nationality, eight are foreigners, while 16 are men and one is a woman.

Management is comprised of the following numbers of people by age range and length of service.

Number of management executives by age range

| Age | Executives |
|--------------------------|------------|
| Under 30 years | 0 |
| Between 30 and 40 years | 0 |
| Between 41 and 50 years | 9 |
| Between 51 and 60 years | 6 |
| Between 61 and 70 months | 2 |
| Over 70 years old | 0 |

Number of management executives by length of service

| Seniority | Executives |
|--------------------------|------------|
| Under 3 years | 1 |
| Between 3 and 6 years | 1 |
| Over 6 and under 9 years | 3 |
| Between 9 and 12 years | 2 |
| Over 12 years | 10 |

Incentives Plan

The Company provides its employees with fixed remuneration and incentives in the form of bonuses. These bonuses are calculated based on their performance and goals set at the beginning of the period. Senior executives participate in a long-term incentive plan related to the parent company's share value. Further information on share-based payments can be found in Note 22 d) of the Company's financial statements as of December 2020.



OWNERSHIP AND CONTROL

Controlling Shareholders

The Company is controlled by the shareholder groups described below. As of December 31st, 2020, these controlling groups own 70.58% of the Company's shares. They have signed a joint agreement pursuant to the final and consolidated Shareholders' Agreement signed on September 24, 2013. This agreement limits the free availability of shares.

| AUGURI GROUP | Chilean ID number | No. of Shares | % |
|-------------------------------------|---------------------|-------------------|--------------|
| Maria Cecilia Karlezi Solari | 7.005.097-8 | 14,000,000 | 0.56% |
| Inversiones Auguri Limitada | 78.907.330-9 | 37,533,331 | 1.50% |

This corporation is controlled by the following people:

| | |
|--------------------------------|--------------|
| • Maria Cecilia Karlezi Solari | 7.005.097-8 |
| • Sebastian Arispe Karlezi | 15.636.728-1 |

| | | | |
|------------------------|---------------------|--------------------|---------------|
| Lucec Tres S.A. | 99.556.440-8 | 267,803,642 | 10.67% |
|------------------------|---------------------|--------------------|---------------|

This corporation is controlled by the following people:

| | |
|--------------------------------|--------------|
| • Maria Cecilia Karlezi Solari | 7.005.097-8 |
| • Sebastian Arispe Karlezi | 15.636.728-1 |

| BETHIA GROUP | Chilean ID number | No. of Shares | % |
|--------------------|---------------------|--------------------|--------------|
| Bethia S.A. | 78.591.370-1 | 230,537,025 | 9.19% |

This corporation is controlled by the following people:

| | |
|--------------------------------|--------------|
| • Liliana Solari Falabella | 4.284.210-9 |
| • Carlos Alberto Heller Solari | 8.717.000-4 |
| • Andrea Heller Solari | 8.717.078-0 |
| • Pedro Heller Ancarola | 17.082.751-1 |
| • Alberto Heller Ancarola | 18.637.628-5 |
| • Paola Barrera Heller | 15.960.799-2 |
| • Felipe Rossi Heller | 18.637.490-8 |

| | | | |
|-------------------|---------------------|------------------|--------------|
| Inbet S.A. | 85.487.000-9 | 2,678,697 | 0.11% |
|-------------------|---------------------|------------------|--------------|

This corporation is controlled by the following people:

| | |
|--------------------------------|-------------|
| • Liliana Solari Falabella | 4.284.210-9 |
| • Carlos Alberto Heller Solari | 8.717.000-4 |

| | |
|---------------------------|--------------|
| • Andrea Heller Solari | 8.717.078-0 |
| • Pedro Heller Ancarola | 17.082.751-1 |
| • Alberto Heller Ancarola | 18.637.628-5 |
| • Paola Barrera Heller | 15.960.799-2 |
| • Felipe Rossi Heller | 18.637.490-8 |

| CORSO GROUP | Chilean ID number | No. of Shares | % |
|--|---------------------|------------------|--------------|
| Juan Carlos Cortes Solari | 7.017.522-3 | 2,081,442 | 0.08% |
| Teresa Matilde Solari Falabella | 4.661.725-8 | 2,229,487 | 0.09% |
| Maria Francisca Cortes Solari | 7.017.523-1 | 2,082,186 | 0.08% |
| Inversiones Mapter Dos Limitada | 76.839.460-1 | 6,180,193 | 0.25% |

This corporation is controlled by the following people:

| | |
|-----------------------------------|-------------|
| • Teresa Matilde Solari Falabella | 4.661.725-8 |
| • Juan Carlos Cortes Solari | 7.017.522-3 |
| • Maria Francisca Cortes Solari | 7.017.523-1 |

| | | | |
|--------------------------------------|---------------------|-------------------|--------------|
| Inversiones Quitafal Limitada | 76.038.402-K | 18,300,200 | 0.73% |
|--------------------------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------------|-------------|
| • Teresa Matilde Solari Falabella | 4.661.725-8 |
| • Juan Carlos Cortes Solari | 7.017.522-3 |
| • Maria Francisca Cortes Solari | 7.017.523-1 |

| | | | |
|---|---------------------|--------------------|--------------|
| Inversiones Don Alberto Cuatro SpA | 99.552.470-8 | 151,079,494 | 6.02% |
|---|---------------------|--------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------------|-------------|
| • Teresa Matilde Solari Falabella | 4.661.725-8 |
| • Juan Carlos Cortes Solari | 7.017.522-3 |
| • Maria Francisca Cortes Solari | 7.017.523-1 |

| | | | |
|--------------------------|---------------------|-------------------|--------------|
| Mapcor Cuatro SpA | 99.556.480-7 | 45,000,000 | 1.79% |
|--------------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------------|-------------|
| • Teresa Matilde Solari Falabella | 4.661.725-8 |
| • Juan Carlos Cortes Solari | 7.017.522-3 |
| • Maria Francisca Cortes Solari | 7.017.523-1 |

| | | | |
|-------------------------------|---------------------|-------------------|--------------|
| Mapcor Cuatro Alfa SpA | 77.112.738-K | 63,247,346 | 2,52% |
|-------------------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------------|-------------|
| • Teresa Matilde Solari Falabella | 4.661.725-8 |
| • Juan Carlos Cortes Solari | 7.017.522-3 |
| • Maria Francisca Cortes Solari | 7.017.523-1 |

| SAN VITTO GROUP | Chilean ID number | No. of Shares | % |
|---------------------------------------|---------------------|--------------------|--------------|
| Inversiones San Vitto Limitada | 77.945.970-5 | 243,698,146 | 9.71% |

This corporation is controlled by the following people:

| | |
|--------------------------|-------------|
| • Piero Solari Donaggio | 9.585.725-6 |
| • Sandro Solari Donaggio | 9.585.729-9 |
| • Carlo Solari Donaggio | 9.585.749-3 |

| | | | |
|--|---------------------|------------------|--------------|
| Asesorías e Inversiones Brunello Limitada | 78.907.380-5 | 8,852,268 | 0.35% |
|--|---------------------|------------------|--------------|

This corporation is controlled by the following people:

| | |
|--------------------------|-------------|
| • Piero Solari Donaggio | 9.585.725-6 |
| • Sandro Solari Donaggio | 9.585.729-9 |
| • Carlo Solari Donaggio | 9.585.749-3 |

| | | | |
|--|---------------------|------------------|--------------|
| Asesorías e Inversiones Barolo Limitada | 78.907.350-3 | 8,852,288 | 0.35% |
|--|---------------------|------------------|--------------|

This corporation is controlled by the following people:

| | |
|--------------------------|-------------|
| • Piero Solari Donaggio | 9.585.725-6 |
| • Sandro Solari Donaggio | 9.585.729-9 |
| • Carlo Solari Donaggio | 9.585.749-3 |

| | | | |
|--|---------------------|------------------|--------------|
| Asesorías e Inversiones Sangiovese Limitada | 78.907.390-2 | 8,852,248 | 0.35% |
|--|---------------------|------------------|--------------|

This corporation is controlled by the following people:

| | |
|--------------------------|-------------|
| • Piero Solari Donaggio | 9.585.725-6 |
| • Sandro Solari Donaggio | 9.585.729-9 |
| • Carlo Solari Donaggio | 9.585.749-3 |

| | | | |
|-------------------------------|--------------------|----------------|--------------|
| Sandro Solari Donaggio | 9.585.729-9 | 360,000 | 0.01% |
|-------------------------------|--------------------|----------------|--------------|

| LIGURIA GROUP | Chilean ID number | No. of Shares | % |
|-----------------------------------|---------------------|--------------------|--------------|
| Inversiones Los Olivos SpA | 76.360.576-0 | 219,228,581 | 8.74% |

This corporation is controlled by the following people:

| | |
|-----------------------------|-------------|
| • Juan Cuneo Solari | 3.066.418-3 |
| • Paola Cuneo Queirolo | 8.506.868-7 |
| • Giorgianna Cuneo Queirolo | 9.667.948-3 |

| AMALFI GROUP | Chilean ID number | No. of Shares | % |
|--|---------------------|-------------------|--------------|
| Importadora y Comercializadora Amalfi SpA | 87.743.700-0 | 45,224,102 | 1.80% |

This corporation is controlled by the following people:

| | |
|-------------------------|--------------|
| • Sergio Cardone Solari | 5.082.229-K |
| • Ines Fantuzzi | 6.066.811-6 |
| • Macarena Cardone | 10.091.903-6 |
| • Matias Cardone | 10.091.901-K |
| • Valentina Cardone | 15.642.572-9 |
| • Josefina Cardone | 17.406.681-7 |
| • Francisco de Pablo | 12.265.592-K |
| • Cristian de Pablo | 12.585.617-9 |
| • Nicolas de Pablo | 13.550.768-7 |

| | | | |
|--------------------------------|---------------------|-------------------|--------------|
| Inversiones Vietri S.A. | 76.182.636-0 | 11,217,037 | 0.45% |
|--------------------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-------------------------|--------------|
| • Sergio Cardone Solari | 5.082.229-K |
| • Ines Fantuzzi | 6.066.811-6 |
| • Macarena Cardone | 10.091.903-6 |
| • Matias Cardone | 10.091.901-K |
| • Valentina Cardone | 15.642.572-9 |
| • Josefina Cardone | 17.406.681-7 |
| • Francisco de Pablo | 12.265.592-K |
| • Cristian de Pablo | 12.585.617-9 |
| • Nicolas de Pablo | 13.550.768-7 |

| DERSA GROUP | Chilean ID number | No. of Shares | % |
|-------------------|---------------------|--------------------|--------------|
| Dersa S.A. | 95.999.000-K | 136,444,501 | 5.44% |

This corporation is controlled by the following people:

| | |
|-----------------------------|-------------|
| • Jose Luis del Rio Goudie | 4.773.832-6 |
| • Barbara del Rio Goudie | 4.778.798-K |
| • Juan Pablo del Rio Goudie | 5.898.685-2 |
| • Felipe del Rio Goudie | 5.851.869-7 |
| • Ignacio del Rio Goudie | 6.921.717-6 |
| • Sebastian del Rio Goudie | 6.921.716-8 |
| • Carolina del Rio Goudie | 6.888.500-0 |

| | | | |
|-----------------------|---------------------|-------------------|--------------|
| DT Carrera SpA | 76.338.127-7 | 35,877,447 | 1.43% |
|-----------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|---|--------------|
| • Felipe del Rio Goudie | 5.851.869-7 |
| • Mariana de Jesus Arteaga Vial | 6.695.852-3 |
| • Luis Felipe del Rio Arteaga | 13.234.925-8 |
| • Andres Antonio del Rio Arteaga | 14.118.360-5 |
| • Martin del Rio Arteaga | 15.642.668-7 |
| • Javier del Rio Arteaga | 16.605.546-6 |
| • Jose Pablo del Rio Arteaga | 17.703.172-0 |
| • Mariana Teresita Carmen del Rio Arteaga | 18.641.820-4 |

| | | | |
|-----------------------|---------------------|-------------------|--------------|
| Quilicura S.A. | 76.338.077-7 | 22,415,828 | 0.89% |
|-----------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------|-------------|
| • Jose Luis del Rio Goudie | 4.773.832-6 |
| • Barbara del Rio Goudie | 4.778.798-K |
| • Juan Pablo del Rio Goudie | 5.898.685-2 |
| • Felipe del Rio Goudie | 5.851.869-7 |
| • Ignacio del Rio Goudie | 6.921.717-6 |
| • Sebastian del Rio Goudie | 6.921.716-8 |
| • Carolina del Rio Goudie | 6.888.500-0 |

| | | | |
|-------------------------|---------------------|-------------------|--------------|
| El Roquerio S.A. | 76.338.125-0 | 22,415,828 | 0.89% |
|-------------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|----------------------------|-------------|
| • Jose Luis del Rio Goudie | 4.773.832-6 |
|----------------------------|-------------|

| | |
|-----------------------------|-------------|
| • Barbara del Rio Goudie | 4.778.798-K |
| • Juan Pablo del Rio Goudie | 5.898.685-2 |
| • Felipe del Rio Goudie | 5.851.869-7 |
| • Ignacio del Rio Goudie | 6.921.717-6 |
| • Sebastian del Rio Goudie | 6.921.716-8 |
| • Carolina del Rio Goudie | 6.888.500-0 |

| | | | |
|---------------------|---------------------|-------------------|--------------|
| DT D y D SpA | 76.338.126-9 | 34,105,996 | 1.36% |
|---------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------|--------------|
| • Juan Pablo del Rio Goudie | 5.898.685-2 |
| • Patricia Edwards Braun | 5.711.271-9 |
| • Elisa del Rio Edwards | 12.628.617-1 |
| • Diego del Rio Edwards | 13.234.004-8 |
| • Ana del Rio Edwards | 13.435.488-7 |
| • Pedro del Rio Edwards | 15.382.612-9 |
| • Sara del Rio Edwards | 15.641.769-6 |
| • Paula del Rio Edwards | 16.371.405-1 |

| | | | |
|-----------------|---------------------|-------------------|--------------|
| BFD S.A. | 76.338.129-3 | 22,415,828 | 0.89% |
|-----------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|-----------------------------|-------------|
| • Jose Luis del Rio Goudie | 4.773.832-6 |
| • Barbara del Rio Goudie | 4.778.798-K |
| • Juan Pablo del Rio Goudie | 5.898.685-2 |
| • Felipe del Rio Goudie | 5.851.869-7 |
| • Ignacio del Rio Goudie | 6.921.717-6 |
| • Sebastian del Rio Goudie | 6.921.716-8 |
| • Carolina del Rio Goudie | 6.888.500-0 |

| | | | |
|------------------------|---------------------|-------------------|--------------|
| DT Peñuelas SpA | 76.338.177-3 | 33,784,036 | 1.35% |
|------------------------|---------------------|-------------------|--------------|

This corporation is controlled by the following people:

| | |
|---------------------------|--------------|
| • Carolina del Rio Goudie | 6.888.500-0 |
| • Victor Pucci Labatut | 6.474.224-8 |
| • Victor Pucci del Rio | 15.643.671-2 |
| • Pablo Pucci del Rio | 15.637.474-1 |
| • Rodrigo Pucci del Rio | 16.371.133-8 |
| • Felipe Pucci del Rio | 18.392.648-9 |

The social, environmental and governance risks are part of the management of our Board

| | | | |
|---|---------------------|----------------------|---------------|
| Inversiones Torca Limitada | 79.875.040-2 | 5,327,767 | 0.21% |
| This corporation is controlled by the following people: | | | |
| • Ignacio del Rio Goudie | 6.921.717-6 | | |
| Inversiones Vitacura S.A. | 88.494.700-6 | 5,376,695 | 0.21% |
| This corporation is controlled by the following people: | | | |
| • Jose Luis del Rio Goudie | 4.773.832-6 | | |
| • Barbara del Rio Goudie | 4.778.798-K | | |
| • Juan Pablo del Rio Goudie | 5.898.685-2 | | |
| • Felipe del Rio Goudie | 5.851.869-7 | | |
| • Ignacio del Rio Goudie | 6.921.717-6 | | |
| • Sebastian del Rio Goudie | 6.921.716-8 | | |
| • Carolina del Rio Goudie | 6.888.500-0 | | |
| Inversiones Austral Limitada | 94.309.000-9 | 14,255,119 | 0.57% |
| This corporation is controlled by the following people: | | | |
| • Jose Luis del Rio Goudie | 4.773.832-6 | | |
| • Barbara del Rio Goudie | 4.778.798-K | | |
| • Juan Pablo del Rio Goudie | 5.898.685-2 | | |
| • Felipe del Rio Goudie | 5.851.869-7 | | |
| • Ignacio del Rio Goudie | 6.921.717-6 | | |
| • Sebastian del Rio Goudie | 6.921.716-8 | | |
| • Carolina del Rio Goudie | 6.888.500-0 | | |
| Inpesca S.A. | 79.933.960-9 | 49,343,681 | 1.97% |
| This corporation is controlled by the natural persons detailed below: | | | |
| • Jose Luis del Rio Goudie | 4.773.832-6 | | |
| • Barbara del Rio Goudie | 4.778.798-K | | |
| • Juan Pablo del Rio Goudie | 5.898.685-2 | | |
| • Felipe del Rio Goudie | 5.851.869-7 | | |
| • Ignacio del Rio Goudie | 6.921.717-6 | | |
| • Sebastian del Rio Goudie | 6.921.716-8 | | |
| • Carolina del Rio Goudie | 6.888.500-0 | | |
| Total Controlling Shareholders | | 1,770,800,439 | 70.58% |



EQUITY

As of December 31, 2020, the Company's equity was divided into 2,508,844,629 subscribed and paid single series shares of equal value, with 2,326 registered shareholders.

TWELVE LARGEST SHAREHOLDERS

| Name | Chilean ID number | N° of Shares | % |
|---|-------------------|--------------|--------|
| LUCEC TRES S A | 99.556.440-8 | 267,803,642 | 10.67% |
| INVERSIONES SAN VITTO LTDA | 77.945.970-5 | 243,698,146 | 9.71% |
| BETHIA S A | 78.591.370-1 | 230,537,025 | 9.19% |
| INVERSIONES LOS OLIVOS SpA | 76.360.576-0 | 219,228,581 | 8.74% |
| BANCO DE CHILE POR CUENTA DE STATE STREET | 97.004.000-5 | 208,772,882 | 8.32% |
| INVERSIONES DON ALBERTO CUATRO SpA | 99.552.470-8 | 151,079,494 | 6.02% |
| DERSA SA | 95.999.000-K | 136,444,501 | 5.44% |
| BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES | 97.004.000-5 | 121,820,215 | 4.86% |
| BANCO SANTANDER POR CUENTA DE INV EXTRANJEROS | 97.036.000-K | 67,601,405 | 2.69% |
| MAPCOR CUATRO ALFA SpA | 77.112.738-K | 63,247,346 | 2.52% |
| INPESCA S A | 79.933.960-9 | 49,343,681 | 1.97% |
| IMPORTADORA Y COMERCIALIZADORA AMALFI SpA | 87.743.700-0 | 45,224,102 | 1.80% |



CHANGES IN OWNERSHIP

During 2020, Banco de Chile on behalf of State Street acquired 8.32% of the Company's shares, making it one of the 12 largest shareholders.



DIVIDEND POLICY

The Annual General Shareholders' Meeting set a dividend policy of distributing at least 30% of net distributable earnings each year.

The dividends distributed during 2015, 2016, 2017, 2018, 2019 and 2020 are as follows:

| | Ch\$ / share |
|-----------------------------|--------------|
| Final dividend No. 36 | |
| Paid in May 2015 | 47 |
| Provisional dividend No. 37 | |
| Paid in October 2015 | 26 |
| Final dividend No. 38 | |
| Paid in May 2016 | 54 |
| Provisional dividend No. 39 | |
| Paid in November 2016 | 26 |
| Final dividend No. 40 | |
| Paid in May 2017 | 54 |
| Provisional dividend No. 41 | |
| Paid in November 2017 | 26 |
| Final dividend No. 42 | |
| Paid in May 2018 | 54 |
| Provisional dividend No. 43 | |
| Paid in January 2019 | 26 |
| Final dividend No. 44 | |
| Paid in May 2019 | 50 |
| Provisional dividend No. 45 | |
| Paid in January 2020 | 17 |
| Final dividend No. 46 | |
| Paid in May 2020 | 19 |



ESG IN OUR GOVERNANCE

We have a governing body that continuously manages the economic, social and environmental risks related to our business. This is the Board of Directors, which is comprised of nine members who are appointed for three year periods and can be re-elected indefinitely. Falabella's Chief Executive Officer reports to the Board and the Corporate Managers of each business report to this CEO.

Falabella has three areas of governance and risk management covering economic, social and environmental decisions:

- The Board of Directors manages risks in accordance with the Risk Control and Management Policy, and the results of this process are submitted to the Board at least once a year.
- The Board specifically meets with a business unit every six months to ensure that the risk management process is operating effectively and analyses risk detection, categorization and monitoring. The General Manager of the respective business unit and the Corporate Internal Audit Manager also attend this meeting.
- Finally, each business has a Sustainability Committee comprised of a member of that subsidiary's Board, its General Manager, the managers of its business strategy departments and the managers responsible for its sustainability projects. The purpose of this committee is to ensure compliance with its Board instructions, to approve strategies and to review progress.





**CORPORATE
INFORMATION**



CORPORATE INFORMATION

COMPANY IDENTIFICATION

Falabella S.A. is an open stock corporation, registered in the Securities Registrar of the Commission for the Financial Market, under No. 582. Its central offices address and location is Calle Manuel Rodríguez Norte 730, Santiago, Chile; phone +56 2 2380 2000; fax 223802077; box 1737; website: investors.falabella.com; email: inversionistas@falabella.cl. Its Unique Tax Number (RUT) is 90.749.000-9.

The Falabella S.A. corporation was incorporated under the "Sociedad Anónima Comercial Industrial Falabella SACIF" name, by a public deed granted on March 19th, 1937, before the Santiago notary, Mr. Jorge Gaete Rojas, and was authorized and declared legally installed by Supreme Decree number 1.424 of April 14th of that same year, having registered the Statutes and the Supreme Decree cited on pages 1,181 and 1,200, under numbers 400 and 401 of the Trade Registry of 1937, of the Real Estate Registrar of Santiago.

The aforementioned Statute and Decree were posted in the Official Journal on April 27th, 1937, and in the La Nación newspaper in Santiago on April 27th, 29th, 30th and May 3rd of the same year.

During the years elapsed since its incorporation, the bylaws have been subject to various amendments, including the change of its name to "S.A.C.I. Falabella" by a public deed dated December 23rd, 1970, and subsequently to "Falabella S.A.", this being its current name and the last amendment of the company which was agreed at an extraordinary shareholders' meeting held on April 23rd, 2019, whose act was summarized to a public deed dated May 2nd, 2019, before the public notary of Santiago, Mr. Francisco Leiva Carvajal, leading notary of the Second Notary Office of Santiago. An extract of said deed was posted in the Official Journal No. 42,346 on May 6th, 2019 and was registered on pages 34,034 No. 17,064 of the Trade Registry of the Real Estate Registrar of Santiago of that year.

The purposes of the corporation are:

- 1. The installation and operation, directly or via third parties,** in the country or abroad, of all kinds of commercial establishments, stores, warehouses and supermarkets, intended for the retail trade of all kinds of products and services, including: clothing, including raw materials, fabrics, made-to-order clothing, ornaments and accessories; all kinds of hardware items or products, household items or home appliances, electrical or electronic items, such as radios, receivers, televisions, computers, kitchens, washing machines and others of a similar nature, and in general, all kinds of products and services susceptible to retail marketing in large stores, warehouses and supermarkets;
- 2. The installation and operation, directly or via third parties,** in the country or abroad, of the workshops or factories destined for the preparation and production of the articles whose commercialization is involved;
- 3. The sale, import, export and general trading** of the aforementioned products;
- 4. The organization, start-up, development and administration,** in the country or abroad, by itself or via the companies of which it is a part of or has an interest in, of promotion systems, credit granting and financing retail sales of all articles, merchandise, products and services whose commercialization is involved;
- 5. The realization, directly or via third parties,** in the country or abroad, of all kinds of **real estate businesses.**



Insurance

Falabella and its subsidiary companies have insurance agreements with first-class insurance companies, which reasonably cover the risks of loss or deterioration to which its assets may be exposed. These policies include buildings, stocks, facilities, vehicles, machinery, storage and transportation of products for sale. These insured risks have expressly included fire, strikes, looting, popular disorder and natural disasters such as earthquakes and tsunamis. The physical assets policy covers loss of profit risks via an additional coverage for business interruption damages. There are also policies which reasonably cover other operational risks, such as civil liability for damages to third parties, **cybersecurity** and others related to the banking sector.



Brands and Patents

The corporation has registered a large number of product brands that it markets both domestically and abroad. To safeguard its brands, the company has the advice of the Silva law firm. Additionally, the Plaza S.A. subsidiary has the counsel of the Porzio · Rios · García Abogados law firm.

The main registered and current own brands of Falabella and its subsidiaries are:

Falabella, Sodimac, Homecenter, Homecenter Sodimac, Sodimac Constructor, Imperial, Maestro, Homy, Tottus, Precio Uno, CMR, Banco Falabella, Viajes Falabella, Seguros Falabella, FPay, Mallplaza, Open Plaza, Linio, Fazil, Sybilla, Basement, Blue, Florencia, Harris & Frank, Holley, Mica, Qfeel, Scoop, Stefano Coggi, Textil Viña, Americanino, Newport, Apology, University Club, Coniglio, Denimlab, Yamp, Doo, Eleven, Roberta Allen, Bearcliff, Dröm, Fratta, Click & Collect, Home Collection, Bauker, Kölor Mr. Beef, Recco, Ubermann, Wurden, Ozom, Dear Santa, Klein, Topex, Redline, Autostyle, Halux, Dairu, Fixser, Volker, Klimber, Hölztek, Karson, Ergo, Do It, Humboldt, Petizoos and Sensi D'Acqua, among other.



Regulatory Framework

Falabella S.A. is an open stock corporation and, as such, is subject to the provisions of Law No. 18,046 on Stock Corporations, Law No. 18,045 on the Stock Market and the regulations of the Commission for the Financial Market, among others.

For their part, Falabella S.A. subsidiaries, depending on the activities conducted, are subject to the provisions of the Law on Consumer Protection, the General Banking Law, regulations of the Commission for the Financial Market, among others.

Finally, it should be noted that the activity of subsidiaries in countries other than Chile is regulated by the regulations of such jurisdictions.



Risks

Falabella S.A. and its subsidiaries are exposed to risks that could adversely impact its collaborators, operations, assets, results and investments. Given the above, the company has developed a set of measures and policies to identify, manage and mitigate the risks faced by its businesses.

Falabella S.A. has a Risk Management and Control Policy and an Internal Audit Policy. Both policies apply to its subsidiaries, which can issue additional policies and guidelines, as long as they do not conflict with the aforementioned Policies.

Falabella S.A. has risk committees that meet on a quarterly basis, in which direct dependents from the General Management (duties and businesses) present to the CEO how they are managing risks. Similarly, the Falabella S.A. business units also have risk committees whose purpose is to analyze the potential risks of their corresponding businesses. These committees meet regularly and are composed of the top executives of each business.

including the corresponding general manager, and in some cases, also board members.

Falabella S.A. board members and the main business units directors also analyze the company's potential risks in board meetings, in director committee meetings and in meetings of the audit committee in the case of some subsidiaries.

Falabella S.A. and its subsidiaries have internal audit teams reporting directly to the boards of each of these companies. These teams conduct internal audit work pursuant to the audit plans previously approved directly by the board of the corresponding company.

The results of these internal audits are reported to the audited units and the corresponding board of directors and are analyzed by the audit committee or the directors' committee.



OPERATIONAL RISKS

• We are exposed to the risk of harm to people and damage to physical assets

In conducting our business we operate various physical facilities: stores, shopping centers, distribution centers, call centers, offices, among others. These facilities, goods and assets are subject to the occurrence of events that could impair their operation, such as fires, floods, earthquakes and other types of harmful events and natural disasters. Some of these events and their effects are likely to be controlled or contained.

Damage to our facilities could temporarily or permanently disable them, which could result in financial losses, depending on the scope of the event and the coverage of the insurance policies hired.

Damage to people attending our facilities, be they customers, workers, suppliers, contractors or others, that could result in legal, economic and reputation impacts on the company or its subsidiaries.

• We face growing and disruptive competition in the markets where we operate

The level of competition could intensify in the future. An eventual inability to effectively compete against current or future competitors, could result in the loss of market share, lower income, lower margins or even obsolescence of its business model or value proposition, in an extreme case.



• **We are exposed to various risks resulting from our international operations**

Our financial situation and our operating results depend on the economic conditions present in the countries in which we operate, impacted by factors such as: economic or other policies imposed by various governments, inflation rates and the mechanisms used to combat it, movements in currency exchange rates, changes in tariff policies and other geo-political factors. Adverse changes in these factors could impact us, as well as our customers and suppliers.

• **The commercial sector is sensitive to the economic cycle**

Our income is subject to the economic activity cycles. Consumers' behavior is affected by factors such as: the perception of economic performance, the inflation rate, the interest rate, the exchange rate, the level of unemployment, geopolitical factors, among others. The above may impact the purchasing and indebtedness behavior of our Customers, which could negatively affect our income and profitability.

• **We face continuous inventory risk**

We must maintain sufficient inventory levels to successfully operate our businesses, avoiding both inventory shortages and excess accumulation. In general, our suppliers require considerable time to be able to fulfill our product purchase orders. This forces the creation of purchase orders well before the time these products are offered for sale, so the future demand for a product must be accurately anticipated, and planning our inventory to ensure that the stock levels are appropriate is relevant.

Weather and seasonality are some of the factors impacting the results of operations of various business units. In preparation for high demand seasons, inventory is increased.

Any unforeseen effect on demand, errors in forecasts or supplier delays, may force us to apply commercial measures to mitigate these situations that may negatively impact our results.

• **Our relationship with suppliers leads us to face various risks**

We have key products and services suppliers for our operation. If our current suppliers stopped selling or licensing products, content, components or services under acceptable conditions, or we faced delays in delivery as a result of bankruptcy of our suppliers due to poor economic conditions, natural disasters, international business disputes, epidemics or other reasons, we may not be able to obtain alternatives from new suppliers in a timely, efficient and acceptable manner.

Also, if our suppliers breach applicable laws, regulations, our codes or deploy practices considered as unethical, unsafe or dangerous for the environment or the communities, they could damage our reputation, limit our growth, and negatively affect our operating results.

• **We increasingly dependent on the growth of e-commerce in the region**

E-commerce in Latin America is in full swing. A growing part of our income depends on the access, acceptance and use of the Internet and digital products by Latin American consumers. An adequate telecommunications infrastructure is required for each market to this end.

• **We depend on the timely identification and response of the preferences of our current and potential Customers.**

In order to build and maintain a relationship with our customers, we must be able to promptly identify, and appropriately and effectively respond to their purchasing preferences and patterns. Otherwise, demand for our products, inventory levels, our market share and the growth of our business could be impacted.





INFORMATION TECHNOLOGY AND SECURITY RISK

- **We may suffer the loss of operational continuity due to damage to our technological network, loss or alteration of information, or security breaches**

All of our businesses use information systems and technologies for various operational processes, whether located at our facilities or provided by suppliers. Failures in a system could interrupt some of these processes, potentially affecting our operations.

We also face the risk of having third parties trying to breach our systems, or the systems of our technology providers, to access confidential company, customer or supplier information. A breach of information security systems could seriously damage our reputation and impact future revenues.



COMPLIANCE RISK

- **We may face changes in legal regulation**

We operate in various legal and regulatory contexts in various countries, all of which impact and determine how we conduct our business. It may be possible that such legal and regulatory frameworks change in the future in ways that impact, limit or restrict the business models developed, increasing their costs in ways that impact their profitability and viability.

- **We face various legal and regulatory contingencies, the judicial results of which could negatively affect our results.**

Our operations could face various legal and regulatory contingencies, among others, in labor, civil, consumer, free competition, labor matters, as well as potential investigations by regulators in the matters of their competence. The results of said contingencies are not predictable and could have a negative impact on our results. Also, the management of said legal contingencies may generate higher costs than expected.



PEOPLE RISK

- **Our growth depends on attracting, developing and retaining the best Talent**

In order to meet our customers' expectations, we must rely on highly qualified and committed people at all areas of the organization.

Our talent management may be impacted by external factors; There is growing competition in attracting digital talent, potential legislative changes impacting wages or working hours, demographic changes, unexpected trends in the employment rate, among other factors.



CREDIT RISK

- **Our financial business may be affected by a deterioration in the credit quality of the portfolio, which leads to an increase in delinquency indicators and write-off rate, requiring a higher provisions level and negatively impacting the income statement.**

Credit risk refers to the possibility of incurring in a loss related to the event in which the counterpart fails to fulfill their contractual obligations (risk of default). Our credit business focuses on individuals who obtain loans for the acquisition of consumer goods and services, mortgages for the acquisition of residential real estate and loans for the purchase of vehicles; in addition to legal entities who obtain credit lines for their purchases made via the Corporate Sales units of our businesses. Also, in the real estate business, we rent to tenants who may face delays or late payments.

Delinquency ratios can be affected by exogenous variables (macroeconomics, geopolitical risks) which fall beyond strategic decisions and business risk management practices; therefore, we cannot assure that delinquency rates will not increase, requiring further provisions and adversely affecting the results of the financial business.



AWARDS AND ACKNOWLEDGEMENTS

FALABELLA

Falabella was selected for the fifth consecutive year to join the Dow Jones Sustainability World Index (DJSI World), which groups together multinational companies listed on the stock market in terms of sustainability, based on economic, social and environmental criteria.

Similarly, Falabella was selected in the equity portfolios of other indexes to which it was invited, being the only Chilean company that is part of four indices (World, Emerging Markets, MILA Pacific Alliance and Chile).

FALABELLA RETAIL

Chile

1. Ranked third place in the Top of Mind 2020 survey in Chile, conducted by First Job.

It was acknowledged by Merco Empresas y Líderes, as one of the companies with

the best corporate reputation in Chile.

N°5 general ranking · **N°1** in the retail category.

3. Received second place in the retail category in the Best 2020 Work Places ranking, carried out by CompuTrabajo.

4. Falabella is awarded by the Chile Footprint Program of the Ministry of the Environment, for the Quantification of Greenhouse Gases (GHG).

5. During 2020, the distribution center received the LEED certification (Leadership in Energy and Environmental Design) Gold category granted by the US Green Building Council. Similarly, four stores (Arica, Viña del Mar, Los Ángeles and Valdivia) obtained the Silver category. Latin America already has a total of 34 stores with LEED certification granted by the US Green Building Council.

6. 16th place in the ranking of the 25 Best Companies for Internships in Chile, conducted by the FirstJob platform.

7. Falabella obtained first place in the Retail category of Merco Talent and number 9 in the general ranking.

8. Global Compact recognizes the Making School Program as the most outstanding business initiative in the People Category for the fulfillment of the United Nations 2030 Agenda.

Colombia

9. It was ranked 55 in Merco Companies with the best corporate reputation 2020.

10. Falabella acknowledged as an “inclusive company” by the Mayor of Bogotá DC

Peru

11. Was ranked 22nd in Great Place to Work in the ranking of the best places to work for women in Peru.

12. Received first place in the Merco Talent Peru Ranking in the Specialized Retail category and number 14 in the general ranking.

13. 40th place in Merco Empresas, up 11 points and 57th in Merco Líderes.



OBTAINED FIRST PLACE IN
THE DEPARTMENT CATEGORY
OF THE

**“CONSUMER
LOYALTY
AWARD”,**

in Chile, based on the Net
Promoter Score (NPS)
methodology.

HOME IMPROVEMENT

-
- 1.** GPTW Ranking Best Places to Work in Latin America 2020- (first retail home) - Prepared by GPTW.
 - 2.** Brand Reputation (50 Most Valuable Companies in Latin America) 12th place (1st retail home Latam) - prepared by BrandZ / Millward Brown.
-

Chile

- 1.** ICREO Ranking 2020, 2nd place for Brands and Institutions most trusted by Chileans (1st retail, only surpassed by Firefighters), prepared by Almabrand.

- 2.** Responsible Companies and Best Corporate Governance Ranking, 3rd place (first home retail) - prepared by Merco- El Mercurio

- 3.** Chile 3D, brands and lifestyle, 1st place Home Improvement, prepared by La Tercera / GFK.

- 4.** Sence Training Ranking: Sodimac's OTEC, Traineemac, is the one that trains the most workers in Chile, provided by the National Training and Employment Service (Sence).

- 5.** Marketing Hall Of Fame Award: Great Chilean Brand for its Relevance Abroad 2020, awarded by Marketing Hall Of Fame.

Customer
Experience Ranking,
**1st place Home
Improvement,**
prepared by Praxis
Xperience Index
(PXI) - La Tercera.

7. Global Compact 2020 award, Prosperity Category, for the contribution of the Building Dreams of Home Program to the fulfillment of SDGs, granted by the United Nations Global Compact.

8. Acknowledgment of the Chile Footprint Program of the Ministry of the Environment: Sodimac obtained the 3 seals for the second consecutive year: Quantification, Reduction and Excellence (the only retail business to obtain the seal of Excellence), granted by the Ministry of the Environment. This voluntary program promotes the quantification, reporting and management of GHG in public and private organizations.

9. Certification of the Giro Limpio program of the Energy Sustainability Agency (AgenciaSE), which distinguishes cargo generating companies moving at least 50% of it in trucks with the Giro Limpio seal, that is, which belong to transport companies committed to energy efficiency and emission reduction. This is the first certification year of this initiative by AgenciaSE.

10. Most Innovative Companies Chile Ranking, 38th place (1st retail Home Improvement), prepared by ESE Business School U de Los Andes, MIC Innovation - El Mercurio

11. Corporate Reputation Ranking, 11th place (first retail, Gold Group), prepared by INC Reputational Intelligence and Ipsos.

12. Merco Empresas Ranking, 12th place (1st retail Home Improvement), prepared by Merco - El Mercurio

13. National Volunteer and Solidarity Survey 2020, 1st place (1st retail), prepared by Fundación Trascender y Critería.

14. Marcas Ciudadanas 2020, 21st place (1st Home Improvement retail), prepared by Cadem.

15. Merco Talent Ranking, 15th place (1st Home Improvement retail), prepared by Merco - El Mercurio.

16. Corporate Reputation Ranking: 10th place (first retail, Gold Group), prepared by INC Reputational Intelligence and Ipsos.

17. Ranking of the Best Companies for Practitioners: 20th place (1st retail Home Improvement), prepared by FirstJob.

Colombia

1. In 2020, it was awarded as one of the 10 most inclusive companies by the LGBT Chamber of Commerce of Colombia.

Brazil

1. For the second year in a row, Sodimac Brasil was chosen as the Best Company in Customer Satisfaction in the construction retail segment, according to a survey by the MESC Institute.

2. It received the Claim Here-Best Companies for the Consumer award for the first time, one of the most respected recognitions in Brazil, since it chooses companies providing good service by popular vote.

3. The Dicico Sodimac brand was again awarded 1st place in the construction materials segment ranking in Baixada Santista, São Paulo state coast. In addition, it is the seventeenth time that the company has been awarded in the Top of Mind survey, carried out by the newspaper A Tribuna.

4. Sodimac Brazil, for the second time, was ranked among the best companies in the retail trade of construction materials in the Estadão Melhores Serviços ranking. The survey, carried out by O Estado de São Paulo newspaper and Blend New Research - HSR, surveyed 3,600 consumers who evaluated the companies where they bought products from in the last 12 months.

Peru

1. Ranking Great Place to Work, 1st place for Sodimac and Master in Ranking of Best Companies in Diversity and Inclusion 2020- prepared by GPTW.

2. Ranking Merco Most Responsible Companies and with Better Corporate Governance, Sodimac ranked 25th in the general ranking and 1st place in specialized retail.

3. Ranking “Best places to work for Millennials”, Sodimac Peru and Maestro ranked 12, prepared by GPTW.

4. Socially Responsible Company Badge 2019, awarded by Peru 2021 for the 7th consecutive year.

5. PODS Award (Peru for SDGs) in the “Prosperity” category for the job placement program for people with disabilities “Along with You”, granted by Peru 2021.

6. 6th place in the Gender Equity and Diversity Par Ranking, granted by Aequales..

7. Merco Empresas 2020 (Top 100).

8. Merco Talent 2020 (Top 100).

9. Best Work Places 2020, granted by Computrabajo.

10. Recycle Badge, granted by the Claro company.

Uruguay

1. Sodimac was awarded by the Forge Foundation with two mentions: “For its valuable support in the labor insertion of young people” and for the “Important contribution made”, for contributions in terms of creating quality employment for young people in Uruguay.



SUPERMARKETS

Tottus Peru

AWARDS AND RECOGNITIONS 2020:

1. 60th place in the PAR Ranking, an annual diagnosis that measures gender equality and the diversity of organizations. It was a 24 positions progress from the place in 2019.
2. 44th place in Merco Talento Peru, a study that identifies the 100 best companies with the capacity to retain and attract talent in the country.
3. 4th place in the Merco Empresas Peru, in the self-service category, which identifies the companies with the best corporate reputation in the country.
4. Great Place To Work Certification for the November 2020 - November 2021 period. In this way, Tottus Peru is accredited as a company that offers a world-standard work experience to all its collaborators.
5. 11th place in the The Best Places to Work for Millennials in Peru 2020 ranking by Great Place To Work, thus climbing 9 positions.
6. 21st place in the The Best Places to Work for Women in Peru 2020 ranking by Great Place To Work.
7. Honorable mention of the Award for Good Practices for the Prevention and Reduction of Food Losses and Waste, in the category Prevention and / or Reduction of Food Waste in Marketing, awarded by the Ministry of Agrarian Development and Irrigation (MINAGRI) and the World Food and

Agriculture Organization (FAO). This award was granted to acknowledge the food rescue program in favor of Banco de Alimentos Perú, which in 2020 delivered 1 million 754 thousand rations, thus benefiting 1 million 096 thousand people.

 **Tottus Chile**



1. At Tottus, we take on environmental challenges in reducing our carbon footprint. Thanks to this work, we were awarded by the Ministry of the Environment for our 2018 Carbon Footprint Measurement and we obtained the Zero Waste Seal for Landfill in one of our stores.



2. We are committed to caring for the environment, which is why we are proud to have received the 2019 Quantification Seal awarded by the Ministry of the Environment, via the Huella Chile program. This recognition validates our work in relation to the measurement of greenhouse gases in our stores.



3. The Chilean Safety Association (ACHS) awarded us two seals that support and certify our preventive management against Covid-19, which from the outset has had the health care of both our collaborators and our customers as its objective.



4. We obtained the 13th place in the PAR Ranking at the national level, an annual diagnosis that measures gender equality and the diversity of organizations to enrich the work plan on inclusion and diversity.

FINANCIAL SERVICES

- Banco Falabella Chile stood out in the PXI (PRAXIS EXPERIENCE INDEX) ranking that measures customer experiences, obtaining 1st place in the Commercial Cards Category and 2nd place in the Banks Category.
- Banco Falabella Chile obtained the first place in Servitest, an award that measures the perception of current account customers regarding the service of all banks.
- Banco Falabella Peru received the Top Influencers 2020 award from Mercado Negro. It is an acknowledgment of the best Marketing campaign in the Banking and Finance sector. The campaign was 'Miércoles Gourmet'.
- Banco Falabella Colombia received the most robust certification for the long and short term (AAA and F1 + respectively) granted by Fitch Ratings, an international credit rating agency.
- Banco Falabella Colombia ranked first in the "Greater Improvement in Mass Portfolio Approval Rate (Debit + Standard + Gold)" category and third place in the "E-Commerce Excellence (Authorization Points + Fraud Points + 3DS Points)" category in the second version of the MasterCard Excellence Program, a contest seeking to recognize the efforts of issuers in approval rates, fraud management and special performance in E-Commerce approvals.



REAL ESTATE BUSINESS

MALLPLAZA

Mallplaza raises its environmental standards and certifies all its shopping centers in Chile in energy efficiency: The company was internationally acknowledged with the Energy Management Insight Award from the CEM Energy Management Working Group (EMWG.) as well as the Energy Efficiency Seal from the Ministry of Energy for its commitment to sustainability and leadership in the matter.

Mallplaza certifies the safe reopening of its shopping centers in Chile, Peru and Colombia: With the Bureau Veritas Safe Guard seal, the company certified the correct application of all its implemented safety and hygiene protocols, making Mallplaza the only chain of shopping centers in Latin America to certify all its operations.

Mallplaza upgrades its rating on the Dow Jones Sustainability Index. Mallplaza is one of the companies included in the Dow Jones Sustainability Index Chile and Mila for the second consecutive year. In 2020, the company improved its performance, ranking within the top 7% of the industry globally.

Mallplaza Buenavista located in the city of Barranquilla in Colombia, obtains the LEED certification in Silver Category. With this certification, Mallplaza continues to bet on developing projects that, since their construction, are eco-efficient.

Pablo Pulido, General Manager of Mallplaza in Colombia was selected as one of the 10 most influential retail leaders in the country. Award granted by Mall and Retail, the first news portal for the shopping center and retail industry.

Best Places for Women in Peru 2020 Award. In Peru we were acknowledged for our initiatives for the empowerment of women in the company. We obtained the 24th place in this ranking belonging to the Great Place to Work organization.

Featured in Employers for Youth. In Peru, we ranked 13th in the study created by First Job, a leader in employer branding, which considers aspects such as work environment, infrastructure, diversity and culture, benefits, talent and career development.

OUR “PASS THE INFO” CAMPAIGN RECEIVED IMPORTANT RECOGNITION FROM THE CHILEAN CHAMBER OF SHOPPING CENTERS, who awarded us second place in the Social Innovation award.

It is an initiative promoted by the Open Plaza Community Vertex Rooms program, which aims to publicize the work of entrepreneurs in the areas where our shopping centers are located: Santiago, Ovalle, Rancagua and La Calera, via the recommendation of notorious people on Open's social networks.



SUMMARY OF ESSENTIAL FACTS DURING THE PERIOD

ESSENTIAL FACT NO. 1 - MARCH 24TH, 2020

The following was agreed at a Board of Directors' meeting held on March 24th, 2020:

a) Call to Ordinary Shareholders' Meeting 2020.

To summon a Company's Ordinary Shareholders Meeting (hereinafter, the "Meeting") for April 28th, 2020, at 3:00 PM, at the Álamo AB Room of the Courtyard Hotel, located at Av. Kennedy 5.601, piso 7, Las Condes, Santiago.

b) Matters of the Meeting.

The Board shall be responsible for dealing with all matters that, according to the law, are within its competence. The subjects in the table are as follows:

- **Annual Report 2019:** statement of the Meeting on the Company's report corresponding to the year ended December 31, 2019 (hereinafter, "Financial Year 2019").
- **Balance Sheet 2019:** statement of the Meeting on the consolidated and audited balance sheet of the Company for Fiscal Year 2019.
- **2019 Income Statement:** statement of the Meeting on the consolidated and audited income statement of the Company corresponding to the 2019 Financial Year.
- **Opinion of the External Auditors:** statement of the Meeting on the report of the external auditors of the Company, EY Servicios Profesionales de Auditoria y Asesoría SpA, corresponding to Financial Year 2019.
- **Distribution of Financial Year 2019 Profits - Paid Interim Dividend Account:** receipt by the Meeting of the Board of Directors account on the interim dividend, approved by the Board on December 19, 2019, for the amount of \$ 17 pesos per share, paid on January 8, 2020 with a charge to the distributable net profits of Financial Year 2019 (hereinafter, the "2019 Profits") to the shareholders of the Company who were registered in its shareholders registry as of January 2, 2020.
- **Distribution of Profits for Financial Year 2019 - Payment of Final Dividend:** determination by the Meeting of the payment of a final dividend charged to Profits 2019.
- **Distribution of Profits for Financial Year 2019 - Destination of Undistributed 2019 Profits:** decision of the Meeting on the use to be given to the part of 2019 Profits that will not be distributed to the shareholders of the Company.
- **Dividend Policy for Financial Year 2020:** Meeting decision on the Company's dividend payment policy for the financial year ending on December 31, 2020 (hereinafter, "Financial Year 2020").
- **Appointment of the Board of Directors: that the Meeting proceeds to the complete renewal of the Board of Directors,** for the statutory period of three years, as the term of the current members of the Board of Directors has expired.
- **Directors' Remuneration:** determination by the Meeting of the amount of the remuneration of the members of the Board of Directors for the period between the Meeting and that ordinary meeting of the Company's shareholders to be held in 2021.
- **Appointment of the External Auditors for Financial Year 2020:** election by the Board of who will be the external auditors of the Company for Financial Year 2020.
- **Appointment of Risk Rating Agency for Financial Year 2020:** appointment by the Board of the risk rating agencies of the securities issued by the Company during Financial Year 2020.

- **Account of the Transactions Between Related Parties:** receipt by the Meeting of the account of the Board of the transactions between related parties held during Financial Year 2019, regulated in Title XVI of Law No. 18,046 on public limited companies.
- **Directors Committee Account:** reception, by the Meeting, of the Board of the Directors' Committee management account during the 2019 financial year.
- **Remuneration of the Members of the Directors' Committee:** determination by the Meeting of the remuneration that the directors of the Company who are members of its Directors' Committee will receive, in accordance with the law and in addition to those allowances provided as members of the Board.
- **Directors' Committee Expense Budget:** determination by the Meeting of the Directors' Committee's budget, for Financial Year 2020, for the operating expenses of said committee and the hiring of consultancies and services in matters within its competence.
- **Newspaper for Corporate Publications:** determination by the Meeting of the newspaper in which the publications of the Corporation ordered by law will be made.

c) Dividend Proposal.

The Meeting will be proposed that of the 2019 Profits, the amount of \$ 47,517,929,217 be allocated to the payment of a definitive and final dividend charged to said amount, of \$ 19 per share, which added to the provisional dividend of \$ 17 per share paid on January 8, 2020, would result in a total of \$ 36 per share charged to 2019 Profits, amounting to a distribution of 30.47% of 2019 Profits; and that the final dividend charged to 2019 Profits of \$ 19 per share be paid on May 13, 2020 to shareholders registered in the shareholders registry as of May 7, 2020, at Av. Los Conquistadores 1730, 24th floor, Providencia district, and also via the various usual payment methods, which include bank deposits, certified dispatches and direct withdrawals at branches of Banco de Crédito Inversiones, BCI.

d) Other Proposals to the Meeting.

All proposals brought to the Meeting by the Board of Directors regarding the matters indicated above, including the payment of a definitive and final dividend, are published on the Company's website <https://investors.falabella.com>.

e) Participation in the Meeting.

Shareholders who are registered in the shareholders' register of the Company until midnight on the fifth business day prior to the Meeting, that is, until midnight on April 22, 2020, shall have the right to participate in the Meeting. The qualification of powers, if applicable, will take place on the day of the Meeting at the time it begins.

f) Publication of the Balance Sheet, Financial Statements and Annual Report.

The first notice of summons to the Meeting will be published in the electronic journal <http://www.latercera.com> on April 9, 2020. As of that date, shareholders may obtain, at the registered corporate address, located at Manuel Rodríguez Norte 730, district and city of Santiago, a copy of the documents that explain, substantiate and detail the various matters that will be submitted to the knowledge and approval of Meeting. Said documents will also be available to shareholders from the same date on the Company's website <https://investors.falabella.com>.

Pursuant to the provisions of Article 75 of Law No. 18,046, and in Circular Letter No. 444 of the Financial Market Commission, as of April 9, 2020, the report and balance sheet of the Company corresponding to Financial Year 2019 will be made available to shareholders by means of publication on the Company's website <https://investors.falabella.com> as of April 9, 2020.

g) Impact of the COVID-19 Pandemic on the Meeting.

Shareholders' meetings are acts that must occur in person at a formally constituted meeting.

Recommendations and restrictions on the transit of people and the holding of face-to-face meetings to contain the contagion of CoVid-19 ("Coronavirus"), could impact the holding of the Meeting, both with respect to the modality of its celebration, and to the possibility of carrying it out, at all, within the deadlines ordered by law. Until the moment of this announcement, the recommendations to control the contagion of the Coronavirus make it advisable to reduce face-to-face attendance to the Meeting to the minimum necessary. Also to this date, in accordance with the resolution of the Ministry of Health and until March 31, 2020, notwithstanding the fact that the authorities have publicly requested that meetings of more than 50 people not be held, public events that bring together more than 200 people are prohibited in Chile. Such restrictions may change between this date and the date the Meeting is held, either by extending, lifting, or becoming more restrictive or lax.

In recent days, in response to the Coronavirus pandemic, the Financial Market Commission ("CMF") has authorized the use of technological means that allow the participation and voting in meetings of corporations, of shareholders who are not physically present at the venue, insofar as said systems meet the following standards required by the CMF: i) they ensure the identity of the shareholders and their attorneys; ii) they ensure the participation of the CMF in the meeting; and, iii) they safeguard the principle of simultaneity or secrecy of the votes that are cast. If before April 9, 2020, the Company manages to identify a viable, reliable and duly verified service that, complying with the indicated standards, allows the participation of shareholders in the Meeting remotely, the Company will choose to use such service during the Meeting and this will be announced and included in the three sum-

mons notices that will be published during the 20 days prior to its celebration in the electronic newspaper <http://www.latercera.com>. If the Corporation fails to identify such a service, the Meeting will be held without the shareholders being able to participate in it remotely. Even in such case, face-to-face participation of shareholders could also be affected by restrictions on the total number of people that can be gathered in one venue. In any case, the Meeting that is held in person will also be broadcast online via media that will be announced in the notice of summons.

If on the date the Meeting is held, the then current restrictions on the transit of people and the holding of face-to-face meetings in Chile make it impossible for the Meeting to take place, the Meeting will not be held until such impediment has ceased. In such case, pursuant to Chilean law, the Board of Directors will be automatically extended in its duties until it is possible to hold the shareholders' meeting in which it is renewed. Such shareholders' meeting must be held within 30 days following the end of the restrictions that prevented the meeting from being held.

ESSENTIAL FACT NO. 2 - APRIL 13TH, 2020

By means of an essential fact dated March 24, 2020, the Corporation reported of the call to the ordinary shareholders' meeting (hereinafter, the "Meeting"), for Tuesday, April 28, 2020, starting at 3:00 p.m., in the Álamo AB Room of the Court-yard by Marriot Hotel, located at Av. Kennedy 5.601, piso 7, Las Condes, Santiago.

In accordance with what was announced on that occasion and considering the recommendations and restrictions on the transit of people and the holding of face-to-face meetings to contain the contagion with CoVid-19 ("Coronavirus") currently in force, as well as the provisions of the Standard of General Nature No. 435 and Circular Letter No. 1,141, both from the CMF, in an extraordinary meeting of the Company's Board of Directors held today, it was agreed to make technological means available to the Company's shareholders so that those shareholders who wanted to participate of the Board remotely, can do so.

To remotely participate in the Meeting, shareholders with the right to participate in it must previously register in accordance with the instructions published as of this date on the Company's website <https://investors.falabella.com>. Said prior enrollment must be completed before 3:00 p.m. April 27, 2020. Shareholders thus registered will receive the link and access code that will allow them to participate in the Meeting remotely and vote electronically by email, at the address provided on the occasion of their enrollment. On the day of the Meeting, the shareholder must access the web platform that will be available for this purpose with the access code (control number) that will be given to them, for their registration and electronic voting. The electronic registration and voting service used is provided by DCV Registros SA, a subsidiary of Depósito Central de Valores SA

ESSENTIAL FACT NO. 3 - APRIL 28TH, 2020

1. At the ordinary shareholders' meeting held today, it adopted, among others reached in matters within its competence, the following resolutions:

- The annual report, balance sheet, consolidated income statement, and the opinion of the Company's audited external auditors were approved, all corresponding to the period ended on December 31st, 2019 (hereinafter, the "**Exercise 2019**").
- The distribution of a \$ 19 per share definitive dividend was approved with a charge to the profits of Financial Year 2019; which will be paid on May 13, 2020 to the shareholders holding the single series of shares of the Company who are registered in its shareholders register as of May 7, 2020. To this end, Form N ° 1 of Circular N ° 660 of the CMF is attached;
- The Company's dividend policy was approved for the financial year ending on December 31, 2020 (hereinafter, "Financial Year 2020"), consisting of the annual distribution of at least 30% of the distributable net profits of Financial Year 2020;
- EY Servicios Profesionales de Auditoria y Asesorias SpA was appointed as external auditors of the Company for Financial Year 2020; and,
- The following persons were elected as directors of the Corporation, for the statutory period of three years that will go from the ordinary shareholders' meeting held on this date and that ordinary shareholders' meeting held within the first four months of 2023:
 - i. Mrs. María Cecilia Karlezi Solari;
 - ii. Mrs. Paola Cúneo Queirolo;
 - iii. Mr. Carlo Solari Donaggio;
 - iv. Mr. Juan Carlos Cortes Solari;
 - v. Mr. Carlos Alberto Heller Solari;
 - vi. Mr. Felipe del Río Goudie;
 - vii. Mr. Jose Luis del Río Goudie;
 - viii. Mr. Sergio Cardone Solari; and,
 - ix. Mr. Hernán Büchi Buc, as independent director.

2. 2. At a meeting of the Company's board of directors held today, following the aforementioned ordinary shareholders' meeting, it adopted, among others, the following resolutions reported:

- The election of Mr. Carlo Solari Donaggio as Chairman of the Board of Directors, and therefore of the Corporation.
- The election of Mr. Juan Carlos Cortes Solari as Vice Chairman of the Board of Directors, and, therefore, of the Corporation.

- The election, by Mr. Hernán Büchi Buc, of the directors José Luis del Río Goudie and Sergio Cardone Solari as those who, along with him, in his capacity as independent director, will make up the Committee of Directors of the Company

ESSENTIAL FACT N ° 4 - JUNE 4, 2020

As of today, the Company made the first placement in the local market of dematerialized and bearer bonds charged to the lines at 10 and 30 years, registered in the Securities Registry of the CMF under Nos. 858 and 857, respectively, dated July 5, 2017, as indicated below:

1. Series bonds issued under bond line No. 858, for an amount of UF 2,000,000 (two million UF), maturing on April 15, 2027. The placement interest rate was 1.30%.
2. AC Series Bonds issued under bond line No. 857, for an amount of UF 5,000,000 (five million UF), maturing on April 15, 2030. The placement interest rate was 1.70%.

The funds from the placement of the Z Series and AC Series Bonds will be used in their entirety to refinance short and long-term bank liabilities of the Corporation and / or its subsidiaries.

Banchile Corredores de Bolsa SA and Santander Corredores de Bolsa Limitada acted as placement agents.

SHAREHOLDERS COMMENTS AND PROPOSALS

No shareholder comments or proposals were submitted pursuant to subsection 3 of article 74 of Law No. 18,046 during the Ordinary Shareholders' Meeting held on April 28th, 2020.

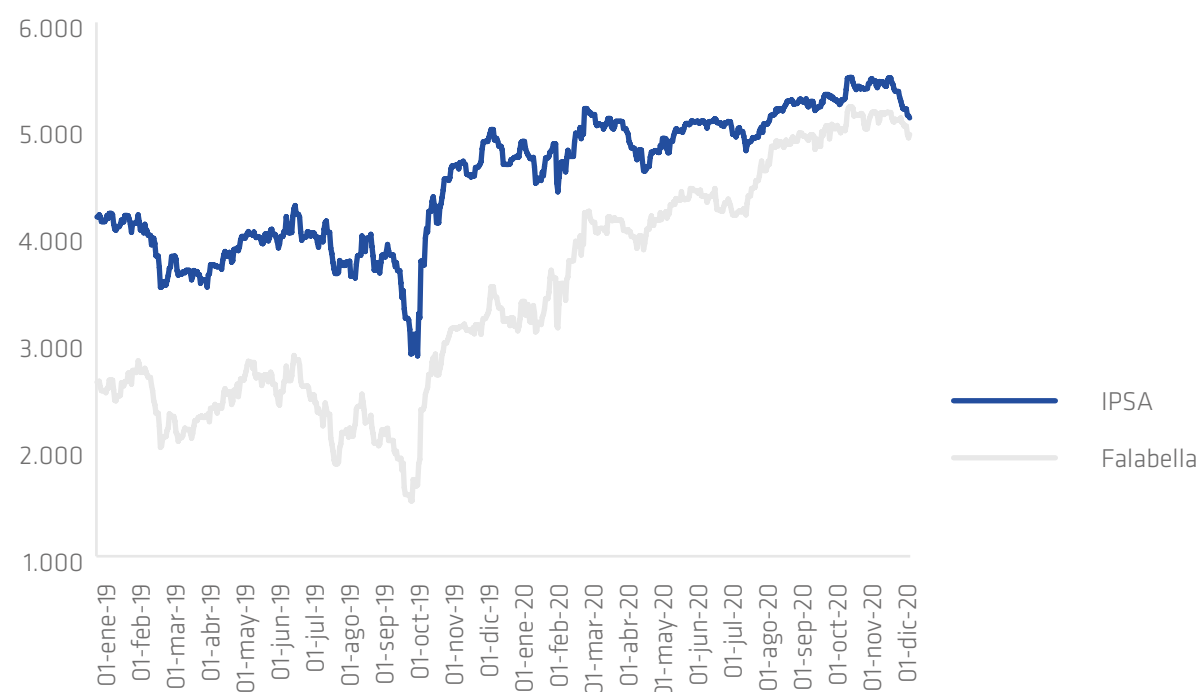
STOCK MARKET INFORMATION 2020

Falabella's shares are listed on the Santiago Stock Exchange and on the Chilean Electronic Stock Exchange.

FALABELLA STATISTICS 2018-2020

| Period | No. of Shares | Volume | Average Price |
|---------|---------------|-------------------|---------------|
| 1Q 2019 | 118,276,244 | \$550.311.310.355 | \$4,653 |
| 2Q 2019 | 155,907,639 | \$716.358.065.267 | \$4,595 |
| 3Q 2019 | 91,799,647 | \$388.783.139.824 | \$4,235 |
| 4Q 2019 | 200,151,068 | \$718.683.860.277 | \$3,591 |
| 1Q 2020 | 170,761,594 | \$439.846.538.003 | \$2,576 |
| 2Q 2020 | 363,503,291 | \$794.534.468.129 | \$2,186 |
| 3Q 2020 | 218,290,260 | \$566.900.375.522 | \$2,597 |
| 4Q 2020 | 192,798,332 | \$472.207.485.952 | \$2,449 |

FALABELLA SHARE PRICE V/S IPSA



STORES BY FORMAT AND COUNTRY

44% of stores at the regional level are owned by the company via its subsidiaries. The remaining stores are leased to various real estate developers. Regarding shopping centers, 100% are owned by company subsidiaries.



DEPARTMENT STORES

CHILE

| N° | Stores | Address | City |
|----|-------------------|--|--------------|
| 1 | Ahumada | Ahumada 25, 165, 167, 366, Santiago | Santiago |
| 2 | Concepción | Barros Arana N° 802 | Concepción |
| 3 | Parque Arauco | Av. Presidente Kennedy N° 5413, Las Condes | Santiago |
| 4 | Temuco | Arturo Prat N° 570 | Temuco |
| 5 | Viña del Mar | Sucre N° 250 | Viña del Mar |
| 6 | Plaza Vespucio | Av. Vicuña Mackenna N° 7110, Santiago | Santiago |
| 7 | Lyon | Avenida Providencia N° 2188, Providencia | Santiago |
| 8 | Rancagua | Sargento Cuevas N° 405 | Rancagua |
| 9 | Plaza Calama | Av. Balmaceda N° 3242, local 268 | Calama |
| 10 | Alto Las Condes | Av. Kennedy N° 9001, Local 1001, Las Condes | Santiago |
| 11 | Plaza Oeste | Av. Américo Vespucio N° 1501, Maipú | Santiago |
| 12 | Plaza El Trebol | Av. José Alessandri N° 3177 Acceso Carriel Sur | Concepción |
| 13 | Osorno | Eleuterio Ramírez N° 840 | Osorno |
| 14 | Chillán | El Roble N° 770, Local A | Chillán |
| 15 | Talca | 1 Norte N° 1485 | Talca |
| 16 | Plaza Tobalaba | Av. Camilo Henríquez N° 3296, Puente Alto | Santiago |
| 17 | Plaza La Serena | Alberto Solari N° 1400, Mall Plaza La Serena | La Serena |
| 18 | Valparaíso | Independencia N° 1806 | Valparaíso |
| 19 | Curicó | Peña N° 615 | Curicó |
| 20 | Iquique | Héroes de la Concepción N° 2555 | Iquique |
| 21 | Puerto Montt | Av. Juan Soler Manfredini N° 101 | Puerto Montt |
| 22 | Quilpué | Diego Portales N° 822 | Quilpué |
| 23 | Plaza Los Ángeles | Valdivia N° 472 | Los Ángeles |
| 24 | Plaza Norte | Av. Americo Vespucio N° 1737, Santiago | Santiago |
| 25 | Expo Pucón | O'Higgins 112, LOCAL 9/10/11 | Pucón |
| 26 | Puente | Puente N° 530, Santiago | Santiago |

| | | | |
|----|-------------------|---|--------------|
| 27 | Portal La Dehesa | La Dehesa N° 1445 local 1, Lo Barnechea | Santiago |
| 28 | Plaza Antofagasta | Balmaceda N° 2355, Mall Plaza | Antofagasta |
| 29 | La Calera | Prolongación J.J. Perez N° 12010 | La Calera |
| 30 | Valdivia | Arauco N° 561 | Valdivia |
| 31 | Melipilla | Vargas N° 457, Melipilla | Melipilla |
| 32 | Punta Arenas | Avenida Frei N° 01110 | Punta Arenas |
| 33 | Plaza Alameda | Av. Libertador Bernardo O Higgins N° 3470 Local A-2, Estación Central | Santiago |
| 34 | San Bernardo | Av. Jorge Alessandri N° 20040, Local 1, San Bernardo | Santiago |
| 35 | San Felipe | Av. Bernardo O'Higgins N° 1150 | San Felipe |
| 36 | Costanera Center | Avenida Andrés Bello N° 2461, Providencia | Santiago |
| 37 | Arauco Maipú | Av. Américo Vespucio N° 399, Local 500, Maipú | Santiago |
| 38 | Expo Puente Alto | Av. Concha y Toro N° 1477 | Santiago |
| 39 | Ovalle | Prolongación Benavente N° 1075 | Ovalle |
| 40 | Plaza Egaña | Larrain N° 5862, La Reina | Santiago |
| 41 | San Fernando | Chillán 744, San Fernando | San Fernando |
| 42 | Plaza Copiapó | Maipú N° 110 | Copiapó |
| 43 | Castro | San Martín N° 457 | Castro |
| 44 | Los Dominicos | Av. Padre Hurtado Sur N° 875, Las Condes | Santiago |
| 45 | Arica | Av. Diego Portales 640 | Arica |
| 46 | Independencia | Av. Independencia 565 | Santiago |

Stores in Peru

| N° | Stores | Address | City |
|----|---------------|---|----------|
| 1 | San Isidro | Av. Paseo de la República N° 3220, San Isidro | Lima |
| 2 | San Miguel | Av. La Marina N° 2100 (Plaza San Miguel), San Miguel | Lima |
| 3 | Jockey Plaza | Av. Javier Prado Este N° 4200 (Jockey Plaza), Santiago de Surco | Lima |
| 4 | Lima Centro | Jr. de la Unión N° 517, Lima Cercado | Lima |
| 5 | Piura | Esquina Jr. Arequipa 802 y Jr. Huancavelica 551, Piura Cercado | Piura |
| 6 | Arequipa | Av. Ejército N° 793, Cayma | Arequipa |
| 7 | Miraflores | Av. Arequipa N° 5280, Miraflores | Lima |
| 8 | Chiclayo Mall | Calle Miguel de Cervantes N° 300 (Real Plaza), P.J. Diego Ferré | Chiclayo |

| | | | |
|----|-----------------------|--|-----------|
| 9 | MegaPlaza | Av. Industrial N° 3515 (MegaPlaza), Independencia | Lima |
| 10 | Cajamarca | Jr. Sor Manuela Gil N° 151 Urb. San Carlos | Cajamarca |
| 11 | Trujillo CC | Av. Mansiche s/n (Mall Aventura Plaza), Caserío El Cortijo | Trujillo |
| 12 | Bellavista | Av. Óscar R. Benavides N° 3866 (Mall Aventura Plaza), Bellavista | Lima |
| 13 | Atocongo | Av. Circunvalación (Atocongo Open Plaza), San Juan de Miraflores | Lima |
| 14 | Angamos | Av. Angamos Este N° 1803 (Angamos Open Plaza), Surquillo | Lima |
| 15 | Piura Mall Open Plaza | Av. Andres Avelino Caceres N° 147 (Piura Open Plaza), Castilla | Piura |
| 16 | Arequipa Porongoche | Av. Porongoche N° 502 (Mall Aventura Plaza), Paucarpata | Arequipa |
| 17 | Chimbote | Avenida Víctor Raúl Haya de la Torre N° 4694, Nuevo Chimbote | Chimbote |
| 18 | Santa Anita | Av. Carretera central N° 111 (Tienda TD-1) Santa Anita - Lima | Lima |
| 19 | Lima Norte | Av. Alfredo Mendiola N° 1400, Ancla 6 (C.C. Plaza Norte) - Independencia | Lima |
| 20 | Cañete MegaPlaza Expo | Av. Mariscal Benavides N° 1000 - San Vicente de Cañete - Cañete | Lima |
| 21 | Ica Mall | Calle Lima N° 433, Ica Cercado | Ica |
| 22 | Pucallpa OP | Av. Centenario N° 2086 - Ancla 2 - Yarinacocha | Pucallpa |
| 23 | Iquitos Expo | Jr. Prospero N° 560 - Maynas | Iquitos |
| 24 | Salaverry | Av. General Felipe Salaverry N° 2370 - Jesus Maria | Lima |
| 25 | Huánuco | Jr. Dos De Mayo N° 125 | Huánuco |
| 26 | Centro Cívico | Av. Garcilaso de la Vega N° 1337 | Lima |
| 27 | Mall del Sur | Av. Los Lirios 301 - Urb. Entel - San Juan de Miraflores | Lima |
| 28 | Huancayo | Av. Ferrocarril 146 - Huancayo | Huancayo |
| 29 | Puruchuco | Av. Nicolás Ayllón 4770, Ate Vitarte | Lima |
| 30 | Comas | Av. Los Angeles 602, Comas | Lima |

Stores in Colombia

| N° | Stores | Address | City |
|----|------------------|--|----------|
| 1 | Santafe | Calle 185 N° 45 - 03, Centro Comercial Santafé | Bogotá |
| 2 | Suba | Avenida Carrera 104 N° 148 - 07, Centro Comercial Plaza Imperial | Bogotá |
| 3 | San Diego | Carrera 43 N° 36 - 04, Centro Comercial Sandiego | Medellín |
| 4 | Hayuelos | Callen 20 N° 82 - 52, Centro Comercial Hayuelos | Bogotá |
| 5 | Unicentro Bogotá | Avenida 15 N° 123 - 30, Centro Comercial Unicentro | Bogotá |

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|----|----------------------|---|---------------|
| 6 | Galerías | Calle 53 N° 25 - 35, Centro Comercial Galerías | Bogotá |
| 7 | Centro Mayor | Autopista Sur Carrera 27 N° 38 A Sur, Centro Comercial Centro Mayor | Bogotá |
| 8 | Santafe Medellin | Carrera 43a N° 7 Sur - 170, Centro Comercial Santafé Medellín | Medellín |
| 9 | Pereira | Av. Circunvalar N° 5 - 20, Local 214, Parque Arboleda Centro Comercial | Pereira |
| 10 | Villa Country | Calle 78 N° 53 - 70 local 100, Centro Comercial Villa Country | Pereira |
| 11 | Titan | Carrera 72 N° 80-94 Local 130-350, Centro comercial Titán Plaza | Bogotá |
| 12 | El Castillo | Carrera 13 N° 31-45 Chambacu local 125, Centro Comercial Mall Plaza | Cartagena |
| 13 | Floridablanca | Carrera 23 N° 29-145 Local 101, Centro Comercial Parque Caracoli | Bucaramanga |
| 14 | Ibague | Calle 57 N° 60K - 8E Avenida Guabinal, Centro Comercial Acqua | Ibague |
| 15 | WTC Cali | Avenida 6ª norte entre calles 35an y 36an, World Trade Center | Cali |
| 16 | Cacique | Transversal Oriental 93 # 34 - 99, Centro Comercial Cacique | Bucaramanga |
| 17 | Chía | Km 2.5 vía Chía-Cajicá Centro Comercial Fontaner | Chía |
| 18 | Jardin Plaza | Carrera 98 N° 16 - 20 local 229, Centro Comercial Jardín Plaza | Cali |
| 19 | Primavera | Calle 15 N°42 - 01 Loc 101 - 201 -301, Centro Comercial Primavera | Villavicencio |
| 20 | Plaza Central | Avenida Calle 13, entre las Carrera. 62 #11-2 y la Carrera 65 #11-48 Centro Comercial Plaza Central | Bogotá |
| 21 | Diverplaza | Dirección Trasversal 99 # 70 A - 89, Centro Comercial Diverplaza | Bogotá |
| 22 | La Felicidad | Avenida Boyacá con Calle 13, Centro Comercial MultiPlaza | Bogotá |
| 23 | La Carola | Carrera 11 No. 56a - 16 ; (Avenida Kevin Angel), Centro Comercial La Carola | Manizales |
| 24 | CC Buenavista | Carrera 55 No. 98ª-15, Centro Comercial Buenavista 3 | Barranquilla |
| 25 | CC Arkadia (La Mota) | Carrera 70 1-30, Centro Comercial Arkadia | Medellín |
| 26 | Colina | Carrera 58 D N° 14 6 - 51 Local L 100, Centro Comercial Parque La Colina | Bogotá |

Stores in Argentina

| N° | Stores | Address | City |
|----|-----------|---------------------------------------|--------------|
| 1 | Mendoza | Acc. Este N° 3280 - Guaymallén | Mendoza |
| 2 | Rosario | Córdoba N° 1101 | Rosario |
| 3 | Cordoba | Duarte Quiroz N° 1400 | Córdoba |
| 4 | San Juan | Peatonal Tucumán N° 163 Sur | San Juan |
| 5 | Unicenter | Paraná N° 3745, Martínez | Buenos Aires |
| 6 | Florida | Florida N° 202 / 343, Capital Federal | Buenos Aires |

HOME IMPROVEMENT



Stores in Chile

| N° | Stores | Address | City |
|----|---------------------|---|--------------|
| 1 | Imperial Santa Rosa | Av. Santa Rosa N° 7850, La Granja, Santiago | Santiago |
| 2 | Co Viña del Mar | Calle Limache N° 3119, Viña del Mar | Viña del Mar |
| 3 | Co Cantagallo | Av. Las Condes N° 12422, Lo Barnechea, Santiago | Santiago |
| 4 | Co Valparaíso | Yungay N° 2516, Valparaíso | Valparaíso |
| 5 | HC Las Condes | Av. Las Condes N° 11049, Las Condes, Santiago | Santiago |
| 6 | Co Antofagasta | Av. Antonio Rendic N° 6852, Antofagasta | Antofagasta |
| 7 | HC Viña del Mar | Av. 15 Norte N° 961, Viña del Mar | Viña del Mar |
| 8 | HC Rancagua | Av. Albert Einstein N° 297, Rancagua | Rancagua |
| 9 | HC Puente Alto | Av. Concha y Toro N° 1315, Puente Alto, Santiago | Santiago |
| 10 | HC El Trébol | Autopista Concep-Talcahuano 9200, Talcahuano | Talcahuano |
| 11 | HC La Serena | Av. Fco. de Aguirre N° 02, La Serena | La Serena |
| 12 | Imperial Mapocho | Calle Mapocho N° 5906, Quinta Normal, Santiago | Santiago |
| 13 | HC Kennedy | Av. Pdte. Kennedy N° 5601, Las Condes, Santiago | Santiago |
| 14 | Imperial Maipú | Calle Alberto Llona N° 1153, Maipú, Santiago | Santiago |
| 15 | Imperial Vespucio | Av. Américo Vespucio N° 1030, Peñalolén, Santiago | Santiago |
| 16 | HC San Miguel | Gn. Avda. José Miguel Carrera N° 5508, San Miguel, Santiago | Santiago |
| 17 | HC La Reina | Av. Jorge Alessandri N° 1347, La Reina, Santiago | Santiago |
| 18 | Co Vallenar | Merced N° 501, Vallenar | Vallenar |
| 19 | HC Ñuble | Av. Vicuña Mackenna N° 1700, Ñuñoa, Santiago | Santiago |
| 20 | HC Valdivia | Av. Picarte N° 3349, Valdivia | Valdivia |
| 21 | HC Nueva La Florida | Av. José Pedro Alessandri N° 6402, Peñalolén, Santiago | Santiago |
| 22 | Imperial Valparaíso | Av. Independencia N° 3033, Valparaíso | Valparaíso |
| 23 | HC SS Temuco | Caupolicán N° 0457, Temuco | Temuco |
| 24 | HC Huechuraba | Av. Américo Vespucio N° 1737, Huechuraba, Santiago | Santiago |
| 25 | HC Villarrica | Saturnino Epulef N° 1580, Villarrica | Villarrica |
| 26 | HC Osorno | Av. René Soriano N° 2619, Osorno | Osorno |
| 27 | HC Angol | Av. Bernardo O'Higgins N° 1744, Angol | Angol |
| 28 | HC Chillán | Av. Ecuador N° 599, Chillán | Chillán |
| 29 | HC Curicó | Av. Carlos Condell N° 1192, Curicó | Curicó |
| 30 | HC Coquimbo | Ruta 5 Norte N° 849, Coquimbo | Coquimbo |
| 31 | HC Plaza Oeste | Av. Américo Vespucio N° 1501, Cerrillos, Santiago | Santiago |
| 32 | HC La Calera | Prolongación J.J. Pérez N° 12010, La Calera | La Calera |

| | | | |
|----|-----------------------|--|--------------|
| 33 | HC Puerto Montt | Av. Presidente Ibañez N° 650, Puerto Montt | Puerto Montt |
| 34 | Co Huechuraba | Pedro Fontova N° 5810, Conchalí, Santiago | Santiago |
| 35 | HC Plaza Vespucio | Av. Américo Vespucio N° 7310, La Florida, Santiago | Santiago |
| 36 | HC San Felipe | Tocornal N° 2810, San Felipe | San Felipe |
| 37 | HC Arica | Av. Santa María N° 2985, Arica | Arica |
| 38 | Imperial Concepción | Tucapel N° 1259, Concepción | Concepción |
| 39 | HC Iquique | Héroes de la Concepción N° 2311, Iquique | Iquique |
| 40 | HC Antofagasta | Balmaceda N° 2355, Antofagasta | Antofagasta |
| 41 | HC Plaza Concepción | Av. Pdte. Jorge Alessandri N° 3177, Concepción | Concepción |
| 42 | HC Punta Arenas | Avda. Pdte. Eduardo Frei M. N° 01400, Punta Arenas | Punta Arenas |
| 43 | HC Linares | Av. León Bustos N° 0376, Linares | Linares |
| 44 | Imperial Huechuraba | Av. A. Vespucio N° 1399, esquina Pedro Fontova, Huechuraba, Santiago | Santiago |
| 45 | HC Talca | Av. Circunvalación, 2 Norte N° 3344, Talca | Talca |
| 46 | HC Copiapó | Panamericana Sur N° 140, Copiapó | Copiapó |
| 47 | HC Estación Central | San Francisco de Borja N° 402, Estación Central, Santiago | Santiago |
| 48 | HC Los Ángeles | Av. Alemania N° 850, Los Ángeles | Los Ángeles |
| 49 | HC El Bosque | Av. José Miguel Carrera N° 10375, El Bosque, Santiago | Santiago |
| 50 | HC Calama | Av. Balmaceda N° 3398, Calama | Calama |
| 51 | HC San Bernardo | Av. Jorge Alessandri Rodríguez N° 20040, San Bernardo, Santiago | Santiago |
| 52 | Imperial Temuco | Av. Caupolicán N° 1151, Temuco | Temuco |
| 53 | HC Coyhaique | Av. Ogana N° 869, Coyhaique | Coyhaique |
| 54 | HC Quilpué | Av. Freire N° 1351, Quilpué | Quilpué |
| 55 | Co Rancagua | Av. Koke N° 011, Rancagua | Rancagua |
| 56 | Imperial Rancagua | Calle La Cruz N° 01000, Rancagua | Rancagua |
| 57 | HC Reñaca Santa Julia | Alessandri N° 4085, Reñaca Alto, Viña del Mar | Viña del Mar |
| 58 | HC Quinta Vergara | Av. Valparaíso N° 1070, Viña del Mar | Viña del Mar |
| 59 | HC Quilicura | Av. Manuel A. Matta N° 581, Quilicura, Santiago | Santiago |
| 60 | HC Plaza Tobalaba | Av. Camilo Henríquez N° 3692, Puente Alto, Santiago | Santiago |
| 61 | HC Ribera Norte | Av. Los Carrera Poniente N° 301, Concepción | Concepción |
| 62 | Imperial Reñaca | Camino Internacional N° 1025 (rotonda Santa Julia), Viña del Mar | Viña del Mar |
| 63 | Imperial Talca | Av. San Miguel N° 2687, esquina 23 Oriente (ex San Pablo), Talca | Talca |
| 64 | HC Talca Colín | Av. Colín N° 0635, Talca | Talca |

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|----|---------------------------|--|---------------|
| 65 | HC San Fernando | Av. Libertador B. O'Higgins N° 0450, Ruta I-50, San Fernando | San Fernando |
| 66 | HC Alto Hospicio | Av. Los Aromos N° 2780, Alto Hospicio | Alto Hospicio |
| 67 | HC Chiloé | Ruta 5 Norte N° 2456, sector Ten Ten, Castro, Chiloé | Castro |
| 68 | HC Santa Cruz | Rafael Casanova N° 412, Santa Cruz | Santa Cruz |
| 69 | HC Ovalle | Prolongación Benavente N° 1075, Ovalle | Ovalle |
| 70 | HC Quillota | Ramón Freire N° 1551, Quillota | Quillota |
| 71 | Imperial Puerto Montt | Pilpilco 200, Parque Industrial, camino a Pargua, Puerto Montt | Puerto Montt |
| 72 | HC Coronel | Av. Carlos Pratts N° 0901, Coronel | Coronel |
| 73 | HC Copiapó II | Av. Los Carrera N° 4723, Copiapó | Copiapó |
| 74 | HC Los Dominicos | Av. Padre Hurtado 875, Las Condes, Santiago | Las Condes |
| 75 | HC Talagante | Av. Libertador Bernardo O'Higgins N° 2337, Talagante | Talagante |
| 76 | HC Melipilla | Av. Vicuña Mackenna N° 1415, Melipilla | Melipilla |
| 77 | Imperial La Serena | AV Balmaceda 3070, La Serena | La Serena |
| 78 | HC Ñuñoa | Av. Américo Vespucio N° 925, Ñuñoa | Santiago |
| 79 | HC San Antonio | 21 de Mayo N° 950, San Antonio | San Antonio |
| 80 | HC La Serena - Balmaceda | Av. Balmaceda N° 2885, La Serena | La Serena |
| 81 | HC Independencia | Av. Independencia N° 565, Independencia. | Independencia |
| 82 | HC Maipú | Av. Pajaritos 4444, Maipú - Santiago | Maipú |
| 83 | HC Quilin | Altos del Parque Sur N° 5800, Peñalolen, Santiago | Santiago |
| 84 | HC Antofagasta La Portada | Av. Pedro Aguirre Cerda N° 10578, Antofagasta | Antofagasta |
| 85 | HE Chicureo | Av. Chicureo N° 99, Colina | Santiago |

 Stores in Perú

| N° | Stores | Address | City |
|----|-----------------------------|---|-----------------------|
| 1 | Sodimac San Miguel | Av. La Marina N° 2355 C.C. Open Plaza | Lima |
| 2 | Sodimac Megaplaza | Av. Industrial N° 3515 | Lima |
| 3 | Sodimac Atocongo | Av. Circunvalación N° 1803 | Lima |
| 4 | Sodimac Javier Prado | Av. Javier Prado Este N° 1059 | Lima |
| 5 | Sodimac Chiclayo | Calle Víctor Raul Haya De La Torre N° S/N - Urb. San Eduardo | Chiclayo |
| 6 | Sodimac Trujillo Open Plaza | Av. América Norte N° 1245, Ancla 2 Urb. Los Jardines-Open Plaza | Trujillo |
| 7 | Sodimac Lima Centro | Av. Tacna N° 640 - 644 | Lima |
| 8 | Sodimac Canta Callao | Av. Canta Callao s/n. (esquina con Av. Bertello) | Lima |
| 9 | Sodimac Trujillo Mall | Av. Mansiche S/N - CC Mall Aventura Plaza | Trujillo |
| 10 | Sodimac Bellavista | Av. Óscar R. Benavides (ex av. Colonial) N° 3866 | Lima |
| 11 | Sodimac Ica Minka | Av. San Martín N° 727 Interior 101 (LM) | Ica |
| 12 | Sodimac Angamos | Av. Nueva Tomás Marsano N° 961 ESQ C/ ANGAMOS N° 961 ESQ. C/ ANGAMOS N° 1803 - AN 1 | Lima |
| 13 | Sodimac Piura | Av. Andrés Avelino Cáceres 147 Urb. Miraflores Tienda Ancla 1 Secc. Sector, Distrito de Castilla, Provincia y departamento de Piura | Piura |
| 14 | Sodimac Arequipa | Av. Porongoche 721 | Arequipa |
| 15 | Sodimac Jockey Plaza | Av. Javier Prado Este N° 4200 | Lima |
| 16 | Sodimac Chimbote | Av. ProL. Pardo Nro A1 (Mz. B) | Chimbote |
| 17 | Sodimac Santa Anita (Ate) | Av. Los Frutales N° 202 | Lima |
| 18 | Sodimac Cañete | Av. Mscal. Benavides Cdra. 10 | San Vicente de Cañete |
| 19 | Sodimac Huacho | AV. 9 Octubre Mz.3 | Huacho |
| 20 | Sodimac San Juan Lurigancho | Jr. Cajamarquilla con Av. Las Lomas | Lima |
| 21 | Sodimac Pucallpa | Av. Centenario km 4500 - Int. Ancla 3 Open Plaza Yarinacochas - Ucayali | Pucallpa |
| 22 | Sodimac Sullana | P. Sullana Paita S/N Sub Lt. A | Sullana |
| 23 | Sodimac Villa El Salvador | Pq. Industrial del Cono Sur Mza C Lt 1-7 | Lima |
| 24 | Sodimac Cajamarca OP | Prolongación Irene Silva Santolalla, Cajamarca | Cajamarca |
| 25 | Maestro Chacarilla | Av. Caminos del Inca N° 100 MZ. A Lt. 1,2,3,4,5, Urb. El Tambo de Monterrico | Lima |
| 26 | Maestro Surquillo | Cruce Av. Angamos con Av. República de Panamá y Calle Domingo Elías esquina con República de Panamá. | Lima |

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| 27 | Maestro Pueblo Libre | Av. Universitaria con Av. La Mar (AL frente del C.C Plaza San Miguel) | Lima |
| 28 | Maestro Chorrillos | Av. Prolongación Pase de la República S/n (C.C Plaza Lima Sur) | Lima |
| 29 | Maestro Ate | Av. La Molina 378 | Lima |
| 30 | Maestro Arequipa | Av. Lambamani con, Av. los Incas, Arequipa, Perú | Arequipa |
| 31 | Maestro Naranjal | Av. Alfredo Mendiola 5118. Los Olivos | Lima |
| 32 | Maestro Callao | Av. Argentina 2842 (1/2 cuadra de Minka) | Lima |
| 33 | Maestro Colonial | Av. Colonial 769. Cercado de Lima | Lima |
| 34 | Maestro Piura | Esquina, Av Sánchez Cerro con, Piura 20009, Perú | Piura |
| 35 | Maestro Independencia | Panamericana Norte con Tomás Valle. Independencia (C.C. Plaza Norte) | Lima |
| 36 | Maestro Chiclayo | Cruce de Calle Loreto con Calle, Juan Buendía, Chiclayo 14009, Perú | Chiclayo |
| 37 | Maestro Trujillo | Esquina de, Av América Sur con, Trujillo 13007, Perú | Trujillo |
| 38 | Maestro Huancayo | Av. Huancavelica 221 - El Tambo | Huancayo |
| 39 | Maestro Ica | Av. Los Maestros N° 55, Fundo San José, Lote 7 | Ica |
| 40 | Maestro Cusco | Prolongación Av. De La Cultura cdra. 19 Distrito San Jerónimo | Cusco |
| 41 | Sodimac Cerro Colorado | Av. Aviación cuadra 1 s/n - Cerro Colorado | Arequipa |
| 42 | Maestro San Luis | Av. Nicolás Ayllón N° 1680, Urb. Pino Distrito de San Luis | Lima |
| 43 | Maestro Tacna | Prolongación 2 de Mayo cruce con Av. Circunvalación | Tacna |
| 44 | Maestro Cajamarca | Altura grifo El Amigo, Av Vía de Evitamiento Sur cdra. 3, Pueblo Libre 06003, Perú | Cajamarca |
| 45 | Maestro Sullana | Cruce Av. Buenos Aires con Calle, Av. Jorge Chavez, Sullana 20101, Perú | Sullana |
| 46 | Maestro Comas | Cruce de Trapiche con Av. Los Incas - Comas | Lima |
| 47 | Maestro Puente Piedra | Av. Precursores cdra. 10 (al costado del colegio Kumamoto) | Lima |
| 48 | Maestro Huacho | Panamericana Norte Km. 27 (al costado de Redondos Santa María, Huacho, Perú) | Huacho |
| 49 | Maestro Chíncha | Av. San Idelfonso S/N (5 esquinas) Sunampe. Chíncha | Chíncha |
| 50 | Maestro Ventanilla | Av. Precursores cdra. 10 (al costado del colegio Kumamoto) | Lima |
| 51 | Maestro San Juan de Miraflores | Cruce de Avenida Belisario Suarez con Avenida Pedro Miota | Lima |
| 52 | Maestro Barrios Altos | Jr. Luis Sotomayor cuadra 2 (A espalda del hospital 2 de mayo) | Lima |

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| 53 | Sodimac Chiclayo 2 | Carretera Panamericana KM.3 Av. Augusto B. Le- guía | Chiclayo |
| 54 | Sodimac Huancayo | Av. Ferrocarril 146-150 - 1ª Piso Tienda Ancla 01 - Huancayo - Junin | Huancayo |
| 55 | Sodimac Puruchuco | Av. Nicolás Ayllón 4770 | Lima |
| 56 | Sodimac Comas | Av. Los Ángeles 668 URB. Alamedas del Retablo | Lima |



Stores in Colombia

| N° | Stores | Address | City |
|----|--------------------------|---|---------------|
| 1 | HC Calle 80 | Av 68 No. 80-77 | Bogotá |
| 2 | HC Sur - Av 68 | Cra 68 # 37 - 37 Sur | Bogotá |
| 3 | HC Norte - Calle 170 | Autopista Nte. # 175 - 50 | Bogotá |
| 4 | HC Medellín Industriales | Av Los Industriales # 14 - 135 | Medellín |
| 5 | HC Cali Sur | Sur: Cra. 100 # 16 - 251 | Cali |
| 6 | HC Barranquilla | Cra. 53 # 98 - 2 | Barranquilla |
| 7 | HC Pereira | Calle 19a # 206 - 45 | Pereira |
| 8 | HC El Dorado | Calle 50 # 82 - 55 | Bogotá |
| 9 | HC Medellín San Juan | Calle 44 # 65 - 100 | Medellín |
| 10 | HC Cali Norte | Av 6A Norte # 35 - 00 Santa Mónica | Cali |
| 11 | HC Suba | Avenida Cra. 104 # 148 - 07 C.C Plaza Imperial, Local 1-52 | Bogotá |
| 12 | HC Soacha | Cra. 7 # 32 - 35 Local 108 | Soacha |
| 13 | HC Ibagué | Cra. 5 # 83 - 100 Barrio Jardín | Ibagué |
| 14 | HC Cartagena | Av del Lago cll. 29B | Cartagena |
| 15 | HC Bello | Diagonal 51 # 34 - 16 Local 101 | Medellín |
| 16 | HC Molinos Medellín | Calle 30A # 82A - 26 | Medellín |
| 17 | HC Cúcuta | Dg. Santander # 11 - 200 | Cúcuta |
| 18 | HC Villavicencio | Cra. 48 # 1 - 180 Frente al parque | Villavicencio |
| 19 | HC Bucaramanga | Cra. 21 # 45 - 02 | Bucaramanga |
| 20 | HC Calima | Cl.19 # 28 - 80 | Bogotá |
| 21 | HC Montería | Calle 65 # 10 - 19 | Montería |
| 22 | HC Neiva | Cra. 16 # 50 - 02 | Neiva |
| 23 | HC Manizales | Calle 70 # 18 - 165 Avenida Sultana | Manizales |

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| 24 | HC Cedritos | Ak. 9 # 152a - 23 | Bogotá |
| 25 | HC Envigado | Cra. 49 # 32B Sur - 24 | Medellín |
| 26 | HC Valledupar | Transversal 19 # 3 - 150 | Valledupar |
| 27 | HC Santa Marta | Cra. 35 # 29A - 355 | Santa Marta |
| 28 | HC Palmira | Calle 42 con Cra. 39 Esquina | Palmira |
| 29 | HC Barranquilla Prado Centro | Cra. 46 # 48 - 50 | Barranquilla |
| 30 | HC Armenia | Av Centenario # 3 - 180 Local130 | Armenia |
| 31 | HC Rionegro | Calle 43 No. 54 - 139 Etapa 3 | Medellín |
| 32 | HC Cajicá | Km 27 Vía Chía - Cajicá | Chía |
| 33 | HC Tintal | Calle 10B # 86 - 50 | Bogotá, Tintal |
| 34 | HC Girardot | Av Kennedy con Calle 35 | Girardot |
| 35 | HC Yopal | Calle 24 con Carrera 35 | Yopal |
| 36 | HC Cartagena San Fernando | Av. Pedro de Heredia con Carrera 83B | Cartagena |
| 37 | HC Tuluá | Cra. 40 # 37 - 229, Tuluá - Valle del Cauca | Tuluá |
| 38 | HC Barranquilla Calle 30 | Cra. 10 # 27b - 211 | Barranquilla |
| 39 | HC Tunja | Av Universitaria, Tunja, Boyacá, Colombia HM43+MQ Tunja, Boyacá, Colombia | Tunja |
| 40 | HC Mosquera Funza | Vía Principal Funza, Mosquera, Cundinamarca, Colombia PQ29+9H Mosquera, Cundinamarca, Colombia | Mosquera |



Stores in Argentina

| N° | Stores | Address | City |
|----|------------------------|---|------------------------|
| 1 | HC San Martín | Av.San Martín 421.esquina Gral.Paz, Partido de San Martín | Buenos Aires |
| 2 | HC Malvinas Argentinas | Cruce de Ruta 8 y Ruta 202, Partido de Malvinas Argentinas | Buenos Aires |
| 3 | HC San Justo | Avenida Don Bosco 2680, Partido de La Matanza | Buenos Aires |
| 4 | HC Vicente Lopez | Av. Libertador 77, Vicente López | Provincia Buenos Aires |
| 5 | HC Tortugas | Av. Olivos 4051, Partido de Malvinas Argentina, Tortuguitas | Provincia Buenos Aires |
| 6 | HC Córdoba | Av. Colón 4880, Barrio Villa Urquiza | Córdoba |
| 7 | HC La Plata | Camino General Belgrano s/n entre 514 y 517 | La Plata |
| 8 | HC Adrogué | Boulevard Shopping - Av. Hipólito Yrigoyen 13298 . Adrogué | Provincia Buenos Aires |



Stores in Brazil

| N° | Stores | Address | City |
|----|--------------------------------|--|---------------------|
| 1 | HC Sodimac Anchieta | Rua Góis Raposo, 400. Anchieta - SP | São Paulo |
| 2 | HC Sodimac Guarulhos | Rua Bartolomeu de Gusmão, 316. J. Santa Francisca Guarulhos - SP, Brasil. | Guarulhos |
| 3 | HC Sodimac Osasco | Av. Franz Voegeli, 751 - Continental, Osasco - SP 06010-190, Brasil | Osasco |
| 4 | HC Sodimac Ribeirão Preto | Av. Fábio Barreto 263, Vila Tibério, Ribeirão Preto - SP | Ribeirão Preto |
| 5 | HC Sodimac São José dos Campos | Av. Dep. Benedito Matarazzo, 5301 - São José dos Campos - SP | São José dos Campos |
| 6 | HC Sodimac Tamboré | Alameda Araguaia, 1801 Tamboré - SP | Barueri |
| 7 | Sodimac Dicico Aricanduva | Av. Aricanduva, 5555 - Jardim - Aricanduva, São Paulo - SP, CEP 03930-110. | São Paulo |
| 8 | Sodimac Dicico Arujá | Av. João Manoel, 1150 - Centro Residencial- Arujá - SP - CEP: 07400-000. | Arujá |
| 9 | Sodimac Dicico Atibaia | Av. Dr. Joviano Alvim, 1190 - Vila Nova Aclimação, Atibaia - SP, CEP 12942-653. | Atibaia |
| 10 | Sodimac Dicico Bertioga | Av. Marginal, 10.001 - Jd Albatroz, Bertioga - SP, CEP 11250-003. | Bertioga |
| 11 | Sodimac Dicico Campinas DP | Rod. Dom Pedro I, km 127/128, Box25, Parque Imperador, Campinas | Campinas |
| 12 | Sodimac Dicico Caraguatatuba | Av. Rio-Branco, 450 - Indaiá, Caraguatatuba - SP, CEP 11665-600. | Caraguatatuba |
| 13 | Sodimac Dicico Cubatão | Av. Nove de Abril, 3400 x Av. Nações Unidas, Cubatão - SP, CEP 11520-000. | Cubatão |
| 14 | Sodimac Dicico Diadema | Av. Piraporinha, 50 - Fábio Esquivel, Diadema - SP - CEP 09950-000 | Diadema |
| 15 | Sodimac Dicico Enseada | Av. Dom Pedro I, 2520 - Jardim Belmar, Guarujá - SP, CEP 11440-002. | Guarujá |
| 16 | Sodimac Dicico Fernão Dias | Rod. Fernão Dias, km 87, s/n - Parque Edu Chaves, São Paulo - SP, CEP 02283-000. | São Paulo |
| 17 | Sodimac Dicico Guaianases | Estrada Itaquera Guaianases, 2000 (No D'avó) - Jardim Helena, São Paulo - SP, CEP 08420-000. | São Paulo |
| 18 | Sodimac Dicico Guarapiranga | Av. Guarapiranga, 881, Loja 1, Vila Socorro, São Paulo - SP | São Paulo |
| 19 | Sodimac Dicico Guaratinguetá | Av. Juscelino Kubitscheck de Oliveira, 870 - Campo do Galvão, Guaratinguetá - SP, CEP 12500-290. | Guaratinguetá |
| 20 | Sodimac Dicico Guarujá Balsa | Av. Adhemar de Barros, 1531 (Balsa) - Jardim Helena Maria, Guarujá - SP, CEP 11430-003. | Guarujá |
| 21 | Sodimac Dicico Indaiatuba | Av. Presidente Kennedy, 330 - Cidade Nova I, Indaiatuba - SP, CEP 13334-170. | Indaiatuba |
| 22 | Sodimac Dicico Ipiranga | R. dos Patriotas, 1211, Ipiranga | São Paulo |
| 23 | Sodimac Dicico Itanhaém | R. João Pedro Orsi, 117/120 - Cidade Anchieta, Itanhaém - SP CEP 11740-000. | Itanhaém |

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| 24 | Sodimac Dicico Itu | Av. Nove de Julho, 897 - Vila Padre Bento, Itu - SP, CEP 13313-100. | Itu |
| 25 | Sodimac Dicico Jacareí | Praça Charles Gates, 90 - Jardim das Industrias, Jacareí - SP, CEP 12306-090. | Jacareí |
| 26 | Sodimac Dicico Jundiaí | Av. Antônio Frederico Ozanan, 6080 (Ao lado do Maxi Shopping) - Horto Florestal, Jundiaí - SP, CEP 13214-205. | Jundiaí |
| 27 | Sodimac Dicico Limeira | R. Miguel Guidotti, 2155, Parque Egisto Ragazzo, Limeira - SP | Limeira |
| 28 | Sodimac Dicico M. Tietê | Av. Thomas Edison, 1324 - Barra Funda, São Paulo - SP, CEP 01140-001 | São Paulo |
| 29 | Sodimac Dicico M. Tito | Avenida Marechal Tito, 5768 (no Roldão) - Itaim Paulista, São Paulo - SP, CEP 08115-000. | São Paulo |
| 30 | Sodimac Dicico Mauá | Av. Antônia Rosa Fioravante - Centro (Mauá Plaza Shopping), Mauá - SP - CEP 09390-015. | Mauá |
| 31 | Sodimac Dicico Mogi | Rua Professor Ismael Alves dos Santos, 455 - Vila Mogilar - Mogi das Cruzes - SP - CEP 08773-550. | Mogi das Cruzes |
| 32 | Sodimac Dicico Mogi Guaçu | Av. Mogi Mirim, 252 (Ao lado do Big Bom) - Areião, Mogi Guaçu - SP, CEP 13844-110. | Mogi Guaçu |
| 33 | Sodimac Dicico Mongaguá | Av. Antônio Martins de Araújo, 100 - Centro, Mongaguá - SP, CEP 11730-000. | Mongaguá |
| 34 | Sodimac Dicico Peruíbe | Av. Padre Anchieta, 4741 - Três Marias, Peruíbe - SP, CEP 11750-000. | Peruíbe |
| 35 | Sodimac Dicico Pirituba | Av. Raimundo Pereira de Magalhães 11.980, Jardim Pirituba | São Paulo |
| 36 | Sodimac Dicico Poá | Rod. Henrique Eroles, 141 - Vila Ercília, Poá - SP, CEP 08557-700. | Poá |
| 37 | Sodimac Dicico Praia Grande | Av. Pres. Kennedy, 1876 - Guilhermina, Praia Grande - SP, CEP 11702-200. | Praia Grande |
| 38 | Sodimac Dicico Radial Leste | Av. Alcântara Machado, 1993 - Brás, São Paulo - SP, CEP 03101-003 | São Paulo |
| 39 | Sodimac Dicico S.J. Campos | Av. Engenheiro Francisco José Longo, 1595, Loja 1, Jardim São Dimas, São José dos Campos - SP | São José dos Campos |
| 40 | Sodimac Dicico Santa Bárbara | R. do Ósmio, 915 - Jardim Mollon, Santa Bárbara D'Oeste - SP, CEP 13456-625. | Santa Barbara d'Oeste |
| 41 | Sodimac Dicico Santo André | Av. Antônio Cardoso, 536 - Bangú (No Sam's Club), Santo André - SP, CEP 09280-570. | Santo André |
| 42 | Sodimac Dicico Santos | Shopping Praiamar - R. Alexandre Martins, 80 - 301 - Aparecida, Santos - SP, CEP 11025-200. | Santos |
| 43 | Sodimac Dicico São Carlos | Av. Getúlio Vargas, 157 - Vila Lutfalla, São Carlos - SP, CEP 13570-672. | São Carlos |
| 44 | Sodimac Dicico São Miguel | Av. São Miguel, 8201 - São Miguel Paulista, São Paulo - SP, CEP 08070-001. | São Paulo |
| 45 | Sodimac Dicico São Vicente | Av. Prefeito José Monteiro, 1045 - Jardim Independência, São Vicente - SP, CEP 11380-001. | São Vicente |
| 46 | Sodimac Dicico Sorocaba | Av. Professora Izoraida Marques Peres, 401, Lj B, Parque Campolim | Sorocaba |
| 47 | Sodimac Dicico Sto. Amaro | Av. João Dias, 1713 - Santo Amaro, São Paulo - SP, CEP 04723-002 | São Paulo |

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| 48 | Sodimac Dicico Sumaré | Av. José Mancine, 350 - Jardim Sao Carlos, Sumaré - SP, CEP 13170-040. | Sumaré |
| 49 | Sodimac Dicico Suzano | Av. Ver. João Batista Fitipaldi, 380 (No Atacadão) - Vila Maluf, Suzano - SP, CEP 08685-000. | Suzano |
| 50 | Sodimac Dicico T. Vilela | Av. Sen. Teotônio Vilela, 8030 (Atacadão) - Jardim São Rafael, São Paulo - SP, CEP 04864-002. | São Paulo |
| 51 | Sodimac Dicico Taubaté | Av. Charles Schneider, 850 - Parque Sr. do Bonfim, Taubaté - SP, CEP 12040-000. | Taubaté |
| 52 | Sodimac Dicico Tremembé | Av. Cel. Sezefredo Fagundes, 1855 - Tremembé, São Paulo - SP, CEP 02306-000. | São Paulo |
| 53 | Sodimac Dicico V. Carvalho | Av. Santos Dumont, 458 - Sítio Paecara (Vicente de Carvalho), Guarujá - SP, CEP 11460-000. | Guarujá |

Stores in Uruguay

| N° | Stores | Address | City |
|----|-----------------|---|------------|
| 1 | HC Giannattasio | Avda. Giannattasio KM 16, Barra de Carrasco | Canelones |
| 2 | HC Sayago | Bulevar Battle y Ordóñez, Esquina Bell | Montevideo |
| 3 | HC Maldonado | Ruta 39, esq. Av. Luis de Herrera | Maldonado |

Stores in Mexico

| N° | Stores | Address | City |
|----|-----------------------------|--|---------------------|
| 1 | HC Izcalli | Avenida Jorge Jimenez Cantú, Manzana C 248, Centro Urbano, 54750 | Cuautitlán Izcalli |
| 2 | HC Arboledas | Vía Dr. Gustavo Baz 4001, Centro Industrial Tlalnepantla, 54030 | Tlalnepantla de Baz |
| 3 | HC Jacarandas | Bldv. Paseo Cuauhnáhuac 101, Ricardo Flores Magon, 62370 | Cuernavaca, Mor. |
| 4 | HC Veracruz Boca del Río | Bv. Adolfo Ruiz Cortines S/N, Fraccionamiento, Sutsem, 94294 | Veracruz, Ver. |
| 5 | HC San Mateo | Av. Vía Adolfo López Mateos S/N, Sta Cruz Acatlan, 53150 | Naucalpan de Juárez |
| 6 | HC EL Paseo San Luis Potosi | Av. Dr. Salvador Nava Martinez 435, San Patricio | San Luis Potosi |

SUPERMARKETS



Stores in Chile

| N° | Stores | Address | City |
|----|----------------------|--|--------------|
| 1 | El Monte | Los Libertadores 316, EL MONTE | Santiago |
| 2 | Talagante Plaza | Eyzaguirre 715, TALAGANTE | Santiago |
| 3 | Buín | San Martín 174, BUÍN | Santiago |
| 4 | Sb Plaza | Bernardo O'Higgins 550, SAN BERNARDO | Santiago |
| 5 | Sb Estación | Arturo Prat 117, SAN BERNARDO | Santiago |
| 6 | Peñaflor | Alcalde Luis Araya Cereceda 4237, PEÑAFLORES | Santiago |
| 7 | Rengo | Condell 100, RENGÓ | Rengo |
| 8 | Melipilla | Avda Serrano 395, MELIPILLA | Santiago |
| 9 | San Antonio | Avda. Ramón Barros Luco 1399, SAN ANTONIO | San Antonio |
| 10 | Talagante Cordillera | Caletera Los Aromos 0441, TALAGANTE | Santiago |
| 11 | Puente Alto | Avda. Concha y Toro 1477, PUENTE ALTO | Santiago |
| 12 | Nataniel | Nataniel Cox 620 SANTIAGO | Santiago |
| 13 | La Calera | Prolongación Pérez 12010, LA CALERA | La Calera |
| 14 | Antofagasta Mall | Balmaceda 2355, ANTOFAGASTA | Antofagasta |
| 15 | Plaza Oeste | Avda. Américo Vespucio 1501 CERRILLOS | Santiago |
| 16 | La Florida | Avda. Américo Vespucio 7310, LA FLORIDA | Santiago |
| 17 | Antofagasta Centro | Condell 2639-2645 | Antofagasta |
| 18 | Colina | Avda. Concepción 47 Colina | Santiago |
| 19 | Alameda | Av. Libertador Bernardo O'Higgins N° 3470 - Estación Central | Santiago |
| 20 | El Bosque | Gran Avenida, José Miguel Carrera N° 10375 EL BOSQUE | Santiago |
| 21 | San Fernando | Av. Carampangue 681 | San Fernando |
| 22 | Padre Hurtado | Camino San Alberto Hurtado N° 2436, PADRE HURTADO | Santiago |
| 23 | San Felipe | Av. Libertador Bernardo O'Higgins N° 1150 | San Felipe |
| 24 | Talca | Calle 4 Norte N°1530 | Talca |
| 25 | Catedral | Catedral 1850 | Santiago |
| 26 | Machalí | Av. San Juan 133 DC | Machalí |
| 27 | Santa Julia | Av. Alessandri 4025 | Viña del Mar |
| 28 | Huechuraba | Santa Marta de Huechuraba 7300 | Santiago |
| 29 | Calama Centro | Centro Avda. Granaderos 3651 | Calama |
| 30 | Bío Bío | Avda. Los Carrera Poniente 301 | Concepción |
| 31 | Chillán | Ecuador 599 | Chillán |

| | | | |
|----|----------------------|---|--------------|
| 32 | Rancagua Centro | Cuevas 405 | Rancagua |
| 33 | Mall Plaza Tobalaba | Avda. Camilo Henríquez 3692, Local H100 | Santiago |
| 34 | Los Ángeles | Mendoza 535 | Los Ángeles |
| 35 | Vicuña Mackenna | Av. Vicuña Mackenna 665 | Santiago |
| 36 | Vitacura | Avenida Vitacura 9019, Vitacura | Santiago |
| 37 | Ovalle | Prolongación calle Benavente 1075, local 200 | Ovalle |
| 38 | Plaza Egaña | Av Larrain 5862, local H100, La Reina | Santiago |
| 39 | El Trébol | Avda. Jorge Alessandri 3177 | Talcahuano |
| 40 | Quilpué | Avda. Freire 120 | Quilpué |
| 41 | Concón | Av. Manantiales n° 955 | Concón |
| 42 | Walker Martínez | Walker Martínez 3600, La Florida | Santiago |
| 43 | Mall Plaza Copiapó | Maipú N°109 Lote B Copiapó | Copiapó |
| 44 | Reñaca | Av. Vicuña Mackenna 1050, local n°1; Reñaca Bajo | Viña del Mar |
| 45 | Colina Chamisero | Av. Chamisero, Lote A8, Local n° 1, Colina. | Santiago |
| 46 | Vivaceta | Av. Fermin Vivaceta 1018-1030, INDEPENDENCIA | Santiago |
| 47 | Copiapó Los Carrera | AV. Los carrera N°4723 | Copiapó |
| 48 | Maitencillo | Vía F-30 e, ESQUINA CALLE SAN ISIDRO, Local N°1 | Maitencillo |
| 49 | Talca Colín | Av. Colin 0665 | Talca |
| 50 | Recoleta | Av. Recoleta N°888, RECOLETA | Santiago |
| 51 | Quillota Las Palmas | Av. Carlos condell N°1687 Local A3 | Quillota |
| 52 | Ciudad Empresarial | AV. Del parque 4722, local 22 Huechuraba. | Santiago |
| 53 | Coquimbo | Av. Alessandri 1117, Coquimbo, Local 00 | Coquimbo |
| 54 | Quilicura | Av. Bernardo O'Higgins 800, Local 1 | Santiago |
| 55 | Vitacura Alderete | Av. Vitacura 6980, local 1, Vitacura | Santiago |
| 56 | La Cisterna | Av. Gran Avenida Jose Miguel Carrera 8999, La Cisterna | Santiago |
| 57 | Los Dominicos | Padre Hurtado Sur 875 Local H110, Las Condes | Santiago |
| 58 | Los Andes Chacabuco | Av. Santa Teresa 680 Local 1, Los Andes | Santiago |
| 59 | Piedra Roja | Av. Chicureo S/N, Lote 14a4de, Local 100, Colina | Santiago |
| 60 | Balmaceda | Av. Balmaceda 2885 | La Serena |
| 61 | Los Ángeles Alemania | Av. Alemania 831 | Los Ángeles |
| 62 | Factoria Italia | Francisco Bilbao 451, Providencia | Santiago |
| 63 | Curicó Norte | Carmen 1220 | Curicó |
| 64 | Vallenar | Av. Brasil 941 | Vallenar |
| 65 | Curauma | Av. Cardenal Samore 2290, local 23, Placilla de Peñuelas. | Curauma |
| 66 | Quilín | Av. Altos Del Parque Sur 5800, local 1; Peñalolen | Santiago |
| 67 | Mp La Serena | Alberto Solari 1400, local 200 | La Serena |



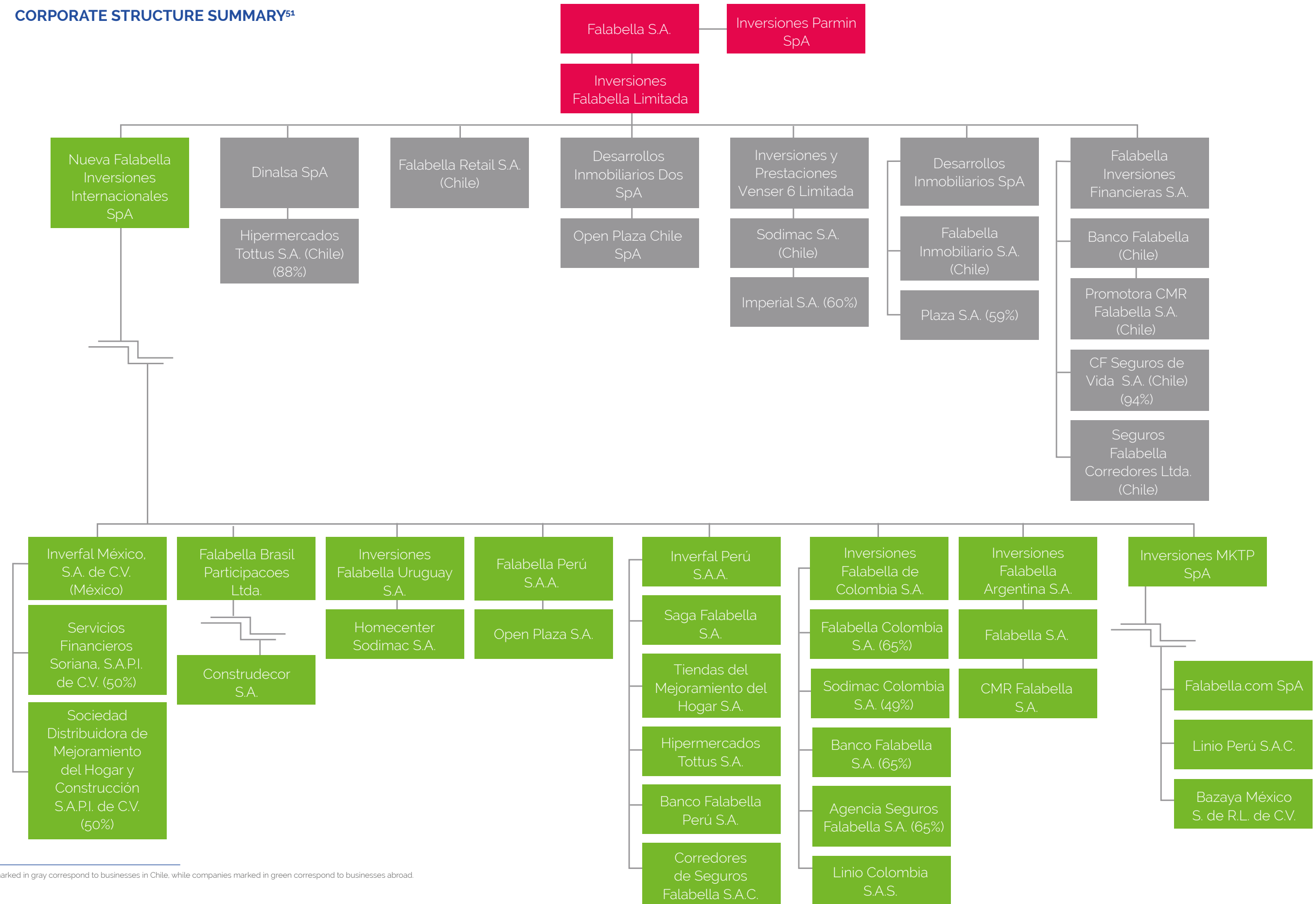
Stores in Peru

| N° | Stores | Address | City |
|----|------------------------------|--|----------|
| 1 | Megaplaza | Alfredo Mendiola N° 3698, Centro Comercial Mega Plaza, Independencia | Lima |
| 2 | Las Begonias | Av.Las Begonias N° 785, - Urb. Jardín, San Isidro | Lima |
| 3 | La Marina | Av. La Marina N° 2355 Urb Maranga - 1era Etapa Ancla 2 - San Miguel | Lima |
| 4 | Atocongo | Av. Circunvalacion N° 1803 Tienda Ancla N°2 San Juan de Miraflores | Lima |
| 5 | Huaylas | Av Defensores del Morro N° 1350, Chorrillos | Lima |
| 6 | Trujillo 1 | Av. Mansiche S/N - Caserio Cortijo | Trujillo |
| 7 | Chiclayo 1 | Victor Raul Haya de la Torre 150 - 250 - Urb. San Eduardo - Tienda Ancla 1 | Chiclayo |
| 8 | Quilca | Av. Lima N° 4208, Urb. Bocanegra, Provincia Constitucional del Callao | Lima |
| 9 | Saenz Peña | Calle Castilla N° 496, Provincia Constitucional del Callao | Lima |
| 10 | Canta Callao | Carretera Canta Callao N° 378, Calle Castilla 496, Provincia Constitucional del Callao | Lima |
| 11 | Lima Centro | Av. Tacna N° 665 - Cercado de Lima | Lima |
| 12 | El Agustino | Av. Ancash N° 2479, EL Agustino | Lima |
| 13 | Puente Piedra | Av. Puente Piedra Sur N° 322 - Alt. Km 30 Panamericana Norte - Puente Piedra | Lima |
| 14 | Trujillo 2 | Av. America Norte N° 1245 Urb. Los Jardines Open Plaza Trujillo | Trujillo |
| 15 | Bellavista | Av. Oscar R.Benavides N° 3866 (SM 1) Bellavista - Callao | Lima |
| 16 | Ica | Av. San Martin N° 763 | Ica |
| 17 | Pachacútec | Av. Prolong. Pachacutec N° 6321, Tablada de Lurin Zona 4 Villa María del Triunfo | Lima |
| 18 | Zorritos | Av. Colonial N° 1291, 1293 - Jr. Zorritos N° 1504, 1548, 1552 | Lima |
| 19 | La Fontana | Av. La Fontana N° 790, Urb. La Rivera de Monterrico II Etapa La Molina | Lima |
| 20 | Angamos | Av. Angamos Este N° 1803 - Esq Tomas Marsano y Angamos Este - Surquillo | Lima |
| 21 | Tusilagos | Av. Los Tusilagos Oeste N° 281 Urb. Los Jardines de San Juan Sector 3 San Juan de Lurigancho | Lima |
| 22 | Piura | Av. Andrés Avelino Cáceres N° 147 Sector 1B Tda Ancla 2 - Urb. Miraflores - Castilla | Piura |
| 23 | Arequipa Cayma | Av. Ejercito N° 793, Arequipa Cayma | Arequipa |
| 24 | Arequipa Porongoche | Av. Porongoche N° 500, Distrito de Paucarpata | Arequipa |
| 25 | Próceres | Av. Los Próceres N° 1030, Santiago de Surco | Lima |
| 26 | Jockey Plaza | Av. Javier Prado Este N° 4010, Urb. Fundo Monterrico Chico, Santiago de Surco | Lima |
| 27 | HB Chiclayo Belaún-de y Lora | Av. Fernando Belaunde Terry N° 685 - Urb La Primavera | Chiclayo |

| | | | |
|----|--------------------|--|-----------|
| 28 | Campoy | Av. Prolongación Malecón Checa, con A.D.V Villa Mercedes, con calle 5 Manzana L Sub lote 1-1A* | Lima |
| 29 | Chincha | Esquina Av. Massaro con esquina Mariscal Castilla - Chincha Alta - Chincha - Ica* | Ica |
| 30 | Chimbote | Av. Panamericana Norte 505 MZ. B Lote. 1A-1-A2 Chimbote - Santa - Ancash | Chimbote |
| 31 | Santa Anita | Z.I. A - B Carretera Central N° 135, Santa Anita | Lima |
| 32 | Los Olivos | Av. Alfredo Mendiola N° 5810, Los Olivos | Lima |
| 33 | Chiclayo San José | Av. Luis Gonzales N° 881 | Chiclayo |
| 34 | Cañete | Av. Mariscal Benavides N° 1000 - San Vicente de Cañete - Cañete - Lima | Cañete |
| 35 | Av. Central | Av. Canta Callao N° 3005 - S.M.P. (Mz. G lote 3 - Urb. Huertos del Naranjal) | Lima |
| 36 | HB Chiclayo Leguía | Av. Saenz Peña N° 1771 - Chiclayo Cercado | Chiclayo |
| 37 | Pacasmayo | Av. Gonzalo Ugaz Salcedo N° 23 | Pacasmayo |
| 38 | Arequipa Parra | Av. Parra N° 218 - 218A - 220 | Arequipa |
| 39 | Sullana | Av. Panamericana N° 445 esq. Ca. Santo Toribio N° 160 | Sullana |
| 40 | Pucallpa | Av. Centenario N° 2086, Yarinacocha - Coronel Portillo | Pucallpa |
| 41 | San Luis | Av San Luis Av. San Luis Mz. A Lote 1 Urb. San Borja Centro (Ficha registral) | Lima |
| 42 | Miraflores | Av. 28 de Julio N° 1045, Miraflores (Centro comercial Paso 28 de Julio) | Lima |
| 43 | HB Puente Piedra | Av. Leoncio Prado N° 1916 - Puente Piedra - Lima | Lima |
| 44 | Chepén | Carretera Panamericana N° 715 - 721 | Chepén |
| 45 | Huánuco | Jr. 2 de Mayo N° 125 - Huánuco | Lima |
| 46 | HB Huaycán | Av. Los Incas N° 205 Mz. A Lt. 7 Ex. Av. Circunvalación - Ate | Huaycan |
| 47 | Cajamarca OP | Jr. Cinco Esquinas S/N C/Av. Vía De Evitamiento | Cajamarca |
| 48 | San Hilarion | Av San Hilarion Este N° 150-180 Urb. San Hilarion SJ Lurigancho (temporal) | Lima |
| 49 | Mollicentro | Av. 7 N° 510 - El Suace - Rinconada - La Molina | Lima |
| 50 | Huaral | Av. Chancay km. 8. 5 Huaral | Lima |
| 51 | Huacho | Avenida Moore, N° 213-215, Huacho, Provincia de Huaura, Departamento de Lima | Lima |
| 52 | HB Guardia Civil | Av. Guardia Civil Mza M Lote 13 - La Campiña - Chorrillos | Lima |
| 53 | Lima Sur | Av. Los Lirios Nro. 301 Urb. Entel Peru - San Juan de Miraflores | Lima |
| 54 | HB Chincha | Cal. Leopoldo Carrillo Nro. 0 - Chincha Alta - Ica | Chincha |
| 55 | HB Pisco | Calle Comercio 700 - Pisco | Ica |
| 56 | HB Barrios Altos | Jr. Huanuco 925 - Cercado de Lima | Lima |
| 57 | HT Piura Norte | Av. Sanchez Cerro N° 3264 - Interior 101, distrito de 26 de Octubre, Piura | Piura |

| | | | |
|----|---------------------------|---|-----------|
| 58 | Tottus Huancayo | Av. Ferrocarril esquina con Prolongación San Carlos S/N Sector 14 | Huancayo |
| 59 | Villa el Salvador | Mza. D Lote. 3 - Zona Agropecuaria (Frente Mercado Unicachi) Villa El Salvador, Lima | Lima |
| 60 | Cusco La Cultura | Av. De la Cultura 1617, Cusco | Cusco |
| 61 | HB Chulucanas | Av. Ramón Castilla N°1480 Chulucanas Morropón - Piura | Piura |
| 62 | HB Ica Panamericana | Urb. San Joaquín Sub Lote 2A - C Ica | Ica |
| 63 | Comandante Espinar | Av. Comandante Espinar 719 - Miraflores | Lima |
| 64 | Dominicos | Av. Tomás Valle 3305 Callao | Lima |
| 65 | HB Sullana Maestro | Calle Jorge Chavez N° 131 - Mz. A2, Sub Lote A - A.H. Santa Teresita - Sullana | Sullana |
| 66 | HB Trujillo Piérola | Av. Nicolás de Piérola N° 1971, Urb. La Esperancita - Trujillo | Trujillo |
| 67 | HB Ica La Tingüiña | Av. Rio de Janeiro 361, Distrito de La Tingüiña - Ica | Ica |
| 68 | HB Huacho Panam. Norte | Ex. Panamericana Norte 1320 Santa María, Huacho | Lima |
| 69 | HB Nicolas Dueñas | Av. Nicolás Dueñas 475, Cercado de Lima | Lima |
| 70 | HB Moyobamba | Jr. Manuel del Águila 837, Moyobamba | Moyobamba |
| 71 | HB Ferreñafe | Esquina Av. Augusto B. Leguía con Av. Tacna - Ferreñafe, Lambayeque | Ferreñafe |
| 72 | HB Trujillo Unión | Mz. H Lotes 1,2 y 3 Urb. El Sol del Chacarero / Prolongación Unión 2345 - Trujillo | Trujillo |
| 73 | HB Piura Grau | Av. Grau 4816, Piura | Piura |
| 74 | HB Iquitos La Marina | Av. La Marina 355, Iquitos | Iquitos |
| 75 | HB Pucallpa Maestro | Av. Salvador Allende 404, Pucallpa - Ucayali | Pucallpa |
| 76 | Puruchuco | Av. Prolongación Javier Prado 8680, Ate | Lima |
| 77 | HB Tarapoto | Jr. Jimenez Pimentel 1043, Tarapoto | Tarapoto |
| 78 | HB Iquitos Alfonso Ugarte | Av. Alfonso Ugarte 1359 Mz 11 Lt 30 - Iquitos | Iquitos |
| 79 | Mall Plaza Comas | Av Los Angeles 602, Comas 15314 | Lima |
| 80 | HB Panamericana Urbana | Av. Leoncio Prado # 916, Zapallal, Puente Piedra | Lima |
| 81 | HB La Merced | Av. Perú 438, Chanchamayo, Junin | Junin |

CORPORATE STRUCTURE SUMMARY⁵¹



⁵¹ Companies marked in gray correspond to businesses in Chile, while companies marked in green correspond to businesses abroad.

INFORMATION ON SUBSIDIARIES AND ASSOCIATES

A. DIRECT SUBSIDIARIES:

Inversiones PARMIN SpA:

INVERSIONES PARMIN SpA is a stock corporation incorporated under Chilean law, with a subscribed and paid-in capital of \$222,934,223 Chilean pesos. Falabella S.A. owns 100% of the issued shares, without any variations during 2020.

Corporate Objective:

Investment, under any capacity, in all kinds of tangible and intangible assets, real estate or movable assets; in transferable securities, bonds, debentures, promissory notes or other financial or trade documents; in addition to its exploitation and administration; involvement in all kinds of companies, civil or commercial, whether collective, limited partnership, and able to attend as limited partner or manager in the latter, corporations, shares or limited liability, regardless of purpose.

Management:

Corresponds to Falabella S.A.

Class A Agents:

- Mr. Carlo Solari Donaggio
- Mr. Juan Carlos Cortés Solari
- Mr. Gaston Bottazzini

INVERSIONES PARMIN SPA

| | Year 2020 | Year 2019 |
|--|-----------|-----------|
| | M\$ | M\$ |
| Total Assets | 785,087 | 1.105,484 |
| Total Liabilities | 923 | 4 |
| Total Equity | 784,164 | 1.105,480 |
| Net Income | (392,112) | (255,004) |
| Change in Equity | (321,316) | (513,888) |
| Net increase (decrease) in cash and cash equivalents | 3 | (20,345) |

Inversiones Falabella Limitada:

INVERSIONES FALABELLA LIMITADA. is a limited liability company incorporated under Chilean law, whose subscribed and paid-in capital is \$1,948,694,609,408 Chilean pesos. Falabella S.A. owns approximately 99.992% of the corporate rights, with the remaining corporate rights owned by Inversiones Parmin SpA. During year 2020, the Corporation increased its capital to reach the figure indicated above as stated in public deeds dated April 29, 2020, August 19, 2020, November 16, 2020, and December 31, 2020, without involving significant variations to the share percentages.

Corporate Objective:

The investment in all kinds of shares, bonds, debentures, quotas or rights in corporations and any title and / or transferable securities and other transferable securities for rent, being able to manage said assets, make investments in all kinds of real estate and exploitation and leasing to obtain income from all those assets. To fulfill its purpose, the corporation may carry out all operations, enter into all agreements, and in general, conduct all acts which are convenient and / or necessary in the judgment of the administrators.

Management:

Corresponds to Falabella S.A.

Class A Agents:

- Mr. Carlo Solari Donaggio
- Mr. Juan Carlos Cortés Solari
- Mr. Gaston Bottazzini

INVERSIONES FALABELLA LTDA.

| | Año 2020 | Año 2019 |
|--|----------------|----------------|
| | M\$ | M\$ |
| Total Assets | 18,577,135,069 | 18,258,914,165 |
| Total Liabilities | 12,680,164,073 | 12,119,639,855 |
| Total Equity | 5,896,970,996 | 6,139,274,310 |
| Net Income | 35,341,101 | 347,025,500 |
| Change in Equity | (242,303,314) | 289,347,272 |
| Net increase (decrease) in cash and cash equivalents | 1,074,819,963 | 192,954,300 |

B. DIRECT ASSOCIATE COMPANIES

Sodimac Colombia S.A:

Sodimac Colombia S.A. is a corporation incorporated under Colombian law, whose subscribed and paid-in capital is \$29,975,000,000 Colombian pesos. Falabella S.A. indirectly owns 49% of the issued shares, without any variations during 2020.

Corporate Objective Extract:

The purchase, sale, distribution, manufacture, production, import, export, transport and marketing of articles, products, suitable for human use or consumption or for animal consumption, including all types of fish, pets and animals, goods, machinery, and services destined for home construction, decoration, remodeling, improvement, enabling and / or equipment, marketing of agricultural supplies and / or seeds for sowing, surveillance and private security equipment, in addition to all services complementary to the activities described above.

Board and Management:**Main Directors:**

- Mr. Roberto Junguito Pombo
- Mr. Álvaro Andres Echavarría Olano
- Mr. José Eugenio Muñoz Menéndez
- Mr. Gaston Bottazzini
- Mr. Alejandro Arze Safian

Alternate Directors:

- Mr. Daniel Echavarría Arango
- Vacant Paragraph
- Mr. Julio Manuel Ayerbe Muñoz
- Mr. Rodrigo Agustín Fajardo Zilleruelo
- Mr. Rodrigo Sabugal Armijo

General Manager:

- Mr. Miguel Pardo Brigard

SODIMAC COLOMBIA

| | Year 2020 | Year 2019 |
|-----------------------------|--------------|-------------|
| | M\$ | M\$ |
| Total Assets | 722,251,736 | 736,110,313 |
| Total Liabilities | 479,018,423 | 473,318,127 |
| Total Equity | 243,233,313 | 262,792,186 |
| Net Income | 36,912,580 | 39,465,847 |
| Change in Equity | (19,558,873) | 39,275,614 |
| SACI Share Percentage | 49% | 49% |
| Share in corporation assets | 1.29% | 1.43% |

SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCIÓN S.A.P.I. DE C.V.

Sociedad Distribuidora de Mejoramiento de la Hogar y Construcción S.A.P.I. de C.V., is a corporation promoting variable capital investment, incorporated under Mexican law, whose subscribed and paid-in capital is \$3,528,538,000 Mexican pesos. During year 2020, the Corporation increased its capital on two occasions, as stated in shareholders' unanimous resolutions dated April 1, 2020 and June 18, 2020. Falabella S.A. indirectly owns 50% of the issued shares.

Corporate Objective Extract:

The promotion, organization, acquisition, constitution, alienation or administration of commercial businesses, trade or civil corporations, trusts or any other entity, regardless of legal status, and pursuant to the laws of any jurisdiction.

Develop and build stores that sell any type of goods and market services, in both cases, both directly and indirectly, through the vehicles or corporations the Corporation may incorporate or in which it has a share for such purposes, via the construction or improvement of any kind of buildings, being able to alienate, not limited to, vehicles related to hardware and tools, lumber, electricity and lighting and plumbing, doors and windows, furniture, kitchen and table utensils, paints and coatings, bathrooms and kitchens, floors, and gardening.

Board and Management:**Board members:**

- Mr. Ricardo Martin Bringas (Chairman)
- Mr. Alberto Martin Soberón
- Mr. Rodrigo Jesús Benet Cordova
- Mr. Carlo Solari Donaggio
- Mr. Gaston Bottazzini
- Mr. Alejandro Arze Safian

Alternate Directors:

- Mr. Francisco Martín Bringas
- Mr. Francisco Ramírez Díaz
- Mr. Ismael Humberto Fayad Wolff
- Mr. Jordi Gaju Nicolau
- Mr. Fabio de Petris Duarte
- Mr. Francisco Errázuriz López

General Director:

- Mr. Patricio Silva

SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCIÓN S.A.P.I. DE C.V.

| | Year 2020 | Year 2019 |
|-----------------------------|--------------|--------------|
| | M\$ | M\$ |
| Total Assets | 173,351,508 | 182,337,993 |
| Total Liabilities | 99,707,359 | 117,108,129 |
| Total Equity | 73,644,149 | 65,229,864 |
| Net Income | (15,198,634) | (19,424,146) |
| Change in Equity | 8,414,285 | 61,681,241 |
| SACI Share Percentage | 50.0% | 50.0% |
| Share in corporation assets | 0.39% | 0.36% |

SERVICIOS FINANCIEROS SORIANA S.A.P.I DE C.V., SOFOM, E.N.R: Servicios Financieros Soriana S.A.P.I. de C.V., Sofom, E.N.R.

Servicios Financieros Soriana S.A.P.I. de C.V., Sofom, E.N.R. is a corporation that promotes variable capital investment, a multi-purpose financial company, unregulated entity, incorporated under Mexican law, whose subscribed and paid-in capital is \$ 1,661,266,102 Mexican pesos. During year 2020, the Corporation increased its capital on two occasions, as stated in shareholders' unanimous resolutions dated Wednesday, March 4, 2020 and June 18, 2020. Falabella S.A. indirectly owns 50% of the issued shares.

Corporate Objective Extract:

Grant all kinds of loans and credit of any nature and documented, pursuant to the applicable legislation, with or without collaterals, with or without interest, payable in one or more installments, including by issuing credit cards pursuant to opening agreements on current account credit.

Board and Management**Board members:**

- Mr. Ricardo Martín Bringas (Chairman)
- Mr. Alberto Martín Soberón
- Mr. Ismael Humberto Fayad Wolff
- Mr. Carlo Solari Donaggio
- Mr. Gaston Bottazzini
- Mr. Juan Manuel Matheu

Alternate Directors:

- Mr. Francisco Martín Bringas
- Mr. Francisco Ramírez Díaz
- Mr. Rodrigo Jesús Benet Cordova
- Mr. Benoit Jean-Marie de Grave
- Mr. Leonardo Di Nucci
- Mr. Jordi Gaju Nicolau

General Director:

- Leonardo Dante Iacomoni

SERVICIOS FINANCIEROS SORIANA S.A.PI DE C.V. SOFOM E.N.R.

| | Year 2020 | Year 2019 |
|---------------------------------|--------------|--------------|
| | M\$ | M\$ |
| Total Assets | 91.149.109 | 86.848.392 |
| Total Liabilities | 46.496.300 | 50.186.388 |
| Total Equity | 44.652.809 | 36.662.004 |
| Net Income | (13.900.640) | (17.356.465) |
| Change in Equity | 7.990.805 | 9.007.171 |
| Falabella S.A. Share Percentage | 50% | 50.0% |
| Share in corporation assets | 0.24% | 0.20% |

SUBSIDIARIES WITH SHARES

| Rut | Name Subsidiary Company | Share Percentage | | | | Country of origin | Functional Currency | Share on total assets SACI Individual Dec-20 |
|--------------|--|--------------------|----------------------|-------------------|-------------------|-------------------|---------------------|--|
| | | 31-Dec-20 Direct % | 31-Dec-20 Indirect % | 31-Dec-20 Total % | 31-Dec-19 Total % | | | % |
| 76.020.391-2 | Inversiones Falabella Limitada | 99,989 | 0,011 | 100 | 100 | CHILE | CLP | 65,19% |
| 76.020.385-8 | Inversiones Parmin S.p.A. | 100 | - | 100 | 100 | CHILE | CLP | 0,01% |
| 79.598.260-4 | Administradora CMR Falabella Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 6,28% |
| 79.990.670-8 | Administradora Plaza Vespucio S.A. | - | 59,272 | 59,272 | 59,272 | CHILE | CLP | 1,53% |
| 76.644.120-3 | Aporta S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 76.046.439-2 | Apsyser S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| 76.683.615-1 | Asesorías y Evaluación de Créditos Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,44% |
| 76.044.159-7 | Autoplaza S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 0,01% |
| 76.011.659-9 | Banco Falabella Corredoras de Seguros Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 96.509.660-4 | Banco Falabella S.A. | - | 100 | 100 | 100 | CHILE | CLP | 8,42% |
| 76.153.976-0 | Capyser S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,02% |
| 76.662.120-1 | Cerro Colorado Ltda. | - | 88 | 88 | 88 | CHILE | CLP | 0,00% |
| 76.477.116-8 | C.F. Seguros de Vida S.A. | - | 90 | 90 | 90 | CHILE | CLP | 0,17% |
| 76.046.445-7 | Confeciones Industriales S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,22% |
| 77.104.802-2 | Desarrollos Inmobiliarios Dos S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 3,95% |

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|--------------|---|---|--------|--------|--------|-------|-----|--------|
| 76.883.720-1 | Desarrollos e Inversiones Internacionales S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 2,94% |
| 99.593.960-6 | Desarrollos Inmobiliarios S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 14,63% |
| 99.564.380-4 | Desarrollos Urbanos S.p.A. | - | 45,94 | 45,94 | 45,94 | CHILE | CLP | 3,80% |
| 76.788.282-3 | Digital Payments S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,02% |
| 76.039.672-9 | Dinalsa S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,78% |
| 76.212.492-0 | Falabella.com S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,10% |
| 76.046.433-3 | Falabella Inversiones Financieras S.A. | - | 100 | 100 | 100 | CHILE | CLP | 12,03% |
| 77.261.280-K | Falabella Retail S.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,57% |
| 76.587.847-0 | Falabella Servicios Profesionales de TI S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,02% |
| 77.612.410-9 | Falabella Tecnología Corporativa Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,39% |
| 77.275.077-3 | Falabella Trading S.p.A. | - | 100 | 100 | - | CHILE | CLP | 0,00% |
| 76.142.721-0 | Gift Corp S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| 78.627.210-6 | Hipermercados Tottus S.A. | - | 88 | 88 | 88 | CHILE | CLP | 0,71% |
| 99.500.360-0 | Home Trading S.A. | - | - | - | 100 | CHILE | CLP | 6,62% |
| 76.993.859-1 | IKSO S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| 76.821.330-5 | Imperial S.A. | - | 60 | 60 | 60 | CHILE | CLP | 0,00% |
| 77.107.881-8 | Inmobiliaria Rentas Dos S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,38% |
| 96.951.230-0 | Inmobiliaria Mall Calama S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 0,00% |
| 96.824.450-7 | Inmobiliaria Mall Las Américas S.A. | - | 45,143 | 45,143 | 45,143 | CHILE | CLP | 0,00% |
| 76.007.317-2 | Invercol S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 76.282.188-5 | Inverfal Brasil S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -2,33% |
| 76.803.189-4 | Inverfal India S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,04% |
| 76.159.684-5 | Inverfal Uruguay S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,40% |
| 76.149.308-6 | Inversiones Brasil S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -2,33% |
| 76.319.068-4 | Inversiones India S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,04% |
| 76.141.046-6 | Inversiones Inverfal Argentina S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -1,96% |
| 76.141.045-8 | Inversiones Inverfal Colombia S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 1,66% |
| 96.647.930-2 | Inversiones Inverfal Perú S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 76.335.739-2 | Inversiones México S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,67% |
| 76.899.941-4 | Inversiones Mktp S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,64% |
| 76.054.094-3 | Inversiones Sodmin S.p.A. | - | - | 100 | 100 | CHILE | CLP | 0,00% |
| 76.159.664-0 | Inversiones Uruguay S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,40% |
| 76.042.509-5 | Inversiones y Prestaciones Venser Seis Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,79% |
| 76.167.965-1 | Logística Internacional Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,06% |
| 96.573.100-8 | Manufacturas de Vestuario Mave-sa Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,22% |
| 76.042.371-8 | Nueva Falabella Inversiones Internacionales S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 25,45% |

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|--------------|--|---|--------|--------|--------|-------|-----|--------|
| 76.308.853-7 | Nueva Inverfal Argentina S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -1,96% |
| 76.582.813-9 | Nueva Inverfal México S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,67% |
| 76.023.147-9 | Nueva Inverfin S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 2,68% |
| 76.882.330-8 | Nuevos Desarrollos S.A. | - | 45,94 | 45,94 | 45,94 | CHILE | CLP | 6,95% |
| 77.110.043-0 | Open Plaza Chile S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 2,68% |
| 99.555.550-6 | Plaza Antofagasta S.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 1,06% |
| 76.882.090-2 | Plaza Cordillera S.p.A. | - | 45,94 | 45,94 | 45,94 | CHILE | CLP | 0,14% |
| 96.653.660-8 | Plaza del Trébol S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 5,43% |
| 96.795.700-3 | Plaza La Serena S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 1,41% |
| 96.653.650-0 | Plaza Oeste S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 17,88% |
| 76.017.019-4 | Plaza S.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 23,26% |
| 76.034.238-6 | Plaza S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 0,00% |
| 96.791.560-2 | Plaza Tobalaba S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 0,95% |
| 76.677.940-9 | Plaza Valparaíso S.A. | - | 45,94 | 45,94 | 45,94 | CHILE | CLP | 0,28% |
| 96.538.230-5 | Plaza Vespucio S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP | 4,23% |
| 76.035.886-K | Prestadora de Servicios Telefónicos S.p.A. | - | - | - | 100 | CHILE | CLP | 0,00% |
| 76.027.825-4 | Promociones y Publicidad Ltda. | - | 100 | 100 | 100 | CHILE | CLP | -0,01% |
| 76.000.935-0 | Promotora Chilena de Café Colombia S.A. | - | 65 | 65 | 65 | CHILE | CLP | 0,07% |
| 90.743.000-6 | Promotora CMR Falabella S.A. | - | 99,996 | 99,996 | 99,996 | CHILE | CLP | 6,28% |
| 76.434.317-4 | Promotora CMR Inversiones S.A. | - | 99,996 | 99,996 | 99,996 | CHILE | CLP | -0,01% |
| 76.201.304-5 | Rentas Hoteleras S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | -0,06% |
| 77.099.010-6 | Seguros Falabella Corredores Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 77.235.510-6 | Servicios de Evaluaciones y Cobranzas Sevalco Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 76.427.811-9 | Servicios de Infraestructura Falabella S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| 96.847.200-3 | Servicios e Inversiones Falabella Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,11% |
| 77.070.342-5 | Servicios Falabella S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 76.222.370-8 | Servicios Generales Bascuñán Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 96.579.870-6 | Servicios Generales Falabella Retail S.p.A. | - | - | - | 100 | CHILE | CLP | 0,00% |
| 76.012.536-9 | Servicios Generales Multibrand S.p.A. | - | - | - | 100 | CHILE | CLP | 0,00% |
| 76.383.840-4 | Servicios Generales Presertel S.p.A. | - | - | - | 100 | CHILE | CLP | 0,00% |
| 76.179.527-9 | Servicios y Garantías Falabella S.p.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,11% |
| 78.566.830-8 | Soc. de Cobranzas Legales Lexicom Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 99.556.170-0 | Falabella Inmobiliario S.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,21% |
| 96.792.430-K | Sodimac S.A. | - | 100 | 100 | 100 | CHILE | CLP | 2,89% |

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|--------------|---|---|--------|--------|--------|----------|-----|--------|
| 99.556.180-8 | Sodimac Tres S.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,00% |
| 76.512.060-8 | Soluciones Crediticias CMR Falabella Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| 76.054.151-6 | Trainemac S.A. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| 78.745.900-5 | Trasciende Ltda. | - | 100 | 100 | 100 | CHILE | CLP | 0,01% |
| O-E | Linio Asia Limited (Hong Kong) | - | 100 | 100 | 100 | CHINA | HKD | 0,01% |
| O-E | Linio Consulting (Shenzhen) Co.,Ltda. | - | 100 | 100 | 100 | CHINA | CNY | 0,00% |
| O-E | Shearvan Commercial (Shangai) | - | 100 | 100 | 100 | CHINA | CNY | 0,03% |
| O-E | ABC de Servicios S.A.S. | - | 65 | 65 | 65 | COLOMBIA | COP | 0,18% |
| O-E | Agencia de Seguros Falabella Ltda. | - | 65 | 65 | 65 | COLOMBIA | COP | 0,18% |
| O-E | Banco Falabella S.A. | - | 65 | 65 | 65 | COLOMBIA | COP | 1,73% |
| O-E | Falabella Colombia S.A. | - | 65 | 65 | 65 | COLOMBIA | COP | 0,66% |
| O-E | Fondo de Capital Privado Mall Plaza De Colombia | - | 59,278 | 59,278 | 59,278 | COLOMBIA | COP | 1,78% |
| O-E | IKSO S.A.S. | - | 51 | 51 | 51 | COLOMBIA | COP | 0,04% |
| O-E | Inversiones Falabella de Colombia S.A. | - | 99,999 | 99,999 | 99,999 | COLOMBIA | COP | 3,47% |
| O-E | Linio Colombia S.A.S. | - | 100 | 100 | 100 | COLOMBIA | COP | -0,12% |
| O-E | Mall Plaza Colombia S.A.S. | - | 59,278 | 59,278 | 59,278 | COLOMBIA | COP | 0,00% |
| O-E | Mall Plaza Servicios S.A.S. | - | 100 | 100 | 100 | COLOMBIA | COP | 0,02% |
| O-E | Patrimonio Autónomo Centro Comercial Barranquilla | - | 38,532 | 38,532 | 38,532 | COLOMBIA | COP | 0,92% |
| O-E | Patrimonio Autónomo Centro Comercial Cartagena | - | 59,278 | 59,278 | 59,278 | COLOMBIA | COP | 0,24% |
| O-E | Patrimonio Autónomo Centro Comercial Manizales Dos | - | 47,424 | 47,424 | 47,424 | COLOMBIA | COP | 0,27% |
| O-E | Patrimonio Autónomo Mall Plaza Cali | - | 59,278 | 59,278 | 59,278 | COLOMBIA | COP | 0,46% |
| O-E | Patrimonio Autónomo Mall Plaza Calima Holding | - | 59,278 | 59,278 | - | COLOMBIA | COP | 0,95% |

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|-----|--|---|--------|--------|--------|-----------|-----|--------|
| O-E | Jade 1364 Gmbh & Co. 14. Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Dritte Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Erste Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Fünfte Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Sechste Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Achte Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Neunte Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Elfte Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Zwölfte Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. 13. Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Achte Verwaltungen Kg | - | - | - | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Siebte Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Vierte Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Zehnte Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364 Gmbh & Co. Zweite Verwaltungen Kg | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Jade 1364. Gmbh | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | New Tin Linio I Gmbh | - | 100 | 100 | 100 | GERMANY | EUR | -0.15% |
| O-E | Tin Jade Gbmh | - | 100 | 100 | 100 | GERMANY | EUR | 0.00% |
| O-E | Centro Logístico Aplicado S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | 0.04% |
| O-E | CMR Falabella S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | 0.11% |
| O-E | Digital Factory S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | 0.02% |
| O-E | Falabella S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | -0.11% |
| O-E | Inversiones Falabella Argentina S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | 0.06% |

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|-----|--|---|--------|--------|--------|----------------|-----|--------|
| O-E | Linio Argentina S.R.L. | - | 100 | 100 | 100 | ARGENTINA | ARS | -0.04% |
| O-E | Productora de Seguros Falabella S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | 0.00% |
| O-E | Servicios de Personal Logístico S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS | 0.00% |
| O-E | Construdecor Properties Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL | 0.00% |
| O-E | Construdecor S.A. | - | 100 | 100 | 100 | BRAZIL | BRL | 1.69% |
| O-E | Construdecor Servicios Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL | 0.01% |
| O-E | Falabella Brasil Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL | 2.07% |
| O-E | Lille Investimentos | - | 100 | 100 | 100 | BRAZIL | BRL | 0.12% |
| O-E | Sodimac Brasil Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL | 2.07% |
| O-E | Tenerife Emprendimientos e Participacoes Ltda | - | 100 | 100 | 100 | BRAZIL | BRL | 0.12% |
| O-E | Ecuaelecommerce S.A. | - | 100 | 100 | 100 | ECUADOR | ECU | 0.00% |
| O-E | Linio Miami Exports, Inc. | - | - | - | 100 | EEUU | USD | 0.00% |
| O-E | Fallbrooks Properties Ltda. | - | 99.999 | 99.999 | 99.999 | IV. BRITANICAS | CLP | 0.74% |
| O-E | Shearvan Corporate S.A. | - | 100 | 100 | 100 | IV. BRITANICAS | USD | 0.33% |
| O-E | Falabella Corporate Services India Private Limited | - | 100 | 100 | 100 | INDIA | INR | 0.05% |
| O-E | Shearvan Purchasing India S.A. | - | 100 | 100 | 100 | INDIA | INR | 0.01% |
| O-E | Inverfal México S.A. de C.V. | - | 100 | 100 | 100 | MEXICO | MXN | 1.23% |
| O-E | Bazaya Mexico S. de R.L. De C.V. | - | 100 | 100 | 100 | MEXICO | MXM | -0.10% |
| O-E | Linio Latam Corp. | - | 100 | 100 | 100 | PANAMA | PAN | 0.00% |
| O-E | Banco Falabella Perú S.A. | - | 99.759 | 99.759 | 99.759 | PERU | PEN | 4.94% |
| O-E | Compañía San Juan S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.04% |
| O-E | Contac Center Falabella S.A.C. | - | 99.759 | 99.759 | 99.759 | PERU | PEN | 0.04% |
| O-E | Corredora de Seguros Falabella S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.04% |
| O-E | Digital Payment Perú S.A.C | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.00% |
| O-E | Falabella Corporativo Perú S.A.C | - | 99.759 | 99.759 | 99.759 | PERU | PEN | 0.00% |
| O-E | Falabella Perú S.A.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 4.94% |
| O-E | Falabella Servicios Generales S.A.C. | - | 99.759 | 99.759 | 99.759 | PERU | PEN | 0.03% |
| O-E | Falabella Tecnologia Perú S.A.C. | - | 99.759 | 99.759 | 99.759 | PERU | PEN | 0.02% |
| O-E | Falapuntos S.A.C | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.00% |
| O-E | Gemma Negocios S.A.C. | - | 60.386 | 60.386 | 60.386 | PERU | PEN | 0.03% |

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|-----|--|-----|--------|--------|--------|----------|-----|--------|
| O-E | Gestiones Integrales de Servicios S.A.C. | - | 99.15 | 99.15 | 99.15 | PERU | PEN | 0.00% |
| O-E | Hipermercados Tottus Iquitos S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.03% |
| O-E | Hipermercados Tottus Oriente S.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.24% |
| O-E | Hipermercados Tottus S.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 2.73% |
| O-E | IKSO S.A.C. | - | 100 | 100 | 100 | PERU | PEN | 0.00% |
| O-E | Industrias Delta S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.04% |
| O-E | Inmobiliaria Domel S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.77% |
| O-E | Inmobiliaria Kainos S.A.C. | - | 99.758 | 94.758 | 94.758 | PERU | PEN | 0.00% |
| O-E | Inmobiliaria ISIC S.A. | - | 98.39 | 98.39 | 98.39 | PERU | PEN | 0.25% |
| O-E | Inverfal Perú S.A.A. | - | 100 | 100 | 100 | PERU | PEN | 11.05% |
| O-E | Inversiones Corporativas Beta S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.17% |
| O-E | Inversiones Corporativas Gamma S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.03% |
| O-E | Inversiones Falabella S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.01% |
| O-E | Linio Perú S.A.C. | - | 100 | 100 | 100 | PERU | PEN | -0.11% |
| O-E | Logística Y Distribución S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.09% |
| O-E | Maestro Perú Amazonia S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.01% |
| O-E | Mall Plaza Inmobiliaria S.A. | - | 86.266 | 86.266 | 86.266 | PERU | PEN | 0.27% |
| O-E | Mall Plaza Perú S.A. | - | 86.265 | 86.265 | 86.265 | PERU | PEN | 0.00% |
| O-E | Open Plaza S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.01% |
| O-E | Saga Falabella Iquitos S.A.C. | - | 97.799 | 97.799 | 97.799 | PERU | PEN | 0.03% |
| O-E | Saga Falabella Oriente S.A.C. | - | 97.799 | 97.799 | 97.799 | PERU | PEN | 0.06% |
| O-E | Saga Falabella S.A. | - | 97.799 | 97.799 | 97.799 | PERU | PEN | 1.40% |
| O-E | Salón Motor Plaza S.A. | - | 59.278 | 59.278 | 59.278 | PERU | PEN | 0.02% |
| O-E | Sodimac Perú Oriente S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.12% |
| O-E | Tiendas de Mejoramiento del Hogar S.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 4.58% |
| O-E | Open Plaza Corpotativo Perú S.A.C | - | 99.758 | 99.758 | 99.758 | PERU | PEN | 0.01% |
| O-E | Falabella Sucursal Uruguay S.A. | 100 | - | 100 | 100 | URU-GUAY | CLP | 0.07% |
| O-E | Homecenter Sodimac S.A. | - | 100 | 100 | 100 | URU-GUAY | UYU | 0.57% |
| O-E | Inversiones Falabella Uruguay S.A. | - | 100 | 100 | 100 | URU-GUAY | UYU | 0.62% |
| O-E | Inversora Falken S.A. | - | 100 | 100 | 100 | URU-GUAY | CLP | 14.69% |
| O-E | Josmir S.A. | - | 100 | 100 | 100 | URU-GUAY | UYU | 0.00% |
| O-E | Tever Corp S.A. | - | 100 | 100 | 100 | URU-GUAY | CLP | 0.43% |





**SUMMARIZED
CONSOLIDATED
FINANCIAL
STATEMENTS**





SUMMARIZED CONSOLIDATED

FINANCIAL STATEMENTS

Financial Statements are available to the public on the websites of the reporting entity and the Financial Market Commission

- Summary of Financial Results
- Statements of Financial Position
- Comprehensive Income Statement by Function
- Comprehensive Income Statement
- Statement of Changes in Net Equity
- Cash flow statement

Consolidated revenues for 2020 reached \$ 9,468,800 million (MMUS \$ 13,319), growing 0.6% over the previous year. The increase is explained by the good performance of Supermarkets and Home Improvement, mainly offset by a decrease in income from the banking business due to lower loans, as well as lower income in Shopping Centers and Department Stores, which were strongly affected by pandemic-related operating restrictions throughout the year.

In 2020, operating income reached \$ 366.454 million (MMUS \$ 515), a 48.1% YoY drop, which is explained by a decrease in Shopping Centers, Financial Services and Department Stores, not offset by the better performance of Home Improvement and Supermarkets.

Non-operating income reached \$ -285.144 million (MMUS \$ -401), 39.4% lower than the previous year. During the same period, consolidated net profit reached \$30.758 million (MMUS \$43), which represents a decrease of 89.6% compared to the previous year, explained mainly by lower profits in shopping centers, Banco Falabella Peru and Banco Falabella Chile, which were not offset by greater profits in Home Improvement in Chile, Supermarkets in Chile and Home Improvement in Brazil.

FINANCIAL POSITION STATEMENTS

| | 31-dec-20 | 31-dec-19 |
|--|-----------------------|-----------------------|
| | M\$ | M\$ |
| Assets | | |
| Non-banking Business (Presentation) | | |
| Current Assets | | |
| Cash and cash equivalents | 1,216,193,920 | 299,965,353 |
| Other current financial assets | 41,163,435 | 14,577,323 |
| Other current non-financial assets | 103,954,106 | 97,397,454 |
| Trade Debtors and other account receivables, current | 416,572,521 | 503,747,308 |
| Accounts receivables from related entities, current | 33,374,856 | 44,176,657 |
| Inventory | 1,161,244,547 | 1,332,853,655 |
| Assets on current taxes | 59,292,980 | 117,161,072 |
| Total current assets other than assets or groups of assets for disposal classified as held for sale or held to distribute to owners | 3,031,796,365 | 2,409,878,822 |
| Non-current assets or groups of assets for disposal classified as held for sale or held to distribute to owners | 29,095,216 | 17,371,457 |
| Non-current assets or groups of assets for disposal classified as held for sale or held to distribute to owners | 29,095,216 | 17,371,457 |
| Total current assets | 3,060,891,581 | 2,427,250,279 |
| Non-current assets | | |
| Other non-current financial assets | 195,004,590 | 204,578,162 |
| Other non-current financial assets | 91,649,259 | 103,842,937 |
| Trade Debtors and other account receivables, non-current | 5,594,155 | 11,126,047 |
| Accounts receivables from related entities, non-current | 13,841,640 | - |
| Investments accounted using the share method | 194,146,313 | 191,478,678 |
| Intangible assets other than goodwill | 340,551,306 | 342,682,434 |
| Capital gain | 607,108,378 | 649,149,802 |
| Property, plant and equipment | 3,388,090,202 | 3,698,385,781 |
| Investment ownership | 3,315,319,472 | 3,235,069,703 |
| Non-current tax assets | 16,538,022 | 17,420,067 |
| Assets on deferred taxes | 233,685,099 | 212,284,708 |
| Total non-current assets | 8,401,528,436 | 8,666,018,319 |
| Total non-banking business assets | 11,462,420,017 | 11,093,268,598 |

| | | |
|--|-----------------------|-----------------------|
| Banking Business Assets (Presentation) | | |
| Cash and bank deposits | 336,805,631 | 304,355,220 |
| Operations with a settlement in progress | 273,561,309 | 80,926,931 |
| Trading instruments | 450,773,778 | 179,336,474 |
| Repurchase contracts and securities lending | 15,016,800 | - |
| Financial derivative contracts | 640,330,966 | 411,178,302 |
| Loans and accounts receivable from customers | 4,304,988,052 | 5,219,216,732 |
| Investment instruments available for sale | 1,071,527,684 | 681,030,022 |
| Investments in corporations | 3,134,482 | 3,721,554 |
| Intangible | 76,525,371 | 78,118,482 |
| Fixed Assets | 58,890,879 | 72,907,960 |
| Current tax | 13,217,364 | 12,694,107 |
| Deferred tax | 66,492,338 | 48,804,829 |
| Other assets | 144,844,995 | 148,111,627 |
| Total banking business assets | 7,456,109,649 | 7,240,402,240 |
| Total assets | 18,918,529,666 | 18,333,670,838 |

| | 31-dec-20 | 31-dec-19 |
|---|----------------------|----------------------|
| | M\$ | M\$ |
| Net Equity and Liabilities | | |
| Non-banking Business (Presentation) | | |
| Current liabilities | | |
| Other current financial liabilities | 530,542,382 | 443,932,448 |
| Current lease liabilities | 79,955,074 | 82,881,467 |
| Trade accounts payable and other accounts payable | 1,145,100,927 | 1,109,205,979 |
| Current accounts payable to related entities | 18,084,369 | 17,092,382 |
| Other current provisions | 26,052,956 | 23,758,134 |
| Current tax liabilities | 22,623,827 | 30,806,089 |
| Current provisions for employee benefits | 145,574,678 | 149,449,341 |
| Other current non-financial liabilities | 194,908,389 | 165,561,711 |
| Total current liabilities | 2,162,842,602 | 2,022,687,551 |

| | | |
|--|-----------------------|-----------------------|
| Non-current liabilities | | |
| Other non-current financial liabilities | 3,229,990,163 | 2,813,299,285 |
| Non current lease liabilities | 853,592,987 | 900,374,562 |
| Non current trade accounts payable and other accounts payable | 1,074,634 | 1,920,686 |
| Other noncurrent provisions | 8,425,778 | 9,590,858 |
| Deferred tax liabilities | 591,807,294 | 613,982,006 |
| Non current provisions for employee benefits | 43,599,751 | 55,968,813 |
| Other non current non financial liabilities | 50,636,869 | 55,025,873 |
| Total non current liabilities | 4,779,127,476 | 4,450,162,083 |
| Total non banking business liabilities | 6,941,970,078 | 6,472,849,634 |
| Banking Business Liabilities (Presentation) | | |
| Term deposits and other on sight liabilities | 1,549,896,493 | 802,372,070 |
| Operations with a settlement in progress | 265,976,430 | 73,993,355 |
| Term deposits and other loans | 2,421,271,205 | 3,027,251,232 |
| Financial derivative contracts | 587,247,845 | 458,352,017 |
| Obligations with banks | 341,118,713 | 547,171,749 |
| Debt instruments issued | 205,447,491 | 263,878,200 |
| Other financial obligations | 74,735,593 | 89,407,460 |
| Lease liabilities | 27,237,056 | 35,524,567 |
| Current tax | 13,390,117 | 2,973,670 |
| Provisions | 31,025,702 | 32,017,182 |
| Other liabilities | 473,957,252 | 295,267,626 |
| Total banking business liabilities | 5,991,303,897 | 5,628,209,128 |
| Total liabilities | 12,933,273,975 | 12,101,058,762 |
| Total Equity | | |
| Issued capital | 919,419,389 | 919,419,389 |
| Accumulated Earnings | 4,459,532,797 | 4,439,393,886 |
| Issuance premiums | 93,482,329 | 93,482,329 |
| Own shares in portfolio | (43,405,118) | (43,405,118) |
| Other reserves | (407,289,735) | (149,943,365) |
| Equity attributable to the owners of the parent corporation | 5,021,739,662 | 5,258,947,121 |
| Non-controlling interests | 963,516,029 | 973,664,955 |
| Total equity | 5,985,255,691 | 6,232,612,076 |
| Total equity and liabilities | 18,918,529,666 | 18,333,670,838 |



COMPREHENSIVE INCOME STATEMENT BY FUNCTION

| | 01-Jan-20 31-dec-20 | 01-Jan-19 31-dec-19 |
|--|------------------------|------------------------|
| | M\$ | M\$ |
| Profit and Loss Statement | | |
| Non-banking Business (Presentation) | | |
| Income from ordinary activities | 8,281,049,949 | 8,053,582,835 |
| Cost of sales | (5,790,733,690) | (5,433,070,250) |
| Gross profit | 2,490,316,259 | 2,620,512,585 |
| Distribution costs | (191,796,601) | (121,283,216) |
| Administration expenses | (1,988,674,117) | (1,966,962,395) |
| Other expenses, by function | (111,787,544) | (141,899,290) |
| Other earnings (losses) | (45,064,092) | 20,796,536 |
| Financial income | 67,907,001 | 27,400,950 |
| Financial costs | (254,510,949) | (209,910,800) |
| Share in earnings (losses) of related companies and joint ventures which are accounted for using the equity method | 3,579,174 | 336,784 |
| Exchange rate differences | (29,085,779) | (22,065,192) |
| Result from indexing units | (28,678,051) | (21,944,001) |
| Profits before tax | (87,794,699) | 184,981,961 |
| Income tax expenses | (5,243,074) | (62,097,989) |
| Non banking business profit | (93,037,773) | 122,883,972 |
| Banking Business (Presentation) | | |
| Interest income and adjustments | 978,716,654 | 1,108,745,967 |
| Interest expenses and adjustments | (138,045,499) | (183,119,743) |
| Net interest income and adjustments | 840,671,155 | 925,626,224 |
| Income from commissions | 206,908,355 | 245,043,799 |
| Expenses from commissions | (86,761,814) | (116,057,421) |
| Net income from commissions | 120,146,541 | 128,986,378 |
| Net earnings (Losses) from financial operations | 26,894,489 | 17,187,950 |
| Net earnings (loss) from exchange rate | (3,198,974) | 4,289,403 |
| Other operating (expenditures) income | 2,125,477 | 3,402,024 |
| Credit risk provision | (384,783,080) | (337,736,214) |
| Total net operating income | 601,855,608 | 741,755,765 |

| | | |
|--|----------------------|----------------------|
| Remuneration and personnel expenses | (139,733,434) | (149,509,710) |
| Administration expenses | (206,582,607) | (197,819,946) |
| Depreciation and amortizations | (37,506,177) | (34,996,501) |
| Other operating expenses | (49,636,946) | (44,322,854) |
| Total operating expenses | (433,459,164) | (426,649,011) |
| Operating margin | 168,396,444 | 315,106,754 |
| Income from investments in companies | 708,890 | 834,977 |
| Income before income tax | 169,105,334 | 315,941,731 |
| Income tax | (39,403,119) | (82,649,229) |
| Banking business profit | 129,702,215 | 233,292,502 |
| Profit | 36,664,442 | 356,176,474 |
| Profit attributable to | | |
| Profit attributable to the owners of the parent corporation | 30,758,319 | 295,473,530 |
| Profit attributable to non-controlling interests | 5,906,123 | 60,702,944 |
| Profit | 36,664,442 | 356,176,474 |
| Earnings per share | | |
| Earnings per basic share | | |
| Earnings per basic share in continuing operations | 0,01 | 0,12 |
| Earnings per basic share | 0,01 | 0,12 |
| Earnings per diluted share | | |
| Earnings per diluted share in continuing operations | 0,01 | 0,12 |
| Earnings per diluted share | 0,01 | 0,12 |

COMPREHENSIVE INCOME STATEMENT

| Comprehensive Income Statement | 01-Jan-20 | 01-Jan-19 |
|---|----------------------|--------------------|
| | 31-dec-20 | 31-dec-19 |
| | M\$ | M\$ |
| Profit | 36,664,442 | 356,176,474 |
| Components from other comprehensive earnings which will not be reclassified into profits before tax | | |
| Actuarial losses from defined benefit plans, before taxes | 575,530 | (8,141,129) |
| Other comprehensive income that will not be reclassified into income for the year | 575,530 | (8,141,129) |
| Components from other comprehensive earnings which will be reclassified into profits before tax | | |
| Exchange rate differences due to conversion | | |
| Losses on exchange rate conversion differences, before taxes | (316,247,593) | 176,330,362 |
| Other comprehensive income, before taxes, exchange rate differences due to conversion | (316,247,593) | 176,330,362 |
| (Losses) Earnings from new measurements of financial assets available for sale, before taxes | (146,803) | 1,992,970 |
| Other comprehensive income, before taxes, financial assets available for sale | (146,803) | 1,992,970 |
| Cash flow hedges | | |
| Earnings (Losses) from cash flow hedges, before taxes | 60,324,824 | 12,851,589 |
| Other comprehensive income, before taxes, cash flow hedges | 60,324,824 | 12,851,589 |
| Other components of other comprehensive earnings that will be reclassified into profits for the year, before taxes | (256,069,572) | 191,174,921 |
| Income tax related to components of other comprehensive income | | |
| Income tax related to benefit plans defined from other comprehensive income | (164,100) | 2,198,105 |
| Sum of income taxes related to components of other comprehensive income that will not be reclassified into income for the year | (164,100) | 2,198,105 |

Income tax related to components of other comprehensive income

| | | |
|---|----------------------|--------------------|
| Income tax related to financial assets available for sale from other comprehensive income | 39,634 | (538,102) |
| Income tax related to cash flow hedges from other comprehensive income | (16,246,906) | (3,660,780) |
| Sum of income tax related to components from other comprehensive income | (16,207,272) | (4,198,882) |
| Total other comprehensive profit | (271,865,414) | 181,033,015 |
| Total comprehensive profit | (235,200,972) | 537,209,489 |
| Comprehensive profit attributable to | | |
| Comprehensive profit attributable to the owners of the parent corporation | (226,588,051) | 467,001,361 |
| Comprehensive profit attributable to non-controlling interests | (8,612,921) | 70,208,128 |
| Total comprehensive profit | (235,200,972) | 537,209,489 |



STATEMENT OF CHANGES IN NET EQUITY

Statement of changes in equity by December 2020

| | | Issued capital | Issuance premiums | Own shares in portfolio (Note 21,d) | Conversion exchange differences reserves | Cash flow hedge reserves | Reserves for actuarial gains or losses in defined benefit plans | Reserves of gains or losses in the revaluation of financial assets available for sale | Other miscellaneous reserves | Other reserves | Accumulated profits (losses) | Equity attributable to the owners of the parent corporation | Non-controlling interests | Total equity |
|--|-----------------------------|--------------------|-------------------|--|--|--------------------------|---|---|------------------------------|----------------------|------------------------------|---|---------------------------|----------------------|
| Initial Balance Current Period 01/01/2020 | | 919,419,389 | 93,482,329 | (43,405,118) | 25,472,380 | (36,810,863) | (21,475,754) | 869,698 | (117,998,826) | (149,943,365) | 4,439,393,886 | 5,258,947,121 | 973,664,955 | 6,232,612,076 |
| Changes in equity | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Comprehensive result | Profit | - | - | - | - | - | - | - | - | - | 30,758,319 | 30,758,319 | 5,906,123 | 36,664,442 |
| | Other comprehensive result | - | - | - | (294,851,820) | 37,206,780 | 411,398 | (112,728) | - | (257,346,370) | - | (257,346,370) | (14,519,044) | (271,865,414) |
| | Comprehensive result | - | - | - | (294,851,820) | 37,206,780 | 411,398 | (112,728) | - | (257,346,370) | 30,758,319 | (226,588,051) | (8,612,921) | (235,200,972) |
| Equity issue | | - | - | - | - | - | - | - | - | - | - | - | 4,959,484 | 4,959,484 |
| Dividends | | - | - | - | - | - | - | - | - | - | (1,391,912) | (1,391,912) | (5,731,299) | (7,123,211) |
| Increase (decrease) due to transfers and other changes | | - | - | - | - | - | - | - | - | - | (9,227,496) | (9,227,496) | (764,190) | (9,991,686) |
| Total changes in equity | | - | - | - | (294,851,820) | 37,206,780 | 411,398 | (112,728) | - | (257,346,370) | 20,138,911 | (237,207,459) | (10,148,926) | (247,356,385) |
| Final Balance Current Period 12/31/2020 | | 919,419,389 | 93,482,329 | (43,405,118) | (269,379,440) | 395,917 | (21,064,356) | 756,970 | (117,998,826) | (407,289,735) | 4,459,532,797 | 5,021,739,662 | 963,516,029 | 5,985,255,691 |

CASH FLOW STATEMENT

| SVS Direct Cash Flow Statement | 01-Jan-20 31-dec-20 | 01-Jan-19 31-dec-19 |
|---|------------------------|------------------------|
| | M\$ | M\$ |
| Cash flow statement | | |
| Cash flows from (used in) operating activities | | |
| Non-banking Business (Presentation) | | |
| Types of charges for operating activities | | |
| Charges from sales of goods and rendering of services | 9,938,936,822 | 9,662,676,818 |
| Types of payments | | |
| Payments to suppliers for the supply of goods and services | (7,846,998,881) | (7,590,559,336) |
| Payments to and on behalf of employees | (1,125,689,570) | (1,089,947,524) |
| Income tax paid | 13,252,206 | (106,184,750) |
| Other cash outflows | (197,870,348) | (93,396,237) |
| Subtotal net cash flows from non banking business operating activities | 781,630,229 | 782,588,971 |
| Banking Business (Presentation) | | |
| Consolidated profit for the year | 129,702,215 | 233,292,502 |
| Charges (credits) to profits which do not involve cash transactions: | | |
| Depreciation and amortizations | 37,506,177 | 34,996,501 |
| Credit risk provisions | 467,908,202 | 410,002,119 |
| Net income from investments in corporations with a significant influence | (708,890) | (834,977) |
| Other charges that do not involve cash transactions | 39,403,119 | 82,649,230 |
| Net change in interest, adjustments and commissions accrued on assets and liabilities | 60,263,614 | 2,315,390 |
| Changes in assets and liabilities affecting the operating flow: | | |
| Decrease (Increase) in loans and accounts receivable from customers | 399,516,167 | (979,583,572) |
| Net decrease (increase) in trading instruments | (35,624,166) | 17,132,815 |
| Increase in deposits and other on sight obligations | 747,524,423 | 154,943,734 |
| (Decrease) Increase in deposits and other term deposits | (620,906,874) | 466,514,110 |
| Increase in obligations with banks | 19,423,687 | 75,986,826 |
| Other cash inflows (outflows) | 172,698,136 | (39,500,188) |
| Subtotal net cash flows from banking business operating activities | 1,416,705,810 | 457,914,490 |
| Net Cash Flows from operating activities | 2,198,336,039 | 1,240,503,461 |

Cash flows from (used in) investment activities

Non-banking Business (Presentation)

| | | |
|---|----------------------|----------------------|
| Cash flows from loss of control of subsidiaries or other businesses | 4,209,950 | 1,898,806 |
| Cash flows used to gain control of subsidiaries or other businesses (Note 41) | (18,421,834) | - |
| Contributions made to related companies | (29,275,407) | (24,048,504) |
| Net loans to related companies | (2,047,852) | (8,247,990) |
| Amounts from the sale of property, plant and equipment | 1,538,896 | 7,641,469 |
| Purchases of property, plant and equipment | (279,388,984) | (367,167,794) |
| Purchases of intangible assets | (49,918,932) | (65,317,189) |
| Amounts from other long-term assets | 13,366,043 | - |
| Purchases of other long term assets | (123,383,685) | (183,581,724) |
| Dividends received | 16,186,707 | 10,881,230 |
| Interests received | 24,914,283 | 11,556,512 |
| Other cash inflows (outflows) | (6,708,836) | 2,185,044 |
| Subtotal net cash flows used in non banking business investment activities | (448,929,651) | (614,200,140) |
| Banking Business (Presentation) | | |
| Net decrease (increase) in investment instruments available for sale | (65,414,091) | 148,697,225 |
| Purchases of fixed assets | (33,982,056) | (30,574,836) |
| Dividends received | 247,434 | 638,601 |
| Other cash inflows | (84,180) | 1,581,946 |
| Subtotal net cash flows used in banking business investment activities | (99,232,893) | 120,342,936 |
| Net Cash flows used in investment activities | (548,162,544) | (493,857,204) |

| Direct Cash Flow Statement | 01-Jan-20 31-dec-20 | 01-Jan-19 31-dec-19 |
|---|------------------------|------------------------|
| | M\$ | M\$ |
| Cash flows from (used in) financing activities | | |
| Non-banking Business (Presentation) | | |
| Amounts from issue of shares | 4,959,484 | 14,951,189 |
| Charges from the sale of the entity's shares | - | 1,301,278 |
| Amounts from long-term loans | 809,818,703 | 199,154,400 |
| Amounts from short-term loans | 1,898,099,783 | 1,070,683,908 |
| Total amounts from loans | 2,707,918,486 | 1,269,838,308 |
| Loan payments | (2,044,888,397) | (1,517,463,862) |
| Dividends paid | (108,030,689) | (212,541,867) |
| Interests paid | (186,551,639) | (148,775,186) |
| Other cash inflows | 3,483,996 | 16,563,489 |
| Subtotal net cash flows from (used in) non banking business financing activities | 376,891,241 | (576,126,651) |
| Banking Businesses (Presentation) | | |
| Redemption of letters of credit | (9,934,960) | (10,071,569) |
| Payment of bonds and other liabilities | (58,430,709) | (4,239,041) |
| Payment of other loans | (225,476,722) | (39,381,186) |
| Other cash inflows (outflows) | (4,736,907) | 15,902,077 |
| Subtotal net cash flows used in banking business financing activities | (298,579,298) | (37,789,719) |
| Net Cash flows from (used in) financing activities | 78,311,943 | (613,916,370) |
| Net increase in cash and cash equivalents, before the effect of changes in the exchange rate | 1,728,485,438 | 132,729,887 |
| Effects of the variation in the exchange rate on cash and cash equivalents | | |
| Effects of the variation in the exchange rate on cash and cash equivalents | (103,891,485) | 15,640,299 |
| Net increase in cash and cash equivalents | 1,624,593,953 | 148,370,186 |
| Cash and cash equivalents at the beginning of the exercise | 837,781,863 | 689,411,677 |
| Cash and cash equivalents at the end of the exercise | 2,462,375,816 | 837,781,863 |





**SUSTAINABILITY
GUIDELINES**





MATERIALITY DEFINITION

During 2018 we carried out, for the first time, a materiality assessment at the corporate level. For this purpose, we work together with an independent consultancy specialized in social and environmental management. This way, in the coming years we will work on generating strategic guidelines, that allow us to focus our priorities and investments.

The materiality assessment conducted is an independent analysis that seeks to identify the most relevant and critical issues of Falabella in terms of ESG management. This analysis constitutes a key tool for dialogue with our stakeholders, both internal and external, given that we allows you to know their greatest concerns and interests, in addition to their perceptions about where they think we have the greatest real impact or potential and in which areas it is most important that we take action.

The identification of the material topics and the development of this report has been carried out based on the guidelines of the Global Reporting Standards (GRI), opting for the "essential" compliance option of the GRI guide Standards. The indicators collected during 2018 meet comparability in relation to the information collected in 2017 and 2016. In some indicators the level of disaggregation required is omitted due to the lack of that detail of information in all our subsidiaries. In most of these cases, detailed information is presented in the sustainability reports of each business, which comply with the GRI Standards guide. The issues identified were prioritized under two criteria: the influence on our business and relevance to our external stakeholders.

MATERIALITY PROCESS



Based on the results obtained, a materiality matrix was created, where the "y" axis corresponds to external perception and the "x" axis corresponds to internal perception, with respect to 21 topics identified as material. We group these issues into six main priorities, which allow us to advance in the creation of economic, social and environmental value, aligned with our stakeholders.

1. Exceeding our customers' expectations

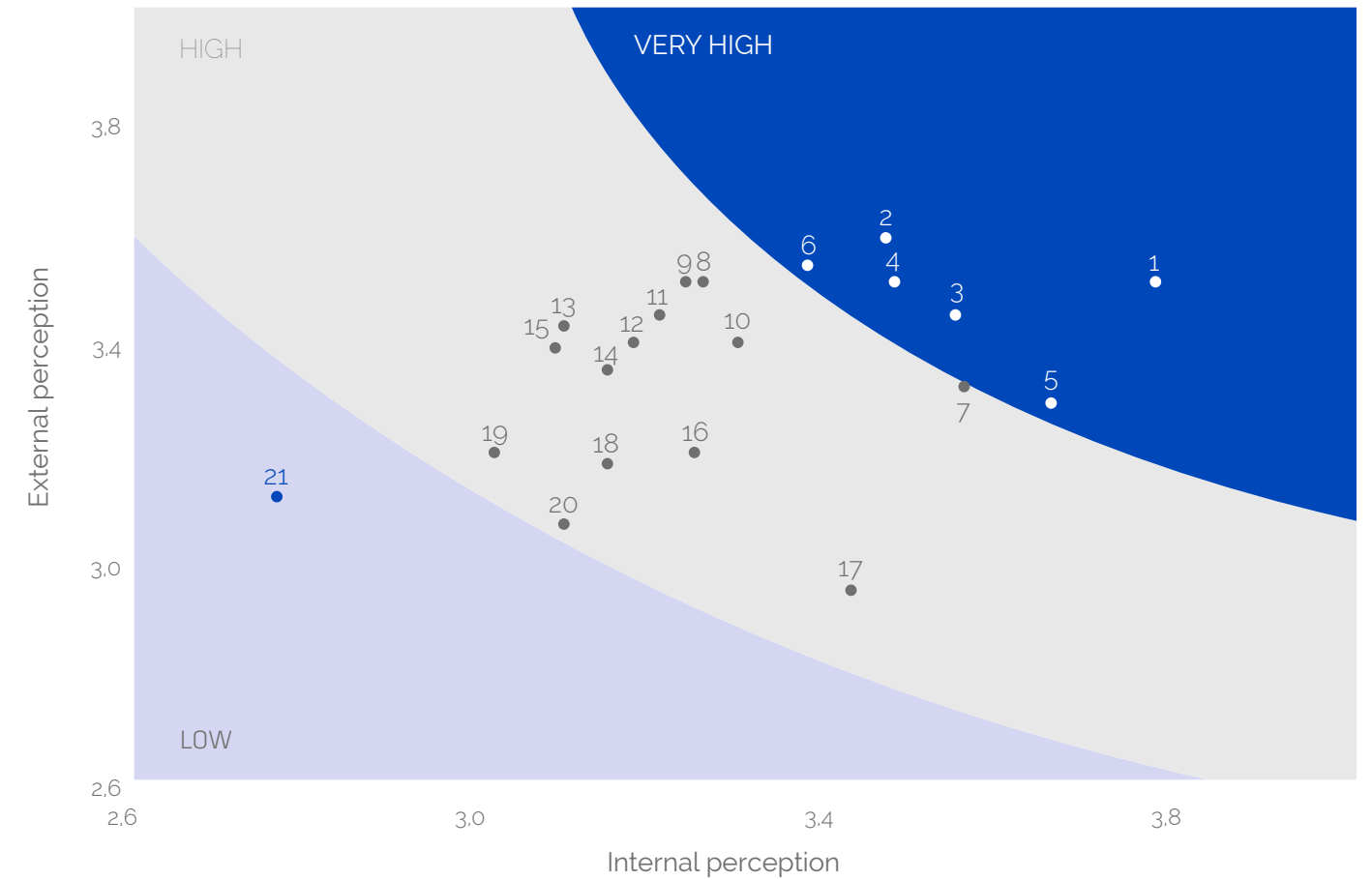
2. Comprehensive development of our workers

3. Generation of social value

4. Governance, Ethics and Compliance

5. Managing our supply chain

6. Managing our impact on the environment



- 1 Data privacy and protection
- 2 Business ethics
- 3 Responsiveness and offer adaptation
- 4 Corporate governance
- 5 Consumer Experience
- 6 Diversity and inclusion
- 7 Attract, retain and develop talent
- 8 Generate positive value
- 9 Human rights
- 10 Responsible supplier management
- 11 Transparency in information to stakeholders
- 12 Support and local development
- 13 Product Quality Management
- 14 Integration and social regeneration
- 15 Employee well-being
- 16 New dynamics in labor relations
- 17 Unifying purpose
- 18 Environmental performance
- 19 Job conversion
- 20 Financial education
- 21 Climate Strategy

GRI INDEX

| GRI Standard | Content | Page Number | Comment |
|---------------------------------|--|-------------------|---------|
| General Disclosures | | | |
| GRI 102: General Matters | | | |
| ORGANIZATIONAL PROFILE | | 2020 | |
| 102-1 | Name of the organization | 175 | |
| 102-2 | Activities, brands, products and services | 19 to 37 | |
| 102-3 | Location of headquarters | 175 | |
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| 102-10 | Significant changes to the organization and its supply chain | 55, 58, 62 | |
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| 102-16 | Values, principles, standards, and norms of behavior | 25, 46, 112 a 120 | |
| 102 GOVERNANCE | | | |
| 102-18 | Governance structure | 146 to 156 | |
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102 STAKEHOLDER ENGAGEMENT

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| 102-43 | Approach to stakeholder engagement | 47 | |
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102 REPORTING PRACTICE

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|--------|--|------------|--|
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| 102-46 | Defining report content and topic Boundaries | 265 to 275 | |
| 102-47 | List of material topics | 48 to 50 | |
| 102-48 | Restatements of information | | No restatements were made. |
| 102-49 | Changes in reporting | | No changes were made. |
| 102-50 | Reporting period | | Falabella's Annual Report reflects the economic, social and environmental performance of its operations on fiscal year 2020. |
| 102-51 | Date of most recent report | | Abril 2020 |
| 102-52 | Reporting cycle | | Annual |
| 102-53 | Contact point for questions regarding the report | | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | | |
| 102-55 | GRI content index | 268 to 275 | |
| 102-56 | External assurance | 276 to 277 | |

Material topics

EXCEED CUSTOMERS EXPECTATIONS

| | |
|--|----------|
| 103-1 Explanation of the material topic and its Boundaries | 49 to 72 |
| 103-2 The management approach and its components | 49 to 72 |
| 103-3 Evaluation of the management approach | 49 to 72 |

DATA PROTECTION AND PRIVACY

Cyber security

| | |
|------------------------|--------|
| Cybersecurity training | 66, 72 |
|------------------------|--------|

OFFER REACTION AND ADAPTATION CAPACITY

| | |
|--------------------------------------|----------|
| Analysis of data and digital clients | 66 to 67 |
|--------------------------------------|----------|

CUSTOMERS EXPERIENCE

| | |
|-----------------------------------|----|
| Customer satisfaction measurement | 56 |
|-----------------------------------|----|

DEVELOP OUR EMPLOYEES INTEGRALLY

| | |
|--|-----------|
| 103-1 Explanation of the material topic and its Boundaries | 72 to 101 |
| 103-2 The management approach and its components | 72 to 101 |
| 103-3 Evaluation of the management approach | 72 to 101 |

ATTRACT, RETAIN AND DEVELOP TALENT

404 Training and Education

| | |
|--|----------|
| 404-1 Average hours of training per year per employee | 76 |
| 404-2 Programs for upgrading employee skills and transition assistance programs | 76 to 78 |
| 404-3 Percentage of employees receiving regular performance and career development reviews | 81 |

401 Employment

| | |
|--|----|
| 401-1 New employee hires and employee turnover | 79 |
|--|----|

Total employee hires and departures are not disclosed, due to a change in criteria for defining the number of employees. This makes the total number of employees on December 2020 different from the total number on December 2019 plus hirings minus departures.

407 Unionization

| | |
|---|-----------|
| 407-1 Freedom of Association and Collective Bargaining - percentage of employees covered by union agreements. | 99 to 101 |
|---|-----------|

Health and safety at work

| | |
|--|----------|
| 403-1 Occupational health and safety management system | 94 to 99 |
|--|----------|

| | |
|---|----------|
| 403-2 Hazard identification, risk assessment and incident investigation | 94 to 99 |
|---|----------|

| | |
|------------------------------------|----------|
| 403-3 Occupational health services | 94 to 99 |
|------------------------------------|----------|

| | |
|--|----------|
| 403-4 Workers' participation, consultation and communication on occupational health and safety | 94 to 99 |
|--|----------|

| | |
|---|----------|
| 403-5 Occupational health and safety training for workers | 94 to 99 |
|---|----------|

| | |
|---------------------------------|----------|
| 403-6 Promoting workers' health | 94 to 99 |
|---------------------------------|----------|

| | |
|--|----------|
| 403-7 Prevention and mitigation of health and safety impacts | 94 to 99 |
|--|----------|

| | |
|--|----------|
| 403-8 Workers covered by an occupational health and safety management system | 94 to 99 |
|--|----------|

| | |
|-----------------------------|----|
| 403-9 Work-related injuries | 99 |
|-----------------------------|----|

| | |
|--------------------------------|----|
| 403-10 Work-related ill health | 99 |
|--------------------------------|----|

| | | |
|--|----------------------|---|
| CULTURE | | |
| 405 Opportunity diversity and equality | | |
| 405-1 Diversity of governance bodies and employees | 84 to 87, 149 to 150 | |
| 405-2 Ratio of basic salary and remuneration of women to men | 92 | |
| UNIFYING PURPOSE | | |
| Values We are a team | 73 to 83, 119 | |
| CREATE SOCIAL VALUE | | |
| 103-1 Explanation of the material topic and its Boundaries | 102 to 111 | |
| 103-2 The management approach and its components | 102 to 111 | |
| 103-3 Evaluation of the management approach | 102 to 111 | |
| CREATE SOCIAL VALUE | | |
| 413 Local Communities | | |
| 413-1 Operations with local community engagement, impact assessments, and development programs | | Information related to impact assessment is omitted. Work is being done at a business level on assurance of data. |
| Social investment | 111 | |
| GOVERNANCE | | |
| 103-1 Explanation of the material topic and its Boundaries | 112 to 120 | |
| 103-2 The management approach and its components | 112 to 120 | |
| 103-3 Evaluation of the management approach | 112 to 120 | |

ANTI CORRUPTION POLICIES

205 Anti-corruption

| | | |
|--|------------|--|
| 205-2 Communication and training about anti-corruption policies and procedures | 113 to 117 | |
|--|------------|--|

206 Anti-competitive Behavior

| | | |
|---|--|---|
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | | Omitted due to internal definition of the organization. |
|---|--|---|

HUMAN RIGHTS

412 Human Rights Assessments

| | | |
|---|--|---|
| 412-1 Operations that have been subject to human rights reviews or impact assessments | | Information at a group level is omitted, since it does not apply. Work is being done at a business level. |
|---|--|---|

MANAGE OUR SUPPLY CHAIN

| | | |
|--|------------|--|
| 103-1 Explanation of the material topic and its Boundaries | 121 to 125 | |
| 103-2 The management approach and its components | 121 to 125 | |
| 103-3 Evaluation of the management approach | 121 to 125 | |

RESPONSIBLE SUPPLIER MANAGEMENT

308 Supplier Environmental Assessment

| | | |
|--|--|---|
| 308-2 Negative environmental impacts in the supply chain and actions taken | | Information related to negative potential and actual impacts is omitted. Work is being done at a business level on assurance of data. |
|--|--|---|

414 Supplier Social Assessment

| | | |
|---|-----|--|
| 414-2 Negative social impacts on the supply chain and actions taken | 125 | Information related to total number of suppliers assessed on social impacts and their main causes is omitted. Work is being done at a business level on assurance of data. |
|---|-----|--|

LOCAL SUPPORT AND DEVELOPMENT

| | |
|---|------------|
| Local entrepreneurship and employment fostering | 121 to 123 |
|---|------------|

MANAGE OUR IMPACT ON THE ENVIRONMENT

| | |
|--|------------|
| 103-1 Explanation of the material topic and its Boundaries | 126 to 142 |
| 103-2 The management approach and its components | 126 to 142 |
| 103-3 Evaluation of the management approach | 126 to 142 |

WE TAKE CARE OF THE WASTE WE GENERATE

306 Effluents and waste

| | |
|----------------------------|-----|
| 306-3 Waste generated | 129 |
| 306-4 Waste not eliminated | 129 |
| 306-5 Waste eliminated | 129 |

| | | |
|--|--|------------|
| 301 Materials | | |
| 301-3 Reclaimed products and packaging materials | | 126 to 131 |

CLIMATE STRATEGY

| | | |
|--|--|------------|
| 305 Emissions | | |
| 305-1 Direct GHG emissions (Scope 1) | | 132 to 137 |
| 305-2 Indirect GHG emissions from power generation (Scope 2) | | 132 to 137 |

302 Energy

| | | |
|--|-----|---|
| 302-1 Energy consumption within the organization | | 139 to 140 |
| 302-4 Reduction of energy consumption | 139 | Omitted due to internal definition of the organization. |

303 Water and Effluents

| | | |
|-------------------------|--|-----|
| 303-5 Water consumption | | 140 |
|-------------------------|--|-----|



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Independent revision memory of Falabella Annual Memory 2020

Sirs Falabella:
 Present.
 Please find here in the outcomes of the revision of the 2020 Annual Memory of Falabella according to the following aspects:

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the 2020 Annual Memory to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

Standards and Assurance Process

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our review has consisted in an inquiry process involving different Falabella units and management areas, involved in the process of developing the Annual Memory, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- Meeting with Sustainability management.
- Requirements and review of evidence with the areas participating in the preparation of the 2020 Annual Memory.
- Analysis of the adherence of the contents of the 2020 Annual Memory to the GRI Standards: Core option, and review of the indicators included in the Memory in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not material is justified.
- Verification, through tests of quantitative and qualitative information corresponding to the GRI Standards indicators included in the 2020 Annual Memory, and its adequate gathering from the data provided by Falabella information sources.

Conclusions

- The assurance process was based on the indicators established in the materiality process carried out by Falabella. Once those indicators were identified, prioritized, and validated, they were included in the Memory. The reported and verified indicators appear in the following table:

| | | | | | | |
|--------|--------|--------|--------|--------|--------|--------|
| 102-1 | 102-2 | 102-3 | 102-4 | 102-5 | 102-6 | 102-7 |
| 102-9 | 102-10 | 102-11 | 102-12 | 102-13 | 102-14 | 102-16 |
| 102-18 | 102-27 | 102-28 | 102-40 | 102-42 | 102-43 | 102-44 |
| 102-45 | 102-46 | 102-47 | 102-48 | 102-49 | 102-50 | 102-51 |
| 102-52 | 102-53 | 102-54 | 102-55 | 102-56 | 103-1 | 103-2 |
| 103-3 | 205-2 | 206-1 | 301-3 | 302-1 | 302-4 | 303-5 |
| 305-1 | 305-2 | 306-3 | 306-4 | 306-5 | 308-2 | 401-1 |
| 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 |
| 403-8 | 403-9 | 403-10 | 404-1 | 404-2 | 404-3 | 405-1 |
| 405-2 | 407-1 | 412-1 | 413-1 | 414-2 | | |

- Regarding the verified indicators, we can say that no aspect has arisen to lead us to believe that the 2020 Annual Memory of Falabella has not been prepared in accordance with the GRI Standards in those areas identified in the scope.

Falabella Management and Deloitte Responsibilities

- The drafting of the 2020 Annual Memory, as well as its contents are under Falabella responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This Memory has been prepared exclusively by Falabella's request, in accordance with the terms established in the Engagement Letter.
- We have developed our work according to the standards of Independence established in the Code of Ethics of the IFAC.
- The conclusions of the verification made by Deloitte apply to the latest version of the Falabella Annual Memory received on April 05, 2021.
- The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement, thus, we are not hereby providing opinion about the 2020 Falabella Annual Memory.

Fernando Gaziano
 Partner
 April 6, 2021

RESPONSIBILITY AND SOCIAL INDICATORS

Social Responsibility and Sustainable Development
 Issuer Name: FALABELLA S.A.
 Issuer Rut: 90749000-9
 Period: 202012

Number of people by gender

| Position | Men | Women | Total |
|-----------|--------|--------|---------|
| Directors | 7 | 2 | 9 |
| Managers | 16 | 1 | 17 |
| Employees | 53.233 | 53.696 | 106.929 |

Number of people by nationality

By Position

| Position | Chilean | Foreign | Total |
|-----------|---------|---------|---------|
| Directors | 9 | 0 | 9 |
| Managers | 9 | 8 | 17 |
| Employees | 43.482 | 63.447 | 106.929 |

By Gender

| | Chilean | Foreign | Total |
|--------|---------|---------|---------|
| Female | 23.293 | 30.403 | 53.696 |
| Male | 20.189 | 33.044 | 53.233 |
| Total | 43.482 | 63.447 | 106.929 |

Number of people by age range

By Position

| Position | Less than 30 years | Between 30-40 years | Between 41-50 years | Between 51-60 years | Between 61-70 years | More than 70 years | Total |
|-----------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------|
| Directors | 0 | 0 | 1 | 4 | 1 | 3 | 9 |
| Managers | 0 | 0 | 9 | 6 | 2 | 0 | 17 |
| Employees | 46.373 | 34.441 | 16.917 | 7.405 | 1.636 | 157 | 106.929 |

By Gender

| Position | Less than 30 years | Between 30-40 years | Between 41-50 years | Between 51-60 years | Between 61-70 years | More than 70 years | Total |
|----------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------|
| Female | 22.363 | 17.568 | 9.162 | 3.950 | 620 | 33 | 53.696 |
| Male | 24.010 | 16.873 | 7.755 | 3.455 | 1.016 | 124 | 53.233 |
| Total | 46.373 | 34.441 | 16.917 | 7.405 | 1.636 | 157 | 106.929 |

Number of people by Seniority

By Position

| Position | Less than 3 years | Between 3-6 years | More than 6 and less than 9 years | Between 9-12 years | More than 12 years | Total |
|-----------|-------------------|-------------------|-----------------------------------|--------------------|--------------------|---------|
| Directors | 1 | 1 | 0 | 1 | 6 | 9 |
| Manager | 1 | 1 | 3 | 2 | 10 | 17 |
| Employees | 55.908 | 21.551 | 13.140 | 6.120 | 10.210 | 106.929 |

By Gender

| Position | Less than 3 years | Between 3-6 years | More than 6 and less than 9 years | Between 9-12 years | More than 12 years | Total |
|----------|-------------------|-------------------|-----------------------------------|--------------------|--------------------|---------|
| Female | 27.750 | 11.286 | 7.047 | 3.159 | 5.054 | 53.696 |
| Male | 28.758 | 10.265 | 6.093 | 2.961 | 5.156 | 53.233 |
| Total | 55.908 | 21.551 | 13.140 | 6.120 | 10.210 | 106.929 |

Salary range by Gender

| Position | Base salary women / Men 2020 |
|------------------------------|------------------------------|
| Managers and deputy managers | 66% |
| Technician and Professionals | 88% |
| Other | 100% |




**RESPONSIBILITY
STATEMENT**

DECLARACIÓN DE RESPONSABILIDAD

De conformidad con lo establecido en el numeral 10 del literal C del párrafo I de la Sección II de la Norma de Carácter General n.º 30 de la Comisión para el Mercado Financiero de la República de Chile (en adelante, la “CMF”); y, teniendo en cuenta la información que les fuera proporcionada por la administración de Falabella S.A. (en adelante, “Falabella”), sociedad anónima abierta constituida y vigente de conformidad con las leyes de la República de Chile, con rol único tributario n.º 90.749.000-9 e inscrita en el Registro de Valores de la CMF bajo el n.º 582; por medio de la presente declaración los Directores de Falabella firmantes de la misma y su Gerente General, quien también la suscribe, se hacen responsables, bajo juramento, de la veracidad de la información incorporada en la Memoria Anual 2020 de Falabella.




Carlo Solari Donaggio
RUT 9.585.749-3
Presidente



Juan Carlos Cortés Solari
RUT 7.017.522-3
Director




Cecilia Karlezi Solari
RUT 7.005.097-8
Directora



PAOLA CÚNEO (30 Mar. 2021 14:35 ADT)
Paola Cúneo Queirolo
RUT 8.506.868-7
Directora




Carlos Heller (30 Mar. 2021 14:37 ADT)
Carlos Alberto Heller Solari
RUT 8.717.000-4
Director



José Luis del Río (30 Mar. 2021 15:50 ADT)
José Luis del Río Goudie
RUT 4.773.832-6
Director




Felipe del Río Goudie (30 Mar. 2021 16:21 ADT)
Felipe del Río Goudie
RUT 5.851.869-7
Director



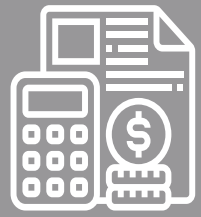
Sergio Cardone Solari (30 Mar. 2021 16:47 ADT)
Sergio Cardone Solari
RUT 5.082.229-K
Director



Hernán Büchi (30 Mar. 2021 16:50 ADT)
Hernán Büchi Buc
RUT 5.718.666-6
Director



Gaston Bottazzini
RUT 22.923.569-9
Gerente General



CONSOLIDATED
FINANCIAL
STATEMENTS



Falabella S.A. and Subsidiaries

Consolidated Financial Statements

December 31, 2020

F A L A B E L L A



ThCh\$-Thousands of Chilean pesos



EY Chile
Avda. Presidente
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Las Condes, Santiago

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Independent Auditor's Report

(Translation of the report originally issued in Spanish)

To the Shareholders and Directors
Falabella S.A.

We have audited the accompanying consolidated financial statements of Falabella S.A. and subsidiaries ("The company"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the comprehensive consolidated income statement, statement of changes in equity, and statement of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Regulatory Basis of Accounting

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Falabella S.A. and subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'Albert Oppenländer L.', is written over a horizontal line.

Albert Oppenländer L.
EY Audit SpA

Santiago, February 23, 2021

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Consolidated Statement of Financial Position

As of December 31, 2020 and 2019

| | Note | Dec-31-20 | Dec-31-19 |
|--|------|-----------------------|-----------------------|
| | Note | ThCh\$ | ThCh\$ |
| Assets | | | |
| Non-Banking Businesses (Presentation) | | | |
| Current assets | | | |
| Cash and cash equivalents | 3 | 1,216,193,920 | 299,965,353 |
| Other financial assets, current | 4 | 41,163,435 | 14,577,323 |
| Other non-financial assets, current | 5 | 103,954,106 | 97,397,454 |
| Trade and other receivables, current | 6 | 416,572,521 | 503,747,308 |
| Related party receivables, current | 7 | 33,374,856 | 44,176,657 |
| Inventories | 8 | 1,161,244,547 | 1,332,853,655 |
| Current tax assets | 9 | 59,292,980 | 117,161,072 |
| Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners | | 3,031,796,365 | 2,409,878,822 |
| Non-current assets or groups of assets classified as held-for-sale or held-for-distribution to the owners | 2.16 | 29,095,216 | 17,371,457 |
| Non-current assets or groups of assets classified as held-for-sale or held-for-distribution to the owners | | 29,095,216 | 17,371,457 |
| Total current assets | | 3,060,891,581 | 2,427,250,279 |
| Non-current assets | | | |
| Other financial assets, non-current | 4 | 195,004,590 | 204,578,162 |
| Other non-financial assets, non-current | 5 | 91,649,259 | 103,842,937 |
| Trade and other receivables, non-current | 6 | 5,594,155 | 11,126,047 |
| Related party receivables, non-current | 7 | 13,841,640 | - |
| Equity method investments | 11 | 194,146,313 | 191,478,678 |
| Intangible assets other than goodwill | 12 | 340,551,306 | 342,682,434 |
| Goodwill | 13 | 607,108,378 | 649,149,802 |
| Property, plant and equipment | 14 | 3,388,090,202 | 3,698,385,781 |
| Investment properties | 15 | 3,315,319,472 | 3,235,069,703 |
| Tax assets, non-current | 9 | 16,538,022 | 17,420,067 |
| Deferred tax assets | 10 | 233,685,099 | 212,284,708 |
| Total non-current assets | | 8,401,528,436 | 8,666,018,319 |
| Total assets - non-banking businesses | | 11,462,420,017 | 11,093,268,598 |
| Assets Banking Businesses (Presentation) | | | |
| Cash and bank deposits | 3 | 336,805,631 | 304,355,220 |
| Transactions pending settlement | 3 | 273,561,309 | 80,926,931 |
| Traded instruments | 3 | 450,773,778 | 179,336,474 |
| Receivables from repurchase agreements and securities lending | | 15,016,800 | - |
| Financial derivative contracts | | 640,330,966 | 411,178,302 |
| Customer loans and receivables | 6 | 4,304,988,052 | 5,219,216,732 |
| Investment instruments held for sale | 16 | 1,071,527,684 | 681,030,022 |
| Investments in companies | 11 | 3,134,482 | 3,721,554 |
| Intangible assets | 12 | 76,525,371 | 78,118,482 |
| Property, plant and equipment | 14 | 58,890,879 | 72,907,960 |
| Current tax liabilities | 9 | 13,217,364 | 12,694,107 |
| Deferred tax liabilities | 10 | 66,492,338 | 48,804,829 |
| Other assets | 17 | 144,844,995 | 148,111,627 |
| Total assets - banking businesses | | 7,456,109,649 | 7,240,402,240 |
| Total assets | | 18,918,529,666 | 18,333,670,838 |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As of December 31, 2020 and 2019

| | Note Note | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|--------------|-----------------------|-----------------------|
| Net Liabilities and Shareholders' Equity | | | |
| Non-Banking Businesses (Presentation) | | | |
| Current liabilities | | | |
| Other financial liabilities, current | 18 | 530,542,382 | 443,932,448 |
| Leasing liabilities, current | 19 | 79,955,074 | 82,881,467 |
| Trade and other payables | 20 | 1,145,100,927 | 1,109,205,979 |
| Related party payables, current | 7 | 18,084,369 | 17,092,382 |
| Other provisions, current | 21 | 26,052,956 | 23,758,134 |
| Current tax liabilities | 9 | 22,623,827 | 30,806,089 |
| Employee benefit provisions | 22 | 145,574,678 | 149,449,341 |
| Other non-financial liabilities, current | 23 | 194,908,389 | 165,561,711 |
| Total current liabilities | | 2,162,842,602 | 2,022,687,551 |
| Non-current liabilities | | | |
| Other financial liabilities, non-current | 18 | 3,229,990,163 | 2,813,299,285 |
| Leasing liabilities, non-current | 19 | 853,592,987 | 900,374,562 |
| Trade and other payables, non-current | 20 | 1,074,634 | 1,920,686 |
| Other provisions, non-current | 21 | 8,425,778 | 9,590,858 |
| Deferred tax liabilities | 10 | 591,807,294 | 613,982,006 |
| Employee benefit provisions, non-current | 22 | 43,599,751 | 55,968,813 |
| Other non-financial liabilities, non-current | 23 | 50,636,869 | 55,025,873 |
| Total non-current liabilities | | 4,779,127,476 | 4,450,162,083 |
| Total liabilities - non-banking businesses | | 6,941,970,078 | 6,472,849,634 |
| Banking Business Liabilities (Presentation) | | | |
| Deposits and other demand obligations | | 1,549,896,493 | 802,372,070 |
| Transactions pending settlement. | 3 | 265,976,430 | 73,993,355 |
| Savings accounts and other term deposits | 24 | 2,421,271,205 | 3,027,251,232 |
| Financial derivative contracts | | 587,247,845 | 458,352,017 |
| Obligations to banks | 25 | 341,118,713 | 547,171,749 |
| Debt instruments issued | 26 | 205,447,491 | 263,878,200 |
| Other financial obligations | 26 | 74,735,593 | 89,407,460 |
| Leasing liabilities | 19 | 27,237,056 | 35,524,567 |
| Current tax liabilities | 9 | 13,390,117 | 2,973,670 |
| Provisions | 21 | 31,025,702 | 32,017,182 |
| Other liabilities | 27 | 473,957,252 | 295,267,626 |
| Total liabilities - banking businesses | | 5,991,303,897 | 5,628,209,128 |
| Total liabilities | | 12,933,273,975 | 12,101,058,762 |
| Equity | | | |
| Share capital | 35 | 919,419,389 | 919,419,389 |
| Retained earnings | | 4,459,532,797 | 4,439,393,886 |
| Share premium | 35 | 93,482,329 | 93,482,329 |
| Treasury shares | | (43,405,118) | (43,405,118) |
| Other reserves | 35 | (407,289,735) | (149,943,365) |
| Equity attributable to owners of the parent company | | 5,021,739,662 | 5,258,947,121 |
| Non-controlling interests | | 963,516,029 | 973,664,955 |
| Total equity | | 5,985,255,691 | 6,232,612,076 |
| Total equity and liabilities | | 18,918,529,666 | 18,333,670,838 |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income by Function

For the years ended December 31, 2020 and 2019

| | Note | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|---|------|----------------------------------|----------------------------------|
| Statement of Net Income | | | |
| Non-Banking Businesses (Presentation) | | | |
| Operating revenue | 28 | 8,281,049,949 | 8,053,582,835 |
| Cost of sales | 29 | (5,790,733,690) | (5,433,070,250) |
| Gross margin | | 2,490,316,259 | 2,620,512,585 |
| Distribution costs | | (191,796,601) | (121,283,216) |
| Administrative expenses | 30 | (1,988,674,117) | (1,966,962,395) |
| Other expenses, by function | | (111,787,544) | (141,899,290) |
| Other gains (losses) | 32 | (45,064,092) | 20,796,536 |
| Financial income | | 67,907,001 | 27,400,950 |
| Financial costs | 31 | (254,510,949) | (209,910,800) |
| Share of net income (losses) of equity method associates and joint ventures | 11 | 3,579,174 | 336,784 |
| Exchange differences | | (29,085,779) | (22,065,192) |
| Gain (loss) on indexed assets and liabilities | 31 | (28,678,051) | (21,944,001) |
| Net income (loss) before tax | | (87,794,699) | 184,981,961 |
| Income tax expense | 10 | (5,243,074) | (62,097,989) |
| Net income (loss) from non-banking businesses | | (93,037,773) | 122,883,972 |
| Banking Businesses (Presentation) | | | |
| Interest and indexation income. | 28 | 978,716,654 | 1,108,745,967 |
| Interest and indexation expense | 29 | (138,045,499) | (183,119,743) |
| Net interest and indexation income | | 840,671,155 | 925,626,224 |
| Commission income | 28 | 206,908,355 | 245,043,799 |
| Commission expenses | 29 | (86,761,814) | (116,057,421) |
| Net commission income | | 120,146,541 | 128,986,378 |
| Net income (loss) on financial transactions | | 26,894,489 | 17,187,950 |
| Net income (loss) on currency exchange | | (3,198,974) | 4,289,403 |
| Other operating income | | 2,125,477 | 3,402,024 |
| Credit risk allowances | 29 | (384,783,080) | (337,736,214) |
| Total net operating income | | 601,855,608 | 741,755,765 |
| Staff remuneration and expenses | 30 | (139,733,434) | (149,509,710) |
| Administrative expenses | 30 | (206,582,607) | (197,819,946) |
| Depreciation and amortization | 30 | (37,506,177) | (34,996,501) |
| Other operating expenses | 30 | (49,636,946) | (44,322,854) |
| Total operating expenses | | (433,459,164) | (426,649,011) |
| Net operating income | | 168,396,444 | 315,106,754 |
| Income from investments in companies | 11 | 708,890 | 834,977 |
| Net income before taxes | | 169,105,334 | 315,941,731 |
| Income tax expense | 10 | (39,403,119) | (82,649,229) |
| Net income from banking businesses | | 129,702,215 | 233,292,502 |
| Net income for the year | | 36,664,442 | 356,176,474 |
| Net income attributable to | | | |
| Net income attributable to owners of the parent company | 33 | 30,758,319 | 295,473,530 |
| Net income attributable to non-controlling interests | | 5,906,123 | 60,702,944 |
| Net income for the year | | 36,664,442 | 356,176,474 |
| Earnings per Share | | | |
| Basic earnings per share | | | |
| Basic earnings per share from continuing operations | 33 | 0.01 | 0.12 |
| Basic earnings per share | | 0.01 | 0.12 |
| Diluted earnings per share | | | |
| Diluted earnings per share from continuing operations | 33 | 0.01 | 0.12 |
| Diluted earnings per share | | 0.01 | 0.12 |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income by Function

For the years ended December 31, 2020 and 2019

| | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|---|----------------------------------|----------------------------------|
| Statement of Comprehensive Income | | |
| Net income for the year | 36,664,442 | 356,176,474 |
| Components of other comprehensive income that will not be reclassified to income for the year, before tax | | |
| Actuarial income (losses) on defined benefit plans, before tax | 575,530 | (8,141,129) |
| Other comprehensive income that will not be reclassified to income for the year | 575,530 | (8,141,129) |
| Components of other comprehensive income that will be reclassified to income for the year, before tax | | |
| Foreign currency conversion | | |
| Income (losses) from foreign currency conversion, before tax | (316,247,593) | 176,330,362 |
| Other comprehensive income from foreign currency conversion, before tax | (316,247,593) | 176,330,362 |
| Income (losses) on financial assets held for sale, before tax | (146,803) | 1,992,970 |
| Other comprehensive income on financial assets held for sale, before tax | (146,803) | 1,992,970 |
| Cash flow hedges | | |
| Income (losses) on cash flow hedges, before tax | 60,324,824 | 12,851,589 |
| Other comprehensive income on cash flow hedges, before tax | 60,324,824 | 12,851,589 |
| Other components of other comprehensive income that will be reclassified to income for the year, before tax | | |
| Income tax related to components of other comprehensive income | | |
| Income tax related to defined benefits plans in other comprehensive income | (164,100) | 2,198,105 |
| Total income tax related to components of other comprehensive income that will not be reclassified to income for the year | (164,100) | 2,198,105 |
| Income tax related to components of other comprehensive income | | |
| Income tax related to financial assets held for sale in other comprehensive income | 39,634 | (538,102) |
| Income tax related to cash flow hedges in other comprehensive income | (16,246,906) | (3,660,780) |
| Total income tax related to components of other comprehensive income | (16,207,272) | (4,198,882) |
| Total other comprehensive income (losses) | (271,865,414) | 181,033,015 |
| Total comprehensive income (losses) | (235,200,972) | 537,209,489 |
| Comprehensive income (losses) attributable to | | |
| Comprehensive income (losses) attributable to owners of the parent company | (226,588,051) | 467,001,361 |
| Comprehensive income (losses) attributable to non-controlling interests | (8,612,921) | 70,208,128 |
| Total comprehensive income (losses) | (235,200,972) | 537,209,489 |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Statement of Changes in Equity

a) The Statement of Changes in Equity for the year ended December 31, 2020 was as follows:

| | Share capital (Note 35) | Share premium | Treasury shares (Note 22.d) | Foreign currency conversion reserves | Cash flow hedge reserves | Actuarial gains or losses on defined benefit plans reserves | Gains or losses on financial assets held for sale reserves | Other miscellaneous reserves | Other reserves | Retained earnings (losses) | Equity attributable to owners of the parent company | Non-controlling interests | Total shareholder's equity |
|--|-------------------------|---------------|-----------------------------|--------------------------------------|--------------------------|---|--|------------------------------|----------------|----------------------------|---|---------------------------|----------------------------|
| Opening balance as of 01/01/2020 | 919,419,389 | 93,482,329 | (43,405,118) | 25,472,380 | (36,810,863) | (21,475,754) | 869,698 | (117,998,826) | (149,943,365) | 4,439,393,886 | 5,258,947,121 | 973,664,955 | 6,232,612,076 |
| Changes in equity | | | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | | | |
| Net income for the year | - | - | - | - | - | - | - | - | - | 30,758,319 | 30,758,319 | 5,906,123 | 36,664,442 |
| Other comprehensive income | - | - | - | (294,851,820) | 37,206,780 | 411,398 | (112,728) | - | (257,346,370) | - | (257,346,370) | (14,519,044) | (271,865,414) |
| Total comprehensive income | - | - | - | (294,851,820) | 37,206,780 | 411,398 | (112,728) | - | (257,346,370) | 30,758,319 | (226,588,051) | (8,612,921) | (235,200,972) |
| Shares issued | - | - | - | - | - | - | - | - | - | - | - | 4,959,484 | 4,959,484 |
| Dividends | - | - | - | - | - | - | - | - | - | (1,391,912) | (1,391,912) | (5,731,299) | (7,123,211) |
| Increase (decrease) due to transfers and other changes | - | - | - | - | - | - | - | - | - | (9,227,496) | (9,227,496) | (764,190) | (9,991,686) |
| Total changes in equity | - | - | - | (294,851,820) | 37,206,780 | 411,398 | (112,728) | - | (257,346,370) | 20,138,911 | (237,207,459) | (10,148,926) | (247,356,385) |
| Closing balance as of 12/31/2020 | 919,419,389 | 93,482,329 | (43,405,118) | (269,379,440) | 395,917 | (21,064,356) | 756,970 | (117,998,826) | (407,289,735) | 4,459,532,797 | 5,021,739,662 | 963,516,029 | 5,985,255,691 |

b) The Statement of Changes in Net Equity for the year ended December 31, 2019 was as follows:

| | Share capital (Note 35) | Share premium | Treasury shares (Note 22.d) | Foreign currency conversion reserves | Cash flow hedge reserves | Actuarial gains or losses on defined benefit plans reserves | Gains or losses on financial assets held for sale reserves | Other miscellaneous reserves | Other reserves | Retained earnings (losses) | Equity attributable to owners of the parent company | Non-controlling interests | Total shareholder's equity |
|---|-------------------------|---------------|-----------------------------|--------------------------------------|--------------------------|---|--|------------------------------|----------------|----------------------------|---|---------------------------|----------------------------|
| Opening balance as of 01/01/2019 | 919,419,389 | 93,482,329 | (44,808,966) | (136,148,355) | (51,220,385) | (15,532,698) | (570,932) | (117,896,256) | (321,368,626) | 4,421,138,544 | 5,067,862,670 | 919,494,553 | 5,987,357,223 |
| Decrease due to new accounting standards (Note 2.29.c) | - | - | - | - | - | - | - | - | - | (142,067,729) | (142,067,729) | (8,783,481) | (150,851,210) |
| Restated opening balance | 919,419,389 | 93,482,329 | (44,808,966) | (136,148,355) | (51,220,385) | (15,532,698) | (570,932) | (117,896,256) | (321,368,626) | 4,279,070,815 | 4,925,794,941 | 910,711,072 | 5,836,506,013 |
| Changes in equity | | | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | | | |
| Net income for the year | - | - | - | - | - | - | - | - | - | 295,473,530 | 295,473,530 | 60,702,944 | 356,176,474 |
| Other comprehensive income | - | - | - | 161,620,735 | 14,409,522 | (5,943,056) | 1,440,630 | - | 171,527,831 | - | 171,527,831 | 9,505,184 | 181,033,015 |
| Total comprehensive income | - | - | - | 161,620,735 | 14,409,522 | (5,943,056) | 1,440,630 | - | 171,527,831 | 295,473,530 | 467,001,361 | 70,208,128 | 537,209,489 |
| Shares issued | - | - | - | - | - | - | - | - | - | - | - | 14,951,189 | 14,951,189 |
| Dividends | - | - | - | - | - | - | - | - | - | (89,024,441) | (89,024,441) | (22,205,434) | (111,229,875) |
| Increase (decrease) due to transfers and other changes | - | - | - | - | - | - | - | - | - | (46,126,018) | (46,126,018) | - | (46,126,018) |
| Increase (decrease) for transactions with treasury shares | - | - | 1,403,848 | - | - | - | - | (102,570) | (102,570) | - | 1,301,278 | - | 1,301,278 |
| Total changes in equity | - | - | 1,403,848 | 161,620,735 | 14,409,522 | (5,943,056) | 1,440,630 | (102,570) | 171,425,261 | 160,323,071 | 333,152,180 | 62,953,883 | 396,106,063 |
| Closing balance as of 12/31/2019 | 919,419,389 | 93,482,329 | (43,405,118) | 25,472,380 | (36,810,863) | (21,475,754) | 869,698 | (117,998,826) | (149,943,365) | 4,439,393,886 | 5,258,947,121 | 973,664,955 | 6,232,612,076 |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow

For the years ended December 31, 2020 and 2019

| Cash Flow Statement - Direct Method | Jan 01-20 | Jan 01-19 |
|---|----------------------|----------------------|
| | Dec-31-20 | Dec-31-19 |
| | ThCh\$ | ThCh\$ |
| Cash flow statements | | |
| Cash flow provided by (used in) operating activities | | |
| Non-Banking Businesses (Presentation) | | |
| Proceeds from operating activities | | |
| Proceeds from sale of goods and services | 9,938,936,822 | 9,662,676,818 |
| Payments for operating activities | | |
| Payments to suppliers for goods and services | (7,846,998,881) | (7,590,559,336) |
| Payments to and on behalf of employees | (1,125,689,570) | (1,089,947,524) |
| Income taxes refunded (paid) | 13,252,206 | (106,184,750) |
| Other payments | (197,870,348) | (93,396,237) |
| Subtotal net cash flow provided by operating activities from Non-Banking Businesses | 781,630,229 | 782,588,971 |
| Banking Businesses (Presentation) | | |
| Consolidated net income for the year | 129,702,215 | 233,292,502 |
| Charges (credits) not affecting cash flows | | |
| Depreciation and amortization | 37,506,177 | 34,996,501 |
| Credit risk allowances | 467,908,202 | 410,002,119 |
| Net income from investments in companies with significant influence | (708,890) | (834,977) |
| Other charges that do not involve cash movements | 39,403,119 | 82,649,230 |
| Net changes in accrued interest, indexation and commission on assets and liabilities | 60,263,614 | 2,315,390 |
| Changes in assets and liabilities that affect operating cash flows | | |
| Increase (decrease) in customer loans and receivables | 399,516,167 | (979,583,572) |
| Net (increase) decrease in instruments held for trading | (35,624,166) | 17,132,815 |
| Increase in deposits and other demand obligations | 747,524,423 | 154,943,734 |
| Increase (decrease) in savings accounts and other term deposits | (620,906,874) | 466,514,110 |
| Increase in obligations to banks | 19,423,687 | 75,986,826 |
| Other proceeds (payments) | 172,698,136 | (39,500,188) |
| Subtotal net cash flow provided by operating activities from Banking Businesses | 1,416,705,810 | 457,914,490 |
| Net cash flow provided by operating activities | 2,198,336,039 | 1,240,503,461 |
| Cash flow provided by (used in) investing activities | | |
| Non-Banking Businesses (Presentation) | | |
| Proceeds from the loss of control of subsidiaries or other businesses | 4,209,950 | 1,898,806 |
| Payments to obtain control of subsidiaries or other businesses (Note 41) | (18,421,834) | - |
| Contributions to associates | (29,275,407) | (24,048,504) |
| Loans to related parties | (2,047,852) | (8,247,990) |
| Proceeds from sales of property, plant and equipment | 1,538,896 | 7,641,469 |
| Purchases of property, plant and equipment | (279,388,984) | (367,167,794) |
| Purchases of intangible assets | (49,918,932) | (65,317,189) |
| Proceeds from other long-term assets | 13,366,043 | - |
| Purchases of other long-term assets | (123,383,685) | (183,581,724) |
| Dividends received | 16,186,707 | 10,881,230 |
| Interest received | 24,914,283 | 11,556,512 |
| Other proceeds (payments) | (6,708,836) | 2,185,044 |
| Subtotal net cash flow used in investing activities for Non-Banking Businesses | (448,929,651) | (614,200,140) |
| Banking Businesses (Presentation) | | |
| Net increase in investment instruments held for sale | (65,414,091) | 148,697,225 |
| Purchases of property, plant and equipment | (33,982,056) | (30,574,836) |
| Dividends received | 247,434 | 638,601 |
| Other proceeds (payments) | (84,180) | 1,581,946 |
| Subtotal net cash flow provided by (used in) investing activities for Banking Businesses | (99,232,893) | 120,342,936 |
| Net cash flow used in investing activities | (548,162,544) | (493,857,204) |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow

For the years ended December 31, 2020 and 2019

| Cash Flow Statement - Direct Method | Jan 01-20 | Jan 01-19 |
|--|----------------------|----------------------|
| | Dec-31-20 | Dec-31-19 |
| | ThCh\$ | ThCh\$ |
| Cash flow provided by (used in) financing activities Non-Banking Businesses (Presentation) | | |
| Proceeds from share issues | 4,959,484 | 14,951,189 |
| Proceeds from selling the Company's own shares | - | 1,301,278 |
| Proceeds from long-term loans | 809,818,703 | 199,154,400 |
| Proceeds from short-term loans | 1,898,099,783 | 1,070,683,908 |
| Total proceeds from loans | 2,707,918,486 | 1,269,838,308 |
| Loan repayments | (2,044,888,397) | (1,517,463,862) |
| Dividends paid | (108,030,689) | (212,541,867) |
| Interest paid | (186,551,639) | (148,775,186) |
| Other proceeds | 3,483,996 | 16,563,489 |
| Subtotal net cash flows provided by (used in) financing activities for Non-Banking Businesses | 376,891,241 | (576,126,651) |
| Banking Businesses (Presentation) | | |
| Letters of credit redeemed | (9,934,960) | (10,071,569) |
| Repayments of bonds and other liabilities | (58,430,709) | (4,239,041) |
| Repayment of other loans | (225,476,722) | (39,381,186) |
| Other proceeds (payments) | (4,736,907) | 15,902,077 |
| Subtotal net cash flows provided by (used in) financing activities for Banking Businesses | (298,579,298) | (37,789,719) |
| Net cash flows provided by (used in) financing activities | 78,311,943 | (613,916,370) |
| Net increase in cash & cash equivalents before effect of changes in exchange rates | 1,728,485,438 | 132,729,887 |
| Effect of changes in exchange rates on cash and cash equivalents | | |
| Effect of changes in exchange rates on cash and cash equivalents | (103,891,485) | 15,640,299 |
| Net increase in cash and cash equivalents | 1,624,593,953 | 148,370,186 |
| Cash and cash equivalents at the start of the year | 837,781,863 | 689,411,677 |
| Cash and cash equivalents at the end of the year | 2,462,375,816 | 837,781,863 |

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 1 - Company Information

Falabella S.A. (hereinafter the "Parent Company") is a publicly traded company established in Santiago, Chile on March 19, 1937 in accordance with Law No. 18,046. Its formation was legally authorized by Supreme Decree No. 1,424 of April 14, 1937. The Company is registered in the Securities Registry under No. 582 and is subject to the supervision of the Chilean Financial Market Commission ("FMC"). Its main offices and legal domicile are located at Manuel Rodríguez Norte 730, Santiago, Chile.

An Extraordinary Shareholders' Meeting held on April 23, 2019 agreed to change the name of the Company from S.A.C.I. Falabella to Falabella S.A., and amended the first article of the Company's statutes to reflect this change.

The subsidiary companies registered with the FMC are detailed as follows:

| SUBSIDIARY | Chilean ID Number | Registration number |
|---------------------|-------------------|---------------------|
| Sodimac S.A. | 96,792,430-K | 850 |
| Plaza S.A. | 76,017,019-4 | 1,028 |
| Banco Falabella S.A | 96,509,660-4 | 051 |

Falabella S.A. and its subsidiaries (hereinafter the "Company" or "Falabella") operates in Chile, Argentina, Peru, Colombia, Uruguay, Mexico and Brazil.

The Company's business is selling a wide range of products, including the retail sale of clothing, accessories, home products, electronics, beauty products and others. A significant portion of sales in this segment occurs during the second half of each year. In addition it sells retail and wholesale construction and home improvement products, including building materials, hardware, tools, kitchen accessories, bathroom, gardening and decorative products, as well as food products in Supermarkets. It also operates in the real estate segment through constructions, administration, management, operations, and the leasing and subleasing of stores and malls, and is renowned for providing a comprehensive supply of goods and services in world class malls, working with the main commercial operators in the countries where it operates. It also works with other businesses that support its main business such as financial services (CMR, insurance brokers and banking), and in textile manufacturing (Mavesa).

Falabella had the following number of employees as of December 31, 2020 and 2019:

| Country | Dec-31-20 | Dec-31-19 |
|-------------------|-----------|-----------|
| Chile | 47,139 | 52,852 |
| Peru | 34,742 | 33,296 |
| Colombia | 6,730 | 8,303 |
| Argentina | 2,914 | 4,847 |
| Brazil | 3,541 | 3,530 |
| Uruguay | 415 | 449 |
| India | 185 | 119 |
| China | 148 | 156 |
| Mexico | 297 | 374 |
| TOTAL | 96,111 | 103,926 |
| Senior Executives | 2,475 | 3,593 |

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies

2.1. Basis of Preparation of the Consolidated Financial Statements

These consolidated financial statements of Falabella S.A. and subsidiaries include consolidated statements of financial position as of December 31, 2020 and 2019, consolidated statements of comprehensive income by function, statements of changes in equity and consolidated statements of cash flow for the years ended December 31, 2020 and 2019 and their corresponding notes which have been prepared and presented in accordance with International Financial Reporting Standards ("IFRS"), including additional information required by the Chilean Financial Market Commission ("FMC") which does not contradict IFRS.

These consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments, employee benefit obligations and share-based payment obligations, which are measured at fair value.

The preparation of these consolidated financial statements in accordance with IFRS requires the use of estimates and critical assumptions that could affect the reported amounts of certain assets and liabilities, as well as certain income and expenses. It also requires that Management exercises judgment in applying the Company's accounting policies. Subsection 2.28 discloses the areas that entail a greater degree of judgment or complexity, and the areas where the assumptions and estimates are significant for the consolidated financial statements.

The Company uses mixed presentation criteria, separating the balances of the banking companies (Banking Business) from the remaining consolidated companies (Non-Banking Business). The Falabella banking companies that were separated were: Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia.

The consolidated financial statements of Falabella S.A. for 2019 were approved by its Board at a meeting held on February 25, 2020, and were subsequently submitted to the Annual General Shareholders' Meeting held on April 28, 2020, where they were finally approved.

2.2. New standards, interpretations and amendments adopted by Falabella

The accounting policies adopted in preparing these consolidated financial statements are consistent with those applied in preparing Falabella's consolidated financial statements for the year ended December 31, 2019. Certain items from the previous year's financial statements have been reclassified for the purpose of ensuring comparability with the current year's presentation.

2.3. Presentation and Functional Currency

These consolidated financial statements are presented in Chilean pesos, which is the functional currency of the Parent Company and Falabella's presentation currency. Chilean pesos are rounded to the nearest thousand pesos.

Each Falabella company has determined its own functional currency in accordance with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The items included in the financial statements of each company are measured using that functional currency, and are then converted to Falabella's presentation currency, in accordance with IAS 21.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.4. Period covered by the Consolidated Financial Statements

The consolidated financial statements comprise the statements of financial position as of December 31, 2020 and 2019, the statements of comprehensive income by function, the statements of cash flow, and the statements of changes in equity for the years ended December 31, 2020 and 2019.

2.5. Basis for Consolidation of the Financial Statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, including all of its assets, liabilities, income, expenses and cash flows after performing the adjustments and eliminations related to transactions between the companies that form part of the consolidation. These consolidated financial statements also include structured entities created in asset securitization processes, for which the Company has not transferred all the risks of the associated assets and liabilities.

Subsidiaries are all companies over which Falabella has control, in accordance with IFRS 10. In order to comply with the definition of control in IFRS 10, three criteria must be met, which include: (a) an investor must be able to exercise authority over the investee's business, (b) an investor must be exposed, or have the rights to variable returns resulting from its involvement in the investee, and (c) an investor must have the ability to use its authority over the investee to influence the investor's returns.

The non-controlling interest represents the portion of net assets and net income or losses that are not owned by Falabella, which is presented separately in the statement of comprehensive income and in equity in the consolidated statement of financial position.

The Company has not consolidated the financial statements of R-SC Internet Services C.A. (Linio Venezuela). Although it controls this company, the conditions established by IFRS 10 to consolidate it have not been met, because the economic situation and measures in Venezuela have caused significant distortions with respect to receiving the cash flows generated there. Additionally, the identifiable net assets of this subsidiary were valued at a fair value of zero as of the business combination date, given this situation.

The acquisition of subsidiaries is recorded in accordance with IFRS 3 "Business Combinations", using the acquisition method. This method requires the recognition of identifiable assets (including intangible assets not previously recognized and goodwill) and business liabilities acquired at fair value on the date of acquisition. The non-controlling interest is the minority shareholder's share of the fair values of recognized assets and liabilities.

The excess of the acquisition cost over the fair value of the Company's share in the net identifiable assets acquired is recognized as goodwill. If the cost of acquisition is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the statement of income.

The financial statements of subsidiaries have been prepared on the same date as the Parent Company and uniform accounting policies have been applied, considering the specific nature of each business.

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are detailed as follows:

| CHILEAN ID NUMBER | SUBSIDIARY | OWNERSHIP INTEREST | | | | COUNTRY | FUNCTIONAL CURRENCY |
|-------------------|--|--------------------|----------------------|-------------------|-------------------|---------|---------------------|
| | | Dec-31-20 DIRECT % | Dec-31-20 INDIRECT % | Dec-31-20 TOTAL % | Dec-31-19 TOTAL % | | |
| 76,020,391-2 | Inversiones Falabella Limitada | 99,989 | 0.011 | 100 | 100 | CHILE | CLP |
| 76,020,385-8 | Inversiones Parmin S.p.A. | 100 | - | 100 | 100 | CHILE | CLP |
| 79,598,260-4 | Administradora CMR Falabella Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 79,990,670-8 | Administradora Plaza Vespucio S.A. | - | 59,272 | 59,272 | 59,272 | CHILE | CLP |
| 76,644,120-3 | Aporta S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,046,439-2 | Apyser S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,683,615-1 | Asesorías y Evaluación de Créditos Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,044,159-7 | Autoplaza S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP |
| 76,011,659-9 | Banco Falabella Corredoras de Seguros Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,509,660-4 | Banco Falabella S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,153,976-0 | Capyser S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,662,120-1 | Cerro Colorado Ltda. | - | 88 | 88 | 88 | CHILE | CLP |
| 76,477,116-8 | C.F. Seguros de Vida S.A. | - | 90 | 90 | 90 | CHILE | CLP |
| 76,046,445-7 | Confecciones Industriales S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,104,802-2 | Desarrollos Inmobiliarios Dos S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,883,720-1 | Desarrollos e Inversiones Internacionales S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP |
| 99,593,960-6 | Desarrollos Inmobiliarios S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 99,564,380-4 | Desarrollos Urbanos S.p.A. | - | 45,94 | 45,94 | 45,94 | CHILE | CLP |
| 76,788,282-3 | Digital Payments S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,039,672-9 | Dinalsa S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,212,492-0 | Falabella.com S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,046,433-3 | Falabella Inversiones Financieras S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,261,280-K | Falabella Retail S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,587,847-0 | Falabella Servicios Profesionales de TI S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,612,410-9 | Falabella Tecnología Corporativa Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,275,077-3 | Falabella Trading S.p.A. | - | 100 | 100 | - | CHILE | CLP |
| 76,142,721-0 | Gift Corp S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 78,627,210-6 | Hipermercados Tottus S.A. | - | 88 | 88 | 88 | CHILE | CLP |
| 99,500,360-0 | Home Trading S.A. | - | - | - | 100 | CHILE | CLP |
| 76,993,859-1 | IKSO S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,821,330-5 | Imperial S.A. | - | 60 | 60 | 60 | CHILE | CLP |
| 77,107,881-8 | Inmobiliaria Rentas Dos S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,951,230-0 | Inmobiliaria Mall Calama S.p.A. | - | 59,278 | 59,278 | 59,278 | CHILE | CLP |
| 96,824,450-7 | Inmobiliaria Mall Las Américas S.A. | - | 45,143 | 45,143 | 45,143 | CHILE | CLP |
| 76,007,317-2 | Invercol S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,282,188-5 | Inverfal Brasil S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,803,189-4 | Inverfal India S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,159,684-5 | Inverfal Uruguay S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,149,308-6 | Inversiones Brasil S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,319,068-4 | Inversiones India S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,141,046-6 | Inversiones Inverfal Argentina S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,141,045-8 | Inversiones Inverfal Colombia S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,647,930-2 | Inversiones Inverfal Perú S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,335,739-2 | Inversiones México S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,899,941-4 | Inversiones Mktp S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,054,094-3 | Inversiones Sodmin S.p.A. | - | - | 100 | 100 | CHILE | CLP |
| 76,159,664-0 | Inversiones Uruguay S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,042,509-5 | Inversiones y Prestaciones Venser Seis Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,167,965-1 | Logística Internacional Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,573,100-8 | Manufacturas de Vestuario Mavesa Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,042,371-8 | Nueva Falabella Inversiones Internacionales S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,308,853-7 | Nueva Inverfal Argentina S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,582,813-9 | Nueva Inverfal México S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are detailed as follows (continued):

| CHILEAN ID NUMBER | SUBSIDIARY | OWNERSHIP INTEREST | | | | COUNTRY | FUNCTIONAL CURRENCY |
|-------------------|---|--------------------------|----------------------------|-------------------------|-------------------------|----------|---------------------|
| | | Dec-31-20 DIRECT % | Dec-31-20 INDIRECT % | Dec-31-20 TOTAL % | Dec-31-19 TOTAL % | | |
| 76,023,147-9 | Nueva Inverfin S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,882,330-8 | Nuevos Desarrollos S.A. | - | 45.94 | 45.94 | 45.94 | CHILE | CLP |
| 77,110,043-0 | Open Plaza Chile S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 99,555,550-6 | Plaza Antofagasta S.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 76,882,090-2 | Plaza Cordillera S.p.A. | - | 45.94 | 45.94 | 45.94 | CHILE | CLP |
| 96,653,660-8 | Plaza del Trébol S.p.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 96,795,700-3 | Plaza La Serena S.p.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 96,653,650-0 | Plaza Oeste S.p.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 76,017,019-4 | Plaza S.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 76,034,238-6 | Plaza S.p.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 96,791,560-2 | Plaza Tobalaba S.p.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 76,677,940-9 | Plaza Valparaíso S.A. | - | 45.94 | 45.94 | 45.94 | CHILE | CLP |
| 96,538,230-5 | Plaza Vespucio S.p.A. | - | 59.278 | 59.278 | 59.278 | CHILE | CLP |
| 76,035,886-K | Prestadora de Servicios Telefónicos S.p.A. | - | - | - | 100 | CHILE | CLP |
| 76,027,825-4 | Promociones y Publicidad Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,000,935-0 | Promotora Chilena de Café Colombia S.A. | - | 65 | 65 | 65 | CHILE | CLP |
| 90,743,000-6 | Promotora CMR Falabella S.A. | - | 99.996 | 99.996 | 99.996 | CHILE | CLP |
| 76,434,317-4 | Promotora CMR Inversiones S.A. | - | 99.996 | 99.996 | 99.996 | CHILE | CLP |
| 76,201,304-5 | Rentas Hoteleras S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,099,010-6 | Seguros Falabella Corredores Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,235,510-6 | Servicios de Evaluaciones y Cobranzas Sevalco Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,427,811-9 | Servicios de Infraestructura Falabella S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,847,200-3 | Servicios e Inversiones Falabella Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 77,070,342-5 | Servicios Falabella S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,222,370-8 | Servicios Generales Bascuñán Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,579,870-6 | Servicios Generales Falabella Retail S.p.A. | - | - | - | 100 | CHILE | CLP |
| 76,012,536-9 | Servicios Generales Multibrand S.p.A. | - | - | - | 100 | CHILE | CLP |
| 76,383,840-4 | Servicios Generales Presertel S.p.A. | - | - | - | 100 | CHILE | CLP |
| 76,179,527-9 | Servicios y Garantías Falabella S.p.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 78,566,830-8 | Soc. de Cobranzas Legales Lexicom Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 99,556,170-0 | Falabella Inmobiliario S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 96,792,430-K | Sodimac S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 99,556,180-8 | Sodimac Tres S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,512,060-8 | Soluciones Crediticias CMR Falabella Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| 76,054,151-6 | Traineemac S.A. | - | 100 | 100 | 100 | CHILE | CLP |
| 78,745,900-5 | Trasciende Ltda. | - | 100 | 100 | 100 | CHILE | CLP |
| Foreign | Linio Asia Limited (Hong Kong) | - | 100 | 100 | 100 | CHINA | HKD |
| Foreign | Linio Consulting (Shenzhen) Co.,Ltda. | - | 100 | 100 | 100 | CHINA | CNY |
| Foreign | Shearvan Commercial (Shangai) | - | 100 | 100 | 100 | CHINA | CNY |
| Foreign | ABC de Servicios S.A.S. | - | 65 | 65 | 65 | COLOMBIA | COP |
| Foreign | Agencia de Seguros Falabella Ltda. | - | 65 | 65 | 65 | COLOMBIA | COP |
| Foreign | Banco Falabella S.A. | - | 65 | 65 | 65 | COLOMBIA | COP |
| Foreign | Falabella Colombia S.A. | - | 65 | 65 | 65 | COLOMBIA | COP |
| Foreign | Fondo de Capital Privado Mall Plaza De Colombia | - | 59.278 | 59.278 | 59.278 | COLOMBIA | COP |
| Foreign | IKSO S.A.S. | - | 51 | 51 | 51 | COLOMBIA | COP |
| Foreign | Inversiones Falabella de Colombia S.A. | - | 99.999 | 99.999 | 99.999 | COLOMBIA | COP |
| Foreign | Linio Colombia S.A.S. | - | 100 | 100 | 100 | COLOMBIA | COP |

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are detailed as follows (continued):

| CHILEAN ID NUMBER | SUBSIDIARY | OWNERSHIP INTEREST | | | | COUNTRY | FUNCTIONAL CURRENCY |
|-------------------|--|--------------------|---------------|------------|------------|------------------------|---------------------|
| | | Dec-31-20 | Dec-31-20 | Dec-31-20 | Dec-31-19 | | |
| | | DIRECT % | INDIRECT % | TOTAL % | TOTAL % | | |
| Foreign | Mall Plaza Colombia S.A.S. | - | 59.278 | 59.278 | 59.278 | COLOMBIA | COP |
| Foreign | Mall Plaza Servicios S.A.S. | - | 100 | 100 | 100 | COLOMBIA | COP |
| Foreign | Patrimonio Autónomo Centro Comercial Barranquilla | - | 38.532 | 38.532 | 38.532 | COLOMBIA | COP |
| Foreign | Patrimonio Autónomo Centro Comercial Cartagena | - | 59.278 | 59.278 | 59.278 | COLOMBIA | COP |
| Foreign | Patrimonio Autónomo Centro Comercial Manizales Dos | - | 47.424 | 47.424 | 47.424 | COLOMBIA | COP |
| Foreign | Patrimonio Autónomo Mall Plaza Cali | - | 59.278 | 59.278 | 59.278 | COLOMBIA | COP |
| Foreign | Patrimonio Autónomo Mall Plaza Calima Holding | - | 59.278 | 59.278 | - | COLOMBIA | COP |
| Foreign | Jade 1364 Gmbh & Co. 14. Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Dritte Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Erste Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Fünfte Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Sechste Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & co. Achte Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & co. Neunte Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & co. Elfte Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & co. Zwölfte Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & co. 13. Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & co. Achte Verwaltungs Kg | - | - | - | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Siebte Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Vierte Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Zehnte Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364 Gmbh & Co. Zweite Verwaltungs Kg | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Jade 1364. Gmbh | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | New Tin Linio I Gmbh | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Tin Jade Gmbh | - | 100 | 100 | 100 | GERMANY | EUR |
| Foreign | Centro Logístico Aplicado S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | CMR Falabella S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | Digital Factory S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | Falabella S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | Inversiones Falabella Argentina S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | Linio Argentina S.R.L. | - | 100 | 100 | 100 | ARGENTINA | ARS |
| Foreign | Productora de Seguros Falabella S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | Servicios de Personal Logístico S.A. | - | 99.999 | 99.999 | 99.999 | ARGENTINA | ARS |
| Foreign | Construdecor Properties Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Construdecor S.A. | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Construdecor Servicios Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Falabella Brasil Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Lille Investimentos | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Sodimac Brasil Ltda. | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Tenerife Emprendimientos e Participacoes Ltda | - | 100 | 100 | 100 | BRAZIL | BRL |
| Foreign | Ecuaelecommerce S.A. | - | 100 | 100 | 100 | ECUADOR | ECU |
| Foreign | Linio Miami Exports, Inc. | - | - | - | 100 | USA | USD |
| Foreign | Fallbrooks Properties Ltda. | - | 99.999 | 99.999 | 99.999 | BRITISH VIRGIN ISLANDS | CLP |
| Foreign | Shearvan Corporate S.A. | - | 100 | 100 | 100 | BRITISH VIRGIN ISLANDS | USD |
| Foreign | Falabella Corporate Services India Private Limited | - | 100 | 100 | 100 | INDIA | INR |
| Foreign | Shearvan Purchasing India S.A. | - | 100 | 100 | 100 | INDIA | INR |
| Foreign | Inverfal México S.A. de C.V. | - | 100 | 100 | 100 | MEXICO | MXN |
| Foreign | Bazaya Mexico S. de R.L. De C.V. | - | 100 | 100 | 100 | MEXICO | MXM |
| Foreign | Linio Latam Corp. | - | 100 | 100 | 100 | PANAMA | PAN |
| Foreign | Banco Falabella Perú S.A. | - | 99.759 | 99.759 | 99.759 | PERU | PEN |
| Foreign | Compañía San Juan S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are detailed as follows (continued):

| CHILEAN ID NUMBER | SUBSIDIARY | OWNERSHIP INTEREST | | | | COUNTRY | FUNCTIONAL CURRENCY |
|-------------------|--|--------------------------|----------------------------|-------------------------|-------------------------|---------|---------------------|
| | | Dec-31-20 DIRECT % | Dec-31-20 INDIRECT % | Dec-31-20 TOTAL % | Dec-31-19 TOTAL % | | |
| Foreign | Contac Center Falabella S.A.C. | - | 99.759 | 99.759 | 99.759 | PERU | PEN |
| Foreign | Corredora de Seguros Falabella S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Digital Payment Perú S.A.C | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Falabella Corporativo Perú S.A.C | - | 99.759 | 99.759 | 99.759 | PERU | PEN |
| Foreign | Falabella Perú S.A.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Falabella Servicios Generales S.A.C. | - | 99.759 | 99.759 | 99.759 | PERU | PEN |
| Foreign | Falabella Tecnología Perú S.A.C. | - | 99.759 | 99.759 | 99.759 | PERU | PEN |
| Foreign | Falapuntos S.A.C | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Gemma Negocios S.A.C. | - | 60.386 | 60.386 | 60.386 | PERU | PEN |
| Foreign | Gestiones Integrales de Servicios S.A.C. | - | 99.15 | 99.15 | 99.15 | PERU | PEN |
| Foreign | Hipermercados Tottus Iquitos S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Hipermercados Tottus Oriente S.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Hipermercados Tottus S.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | IKSO S.A.C. | - | 100 | 100 | 100 | PERU | PEN |
| Foreign | Industrias Delta S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Inmobiliaria Domel S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Inmobiliaria Kainos S.A.C. | - | 99.758 | 94.758 | 94.758 | PERU | PEN |
| Foreign | Inmobiliaria ISIC S.A. | - | 98.39 | 98.39 | 98.39 | PERU | PEN |
| Foreign | Inverfal Perú S.A.A. | - | 100 | 100 | 100 | PERU | PEN |
| Foreign | Inversiones Corporativas Beta S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Inversiones Corporativas Gamma S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Inversiones Falabella S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Linio Perú S.A.C. | - | 100 | 100 | 100 | PERU | PEN |
| Foreign | Logística Y Distribución S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Maestro Perú Amazonia S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Mall Plaza Inmobiliaria S.A. | - | 86.266 | 86.266 | 86.266 | PERU | PEN |
| Foreign | Mall Plaza Perú S.A. | - | 86.265 | 86.265 | 86.265 | PERU | PEN |
| Foreign | Open Plaza S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Saga Falabella Iquitos S.A.C. | - | 97.799 | 97.799 | 97.799 | PERU | PEN |
| Foreign | Saga Falabella Oriente S.A.C. | - | 97.799 | 97.799 | 97.799 | PERU | PEN |
| Foreign | Saga Falabella S.A. | - | 97.799 | 97.799 | 97.799 | PERU | PEN |
| Foreign | Salón Motor Plaza S.A. | - | 59.278 | 59.278 | 59.278 | PERU | PEN |
| Foreign | Sodimac Perú Oriente S.A.C. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Tiendas de Mejoramiento del Hogar S.A. | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Open Plaza Corporativo Perú S.A.C | - | 99.758 | 99.758 | 99.758 | PERU | PEN |
| Foreign | Falabella Sucursal Uruguay S.A. | 100 | - | 100 | 100 | URUGUAY | CLP |
| Foreign | Homecenter Sodimac S.A. | - | 100 | 100 | 100 | URUGUAY | UYU |
| Foreign | Inversiones Falabella Uruguay S.A. | - | 100 | 100 | 100 | URUGUAY | UYU |
| Foreign | Inversora Falken S.A. | - | 100 | 100 | 100 | URUGUAY | CLP |
| Foreign | Josmir S.A. | - | 100 | 100 | 100 | URUGUAY | UYU |
| Foreign | Tever Corp S.A. | - | 100 | 100 | 100 | URUGUAY | CLP |

The consolidation includes subsidiaries of subsidiaries controlled by Falabella, even when the total direct and indirect participation represents less than a 50% of voting rights.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.6. Conversion of Foreign Subsidiaries

Assets and liabilities of foreign subsidiaries with a functional currency other than the Chilean peso are converted into Falabella S.A.'s presentation currency (the Chilean peso) at the exchange rate on the date of the statement of financial position, and its statement of net income is converted at the average exchange rates for each month, in accordance with IAS 21. Foreign exchange differences arising from the conversion are recorded in "Other Reserves" as a separate component of equity. At the disposal of a foreign company, the accumulated deferred amount recognized in equity specifically relating to this foreign business shall be recognized in the income statement.

Any goodwill arising from the acquisition of a foreign business and any adjustment to fair value of the book values of assets and liabilities that arise from the acquisition is treated as an asset and liability of the foreign business in the functional currency of this company and is converted to Chilean pesos at the exchange rate on the reporting date.

Argentina's economy has been regarded as hyperinflationary with effect from July 1, 2018, according to the criteria established in IAS 29 "Financial Reporting in Hyperinflationary Economies". This treatment was based on qualitative and quantitative criteria, with the most significant being a cumulative inflation rate exceeding 100% over the past three years.

Non-monetary items were restated from their original values and subsequently converted from the Argentine peso to Chilean Pesos at the exchange rate as of the reporting date, in accordance with IAS 21 for hyperinflationary economies. Previously, the statement of income for Argentine subsidiaries was converted at the average exchange rate for each month, which also applies to the statement of income for the remaining operating subsidiaries in other countries whose economies are not regarded as hyperinflationary.

The functional and presentation currency of Falabella S.A. is not the currency of a hyperinflationary economy, according to the guidelines established by IAS 29. Therefore, comparative periods do not need to be restated in Falabella's consolidated financial statements.

2.7. Foreign Currency Conversion

Foreign currency is any currency other than the functional currency of a company. Transactions in foreign currencies are initially recorded at the exchange rate of the company's functional currency as of the transaction date. Monetary assets and liabilities denominated in foreign currency are converted at the exchange rate of the functional currency as of their settlement date or closing date of the statement of financial position. All these conversion differences are included in net income or losses, except for differences on liabilities in foreign currencies that provide hedges for net investments in foreign companies, and/or assets and liabilities in foreign currencies that are an integral part of the investment in foreign subsidiaries. These are recorded directly in equity, in the "Other Reserves" account, until disposal of the net investment, at which time they are recognized as net income or losses.

The foreign currency exchange rates and the Unidad de Fomento (Chilean monetary unit indexed to the rate of inflation) rate to the Chilean peso as of December 31, 2020 and 2019 are the following:

| | Dec-31-20 | Dec-31-19 |
|------------------------|-----------|-----------|
| US dollar (USD) | 710.95 | 748.74 |
| Peruvian new sol (PEN) | 196.36 | 226.14 |
| Argentine peso (ARS) | 8.45 | 12.51 |
| Uruguayan peso (UYU) | 16.87 | 20.11 |
| Euro (EUR) | 873.30 | 839.58 |
| Colombian peso (COP) | 0.21 | 0.23 |
| Brazilian real (BRL) | 137.33 | 186.51 |
| Indian rupee (INR) | 9.70 | 10.50 |
| Chinese yuan (CNY) | 109.23 | 107.31 |
| Unidad de Fomento (UF) | 29,070.33 | 28,309.94 |
| Mexican peso (MXN) | 35.68 | 39.64 |

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.8. Financial Information by Operating Segment

Segment information is presented in accordance with IFRS 8 "Operating Segments," in a manner that is consistent with the internal reports that are regularly reviewed by Falabella's Management for use in decision-making regarding the allocation of resources and evaluating the performance of each operating segment. Income attributed to geographical regions is based on the location of the respective businesses. Note 36 presents the reporting requirements for IFRS 8 and Information on Assets, Liabilities and Income by Segments.

2.9. Investments in Associates

Associates are all companies over which the Company exercises significant influence but not control, which is generally accompanied by a share of between 20% and 50% of the voting rights, as stated in IAS 28 "Investment in Associates." Investments in associates are accounted for using the equity method and are initially recognized at cost. Investments in associates are presented in the statement of financial position together with goodwill identified in the acquisition of the associate, net of any accumulated impairment loss.

Under the equity method, the investment in an associate is recorded in the statement of financial position at cost plus the Company's share in the increase or decrease in the equity of the associate. The statement of income reflects the Company's interest in the income of the associate. When there has been a change recognized directly in the associate's equity, the Company recognizes its interest in that change and discloses it in the statement of changes in equity. The accounting policies of associates conform to those used by the Company.

2.10. Property, Plant and Equipment

Property, plant and equipment items are recorded at cost and are presented net of accumulated depreciation and impairment as applicable, except for land which does not depreciate.

Cost includes the acquisition price and all costs directly related to the location of the asset in the place and under the conditions necessary for it to be able to operate in the manner foreseen by Management, in addition to the initial estimate for the dismantling, withdrawal or partial or total removal of the asset, as well as reconditioning of the place where it is located, when the Company is obligated to do so. For construction in progress, the cost includes expenses of directly related employees and others of an operating nature attributable to the construction, as well as finance expenses related to external financing accrued during the construction period. The interest rate used to capitalize finance expenses corresponds to specific asset financing or, when not available, the Company's average financing rate.

Costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency, and therefore an extension of the useful lives of assets, are capitalized as an increase in the cost of the corresponding assets. Regular maintenance, conservation and repair expenses are expensed in the year in which they are incurred. A property, plant and equipment item is derecognized at the time of its disposal or when no future financial benefits are expected from its use or disposal. Any gain or loss that arising from derecognizing an asset, calculated as the difference between the asset's net disposal value and net book value, is taken to the statement of net income in the year it is derecognized.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.10. Property, Plant and Equipment (continued)

Depreciation begins when the assets are available for use, i.e. when they are at the location and under the conditions necessary to operate in the manner foreseen by Management. Depreciation is calculated using the straight-line method over the estimated useful financial lives of assets, up to their residual amount. Estimated financial useful lives by category are detailed as follows:

| Category | Range |
|---------------------------|----------------|
| General constructions | 50 to 80 years |
| Exterior works | 20 years |
| Furniture and accessories | 4 to 10 years |
| Fixtures and fittings | 10 to 35 years |
| Machinery and equipment | 2 to 20 years |
| Vehicles | 5 to 7 years |

Assets located on leased properties, structural work and facilities depreciate over the term of the lease or their estimated useful financial lives for the corresponding category, including contract renewals, whichever is less.

This item includes "Right of use assets" arising from the application of IFRS 16, which are depreciated over the term of the respective lease agreements.

Probable residual values of assets, their useful lives and depreciation methods are reviewed as of each reporting date and adjusted if applicable as a prospective change in estimate.

2.11. Investment Properties

Investment properties are real estate (land and buildings) that are held by Falabella to receive financial benefits from renting them or to capital appreciation by merely holding them, which are measured at cost. Investment properties and investment properties under construction are recorded at cost and presented net of their accumulated depreciation and accumulated impairment as applicable, except for land which is not subject to depreciation.

Falabella owns shopping centers containing its own stores and stores leased to third parties. In these cases, only the portion leased to third parties is considered investment properties. The company's own stores are recognized as property, plant and equipment in the statement of financial position.

The acquisition cost and all other costs associated with investment properties, as well as the effects of depreciation and the treatment of derecognized assets are recorded in the same manner as property, plant and equipment, as described in Note 2.10.

The estimated financial useful lives for the main elements of investment properties are detailed as follows:

| Category | Range |
|-------------------------|----------------|
| Buildings | 80 years |
| Exterior works | 20 to 30 Years |
| Facilities | 20 years |
| Machinery and equipment | 5 to 8 years |

This item includes "Right of use assets" arising from the application of IFRS 16, which are depreciated over the term of the respective lease agreements.

The residual values of assets, their useful lives and depreciation methods are reviewed as of each reporting date and adjusted if applicable as a prospective change in estimate.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.12. Goodwill

At the date of transition to IFRS, the Company chose not to revisit its business combinations prior to this date, in accordance with IFRS 1.

Subsequently, goodwill represents the excess total compensation paid for the acquisition of an investment in a subsidiary or associate, over the fair value of the net identifiable assets at the date of acquisition.

After the initial recognition of goodwill, it is measured at cost less any accumulated impairment loss, as appropriate.

Goodwill related to the acquisition of subsidiaries is subject to annual impairment testing. Goodwill is allocated to cash generating units (or groups of cash generating units, or "CGUs") that are expected to benefit from the synergies of a business combination, for impairment testing purposes.

Goodwill related to acquisition of interests in Associates is presented together with the respective investment under "Investments Accounted for Using the Equity Method" in the statement of financial position, and is subject to impairment testing together with the value of the investment in the Associate should there be any indicators of a potential loss of value.

The Company tests goodwill impairment every year in accordance with IFRS, and has found no impairment.

2.13. Intangible assets

Intangible assets acquired separately are measured at acquisition cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. After the initial recognition of intangible assets with defined useful lives, they are recorded at cost less any accumulated amortization and any accumulated impairment loss, as appropriate. Intangible assets generated internally are software programs developed for the Company's use. Costs associated with software development are capitalized when the completion of their development is considered possible, Management has the intention and the capacity to use or sell the intangible asset, disbursements attributable to the asset can be valued and it has been determined that the intangible asset will generate future financial benefits. Research costs are directly incorporated into income.

Useful lives of intangible assets are evaluated as finite or indefinite. Intangible assets with finite lives are amortized linearly during their estimated useful financial lives, and they are evaluated whenever there is an indication of impairment. The amortization term and method for intangible assets with finite lives are reviewed at each reporting date. Changes resulting from these evaluations are treated prospectively as changes in the accounting estimates

Intangible assets with indefinite useful lives are not amortized and their impairment is evaluated annually. The useful life of an intangible asset with indefinite useful life is reviewed annually. Currently, since the commercial trademarks have no expiration date and there is intention to use them in an indefinite manner, the Company has determined to allocate an indefinite useful life to specific trademarks acquired in business combinations. If applicable, the change in evaluation of useful lives from indefinite to definite is made on a prospective basis.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.13. Intangible Assets (continued)

The Company tests impairment of intangibles with indefinite useful lives annually as required by IFRS, and has not identified any impairment whatsoever.

The estimated useful lives for each category of intangible asset are detailed as follows:

| Category | Range |
|---|---------------|
| Commercial trademarks acquired in business combinations | Indefinite |
| Internally developed software | 3 to 10 years |
| Patents, registered trademarks and other rights | 5 to 10 years |
| Computer programs | 4 to 10 years |
| Other intangible assets | 5 to 10 years |

2.14. Impairment of Non-Current Assets

The Company evaluates whether there are any indications that an asset might be impaired as of each reporting date. If such indications are detected, or impairment is identified as a result of annual impairment testing for goodwill and intangible assets with indefinite useful lives, the Company estimates the recoverable amount of the asset. When the book value of an asset exceeds its recoverable amount, the asset is considered impaired and is decreased to its recoverable amount. The recoverable amount is the greater of its fair value less selling costs, or its value in use.

2.15. Inventories

Inventory is recorded at cost or net realizable value, whichever is less. Cost includes the purchase price plus additional costs necessary to bring each product to its current location and condition, net of trade discounts and other discounts. The net realizable value is the estimated selling price during the ordinary course of business, less estimated costs required to complete the sale. The net realizable value is also measured in terms of obsolescence based on the particular characteristics of each inventory item. Cost is calculated using the weighted average method.

2.16. Assets held for sale and discontinued operations

Non-current assets with a book value that will be recovered through a sales transaction and not through ongoing use are classified as held for sale and discontinued operations. This condition is considered to have been satisfied only when the sale is highly probable and the asset is available for sale in its current condition.

These assets are valued at their book value or their realizable fair value, whichever is less.

As of December 31, 2020 and 2019, the assets presented under this category belong to two subsidiaries, Sodimac S.A. and Plaza S.A. and include properties held for sale that comply with the criteria stated in the preceding paragraph.

2.17. Financial Instruments

Falabella recognizes financial assets and liabilities when it assumes the obligations or acquires the contractual rights to them.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments (continued)

2.17.1. Financial Assets

2.17.1.1. Recognition, Measurement and Withdrawal of Financial Assets

Financial assets within the scope of IFRS 9 are classified at initial recognition as financial assets at fair value through profit and loss, financial assets at amortized cost, or financial assets at fair value through comprehensive income. Where allowed and appropriate, this designation is re-evaluated as of each reporting date.

When financial instruments are initially recognized, they are measured at fair value, and the costs or gains directly attributable to the transaction are recognized in the income statement. Financial assets are subsequently measured at their fair value, except for loans and receivables, and investments classified as held to maturity, which are measured at amortized cost using the effective rate method.

The adjustment of assets recorded at fair value is recorded in the income statement, except for investments held for sale whose adjustment to market value is recognized as a separate component of equity, net of applicable deferred tax.

Financial assets are derecognized when the rights to receive cash flows from them have expired or have been transferred, and Falabella has substantially transferred all risks and benefits arising from their ownership.

2.17.1.2. Cash and Cash Equivalents

Cash equivalents comprise cash, bank balances, short-term deposits with original maturity of three months or less, and other money-market securities easily convertible to cash, which are subject to insignificant risk of changes in value.

The cash flow statement classifies cash-generating activities as follows:

- Operating activities: The main source of ordinary revenue and expenses of businesses in subsidiaries, as well as activities that cannot be classified as investing or financing.
- Investing activities: Those activities involving the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: Those activities that produce changes in the size and composition of net equity and financial liabilities.

2.17.1.3. Assets pledged as guarantee subject to sale or a new pledge

The consolidated statement of financial position includes balances of financial assets, loans, receivables and cash equivalents that cover debt obligations held by the Company through a guaranteed portfolio. The Company cannot freely dispose of these balances since they are restricted to the payment of related obligations.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments (continued)

2.17.1. Financial Assets (continued)

2.17.1.4. Impairment of Financial Assets

The Company assesses whether a financial asset or group of financial assets is impaired as of each reporting date.

The main financial assets subject to impairment due to contractual non-compliance of the counterparty are assets recorded at amortized cost (loans and receivables).

IFRS 9 requires that expected credit losses on loans and receivables are recognized either on a twelve-month basis or over their entire remaining life.

Falabella has used a three-stage approach to measure expected credit losses for "financial receivables" within the non-banking business, and "customer's loans and receivables" within the banking business.

This approach monitors receivables and classifies their trends according to the following categories, which are based on any changes to the credit risk since the financial asset was initially recognized.

- Allowance category1:

This category contains those financial assets whose credit risk has not significantly increased since initial recognition, and do not exhibit any objective evidence of impairment. This category recognizes the portion of any expected credit loss caused by potential default events within twelve months of the reporting date.

- Allowance category2:

This category contains those financial assets whose credit risk has significantly increased since initial recognition, although they do not exhibit any objective evidence of impairment. This category recognizes the portion of any expected credit loss caused by potential default events throughout the life of the financial instrument.

- Allowance category3:

This category defines an impaired financial asset as one that meets one or more objective impairment events that have a detrimental impact on expected future cash flows from that asset. This category defines arrears of over ninety days as objective impairment evidence, among others. This category recognizes the portion of any expected credit loss caused by potential default events throughout the remaining life of the financial instrument.

The loss is measured as the difference between the book value of the asset and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate, which is the effective interest rate used at initial recognition. The book value of the asset is reduced using an allowance account.

Falabella uses the simplified model established by IFRS 9 to recognize expected loss allowances on receivables within a non-banking business, excluding "financial receivables". It has established an allowance matrix based on historical experience of credit losses, adjusted for specific prospective factors that apply to debtors and to Falabella's economic environment.

If an impairment loss decreases in a subsequent period and the decrease can be objectively related to an event that occurred after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the book value of the asset does not exceed its amortized cost as of the reversal date.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments (continued)

2.17.2. Financial Liabilities

2.17.2.1. Recognition, Measurement and Withdrawal of Financial Liabilities

All obligations to the public and to financial institutions are initially recognized at fair value, net of costs incurred in the transaction. After initial recognition, obligations and loans that accrue interest are subsequently measured at amortized cost, recognizing in the income statement any higher or lower value on the term of the respective debt using the effective interest rate method, unless they are designated items hedged in a fair value hedge.

Financial liabilities are derecognized when the obligations specified in such contracts are settled, expired or waived.

2.17.2. Financial Derivatives and Hedge Instruments

The Company uses derivative financial instruments such as currency forward contracts and swaps to hedge its risks associated with fluctuations in interest rates and exchange rates. Those derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is signed and are subsequently measured at fair value in an ongoing manner. Any gain or loss during the year arising from changes in the fair value of derivatives that do not qualify for hedge accounting is recorded directly in the statement of income.

2.17.3. Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a legal right to receive or pay the net value and the Company intends to settle them on a net basis or to recover the assets and settle the liabilities in a simultaneous manner as of the reporting date.

2.18. Leases

As of January 1, 2019, IFRS 16 introduces a single lease accounting model and requires a lessee to recognize the assets and liabilities of all leases with a duration of over 12 months. A lessee is required to recognize a 'right of use asset' representing its right of use the underlying leased asset and a 'lease liability' representing its lease payment obligations.

A lease is a contract or part of a contract that conveys the right to use an asset for a period in exchange for payment, where substantially all the risks inherent in ownership of the underlying asset may or may not be transferred.

Right of use assets are presented within the item "Property, plant and equipment" or in the item "Investment property" and liabilities are presented in "Leasing liabilities" in the statement of financial position.

Lease payments that are contingent in nature are recognized as an expense for the period in which payment is probable.

The Company has undertaken certain sales transactions with leaseback agreements, which are classified as leases. Gains or losses derived from the initial sale of such assets are deferred over the term of the lease.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.19. Provisions

Provisions are recorded when the Company has a legal or implied obligation as a result of a past event, it is likely that a payment will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are discounted to their present value if it is estimated that the discount effect is significant.

Provisions for expected losses on the unused portion of credit lines are presented under this heading, as required by IFRS 9.

2.20. Liabilities for technical reserves and claims payable

The subsidiary C.F. Seguros de Vida S.A. has recorded unexpired risk reserves, mathematical life reserves (technical reserves) and provisions for claims payable. The Company has also recorded assets equivalent to the participation of reinsurers in each of these technical reserves, as a result of the risks assumed.

Assets and liabilities are disclosed in "Other non-financial assets" and "Other non-financial liabilities" in the statement of financial position.

2.21. Minimum Dividend

According to Article 79 of Law 18,046, publicly traded corporations in Chile must distribute at least 30% of their net income for each year to their shareholders. By virtue of the Company's legal obligation, an equivalent liability has been recorded which also includes the portion of the minimum dividend of subsidiaries that are publicly traded corporations, in which there is a non-controlling interest. This liability is recorded in "Trade and Other Payables, Current" as of December of each year, and the movement for the year is recorded in the Statement of Changes in Equity in the "Increase (decrease) due to transfers and other changes" line.

2.22. Defined Employee Benefits Plans

The Company provides certain short-term benefits to its employees in addition to remuneration, such as bonuses, vacations and holiday bonuses. In addition, the Company provides specific defined benefits plans to some of its employees. The cost of providing benefits under defined benefits plans is determined separately for each plan, in accordance with IAS 19 "Employee Benefits." Employee benefit liabilities represent the present value of obligations under the plans, which are discounted using the interest rates of government bonds denominated in the currency in which the benefits will be paid with similar terms to the duration of the respective obligations.

Actuarial gains or losses that are related to adjustments for experience and changes in variables are recognized as "Other Comprehensive Income" and form part of "Other Reserves" under equity.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.23. Share-Based Compensation Plans

The Company has granted specific share-based compensation plans for its executives, which are paid in cash. These plans are disclosed in "Provisions for Employee Benefits" in the consolidated statement of financial position and are measured at fair value, in accordance with IFRS 2.

The charge or credit to the consolidated statements of comprehensive income is recorded in "Administrative Expenses" in the company where the executive provides the related services.

2.24. Revenue recognition

Operating revenue is the consideration received or receivable to which the Company has the right in exchange for transferring goods or services to a customer. The Company has analyzed all relevant facts and circumstances in applying each step of the model established by IFRS 15 to contracts with its customers: identify the contract, identify its performance obligations, identify the transaction price, assign the price, and recognize the revenue.

Revenue is measured at the fair value of the consideration received, excluding discounts, deductions and other sales taxes. The following specific recognition criteria must also be fulfilled before recognizing revenue:

- Sale of goods

Revenue from the sale of goods is recognized when the significant risks and benefits of ownership of the goods have been transferred to the purchaser, which generally occurs when the goods are physically delivered.

- Services provided (includes fees from bank services)

Revenue is recognized according to the degree of completion. When the results of contracts cannot be reliably measured, revenue is recognized only to the extent that expenses incurred are recoverable.

- Interest income

Interest income related to the Financial Retail business is recognized to the extent that interest is accrued using the effective interest rate method. The Company stops recognizing interest income when it considers that its recoverability is improbable, which generally occurs when it is 90 days overdue.

- Lease revenue

Lease income is recognized on an accrual basis, except for minimum income arising from the leasing of investment properties, which is recognized using the straight-line method over the term of the lease.

- Sales on behalf of third parties

When the Company acts as a representative, agent or broker in the sale of goods or services produced by other agents, revenue is recorded on a net basis. Therefore, only the commission or share received is recorded as revenue. The status of agent is established by considering whether the product is explicitly sold in the name of the supplier, and whether it assumes any product risks and responsibility for the product and its sales price.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.25. Cost of sales

Cost of sales includes the acquisition cost of the products sold and other costs incurred to bring inventory to the locations and the conditions necessary for its sale. These costs mainly include acquisition costs net of discounts, non-recoverable import expenses and duties, insurance and transporting products to distribution centers.

Cost of sales also includes interest expenses and impairment losses on the receivable loans portfolio related to our Financial Retail business and the depreciation cost of Falabella's investment properties.

Costs at banking subsidiaries include interest and indexation expenses, commission expenses and credit risk allowances, which are presented on separate lines in the banking business section of the statement of comprehensive income.

2.26. Income Tax

2.26.1. Income Tax

Tax assets and liabilities are the amounts expected to be recovered from or paid to the tax authorities of each country. Tax rates and tax laws used to compute the amount are those enacted as of the date of the statement of financial position. Income tax related to items recognized directly in equity is recognized in equity and not in the statement of income.

2.26.2. Deferred Tax

Deferred tax is calculated on the temporary differences as of each reporting date between the tax value of assets and liabilities and their book values for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences including tax losses, provided that sufficient taxable profits are expected in the future to absorb these deductible temporary differences, unused tax credits and tax losses.

The book value of deferred tax assets is reviewed as of the reporting date and reduced to the extent that it is no longer probable that there will be sufficient taxable profits to absorb all or part of the deferred tax asset. Deferred taxes related to items recorded directly in equity, are recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are presented net in the statement of financial position if there is a legally enforceable right to offset tax assets against tax liabilities and the deferred tax is related to the same company and the same tax authority.

2.27. Deferred Income

The Company records deferred income on various transactions for which it receives cash, but for which the conditions for revenue recognition described in subsection 2.24 above have not been fulfilled, such as prepayments for services being provided, sales of products for which dispatch has not occurred, gift cards, and cash initially received for lease agreements on Falabella's investment properties. In addition, the portion of the sale associated with the subsequent delivery of products in customer loyalty programs is recognized as deferred revenue.

Deferred revenue from customer loyalty programs is recognized at the market value of the benefits provided to customers, adjusted by their historical maturity experience. Deferred revenue is presented under "Other Non-Financial Liabilities" in the statement of financial position.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.28. Estimates, Judgment and Key Assumptions

Key assumptions with respect to the future and other key sources of uncertainty in estimates as of the reporting date, which have a significant risk of causing a material adjustment to the book values of assets and liabilities are presented below:

- Useful lives and residual values of Intangible Assets, Property, Plant and Equipment, and Investment Properties

The useful lives and residual values of the components of Intangible Assets with defined useful lives, Property, Plant and Equipment, and Investment Properties involve judgment and assumptions that might be affected should circumstances change. Management regularly reviews these assumptions and adjusts them on a prospective basis if a change is identified.

- Impairment of Goodwill and Intangible Assets with Indefinite Useful Lives

The Company conducts impairment testing on goodwill and intangible assets with indefinite useful lives on an annual basis. These tests require an estimate of the "value in use" of the cash generating units to which goodwill and intangible assets with indefinite useful lives are associated. "Value in use" requires Management to estimate the future expected cash flows of the cash generating unit (or group of CGUs), and choose an appropriate discount rate to calculate the present value of these cash flows.

- Deferred Tax Assets

Deferred tax assets are recognized for all temporary deductible differences between the financial and tax base of assets and liabilities, and for unused tax losses, to the extent that there will be probable taxable profits against which the losses can be used, and whether there are sufficient taxable temporary differences to absorb them. Management use significant judgment to value deferred tax assets based on the probable timing of projected taxable profits.

- Employee Benefits

The cost of employee benefits that qualify as defined benefit plans in accordance with IAS 19 "Employee Benefits" is calculated using actuarial valuations. The actuarial valuation involves assumptions regarding discount rates, future salary increases, employee turnover rates and mortality rates, among other things. Due to the long-term nature of these plans, those estimates are subject to a significant amount of uncertainty.

- Fair Value of Assets and Liabilities

In certain cases IFRS require that assets and liabilities be recorded at fair value. Fair value is defined as the price at which an asset would be sold, or the price paid to transfer a liability, in an orderly transaction between market participants at the date of measurement (disposal price). When measuring the fair value, the company considers the characteristics of the asset or liability in the same way that market participants would take those characteristics into account when determining the price of said asset or liability on the measurement date. The basis for measurement of assets and liabilities at their fair value is their current prices in active markets. In their absence, the Company estimates those values on the basis of the best information available, including the use of models or other valuation techniques.

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.28. Estimates, Judgment and Key Assumptions (continued)

- Fair Value of Assets and Liabilities (continued)

Derivative instruments are assets and liabilities that are measured at fair value in the statement of financial position. The notes to the financial statements disclose the fair value of investment properties (Note 15) and the market value of financial liabilities (Note 34). Fair value is established by applying the following hierarchies:

- Level 1: List price (not adjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs other than list prices that are included in Level 1 and which may be observed for assets and liabilities, whether directly (i.e. as price) or indirectly (i.e. price derivative).
- Level 3: Inputs for assets or liabilities which are not based on observable market information (unobservable inputs).

- Share-based Payments

The Company estimates the fair value of share based compensation plans provided to its executives. That value is estimated as of the grant date using an appropriate valuation model, taking into consideration the terms and conditions under which the instruments were granted.

- Loan Allowances

The Company recognizes loan allowances based on the requirements of IFRS 9 as indicated in paragraph 2.17.1.4.

- Obsolete Inventory

The Company records provisions for obsolete inventory based on the specific characteristics of each inventory item, and its use. This provision is reviewed at each reporting date.

- Customer Loyalty Programs

The Company has loyalty programs for the use of its credit card, through which "points" are given which can be exchanged for products within a fixed period. Points granted in sales transactions are recorded as a separate component of the sale, equivalent to the recording of the sale of products pending dispatch, in accordance with IFRS 15. The market value of the points granted is recorded as deferred revenue, adjusted by the estimated rate of benefits lapsing as they expire. The estimated rate of benefits lapsing is determined using historical data of expired unused points.

Although these estimates have been performed using the best information available on the date these consolidated financial statements were issued, it is possible that events that might take place in the future could force them to be modified (upward or downward) in future periods, which would be carried out prospectively, recognizing the effects of changes in estimate in the corresponding future consolidated financial statements.

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and interpretations of the IFRS Interpretations Committee)

Improvements and amendments to IFRS as well as interpretations that have been published during the year are detailed below. At the date of these financial statements, these standards have not yet taken effect and the Company has not applied them early:

a) New accounting pronouncements:

| | New Accounting Pronouncements | Mandatory effective date |
|---------|-------------------------------|--------------------------|
| IFRS 17 | Insurance contracts | January 1, 2020 |

IFRS 17 "Insurance Contracts"

The IASB issued IFRS 17 "Insurance Contracts" in May 2017, a new accounting standard specifically for insurance contracts covering recognition, measurement, presentation and disclosure. It will replace IFRS 4 "Insurance Contracts" issued in 2005, when it becomes mandatory. The new standard applies to all insurance contracts, regardless of the entity that issued them.

The IASB issued an exposure draft of IFRS 17 with proposed amendments. The IASB proposed 12 specific amendments in eight areas, including the deferral of the application date of IFRS 17 for two years. In March 2020, the IASB deferred the application date of IFRS 17 to January 1, 2023

The Company is evaluating the potential impact of this standard

b) Improvements and amendments

| | Improvements and amendments | Mandatory effective date |
|---------------------|--|--------------------------|
| IAS 16 | Property, plant and equipment: Proceeds before Intended use | January 1, 2022 |
| IAS 1 | Classification of liabilities as current and non-current | January 1, 2023 |
| IAS 37 | Onerous contracts: Cost of fulfilling a contract | January 1, 2022 |
| IFRS 10 and IAS 28: | Consolidated Financial Statements: Sale or transfer of assets between an investor and its associate or joint venture | To be determined |

IAS 16 "Property, plant and equipment: Proceeds before Intended use"

The amendment prohibits companies from deducting from the cost of property, plant and equipment any sales proceeds while bringing that asset to the location and condition required for it to operate in the manner intended by management. Instead, a company shall recognize any sales proceeds and their cost in net income for the period, in accordance with accounting standards.

The amendments are effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively only to items of property, plant and equipment available for use on or after the beginning of the financial statements in which the company first applies the amendment.

The Company is evaluating the potential impact of this standard

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

b) Improvements and Amendments (continued)

IAS 1 "Classification of liabilities as current and non-current"

The IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements when classifying liabilities as current or non-current.

The amendments are effective for periods beginning on or after January 1, 2023, and should be applied retrospectively. The amendments clarify that the classification of liabilities as current or non-current is based on the rights at the end of the reporting period and specify that the classification is not affected by expectations about whether the company will exercise its right to defer settlement of a liability.

The Company is evaluating the potential impact of this standard

IAS 37 "Onerous contracts - cost of fulfilling a contract"

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs that a company needs to include when assessing whether a contract is onerous or loss-making.

The amendments are effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively to contracts at the beginning of the annual reporting period that the Company first applies the amendment. Early application is permitted and must be disclosed.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Companies that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contracts, while companies that previously recognized provisions for contract losses using the guidance in the previous standard, IAS 11 "Construction Contracts", should exclude the allocation of indirect costs from their provisions.

The Company is evaluating the potential impact of this standard

IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (2011) address an recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) that prescribe the treatment applicable to the sale or contribution of assets between an investor and its associate or joint venture.

The amendments were issued in September 2014 and establish that when transactions involve a business (whether or not in a subsidiary) a gain or loss should be fully recognized. They recognize a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary. The mandatory date for applying these amendments is undetermined, as the IASB is awaiting the results of their research project into accounting using the equity method. These amendments should be applied retrospectively and early adoption is permitted, which must be disclosed.

The Company is evaluating the potential impact of this standard

Falabella S.A. and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

c) New accounting standards adopted by Falabella:

The most significant IFRS standards that became mandatory as of the reporting date, together with their nature and impact, are detailed as follows:

Amendment to IFRS 16 "COVID-19-related rent concessions"

In May 2020, the IASB issued an amendment to IFRS 16 "Leases" to provide relief to lessees when applying IFRS 16 guidance related to lease amendments for rent reductions as a direct result of the COVID-19 pandemic. The amendment does not apply to lessors.

As a practical solution, a lessee can choose not to assess whether the COVID-19-related rent reduction granted by a lessor is a lease amendment. A lessee that chooses to do so will recognize changes in lease payments from rent reductions related to COVID-19 in the same manner as it would recognize the change under IFRS 16 as if such change were not a lease amendment.

This interpretation is applicable for accounting periods beginning on or after June 1, 2020.

This amendment was adopted by the Company on the required application date.

IFRS 16 "Leases"

The IASB issued IFRS 16 "Leases" in January 2016. IFRS 16 defines a lease contract and specifies the accounting treatment of assets and liabilities arising from these contracts for both lessors and lessees. The standard does not significantly differ from the previous standard, IAS 17 Leases, with regard to the accounting treatment for lessors. There are recognition exemptions for short-term leases and low-value leases. However, the standard for lessees requires the recognition of assets and liabilities for the majority of lease contracts.

Falabella adopted the new standard on the required date and has chosen not to restate comparative information, in accordance with IFRS 16. It has recognized the effects of this standard in the initial balance for "Retained earnings" within equity.

The impact of this approach is summarized as follows:

| Initial adoption of IFRS 16 | Jan 01-19 ThCh\$ |
|--|----------------------|
| Right of use assets | 855,572,300 |
| Leasing liabilities | (1,001,756,901) |
| Effect on investments in associates (Note 11) | (10,919,394) |
| Others | 6,252,785 |
| Total equity | (150,851,210) |
| Non-controlling interests | 8,783,481 |
| Equity attributable to owners of the parent company | (142,067,729) |

IFRIC 23 "Uncertainty over income tax treatments"

The IASB issued IFRIC 23 in June 2017, which clarifies how to apply the recognition and valuation criteria required by IAS 12 "Income Taxes" when there is uncertainty about the tax treatment.

This Interpretation was applied as of January 1, 2019.

This amendment will not significantly affect the financial statements.

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 3 - Cash and Cash Equivalents

Consolidated cash and cash equivalents are detailed as follows:

| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Total Consolidated Cash and Cash Equivalents | 2,462,375,816 | 837,781,863 |
| Cash and cash equivalents - Non-Banking Business | 1,216,193,920 | 299,965,353 |
| Cash and cash equivalents - Banking Business | 1,246,181,896 | 537,816,510 |

a) Information on Cash and Cash Equivalents - Non-Banking Business:

| Cash and cash equivalents | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---------------------------|----------------------|---------------------|
| Cash floats | 53,634,640 | 76,486,930 |
| Bank balances | 175,791,775 | 171,466,223 |
| Term deposits | 704,981,059 | 36,917,542 |
| Repurchase agreements | 29,699,033 | 2,911,845 |
| Mutual funds | 252,087,413 | 12,182,813 |
| Total | 1,216,193,920 | 299,965,353 |

Information on Cash and Cash Equivalents by Currency - Non-Banking Business:

| Currency | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|------------------|----------------------|---------------------|
| Chilean peso | 863,766,632 | 97,753,802 |
| US dollars | 24,629,061 | 23,439,600 |
| Euros | 424,248 | 1,638,100 |
| Argentine peso | 14,595,413 | 8,094,013 |
| Peruvian new sol | 202,915,221 | 82,607,847 |
| Colombian peso | 77,377,317 | 77,912,584 |
| Chinese Yuan | 1,060,666 | 910,721 |
| Indian rupee | 1,789,455 | 878,529 |
| Uruguayan peso | 3,064,074 | 2,040,987 |
| Mexican peso | 359,462 | 796,954 |
| Brazilian real | 26,212,371 | 3,892,216 |
| Total | 1,216,193,920 | 299,965,353 |

b) Information on Cash and Cash Equivalents by Currency - Banking Business

| Cash and cash equivalents | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|----------------------|---------------------|
| Cash floats | 99,841,741 | 145,990,047 |
| Bank balances | 162,542,924 | 130,452,520 |
| Term deposits | 74,420,966 | 27,912,653 |
| Cash and bank deposits | 336,805,631 | 304,355,220 |
| Highly liquid financial instruments ⁽¹⁾ | 901,791,386 | 226,527,714 |
| Transactions with settlement in process, net ⁽²⁾ | 7,584,879 | 6,933,576 |
| Total | 1,246,181,896 | 537,816,510 |

⁽¹⁾ Mainly deposits and funds managed by third parties maturing in less than 90 days. The difference produced under "Instruments held for trading" relates to Financial Instruments maturing in more than 90 days of ThCh\$ 58,773,239 as of December 31, 2020, and ThCh\$ 122,336,474 as of December 31, 2019. Additionally, ThCh\$ 494,774,047 as of December 31, 2020, and ThCh\$ 169,527,714 as of December 31, 2019, are included as investment instruments held for sale that mature no more than three months after their acquisition date. Additionally, ThCh\$ 15,016,800 is included as of December 31, 2020, which correspond to operations with repurchase agreements that mature in no more than three months after their acquisition date.

⁽²⁾ Net difference between Asset and Liability transactions.

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 3 - Cash and Cash Equivalents (continued)

Information on Cash and Cash Equivalents by Currency - Banking Business

| Currency | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|------------------|----------------------|---------------------|
| Chilean peso | 1,084,678,861 | 426,810,499 |
| US dollars | 51,768,259 | 39,799,628 |
| Peruvian new sol | 83,619,465 | 32,599,870 |
| Colombian peso | 26,115,311 | 38,606,513 |
| Total | 1,246,181,896 | 537,816,510 |

Note 4 - Other Current and Non-Current Financial Assets

This category includes the following current financial assets for the Non-Banking Business.

| Other Financial Assets | Current | | Non-Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Held for Trading | | | | |
| Derivative instruments (non-hedging) | 5,468,474 | 550,601 | - | - |
| Mutual funds | - | 69,559 | - | - |
| Funds with restriction | 17,671,810 | 2,849,612 | - | - |
| Investments in bank bonds | 6,315,468 | 2,290,745 | 4,019,180 | 10,552,775 |
| Other assets | - | - | 1,045,127 | 963,681 |
| Subtotal of fair value through profit and loss | 29,455,752 | 5,760,517 | 5,064,307 | 11,516,456 |
| Fair value through equity | - | - | - | - |
| Hedging assets | 11,707,683 | 8,816,806 | 189,940,283 | 193,061,706 |
| Sub-total of fair value through equity | 11,707,683 | 8,816,806 | 189,940,283 | 193,061,706 |
| Total | 41,163,435 | 14,577,323 | 195,004,590 | 204,578,162 |

The Company takes positions in derivative financial instruments with counterparts that have a minimal risk rating and are subject to a prior credit analysis. Those analyses are required by the Company's internal procedures.

These instruments are swap contracts and currency, tax or inflation forward contracts. The Company uses valuation models to determine the market value of these derivatives. The valuation methods are price models that use present value calculations. These models require financial market data, which is obtained from information platforms with public and private access. The information required mainly includes spot and forward exchange rates and interest rate curves.

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 5 - Other Current and Non-Current Non-Financial Assets

This category includes the following non-financial assets for the Non-Banking Business.

| Other Current Non-Financial Assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Advertising contracts | 859,918 | 1,360,308 |
| Prepaid rent | 4,664,499 | 4,960,748 |
| VAT receivable | 52,355,716 | 47,839,198 |
| Software maintenance contracts | 11,271,833 | 9,747,982 |
| Insurance policies | 11,524,787 | 13,196,976 |
| Bank guarantees | 633,387 | 1,367,799 |
| Share of reinsurance in technical reserves | 6,130,914 | 6,089,328 |
| Early settlement bonus | 3,387,930 | 3,959,465 |
| Recoverable taxes | 7,109,266 | 3,091,755 |
| Other assets | 6,015,856 | 5,783,895 |
| Total | 103,954,106 | 97,397,454 |

| Other Non-Current Non-financial Assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Guarantees | 3,476,064 | 2,924,670 |
| Early settlement bonus | 2,338,066 | 2,190,273 |
| Prepaid rent | 20,695,813 | 22,893,723 |
| Recoverable taxes | 9,734,260 | 13,353,641 |
| Other rights receivable | 2,648,696 | 3,065,315 |
| Prepaid expenses | 4,500,496 | 5,347,016 |
| Advances | 32,494,513 | 35,326,397 |
| Share of reinsurance in technical reserves | 15,761,351 | 18,741,902 |
| Total | 91,649,259 | 103,842,937 |

Nota 6 - Trade and Other Receivables

The Company's net trade receivables are detailed as follows:

| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|----------------------|----------------------|
| a) Non-Banking Business | | |
| Trade and other receivables, current | 416,572,521 | 503,747,308 |
| Trade and other receivables, non-current | 5,594,155 | 11,126,047 |
| b) Banking Business | | |
| Customer loans and receivables | 4,304,988,052 | 5,219,216,732 |
| Total | 4,727,154,728 | 5,734,090,087 |

a) Current and Non-Current Trade and Other Receivables for the Non-Banking Business are detailed as follows:

| | Current | | Non-Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Trade receivables | 247,666,891 | 254,537,198 | 216,189 | 321,094 |
| Allowance for doubtful receivables | (27,750,467) | (12,615,451) | - | - |
| Sub-total trade receivables, net | 219,916,424 | 241,921,747 | 216,189 | 321,094 |
| Notes receivable | 115,214,709 | 114,920,198 | 4,590,182 | 3,183,291 |
| Allowance for doubtful receivables | (5,684,990) | (5,995,572) | (581,915) | (79,406) |
| Sub-total notes receivable, net | 109,529,719 | 108,924,626 | 4,008,267 | 3,103,885 |
| Sundry debtors | 66,711,533 | 98,863,609 | 1,027,642 | 6,029,185 |
| Allowance for doubtful receivables | (2,900,160) | (2,204,874) | - | - |
| Sub-total miscellaneous receivables, net | 63,811,373 | 96,658,735 | 1,027,642 | 6,029,185 |
| Financial receivables | 32,368,067 | 58,840,391 | 474,875 | 1,752,463 |
| Allowance for doubtful receivables | (809,897) | (2,598,191) | (11,024) | (80,580) |
| Impairment losses ⁽¹⁾ | (8,243,165) | - | (121,794) | - |
| Sub-total financial receivables, net | 23,315,005 | 56,242,200 | 342,057 | 1,671,883 |
| Total trade and other receivables | 416,572,521 | 503,747,308 | 5,594,155 | 11,126,047 |

⁽¹⁾ The impairment of financial receivables at CMR Argentina based on their estimated recoverable value as of December 31, 2020.

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 6 - Trade and Other Receivables (continued)

There are no guarantees associated with receivables in Retail Finance given the nature of this business.

Renegotiations are part of the credit strategy and allow for debts to be rearranged, mainly for customers that are overdue due to a circumstantial event and who express a desire to pay, which is guaranteed through the requirement to pay on account prior to implementing the arrangement. The percentage of renegotiated loans was 5.61% of total financial receivables as of December 31, 2020.

b) Loans and receivables for Banking Business customers are detailed as follows:

| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|------------------------------------|---------------------|---------------------|
| Customer loans and receivables | 4,621,087,923 | 5,555,977,628 |
| Allowance for doubtful receivables | (316,099,871) | (336,760,896) |
| Net customer loans and receivables | 4,304,988,052 | 5,219,216,732 |

The main guarantees in the Banking Business are mortgages, CORFO for university student loans, state-guaranteed university student loans (CRUGE), and automotive collateral.

c) Current financial receivables and the corresponding allowances by category, within trade and other receivables for the Non-Banking Business were as follows:

| Current financial receivables | Assets before allowances | | Allowances | | Net Total | |
|-------------------------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Credit card receivables | 32,368,067 | 58,840,391 | (9,053,062) | (2,598,191) | 23,315,005 | 56,242,200 |
| Total current financial receivables | 32,368,067 | 58,840,391 | (9,053,062) | (2,598,191) | 23,315,005 | 56,242,200 |

d) Non-current financial receivables and the corresponding allowances by category, within non-current trade and other receivables for the Non-Banking Business are detailed as follows:

| Non-current financial receivables | Assets before allowances | | Allowances | | Net Total | |
|---|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Credit card receivables | 474,875 | 1,752,463 | (132,818) | (80,580) | 342,057 | 1,671,883 |
| Total non-current financial receivables | 474,875 | 1,752,463 | (132,818) | (80,580) | 342,057 | 1,671,883 |

e) Current and non-current financial receivables by credit card are detailed as follows:

| Financial receivables by credit card | Assets before allowances | | Allowances | | Net Total | |
|--------------------------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Closed CMR Card | 430,913 | 946,334 | (120,523) | (39,686) | 310,390 | 906,648 |
| Open CMR Card ⁽¹⁾ | 32,412,029 | 59,646,520 | (9,065,357) | (2,639,085) | 23,346,672 | 57,007,435 |
| Total financial receivables | 32,842,942 | 60,592,854 | (9,185,880) | (2,678,771) | 23,657,062 | 57,914,083 |

⁽¹⁾ CMR Mastercard.

Note 6 - Trade and Other Receivables (continued)

f) Loans and receivables and the corresponding allowances by category, within customer loans and receivables for the Banking Business are detailed as follows:

| | Assets before allowances | | Allowances | | Net Total | |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Commercial loans | 78,831,146 | 86,246,799 | (2,281,049) | (2,388,255) | 76,550,097 | 83,858,544 |
| Mortgage loans | 532,522,206 | 491,610,729 | (14,721,807) | (16,653,862) | 517,800,399 | 474,956,867 |
| Consumer loans | 1,314,292,378 | 1,756,240,465 | (120,932,129) | (134,554,563) | 1,193,360,249 | 1,621,685,902 |
| Credit card receivables | 2,695,442,193 | 3,221,879,635 | (178,164,886) | (183,164,216) | 2,517,277,307 | 3,038,715,419 |
| Total customer loans and receivables | 4,621,087,923 | 5,555,977,628 | (316,099,871) | (336,760,896) | 4,304,988,052 | 5,219,216,732 |

g) Maturity analysis

The maturity analysis at each period-end of current and non-current trade and other receivables before allowances for the Non-Banking Business is detailed as follows:

| | Total ThCh\$ | Not yet due ThCh\$ | Overdue | | | | |
|-----------|-----------------|-----------------------|--------------------|----------------------|----------------------|-----------------------|---------------------|
| | | | <30 days ThCh\$ | 30-60 days ThCh\$ | 60-90 days ThCh\$ | 90-120 days ThCh\$ | >120 days ThCh\$ |
| Dec-31-20 | 468,270,088 | 350,495,747 | 58,617,119 | 12,159,518 | 7,989,096 | 5,064,297 | 33,944,311 |
| Dec-31-19 | 538,447,429 | 419,860,220 | 72,235,164 | 17,141,644 | 5,891,362 | 4,936,784 | 18,382,255 |

The maturity analysis at each period-end of customer loans and receivables before allowances for the Banking Business is detailed as follows:

| | Total ThCh\$ | Not yet due ThCh\$ | Overdue | | | | |
|-----------|-----------------|-----------------------|--------------------|----------------------|----------------------|-----------------------|---------------------|
| | | | <30 days ThCh\$ | 30-60 days ThCh\$ | 60-90 days ThCh\$ | 90-120 days ThCh\$ | >120 days ThCh\$ |
| Dec-31-20 | 4,621,087,923 | 4,304,921,627 | 104,246,145 | 54,462,972 | 47,502,019 | 61,034,604 | 48,920,556 |
| Dec-31-19 | 5,555,977,628 | 5,033,674,850 | 154,879,322 | 103,368,536 | 82,509,025 | 91,586,288 | 89,959,607 |

Falabella uses models (for example Behavior Score) to classify the risk of each customer. Several scoring groups are used depending on the action plan for the portfolio. Furthermore, there are ongoing reviews of the entire customer portfolio with respect to external behavior (returned checks and delinquency).

Note 6 - Trade and Other Receivables (continued)

h) Portfolio policies, allowances and write-offs

h.1) Financial receivable credit policies

The policies presented below are those that the Company considers most appropriate and were designed to ensure that the development of the business is sustainable. Therefore, they are flexible, so they can be amended as changes in the dynamics of the financial market occur.

The information presented below relates to credit cards issued by CMR Falabella S.A. in Argentina.

h.1.1) CMR Falabella Card and CMR Mastercard.

The Company grants customers a line of credit using this product that can be used in the following ways:

- a. As a means of payment for goods and services at stores and affiliated businesses and automatic bill payment: To finance the purchase of goods and services in Falabella stores and affiliated businesses. Customers with a CMR Falabella Mastercard have the same options as a CMR Falabella card, with access to a wider network of businesses, such as stores affiliated with Mastercard International.
- b. To draw cash advances: The customer can use the CMR Falabella card to withdraw cash advances at the payment desks of shops providing this service. Certain limitations apply to these amounts depending on the places the cash is dispensed and on the risk models applied to customers.

The financing methods are detailed as follows:

- i) CMR Falabella Card Agreed Installments: The customer chooses the number of repayment installments for each transaction. Payment by credit installments for bills for basic services, insurance charges and automatic contributions to charitable institutions is not available, and the full amount must be paid within the month.
- ii) CMR Falabella and CMR Falabella MasterCard revolving balance: The customer can purchase with or without installments, and at the due date can choose to pay the total for the month or a minimum. This is the usual mode of operation for international brand cards operating in Chile and across the world.

In Argentina, the general conditions to be a customer are: a citizen of that country or foreigner with permanent residency, between 21 and 75 years old, with at least minimum income (30,000 Argentinean pesos net, and 20,000 Argentinean pesos net for retirees), comply with the minimum credit score in an analysis of credit risk, and have no record of bounced checks or payment defaults. The customer must have been employed for at least one year.

People interested in obtaining a CMR Falabella credit card must fill out a credit request and take it to the Company's offices for processing. This request is processed at the CMR offices and passes through various stages such as identity verification, credit check, review for bounced checks or payment defaults, and apply the "application score" model (mathematical model based card requester data, which provides a risk score and credit limit based on income). Finally, once all the background information described above has been collected, the application is either approved, denied, or further information is requested from the applicant.

Note 6 - Trade and Other Receivables (continued)

h.1.1) CMR Falabella Card and CMR Mastercard (continued).

The customer is then given a CMR Falabella credit card and is assigned an initial limit, based on their individual income and risk. The credit limit is reported on the monthly statement, together with any limitations that apply to using the card, including payment methods and cash withdrawals.

Limits can be increased provided the customer complies with his/her payment commitments and demonstrates good behavior. The initial authorized limit may be increased if: the customer has six month's experience, has no issues with his/her account, has not renegotiated within the last six months, and has no negative credit experiences in the financial system.

An individual financial evaluation to determine an increase in each customer's limit uses a "behavior score," which is a mathematical model based on customer variables and an analysis of the customer's behavior within the Company and it assigns a score, which is considered by the evaluator that grants the credit increase.

In addition to the terms indicated, customers holding a CMR Falabella credit card may access the "super-advance" product, which is offered monthly to a portfolio of customers that have shown good internal and external credit behavior.

The cards remain operational provided payments do not fall overdue. Transaction authorizations are handled by a centralized computer system, which verifies that the account is up-to-date on its payment, as well as that the amount of the transaction is within the authorized limit.

h.1.2) Renegotiations

These are changes in the debt structure for receivables that are between one day overdue and write-off (six months overdue). Receivables six months overdue that are written-off cannot be renegotiated.

Renegotiations require compliance with the following conditions:

- i) Receivables up to 14 days overdue: do not require obligatory payment.
- ii) Receivables from 15 days to 89 days overdue: require obligatory payment of a percentage of the total debt.

In order to perform a second renegotiation, an additional amount must be paid in addition to the amount paid in the previous renegotiation.

There is no minimum period between renegotiations, nor a maximum number of renegotiations, because payment requirements limit the risk. However, a percentage of the previous renegotiation must be paid before a new renegotiation can begin.

Renegotiations are part of business policy and allow partial credit recovery by requiring payment of a percentage of the total debt. However, customers with riskier credit behavior do have their accounts blocked for new transactions for at least six months, until subsequent payment of obligations is proven. Currently only a percentage of the total portfolio can be renegotiated, which can be modified according to trends in the macroeconomic situation.

Note 6 - Trade and Other Receivables (continued)

h.1.3) Allowances

The Company recognizes loan allowances based on the requirements of IFRS 9 as indicated in paragraph 2.17.1.4.

The Company has prepared a table which shows separately the average percent losses on the renegotiated and non-renegotiated portfolios, in accordance with instructions issued by the FMC.

CMR Argentina

| Overdue ranges | Portfolio Dec-20 % average loss | | Portfolio Dec-19 % average loss | |
|-----------------|------------------------------------|------------------------|------------------------------------|------------------------|
| | Non-Renegotiated Portfolio | Renegotiated Portfolio | Non-Renegotiated Portfolio | Renegotiated Portfolio |
| Not yet due | 0.31% | 12.50% | 0.26% | 12.69% |
| 1 to 30 days | 3.06% | 14.15% | 3.13% | 12.31% |
| 31 to 60 days | 10.20% | 21.27% | 8.80% | 11.90% |
| 61 to 90 days | 16.48% | 33.85% | 9.09% | 11.16% |
| 91 to 120 days | 68.30% | 68.30% | 70.81% | 68.30% |
| 121 to 150 days | 68.30% | 68.30% | 70.83% | 68.30% |
| 151 to 180 days | 71.51% | 68.30% | 77.12% | 68.30% |

The consolidated portfolio allowance model calculates the allowance factors separately, both for the renegotiated portfolio and for the non-renegotiated portfolio. The renegotiated portfolio represents 5.61% of the total portfolio as of December 31, 2020, and is ThCh\$ 1,841,804.

h.1.4) Write-offs

Financial receivables are written-off 180 days after falling overdue.

Various collection techniques are used to recover receivables written-off, which are entrusted to specialized collection companies, who use means such as telephone calls, reminder letters, collectors in the field, and judicial processes.

h.1.5) Allowances, write-offs and recoveries ratio

CMR Argentina

| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Allowance for non-renegotiated portfolio | 579,830 | 1,852,042 |
| Allowance for renegotiated portfolio | 241,091 | 826,729 |
| Total write-offs in the year | 4,473,084 | 11,194,738 |
| Total recoveries in the year | 2,113,543 | 2,899,393 |

h.1.6) Average ranges and terms as of December 31, 2020

Average ranges and terms are detailed as follows:

| | Range of terms | Average term Argentina |
|-----------------------|----------------|---------------------------|
| | Months | Months |
| Purchases | 1 to 24 | 2.9 |
| Cash drawn | 1 to 24 | 32.6 |
| Repurchase agreements | 1 to 24 | 19.9 |

Note 6 - Trade and Other Receivables (continued)

h.2) Portfolio stratification

h.2.1) Total portfolio stratification

As of December 31, 2020

CMR Argentina

| Overdue ranges | Number of customers in non-renegotiated portfolio | Gross non-renegotiated portfolio ThCh\$ | Number of customers in renegotiated portfolio | Gross renegotiated portfolio ThCh\$ | Total gross portfolio ThCh\$ |
|-----------------|---|---|---|-------------------------------------|------------------------------|
| Not yet due | 235,514 | 25,899,136 | 3,858 | 1,083,837 | 26,982,973 |
| 1 to 30 days | 27,767 | 3,197,239 | 836 | 267,549 | 3,464,788 |
| 31 to 60 days | 5,990 | 530,414 | 367 | 129,184 | 659,598 |
| 61 to 90 days | 3,557 | 311,889 | 223 | 73,270 | 385,159 |
| 91 to 120 days | 4,897 | 537,692 | 317 | 102,764 | 640,456 |
| 121 to 150 days | 1,951 | 289,238 | 224 | 67,999 | 357,237 |
| 151 to 180 days | 1,704 | 235,530 | 306 | 117,201 | 352,731 |
| Total | 281,380 | 31,001,138 | 6,131 | 1,841,804 | 32,842,942 |

h.2.2) Guaranteed portfolio stratification

CMR Argentina had no guaranteed portfolio as of December 31, 2020.

h.3) Number of cards

CMR Argentina

| | Dec-31-20 | Dec-31-19 |
|--|-----------|-----------|
| Total number of cards issued to holders | 1,300,382 | 1,309,061 |
| Total number of cards with balance | 287,511 | 378,282 |
| Monthly average number of renegotiations | 148 | 362 |

The number of cards is detailed as follows:

| Card description | Total number of cards issued to holders | | Total number of cards with balance | |
|------------------------------|---|------------------|------------------------------------|----------------|
| | Dec-31-20 | Dec-31-19 | Dec-31-20 | Dec-31-19 |
| Closed CMR Card | 554,193 | 556,861 | 11,689 | 17,694 |
| Open CMR Card ⁽¹⁾ | 746,189 | 752,200 | 275,822 | 360,588 |
| Total | 1,300,382 | 1,309,061 | 287,511 | 378,282 |

(1) CMR Mastercard.

Note 6 - Trade and Other Receivables (continued)

h.4) Risk indices

CMR Argentina

| | % Allowance/ Non-Renegotiated Portfolio | % Allowance/ Renegotiated Portfolio | % Allowance/ Total Portfolio |
|---------------------|---|---|---------------------------------|
| Risk index - Dec-20 | 1.87% | 13.09% | 2.50% |

CMR Argentina

| | % Write-offs/ Total Portfolio |
|---------------------|----------------------------------|
| Risk index - Dec-20 | 13.62% |

Risk index by card

| Risk index by card - Dec-20 | % Allowance/ Total Portfolio | % Write-offs/ Total Portfolio |
|------------------------------|---------------------------------|----------------------------------|
| Closed CMR Card | 3.90% | 15.90% |
| Open CMR Card ⁽¹⁾ | 2.48% | 13.59% |

⁽¹⁾ CMR Mastercard.

h.5) Financial receivables that are not overdue are due from customers from various socioeconomic segments that are up-to-date on their credit obligations. This portfolio has a high expected recovery rate. Therefore, the associated risk is significantly low. The Company establishes an allowance for doubtful receivables for customers that are not overdue, which represents the probability of expected loss on this portfolio.

i) Changes in impairment allowances

The following table shows the evolution of the impairment allowances for the Non-Banking Business portfolio:

| Changes in impairment allowances - Trade and other receivables | Separate Impairment | | Group Impairment | | Total ThCh\$ |
|--|---------------------|-----------------------|-------------------|-----------------------|-----------------|
| | Current ThCh\$ | Non-current ThCh\$ | Current ThCh\$ | Non-current ThCh\$ | |
| Balance as of January 1, 2020 | 20,815,897 | 79,406 | 2,598,191 | 80,580 | 23,574,074 |
| Expense for the year | 34,722,138 | 502,509 | 904,326 | - | 36,128,973 |
| Amount used (less) | (10,015,038) | - | (416,605) | (54,429) | (10,486,072) |
| Reversal of unused amounts | (7,930,080) | - | (2,242,691) | - | (10,172,771) |
| Impairment losses ⁽¹⁾ | - | - | 9,053,062 | 132,818 | 9,185,880 |
| Conversion adjustment | (1,257,300) | - | (843,221) | (26,151) | (2,126,672) |
| Balance as of December 31, 2020 | 36,335,617 | 581,915 | 9,053,062 | 132,818 | 46,103,412 |
| Balance as of January 1, 2019 | 16,703,049 | 94,250 | 4,093,760 | 216,474 | 21,107,533 |
| Expense for the year | 11,007,774 | - | 537,090 | 14,828 | 11,559,692 |
| Amount used (less) | (4,524,524) | (14,844) | (720,699) | (81,346) | (5,341,413) |
| Reversal of unused amounts | (2,553,730) | - | - | - | (2,553,730) |
| Conversion adjustment | 183,328 | - | (1,311,960) | (69,376) | (1,198,008) |
| Balance as of December 31, 2019 | 20,815,897 | 79,406 | 2,598,191 | 80,580 | 23,574,074 |

⁽¹⁾ The impairment of financial receivables at CMR Argentina based on their estimated recoverable value as of December 31, 2020 (See Note 32).

Note 6 - Trade and Other Receivables (continued)

i) Changes in impairment allowances (continued)

The following table shows the evolution of the impairment allowances for the Banking Business portfolio:

| Changes in impairment allowances - Customer loans and receivables | Group Impairment ThCh\$ |
|---|-------------------------|
| Balance as of January 1, 2020 | 336,760,896 |
| Expense for the year | 687,285,896 |
| Amount used (less) | (495,506,499) |
| Reversal of unused amounts | (194,791,053) |
| Conversion adjustment | (17,649,369) |
| Balance as of December 31, 2020 | 316,099,871 |
| Balance as of January 1, 2019 | 288,153,671 |
| Expense for the year | 531,017,290 |
| Amount used (less) | (329,311,995) |
| Reversal of unused amounts | (161,780,194) |
| Conversion adjustment | 8,682,124 |
| Balance as of December 31, 2019 | 336,760,896 |

The Company is not exposed to risks associated with credit concentrations. This is due to fragmentation of Falabella's customer portfolio as of December 31, 2020 and 2019.

As of December 31, 2020, the Company has not pledged specific financial assets as guarantees for its compliance with banking and non-banking bond obligations, in such a manner that Falabella has no associated cash flows that must only be used to liquidate these respective obligations. As of December 31, 2019, this amount totaled ThCh\$1,612,038.

Note 7 - Related Company Receivables and Payables

a) Current receivables

| Chilean ID Number | Company | Country | Relationship | Current | | Currency |
|-------------------|--|----------|---------------------------------|---------------------|---------------------|----------|
| | | | | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | |
| Foreign | Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V. | Mexico | Associate | 23,669,114 | 28,885,594 | MXN |
| Foreign | Sodimac Colombia S.A. | Colombia | Associate | 5,039,738 | 5,003,344 | COP |
| 96,837,630-6 | BNP Paribas Cardif Seguros de Vida S.A. | Chile | Subsidiary minority shareholder | 2,520,940 | 3,594,656 | CLP |
| 82,995,700-0 | Dercocenter S.A. | Chile | Related Director | 544,531 | 169,061 | CLP |
| Foreign | Servicios Financieros Soriana S.A.P.I de C.V. | Mexico | Associate | 510,613 | 1,414,534 | MXN |
| 76,074,938-9 | Deportes Sparta Limitada | Chile | Related Director | 361,386 | 626,314 | CLP |
| Foreign | Other companies | Chile | Related Director | 240,808 | 200,257 | CLP |
| Foreign | Comercializadora SDMHC S.A. de C.V. | Mexico | Associate | 160,191 | 3,872,260 | MXN |
| 99,597,600-5 | Inmobiliaria Cervantes S.A. | Chile | Associate | 112,006 | 86,987 | CLP |
| 94,141,000-6 | Derco S.A. | Chile | Related Director | 94,865 | 138,536 | CLP |
| 94,340,000-8 | Derco Chile Repuestos S.A. | Chile | Related Director | 62,985 | 45,509 | CLP |
| 76,320,186-4 | Tecno Fast S.A. | Chile | Related Director | 21,333 | 7,757 | CLP |
| 96,545,450-0 | Dercomaq S.A. | Chile | Related Director | 15,054 | 37,791 | CLP |
| 77,988,540-2 | Agricola Casas del Sur Limitada | Chile | Related Director | 7,881 | 440 | CLP |
| 79,757,460-0 | Agricola Ancali Limitada | Chile | Related Director | 6,960 | 5,802 | CLP |
| 78,057,000-8 | Sotraser S.A. | Chile | Related Director | 5,975 | 7,151 | CLP |
| 76,762,740-8 | Soc. Comercializadora de Repuestos S.A. | Chile | Related Director | 476 | 42,267 | CLP |
| 77,693,700-2 | Inversiones e Inmobiliaria Monte de Asis S.p.A. | Chile | Related Director | - | 38,397 | CLP |
| TOTAL | | | | 33,374,856 | 44,176,657 | |

b) Receivables, non-current

| Chilean ID Number | Company | Country | Relationship | Non-current | | Currency |
|-------------------|---------------------|------------------|-------------------|---------------------|---------------------|----------|
| | | | | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | |
| Foreign | Loans to executives | Chile and others | Senior executives | 13,841,640 | - | CLP |
| TOTAL | | | | 13,841,640 | - | |

As of December 31, 2020 and 2019, the Company has evaluated the recoverability of receivables from related companies. As a result it believes that these receivables will be fully recovered, and therefore no allowance for doubtful receivables has been recorded.

Note 7 - Related Company Receivables and Payables (continued)

c) Current payables

| Chilean ID Number | Company | Country | Relationship | Current | | Currency |
|-------------------|---|----------|---------------------------------|---------------------|---------------------|----------|
| | | | | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | |
| 92,176,000-0 | Aza S.A. | Chile | Related Director | 5,458,280 | 2,169,133 | CLP |
| 96,837,630-6 | BNP Paribas Cardif Seguros de Vida S.A. | Chile | Subsidiary minority shareholder | 2,517,931 | 3,455,249 | CLP |
| Foreign | Borchester Holdings Limited | Colombia | Subsidiary minority shareholder | 2,409,791 | 2,558,462 | COP |
| Foreign | Sodimac Colombia S.A. | Colombia | Associate | 2,289,294 | 2,081,315 | COP |
| 94,340,000-8 | Derco Chile Repuestos S.A. | Chile | Related Director | 1,255,436 | 1,422,988 | CLP |
| 96,545,450-0 | Dercomaq S.A. | Chile | Related Director | 997,421 | 1,886,158 | CLP |
| Foreign | Loceria de Colombia S.A.S. | Colombia | Related Director | 561,695 | 286,505 | COP |
| 78,034,110-6 | Voxline Serigrafia Limitada | Chile | Related Director | 514,126 | 1,077 | CLP |
| Foreign | Servicios Financieros Soriana, S.A.P.I de C.V. | Mexico | Associate | 350,830 | 320,244 | MXN |
| 76,074,938-9 | Deportes Sparta Limitada | Chile | Related Director | 281,566 | 975,891 | CLP |
| Foreign | Other companies | Chile | Related Director | 737,410 | 138,689 | CLP |
| 77,693,700-2 | Inversiones e Inmobiliaria Monte de Asis S.p.A. | Chile | Related Director | 203,276 | 149,892 | CLP |
| 95,946,000-0 | Sociedad Inmobiliaria San Bernardo Limitada | Chile | Related Director | 158,546 | 138,213 | CLP |
| 94,141,000-6 | Derco S.A. | Chile | Related Director | 118,496 | 237,080 | CLP |
| 77,693,970-6 | Inversiones e Inmobiliaria San Francisco de el Monte Limitada | Chile | Related Director | 86,470 | 85,705 | CLP |
| 76,070,957-3 | Inmobiliaria Azul Azul S.p.A. | Chile | Related Director | 55,258 | 76,572 | CLP |
| Foreign | Comercializadora SDMHC S.A. de C.V. | Mexico | Associate | 49,034 | 595,792 | MXN |
| Foreign | Organización Corona S.A. | Colombia | Associate shareholder | 31,298 | 32,785 | COP |
| 79,952,350-7 | Red Televisiva Megavisión S.A. | Chile | Related Director | 8,211 | 480,632 | CLP |
| TOTAL | | | | 18,084,369 | 17,092,382 | |

d) The effects on the statement of net income of the main transactions with non-consolidated related companies for the years ended December 31, 2020 and 2019, are detailed as follows:

| Chilean ID Number | Company | Relationship | Country | Transaction | Dec-31-20 | | Dec-31-19 | |
|-------------------|---|---------------------------------|---------|-------------------------------|---------------|-------------------------|---------------|-------------------------|
| | | | | | Amount ThCh\$ | Effect on income ThCh\$ | Amount ThCh\$ | Effect on income ThCh\$ |
| | | | | | | (Charge)/Credit | | (Charge)/Credit |
| 99594430-8 | Alto S.A. | Related Director | Chile | Legal services | 329,728 | (303,787) | 442,072 | (442,072) |
| 92,176,000-0 | Aza S.A. | Related Director | Chile | Purchase of products | 21,483,602 | - | 66,307,751 | - |
| 96837630-6 | BNP Paribas Cardif Seguros de Vida S.A. | Subsidiary minority shareholder | Chile | Commissions received | 32,280,777 | 32,280,777 | 29,229,477 | 29,229,477 |
| Foreign | Comercializadora SDMHC S.A. de C.V. | Associate | Mexico | Third party fees and services | 38,123 | 38,123 | 1,300,298 | 1,300,298 |
| Foreign | Comercializadora SDMHC S.A. de C.V. | Associate | Mexico | Product sales | 126,112 | 126,112 | 1,504,805 | 1,504,805 |
| Foreign | Comercializadora SDMHC S.A. de C.V. | Associate | Mexico | IT services | 2,142,612 | 2,142,612 | 1,758,404 | 1,758,404 |
| Foreign | Comercializadora SDMHC S.A. de C.V. | Associate | Mexico | Other costs | - | - | 392,663 | (392,663) |

Note 7 - Related Company Receivables and Payables (continued)

d) The effects on the statement of net income of the main transactions with non-consolidated related companies for the years ended December 31, 2020 and 2019, are detailed as follows:

| Chilean ID Number | Company | Relationship | Country | Transaction | Dec-31-20 | | Dec-31-19 | |
|-------------------|---|------------------|---------|-----------------------------------|---------------|-------------------------|---------------|-------------------------|
| | | | | | Amount ThCh\$ | Effect on income ThCh\$ | Amount ThCh\$ | Effect on income ThCh\$ |
| | | | | | | (Charge)/Credit | | (Charge)/Credit |
| 96,550,660-8 | Constructora Santa María S.A. | Related Director | Chile | Product sales | 20,624 | 17,331 | 253,958 | 213,411 |
| 76,072,469-6 | Cruzados S.D.A.P. | Related Director | Chile | Publications and advertising | 305,978 | (257,124) | 281,680 | (236,706) |
| 76,074,938-9 | Deportes Sparta Limitada | Related Director | Chile | Purchase of products | 89,558 | - | 1,365,628 | - |
| 76,074,938-9 | Deportes Sparta Limitada | Related Director | Chile | Lease income | 4,291,419 | 3,626,747 | 3,012,776 | 2,533,359 |
| 94,141,000-6 | Derco S.A. | Related Director | Chile | Purchase of products | 5,722,718 | - | 5,739,092 | - |
| 94,141,000-6 | Derco S.A. | Related Director | Chile | Lease income | 460,062 | 387,755 | 336,752 | 283,051 |
| 94,141,000-6 | Derco S.A. | Related Director | Chile | Product sales | 482,265 | 418,781 | 1,708,405 | 1,659,103 |
| 82,995,700-0 | Dercocenter S.A. | Related Director | Chile | Lease income | 2,132,054 | 1,791,865 | 2,415,691 | 2,028,984 |
| 96,545,450-0 | Dercomaq S.A. | Related Director | Chile | Rent and common expenses | 5,724,632 | (4,801,186) | 4,068,682 | (3,553,373) |
| 96,545,450-0 | Dercomaq S.A. | Related Director | Chile | Product sales | 163,838 | 162,628 | 92,296 | 88,124 |
| 96,545,450-0 | Dercomaq S.A. | Related Director | Chile | Machinery & equipment maintenance | 171,095 | (143,777) | - | - |
| 76,070,957-3 | Inmobiliaria Azul Azul S.p.A. | Related Director | Chile | Publications and advertising | 363,968 | (305,856) | 224,969 | (189,050) |
| 94,340,000-8 | Derco Chile Repuestos S.A. | Related Director | Chile | Purchase of products | 8,526,625 | - | 4,339,544 | - |
| 94,340,000-8 | Derco Chile Repuestos S.A. | Related Director | Chile | Freight, dispatch and delivery | 237,435 | 199,526 | 243,405 | 204,542 |
| 94,340,000-8 | Derco Chile Repuestos S.A. | Related Director | Chile | Product sales | 174,924 | 170,905 | 33,143 | 27,851 |
| 76,750,470-5 | Ferretería San Francisco de Asis Ltda | Related Director | Chile | Product sales | 55,247 | 46,425 | 132,327 | 111,199 |
| 77,693,700-2 | Inversiones e Inmobiliaria Monte de Asis S.p.A. | Related Director | Chile | Rent and common expenses | 2,049,598 | (1,979,094) | 1,763,792 | (1,481,766) |
| 77,693,970-6 | Inversiones e Inmobiliaria San Francisco de el Monte Limitada | Related Director | Chile | Rent and common expenses | 1,032,592 | (1,011,879) | 894,512 | (758,244) |
| 78,391,700-9 | Inversiones e Inmobiliaria Santa Clara II Limitada | Related Director | Chile | Rent and common expenses | 3,802,078 | (3,367,348) | 3,690,839 | (3,270,369) |
| 79,952,350-7 | Red Televisiva Megavisión S.A. | Related Director | Chile | Publications and advertising | 2,740,289 | (2,303,071) | 2,128,610 | (1,788,748) |
| Foreign | Servicios Financieros Soriana, S.A.P.I de C.V. | Associate | Mexico | Computer and other services | 3,011,154 | 3,011,154 | 4,505,594 | 4,505,594 |
| 76,762,740-8 | Sociedad Comercializadora de Repuestos S.A. | Related Director | Chile | Lease income | 40,550 | 35,416 | 222,703 | 187,146 |

Note 7 - Related Company Receivables and Payables (continued)

e) The effects on the statement of net income of the main transactions with non-consolidated related companies for the years ended December 31, 2020 and 2019 are detailed as follows:

| CHILEAN ID NUMBER | Company | Relationship | Country | Transaction | Dec-31-20 | | Dec-31-19 | |
|-------------------|---|------------------|----------|--------------------------------|---------------|-------------------------|---------------|-------------------------|
| | | | | | Amount ThCh\$ | Effect on income ThCh\$ | Amount ThCh\$ | Effect on income ThCh\$ |
| | | | | | | (Charge)/Credit | | (Charge)/Credit |
| 76,547,410-8 | Sociedad de Créditos Automotrices S.A. | Related Director | Chile | Commission | 2,452,690 | (2,061,084) | 3,419,606 | (2,873,619) |
| 77,072,500-3 | Sociedad de Rentas Comerciales S.A. | Related Director | Chile | Rent and common expenses | 648,234 | (577,179) | 786,241 | (694,823) |
| Foreign | Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I de CV | Associate | Mexico | Accrued interest | 1,476,179 | 1,476,179 | 2,822,240 | 2,822,240 |
| 95,946,000-0 | Sociedad Inmobiliaria San Bernardo Limitada | Related Director | Chile | Rent and common expenses | 1,437,451 | (1,438,298) | 1,179,294 | (949,505) |
| Foreign | Sodimac Colombia S.A. | Associate | Colombia | Product sales | 3,258,834 | 3,258,770 | 4,779,983 | 4,779,983 |
| Foreign | Sodimac Colombia S.A. | Associate | Colombia | Others | 1,893,884 | 1,893,884 | 1,406,777 | 1,350,799 |
| Foreign | Sodimac Colombia S.A. | Associate | Colombia | Lease income | 870,806 | 749,032 | 833,536 | 700,450 |
| Foreign | Sodimac Colombia S.A. | Associate | Colombia | IT services | 2,621,864 | 2,621,864 | 1,135,862 | 1,135,862 |
| Foreign | Sodimac Colombia S.A. | Associate | Colombia | Rent and common expenses | 258,022 | (258,022) | 333,497 | (333,497) |
| Foreign | Sodimac Colombia S.A. | Associate | Colombia | Publications and advertising | 325,280 | 325,280 | 661,627 | 641,541 |
| 78,057,000-8 | Sotraser S.A. | Related Director | Chile | Freight, dispatch and delivery | 338,473 | (284,431) | 273,846 | (230,123) |
| Foreign | Tecno Fast S.A. | Related Director | Chile | Product sales | 169,458 | 142,402 | 245,421 | 206,236 |
| 76,224,248-6 | Trípode S.p.A. | Related Director | Chile | Purchase of products | 4,666 | - | 1,636,798 | - |
| Foreign | Executives | Key Personnel | Chile | Interest earned | 131,640 | 131,640 | - | - |

Note 7 - Related Company Receivables and Payables (continued)

e) Key management employees

Key employees are defined as those persons who have authority and responsibility to directly or indirectly plan, direct and control the company's business, including any Board member (whether or not an executive) or the equivalent governing body. The Company has determined that key management employees are the Directors and senior executives on Falabella S.A.'s private payroll. Key management remuneration by category is detailed as follows.

| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|-------------------------|---------------------|---------------------|
| Management remuneration | 7,802,298 | 8,260,090 |
| Directors remuneration | 364,454 | 416,533 |

Note 8 - Inventories

Inventories are detailed as follows:

| Description | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|-------------------------|----------------------|----------------------|
| Raw materials | 2,337,980 | 1,733,981 |
| Products for sale | 1,009,885,082 | 1,141,119,893 |
| Products in process | 1,072,450 | 2,052,242 |
| Materials and packaging | 5,927,615 | 4,927,734 |
| Goods in transit | 142,021,420 | 183,019,805 |
| Total | 1,161,244,547 | 1,332,853,655 |

During the year ended December 31 2020, the Company moved ThCh\$ 5,508,091,923 from inventory to cost of sales (ThCh\$ 5,217,359,162 for the year ended December 31, 2019).

Furthermore, provisions for shortages and obsolescence of ThCh\$ 26,868,119 were recognized in cost of sales as of December 31, 2020 (ThCh\$ 15,885,948 as of December 31, 2019).

The Company has no inventory provided in guarantee to be disclosed as of December 31, 2020 and 2019.

Note 9 - Current and Non-Current Tax Assets and Liabilities

Current tax assets, Non-Banking Business

| Current tax assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|---------------------|---------------------|
| Monthly tax installments (income tax net balance) | 17,295,955 | 50,038,315 |
| Employee training tax credit | 3,722,131 | 4,223,295 |
| Credit for absorbed profits | 7,188,397 | 9,649,043 |
| Recoverable income taxes | 28,866,633 | 51,462,728 |
| Other recoverable taxes | 2,219,864 | 1,787,691 |
| Total | 59,292,980 | 117,161,072 |

Note 9 - Current and Non-Current Tax Assets and Liabilities (continued)

Non-current tax assets, Non-Banking Business

| Non-current tax assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|---------------------|---------------------|
| Recoverable income taxes ⁽¹⁾ | 16,538,022 | 17,420,067 |
| Total | 16,538,022 | 17,420,067 |

⁽¹⁾ It mainly includes benefits in accordance with Law 19,420 on incentives to develop the Arica and Parinacota provinces.

Current tax assets - Banking Business

| Current tax assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|---------------------|---------------------|
| Monthly tax installments (income tax net balance) | 13,019,331 | 11,360,969 |
| Recoverable income taxes | 198,033 | 1,333,138 |
| Total | 13,217,364 | 12,694,107 |

Current tax liabilities - Non-Banking Business

| Current tax liabilities | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Current income tax provision net of monthly tax installments | 21,292,321 | 24,424,052 |
| Provision for 40% tax on disallowable expenditure | 53,241 | 95,360 |
| Monthly tax installments payable | 1,274,611 | 6,125,589 |
| Other taxes payable | 3,654 | 161,088 |
| Total | 22,623,827 | 30,806,089 |

Current tax liabilities - Banking Business

| Current tax liabilities | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Current income tax provision net of monthly tax installments | 13,390,117 | 2,973,670 |
| Total | 13,390,117 | 2,973,670 |

Note 10 - Current and Deferred Income Tax

a) Income tax expense/income as of December 31, 2020 and 2019 for the Non-Banking Business and Banking Business are detailed as follows:

Non-Banking Business

| Income tax | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|--|----------------------------------|----------------------------------|
| Current tax expense (tax provision) | 54,568,879 | 107,699,597 |
| Tax expense adjustment (previous year) | 270,839 | (3,239,847) |
| Tax credit on tax losses | (7,188,397) | (9,649,043) |
| Total net current tax expense | 47,651,321 | 94,810,707 |
| Deferred tax credit from temporary differences | (6,312,456) | (6,610,898) |
| Tax credit on tax losses | (36,095,791) | (26,101,820) |
| Total net deferred tax credit | (42,408,247) | (32,712,718) |
| Total | 5,243,074 | 62,097,989 |

Note 10 - Current and Deferred Income Tax (continued)

Banking Business

| Income tax | Jan 01-20 | Jan 01-19 |
|--|---------------------|-------------------|
| | Dec-31-20 | Dec-31-19 |
| | ThCh\$ | ThCh\$ |
| Current tax expense (tax provision) | 59,187,613 | 81,542,325 |
| Tax expense adjustment (previous year) | 1,036,991 | 278,775 |
| Total net current tax expense | 60,224,604 | 81,821,100 |
| Deferred tax (credit) expense from temporary differences | (9,601,067) | 828,129 |
| Tax credit on tax losses | (11,220,418) | - |
| Total net deferred tax (credit) expense | (20,821,485) | 828,129 |
| Total | 39,403,119 | 82,649,229 |

According to IAS 12 (Income Tax) deferred tax assets and liabilities must be measured using the fiscal rates that the Company expects will apply during the year in which the asset is collected or the liability paid, based on the rates (and laws) that have been approved or are about to be approved at the end of the year.

- b) A reconciliation of the income tax expense at the statutory rate compared to the effective rate as of December 31, 2020 and 2019 was as follows:

Non-Banking Business

| Income before tax using the Chilean legal tax rate Legal taxation in Chile | Jan 01-20 | | Jan 01-19 | |
|---|-------------------|----------------|-------------------|--------------|
| | Dec-31-20 | | Dec-31-19 | |
| | ThCh\$ | % | ThCh\$ | % |
| Income before tax using the Chilean legal tax rate | (23,704,569) | 27.00 | 49,945,129 | 27.00 |
| Effect of tax rates in other jurisdictions (effect of local rate vs Chilean rate) | (1,904,694) | 2.17 | 2,402,913 | 1.30 |
| Effect on rates of non-taxable income | (966,377) | 1.10 | (90,932) | (0.05) |
| Effect on rates of disallowable expenditure | 2,515,266 | (2.87) | 1,259,316 | 0.68 |
| Effect of using tax losses | (7,188,397) | 8.19 | (9,649,043) | (5.22) |
| Effect of tax (over)/under-provided in prior years | 270,839 | (0.31) | (3,239,847) | (1.75) |
| Net tax inflation adjustments | (8,857,188) | 10.09 | (6,218,911) | (3.36) |
| Other increase (decrease) | 45,078,194 | (51.35) | 27,689,364 | 14.97 |
| Total adjustments to legal tax rate | 28,947,643 | (32.97) | 12,152,860 | 6.57 |
| Income tax expense (credit) for the year | 5,243,074 | (5.97) | 62,097,989 | 33.57 |
| Effective tax rate | | (5.97) | | 33.57 |

Banking Business

| Income before tax using the Chilean legal tax rate Legal taxation in Chile | Jan 01-20 | | Jan 01-19 | |
|---|--------------------|---------------|--------------------|---------------|
| | Dec-31-20 | | Dec-31-19 | |
| | ThCh\$ | % | ThCh\$ | % |
| Income before tax using the Chilean legal tax rate | 45,658,440 | 27.00 | 85,304,267 | 27.00 |
| Effect of tax rates in other jurisdictions (effect of local rate vs Chilean rate) | 242,827 | 0.14 | 3,330,194 | 1.05 |
| Effect on rates of non-taxable income | (191,400) | (0.11) | (225,444) | (0.07) |
| Effect on rates of disallowable expenditure | 1,547,911 | 0.92 | 718,220 | 0.23 |
| Effect of tax (over)/under-provided in prior years | 1,036,991 | 0.61 | 278,775 | 0.09 |
| Net tax inflation adjustments | (6,438,897) | (3.81) | (5,732,546) | (1.81) |
| Other increase (decrease) | (2,452,753) | (1.45) | (1,024,237) | (0.32) |
| Total adjustments to legal tax rate | (6,255,321) | (3.70) | (2,655,038) | (0.84) |
| Income tax expense (credit) for the year | 39,403,119 | 23.30 | 82,649,229 | 26.16 |
| Effective tax rate | | 23.30 | | 26.16 |

Note 10 - Current and Deferred Income Tax (continued)

c) Deferred tax balances by category are detailed as follows:

Non-Banking Business

| Statement of Financial Position | Dec-31-20 | | Dec-31-19 | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | Deferred Asset ThCh\$ | Deferred Liability ThCh\$ | Deferred Asset ThCh\$ | Deferred Liability ThCh\$ |
| Intangible asset valuation difference | - | 33,483,761 | 1,422,038 | 32,005,748 |
| Property, plant and equipment valuation difference | - | 537,974,472 | - | 556,581,505 |
| Inventory valuation difference | 4,960,237 | - | 8,927,682 | - |
| Capitalized prepaid expenses | - | 373,917 | - | 873,697 |
| Employee termination benefits | 9,008,880 | - | 11,321,738 | - |
| Deferred income | 21,861,241 | - | 14,991,203 | - |
| Tax losses brought forward | 130,843,186 | - | 104,099,229 | - |
| Allowances for doubtful receivables | 9,117,540 | - | 8,419,103 | - |
| Obsolescence provision | 11,847,619 | - | 5,128,016 | - |
| Disposal provision | 6,151,991 | - | 7,823,743 | - |
| Vacation provision | 13,265,726 | - | 12,107,929 | - |
| Other provisions | 27,131,501 | - | 28,919,253 | - |
| Derivative instruments | - | 364,565 | 266,376 | - |
| Others | - | 20,113,401 | 322,237 | 15,984,895 |
| Total | 234,187,921 | 592,310,116 | 203,748,547 | 605,445,845 |
| Net balance | | 358,122,195 | | 401,697,298 |

Banking Business

| Statement of Financial Position | Dec-31-20 | | Dec-31-19 | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | Deferred Asset ThCh\$ | Deferred Liability ThCh\$ | Deferred Asset ThCh\$ | Deferred Liability ThCh\$ |
| Intangible asset valuation difference | - | 3,547,534 | - | 3,708,334 |
| Property, plant and equipment valuation difference | - | 6,687,142 | - | 9,254,543 |
| Capitalized prepaid costs | - | 2,306,908 | - | 3,586,133 |
| Prepaid revenue | 7,799,004 | - | 5,144,315 | - |
| Tax losses brought forward | 9,930,921 | - | - | - |
| Allowances for doubtful receivables | 61,721,937 | - | 71,866,642 | - |
| Vacation provision | 1,190,573 | - | 1,519,334 | - |
| Other provisions | - | 1,383,239 | - | 13,478,161 |
| Estimated expenses provision | - | 225,274 | 301,709 | - |
| Total | 80,642,435 | 14,150,097 | 78,832,000 | 30,027,171 |
| Net balance | 66,492,338 | | 48,804,829 | |

d) Reconciliation between the statement of financial position and the deferred tax tables

Non-Banking Business

| Net balance according to the above tables | Dec-31-20 | Dec-31-19 |
|---|--------------------|--------------------|
| Deferred tax assets | 233,685,099 | 212,284,708 |
| Deferred tax liabilities | 591,807,294 | 613,982,006 |
| Total | 358,122,195 | 401,697,298 |

Banking Business

| Net balance according to the above tables | Dec-31-20 | Dec-31-19 |
|---|-------------------|-------------------|
| Deferred tax assets | 66,492,338 | 48,804,829 |
| Total | 66,492,338 | 48,804,829 |

Note 11 - Investments in Associates

a) Investments in associates - Non-Banking Business

Information regarding the Company's direct and indirect investments in Associates in the Non-Banking Business as of December 31, 2020 and 2019, and net income for the years ended December 31, 2020 and 2019 are detailed as follows:

| Company | Country | Functional currency | Dec-31-20 Percentage interest % | Dec-31-19 Percentage interest % | Dec-31-20 Book value ThCh\$ | Dec-31-19 Book value ThCh\$ | Dec-31-20 Net income for the year ThCh\$ | Dec-31-19 Net income for the year ThCh\$ |
|--|----------|---------------------|--|--|--------------------------------------|--------------------------------------|---|---|
| Sodimac Colombia S.A. | Colombia | COL | 49.00% | 49.00% | 123,247,771 | 133,218,614 | 18,087,164 | 19,338,265 |
| Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V. | Mexico | MXN | 50.00% | 50.00% | 36,799,754 | 32,614,932 | (7,622,311) | (9,712,073) |
| Inmobiliaria Cervantes S.A. | Chile | CLP | 33.70% | 33.70% | 282,665 | 285,687 | 15,834 | 15,719 |
| Servicios Financieros Soriana S.A.P.I de C.V. | Mexico | MXN | 50.00% | 50.00% | 28,652,717 | 25,359,445 | (6,950,315) | (9,305,127) |
| Inmobiliaria Sodimeg S.A de C.V. ⁽¹⁾ | Mexico | MXN | 30.61% | - | 5,163,406 | - | 48,802 | - |
| Total | | | | | 194,146,313 | 191,478,678 | 3,579,174 | 336,784 |

⁽¹⁾ Interest acquired on December 11, 2020.

b) Investments in Associates - Banking Business

Information regarding the Company's direct and indirect investments in Associates in the Banking Business as of December 31, 2020 and 2019, and net income for the years ended December 31, 2020 and 2019 are detailed as follows:

| Company | Country | Functional currency | Dec-31-20 Percentage interest % | Dec-31-19 Percentage interest % | Dec-31-20 Book value ThCh\$ | Dec-31-19 Book value ThCh\$ | Dec-31-20 Net income for the year ThCh\$ | Dec-31-19 Net income for the year ThCh\$ |
|---------------|---------|---------------------|--|--|--------------------------------------|--------------------------------------|---|---|
| Unibanca S.A. | Peru | PEN | 23.13% | 23.13% | 3,134,482 | 3,721,554 | 708,890 | 834,977 |
| Total | | | | | 3,134,482 | 3,721,554 | 708,890 | 834,977 |

c) Summarized information on associates:

Summarized financial information on Associates as of December 31, 2020 and 2019, and net income for the years ended December 31, 2020 and 2019 are detailed as follows:

| Information as of December 31, 2020 | | | | | | | |
|--|--------------------|-----------------------|--------------------|-----------------------|--|--------------------|--------------------------------------|
| Associate | Total Assets | | Total Liabilities | | Goodwill from investments ThCh\$ | Revenue ThCh\$ | Net Income for the year ThCh\$ |
| | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ | | | |
| Sodimac Colombia S.A. | 246,711,436 | 475,540,300 | 148,339,069 | 330,679,354 | 4,063,448 | 844,961,642 | 36,912,580 |
| Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V. | 92,116,327 | 81,235,181 | 48,607,591 | 51,099,768 | - | 76,234,743 | (15,244,622) |
| Unibanca S.A. | 3,843,991 | 12,280,503 | 5,143,123 | 341,663 | 542,073 | 9,754,513 | 3,064,410 |
| Inmobiliaria Cervantes S.A. | 39,565 | 478,275 | 117,699 | - | 147,817 | 67,055 | 46,986 |
| Servicios Financieros Soriana S.A.P.I de C.V. | 61,241,960 | 29,907,149 | 46,478,227 | 18,073 | 6,326,308 | 26,016,866 | (13,900,630) |
| Inmobiliaria Sodimeg S.A de C.V. | 2,636,657 | 14,428,548 | 195,188 | - | - | 292,861 | 159,448 |
| Total | 406,589,936 | 613,869,956 | 248,880,897 | 382,138,858 | 11,079,646 | 957,327,680 | 11,038,172 |

Note 11 - Investments in Associates (continued)

c) Summarized information on associates (continued)

| Information as of December 31, 2019 | | | | | | | |
|--|--------------------|-----------------------|--------------------|-----------------------|----------------------------|--------------------|------------------------|
| Associate | Total Assets | Total Assets | Total Liabilities | Total Liabilities | Goodwill | Revenue | Net Income |
| | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ | from investments ThCh\$ | ThCh\$ | for the year ThCh\$ |
| Sodimac Colombia S.A. | 214,901,524 | 521,208,789 | 158,022,537 | 315,295,590 | 4,450,443 | 847,929,712 | 39,465,847 |
| Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V. | 103,408,268 | 78,929,725 | 67,602,092 | 49,506,037 | - | 46,332,368 | (19,424,146) |
| Unibanca S.A. | 5,102,940 | 12,514,373 | 4,489,619 | 306,967 | 624,284 | 9,885,849 | 3,609,463 |
| Inmobiliaria Cervantes S.A. | 23,534 | 473,998 | 88,422 | - | 147,817 | 65,123 | 46,645 |
| Servicios Financieros Soriana S.A.P.I de C.V. | 58,333,218 | 28,515,174 | 50,185,506 | 882 | 7,028,443 | 21,294,259 | (18,610,252) |
| Total | 381,769,484 | 641,642,059 | 280,388,176 | 365,109,476 | 12,250,987 | 925,507,311 | 5,087,557 |

d) Movements in investments in associates for the period ended December 31, 2020, are detailed as follows:

| Movements in investments in associates | Non-Banking Business | Banking Business | Total Consolidated |
|--|----------------------|------------------|--------------------|
| | ThCh\$ | ThCh\$ | ThCh\$ |
| Opening balance as of January 1, 2020 | 191,478,678 | 3,721,554 | 195,200,232 |
| Share of net income | 3,579,174 | 708,890 | 4,288,064 |
| Dividends received | (16,319,293) | (713,292) | (17,032,585) |
| Contributions and acquisition of interest | 34,015,746 | - | 34,015,746 |
| Conversion adjustment and other reserves | (18,607,992) | (582,670) | (19,190,662) |
| Total movements | 2,667,635 | (587,072) | 2,080,563 |
| Closing balance as of December 31, 2020 | 194,146,313 | 3,134,482 | 197,280,795 |

d) Movements in investments in associates for the year ended December 31, 2019 are detailed as follows:

| Movements in investments in associates | Non-Banking Business | Banking Business | Total Consolidated |
|--|----------------------|------------------|--------------------|
| | ThCh\$ | ThCh\$ | ThCh\$ |
| Opening balance as of January 1, 2019 | 135,735,296 | 3,179,466 | 138,914,762 |
| Reduction due to new accounting standards ⁽¹⁾ | (10,919,394) | - | (10,919,394) |
| Restated opening balance | 124,815,902 | 3,179,466 | 127,995,368 |
| Share of net income | 336,785 | 834,977 | 1,171,762 |
| Dividends received | (106,260) | (669,292) | (775,552) |
| Contributions | 49,917,532 | - | 49,917,532 |
| Conversion adjustment and other reserves | 16,514,719 | 376,403 | 16,891,122 |
| Total movements | 66,662,776 | 542,088 | 67,204,864 |
| Closing balance as of December 31, 2019 | 191,478,678 | 3,721,554 | 195,200,232 |

⁽¹⁾ The effect of IFRS 16 (see Note 2.29.c).

There are no significant restrictions on dividend distributions and debt repayments by associates, due to regulatory issues or related to their debt commitments.

Note 12 - Intangible Assets other than Goodwill

Intangible Assets other than Goodwill - Non-Banking Business

a) Intangible assets in the Non-Banking Business are detailed as follows:

| Net Intangible Assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Intangible assets with defined useful lives, net | 217,674,702 | 216,226,215 |
| Intangible assets with indefinite useful lives | 122,876,604 | 126,456,219 |
| Total | 340,551,306 | 342,682,434 |

a.1) Intangible assets in the Non-Banking Business are detailed as follows:

| Intangible Assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|---------------------|---------------------|
| Internally developed software | 259,676,582 | 211,543,661 |
| Licenses and software programs | 168,216,919 | 167,144,609 |
| Patents, registered trademarks and other rights | 29,102,032 | 31,070,207 |
| Other identifiable intangible assets | 19,364,896 | 24,781,733 |
| Trademarks with indefinite useful lives | 122,876,604 | 126,456,219 |
| Subtotal | 599,237,033 | 560,996,429 |
| Less: Accumulated amortization and impairment | (258,685,727) | (218,313,995) |
| Net Total | 340,551,306 | 342,682,434 |

a.2) Intangible assets with indefinite useful lives in the Non-Banking Business are detailed as follows:

| Individually Significant Identifiable Intangible Assets | Remaining amortization period | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|-------------------------------|---------------------|---------------------|
| Trademark Sodimac | Indefinite | 110,641,102 | 110,641,102 |
| Trademark Imperial | Indefinite | 2,239,800 | 2,239,800 |
| Trademark Dico | Indefinite | 9,995,702 | 13,575,317 |
| Total | | 122,876,604 | 126,456,219 |

Note 12 - Intangible Assets other than Goodwill (continued)

a.3) Movements of Intangible Assets other than Goodwill in the Non-Banking Business for the year ended December 31, 2020 are detailed as follows:

| Gross Balance | Internally developed software | Licenses and software programs | Patents, registered trademarks and other rights | Other identifiable intangible assets | Trademarks with indefinite useful lives | Total |
|--|-------------------------------|--------------------------------|---|--------------------------------------|---|--------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | 211,543,661 | 167,144,609 | 31,070,207 | 24,781,733 | 126,456,219 | 560,996,429 |
| Internally developed additions | 47,429,357 | - | - | - | - | 47,429,357 |
| Purchased additions | - | 11,730,632 | - | 1,173,590 | - | 12,904,222 |
| Withdrawals | (612,301) | (5,993,667) | (1,236,456) | (3,431,267) | - | (11,273,691) |
| Reclassification of concept and capitalization | 945,760 | (2,746,025) | 1,833,470 | (33,205) | - | - |
| Transfers between accounts | 734,864 | 3,679,333 | (97,495) | (1,167,912) | - | 3,148,790 |
| Restatement and conversion adjustment (Note 2.6) | (364,759) | (5,597,963) | (2,467,694) | (1,958,043) | (3,579,615) | (13,968,074) |
| Balance as of December 31, 2020 | 259,676,582 | 168,216,919 | 29,102,032 | 19,364,896 | 122,876,604 | 599,237,033 |

| Amortization and impairment | Internally developed software | Licenses and software programs | Patents, registered trademarks and other rights | Other identifiable intangible assets | Trademarks with indefinite useful lives | Total |
|--|-------------------------------|--------------------------------|---|--------------------------------------|---|-------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | 84,886,100 | 106,524,254 | 14,003,166 | 12,900,475 | - | 218,313,995 |
| Amortization for the year | 30,108,390 | 12,318,651 | 3,001,306 | 1,012,518 | - | 46,440,865 |
| Withdrawals | (173,202) | (4,494,699) | - | (3,367,676) | - | (8,035,577) |
| Transfers between accounts | (353,913) | 2,651,029 | - | (141,869) | - | 2,155,247 |
| Reclassification of concept and capitalization | (200,705) | 164,288 | 36,417 | - | - | - |
| Impairment losses ⁽¹⁾ | - | 6,346,458 | 186,414 | - | - | 6,532,872 |
| Restatement and conversion adjustment (Note 2.6) | (209,688) | (4,288,138) | (1,470,556) | (753,293) | - | (6,721,675) |
| Balance as of December 31, 2020 | 114,056,982 | 119,221,843 | 15,756,747 | 9,650,155 | - | 258,685,727 |

| | | | | | | |
|--|-------------|------------|------------|------------|-------------|-------------|
| Net book value as of January 1, 2020 | 126,657,561 | 60,620,355 | 17,067,041 | 11,881,258 | 126,456,219 | 342,682,434 |
| Net book value as of December 31, 2020 | 145,619,600 | 48,995,076 | 13,345,285 | 9,714,741 | 122,876,604 | 340,551,306 |

⁽¹⁾ Impairment losses on intangible assets at Argentine subsidiaries (See Note 32).

Note 12 - Intangible Assets other than Goodwill (continued)

a.4) Movements in Intangible Assets other than Goodwill in the Non-Banking Business for the year ended December 31, 2019 are detailed as follows:

| Gross Balance | Internally developed software | Licenses and software programs | Patents, registered trademarks and other rights | Other identifiable intangible assets | Trademarks with indefinite useful lives | Total |
|--|-------------------------------|--------------------------------|---|--------------------------------------|---|-------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2019 | 168,573,503 | 140,002,011 | 31,045,346 | 22,735,434 | 125,757,373 | 488,113,667 |
| Internally developed additions | 43,972,521 | - | - | - | - | 43,972,521 |
| Purchased additions | - | 23,722,753 | 160,399 | 1,493,495 | - | 25,376,647 |
| Withdrawals for business sales ⁽¹⁾ | - | (874,648) | - | - | - | (874,648) |
| Withdrawals | (586,811) | (1,581,519) | - | (47,737) | - | (2,216,067) |
| Reclassification of concept and capitalization | (465,928) | 86,696 | - | - | - | (379,232) |
| Restatement and conversion adjustment (Note 2.6) | 50,376 | 5,789,316 | (135,538) | 600,541 | 698,846 | 7,003,541 |
| Balance as of December 31, 2019 | 211,543,661 | 167,144,609 | 31,070,207 | 24,781,733 | 126,456,219 | 560,996,429 |

| Depreciation | Internally developed software | Licenses and software programs | Patents, registered trademarks and other rights | Other identifiable intangible assets | Trademarks with indefinite useful lives | Total |
|--|-------------------------------|--------------------------------|---|--------------------------------------|---|-------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2019 | 65,885,113 | 88,368,866 | 9,553,585 | 11,429,929 | - | 175,237,493 |
| Amortization for the year | 18,860,751 | 18,341,250 | 3,590,263 | 1,083,526 | - | 41,875,790 |
| Withdrawals for business sales ⁽¹⁾ | - | (558,190) | - | - | - | (558,190) |
| Withdrawals | (20,059) | (867,794) | (10,923) | (38,438) | - | (937,214) |
| Restatement and conversion adjustment (Note 2.6) | 160,295 | 1,240,122 | 870,241 | 425,458 | - | 2,696,116 |
| Balance as of December 31, 2019 | 84,886,100 | 106,524,254 | 14,003,166 | 12,900,475 | - | 218,313,995 |

| | | | | | | |
|--|-------------|------------|------------|------------|-------------|-------------|
| Net book value as of January 1, 2019 | 102,688,390 | 51,633,145 | 21,491,761 | 11,305,505 | 125,757,373 | 312,876,174 |
| Net book value as of December 31, 2019 | 126,657,561 | 60,620,355 | 17,067,041 | 11,881,258 | 126,456,219 | 342,682,434 |

⁽¹⁾ Derecognition following the sale of the Viajes Falabella business unit.

b) Intangible assets - Banking Business:

b.1) Intangible Assets in the Banking Business are detailed as follows:

| Intangible assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---------------------------------|---------------------|---------------------|
| Internally developed software | 110,649,911 | 107,844,291 |
| Licenses and software programs | 53,387,870 | 47,285,964 |
| Subtotal | 164,037,781 | 155,130,255 |
| Accumulated amortization (less) | (87,512,410) | (77,011,773) |
| Net Total | 76,525,371 | 78,118,482 |

Note 12 - Intangible Assets other than Goodwill (continued)

b.2) Movements in Intangible Assets in the Banking Business as of December 31, 2020 are detailed as follows:

| Gross Balance | Internally developed software ThCh\$ | Licenses and software programs ThCh\$ | Total ThCh\$ |
|-----------------------------------|---|--|-----------------|
| Balance as of January 1, 2020 | 107,844,291 | 47,285,964 | 155,130,255 |
| Internally developed additions | 14,260,752 | - | 14,260,752 |
| Purchased additions | - | 8,128,732 | 8,128,732 |
| Reclassifications between classes | (2,836,281) | 2,836,281 | - |
| Withdrawals | (755,450) | (1,501,146) | (2,256,596) |
| Conversion adjustment | (7,863,401) | (3,361,961) | (11,225,362) |
| Balance as of December 31, 2020 | 110,649,911 | 53,387,870 | 164,037,781 |

| Depreciation | Internally developed software ThCh\$ | Licenses and software programs ThCh\$ | Total ThCh\$ |
|---------------------------------|---|--|-----------------|
| Balance as of January 1, 2020 | 55,393,265 | 21,618,508 | 77,011,773 |
| Amortization for the year | 8,386,945 | 8,772,892 | 17,159,837 |
| Withdrawals | (200,745) | (1,316,514) | (1,517,259) |
| Conversion adjustment | (3,287,220) | (1,854,721) | (5,141,941) |
| Balance as of December 31, 2020 | 60,292,245 | 27,220,165 | 87,512,410 |

| | | | |
|--|------------|------------|------------|
| Net book value as of January 1, 2020 | 52,451,026 | 25,667,456 | 78,118,482 |
| Net book value as of December 31, 2020 | 50,357,666 | 26,167,705 | 76,525,371 |

b.3) Movements in Intangible Assets in the Banking Business for the year ended December 31, 2019 are detailed as follows:

| Gross Balance | Internally developed software ThCh\$ | Licenses and software programs ThCh\$ | Total ThCh\$ |
|---------------------------------|---|--|-----------------|
| Balance as of January 1, 2019 | 89,890,346 | 38,451,657 | 128,342,003 |
| Internally developed additions | 14,295,128 | - | 14,295,128 |
| Purchased additions | - | 5,992,581 | 5,992,581 |
| Withdrawals | (488,502) | - | (488,502) |
| Conversion adjustment | 4,147,319 | 2,841,726 | 6,989,045 |
| Balance as of December 31, 2019 | 107,844,291 | 47,285,964 | 155,130,255 |

| Depreciation | Internally developed software ThCh\$ | Licenses and software programs ThCh\$ | Total ThCh\$ |
|---------------------------------|---|--|-----------------|
| Balance as of January 1, 2019 | 44,255,055 | 15,826,807 | 60,081,862 |
| Amortization for the year | 9,558,164 | 4,411,790 | 13,969,954 |
| Withdrawals | (56,868) | - | (56,868) |
| Conversion adjustment | 1,636,914 | 1,379,911 | 3,016,825 |
| Balance as of December 31, 2019 | 55,393,265 | 21,618,508 | 77,011,773 |

| | | | |
|--|------------|------------|------------|
| Net book value as of January 1, 2019 | 45,635,291 | 22,624,850 | 68,260,141 |
| Net book value as of December 31, 2019 | 52,451,026 | 25,667,456 | 78,118,482 |

Note 12 - Intangible Assets other than Goodwill (continued)

c) Other information regarding intangible assets:

- c.1) As of December 31, 2020 there are no identifiable intangible assets in use that are fully amortized.
- c.2) Amortization of intangible assets is presented in the statement of net income by function under Administrative Expenses, and amounts to ThCh\$ 63,600,702 and ThCh\$ 55,845,744 as of December 31, 2020 and 2019, respectively, as presented in Note 30.
- c.3) The Company performed annual impairment tests on intangible assets with indefinite useful lives, which did not result in adjustments to the values recognized by the Company.

Note 13 - Goodwill

Goodwill in the Non-Banking Business is detailed as follows:

| Goodwill | Dec-31-20 | Dec-31-19 |
|------------------------------------|--------------------|--------------------|
| | ThCh\$ | ThCh\$ |
| Sodimac S.A. | 205,688,300 | 205,688,300 |
| Imperial S.A. | 13,836,495 | 13,836,495 |
| Hipermercados Tottus S.A. | 14,575,143 | 14,575,143 |
| Inverfal S.A. | 5,354,756 | 5,354,756 |
| Plaza Oeste S.A. | 10,770,845 | 10,770,845 |
| Plaza Del Trébol S.A. | 3,946,308 | 3,946,308 |
| Plaza Tobalaba S.A. | 1,558,544 | 1,558,544 |
| Plaza La Serena S.A. | 418,818 | 418,818 |
| Mall Calama S.A. | 357,778 | 357,778 |
| Inmobiliaria Las Condes S.A. | 3,457,846 | 3,457,846 |
| Construdecor S.A. | 25,117,601 | 34,112,602 |
| Tienda Mejoramiento del Hogar S.A. | 161,525,859 | 186,022,905 |
| Aventura Plaza S.A. | 56,371,921 | 64,921,298 |
| New TIN Linio I GmbH | 104,128,164 | 104,128,164 |
| Total | 607,108,378 | 649,149,802 |

Goodwill impairment is determined through evaluating the recoverable amount of the cash generating units (or group of cash generating units) related to the goodwill.

When the recoverable amount of the cash generating units (or groups of cash generating units) is less than the total book value of the cash generating units (or group of cash generating units) related to the goodwill, an impairment loss is recognized. Impairment losses related to goodwill cannot be reversed in future periods.

Impairment of intangible assets with indefinite useful lives is tested annually at an individual or cash generating unit level, as applicable.

The Company performs annual goodwill impairment tests and these tests have not resulted in adjustments to the recognized values.

Note 13 - Goodwill (continued)

Goodwill by segments as of December 31, 2020 and 2019 is detailed as follows:

| Segment | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|----------------------------------|---------------------|---------------------|
| Home Improvement Stores | 406,168,255 | 439,660,302 |
| Real estate | 76,882,060 | 85,431,437 |
| Supermarkets | 14,575,143 | 14,575,143 |
| Other businesses | 109,482,920 | 109,482,920 |
| Total Goodwill by Segment | 607,108,378 | 649,149,802 |

The Company performed goodwill impairment testing as of December 31, 2020, in accordance with accounting policies (Note 2.12). The value-in-use method was used, based on the future cash flows that are generated by the assets associated with goodwill.

The primary parameters and indicators used to evaluate impairment are:

- Growth of sales and operating margins.
- Administrative and sales expenses, as a function of sales growth.
- Investments in investment properties, and in property, plant and equipment.
- Discount rates used in the December 2020 evaluation fluctuate between 5.18% and 12%.

The test results indicated that there were no losses in the value of goodwill for Falabella S.A.

Note 14 - Property, Plant and Equipment

a) Property, plant and equipment for the Non-Banking Business was as follows:

| Description | Dec-31-20 | | | Dec-31-19 | | |
|--|----------------------|---|----------------------|----------------------|---|----------------------|
| | Gross value | Accumulated depreciation and impairment | Net value | Gross value | Accumulated depreciation and impairment | Net value |
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Land | 734,788,964 | - | 734,788,964 | 805,835,417 | - | 805,835,417 |
| Buildings | 979,387,974 | (195,654,968) | 783,733,006 | 1,028,646,142 | (191,463,815) | 837,182,327 |
| Plant and equipment | 319,638,925 | (161,617,860) | 158,021,065 | 339,326,412 | (166,771,015) | 172,555,397 |
| IT equipment | 149,823,644 | (108,025,412) | 41,798,232 | 147,835,103 | (97,281,311) | 50,553,792 |
| Fixtures and accessories | 1,219,257,738 | (675,099,796) | 544,157,942 | 1,287,432,691 | (651,903,951) | 635,528,740 |
| Motor vehicles | 38,551,602 | (26,371,389) | 12,180,213 | 37,456,028 | (25,514,660) | 11,941,368 |
| Construction in progress | 213,386,011 | (52,956) | 213,333,055 | 196,314,989 | - | 196,314,989 |
| Right of use assets ⁽¹⁾ | 932,586,766 | (162,828,405) | 769,758,361 | 914,354,446 | (89,421,695) | 824,932,751 |
| Other property, plant and equipment ⁽²⁾ | 391,200,052 | (260,880,688) | 130,319,364 | 394,013,823 | (230,472,823) | 163,541,000 |
| Total | 4,978,621,676 | (1,590,531,474) | 3,388,090,202 | 5,151,215,051 | (1,452,829,270) | 3,698,385,781 |

⁽¹⁾ The effect of IFRS 2019 in 2019 (See Note 2.29.c).

⁽²⁾ Primarily furniture and equipment

b) Property, plant and equipment in the Banking Business was as follows:

| Description | Dec-31-20 | | | Dec-31-19 | | |
|--|--------------------|--------------------------|-------------------|--------------------|--------------------------|-------------------|
| | Gross value | Accumulated Depreciation | Net value | Gross value | Accumulated Depreciation | Net value |
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Land | 173,909 | - | 173,909 | 173,909 | - | 173,909 |
| Buildings | 322,978 | (322,978) | - | 322,978 | (322,978) | - |
| Plant and equipment | 20,295,746 | (13,854,708) | 6,441,038 | 21,180,134 | (12,990,569) | 8,189,565 |
| IT equipment | 35,344,915 | (22,413,843) | 12,931,072 | 32,322,173 | (21,236,427) | 11,085,746 |
| Fixtures and accessories | 30,976,877 | (23,290,773) | 7,686,104 | 31,913,821 | (20,760,164) | 11,153,657 |
| Motor vehicles | 57,124 | (57,124) | - | 63,287 | (59,472) | 3,815 |
| Construction in progress | 8,449,865 | - | 8,449,865 | 9,557,126 | - | 9,557,126 |
| Right of use assets ⁽¹⁾ | 38,420,142 | (18,380,796) | 20,039,346 | 44,580,118 | (13,827,863) | 30,752,255 |
| Other property, plant and equipment ⁽²⁾ | 6,793,649 | (3,624,104) | 3,169,545 | 5,915,283 | (3,923,396) | 1,991,887 |
| Total | 140,835,205 | (81,944,326) | 58,890,879 | 146,028,829 | (73,120,869) | 72,907,960 |

⁽¹⁾ The effect of IFRS 2019 in 2019 (See Note 2.29.c).

⁽²⁾ Primarily furniture and equipment

Note 14 - Property, Plant and Equipment (continued)

c) Movements for the Non-Banking Business for the year ended December 31, 2020 are detailed as follows:

| Cost | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|--|--------------------|--------------------|---------------------|--------------------|----------------------------|-------------------|--------------------------|---------------------|-------------------------------------|----------------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | 805,835,417 | 1,028,646,142 | 339,326,412 | 147,835,103 | 1,287,432,691 | 37,456,028 | 196,314,989 | 914,354,446 | 394,013,823 | 5,151,215,051 |
| Additions | 1,676,519 | 2,161,324 | 17,238,081 | 8,077,660 | 10,731,110 | 454,410 | 178,308,871 | 85,208,286 | 2,912,350 | 306,768,611 |
| Sales | (237,707) | (555,570) | (1,808,705) | (228,758) | (4,080,041) | (380,630) | (1,996,631) | - | (1,166,228) | (10,454,270) |
| Withdrawals | - | (10,400,847) | (16,827,019) | (3,341,541) | (45,989,865) | (405,538) | (147,886) | (12,524,139) | (16,562,374) | (106,199,209) |
| Reclassification of concept and capitalization | - | 16,194,487 | 4,985,005 | 5,408,054 | 74,180,117 | 1,620,464 | (119,588,523) | 377,937 | 16,822,459 | - |
| Transfers between accounts | (488,512) | (670,421) | (9,761,696) | (1,605,585) | (12,848,949) | 1,506,863 | (8,530,857) | 99,247 | 29,151,120 | (3,148,790) |
| Transfers to Investment Property | (17,220,060) | 3,689,240 | 14,261 | - | 798,876 | - | (21,382,535) | - | 51,282 | (34,048,936) |
| Restatement and conversion adjustment (Note 2.6) | (54,776,693) | (59,676,381) | (13,527,414) | (6,321,289) | (90,966,201) | (1,699,995) | (9,591,417) | (54,929,011) | (34,022,380) | (325,510,781) |
| Balance as of December 31, 2020 | 734,788,964 | 979,387,974 | 319,638,925 | 149,823,644 | 1,219,257,738 | 38,551,602 | 213,386,011 | 932,586,766 | 391,200,052 | 4,978,621,676 |

| Depreciation and impairment | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|--|----------|--------------------|---------------------|--------------------|----------------------------|-------------------|--------------------------|---------------------|-------------------------------------|----------------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | - | 191,463,815 | 166,771,015 | 97,281,311 | 651,903,951 | 25,514,660 | - | 89,421,695 | 230,472,823 | 1,452,829,270 |
| Depreciation for the year | - | 21,839,496 | 41,132,260 | 17,674,833 | 107,043,565 | 527,917 | - | 92,588,357 | 39,481,352 | 320,287,780 |
| Transfers between accounts | - | (6,647,891) | (13,718,415) | 1,577,038 | (5,376,651) | 1,037,472 | - | 858,712 | 20,114,488 | (2,155,247) |
| Transfers to Investment Property | - | (9,320,125) | 355,587 | (755) | 268,929 | (3,649) | - | - | (935,337) | (9,635,350) |
| Sales | - | (203,681) | (1,700,818) | (225,867) | (2,949,908) | (211,906) | - | - | (921,862) | (6,214,042) |
| Withdrawals | - | (6,026,208) | (15,844,415) | (3,059,149) | (36,537,874) | (386,857) | - | (17,921,286) | (13,653,941) | (93,429,730) |
| Reclassification of concept and capitalization | - | - | 161,520 | (498,853) | 1,585 | - | - | - | 335,748 | - |
| Impairment losses ⁽¹⁾ | - | 4,685,944 | 990,219 | 555,051 | 7,254,189 | - | 52,956 | 12,410,522 | 1,517,629 | 27,466,510 |
| Restatement and conversion adjustment (Note 2.6) | - | (136,382) | (16,529,093) | (5,278,197) | (46,507,990) | (106,248) | - | (14,529,595) | (15,530,212) | (98,617,717) |
| Balance as of December 31, 2020 | - | 195,654,968 | 161,617,860 | 108,025,412 | 675,099,796 | 26,371,389 | 52,956 | 162,828,405 | 260,880,688 | 1,590,531,474 |

| | | | | | | | | | | |
|-------------------------------------|-------------|-------------|-------------|------------|-------------|------------|-------------|-------------|-------------|---------------|
| Net balance as of January 1, 2020 | 805,835,417 | 837,182,327 | 172,555,397 | 50,553,792 | 635,528,740 | 11,941,368 | 196,314,989 | 824,932,751 | 163,541,000 | 3,698,385,781 |
| Net balance as of December 31, 2020 | 734,788,964 | 783,733,006 | 158,021,065 | 41,798,232 | 544,157,942 | 12,180,213 | 213,333,055 | 769,758,361 | 130,319,364 | 3,388,090,202 |

⁽¹⁾ Impairment losses on property, plant and equipment at Argentine subsidiaries (See Note 32).

Note 14 - Property, Plant and Equipment (continued)

d) Movements for the Non-Banking Business for the year ended December 31, 2019, are detailed as follows:

| Cost | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|---|--------------|---------------|---------------------|--------------|----------------------------|----------------|--------------------------|---------------------|-------------------------------------|---------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2019 | 796,790,313 | 952,434,751 | 333,057,628 | 145,697,903 | 1,155,321,265 | 38,259,319 | 133,052,774 | - | 364,319,313 | 3,918,933,266 |
| Increase due to new accounting standards ⁽¹⁾ | - | - | - | - | - | - | - | 807,791,210 | - | 807,791,210 |
| Additions | 3,616,987 | 10,011,276 | 22,528,950 | 13,165,674 | 32,728,868 | 345,443 | 250,948,823 | 80,334,455 | 11,966,316 | 425,646,792 |
| Withdrawals for business sales ⁽²⁾ | - | - | (215,432) | (440,591) | (1,947,906) | - | (5,349) | (1,399,136) | (1,850,801) | (5,859,215) |
| Transfers to Investment Property | (26,101,910) | 3,103,737 | 163,259 | - | 3,544,583 | - | (44,385,937) | - | 12,812 | (63,663,456) |
| Sales | - | (122,288) | (5,097,191) | (805,304) | (4,506,067) | (336,869) | (63,798) | - | (4,058,448) | (14,989,965) |
| Withdrawals | - | (5,776,149) | (21,964,018) | (23,803,530) | (28,153,829) | (735,699) | (1,675,996) | (11,922,281) | (15,733,917) | (109,765,419) |
| Reclassification of concept and capitalization | - | 24,375,132 | 5,869,258 | 7,001,010 | 77,511,469 | (112,589) | (137,851,614) | 107,261 | 23,100,073 | - |
| Restatement and conversion adjustment (Note 2.6) | 31,530,027 | 44,619,683 | 4,983,958 | 7,019,941 | 52,934,308 | 36,423 | (3,703,914) | 39,442,937 | 16,258,475 | 193,121,838 |
| Balance as of December 31, 2019 | 805,835,417 | 1,028,646,142 | 339,326,412 | 147,835,103 | 1,287,432,691 | 37,456,028 | 196,314,989 | 914,354,446 | 394,013,823 | 5,151,215,051 |

| Depreciation | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|--|--------|-------------|---------------------|--------------|----------------------------|----------------|--------------------------|---------------------|-------------------------------------|---------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2019 | - | 160,317,910 | 142,923,695 | 99,138,388 | 560,798,058 | 25,851,329 | - | - | 204,565,819 | 1,193,595,199 |
| Depreciation for the year | - | 21,117,403 | 40,538,434 | 16,894,090 | 98,751,130 | 632,710 | - | 90,132,595 | 38,555,743 | 306,622,105 |
| Withdrawals for business sales ⁽²⁾ | - | - | (115,530) | (282,863) | (1,138,190) | - | - | (100,503) | (1,768,796) | (3,405,882) |
| Sales | - | (5,386) | (4,124,567) | (795,537) | (3,921,066) | (220,071) | - | - | (3,475,090) | (12,541,717) |
| Withdrawals | - | (3,131,139) | (18,541,502) | (23,113,322) | (21,771,250) | (740,915) | - | (2,012,877) | (13,922,733) | (83,233,738) |
| Reclassification of concept and capitalization | - | 3,139,291 | 2,730 | 594,136 | (3,146,022) | - | - | 16,560 | (606,695) | - |
| Restatement and conversion adjustment (Note 2.6) | - | 10,025,736 | 6,087,755 | 4,846,419 | 22,331,291 | (8,393) | - | 1,385,920 | 7,124,575 | 51,793,303 |
| Balance as of December 31, 2019 | - | 191,463,815 | 166,771,015 | 97,281,311 | 651,903,951 | 25,514,660 | - | 89,421,695 | 230,472,823 | 1,452,829,270 |

| | | | | | | | | | | |
|-------------------------------------|-------------|-------------|-------------|------------|-------------|------------|-------------|-------------|-------------|---------------|
| Net balance as of January 1, 2019 | 796,790,313 | 792,116,841 | 190,133,933 | 46,559,515 | 594,523,207 | 12,407,990 | 133,052,774 | - | 159,753,494 | 2,725,338,067 |
| Net balance as of December 31, 2019 | 805,835,417 | 837,182,327 | 172,555,397 | 50,553,792 | 635,528,740 | 11,941,368 | 196,314,989 | 824,932,751 | 163,541,000 | 3,698,385,781 |

⁽¹⁾ The effect of IFRS 16 (see Note 2.29.c). Falabella mainly classifies under this item its right of use assets related to real estate leases used to develop its businesses and install its stores.

⁽²⁾ Derecognition following the sale of the Viajes Falabella business unit.

Note 14 - Property, Plant and Equipment (continued)

e) Movements for the Banking Business for the year ended December 31, 2020 are detailed as follows:

| Cost | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|--|---------|-----------|---------------------|--------------|----------------------------|----------------|--------------------------|---------------------|-------------------------------------|--------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | 173,909 | 322,978 | 21,180,134 | 32,322,173 | 31,913,821 | 63,287 | 9,557,126 | 44,580,118 | 5,915,283 | 146,028,829 |
| Additions | - | - | 798,706 | 2,950,324 | 2,827,147 | - | 2,580,504 | 9,198,830 | 1,712,875 | 20,068,386 |
| Withdrawals | - | - | (1,052,632) | - | (3,104,362) | - | (2,116) | (13,094,646) | (633,456) | (17,887,212) |
| Reclassification of concept and capitalization | - | - | 61,272 | 1,241,919 | 2,145,524 | - | (3,567,922) | - | 119,207 | - |
| Conversion adjustment | - | - | (691,734) | (1,169,501) | (2,805,253) | (6,163) | (117,727) | (2,264,160) | (320,260) | (7,374,798) |
| Net balance as of December 31, 2020 | 173,909 | 322,978 | 20,295,746 | 35,344,915 | 30,976,877 | 57,124 | 8,449,865 | 38,420,142 | 6,793,649 | 140,835,205 |

| Depreciation | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|-------------------------------------|--------|-----------|---------------------|--------------|----------------------------|----------------|--------------------------|---------------------|-------------------------------------|-------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | - | 322,978 | 12,990,569 | 21,236,427 | 20,760,164 | 59,472 | - | 13,827,863 | 3,923,396 | 73,120,869 |
| Depreciation for the year | - | - | 2,448,312 | 4,733,467 | 3,830,211 | 3,803 | - | 8,914,258 | 416,289 | 20,346,340 |
| Withdrawals | - | - | (1,169,936) | (2,575,059) | (19,335) | - | - | (4,183,241) | (489,166) | (8,436,737) |
| Conversion adjustment | - | - | (414,237) | (980,992) | (1,280,267) | (6,151) | - | (178,084) | (226,415) | (3,086,146) |
| Net balance as of December 31, 2020 | - | 322,978 | 13,854,708 | 22,413,843 | 23,290,773 | 57,124 | - | 18,380,796 | 3,624,104 | 81,944,326 |

| | | | | | | | | | | |
|-------------------------------------|---------|---|-----------|------------|------------|-------|-----------|------------|-----------|------------|
| Net balance as of January 1, 2020 | 173,909 | - | 8,189,565 | 11,085,746 | 11,153,657 | 3,815 | 9,557,126 | 30,752,255 | 1,991,887 | 72,907,960 |
| Net balance as of December 31, 2020 | 173,909 | - | 6,441,038 | 12,931,072 | 7,686,104 | - | 8,449,865 | 20,039,346 | 3,169,545 | 58,890,879 |

Note 14 - Property, Plant and Equipment (continued)

f) Movements for the Banking Business for the year ended December 31, 2019 are detailed as follows:

| Cost | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|---|-----------|-----------|---------------------|--------------|----------------------------|----------------|--------------------------|---------------------|-------------------------------------|--------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2019 | 333,416 | 322,978 | 18,061,329 | 33,721,070 | 29,714,254 | 109,026 | 8,288,512 | - | 5,633,332 | 96,183,917 |
| Increase due to new accounting standards ⁽¹⁾ | - | - | - | - | - | - | - | 37,474,775 | - | 37,474,775 |
| Additions | - | - | 2,984,533 | 3,382,810 | 1,672,555 | - | 2,243,025 | 5,904,213 | 614,634 | 16,801,770 |
| Reclassification of concept and capitalization | - | - | 641,249 | 293,468 | (295,015) | - | (1,037,887) | 224,778 | 173,407 | - |
| Withdrawals | (159,507) | - | (1,310,865) | (7,486,447) | (821,218) | (52,543) | (1,491) | (2,027,152) | (833,749) | (12,692,972) |
| Conversion adjustment | - | - | 803,888 | 2,411,272 | 1,643,245 | 6,804 | 64,967 | 3,003,504 | 327,659 | 8,261,339 |
| Balance as of Dec 31, 2019 | 173,909 | 322,978 | 21,180,134 | 32,322,173 | 31,913,821 | 63,287 | 9,557,126 | 44,580,118 | 5,915,283 | 146,028,829 |

| Depreciation | Land | Buildings | Plant and equipment | IT equipment | Facilities and accessories | Motor vehicles | Construction in progress | Right of use assets | Other property, plant and equipment | Total |
|--|--------|-----------|---------------------|--------------|----------------------------|----------------|--------------------------|---------------------|-------------------------------------|-------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2019 | - | 322,978 | 11,124,987 | 22,124,360 | 17,070,305 | 96,376 | - | - | 4,060,634 | 54,799,640 |
| Depreciation for the year | - | - | 2,568,539 | 4,537,819 | 3,624,131 | 9,318 | - | 9,874,257 | 412,483 | 21,026,547 |
| Reclassification of concept and capitalization | - | - | 76,848 | (28,028) | (143,972) | - | - | 95,152 | - | - |
| Withdrawals | - | - | (1,176,884) | (7,448,655) | (478,891) | (52,543) | - | - | (789,998) | (9,946,971) |
| Conversion adjustment | - | - | 397,079 | 2,050,931 | 688,591 | 6,321 | - | 3,858,454 | 240,277 | 7,241,653 |
| Balance as of December 31, 2019 | - | 322,978 | 12,990,569 | 21,236,427 | 20,760,164 | 59,472 | - | 13,827,863 | 3,923,396 | 73,120,869 |

| | | | | | | | | | | |
|-------------------------------------|---------|---|-----------|------------|------------|--------|-----------|------------|-----------|------------|
| Net balance as of January 1, 2019 | 333,416 | - | 6,936,342 | 11,596,710 | 12,643,949 | 12,650 | 8,288,512 | - | 1,572,698 | 41,384,277 |
| Net balance as of December 31, 2019 | 173,909 | - | 8,189,565 | 11,085,746 | 11,153,657 | 3,815 | 9,557,126 | 30,752,255 | 1,991,887 | 72,907,960 |

⁽¹⁾ The effect of IFRS 16 (see Note 2.29.c). Falabella mainly classifies under this item its right of use assets related to real estate leases that are used to develop its businesses.

Property, plant and equipment that have been fully depreciated and are still used by the Company are not significant.

The total charge to income from depreciation for the year ended December 31, 2020 and 2019 was ThCh\$ 340,634,120 and ThCh\$ 327,648,652 respectively. These values are presented in the Statement of Net Income, by function, as follows:

- ThCh\$ 336,985,897 and ThCh\$ 323,946,438, under Administrative expenses as of December 31, 2020 and December 31, 2019, as presented in Note 30.
- ThCh\$ 3,648,223 and ThCh\$ 3,702,214 under Cost of Sales as of December 31, 2020 and 2019, respectively, mainly for depreciation on leased machinery.

Note 14 - Property, Plant and Equipment (continued)

- g) During 2020, the Company capitalized interest of ThCh\$ 1,885,192. The average capitalized interest rate was 4.98%. During 2019, the Company capitalized interest of ThCh\$ 3,660,447. The average capitalized interest rate was 4.36%.

As of December 31, 2020, the Company had contractual commitments to suppliers to acquire Property, plant and equipment totaling ThCh\$ 44,522,848.

Falabella has pledged assets in guarantee of ThCh\$ 52,793,240 as of December 31, 2020, which form part of Property, plant and equipment.

- h) The Company has also carried out sale-and-leaseback transactions. These transactions are detailed as follows:

| Purchaser | Seller | Assets involved | Nominal value | Contract term | Purchase price |
|-------------------|-------------------|--------------------------|---------------|---------------|----------------|
| SCOTIABANK (PERU) | OPEN PLAZA S.A.C. | BUILDINGS AND FACILITIES | 5,844,845 | May 9, 2028 | 5,844,845 |
| Total | | | 5,844,845 | | 5,844,845 |

There are no significant clauses in these lease contracts, since they have normal terms for such contracts.

Sale-and-leaseback transactions have no effect on net income, because their sale prices are the same as their book values on the transaction date.

- i) The group as lessor

The Company leases its Investment Properties as part of its business. As of December 31, 2020 and 2019, the Company had the following rights receivable under non-cancellable leases:

| Description | Dec-31-20 Minimum payments receivable ThCh\$ | Dec-31-19 Minimum payments receivable ThCh\$ |
|------------------------|---|---|
| Up to one year | 187,164,537 | 200,527,177 |
| From one to five years | 416,445,955 | 487,563,125 |
| Over five years | 386,359,106 | 443,672,752 |
| Total | 989,969,598 | 1,131,763,054 |

The Company leases stores to third parties that form part of its Investment Properties. The lease agreements establish their term, lease installments and their calculation, the characteristics of the leased assets and other obligations related to the promotion, services and correct operation of these stores.

Note 14 - Property, Plant and Equipment (continued)

Fixed and variable lease income from Investment Properties was as follows:

| Leases charged to third parties | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|---------------------------------|----------------------------------|----------------------------------|
| Fixed income | 147,133,784 | 279,465,482 |
| Variable income | 22,153,405 | 16,806,748 |
| Total | 169,287,189 | 296,272,230 |

Leasing income of ThCh\$ 169,287,189 as of December 31, 2020 and ThCh\$ 296,272,230 as of December 31, 2019 is receivable from third parties for all Falabella real estate companies. Conversely, in Note 36 Financial Information by Segments, operating revenue from the Chile Real Estate segment is total revenue receivable from third parties, and related to real estate companies in Chile.

Note 15 - Investment Property

a) Movements during the year ended December 31, 2020 are detailed as follows:

| Cost | ThCh\$ |
|--|----------------------|
| Balance as of January 1, 2020 | 3,468,527,251 |
| Additions | 134,304,988 |
| Withdrawals | (21,425,459) |
| Acquisitions through business combinations (See Note 41) | 70,746,361 |
| Transfers to non-current assets held for sale | (11,735,053) |
| Transfers from property, plant and equipment | 34,048,936 |
| Conversion adjustment | (79,535,904) |
| Balance as of December 31, 2020 | 3,594,931,120 |

| Depreciation | ThCh\$ |
|--|--------------------|
| Balance as of January 1, 2020 | 233,457,548 |
| Depreciation for the year | 57,766,026 |
| Withdrawals | (16,606,665) |
| Transfers from property, plant and equipment | 9,635,350 |
| Conversion adjustment | (4,640,611) |
| Balance as of December 31, 2020 | 279,611,648 |

| | |
|--|----------------------|
| Net balance as of January 1, 2020 | 3,235,069,703 |
| Net balance as of December 31, 2020 | 3,315,319,472 |

Note 15 - Investment Property (continued)

b) Movements during the year ended December 31, 2019, are detailed as follows:

| Cost | ThCh\$ |
|---|----------------------|
| Balance as of January 1, 2019 | 3,152,293,716 |
| Increase due to new accounting standards ⁽¹⁾ | 10,306,315 |
| Additions | 208,224,099 |
| Transfers from property, plant and equipment | 63,663,456 |
| Withdrawals | (5,316,779) |
| Sales | (13,649,685) |
| Conversion adjustment | 53,006,129 |
| Balance as of December 31, 2019 | 3,468,527,251 |

| Depreciation | ThCh\$ |
|--|--------------------|
| Balance as of January 1, 2019 | 180,247,267 |
| Depreciation for the year | 52,366,827 |
| Withdrawals | (1,312,873) |
| Conversion adjustment | 2,156,327 |
| Balance as of December 31, 2019 | 233,457,548 |

| | |
|--|----------------------|
| Net balance as of January 1, 2019 | 2,972,046,449 |
| Net balance as of December 31, 2019 | 3,235,069,703 |

⁽¹⁾ The effect of IFRS 16 (see Note 2.29.c). Falabella mainly classifies under this item its right of use assets related to real estate leases that are used to develop its businesses.

Note 29.1.c) includes a breakdown of the Costs of Investment Properties, including the depreciation of these assets.

Investment properties include shopping centers, works in progress and land available for future malls.

Investment properties are depreciated using the straight-line method based on their estimated useful lives.

Depreciation of investment properties for the years ended December 31, 2020 and 2019 are recorded in Cost of sales in the consolidated statement of net income by function.

During 2020, the Company capitalized interest of ThCh\$ 7,027,400. The average capitalized interest rate was 5.33%. During 2019, the Company capitalized interest of ThCh\$ 5,681,215. The average capitalized interest rate was 3.85%.

The estimated market value of investment properties as of December 31, 2020 and 2019 is ThCh\$ 4,438,879,687 and ThCh\$ 4,617,579,858, respectively.

As of December 31, 2020, the contractual obligations for purchasing, constructing, repairing, maintaining and developing Investment Properties were ThCh\$ 59,319,875.

Unused land and land not being used to construct shopping malls as of December 31, 2020 and 2019 was ThCh\$ 118,291,710 and ThCh\$ 79,384,967, respectively. There are no maintenance expenses associated with these properties, nor are there any restrictions on real estate investment sales, collecting income from them or collecting the proceeds from their sale or disposal by other means.

Note 15 - Investment Property (continued)

The market value hierarchy according to IFRS 13 is detailed as follows:

| | Dec-31-20 | Fair value measured as of the reporting date | | |
|---|---------------|--|---------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets and liabilities at market value, disclosed in note | | | | |
| Investment properties | 4,438,879,687 | - | 4,438,879,687 | - |
| Total | 4,438,879,687 | - | 4,438,879,687 | - |

| | Dec-31-19 | Fair value as of the reporting date | | |
|---|---------------|-------------------------------------|---------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets and liabilities at market value, disclosed in note | | | | |
| Investment properties | 4,617,579,858 | - | 4,617,579,858 | - |
| Total | 4,617,579,858 | - | 4,617,579,858 | - |

Note 16 - Investment Instruments held for Sale

Investment instruments classified as held for sale are detailed as follows:

| Details of Instruments held for Sale | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Instruments issued by the State and the Chilean Central Bank | | |
| Bonds issued by the Chilean Central Bank | 490,077,097 | 312,129,528 |
| Other Instruments issued by the State and the Chilean Central Bank | 256,739,494 | 5,752,626 |
| Instruments issued by other Chilean Institutions | | |
| Letters of Credit for Mortgages issued by Chilean Banks | - | 10,092,524 |
| Negotiable Time Deposits issued by Chilean Banks | 168,850,572 | 255,308,999 |
| Instruments issued by Foreign Institutions | | |
| Instruments issued by Foreign Governments or Central Banks | 155,860,521 | 97,746,345 |
| Total | 1,071,527,684 | 681,030,022 |

Note 17 - Other Banking Business Assets

The following Banking Business Assets are classified in this category:

| Other Assets | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---------------------------------|---------------------|---------------------|
| Guarantee deposits | 61,947,533 | 65,817,696 |
| Accrued commissions receivable | 1,303,976 | 2,001,826 |
| Deferred expenses | 990,210 | 2,075,398 |
| Bills receivable ⁽¹⁾ | 76,614,829 | 73,700,190 |
| Investment in auxiliary company | 312,903 | 312,903 |
| Assets acquired at auction | 44,470 | 585,120 |
| Software maintenance contracts | 644,910 | 85,013 |
| Others ⁽²⁾ | 2,986,164 | 3,533,481 |
| Total | 144,844,995 | 148,111,627 |

⁽¹⁾ Primarily "pending daily transactions", receivables for using ATMs, invoices for leasing areas in branches, and others.

⁽²⁾ Primarily licenses for using Redbanc, subscriptions, advertising contracts, balances due to card theft and cloning under investigation, stationary and others.

Note 18 - Other Current and Non-Current Financial Liabilities

a) Other current and non-current financial liabilities for the Non-banking Business are detailed as follows:

| Other financial liabilities | Dec-31-20 | | Dec-31-19 | |
|-----------------------------|--------------------|-----------------------|--------------------|-----------------------|
| | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ |
| Bank loans | 269,891,314 | 849,362,017 | 318,396,199 | 547,901,282 |
| Bond obligations | 145,318,756 | 2,377,296,350 | 90,363,979 | 2,168,723,091 |
| Other financial liabilities | 115,332,312 | 3,331,796 | 35,172,270 | 96,674,912 |
| Total | 530,542,382 | 3,229,990,163 | 443,932,448 | 2,813,299,285 |

Dec-31-20

b) Bank Loans as of December 31, 2020 are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate % | |
|------------------|-----------------------|----------------|--------------------|--------------------------------|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-----------------|------------------|--|----------------|-------------------|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | | | | | Total Non-Current |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 9,809 | 863,316 | - | 873,125 | - | - | - | At Maturity | 4.62 | 863,316 | 4.57 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,018,000-1 | SCOTIABANK | CHILE | CLP | - | 24,990,627 | - | 24,990,627 | - | - | - | At Maturity | 4.23 | 25,000,000 | 3.35 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | CLP | 94,897 | - | 94,897 | - | 24,999,983 | 24,999,983 | At Maturity | 4.99 | 25,000,000 | 4.88 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | CLP | 75,000 | - | 75,000 | - | 24,999,766 | 24,999,766 | At Maturity | 3.65 | 25,000,000 | 3.60 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | CLP | 75,000 | - | 75,000 | - | 24,999,766 | 24,999,766 | At Maturity | 3.65 | 25,000,000 | 3.60 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | CLP | 15,500 | - | 15,500 | - | 15,499,954 | 15,499,954 | At Maturity | 3.65 | 15,000,000 | 3.60 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | CLP | 20,000 | - | 20,000 | - | 19,999,941 | 19,999,941 | At Maturity | 3.65 | 20,000,000 | 3.60 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | CLP | 6,267 | - | 6,267 | - | 9,999,979 | 9,999,979 | At Maturity | 2.85 | 10,000,000 | 2.82 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | CLP | 9,620 | - | 9,620 | - | 15,350,379 | 15,350,379 | At Maturity | 2.85 | 15,000,000 | 2.82 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 23,382 | - | 23,382 | - | 24,936,238 | 24,936,238 | At Maturity | 3.27 | 25,000,000 | 3.27 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 23,382 | - | 23,382 | - | 24,936,238 | 24,936,238 | At Maturity | 3.27 | 25,000,000 | 3.27 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 20,533 | - | 20,533 | - | 19,874,555 | 19,874,555 | At Maturity | 4.62 | 20,000,000 | 4.62 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 37,414 | - | 37,414 | - | 24,979,068 | 24,979,068 | At Maturity | 3.17 | 25,000,000 | 3.17 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 33,873 | - | 33,873 | - | 25,001,769 | 25,001,769 | At Maturity | 2.87 | 25,000,000 | 2.87 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | 11,672 | - | 11,672 | - | 9,940,706 | 9,940,706 | At Maturity | 3.82 | 10,000,000 | 3.82 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | 19,571 | - | 19,571 | - | 14,935,816 | 14,935,816 | At Maturity | 4.27 | 15,000,000 | 4.27 | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | 35,000 | - | 35,000 | - | 24,962,069 | 24,962,069 | At Maturity | 3.36 | 25,000,000 | 3.36 | |
| 77,261,280-K | FALABELLA RETAIL S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | USD | 556,926 | 498,753 | 127,245 | 1,182,924 | - | - | At Maturity | 2.70 | 1,182,924 | 2.70 | |
| 77,261,280-K | FALABELLA RETAIL S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | EUR | 13,509 | - | - | 13,509 | - | - | At Maturity | 3.70 | 13,509 | 3.70 | |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2020 are detailed as follows (continued):

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate % |
|------------------|--|----------------|--------------------|--------------------------------|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-------------------|-----------------|------------------|--|----------------|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| 77,261,280-K | FALABELLA RETAIL S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | USD | - | - | 9,903 | 9,903 | - | - | - | At Maturity | 3.70 | 9,903 | 3.70 |
| 77,261,280-K | FALABELLA RETAIL S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | USD | 794 | - | - | 794 | - | - | - | At Maturity | 0.14 | 794 | 0.14 |
| 78,627,210-6 | HIPERMERCADOS TOTTUS S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | USD | 42,181 | 252,508 | 110,158 | 404,847 | - | - | - | At Maturity | 2.28 | 404,496 | 2.28 |
| 78,627,210-6 | HIPERMERCADOS TOTTUS S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | EUR | - | 48,403 | - | 48,403 | - | - | - | At Maturity | 2.28 | 48,403 | 2.28 |
| 99,593,960-6 | DESARROLLOS INMOBILIARIOS S.A. | CHILE | 97,008,000-7 | CITIBANK N.A. | CHILE | UF | - | - | 3,362,917 | 3,362,917 | - | 1,676,915 | 1,676,915 | Six monthly | 3.94 | 5,031,403 | 3.64 |
| 96,573,100-8 | MANUFACTURAS DE VESTUARIOS MAVE SA LTDA. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | USD | - | 313,765 | - | 313,765 | - | - | - | At Maturity | 0.68 | 313,76 | 0.68 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | - | 14,402,903 | - | 14,402,903 | - | - | - | At Maturity | 4.49 | 14,428,564 | 3.68 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | - | 2,442 | 2,442 | - | 12,209,454 | 12,209,454 | At Maturity | 2.40 | 12,211,981 | 2.40 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 53,375 | - | 53,375 | - | 5,692,796 | 5,692,796 | At Maturity | 2.25 | 5,746,184 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 54,437 | - | 54,437 | - | 5,731,189 | 5,731,189 | At Maturity | 2.28 | 5,787,472 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 27,383 | - | 27,383 | - | 2,882,871 | 2,882,871 | At Maturity | 2.28 | 2,911,182 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 28,219 | - | 28,219 | - | 2,900,247 | 2,900,247 | At Maturity | 2.34 | 2,931,154 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 28,557 | - | 28,557 | - | 2,900,450 | 2,900,450 | At Maturity | 2.36 | 2,932,575 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 43,683 | - | 43,683 | - | 4,410,791 | 4,410,791 | At Maturity | 2.38 | 4,460,569 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 28,927 | - | 28,927 | - | 2,903,749 | 2,903,749 | At Maturity | 2.39 | 2,937,130 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | - | - | 16,276 | 16,276 | - | 14,358,257 | 14,358,257 | Six monthly | 1.70 | 14,374,536 | 1.70 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | - | - | 16,276 | 16,276 | - | 14,358,256 | 14,358,256 | Six monthly | 1.70 | 14,374,536 | 1.70 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | UF | - | - | 18,888 | 18,888 | - | 33,430,879 | 33,430,879 | At Maturity | 2.26 | 33,449,768 | 2.26 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | UF | - | - | 6,516 | 6,516 | - | 10,998,209 | 10,998,209 | At Maturity | 2.37 | 11,004,725 | 2.37 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | UF | - | 8,561,776 | - | 8,561,776 | - | - | - | At Maturity | 3.04 | 8,577,138 | 2.23 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | UF | - | 594,358 | - | 594,358 | - | 58,090,016 | 58,090,016 | At Maturity | 2.46 | 58,726,912 | 2.42 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 1,040,713 | 1,040,713 | - | - | - | Six monthly | 5.23 | 1,041,066 | 5.13 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | UF | - | 4,134,869 | - | 4,134,869 | - | - | - | At Maturity | 3.11 | 4,142,391 | 2.30 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | UF | - | 7,182,746 | - | 7,182,746 | - | - | - | At Maturity | 3.36 | 7,139,270 | 2.55 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | UF | - | - | 46,310 | 46,310 | - | 29,045,120 | 29,045,120 | At Maturity | 2.61 | 29,116,164 | 2.58 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 79,884,170-K | BTG PACTUAL CHILE S.A. | CHILE | UF | - | - | 3,998 | 3,998 | - | 6,395,448 | 6,395,448 | At Maturity | 1.50 | 6,399,470 | 1.50 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 79,884,170-K | BTG PACTUAL CHILE S.A. | CHILE | UF | - | - | 3,998 | 3,998 | - | 6,395,448 | 6,395,448 | At Maturity | 1.50 | 6,399,470 | 1.50 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 79,884,170-K | BTG PACTUAL CHILE S.A. | CHILE | UF | - | - | 3,998 | 3,998 | - | 6,395,448 | 6,395,448 | At Maturity | 1.50 | 6,399,470 | 1.50 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 79,884,170-K | BTG PACTUAL CHILE S.A. | CHILE | UF | - | - | 3,998 | 3,998 | - | 6,395,448 | 6,395,448 | At Maturity | 1.50 | 6,399,470 | 1.50 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 79,884,170-K | BTG PACTUAL CHILE S.A. | CHILE | UF | - | - | 3,998 | 3,998 | - | 6,395,448 | 6,395,448 | At Maturity | 1.50 | 6,399,470 | 1.50 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,018,000-1 | SCOTIABANK | CHILE | UF | - | 29,252,886 | - | 29,252,886 | - | - | - | At Maturity | 1.80 | 29,302,085 | 1.00 |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2020 are detailed as follows: (continued)

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate % |
|------------------|-------------------------|----------------|--------------------|--------------------------------------|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-------------------|-----------------|------------------|--|----------------|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,018,000-1 | SCOTIABANK | CHILE | USD | 75,273 | - | 11,825,127 | 11,900,400 | - | - | - | At Maturity | 2.70 | 11,900,401 | 2.70 |
| 76,017,019-4 | PLAZA S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | UF | - | - | 13,271,107 | 13,271,107 | - | - | - | At Maturity | 1.99 | 13,271,107 | 1.99 |
| 76,017,019-4 | PLAZA S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | UF | - | - | 14,718,308 | 14,718,308 | - | - | - | At Maturity | 1.80 | 14,718,308 | 1.80 |
| 96,653,660-8 | PLAZA DEL TREBOL S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | - | 7,299,377 | 7,299,377 | - | - | - | At Maturity | 1.75 | 7,299,379 | 1.75 |
| 96,538,230-5 | PLAZA VESPUCCIO S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | - | 7,299,377 | 7,299,377 | - | - | - | At Maturity | 1.75 | 7,299,379 | 1.75 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | USD | 5,024,333 | 2,639,558 | - | 7,663,891 | - | - | - | At Maturity | 2.16 | 7,651,388 | 1.72 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | USD | 453,558 | 238,279 | - | 691,837 | - | - | - | At Maturity | 3.08 | 691,330 | 1.84 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | USD | 294,257 | 154,589 | - | 448,846 | - | - | - | At Maturity | 5.66 | 448,256 | 3.22 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 46,400 | - | 46,400 | - | 14,883,696 | 14,883,696 | At Maturity | 2.60 | 15,052,800 | 2.78 | |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 1,648,576 | 1,648,576 | - | - | - | Annual | 5.85 | 1,600,000 | 5.85 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 1,545,540 | 1,545,540 | - | - | - | Annual | 3.70 | 1,500,000 | 3.70 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 1,754,468 | 1,754,468 | - | - | - | Annual | 4.49 | 1,700,000 | 4.49 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 1,754,468 | 1,754,468 | - | - | - | Annual | 4.32 | 1,700,000 | 4.32 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 1,805,020 | 1,805,020 | - | - | - | Annual | 4.32 | 1,750,000 | 4.32 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 1,805,020 | 1,805,020 | - | - | - | Annual | 4.32 | 1,750,000 | 4.32 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,032,000-8 | BANCO BBVA CHILE | CHILE | CLP | - | - | 2,518,891 | 2,518,891 | - | 1,247,788 | 1,247,788 | Six monthly | 5.96 | 3,750,000 | 5.85 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 1,292,405 | 1,292,405 | - | - | - | Annual | 4.49 | 1,250,000 | 4.49 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 177,395 | 8,000,000 | 8,177,395 | - | - | - | Six monthly | 4.72 | 8,000,000 | 4.60 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 13,976 | 13,976 | - | 4,000,000 | 4,000,000 | Six monthly | 3.74 | 4,000,000 | 3.70 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | USD | - | 1,468,910 | - | 1,468,910 | - | - | - | At Maturity | 2.15 | 1,466,464 | 2.15 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | USD | - | 62,123 | - | 62,123 | - | - | - | At Maturity | 1.73 | 62,117 | 1.73 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO ITAU BUEN AYRE S.A. | ARGENTINA | ARS | 8,665 | - | - | 8,665 | - | - | - | Monthly | 36.24 | 8,653 | 36.24 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO DE GALICIA Y BUENOS AIRES S.A. | ARGENTINA | ARS | 2 | - | - | 2 | - | - | - | Monthly | 36.24 | 2 | 36.24 |
| Foreign | INVERFAL PERU | PERU | Foreign | SCOTIABANK | PERU | PEN | - | - | 14,827,139 | 14,827,139 | - | 10,330,608 | 10,330,608 | Six monthly | 4.85 | 25,035,900 | 4.85 |
| Foreign | INVERFAL PERU | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | 16,699,172 | 16,699,172 | - | 16,690,600 | 16,690,600 | Six monthly | 4.73 | 33,381,200 | 4.73 |
| Foreign | FALABELLA PERU S.A.A. | PERU | Foreign | SCOTIABANK | PERU | PEN | - | 17,674,561 | - | 17,674,561 | - | - | - | Six monthly | 4.56 | 17,672,400 | 4.50 |
| Foreign | SAGA FALABELLA S.A. | PERU | Foreign | SCOTIABANK | PERU | PEN | - | 902,021 | 2,317,819 | 3,219,840 | - | 13,386,172 | 13,386,172 | Three monthly | 5.50 | 16,606,012 | 5.50 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO SANTANDER CENTRAL HISPANO | PERU | PEN | - | - | 6,409,400 | 6,409,400 | - | - | - | Monthly | 2.23 | - | 2.21 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | SCOTIABANK | PERU | PEN | 23,413 | 31,423 | 146,449 | 201,285 | 723,497 | 939,467 | 1,662,964 | Monthly | 7.13 | 1,888,735 | 6.90 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | SCOTIABANK | PERU | PEN | 38,027 | 50,950 | 237,532 | 326,509 | 1,178,330 | 1,526,516 | 2,704,846 | Monthly | 7.13 | 3,078,738 | 6.90 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | SCOTIABANK | PERU | PEN | 24,413 | 32,712 | 152,501 | 209,626 | 756,361 | 979,971 | 1,736,332 | Monthly | 7.13 | 1,976,133 | 6.90 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO SANTANDER CENTRAL HISPANO | PERU | PEN | 153,134 | 256,908 | 1,333,609 | 1,743,651 | - | 3,152,205 | 3,152,205 | Monthly | 7.60 | 4,877,889 | 7.40 |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2020 are detailed as follows: (continued)

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate % |
|------------------|--|----------------|--------------------|---|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-------------------|-----------------|------------------|--|----------------|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| Foreign | MALL PLAZA PERU S.A. | PERU | Foreign | SCOTIABANK | PERU | PEN | 150,825 | 301,650 | 1,339,416 | 1,791,891 | - | 19,166,076 | 19,166,076 | Bi-monthly | 0.09 | 38,494,467 | 0.09 |
| Foreign | MALL PLAZA PERU S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | - | - | - | 51,361,687 | 51,361,687 | Bi-monthly | 0.07 | 51,361,687 | 0.07 |
| Foreign | MALL PLAZA PERU S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | 5,644,228 | 5,644,228 | - | - | - | Bi-monthly | 0.04 | 5,644,227 | 0.04 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 153,720 | - | - | 153,720 | - | 10,500,000 | 10,500,000 | Annual | 6.62 | 10,500,000 | 6.46 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 47,469 | - | - | 47,469 | - | 3,242,421 | 3,242,421 | Annual | 6.62 | 3,242,421 | 6.46 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 46,116 | - | - | 46,116 | - | 3,150,000 | 3,150,000 | Annual | 6.62 | 3,150,000 | 6.46 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 79,934 | - | - | 79,934 | - | 5,460,000 | 5,460,000 | Annual | 6.62 | 5,460,000 | 6.46 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCO POPULAR | COLOMBIA | COP | 135,541 | - | - | 135,541 | - | 9,728,578 | 9,728,578 | At Maturity | 4.31 | 9,728,577 | 4.24 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | COP | 1,466 | - | - | 1,466 | - | 5,460,000 | 5,460,000 | At Maturity | 4.70 | 5,460,000 | 4.62 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | COP | 1,172 | - | 2,625,000 | 2,626,172 | - | - | - | At Maturity | 4.40 | 2,625,000 | 4.33 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | USD | 2,616 | - | 2,100,000 | 2,102,616 | - | - | - | At Maturity | 4.40 | 2,100,000 | 4.33 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | ITAU BBA COLOMBIA S.A. CORPORACION FINANCIERA | COLOMBIA | COP | 85,001 | - | 9,560,472 | 9,645,473 | - | - | - | At Maturity | 4.40 | 9,560,472 | 3.87 |
| Foreign | FALABELLA DE COLOMBIA S.A | COLOMBIA | Foreign | BANCO COLPATRIA | COLOMBIA | COP | 57,347 | - | - | 57,347 | - | - | - | At Maturity | 0.65 | 57,347 | 0.65 |
| Foreign | PATRIMONIO AUTONOMO CENTRO COMERCIAL CARTAGENA | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | COP | - | - | 1,523,374 | 1,523,374 | 3,318,666 | 10,550,725 | 13,869,391 | Monthly | 8.78 | 15,516,667 | 7.41 |
| Foreign | PATRIMONIO AUTONOMO CENTRO COMERCIAL MANIZALES DOS | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | COP | - | 211,765 | - | 211,765 | 3,076,932 | 2,753,044 | 5,829,976 | At Maturity | 7.83 | 5,829,976 | 7.30 |
| Foreign | FONDO DE CAPITAL PRIVADO MALL PLAZA | COLOMBIA | Foreign | SCOTIABANK COLOMBIA | COLOMBIA | COP | - | 54,562 | - | 54,562 | - | 60,726,915 | 60,726,915 | At Maturity | 4.87 | 60,900,000 | 4.71 |
| Foreign | FONDO DE CAPITAL PRIVADO MALL PLAZA | COLOMBIA | Foreign | BANCO DAVIVIENDA | COLOMBIA | COP | - | - | - | - | 39,511,171 | - | 39,511,171 | At Maturity | 5.76 | 39,185,297 | 3.73 |
| Foreign | FONDO DE CAPITAL PRIVADO MALL PLAZA | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | COP | - | - | - | - | 12,577,925 | - | 12,577,925 | At Maturity | 5.76 | 12,217,340 | 5.76 |
| Total Bank Loans | | | | | | | 8,027,012 | 115,618,897 | 146,245,405 | 269,891,314 | 61,142,882 | 788,219,135 | 849,362,017 | | | | |

When the nominal rate is equal to the effective rate in the above presented tables, it means that there were no costs or revenue directly associated with the transaction that will affect the original rate of the instrument.

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

c) Bond obligations as of December 31, 2020 are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor Name | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate of the Obligation according to Contract Conditions % | |
|------------------------|---------------------------|----------------|-------------------------|---|---|---------------|----------------|---------------|--------------|---------------|-----------------|------------------|--|---|-------------------|
| | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | | | | | Total Non-Current |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 996,296 | - | - | 996,296 | - | 98,907,940 | 98,907,940 | At Maturity | 4.41 | 101,746,155 | 3.96 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 1,229,689 | - | - | 1,229,689 | - | 83,796,430 | 83,796,430 | At Maturity | 3.44 | 87,210,990 | 3.08 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 235,763 | - | - | 235,763 | - | 82,947,133 | 82,947,133 | At Maturity | 3.18 | 87,210,990 | 2.98 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 360,690 | - | - | 360,690 | - | 56,821,507 | 56,821,507 | At Maturity | 3.18 | 58,140,660 | 2.98 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | CLP | 495,790 | - | 31,500,000 | 31,995,790 | - | 15,727,089 | 15,727,089 | At Maturity | 5.17 | 47,250,000 | 5.04 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | CLP | 381,942 | - | 78,000,000 | 78,381,942 | 43,843 | - | 43,843 | At Maturity | 5.04 | 78,000,000 | 5.03 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | CLP | 1,024,709 | - | - | 1,024,709 | 94,143,057 | - | 94,143,057 | At Maturity | 6.74 | 94,588,500 | 6.50 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | USD | 2,221,719 | - | - | 2,221,719 | 353,696,033 | - | 353,696,033 | At Maturity | 4.01 | 355,475,000 | 3.75 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | USD | 5,287,691 | - | - | 5,287,691 | 283,050,324 | - | 283,050,324 | At Maturity | 4.55 | 284,380,000 | 4.38 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | USD | 1,777,375 | - | - | 1,777,375 | - | 279,613,029 | 279,613,029 | At Maturity | 4.07 | 284,380,000 | 3.75 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 572,686 | - | - | 572,686 | - | 147,719,313 | 147,719,313 | At Maturity | 1.71 | 145,351,650 | 1.89 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 181,011 | - | - | 181,011 | 36,629,612 | 21,977,768 | 58,607,380 | At Maturity | 1.32 | 58,140,660 | 1.49 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 1,036,092 | 1,036,092 | 3,876,659 | 4,402,236 | 8,278,895 | Six monthly | 4.72 | 9,421,029 | 4.50 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 639,087 | 639,087 | - | 85,819,563 | 85,819,563 | At Maturity | 4.00 | 87,835,881 | 3.85 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 425,417 | 425,417 | - | 57,257,284 | 57,257,284 | At Maturity | 3.99 | 58,557,254 | 3.85 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 347,353 | 347,353 | - | 69,703,438 | 69,703,438 | At Maturity | 3.90 | 73,000,847 | 3.50 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 292,777 | 292,777 | - | 86,659,314 | 86,659,314 | At Maturity | 3.92 | 87,503,874 | 3.90 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | 1,257,354 | - | 1,257,354 | - | 87,272,521 | 87,272,521 | At Maturity | 3.76 | 88,481,363 | 3.80 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | 573,413 | - | - | 573,413 | - | 58,122,811 | 58,122,811 | At Maturity | 2.09 | 58,713,830 | 2.10 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 132,161 | 132,161 | - | 119,972,940 | 119,972,940 | At Maturity | 1.32 | 116,446,052 | 1.70 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 485,770 | 485,770 | - | 62,261,270 | 62,261,270 | At Maturity | 4.76 | 409,687 | 3.60 |
| 96,792,430-K | SODIMAC S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 119,892 | 119,892 | 10,410,899 | 32,429,138 | 42,840,037 | Six monthly | 3.98 | 15,989,773 | 3.70 |
| Foreign | SAGA FALABELLA S.A. | PERU | Miscellaneous Creditors | PEN | - | 304,812 | 882,534 | 1,187,346 | - | 588,804 | 588,804 | Three monthly | 5.94 | 1,776,150 | 5.81 |
| Foreign | SAGA FALABELLA S.A. | PERU | Miscellaneous Creditors | PEN | - | 206,681 | 588,443 | 795,124 | - | 588,820 | 588,820 | Three monthly | 5.52 | 1,383,944 | 5.41 |
| Foreign | SAGA FALABELLA S.A. | PERU | Miscellaneous Creditors | PEN | - | 270,085 | 735,741 | 1,005,826 | - | 1,472,154 | 1,472,154 | Three monthly | 5.12 | 2,477,980 | 5.00 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 18,616 | 71,487 | 221,399 | 311,502 | 1,414,556 | 4,852,495 | 6,267,051 | Three monthly | 7.61 | 6,606,093 | 7.40 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 18,675 | 71,605 | 221,930 | 312,210 | 1,417,304 | 4,856,012 | 6,273,316 | Three monthly | 7.61 | 6,606,093 | 7.40 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 23,339 | 89,497 | 277,372 | 390,208 | 1,771,416 | 6,069,742 | 7,841,158 | Three monthly | 7.61 | 8,257,616 | 7.40 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 23,385 | 89,590 | 277,788 | 390,763 | 1,773,577 | 6,072,506 | 7,846,083 | Three monthly | 7.61 | 8,257,616 | 7.40 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | 284,440 | - | - | 284,440 | 441,920 | 18,690,303 | 19,132,223 | Three monthly | 8.06 | 19,243,280 | 8.06 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | - | 1,677,708 | 4,786,275 | 6,463,983 | - | 9,558,401 | 9,558,401 | Three monthly | 7.19 | 15,954,250 | 7.19 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | 987,233 | 883,620 | 1,767,240 | 3,638,093 | - | 6,175,714 | 6,175,714 | Three monthly | 6.25 | 9,719,820 | 6.25 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | 636,636 | - | - | 636,636 | 19,510,292 | 19,636,000 | 39,146,292 | Three monthly | 7.03 | 25,246,286 | 7.03 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | 327,948 | - | - | 327,948 | - | 39,145,183 | 39,145,183 | Three monthly | 5.78 | 39,272,000 | 5.78 |
| Total Bond Obligations | | | | | 17,659,046 | 4,922,439 | 122,737,271 | 145,318,756 | 808,179,492 | 1,569,116,858 | 2,377,296,350 | | | | |

When the nominal rate is equal to the effective rate in the above presented tables, it means that there were no costs or revenue directly associated with the transaction that will affect the original rate of the instrument.

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

d) Other financial liabilities as of December 31, 2020 and 2019 are detailed as follows:

| Other Financial Liabilities | As of Dec 31, 2020 | | As of Dec 31, 2019 | |
|---|--------------------|-----------------------|--------------------|-----------------------|
| | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ |
| Financial liabilities at fair value through profit and loss | 5,447,049 | - | 7,271,583 | - |
| Hedging liabilities | 109,885,263 | 3,331,796 | 27,900,687 | 96,674,912 |
| Total | 115,332,312 | 3,331,796 | 35,172,270 | 96,674,912 |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

Dec-31-19

e) Bank loans as of December 31, 2019 are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate of the Obligation according to Contract Conditions % |
|------------------|--------------------------------|----------------|--------------------|--------------------------------|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-------------------|-----------------|------------------|--|---|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 19,730 | - | 863,316 | 883,046 | 863,201 | - | 863,201 | Six monthly | 4.62 | 1,726,517 | 4.57 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | CLP | 25,010,318 | - | - | 25,010,318 | - | - | - | Monthly | 3.02 | 25,000,000 | 3.02 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | CLP | 11,363 | 25,000,000 | - | 25,011,363 | - | - | - | Monthly | 3.39 | 25,000,000 | 3.39 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | CLP | 20,491 | 25,000,000 | - | 25,020,491 | - | - | - | Monthly | 3.54 | 25,000,000 | 3.54 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 67 | - | - | 67 | - | - | - | Monthly | 1.94 | 67 | 1.75 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | 97,032,000-8 | BANCO BBVA CHILE | CHILE | CLP | 1,775 | - | - | 1,775 | - | - | - | Monthly | 2.24 | 1,775 | 2.20 |
| 77,261,280-K | FALABELLA RETAIL S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | USD | 1,443,898 | 2,072,176 | - | 3,516,074 | - | - | - | At Maturity | 2.28 | 3,516,074 | 2.28 |
| 77,261,280-K | FALABELLA RETAIL S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | USD | - | 63,988 | - | 63,988 | - | - | - | At Maturity | 2.29 | 63,988 | 2.29 |
| 78,627,210-6 | HIPERMERCADO TOTTUS S.A. | CHILE | 97,032,000-8 | BANCO BBVA CHILE | CHILE | USD | 89,790 | 178,236 | - | 268,026 | - | - | - | At Maturity | 1.96 | 267,398 | 1.96 |
| 78,627,210-6 | HIPERMERCADO TOTTUS S.A. | CHILE | 97,032,000-8 | BANCO BBVA CHILE | CHILE | EUR | 26,164 | 52,333 | - | 78,497 | - | - | - | At Maturity | 1.96 | 78,484 | 1.96 |
| 78,627,210-6 | HIPERMERCADO TOTTUS S.A. | CHILE | 97,036,000-K | BANCO SANTANDER | CHILE | CLP | 434 | - | - | 434 | - | - | - | At Maturity | 3.60 | 434 | 3.60 |
| 99,593,960-6 | DESARROLLOS INMOBILIARIOS S.A. | CHILE | 97,008,000-1 | CITIBANK N.A. | CHILE | UF | - | - | 3,282,220 | 3,282,220 | 4,899,517 | - | 4,899,517 | Six monthly | 3.94 | 8,166,329 | 3.64 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | UF | 11,508,661 | - | - | 11,508,661 | - | - | - | At Maturity | 1.38 | 11,511,190 | 0.59 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 2,829,806 | - | - | 2,829,806 | - | - | - | At Maturity | 3.34 | 2,831,237 | 1.93 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | UF | - | - | 16,351 | 16,351 | 32,556,428 | - | 32,556,428 | At Maturity | 2.26 | 32,572,782 | 2.26 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | UF | - | - | 27,138,889 | 27,138,889 | - | - | - | At Maturity | 2.60 | 27,138,889 | 2.60 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | - | 3,171 | 3,171 | 11,890,038 | - | 11,890,038 | At Maturity | 2.40 | 11,893,346 | 2.40 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | UF | - | 570,904 | - | 570,904 | 56,551,754 | - | 56,551,754 | At Maturity | 2.46 | 57,183,185 | 2.42 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 51,286 | - | 51,286 | 5,543,878 | - | 5,543,878 | At Maturity | 2.25 | 5,595,189 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 52,291 | - | 52,291 | 5,579,692 | - | 5,579,692 | At Maturity | 2.28 | 5,635,392 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 26,303 | - | 26,303 | 2,806,666 | - | 2,806,666 | At Maturity | 2.28 | 2,834,684 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 27,092 | - | 27,092 | 2,822,076 | - | 2,822,076 | At Maturity | 2.33 | 2,854,131 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | UF | - | 27,409 | - | 27,409 | 2,821,520 | - | 2,821,520 | At Maturity | 2.36 | 2,855,513 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 41,922 | - | 41,922 | 4,290,187 | - | 4,290,187 | At Maturity | 2.37 | 4,343,357 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | UF | - | 27,757 | - | 27,757 | 2,823,974 | - | 2,823,974 | At Maturity | 2.39 | 2,859,950 | 2.25 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | UF | - | - | 5,640 | 5,640 | 10,710,530 | - | 10,710,530 | At Maturity | 2.37 | 10,716,171 | 2.37 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | UF | - | - | 45,087 | 45,087 | 28,277,829 | - | 28,277,829 | At Maturity | 2.61 | 28,354,575 | 2.58 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 2,087,483 | 2,087,483 | 1,033,200 | - | 1,033,200 | Six monthly | 5.23 | 3,123,197 | 5.13 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 7,798,473 | 7,798,473 | - | - | - | Six monthly | 7.19 | 7,800,117 | 7.05 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 4,450,312 | - | - | 4,450,312 | - | - | - | Six monthly | 4.04 | 4,450,357 | 4.03 |
| 76,882,330-8 | NUEVOS DESARROLLOS S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | - | - | 28,592,130 | 28,592,130 | - | - | - | At Maturity | 4.30 | 28,592,134 | 4.30 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | EUR | 211,127 | 110,916 | - | 322,043 | - | - | - | At Maturity | 1.91 | 322,038 | 0.35 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | USD | 109,073 | 57,302 | - | 166,375 | - | - | - | At Maturity | 3.69 | 166,370 | 2.44 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | USD | 287,740 | 151,165 | - | 438,905 | - | - | - | At Maturity | 2.95 | 436,383 | 2.34 |
| 96,792,430-K | SODIMAC S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | EUR | 25,032 | 13,151 | - | 38,183 | - | - | - | At Maturity | 0.83 | 38,177 | 0.12 |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

e) Bank loans as of December 31, 2019 are detailed as follows (continued):

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate of the Obligation according to Contract Conditions % | |
|------------------|---|----------------|--------------------|--------------------------------------|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-----------------|------------------|--|---|-------------------|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | | | | | Total Non-Current |
| 96,792,430-K. | SODIMAC S.A. | CHILE | 97,036,000-K. | BANCO SANTANDER | CHILE | USD | 2,697,986 | 1,417,401 | - | 4,115,387 | - | - | - | At Maturity | 3.98 | 4,114,478 | 2.44 |
| 96,792,430-K. | SODIMAC S.A. | CHILE | 97,036,000-K. | BANCO SANTANDER | CHILE | CLP | 85 | - | - | 85 | - | - | - | At Maturity | 2.28 | 85 | 2.28 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | - | 1,254,167 | - | 1,254,167 | - | - | - | Monthly | 2.40 | 1,250,000 | 2.40 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,032,000-8 | BANCO BBVA CHILE | CHILE | CLP | - | - | 2,533,515 | 2,533,515 | 3,748,584 | - | 3,748,584 | Six monthly | 5.95 | 6,250,000 | 5.85 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 179,911 | - | - | 179,911 | 7,990,065 | - | 7,990,065 | Six monthly | 4.72 | 8,000,000 | 4.60 |
| 76,821,330-5 | IMPERIAL S.A. | CHILE | 97,032,000-8 | BANCO BBVA CHILE | CHILE | USD | - | 1,037,656 | - | 1,037,656 | - | - | - | At Maturity | 2.44 | 1,035,250 | 2.44 |
| 96,573,100-8 | MANUFACTURAS DE VESTUARIOS MAVESA LTDA. | CHILE | 97,036,000-K. | BANCO SANTANDER | CHILE | USD | - | 347,508 | - | 347,508 | - | - | - | At Maturity | 2.35 | 347,508 | 2.33 |
| 96,573,100-8 | MANUFACTURAS DE VESTUARIOS MAVESA LTDA. | CHILE | 97,006,000-6 | BANCO DE CREDITO E INVERSIONES | CHILE | USD | - | 256,294 | - | 256,294 | - | - | - | At Maturity | 2.35 | 256,294 | 2.33 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO HIPOTECARIO SOCIEDAD ANONIMA | ARGENTINA | ARS | - | - | - | - | 309,555 | - | 309,555 | At Maturity | 24.45 | 309,555 | 24.45 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BBVA BANCO FRANCÉS S.A. | ARGENTINA | ARS | 5,687 | - | - | 5,687 | - | - | - | Monthly | 59.10 | 5,687 | 59.10 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | ICBC S.A. | ARGENTINA | ARS | 463 | - | - | 463 | - | - | - | Monthly | 66.96 | 463 | 66.96 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO HIPOTECARIO SOCIEDAD ANONIMA | ARGENTINA | ARS | 1,891 | - | - | 1,891 | - | - | - | Monthly | 66.96 | 1,892 | 66.96 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | NUEVO BANCO DE SANTA FE S.A. | ARGENTINA | ARS | 11 | - | - | 11 | - | - | - | Monthly | 66.96 | 11 | 66.96 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | HSBC BANK ARGENTINA S.A. | ARGENTINA | ARS | 1,598 | - | - | 1,598 | - | - | - | Monthly | 66.96 | 1,598 | 66.96 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO HIPOTECARIO SOCIEDAD ANONIMA | ARGENTINA | ARS | 1,090 | - | - | 1,090 | 308,324 | - | 308,324 | At Maturity | 24.00 | 309,414 | 24.45 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO PATAGONIA S.A. | ARGENTINA | ARS | 321,992 | - | 308,016 | 630,008 | - | - | - | At Maturity | 53.00 | 630,008 | 53.00 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO PATAGONIA S.A. | ARGENTINA | ARS | 171,511 | - | 319,686 | 491,197 | - | - | - | At Maturity | 57.00 | 491,198 | 57.00 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | CITIBANK N.A. | ARGENTINA | ARS | 145 | - | - | 145 | - | - | - | Monthly | 69.00 | 145 | 68.87 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO DE GALICIA Y BUENOS AIRES S.A. | ARGENTINA | ARS | 9 | - | - | 9 | - | - | - | Monthly | 69.00 | 9 | 68.87 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | ICBC S.A. | ARGENTINA | ARS | 339 | - | - | 339 | - | - | - | Monthly | 69.00 | 339 | 68.87 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO DE GALICIA Y BUENOS AIRES S.A. | ARGENTINA | ARS | 1,375 | - | - | 1,375 | - | - | - | Monthly | 59.10 | 1,375 | 59.10 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO PATAGONIA S.A. | ARGENTINA | ARS | 4,843 | - | - | 4,843 | - | - | - | Monthly | 59.10 | 4,843 | 59.10 |
| Foreign | FALABELLA S.A. | ARGENTINA | Foreign | BANCO SANTANDER RIO S.A. | ARGENTINA | ARS | 5,390 | - | - | 5,390 | - | - | - | Monthly | 59.10 | 5,390 | 59.10 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | BBVA BANCO FRANCÉS S.A. | ARGENTINA | ARS | 14,960 | - | - | 14,960 | - | - | - | Monthly | 59.86 | 14,960 | 59.86 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | BANCO ITAU | ARGENTINA | ARS | 9,042 | - | - | 9,042 | - | - | - | Monthly | 59.86 | 9,042 | 59.86 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | BANCO PATAGONIA S.A. | ARGENTINA | ARS | 6,529 | - | - | 6,529 | - | - | - | Monthly | 59.86 | 6,529 | 59.86 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | HSBC BANK ARGENTINA S.A. | ARGENTINA | ARS | 1,129 | - | - | 1,129 | - | - | - | Monthly | 59.86 | 1,129 | 59.86 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | ICBC S.A. | ARGENTINA | ARS | 20,376 | - | - | 20,376 | - | - | - | Monthly | 59.86 | 20,376 | 59.86 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | BANCO HIPOTECARIO SOCIEDAD ANONIMA | ARGENTINA | ARS | 8,349 | - | - | 8,349 | 1,997,897 | - | 1,997,897 | At maturity | 24.50 | 2,006,246 | 24.50 |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

e) Bank loans as of December 31, 2019 are detailed as follows (continued):

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate of the Obligation according to Contract Conditions % |
|------------------|--|----------------|--------------------|---|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-------------------|-----------------|------------------|--|---|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | BANCO PATAGONIA S.A. | ARGENTINA | ARS | 140,921 | - | 260,251 | 401,172 | - | - | - | Six monthly | 74.52 | 401,172 | 57.00 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Foreign | BANCO PATAGONIA S.A. | ARGENTINA | ARS | 136,128 | - | 121,854 | 257,982 | 131,804 | - | 131,804 | At Maturity | 57.00 | 389,786 | 57.00 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | 97030000-7 | BANCO ESTADO | CHILE | USD | 40,086 | - | 7,492,239 | 7,532,325 | - | - | - | Monthly | 3.33 | 7,532,325 | 3.28 |
| Foreign | FALABELLA PERU S.A.A. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | - | 556,126 | - | 556,126 | 33,921,000 | - | 33,921,000 | Six monthly | 4.50 | 33,921,000 | 4.50 |
| Foreign | FALABELLA PERU S.A.A. | PERU | Foreign | INTERBANK | PERU | PEN | - | 531,135 | 1,047,394 | 1,578,529 | 10,546,887 | - | 10,546,887 | Six monthly | 5.06 | 13,400,423 | 5.06 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | 26,680 | 33,535 | 156,289 | 216,504 | 1,002,586 | - | 1,002,586 | Monthly | 7.13 | 2,390,228 | 6.90 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | 43,324 | 54,333 | 253,305 | 350,962 | 1,627,887 | - | 1,627,887 | Monthly | 7.13 | 3,896,194 | 6.90 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | 27,813 | 34,885 | 162,634 | 225,332 | 1,045,087 | - | 1,045,087 | Monthly | 7.13 | 2,500,831 | 6.90 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | 111,715 | 145,141 | 6,534,184 | 6,791,040 | - | - | - | Monthly | 7.55 | 6,777,240 | 7.30 |
| Foreign | OPEN PLAZA S.A.C. | PERU | Foreign | BANCO SANTANDER CENTRAL HISPANO | PERU | PEN | 165,876 | 274,583 | 1,278,800 | 1,719,259 | 5,608,304 | - | 5,608,304 | Monthly | 7.60 | 7,315,389 | 7.35 |
| Foreign | SAGA FALABELLA S.A. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | - | 932,303 | 2,867,303 | 3,799,606 | 16,138,184 | - | 16,138,184 | Three monthly | 5.81 | 3,839,415 | 5.50 |
| Foreign | TIENDA DEL MEJORAMIENTO DEL HOGAR S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | 128,592 | 258,739 | 258,728 | 646,059 | - | - | - | Monthly | 6.05 | 648,830 | 6.05 |
| Foreign | TIENDA DEL MEJORAMIENTO DEL HOGAR S.A. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | - | - | 7,193,159 | 7,193,159 | - | - | - | At Maturity | 3.25 | 7,146,024 | 3.25 |
| Foreign | TIENDA DEL MEJORAMIENTO DEL HOGAR S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | 15,929,365 | 15,929,365 | - | - | - | At Maturity | 2.33 | 15,829,800 | 2.33 |
| Foreign | TIENDA DEL MEJORAMIENTO DEL HOGAR S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | 15,929,365 | 15,929,365 | - | - | - | At Maturity | 2.33 | 15,829,800 | 2.33 |
| Foreign | INVERFAL PERU S.A. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | - | - | 5,213,910 | 5,213,910 | 28,800,348 | - | 28,800,348 | Six monthly | 4.50 | 33,921,000 | 4.50 |
| Foreign | INVERFAL PERU S.A. | PERU | Foreign | INTERBANK | PERU | PEN | - | 379,977 | 1,148,219 | 1,528,196 | 11,434,248 | 7,107,309 | 18,541,557 | Six monthly | 5.06 | 16,057,115 | 5.06 |
| Foreign | MALL PLAZA PERU S.A. | PERU | Foreign | BANCO SCOTIABANK | PERU | PEN | 173,699 | 347,399 | 1,563,295 | 2,084,393 | 22,947,833 | - | 22,947,833 | Bi-monthly | 9.34 | 25,260,518 | 8.81 |
| Foreign | MALL PLAZA PERU S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | - | - | 43,128,997 | - | 43,128,997 | At Maturity | 6.76 | 35,704,339 | 6.76 |
| Foreign | MALL PLAZA PERU S.A. | PERU | Foreign | BANCO DE CREDITO | PERU | PEN | - | - | 6,788,537 | 6,788,537 | - | - | - | Bi-monthly | 3.48 | 5,619,890 | 3.48 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 257,710 | - | - | 257,710 | 11,500,000 | - | 11,500,000 | Annual | 6.61 | 23,000,000 | 6.45 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 79,581 | - | - | 79,581 | 3,551,224 | - | 3,551,224 | Annual | 6.61 | 7,102,448 | 6.45 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 77,313 | - | - | 77,313 | 3,450,000 | - | 3,450,000 | Annual | 6.61 | 6,900,000 | 6.45 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COP | 134,009 | - | - | 134,009 | 5,980,000 | - | 5,980,000 | Annual | 6.61 | 11,960,000 | 6.45 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | ITAU BBA COLOMBIA S.A. CORPORACION FINANCIERA | COLOMBIA | COP | 99,771 | - | - | 99,771 | 4,597,900 | - | 4,597,900 | At Maturity | 6.56 | 4,597,900 | 6.40 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | ITAU BBA COLOMBIA S.A. CORPORACION FINANCIERA | COLOMBIA | COP | 159,656 | - | - | 159,656 | 10,470,993 | - | 10,470,993 | At Maturity | 5.84 | 10,470,993 | 5.72 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCO POPULAR | COLOMBIA | COP | 20,376 | - | 5,327,554 | 5,347,930 | 5,327,554 | - | 5,327,554 | Six monthly | 5.80 | 10,655,108 | 5.68 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | COP | 4,620 | - | 2,875,000 | 2,879,620 | 2,875,000 | - | 2,875,000 | Annual | 5.90 | 5,750,000 | 5.77 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | COP | 4,435 | - | 2,300,000 | 2,304,435 | 2,300,000 | - | 2,300,000 | Annual | 5.90 | 4,600,000 | 5.33 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | COP | 8,803 | - | - | 8,803 | 5,980,000 | - | 5,980,000 | Three monthly | 5.97 | 5,980,000 | 5.84 |
| Foreign | FALABELLA DE COLOMBIA S.A. | COLOMBIA | Foreign | SCOTIABANK COLOMBIA | COLOMBIA | COP | 123,324 | - | - | 123,324 | - | - | - | At Maturity | 3.00 | 123,324 | 3.00 |

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

e) Bank loans as of December 31, 2019 are detailed as follows (continued):

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate of the Obligation according to Contract Conditions % |
|------------------|--|----------------|--------------------|------------------------------------|------------------|---|---|---------------|----------------|---------------|--------------|--------------|-------------------|-----------------|------------------|--|---|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| Foreign | PATRIMONIO AUTONOMO CENTRO COMERCIAL CARTAGENA | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | COP | 238,243 | 476,621 | 2,147,085 | 2,861,949 | 11,525,207 | 3,632,470 | 15,157,677 | Monthly | 9.68 | 18,208,332 | 9.32 |
| Foreign | PATRIMONIO AUTONOMO CENTRO COMERCIAL MANIZALES DOS | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | COP | 7,718 | - | - | 7,718 | 6,385,212 | - | 6,385,212 | At Maturity | 8.84 | 6,385,212 | 8.83 |
| Foreign | PATRIMONIO AUTONOMO CENTRO COMERCIAL BARRANQUILLA | COLOMBIA | Foreign | BANCO DAVIVIENDA | COLOMBIA | COP | 187,358 | - | - | 187,358 | - | - | - | At Maturity | 10.80 | 187,358 | 10.80 |
| Foreign | FONDO DE CAPITAL PRIVADO MALL PLAZA | COLOMBIA | Foreign | SCOTIABANK COLOMBIA | COLOMBIA | COP | - | 83,470 | - | 83,470 | 66,421,083 | - | 66,421,083 | At Maturity | 6.80 | 66,700,000 | 6.64 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | 5,019,010 | - | 5,019,010 | - | - | - | At Maturity | 7.04 | 4,662,750 | 7.04 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 486,528 | 486,528 | 9,325,500 | - | 9,325,500 | At Maturity | 7.98 | 9,325,500 | 7.98 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 352,260 | 352,260 | 2,797,650 | - | 2,797,650 | At Maturity | 8.83 | 2,797,650 | 8.83 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 81,643 | 81,643 | 4,662,750 | - | 4,662,750 | At Maturity | 7.80 | 4,662,750 | 7.80 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 46,484 | 46,484 | 4,662,750 | - | 4,662,750 | At Maturity | 8.69 | 4,662,750 | 8.69 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 2,610,975 | 2,610,975 | - | - | - | At Maturity | 6.78 | 2,797,650 | 6.78 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO ITAU | BRAZIL | EUR | 3,997,361 | - | - | 3,997,361 | - | - | - | At Maturity | 6.29 | 3,730,200 | 6.29 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 318,718 | 318,718 | 3,730,200 | - | 3,730,200 | At Maturity | 7.49 | 3,730,200 | 7.49 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO ITAU | BRAZIL | EUR | - | - | 244,162 | 244,162 | 7,460,400 | - | 7,460,400 | At Maturity | 7.38 | 7,460,400 | 7.38 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO ITAU | BRAZIL | EUR | - | - | 7,679,079 | 7,679,079 | - | - | - | At Maturity | 4.87 | 7,460,400 | 6.97 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO ITAU | BRAZIL | EUR | - | - | 2,747,540 | 2,747,540 | - | - | - | At Maturity | 4.80 | 2,797,650 | 7.07 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO ITAU | BRAZIL | EUR | - | - | 6,603,812 | 6,603,812 | - | - | - | At Maturity | 4.88 | 6,527,850 | 5.98 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | CITIBANK N.A. | BRAZIL | USD | - | - | 6,384,798 | 6,384,798 | - | - | - | At Maturity | 5.14 | 6,527,850 | 5.14 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO BRADESCO | BRAZIL | USD | - | - | 5,387,102 | 5,387,102 | - | - | - | At Maturity | 5.02 | 5,595,300 | 5.02 |
| Foreign | CONSTRUDECOR S.A. | BRAZIL | Foreign | BANCO ITAU | BRAZIL | EUR | - | - | 2,750,533 | 2,750,533 | - | - | - | At Maturity | 5.07 | 2,797,650 | 5.07 |
| Total Bank Loans | | | | | | | 55,895,604 | 103,355,117 | 159,145,478 | 318,396,199 | 537,161,503 | 10,739,779 | 547,901,282 | | | | |

When the nominal rate is equal to the effective rate in the above table, it means that there were no costs or income directly associated with the transaction that will affect the original rate of the instrument.

Note 18 - Other Current and Non-Current Financial Liabilities (continued)

f) Obligations to the Public (Bonds payable) as of December 31, 2019 are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor Name | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | | Repayment Terms | Effective Rate % | Contractually Stipulated Nominal Value of Obligation | Nominal Rate of the Obligation according to Contract Conditions % |
|------------------------|---------------------------|----------------|-------------------------|---|---|---------------|----------------|---------------|--------------|---------------|-------------------|-----------------|------------------|--|---|
| | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Over 5 years | Total Non-Current | | | | |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 970,236 | - | - | 970,236 | - | 96,053,021 | 96,053,021 | At Maturity | 4.41 | 99,084,790 | 3.96 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 197,832 | - | 18,873,308 | 19,071,140 | 1,057 | - | 1,057 | At Maturity | 2.26 | 18,873,293 | 2.29 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 1,197,525 | - | - | 1,197,525 | - | 81,441,002 | 81,441,002 | At Maturity | 3.44 | 84,929,820 | 3.08 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 229,596 | - | - | 229,596 | - | 80,603,540 | 80,603,540 | At Maturity | 3.18 | 84,929,820 | 2.98 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | UF | 351,255 | - | - | 351,255 | - | 55,278,936 | 55,278,936 | At Maturity | 3.18 | 56,619,880 | 2.98 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | CLP | 661,054 | - | 15,750,000 | 16,411,054 | 47,189,319 | - | 47,189,319 | At Maturity | 5.17 | 63,000,000 | 5.04 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | CLP | 381,942 | - | - | 381,942 | 78,082,852 | - | 78,082,852 | At Maturity | 5.04 | 78,000,000 | 5.03 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | CLP | 1,024,709 | - | - | 1,024,709 | 94,223,128 | - | 94,223,128 | At Maturity | 6.74 | 94,588,500 | 6.50 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | USD | 2,339,812 | - | - | 2,339,812 | 371,752,369 | - | 371,752,369 | At Maturity | 4.01 | 374,370,000 | 3.75 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | USD | 5,568,754 | - | - | 5,568,754 | - | 297,783,635 | 297,783,635 | At Maturity | 4.55 | 299,496,000 | 4.38 |
| 90,749,000-9 | FALABELLA S.A. | CHILE | Miscellaneous Creditors | USD | 1,871,850 | - | - | 1,871,850 | - | 293,851,300 | 293,851,300 | At Maturity | 4.07 | 299,496,000 | 3.75 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 8,171,380 | 8,171,380 | 30,345,486 | 42,151,158 | 72,496,644 | Six monthly | 4.72 | 81,667,262 | 4.50 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 621,610 | 621,610 | - | 83,472,669 | 83,472,669 | At Maturity | 4.00 | 85,538,366 | 3.85 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 413,808 | 413,808 | - | 55,694,779 | 55,694,779 | At Maturity | 3.99 | 57,025,577 | 3.85 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 337,339 | 337,339 | - | 67,694,112 | 67,694,112 | At Maturity | 3.9 | 71,091,371 | 3.50 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 285,019 | 285,019 | - | 84,362,887 | 84,362,887 | At Maturity | 3.92 | 85,215,043 | 3.90 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | 5,450,877 | 5,311,484 | 10,762,361 | - | - | - | Six monthly | 3.34 | 10,758,662 | 3.50 |
| 76,017,019-4 | PLAZA S.A. | CHILE | Miscellaneous Creditors | UF | - | 1,224,508 | - | 1,224,508 | - | 84,992,669 | 84,992,669 | At Maturity | 3.76 | 86,166,963 | 3.80 |
| 96,792,430-K | SODIMAC S.A. | CHILE | Miscellaneous Creditors | UF | - | - | 116,756 | 116,756 | 7,444,948 | 34,190,225 | 41,635,173 | Six monthly | 3.98 | 42,594,653 | 3.70 |
| Foreign | CMR FALABELLA S.A. | ARGENTINA | Miscellaneous Creditors | ARS | 380,361 | 351,799 | 136,651 | 868,811 | - | - | - | Monthly | 52.08 | 1,044,924 | 47.99 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 23,713 | 76,440 | 236,634 | 336,787 | 1,517,211 | 6,036,813 | 7,554,024 | Three monthly | 7.61 | 7,926,082 | 7.40 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 23,782 | 76,577 | 237,252 | 337,611 | 1,519,666 | 6,042,473 | 7,562,139 | Three monthly | 7.61 | 7,926,082 | 7.40 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 29,722 | 95,710 | 296,516 | 421,948 | 1,899,392 | 7,552,651 | 9,452,043 | Three monthly | 7.61 | 2,847,756 | 7.40 |
| Foreign | HIPERMERCADOS TOTTUS S.A. | PERU | Miscellaneous Creditors | PEN | 29,776 | 95,818 | 422,597 | 422,597 | 1,901,324 | 7,557,102 | 9,458,426 | Three monthly | 7.61 | 9,907,601 | 7.40 |
| Foreign | SAGA FALABELLA S.A. | PERU | Miscellaneous Creditors | PEN | 282,546 | 1,073,931 | 18,236 | 1,374,713 | 2,035,260 | - | 2,035,260 | Three monthly | 5.94 | 1,356,840 | 5.81 |
| Foreign | SAGA FALABELLA S.A. | PERU | Miscellaneous Creditors | PEN | - | 904,365 | 17,532 | 921,897 | 1,582,980 | - | 1,582,980 | Three monthly | 5.52 | 2,939,820 | 5.41 |
| Foreign | SAGA FALABELLA S.A. | PERU | Miscellaneous Creditors | PEN | - | 847,756 | 321,246 | 1,169,002 | 2,826,750 | - | 2,826,750 | Three monthly | 5.12 | 2,713,680 | 5.00 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | - | - | 330,167 | 330,167 | - | 22,024,872 | 22,024,872 | Three monthly | 8.33 | 22,161,720 | 8.06 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | - | 2,009,731 | 5,475,327 | 7,485,058 | 18,323,959 | - | 18,323,959 | Three monthly | 7.42 | 25,723,426 | 7.18 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | 1,202,692 | - | 3,030,929 | 4,233,621 | 11,166,137 | - | 11,166,137 | Three monthly | 6.53 | 15,264,450 | 6.25 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | - | - | 734,533 | 734,533 | 16,030,479 | 29,030,065 | 45,060,544 | Three monthly | 7.23 | 45,228,000 | 7.03 |
| Foreign | INVERFAL PERU S.A. | PERU | Miscellaneous Creditors | PEN | - | - | 376,580 | 376,580 | - | 45,066,865 | 45,066,865 | Three monthly | 5.92 | 45,228,000 | 5.78 |
| Total Bond Obligations | | | | | 16,767,157 | 12,207,512 | 61,389,310 | 90,363,979 | 687,842,317 | 1,480,880,774 | 2,168,723,091 | | | | |

When the nominal rate is equal to the effective rate in the above table, it means that there were no costs or income directly associated with the transaction that will affect the original rate of the instrument.

g) Reconciliation of current and non-current financial liabilities to the statement of cash flow required by IAS 7:

| | Dec-31-19 ThCh\$ | Cash flow ThCh\$ | Interest and indexation ThCh\$ | Other non-monetary movements ThCh\$ | Dec-31-20 ThCh\$ |
|---|---------------------|---------------------|--------------------------------------|---|---------------------|
| Bank loans | 866,297,481 | 181,104,161 | 57,493,124 | 14,358,565 | 1,119,253,331 |
| Bond obligations | 2,259,087,070 | 302,876,872 | 133,595,617 | (172,944,453) | 2,522,615,106 |
| Other financial liabilities | 131,847,182 | (7,502,583) | 37,048,209 | (42,728,700) | 118,664,108 |
| Total current & non-current other financial liabilities | 3,257,231,733 | 476,478,450 | 228,136,950 | (201,314,588) | 3,760,532,545 |

Note 19 - Current and Non-Current Leasing Liabilities

These maturities are detailed as follows:

| As of December 31, 2020 | Current | | | | Non-current | | |
|-------------------------|---------------|---------------|----------------|------------|--------------|--------------|-------------|
| | Up to 1 month | 1 to 3 months | 3 to 12 months | Total | 1 to 5 years | Over 5 years | Total |
| Non-Banking Businesses | 6,573,021 | 14,528,218 | 58,853,835 | 79,955,074 | 270,000,554 | 583,592,433 | 853,592,987 |
| Banking Businesses | 1,149,376 | 1,278,506 | 4,722,739 | 7,150,621 | 13,328,422 | 6,758,013 | 20,086,435 |

| As of December 31, 2019 | Current | | | | Non-current | | |
|-------------------------|---------------|---------------|----------------|------------|--------------|--------------|-------------|
| | Up to 1 month | 1 to 3 months | 3 to 12 months | Total | 1 to 5 years | Over 5 years | Total |
| Non-Banking Businesses | 4,648,641 | 21,975,019 | 56,257,807 | 82,881,467 | 305,552,400 | 594,822,162 | 900,374,562 |
| Banking Businesses | 331,569 | 981,859 | 7,296,012 | 8,609,440 | 12,882,116 | 14,033,011 | 26,915,127 |

Lease payments were ThCh\$ 133,099,038 and ThCh\$ 144,747,875 as of December 31, 2020 and 2019, respectively, which are classified as operating cash flows in the Statement of Cash Flows.

Note 20 - Current and Non-Current Trade and Other Payables

Trade and other payables are detailed as follows:

| Dec-31-20 | | | | | | |
|-------------------------|--------------------|--------------------|-------------------|----------------------|------------------|-------------------|
| Liability | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Total Non-Current |
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Trade creditors | 816,352,609 | 237,678,293 | 26,088,641 | 1,080,119,543 | - | - |
| Miscellaneous creditors | 7,938,834 | 722,946 | 5,802,934 | 14,464,714 | 1,074,634 | 1,074,634 |
| Other payables | 35,750,958 | 5,345,624 | 9,420,088 | 50,516,670 | - | - |
| Total | 869,269,897 | 243,746,863 | 32,084,167 | 1,145,100,927 | 1,074,634 | 1,074,634 |

| Dec-31-19 | | | | | | |
|-------------------------|--------------------|--------------------|--------------------|----------------------|------------------|-------------------|
| Liability | Up to 1 month | 1 to 3 months | 3 to 12 months | Total Current | 1 to 5 years | Total Non-Current |
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Trade creditors | 696,460,736 | 198,302,595 | 40,228,351 | 934,991,682 | - | - |
| Miscellaneous creditors | 14,235,213 | 4,996,957 | 2,487,343 | 21,719,513 | 1,920,686 | 1,920,686 |
| Other payables | 70,561,401 | 3,904,144 | 78,029,239 | 152,494,784 | - | - |
| Total | 781,257,350 | 207,203,696 | 120,744,933 | 1,109,205,979 | 1,920,686 | 1,920,686 |

The Company's principal suppliers as of December 31, 2020 are detailed as follows. The average supplier payment term varies between 41 and 112 days, depending on the business and the country.

| Supplier Name |
|--------------------------------|
| Alicorp |
| Electrolux |
| Intcomex |
| Codepa |
| Agrosuper |
| CMPC |
| Industria Metalúrgica Limitada |
| Gloria S.A. |
| Forestal Leon |
| Colchones Rosen |

Note 20 - Current and Non-Current Trade and Other Payables (continued)

Creditors not due

Dec-31-20

| Supplier | Amounts According to Payment Terms | | | | | | Total ThCh\$ |
|--------------|------------------------------------|--------------------|-------------------|-------------------|------------------|---------------|----------------------|
| | Under 30 days | 31-60 days | 61-90 days | 91-120 days | 121-365 days | Over 365 days | |
| Goods | 565,082,061 | 190,614,060 | 37,791,243 | 18,133,808 | 5,666,303 | - | 817,287,475 |
| Services | 202,710,222 | 11,821,237 | 5,107,452 | 1,639,362 | 2,570,931 | - | 223,849,204 |
| Others | 7,225,530 | 640,152 | 173,377 | 108,343 | 744,441 | - | 8,891,843 |
| Total | 775,017,813 | 203,075,449 | 43,072,072 | 19,881,513 | 8,981,675 | - | 1,050,028,522 |

Dec-31-19

| Supplier | Amounts According to Payment Terms | | | | | | Total ThCh\$ |
|--------------|------------------------------------|--------------------|-------------------|-------------------|------------------|---------------|--------------------|
| | Under 30 days | 31-60 days | 61-90 days | 91-120 days | 121-365 days | Over 365 days | |
| Goods | 486,913,893 | 153,193,053 | 47,329,057 | 8,538,399 | 4,438,686 | - | 700,413,088 |
| Services | 172,091,892 | 4,986,110 | 2,543,513 | 878,227 | 2,809,927 | - | 183,309,669 |
| Others | 21,032,288 | 830,954 | 2,446,764 | 2,139,754 | 1,725,140 | - | 28,174,900 |
| Total | 680,038,073 | 159,010,117 | 52,319,334 | 11,556,380 | 8,973,753 | - | 911,897,657 |

Creditors overdue

Falabella has a conservative financial policy and a solid liquidity position that allows it to fulfill its obligations with its suppliers without major issues. Therefore, the overdue amounts owed to suppliers as of December 31, 2020 and 2019 are primarily due to invoices that contain differences, the majority of which are rapidly resolved, due to the continuing management of supplier payables.

Dec-31-20

| Supplier | Amounts According to Payment Terms | | | | | | Total ThCh\$ |
|--------------|------------------------------------|------------------|------------------|------------------|------------------|----------------|-------------------|
| | Under 30 days | 31-60 days | 61-90 days | 91-120 days | 121-180 days | Over 180 days | |
| Goods | 13,264,728 | 7,294,715 | 3,268,392 | 594,093 | 242,733 | 413,498 | 25,078,159 |
| Services | 621,958 | 1,093,962 | 128,279 | 1,782,518 | 150,787 | 420,057 | 4,197,561 |
| Others | 18,417 | 9,116 | 88,236 | 16,718 | 639,609 | 43,205 | 815,301 |
| Total | 13,905,103 | 8,397,793 | 3,484,907 | 2,393,329 | 1,033,129 | 876,760 | 30,091,021 |

Dec-31-19

| Supplier | Amounts According to Payment Terms | | | | | | Total ThCh\$ |
|--------------|------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | Under 30 days | 31-60 days | 61-90 days | 91-120 days | 121-180 days | Over 180 days | |
| Goods | 4,354,464 | 2,378,652 | 2,314,195 | 5,847,389 | 1,052,637 | 2,885,406 | 18,832,743 |
| Services | 529,106 | 719,605 | 843,984 | 434,102 | 414,741 | 495,987 | 3,437,525 |
| Others | 373,728 | 236,207 | 81,381 | 2,551 | 96,211 | 33,679 | 823,757 |
| Total | 5,257,298 | 3,334,464 | 3,239,560 | 6,284,042 | 1,563,589 | 3,415,072 | 23,094,025 |

Note 21 - Current and Non-Current Provisions

a) Provisions for the Non-Banking Business are detailed as follows:

| Non-Banking Business Provisions | Current | | Non-Current | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Dec-31-20 ThCh\$ | Dec-31-2019 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-2019 ThCh\$ |
| Legal claims and contingencies provisions ⁽¹⁾ | 24,413,788 | 22,516,176 | 5,372,816 | 6,432,212 |
| Dismantling, restoration and rehabilitation costs ⁽²⁾ | - | - | 3,052,962 | 3,158,646 |
| Allowances on used lines of credit ⁽³⁾ | 1,260,380 | 1,003,763 | - | - |
| Other provisions ⁽⁴⁾ | 378,788 | 238,195 | - | - |
| Total | 26,052,956 | 23,758,134 | 8,425,778 | 9,590,858 |

b) Provisions for the Banking Business are detailed as follows:

| Banking Business | | |
|--|---------------------|-----------------------|
| Provisions | Dec-31-20 ThCh\$ | Dec-31-2019 ThCh\$ |
| Legal claims and contingencies provisions ⁽¹⁾ | 2,840,631 | 2,138,533 |
| Dismantling, restoration and rehabilitation costs ⁽²⁾ | 282,375 | 332,541 |
| Allowances for unused lines of credit ⁽³⁾ | 27,657,713 | 29,309,244 |
| Other provisions ⁽⁴⁾ | 223,734 | 236,864 |
| Total | 31,025,702 | 32,017,182 |

⁽¹⁾ Legal claims and contingencies provisions are claims that our legal advisors consider to have a high probability of loss.

⁽²⁾ Dismantling, restoration and rehabilitation costs arise from the dismantling policy, and provisions are reviewed annually to ensure that the estimated amounts remain reasonable, and whether there are new amounts to be recorded for assets acquired or built.

⁽³⁾ Allowances for unused lines of credit are the expected credit losses on the unused portion of credit lines, which must be recognized according to IFRS 9.

⁽⁴⁾ Other provisions are other third party obligations, where there is a high probability of payment.

Note 21 - Current and Non-Current Provisions (continued)

c) Movements in provisions for the Non-Banking Business are detailed as follows:

| Movements in provisions | Legal claims provision | | Dismantling, restoration and rehabilitation costs | | Unused lines of credit | | Other provisions | | Total | |
|---|------------------------|-----------------------|---|-----------------------|------------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ | Current ThCh\$ | Non-Current ThCh\$ |
| Balance as of January 1, 2020 | 22,516,176 | 6,432,212 | - | 3,158,646 | 1,003,763 | - | 238,195 | - | 23,758,134 | 9,590,858 |
| Additional provisions | 5,196,027 | 739,760 | - | 96,923 | - | - | - | - | 5,196,027 | 836,683 |
| Increase (decrease) in current provisions | (896,637) | (781,026) | - | 119,685 | 582,376 | - | 142,271 | - | (171,990) | (661,341) |
| Conversion adjustment | (2,401,778) | (1,018,130) | - | (322,292) | (325,759) | - | (1,678) | - | (2,729,215) | (1,340,422) |
| Balance as of December 31, 2020 | 24,413,788 | 5,372,816 | - | 3,052,962 | 1,260,380 | - | 378,788 | - | 26,052,956 | 8,425,778 |
| Balance as of January 1, 2019 | 22,700,736 | 6,546,953 | - | 2,777,402 | 1,793,109 | - | 238,585 | - | 24,732,430 | 9,324,355 |
| Additional provisions | 4,134,233 | 424,764 | - | 87,480 | - | - | - | - | 4,134,233 | 512,244 |
| Increase (decrease) in current provisions | (3,910,498) | (1,021,278) | - | 75,742 | (214,694) | - | (390) | - | (4,125,582) | (945,536) |
| Conversion adjustment | (408,295) | 481,773 | - | 218,022 | (574,652) | - | - | - | (982,947) | 699,795 |
| Balance as of December 31, 2019 | 22,516,176 | 6,432,212 | - | 3,158,646 | 1,003,763 | - | 238,195 | - | 23,758,134 | 9,590,858 |

d) Movements in provisions for the Banking Business are detailed as follows:

| Movements in provisions | Legal claims provision | Dismantling, restoration and rehabilitation costs | Unused lines of credit | Other provisions | Total |
|---|------------------------|---|------------------------|------------------|--------------|
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Balance as of January 1, 2020 | 2,138,533 | 332,541 | 29,309,244 | 236,864 | 32,017,182 |
| Additional provisions | 1,235,490 | - | - | - | 1,235,490 |
| Increase (decrease) in current provisions | (374,218) | (212,49) | (1,138,227) | (47,953) | (1,560,398) |
| Conversion adjustment | (159,174) | (28,917) | (513,304) | 34,823 | (666,572) |
| Balance as of December 31, 2020 | 2,840,631 | 282,375 | 27,657,713 | 223,734 | 31,025,702 |
| Balance as of January 1, 2019 | 1,478,615 | 469,310 | 39,361,963 | 120,500 | 41,430,388 |
| Additional provisions | 726,291 | - | - | - | 726,291 |
| Increase (decrease) in current provisions | (114,363) | (131,583) | (10,466,502) | 102,808 | (10,609,640) |
| Conversion adjustment | 47,990 | (5,186) | 413,783 | 13,556 | 470,143 |
| Balance as of December 31, 2019 | 2,138,533 | 332,541 | 29,309,244 | 236,864 | 32,017,182 |

Note 22 - Current and Non-Current Employee Benefits Provisions

- a) Employee benefit expenses are included in the statement of net income under the item Administrative expenses and are detailed as follows:

Non-Banking Business

| Employee Benefit Expenses | Jan 01-20 | Jan 01-19 |
|---------------------------------------|----------------------|----------------------|
| | Dec-31-20 | Dec-31-19 |
| | ThCh\$ | ThCh\$ |
| Wages and salaries | 787,390,715 | 829,273,508 |
| Bonuses and other short-term benefits | 217,168,538 | 208,351,353 |
| Defined benefit expense | 4,979,762 | 4,981,253 |
| Termination expenses | 57,726,771 | 30,778,082 |
| Share-based payments | 501,911 | 3,543,317 |
| Other personnel expenses | 17,541,986 | 9,800,514 |
| Staff costs | 1,085,309,683 | 1,086,728,027 |

Banking Business

| Employee Benefit Expenses | Jan 01-20 | Jan 01-19 |
|---------------------------------------|--------------------|--------------------|
| | Dec-31-20 | Dec-31-19 |
| | ThCh\$ | ThCh\$ |
| Wages and salaries | 96,495,314 | 103,692,611 |
| Bonuses and other short-term benefits | 31,881,403 | 31,796,482 |
| Termination expenses | 4,239,870 | 2,899,367 |
| Share-based payments | 25,445 | 366,286 |
| Other personnel expenses | 7,091,402 | 10,754,964 |
| Staff costs | 139,733,434 | 149,509,710 |

- b) Employee benefit provisions for the Non-Banking Business are detailed as follows:

| Employee Benefit Provisions | Current | | Non-Current | |
|--|--------------------|--------------------|-------------------|-------------------|
| | Dec-31-20 | Dec-31-19 | Dec-31-20 | Dec-31-19 |
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Vacation provision | 52,961,086 | 50,608,081 | - | - |
| Profit sharing and bonuses provision | 57,447,105 | 55,286,183 | 6,165,658 | 11,652,235 |
| Defined benefit provisions | 1,564,879 | 2,358,274 | 37,434,093 | 44,316,578 |
| Retentions | 23,888,439 | 26,120,068 | - | - |
| Remuneration provisions | 7,722,091 | 10,982,874 | - | - |
| Other provisions | 1,991,078 | 4,093,861 | - | - |
| Total Employee Benefit Provisions | 145,574,678 | 149,449,341 | 43,599,751 | 55,968,813 |

- c) The Employee defined benefit provisions are detailed as follows:

| | Dec-31-20 | Dec-31-19 |
|---|-------------------|-------------------|
| | ThCh\$ | ThCh\$ |
| Defined benefits provision, current | 1,564,879 | 2,358,274 |
| Defined benefits provision, non-current | 37,434,093 | 44,316,578 |
| Total Defined Benefits | 38,998,972 | 46,674,852 |

Note 22 - Current and Non-Current Employee Benefits Provisions (continued)

c.1) A reconciliation of the benefit provisions, detailed expenses for the year and main assumptions used to calculate the obligation are as follows.

| Reconciliation of Defined Benefits Plan Present Value | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|---------------------|---------------------|
| Opening balance as of January 1 | 46,674,852 | 36,276,624 |
| Cost of current service, defined benefits obligations ⁽¹⁾ | 3,411,025 | 3,442,698 |
| Cost of interest on defined benefits obligations ⁽¹⁾ | 1,568,737 | 1,538,555 |
| Actuarial gains (losses) on defined benefits obligation by experience and assumptions ⁽²⁾ | (575,530) | 8,141,129 |
| Defined benefit payments | (1,748,262) | (2,724,154) |
| Termination settlements ⁽¹⁾ | (10,331,850) | - |
| Closing balance as of December 31 | 38,998,972 | 46,674,852 |

⁽¹⁾ Recorded in the statement of net income for the year as Administrative Expense.

⁽²⁾ Recorded in the statement of other comprehensive income within "Other reserves" in equity.

c.2) Actuarial assumptions

The main actuarial assumptions are as follows:

| | Dec-31-20 | Dec-31-19 |
|---|--|--|
| Discount rate used | BCU average rate | BCU average rate |
| Expected salary increase rate | 2.28% actual average rate, according to position. | 2.57% actual average rate, according to position. |
| Average staff turnover rate | 9.43% turnover rate, according to historical company data. | 8.12% turnover rate, according to historical company data. |
| Mortality table name | GS FMC 398 | GS FMC 398 |
| Other significant actuarial assumptions | Legal ages of retirement by gender | Legal ages of retirement by gender |

c.3) Sensitivity analysis

As of December 31, 2020, given variations of one point in the current discount rate, the value of the actuarial liability for employee benefits increases by ThCh\$ 3,381,171 if the rate falls, and decreases by ThCh\$ 2,797,806 if the rate rises.

d) Share-based payments and other long-term incentive plans:

The Extraordinary Shareholders' Meeting held on August 27, 2013 approved a compensation plan for Company executives, by granting options to subscribe to shares, which executives may exercise within a 5 year term.

The 2013 program included the repurchase of those shares, but not newly issued shares, as exercised at 30%, 30% and 40% in years 3, 4 and 5, respectively.

Although the 2013 program expired on June 30, 2018, as of December 31, 2020 and 2019, the Company had treasury shares related to the 2013 program in the amount of ThCh\$ 43,405,118, which have been accounted for as an equity decrease.

The Board of Directors approved a long-term incentive plan for Company executives on May 31, 2016. This plan retains and aligns incentives for senior executives with those of shareholders. The incentive plan is divided into two components, each lasting for three years.

The first component is subject to compliance with performance targets under the plan, where the Company agrees to pay a bonus in cash, equal to the average market value of the Company's shares 60 days prior to the date of payment, for a number of shares that will depend on the position and performance of the executive, subject to certain limits covered by the plan.

Note 22 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments and other long-term incentive plans (continued)

The second component offers the executive the option to acquire a number of Company shares and for each share acquired and kept continuously for the duration of the program, the Company will pay twice the price of such shares purchased, at current value, estimated at the average share price for the last 60 days when the plan begins. This benefit shall be in cash, defined at the time the plan begins, which aims to encourage executives to invest in Company shares. Similarly to the previous component, it depends on the position and performance of the executive.

The 2016 plan was paid during June 2019.

The expense for the year ended December 31, 2019, of ThCh\$ 444,716 was recognized in Administrative Expenses.

The Board of Directors approved a long-term incentive plan for Company executives on May 30, 2017. This plan retains and aligns incentives for senior executives with those of shareholders. The incentive plan is divided into two components, each lasting for three years.

The first component is subject to the executive remaining with the Company for the duration of the program, where the Company agrees to pay a bonus in cash, equal to the average market value of the Company's shares 60 days prior to the date of payment, for a number of shares that will depend on the position and performance of the executive.

The second component offers the executive the option to acquire a number of Company shares and for each share acquired and kept continuously for the duration of the program, the Company will pay a cash bonus equivalent to a factor of such shares purchased, valued at the average market value of the Company's shares 60 days prior to the date of payment. Similarly to the previous component, it depends on the position and performance of the executive.

The 2017 plan was paid during June 2020.

The effect on Administrative Expenses in the statement of net income for the years ended December 31, 2020 and 2019 was a credit of ThCh\$ 2,369,216 and a charge of ThCh\$ 863,934, respectively.

The Board of Directors approved a long-term incentive plan for Company executives on April 24, 2018. This new plan seeks to retain and align incentives for senior executives with those of shareholders. The incentive plan is divided into two components, each lasting for three years.

The first component is subject to the executive remaining with the Company for the duration of the program, where the Company agrees to pay a bonus in cash, equal to the average market value of the Company's shares 60 days prior to the date of payment, for a number of shares that will depend on the position and performance of the executive, subject to a minimum value of the average share price, which will increase according to a factor.

The second component offers the executive the option to acquire a number of Company shares and for each share acquired and kept continuously for the duration of the program, the Company will pay a cash bonus equivalent to a factor of such shares purchased, valued at the average market value of the Company's shares 60 days prior to the date of payment. Similarly to the previous component, it depends on the position and performance of the executive.

Note 22 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments and other long-term incentive plans (continued)

The expense for the years ended December 31, 2020 and 2019 was ThCh\$ 900,948 and ThCh\$ 1,614,226, respectively, and was charged to Administration expenses, with the counterpart in Employee benefit provisions.

On April 23, 2019, the Board of Directors approved a new long-term incentive plan for Company executives. This new plan seeks to retain and align incentives for senior executives with those of shareholders. The incentive plan is divided into two components, each lasting for three years.

The first component is subject to the executive remaining with the Company for the duration of the program, where the Company agrees to pay a bonus in cash, equal to the average market value of the Company's shares 60 days prior to the date of payment, for a number of shares that will depend on the position and performance of the executive, subject to a minimum value of the average share price, which will increase according to a factor.

The second component offers the executive the option to acquire a number of Company shares and for each share acquired and kept continuously for the duration of the program, the Company will pay a cash bonus equivalent to a factor of such shares purchased, valued at the average market value of the Company's shares 60 days prior to the date of payment. Similarly to the previous component, it depends on the position and performance of the executive.

The expense for the years ended December 31, 2020 and 2019, was ThCh\$ 2,034,928 and ThCh\$ 1,685,318, respectively, and was charged to Administration expenses, with the counterpart in Employee benefit provisions.

The main assumptions used to calculate the fair value of the first component of these plans are detailed as follows:

| | Plan 2018 | Plan 2019 |
|--|---------------------------|---------------------------|
| Number of shares granted | 1,857,161 | 2,470,399 |
| Dividend yield (%) | 1.37% | 1.37% |
| Expected volatility in the share price (%) | 51.83% | 51.83% |
| Risk-free interest rate (%) | 0.30% | 0.30% |
| Plan life (years) | 3 | 3 |
| Share price (\$) | 2,630.00 | 2,630.00 |
| Period covered | 09-01-2018/ 05-15-2021 | 06-01-2019/ 05-15-2022 |
| Model used | Monte Carlo Simulation | Monte Carlo Simulation |
| Model name | Bivariate Brownian Motion | Bivariate Brownian Motion |

The expected share price volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

On May 12, 2020, the Company's Board of Directors approved a new variable and contingent long-term incentive plan for certain executives of the Company and its subsidiaries, including but not limited to the Company's senior executives, for the period 2020 to 2023. This plan is designed to retain these executives and to align their objectives with the creation of medium and long term value for shareholders. The plan has two components: (i) an investment in Company shares by each executive, purchased on the stock exchange and financed with an exclusive loan granted by the Company for this purpose; and, ii) cash payment of a one-time fixed bonus in 2023, for two thirds of the exclusive loan value, which will only be paid if the executive has been continually employed the Company, any of its subsidiaries, or by any combination of these at the date of payment.

Note 22 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments and other long-term incentive plans (continued)

Each executive has a different loan and bonus within the 2020 to 2023 variable and contingent long-term incentive plan. All other terms and conditions, including the interest rate, are identical for all executives and were determined in accordance with the prices, terms and conditions prevailing in the market at the time the plan was approved.

The expense for the year ended December 31, 2020, for this plan was ThCh\$ 1,545,988, and was charged to Administration expenses, with the counterpart in Employee benefit provisions.

The total loans granted to executives under this incentive plan is disclosed in Note 7.

Note 23 - Other Current and Non-Current Non-Financial Liabilities

Current and non-current other non-financial liabilities are detailed as follows:

| Other non-financial liabilities | Current | | Non-Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Guarantees received | 605,649 | 944,528 | - | - |
| Prepaid rent received | 1,688,336 | 1,341,023 | 33,462,811 | 35,179,894 |
| Deferred income from customer loyalty programs (CMR points) | 14,035,538 | 8,424,992 | - | - |
| Prepaid sales | 96,573,799 | 74,910,627 | - | - |
| Credit notes payable to customers | 5,279,079 | 3,664,269 | - | - |
| VAT payable | 54,322,446 | 50,032,193 | - | - |
| Withholdings | 7,815,849 | 12,431,913 | - | - |
| Unexpired risk reserve | 5,438,360 | 6,089,069 | 16,155,604 | 18,741,901 |
| Others | 9,149,333 | 7,723,097 | 1,018,454 | 1,104,078 |
| Total | 194,908,389 | 165,561,711 | 50,636,869 | 55,025,873 |

Note 24 - Savings accounts and other term deposits - Banking Business

Savings accounts and other term deposits are detailed as follows:

| Savings accounts and other term deposits | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|--|----------------------|----------------------|
| Term deposits | 2,223,872,350 | 2,874,058,379 |
| Savings accounts | 197,398,855 | 153,192,853 |
| Total | 2,421,271,205 | 3,027,251,232 |

Note 25 - Bank Obligations - Banking Business

a) As of December 31, 2020 these are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Contractually Stipulated Nominal Value of Obligation |
|------------------------|------------------------------|----------------|--------------------|------------------------------------|------------------|---|---|---------------|----------------|--------------|--------------|-------------|-----------------|--|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total | | |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | - | 15,313,471 | - | - | - | 15,313,471 | At Maturity | 15,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 25,527,188 | - | - | - | 25,527,188 | At Maturity | 25,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 15,328,392 | - | - | - | 15,328,392 | At Maturity | 15,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 10,218,928 | - | - | - | 10,218,928 | At Maturity | 10,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | - | 15,353,050 | - | - | - | 15,353,050 | At Maturity | 15,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | - | 10,235,366 | - | - | - | 10,235,366 | At Maturity | 10,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 25,008,750 | - | - | 25,008,750 | At Maturity | 25,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | - | - | 25,005,418 | - | - | 25,005,418 | At Maturity | 25,000,000 |
| 90,743,000-6 | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | 25,002,778 | - | - | - | - | 25,002,778 | At Maturity | 25,000,000 |
| 96,509,660-4 | BANCO FALABELLA S.A. | CHILE | 97,029,000-1 | CHILEAN CENTRAL BANK | CHILE | CLP | - | - | - | 102,661,424 | - | 102,661,424 | At Maturity | 102,660,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | USD | - | - | 6,849,377 | - | - | 6,849,377 | At Maturity | 6,847,838 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | USD | - | - | 7,212,837 | - | - | 7,212,837 | At Maturity | 7,208,250 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BOGOTA | COLOMBIA | USD | - | - | 1,442,137 | - | - | 1,442,137 | At Maturity | 1,441,650 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BOGOTA | COLOMBIA | USD | - | - | 6,129,813 | - | - | 6,129,813 | At Maturity | 6,127,013 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BOGOTA | COLOMBIA | USD | - | 6,129,707 | - | - | - | 6,129,707 | At Maturity | 6,127,013 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO CAJA SOCIAL | COLOMBIA | COP | - | 5,250,496 | - | - | - | 5,250,496 | At Maturity | 5,250,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO CAJA SOCIAL | COLOMBIA | COP | - | 5,250,496 | - | - | - | 5,250,496 | At Maturity | 5,250,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO CAJA SOCIAL | COLOMBIA | COP | - | 5,250,496 | - | - | - | 5,250,496 | At Maturity | 5,250,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO CAJA SOCIAL | COLOMBIA | COP | - | 5,250,746 | - | - | - | 5,250,746 | At Maturity | 5,250,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCOLDEX S.A. | COLOMBIA | COP | - | 1,050,101 | - | - | - | 1,050,101 | At Maturity | 1,050,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO DE BOGOTÁ | COLOMBIA | COL | - | 21,406,413 | - | - | - | 21,406,413 | At Maturity | 21,000,000 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | FONDO MI VIVIENDA | PERU | PEN | 211 | 641 | 1,767 | - | 6,374 | 8,993 | Monthly | 8,993 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | FONDO MI VIVIENDA | PERU | PEN | 5,419 | 16,470 | 45,492 | - | 164,955 | 232,336 | Monthly | 232,336 |
| Total Bank Obligations | | | | | | | 25,008,408 | 141,581,961 | 71,695,591 | 102,661,424 | 171,329 | 341,118,713 | | |

Note 25 – Bank Obligations - Banking Business (continued)

b) As of December 31, 2019 these are detailed as follows:

| Debtor number | ID | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | Repayment Terms | Contractually Stipulated Nominal Value of Obligation | |
|---------------|----|------------------------------|----------------|--------------------|------------------------------------|------------------|---|---|---------------|----------------|--------------|--------------|-----------------|--|------------|
| | | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | | | Total |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,032,000-8 | BANCO BBVA | CHILE | CLP | - | 25,760,750 | - | - | - | 25,760,750 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 25,568,895 | - | - | - | 25,568,895 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,032,000-8 | BANCO BBVA | CHILE | CLP | - | - | 25,218,166 | - | - | 25,218,166 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,032,000-8 | BANCO BBVA | CHILE | CLP | - | - | 25,207,256 | - | - | 25,207,256 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 121,917 | 25,000,000 | - | - | 25,121,917 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | 114,236 | 25,000,000 | - | - | 25,114,236 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,023,000-9 | BANCO ITAU | CHILE | CLP | - | - | 25,100,201 | - | - | 25,100,201 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | - | 64,917 | 25,000,000 | - | - | 25,064,917 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | 41,028 | 25,000,000 | - | - | - | 25,041,028 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | 8,021 | - | 25,000,000 | - | - | 25,008,021 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 7,674 | - | 25,000,000 | - | - | 25,007,674 | At Maturity | 25,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,030,000-7 | BANCO ESTADO | CHILE | CLP | - | - | 15,087,383 | - | - | 15,087,383 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | - | 64,463 | 15,000,000 | - | - | 15,064,463 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,018,000-1 | BANCO SCOTIABANK | CHILE | CLP | - | - | 15,048,763 | - | - | 15,048,763 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 14,917 | - | 15,000,000 | - | - | 15,014,917 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 11,321 | 15,000,000 | - | - | - | 15,011,321 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 11,321 | - | 15,000,000 | - | - | 15,011,321 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 7,467 | 15,000,000 | - | - | - | 15,007,467 | At Maturity | 15,000,000 |
| 90,743,000-6 | | PROMOTORA CMR FALABELLA S.A. | CHILE | 97,004,000-5 | BANCO DE CHILE | CHILE | CLP | 11,367 | - | 10,000,000 | - | - | 10,011,367 | At Maturity | 10,000,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO SANTANDER COLOMBIA S.A. | COLOMBIA | COP | - | - | 11,391,211 | - | - | 11,391,211 | At Maturity | 11,270,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO POPULAR | COLOMBIA | COP | - | - | 11,160,251 | - | - | 11,160,251 | At Maturity | 11,036,274 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | USD | - | - | 7,552,685 | - | - | 7,552,685 | At Maturity | 7,537,422 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | USD | - | - | 7,122,620 | - | - | 7,122,620 | At Maturity | 7,066,333 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO AV VILLAS | COLOMBIA | COP | - | 6,970,305 | - | - | - | 6,970,305 | At Maturity | 6,898,905 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCOLOMBIA | COLOMBIA | COP | - | - | 6,929,554 | - | - | 6,929,554 | At Maturity | 6,900,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BOGOTA | COLOMBIA | USD | - | - | 6,047,462 | - | - | 6,047,462 | At Maturity | 6,029,938 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BCSC S.A. | COLOMBIA | COP | - | 5,755,904 | - | - | - | 5,755,904 | At Maturity | 5,750,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BCSC S.A. | COLOMBIA | COP | - | 5,755,904 | - | - | - | 5,755,904 | At Maturity | 5,750,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BCSC S.A. | COLOMBIA | COP | - | 5,753,937 | - | - | - | 5,753,937 | At Maturity | 5,750,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BCSC S.A. | COLOMBIA | COP | - | 5,753,937 | - | - | - | 5,753,937 | At Maturity | 5,750,000 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO DE LA REPÚBLICA | COLOMBIA | COP | - | 5,751,328 | - | - | - | 5,751,328 | At Maturity | 5,751,328 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BOGOTA | COLOMBIA | USD | - | - | 5,291,995 | - | - | 5,291,995 | At Maturity | 5,276,195 |
| Foreign | | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO DE LA REPÚBLICA | COLOMBIA | COP | - | 4,601,063 | - | - | - | 4,601,063 | At Maturity | 4,600,000 |

Note 25 - Bank Obligations - Banking Business (continued)

b) As of December 31, 2019, these are detailed as follows (continued):

| Debtor ID number | Debtor Name | Debtor Country | Creditor ID number | Creditor Name | Creditor Country | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Contractually Stipulated Nominal Value of Obligation |
|------------------------|---------------------------|----------------|--------------------|--|------------------|---|---|---------------|----------------|--------------|--------------|-------------|-----------------|--|
| | | | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total | | |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO DE LA REPÚBLICA | COLOMBIA | COP | - | 4,371,009 | - | - | - | 4,371,009 | At Maturity | 4,371,009 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO DE LA REPÚBLICA | COLOMBIA | COP | - | 3,680,850 | - | - | - | 3,680,850 | At Maturity | 3,680,850 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO BOGOTA | COLOMBIA | USD | - | - | 3,018,310 | - | - | 3,018,310 | At Maturity | 3,014,969 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO ITAU CORPBANCA COLOMBIA S.A. | COLOMBIA | COP | - | 2,301,323 | - | - | - | 2,301,323 | At Maturity | 2,300,000 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO POPULAR | COLOMBIA | COP | - | 605,987 | - | - | - | 605,987 | At Maturity | 604,260 |
| Foreign | BANCO FALABELLA S.A. | COLOMBIA | Foreign | BANCO POPULAR | COLOMBIA | COP | - | 346,502 | - | - | - | 346,502 | At Maturity | 345,515 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | CAJA MUNICIPAL DE AHORRO Y CREDITO AREQUIPA S.A. | PERU | PEN | - | - | 6,844,298 | - | - | 6,844,298 | At Maturity | 6,784,200 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | CAJA MUNICIPAL DE AHORRO Y CREDITO AREQUIPA S.A. | PERU | PEN | - | - | 6,803,677 | - | - | 6,803,677 | At Maturity | 6,784,200 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO CENTRAL DE RESERVA DEL PERÚ | PERU | PEN | - | - | 5,880,271 | - | - | 5,880,271 | At Maturity | 5,834,412 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO RIPLEY PERU S.A. | PERU | PEN | 4,523,080 | - | - | - | - | 4,523,080 | At Maturity | 4,522,800 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | SCOTIABANK | PERU | PEN | - | 3,628,775 | - | - | - | 3,628,775 | At Maturity | 3,618,240 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | CITIBANK DEL PERÚ | PERU | PEN | 3,618,464 | - | - | - | - | 3,618,464 | At Maturity | 3,618,240 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO FALABELLA PERU S.A. | PERU | PEN | 2,713,848 | - | - | - | - | 2,713,848 | At Maturity | 2,713,680 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO AZTECA DEL PERÚ | PERU | PEN | 2,261,686 | - | - | - | - | 2,261,686 | At Maturity | 2,261,400 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | INTERBANK | PERU | PEN | 2,261,686 | - | - | - | - | 2,261,686 | At Maturity | 2,261,400 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | CREDISCOTIA FINANCIERA S.A. | PERU | PEN | 2,035,386 | - | - | - | - | 2,035,386 | At Maturity | 2,035,260 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | INTERBANK | PERU | PEN | 1,130,843 | - | - | - | - | 1,130,843 | At Maturity | 1,130,700 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO AZTECA DEL PERÚ | PERU | PEN | 1,130,770 | - | - | - | - | 1,130,770 | At Maturity | 1,130,700 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO GNB PERU S.A. | PERU | PEN | 678,462 | - | - | - | - | 678,462 | At Maturity | 678,420 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO DE COMERCIO | PERU | PEN | 452,308 | - | - | - | - | 452,308 | At Maturity | 452,280 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | FONDO MI VIVIENDA | PERU | USD | 6,192 | 12,502 | 51,633 | 267,931 | - | 338,258 | Monthly | 338,261 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | BANCO CONTINENTAL | PERU | PEN | 226,154 | - | - | - | - | 226,154 | At Maturity | 226,140 |
| Foreign | BANCO FALABELLA PERU S.A. | PERU | Foreign | FONDO MI VIVIENDA | PERU | PEN | 214 | 431 | 1,777 | 9,161 | - | 11,583 | Monthly | 11,583 |
| Total Bank Obligations | | | | | | | 21,152,209 | 161,984,935 | 363,757,513 | 277,092 | - | 547,171,749 | | |

Note 26 - Debt Instruments Issued and Other Financial Obligations - Banking Business

a) As of December 31, 2020 these are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor Name | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Contractually Stipulated Nominal Value of Obligation |
|------------------------|-----------------|----------------|--------------------|---|---|---------------|----------------|--------------|--------------|-------------|-----------------|--|
| | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total | | |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 56,139,080 | 56,139,080 | Six monthly | 56,139,080 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 44,132,518 | 44,132,518 | Six monthly | 44,132,517 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Subordinated Bonds | UF | - | - | - | - | 30,183,386 | 30,183,386 | Six monthly | 30,183,386 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 37,874,157 | 37,874,157 | At Maturity | 37,874,157 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 37,118,350 | 37,118,350 | Six monthly | 37,118,350 |
| Total debt instruments | | | | | - | - | - | - | 205,447,491 | 205,447,491 | | |

b) As of December 31, 2019 these are detailed as follows:

| Debtor ID number | Debtor Name | Debtor Country | Creditor Name | Currency or Indexation unit according to Contract Conditions (ISO 4217) | Liability Exposed to Liquidity Risk by Maturity | | | | | | Repayment Terms | Contractually Stipulated Nominal Value of Obligation |
|------------------------|---------------------------|----------------|-------------------------------|---|---|---------------|----------------|--------------|--------------|-------------|-----------------|--|
| | | | | | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total | | |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 56,004,669 | 56,004,669 | Six monthly | 56,097,060 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 42,960,889 | 42,960,889 | Six monthly | 42,072,795 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 36,883,486 | 36,883,486 | Six monthly | 36,463,089 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | - | - | 36,243,002 | 36,243,002 | At Maturity | 35,060,662 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Subordinated Bonds | UF | - | - | - | - | 32,741,647 | 32,741,647 | Six monthly | 47,682,501 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | CLP | - | - | 30,052,404 | - | - | 30,052,404 | At Maturity | 30,000,000 |
| 96,509,660-4 | BANCO FALABELLA | CHILE | Current Bonds | UF | - | - | 28,386,118 | - | - | 28,386,118 | At Maturity | 28,048,530 |
| Foreign | BANCO FALABELLA PERÚ S.A. | PERU | Fourth issue series "a" Bonds | PEN | - | 605,985 | - | - | - | 605,985 | Three monthly | 605,732 |
| Total debt instruments | | | | | - | 605,985 | 58,438,522 | - | 204,833,693 | 263,878,200 | | |

c) Other Financial Obligations are detailed as follows:

| Other Financial Obligations | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|-----------------------------|---------------------|---------------------|
| Mortgage bonds | 64,357,012 | 74,291,972 |
| Public-sector obligations | 10,378,581 | 15,115,488 |
| Total | 74,735,593 | 89,407,460 |

Note 27 - Other Liabilities - Banking Business

Other Liabilities for the Banking Business are detailed as follows:

| Other liabilities | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|---------------------|---------------------|
| Suppliers and payables | 83,911,804 | 85,727,597 |
| Deferred income from client loyalty | 34,320,346 | 25,252,847 |
| Associated trade | 118,699,989 | 143,312,082 |
| Vacation and employee benefits provision | 9,386,878 | 9,937,781 |
| Retentions and other employee withholdings | 1,914,281 | 2,902,889 |
| Profit sharing | 2,195,317 | 4,851,954 |
| Guarantees received for financial transactions. | 222,752,388 | 23,216,715 |
| Others | 776,249 | 65,761 |
| Total | 473,957,252 | 295,267,626 |

Note 28 - Operating Revenue

28.1 Operating Revenue - Non-Banking Business

a) The Company's operating revenue is detailed as follows:

| Description | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|----------------------------------|----------------------------------|----------------------------------|
| Sales revenue | 8,069,719,013 | 7,678,650,570 |
| Investment property lease income | 177,557,846 | 311,383,023 |
| Interest income | 15,899,097 | 35,905,529 |
| Commission income | 17,873,993 | 27,643,713 |
| Total operating revenue | 8,281,049,949 | 8,053,582,835 |

b) Income from interest and commissions related to the company's Financial Retail business is detailed as follows:

| Description | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|---|----------------------------------|----------------------------------|
| Loan interest | 15,899,097 | 35,905,529 |
| Subtotal Interest income | 15,899,097 | 35,905,529 |
| Commission income | 12,876,411 | 15,931,060 |
| Payment services | 4,997,582 | 11,712,653 |
| Subtotal Commission income | 17,873,993 | 27,643,713 |
| Total interest and commission income | 33,773,090 | 63,549,242 |

28.2 Operating Revenue - Banking Business

a) The Company's operating revenue is detailed as follows:

| Description | Jan 01-20 Dec-31-20 ThCh\$ | Jan 01-19 Dec-31-19 ThCh\$ |
|---------------------------------|----------------------------------|----------------------------------|
| Interest and indexation income. | 978,716,654 | 1,108,745,967 |
| Commission income | 206,908,355 | 245,043,799 |
| Total operating revenue | 1,185,625,009 | 1,353,789,766 |

Note 28 - Operating Revenue (continued)

28.2 Operating Revenue - Banking Business (continued)

b) Income from interest and commissions is detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|---|----------------------|----------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Loan interest | 964,224,281 | 1,102,685,588 |
| Other interest income | 14,492,373 | 6,060,379 |
| Subtotal Interest income | 978,716,654 | 1,108,745,967 |
| Commission income ⁽¹⁾ | 98,097,243 | 107,302,815 |
| Payment services | 108,811,112 | 137,740,984 |
| Subtotal Commission income | 206,908,355 | 245,043,799 |
| Total interest and commission income | 1,185,625,009 | 1,353,789,766 |

⁽¹⁾ Income from direct debits, financial brokerage and account maintenance.

Note 29 - Cost of Continuing Operations

29.1 Cost of Continuing Operations - Non-Banking Business

a) These are detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|---|----------------------|----------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Cost of sales of goods and services ⁽¹⁾ | 5,663,527,580 | 5,290,835,811 |
| Cost of sales at financial companies | 8,432,304 | 34,907,636 |
| Costs of leased investment property | 118,773,806 | 107,326,803 |
| Total Cost of Continuing Operations - Non-Banking Business | 5,790,733,690 | 5,433,070,250 |

⁽¹⁾ Cost of sales of goods and services includes the cost of inventories, provisions for net realizable value, shortages and obsolescence (all disclosed in Note 8 - "Inventories") and depreciation on leased machinery (Note 14).

b) The Cost of Sales for the Retail Financial business is detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|---|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Interest costs | 2,181,449 | 17,925,550 |
| Other sales costs | 5,065,812 | 9,236,217 |
| Impairment allowances and write-offs | 1,185,043 | 7,745,869 |
| Total cost of sales at financial companies | 8,432,304 | 34,907,636 |

c) Costs of leased investment property are detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|-----------------------|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Depreciation | 57,766,026 | 52,366,827 |
| Maintenance and other | 61,007,780 | 54,959,976 |
| Total | 118,773,806 | 107,326,803 |

Note 29 - Cost of Continuing Operations (continued)

29.2 Cost of Continuing Operations - Banking Business

| Description | Jan 01-20 | Jan 01-19 |
|---|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Interest and indexation expense | 138,045,499 | 183,119,743 |
| Commission expenses | 86,761,814 | 116,057,421 |
| Credit risk allowances | 384,783,080 | 337,736,214 |
| Total Cost of Continuing Operations - Banking Business | 609,590,393 | 636,913,378 |

Note 30 - Administrative Expenses

a) Administrative Expenses for the Non-Banking Business are detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|---|----------------------|----------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Staff remuneration and costs ⁽¹⁾ | 1,085,309,683 | 1,086,728,027 |
| Rent and common expenses | 61,542,379 | 74,639,880 |
| Depreciation and amortization | 363,080,422 | 344,785,180 |
| Basic energy and water services | 55,486,137 | 58,047,793 |
| Computer services | 19,266,332 | 9,984,308 |
| Materials and consumables | 45,502,847 | 43,158,307 |
| Travel and accommodation | 9,783,279 | 22,452,454 |
| Taxes, property taxes, vehicle taxes, insurance and other | 81,913,827 | 74,996,963 |
| Third party fees and services | 146,456,093 | 143,501,500 |
| Maintenance and repairs | 49,222,272 | 47,970,583 |
| Safety equipment | 8,177,235 | 6,368,670 |
| Communication | 2,151,275 | 6,188,416 |
| Commission | 48,242,207 | 44,750,199 |
| Other expenses | 12,540,129 | 3,390,115 |
| Total | 1,988,674,117 | 1,966,962,395 |

⁽¹⁾ See Note 22.

b) Administrative Expenses for the Banking Business are detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|---|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Staff remuneration and costs ⁽¹⁾ | 139,733,434 | 149,509,710 |
| Administrative expenses | 206,582,607 | 197,819,946 |
| Depreciation and amortization | 37,506,177 | 34,996,501 |
| Other operating expenses | 49,636,946 | 44,322,854 |
| Total | 433,459,164 | 426,649,011 |

⁽¹⁾ See Note 22.

Note 31 - Financial and Indexation Costs

Financial costs (income) in the Non-Banking Business are detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|---|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Interest expense on bank loans | 57,493,124 | 41,211,540 |
| Interest expense on bonds and other loans | 104,917,566 | 98,347,987 |
| Interest expense on leases ⁽¹⁾ | 51,912,015 | 55,445,226 |
| Interest expense on swaps and forwards | 37,048,209 | 26,521,927 |
| Other financial costs ⁽²⁾ | 3,140,035 | (11,615,880) |
| Subtotal interest costs | 254,510,949 | 209,910,800 |
| Cost of indexation | 28,678,051 | 21,944,001 |
| Total financial costs | 283,189,000 | 231,854,801 |

⁽¹⁾ Includes interest due to the effect of IFRS 16 (See Note 2.29 c).

⁽²⁾ Includes the effects of subsidiaries' exposure to inflation in Argentina (Note 2.6).

Note 32 - Other Income (Losses)

Other income (losses) from the Non-Banking Business are detailed as follows:

| Description | Jan 01-20 | Jan 01-19 |
|--|---------------------|---------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Loss on business restructuring in Argentina ⁽¹⁾ | (60,885,886) | - |
| Losses due to public disturbances ⁽²⁾ | - | (28,036,405) |
| Compensations ⁽³⁾ | 27,302,811 | 37,757,245 |
| Losses on derecognition of property, plant and equipment | (17,671,933) | (17,332,276) |
| Reversal of provisions | 4,156,297 | 5,846,193 |
| Gain on sale of businesses ⁽⁴⁾ | - | 10,308,935 |
| Tax recoveries ⁽⁵⁾ | 1,856,883 | 11,157,350 |
| Negative goodwill from acquisition of Calima Shopping Center (Note 41) | 911,436 | - |
| Others | (733,700) | 1,095,494 |
| Total | (45,064,092) | 20,796,536 |

⁽¹⁾ Falabella is evaluating its options to monetize its investment in Argentina. The pandemic accelerated the retail digitalization process and has affected its financial performance in Argentina, and the recoverability of certain investments there. The Company will close and restructure some of its stores in order to adapt to this trend, while implementing a voluntary retirement plan for store and head office employees. Consequently, the effect on the statement of net income is ThCh\$ 60,885,886, which is comprised of ThCh\$ 35,973,665 for impairment losses and derecognition of property, plant and equipment and intangible assets, ThCh\$ 12,759,108 for voluntary retirement plans, ThCh\$ 9,185,880 for impairment losses on financial receivables, and ThCh\$ 2,967,233 for impairment losses on other assets and miscellaneous expenses.

⁽²⁾ Specific stores, offices and shopping centers owned by our subsidiaries operating in Chile have suffered damage or operational disruptions of various magnitudes, as a consequence of the events that have occurred in Chile since October 18, 2019 and the resulting public disturbances. This has led to a temporary or permanent suspension of their services. Falabella has assessed the damage, and based on its understanding of the facts and circumstances, this is estimated to be approximately ThCh\$ 28,036,405, which is mainly related to impairment losses on inventories and fixed assets. Falabella S.A. and its subsidiaries have appropriate insurance cover for the risks of impairment, stoppage and other related risks to its property, all contracted with first class companies in the insurance market. The corresponding insurance claims have been submitted. As of December 31, 2019, the corresponding insurance receivable for the preliminary and partial amount confirmed by them was ThCh\$ 32,952,770, which was received during 2020. This 2019 amount does not include compensation for stoppage losses or loss of profit, which had not yet been calculated. Compensation for damage to physical assets has been calculated at their respective replacement values. As of December 31, 2020, the corresponding insurance receivable for the preliminary value of these compensations was ThCh\$ 23,110,912.

⁽³⁾ Includes insurance claims as of December 31, 2020 and 2019 for the insurance claims on asset losses described in ⁽²⁾,

⁽⁴⁾ Shares of the subsidiaries Viajes Falabella Chile, Peru and Argentina were sold on June 7, 2019. Subsequently, shares of the subsidiary Viajes Falabella Colombia were sold on July 31, 2019.

⁽⁵⁾ Recognition of recoverable taxes related to PIS, COFINS and other taxes by our subsidiary in Brazil.

Note 33 - Earnings per Share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of common shares outstanding in the year. Diluted earnings per share include incremental shares of share-based compensation plans assumed to have been exercised as of the date of the statement of financial position.

| | Jan 01-20 Dec-31-20 | Jan 01-19 Dec-31-19 |
|---|------------------------|------------------------|
| Earnings attributable to holders of equity interests in parent's equity | 30,758,319 | 295,473,530 |
| Basic earnings per share | 0.01 | 0.12 |
| Diluted earnings per share | 0.01 | 0.12 |
| Basic weighted average number of shares | 2,508,844,629 | 2,508,844,629 |
| Diluted weighted average number of shares | 2,508,844,629 | 2,508,844,629 |

Note 34 - Financial Instruments and Risk Management

1. Risk Management

There are risks in the surrounding environment that could affect performance of the Falabella Group's business. The main issues include:

- a) Changes in economic conditions that could affect consumption:
Changes in the economic conditions of the markets in which we operate could affect consumer confidence and spending. Additionally, future economic conditions that affect consumers' available income, such as unemployment rates, changes in the housing market conditions, the availability of credit, inflation, interest rates, tax rates and the costs of fuel and energy could also reduce the level of consumption.
- b) Management of our inventory could affect the operation of our businesses:
We must maintain sufficient inventory to successfully operate our business, avoiding both a lack of stock and the accumulation of excess stock. Generally, our suppliers require significant advance notice to be able to fulfill product orders. Therefore, we have to place purchase and manufacturing orders well before the time these products are offered for sale, which is why we must precisely anticipate the future demand of a product or estimate the time to obtain inventory, in order to ensure that our inventories are appropriate.
- c) Our sales have a seasonal component and may also be affected by weather conditions:
The climate and seasonality have an impact on the results of the operations of many of our business units. People purchase products to meet their needs for each season and we believe this tendency will continue in the future. In preparation for seasons of high demand, we must increase inventory to levels that are above the average, and hire seasonal staff for our stores. Any unforeseen reduction in demand, error in our projections of demand or delay on the part of our suppliers obligates us to apply sales strategies to offset or mitigate these situations.
- d) The effectiveness of our credit risk management depends on the quality and scope of the available information:
Our banking and credit card business could expose us to an increase in credit and financing risk. We mostly base our customer solvency assessment on the credit information available using our own internal databases, and on information that is freely available to the market. Our credit rating systems gather available information, in an attempt to reflect customers' behavior, so that their credit risk may be correctly evaluated. However, we cannot ensure that this is sufficient to precisely predict their behavior.

Note 34 - Financial Instruments and Risk Management (continued)

1. Risk Management (continued)

e) A scarcity of funds in the market could cause an increase in our financing costs

Deposits are an important source of financing for our banking business. If a significant number of our depositors withdraw their cash deposits or fail to renew their time deposits, our liquidity position could be affected. Should there be a sudden or unexpected scarcity of funds in the money markets, we might have to incur greater costs to maintain our businesses.

f) Our growth and profitability depend on economic activity in Chile, Peru, Colombia, Argentina, Uruguay and Brazil:

Our financial position and operating income mostly depend on the prevailing economic conditions in each country. The economic conditions in these companies could be affected by a variety of factors that are beyond our control, including:

- Economic policies and/or other government-imposed policies;
- Other political and/or economic events;
- Changes in the legislation or administrative procedures of authorities;
- Inflation policies and the mechanisms used to combat inflation;
- Movements in currency exchange rates;
- World and regional economic conditions; and
- Other factors.

g) Economic and political issues in other countries could negatively affect the economy of the region, impacting our business

We are exposed to the economic and political volatility of Asia, the United States and Europe, among other regions. If the economic condition of these countries or regions deteriorate, the economy in this region could also be affected, and experience slower growth than in recent years, potentially impacting our customers and suppliers. The crises and political uncertainties in other Latin American countries could also have an adverse effect on the region's economy, and consequently on our business.

h) We could be affected by currency fluctuations and devaluations

The Chilean peso, and the other currencies in the countries where we operate, have been subject to great devaluations and appreciations in the past, and could be subject to significant fluctuations in the future. Most of the products that we sell are imported, which exposes us to the risk of currency fluctuation against the US dollar. Therefore, we have mitigation policies for this risk.

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk

Falabella's main financial instruments that arise either directly from its businesses or from its financing services consist of bank loans and overdrafts, debt instruments with the public such as bonds and commercial paper, derivatives, sales debts, lease agreements, short-term loans, loans granted and other services. They do not include lease liabilities arising from IFRS 16.

Financial assets and liabilities held by the Company are detailed as follows:

a) Non-Banking Business

| Financial instruments by category | Dec-31-20 | Dec-31-19 |
|---|----------------------|----------------------|
| Financial assets | | |
| Financial assets held for trading | 34,520,059 | 17,276,973 |
| Customer loans and receivables | 455,541,532 | 559,050,012 |
| Hedge assets | 201,647,966 | 201,878,512 |
| Total financial assets | 691,709,557 | 778,205,497 |
| Financial Liabilities | | |
| Financial liabilities at fair value | 5,447,049 | 7,271,583 |
| Hedging liabilities | 113,217,059 | 124,575,599 |
| Financial liabilities at amortized cost | 4,806,128,367 | 4,253,603,598 |
| Total financial liabilities | 4,924,792,475 | 4,385,450,780 |

b) Banking Business

| Financial instruments by category | Dec-31-20 | Dec-31-19 |
|---|----------------------|----------------------|
| Financial assets | | |
| Financial assets held for trading and derivatives | 1,091,104,744 | 590,514,776 |
| Customer loans and receivables | 4,304,988,052 | 5,219,216,732 |
| Financial assets held for sale | 1,071,527,684 | 681,030,022 |
| Total financial assets | 6,467,620,480 | 6,490,761,530 |
| Financial Liabilities | | |
| Financial liabilities at fair value | 587,247,845 | 458,352,017 |
| Financial liabilities at amortized cost | 4,592,469,495 | 4,730,080,711 |
| Total financial liabilities | 5,179,717,340 | 5,188,432,728 |

c) Total assets and financial liabilities:

| Financial instruments by category | Dec-31-20 | Dec-31-19 |
|---|-----------------------|----------------------|
| Financial assets | | |
| Financial assets held for trading and derivatives | 1,125,624,803 | 607,791,749 |
| Customer loans and receivables | 4,760,529,584 | 5,778,266,744 |
| Financial assets held for sale | 1,071,527,684 | 681,030,022 |
| Hedge assets | 201,647,966 | 201,878,512 |
| Total financial assets | 7,159,330,037 | 7,268,967,027 |
| Financial Liabilities | | |
| Financial liabilities at fair value | 592,694,894 | 465,623,600 |
| Hedging liabilities | 113,217,059 | 124,575,599 |
| Financial liabilities at amortized cost | 9,398,597,862 | 8,983,684,309 |
| Total financial liabilities | 10,104,509,815 | 9,573,883,508 |

The book value of the Company's financial assets and liabilities approximates to their fair value, except for certain long-term financial obligations. The market value of instruments is determined using future cash flows discounted at current market rates as of the reporting date. The fair value and book value of long-term financial obligations are detailed as follows:

| | Dec-31-20 | | Dec-31-19 | |
|------------------------|---------------|-----------------------------|---------------|-----------------------------|
| | Book value | Market Value ⁽¹⁾ | Book value | Market Value ⁽¹⁾ |
| Interest-bearing loans | 1,876,721,123 | 1,761,133,550 | 1,413,469,230 | 1,416,500,107 |
| Bond obligations | 2,728,062,597 | 2,847,907,428 | 2,522,965,270 | 2,974,679,801 |

⁽¹⁾ The market value hierarchy according to IFRS 13 is Level 2

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

Derivatives

The Company uses derivative financial instruments such as forward contracts and swaps for the exclusive purpose of hedging risks associated with fluctuations in interest rates and exchange rates. Part of those instruments qualifies for hedge accounting, but the remainder are accounted for as for an investment, even though they fulfill a hedge role, as they do not comply with the requirements in IAS 39.

For hedge accounting purposes, hedges are classified as:

- Fair value hedges when covering exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or
- Cash flow hedges when covering exposure to the variability of cash flows which are attributable to a particular risk associated with a recognized asset or liability, or a highly probable future transaction which can affect income for the year; or
- Hedges of a net investment in a foreign operation.

Hedges that comply with the strict hedge accounting criteria are accounted for as stated in IAS 39 "Financial Instruments: Recognition and Valuation."

Current derivative instruments as of December 31, 2020, were 67 currency and interest rate swaps with a notional value of ThCh\$ 1,302,900,989 and 313 currency forwards of ThCh\$ 555,262,354. All these derivative instruments total a contracted notional value of ThCh\$ 1,858,163,343. As of December 31, 2019 there were 69 currency swaps with a notional value of ThCh\$ 1,243,393,286, and 840 currency forwards totaling ThCh\$ 417,128,449, which total a contracted notional value of ThCh\$ 1,660,521,735.

d) Assets and Liabilities at Fair Value

| Financial instruments by category | Dec-31-20 | Fair value as of the reporting date | | |
|---|----------------------|-------------------------------------|--------------------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| Financial assets held for trading and derivatives | 1,125,624,803 | 471,313,950 | 654,310,853 | - |
| Financial assets held for sale | 1,071,527,684 | 1,071,527,684 | - | - |
| Hedge assets | 201,647,966 | - | 201,647,966 | - |
| Total financial assets | 2,398,800,453 | 1,542,841,634 | 855,958,819 | - |

| Financial Liabilities | Dec-31-20 | Level 1 | Level 2 | Level 3 |
|-------------------------------------|--------------------|----------|--------------------|----------|
| Financial liabilities at fair value | 592,694,894 | - | 592,694,894 | - |
| Hedging liabilities | 113,217,059 | - | 113,217,059 | - |
| Total financial liabilities | 705,911,953 | - | 705,911,953 | - |

| Financial instruments by category | As of Dec 31, 2019 | Fair value as of the reporting date | | |
|---|----------------------|-------------------------------------|--------------------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| Financial assets held for trading and derivatives | 607,791,749 | 195,099,165 | 412,692,584 | - |
| Financial assets held for sale | 681,030,022 | 681,030,022 | - | - |
| Hedge assets | 201,878,512 | - | 201,878,512 | - |
| Total financial assets | 1,490,700,283 | 876,129,187 | 614,571,096 | - |

| Financial Liabilities | As of Dec 31, 2019 | Level 1 | Level 2 | Level 3 |
|-------------------------------------|--------------------|----------|--------------------|----------|
| Financial liabilities at fair value | 465,623,600 | - | 465,623,600 | - |
| Hedging liabilities | 124,575,599 | - | 124,575,599 | - |
| Total financial liabilities | 590,199,199 | - | 590,199,199 | - |

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risk

The main risks to which the Company is exposed and which arise from financial instruments are: market risk, liquidity risk and credit risk. These risks are mainly generated by the uncertainty of financial markets.

2.1.1. Market Risk

The main market risks to which Falabella is exposed are exchange rates, inflation and interest rates.

a) Exchange Rate Risk

Various products purchased for our retail businesses to sell, such as department stores, home improvement stores and supermarkets, are imported and denominated in foreign currencies, primarily the U.S. dollar, which creates an exposure to foreign exchange risk between the local currency in each country and foreign currencies. The Company has an exchange rate risk hedging policy for the retail segment, where it divides exchange rate risk into two categories, i) Exchange rate risk on liabilities for importing merchandise, and ii) Exchange rate risk of an economic nature, arising on its merchandise purchasing commitments on future imports (firm commitments).

Therefore, as of December 31, 2020, the Company had consolidated payables for imported merchandise of Ch\$ 119,194 million, which includes Ch\$ 12,053 million in letters of credit.

The hedging policy defines the financial instruments used to mitigate foreign exchange risk described above as: i) cash in foreign currency; ii) receivables in foreign currency; iii) currency forwards. The Company had a hedge of Ch\$ 369,063 million as of December 31, 2020, to cover current liabilities and future obligations in foreign currency, which generated a net book liability in US dollars of Ch\$ 85,903 million. The Company estimates its firm commitments associated with consolidated imports of Ch\$ 288,936 million. Thus, the Company had an economic exposure after hedges of Ch\$ 39,067 million.

The Company estimates with 95% reliability that the maximum financial loss that it may suffer in a 30 day period following simultaneous depreciation of the local currencies (Chilean Peso, Peruvian new sol, Colombian peso, Argentine peso, Brazilian real and Uruguayan peso) with respect to the US dollar would be Ch\$ 1,686 million, which is 5.12% of the exposure described in the previous paragraph. This simultaneous depreciation was calculated as the weighted average between the depreciation estimated by currency and the exposure after coverage for each country.

In order to minimize exposure to fluctuations in exchange rates, debt is mostly obtained in the currency of the countries where the Company operates. As of December 31, 2020, 84.10% of consolidated financial debt after derivatives, excluding the banking business and non-financial leases under IFRS 16, was expressed in Chilean pesos (including in UF), 9.74% in Peruvian soles, 5.96% in Colombian pesos and 0.20% in Argentine pesos. Our entire financial debt after hedges is contracted in local currency.

The Company has invested in businesses in Peru, Colombia, Argentina, Brazil, Uruguay, Mexico, Germany, Hong Kong, Ecuador and Panama. Therefore, Falabella has an exposure of Ch\$ 1,212,677 million in Peruvian soles, Ch\$ 262,368 million in Colombian pesos, Ch\$ -1,263 million in Argentine pesos, Ch\$ 159,818 million in Brazilian reals, Ch\$ 46,782 million in Uruguayan pesos, Ch\$ 103,713 million in Mexican pesos, Ch\$ -4,144 million in Euros, Ch\$ -16 million in US dollars and Ch\$ 1,308 million in Hong Kong dollars as of December 31, 2020.

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.1. Market Risk (continued)

a) Exchange Rate Risk (continued)

Fluctuations in the exchange rates of currencies with respect to the Chilean peso can affect the value of the net investment abroad. Taking into account this risk as of December 31, 2020, simultaneous depreciation of 16.90% in the nine foreign currencies described above with respect to the Chilean peso, keeping the remaining variables constant, would result in a comprehensive loss of Ch\$ 301,003 million. The depreciation percentage for these currencies was determined by averaging the maximum theoretical variation that could occur in one year in each of the currencies with respect to the Chilean peso with a significance level of 10%, over the last 3 years.

IFRS 16 was adopted on January 1, 2019. Accordingly, the Company recognizes leasing liabilities that are denominated in local and foreign currencies. Therefore, 58.86% was denominated in Chilean pesos (including UF), 19.43% in Peruvian new soles, 0.71% in Argentine pesos, 7.11% in Colombian pesos, 8.20% in U.S. dollars and 5.69% in other currencies, as of December 31, 2020 and after IFRS 16 hedges.

b) Inflation Risk

As of December 31, 2020, consolidated financial debt expressed in UF after derivatives, excluding the banking business, was Ch\$ 1,289,334 million or 35.9%. Most of this debt finances the real estate business in Chile, which generates income in the same currency unit, which naturally covers this risk. However, accounting standards do not permit hedge accounting in such cases, thus creating an accounting exposure to inflation risk. Therefore, by applying incremental inflation of 100 base points and keeping all other variables constant, the effect on the statement of net income resulting from net exposure to inflation on Falabella's financial debt would be a loss of approximately Ch\$ 12,893 million before tax.

c) Interest Rate Risk

Most of the Company's financial debt is at a fixed interest rate in order to avoid exposure to fluctuations that might occur in variable interest rates, which can increase financial expenses.

As of December 31, 2020, 95.0% of the Company's consolidated financial debt after derivatives, and excluding the banking business, was at a fixed interest rate, 3.96% at a variable interest rate and 1.04% was overdrafts and letters of credit, which due to their term can be treated as variable interest rate.

In summary, as of December 31, 2020 Ch\$ 181,039 million or 5.0% of our financial debt principal after derivatives and excluding the banking business, was subject to short-term fluctuations in interest rates. A hypothetical increase of 100 base points during an entire year in all variable interest rates would generate an additional financial expense of Ch\$ 1,810 million.

2.1.2. Credit Risk

Credit risk is the risk of loss for Falabella in case a customer or other counterparty does not comply with their contractual obligations. The main credit risk to which Falabella is exposed centers around its operations with credit cards and consumer loans. Total gross Falabella credit card loans, excluding banking transactions that are dealt with separately below, was Ch\$ 32,843 million as of December 31, 2020. Falabella's credit portfolio is broadly dispersed, and there are no individual debtors owing large amounts, which substantially mitigates credit risk.

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.2. Credit Risk (continued)

Falabella's retail financial segment uses risk ratings to evaluate and accept customers and determining their credit limit, as well as regular credit quality reviews of its customers, to anticipate any potential changes in payment ability, to take prompt corrective measures and to assess current and potential losses. In addition, Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia are regulated by the superintendencies of banks or financial institutions of each country, which regulate and require the implementation of worldwide standards of credit review systems and processes.

The retail and real estate segments do not have significant concentrations of credit risk, since collection essentially occurs in cash or through credit cards. Falabella also limits its exposure to credit risk by investing exclusively in highly liquid and credit-rated products.

Lastly, all Falabella's derivative transactions are with counterparties with a minimum risk rating, who are also subject to a credit analysis by the Company before initiating any transaction.

Maximum Exposure to Credit Risk

The Company's maximum exposure to credit risk, without considering guarantees, as of December 31, 2020 and December 31, 2019 was detailed as follows:

| | Maximum Exposure | |
|---|----------------------|----------------------|
| | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| Cash equivalents | 2,462,375,816 | 837,781,863 |
| Term deposits | 779,402,025 | 64,830,195 |
| Highly liquid financial instruments | 1,183,577,832 | 241,622,372 |
| Liquidity transactions in progress, net (bank subsidiaries) | 7,584,879 | 6,933,576 |
| Other cash and cash equivalents | 491,811,080 | 524,395,720 |
| Financial assets at fair value, current | 732,801,354 | 548,092,099 |
| Derivative instruments | 657,507,123 | 420,545,709 |
| Others | 75,294,231 | 127,546,390 |
| Trade and other receivables, current | 416,572,521 | 503,747,308 |
| Trade receivables, net | 219,916,424 | 241,921,747 |
| Notes receivable, net | 109,529,719 | 108,924,626 |
| Miscellaneous receivables, net | 63,811,373 | 96,658,735 |
| Financing receivables, net | 23,315,005 | 56,242,200 |
| Related party receivables, current | 33,374,856 | 44,176,657 |
| Loans and Receivables - Banking Business | 4,304,988,052 | 5,219,216,732 |
| Customer loans and receivables, net | 4,304,988,052 | 5,219,216,732 |
| Financial assets at fair value, non-current | 195,004,590 | 204,578,162 |
| Derivative instruments | 189,940,283 | 193,061,706 |
| Others | 5,064,307 | 11,516,456 |
| Trade and other receivables | 5,594,155 | 11,126,047 |
| Trade receivables, net | 216,189 | 321,094 |
| Notes receivable, net | 4,008,267 | 3,103,885 |
| Miscellaneous receivables, net | 1,027,642 | 6,029,185 |
| Financing receivables, net | 342,057 | 1,671,883 |
| Related party receivables, non-current | 13,841,640 | - |
| Total | 8,164,552,984 | 7,368,718,868 |

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1 Financial Risks (continued)

2.1.3 Liquidity risk

The Company has various tools to limit liquidity risk. These include maintaining enough cash and cash equivalents to cover regular business obligations. Falabella S.A. and its main subsidiaries have access to bank financing such as overdrafts and loans, and can quickly access debt instruments in the capital market through registered lines of bonds and commercial paper.

The fragmentation and diversification of the loan portfolio and its control mechanisms contribute to keeping expected cash flow receivables within adequate ranges.

All the above provides the Company with sufficient alternative sources of financing to meet its operating and financial obligations.

The contractual maturities of obligations that accrue interest, separated into capital and interest payable are detailed as follows:

| ThCh\$ | 1 year | 2 years | 3 years | 4 years | 5 years | Over 5 years |
|----------|---------------|-------------|-------------|-------------|-------------|---------------|
| Capital | 2,725,631,927 | 929,206,441 | 885,888,378 | 284,676,760 | 423,717,260 | 1,686,775,165 |
| Interest | 157,097,882 | 115,993,959 | 99,078,597 | 98,131,976 | 76,075,576 | 332,934,107 |

The maturity of other financial liabilities is detailed in Note 18 "Other Current and Non-Current Financial Liabilities."

2.2. Risk Management - Banking Business

Risk Management of the banking business is part of a comprehensive risk management system expressed in business targets that seeks to comply with profitability targets under a tolerable risk framework. Risk analysis is divided into four categories: Credit Risk, Liquidity Risk, Market Risk and Operational Risk.

2.2.1. Credit Risk

Credit risk is the potential loss from debtors not complying with their payment obligations.

Banking businesses have systems that generate risk indicators by customer segment based on their sociodemographic characteristics and payment behavior, which enables the bank to track the initiation, maintenance, collection and recovery of written-off portfolios.

2.2.2. Liquidity Risk

Liquidity risk is the temporary breach between payable and receivable cash flows, both in local currency, indexed currency and foreign currency, which generate net liquidity requirements that are properly measured and controlled by banks.

The banking business has a portfolio of highly liquid instruments held in investment assets, to appropriately manage their short and long term liquidity positions, which are available to respond to exceptional but plausible situations. This process is monitored with regular reports, liquidity risk stress tests, early warnings and contingency plans.

Note 34 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.2. Risk Management - Banking Business (continued)

2.2.3. Market Risk

Market risk considers interest rate risk, indexation risk and currency risk.

a) Interest Rate Risk

Interest rate risk is exposure to losses caused by adverse changes in market interest rates which affect the value of instruments, contracts and other operations recorded in the financial position statement.

b) Indexation Risk

Indexation risk is the exposure to losses caused by adverse changes in the units or indexation indexes defined in the local currency in which the instruments, contracts and other transactions recorded in the financial position statement are expressed.

c) Currency Risk

Currency risk is exposure to losses caused by adverse changes in the value of foreign currencies, in which instruments, contracts and other transactions recorded in the financial position statement are expressed.

The banking business performs stress and sensitivity testing, in order to monitor and control these risks.

2.2.4. Operational Risk

Operating Risk is the risk of loss from an inadequacy or failure of processes, personnel and internal systems or external events, including areas related to information security and business continuity. The banking business is unable to eliminate all operational risks, but it reacts through a control and supervision framework to mitigate the aforementioned risks. Therefore, banks have developed Integrated Risk Management, which is based on international standards, including technological risks, in order to have a comprehensive understanding of the risks within each process and prioritize mitigation with all their associated variables.

In addition, local regulations impose rules regarding minimum levels of equity for the banking business. As of December 31, 2020 and 2019, each Falabella banking subsidiary complies with these restrictions.

Note 34 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency

a) Balances as of December 31, 2020 are detailed as follows:

| | Chilean peso ThCh\$ | US dollar ThCh\$ | Euros ThCh\$ | Peruvian new sol ThCh\$ | Argentine peso ThCh\$ | Colombian peso ThCh\$ | Other currencies ThCh\$ | Total ThCh\$ |
|---|------------------------|---------------------|------------------|----------------------------|--------------------------|--------------------------|-------------------------------|-----------------------|
| Assets - Non-Banking Business | | | | | | | | |
| Cash and cash equivalents | 863,766,632 | 24,629,061 | 424,248 | 202,915,221 | 14,595,413 | 77,377,317 | 32,486,028 | 1,216,193,920 |
| Other financial assets, current | 12,596,528 | 2,819,964 | 2,089 | 4,343,931 | 9,505,042 | 11,709,636 | 186,245 | 41,163,435 |
| Other non-financial assets, current | 72,644,612 | 343,600 | 749,255 | 8,053,318 | 3,521,706 | 10,086,348 | 8,555,267 | 103,954,106 |
| Trade and other receivables, current | 285,183,815 | 6,441,471 | 1,102,876 | 29,569,513 | 43,051,655 | 13,342,992 | 37,880,199 | 416,572,521 |
| Related party receivables, current | 3,995,200 | - | - | - | - | 5,039,738 | 24,339,918 | 33,374,856 |
| Inventories | 629,278,472 | - | - | 360,783,032 | 35,576,098 | 89,793,876 | 45,813,069 | 1,161,244,547 |
| Current tax assets | 33,457,285 | 26,017 | 7,255 | 13,512,782 | 141,701 | 10,520,191 | 1,627,749 | 59,292,980 |
| Non-current assets or disposal groups held for sale | 29,095,216 | - | - | - | - | - | - | 29,095,216 |
| Total current assets | 1,930,017,760 | 34,260,113 | 2,285,723 | 619,177,797 | 106,391,615 | 217,870,098 | 150,888,475 | 3,060,891,581 |
| Other financial assets, non-current | 6,965,377 | 122,428,226 | - | 65,610,987 | - | - | - | 195,004,590 |
| Other non-financial assets, non-current | 40,825,104 | 2,750,709 | 34,572 | 16,580,363 | 15,482 | 20,711,130 | 10,731,899 | 91,649,259 |
| Trade and other receivables, non-current | 3,819,499 | 693,094 | - | 739,505 | 342,057 | - | - | 5,594,155 |
| Related party receivables, non-current | 13,841,640 | - | - | - | - | - | - | 13,841,640 |
| Equity method investments | 282,665 | - | - | - | - | 123,247,771 | 70,615,877 | 194,146,313 |
| Intangible assets other than goodwill | 300,883,589 | - | - | 17,668,498 | 168,693 | 2,318,856 | 19,511,670 | 340,551,306 |
| Goodwill | 259,964,833 | - | - | 217,897,780 | - | - | 129,245,765 | 607,108,378 |
| Property, plant and equipment | 1,994,556,534 | 12,567 | 16,789 | 1,101,400,454 | 19,240,700 | 146,019,613 | 126,843,545 | 3,388,090,202 |
| Investment properties | 2,693,897,060 | - | - | 362,009,223 | - | 259,413,189 | - | 3,315,319,472 |
| Tax assets, non-current | 12,652,411 | - | - | 1,686,626 | - | 2,198,985 | - | 16,538,022 |
| Deferred tax assets | 157,266,708 | - | - | 33,874,826 | 568,407 | 14,087,554 | 27,887,604 | 233,685,099 |
| Total Non-Current Assets | 5,484,955,420 | 125,884,596 | 51,361 | 1,817,468,262 | 20,335,339 | 567,997,098 | 384,836,360 | 8,401,528,436 |
| Total Assets - Non-Banking Business | 7,414,973,180 | 160,144,709 | 2,337,084 | 2,436,646,059 | 126,726,954 | 785,867,196 | 535,724,835 | 11,462,420,017 |
| Assets - Banking Business | | | | | | | | |
| Cash and bank deposits | 175,365,477 | 51,768,259 | - | 83,556,584 | - | 26,115,311 | - | 336,805,631 |
| Transactions pending settlement | 137,509,901 | 135,988,527 | - | 62,881 | - | - | - | 273,561,309 |
| Traded instruments | 418,620,771 | - | - | - | - | 32,153,007 | - | 450,773,778 |
| Receivables from repurchase agreements and securities lending | 15,016,800 | - | - | - | - | - | - | 15,016,800 |
| Financial derivative contracts | 640,281,893 | 49,073 | - | - | - | - | - | 640,330,966 |
| Customer loans and receivables | 3,089,506,874 | 134,088 | - | 478,071,026 | - | 737,276,064 | - | 4,304,988,052 |
| Investment instruments held for sale | 915,667,163 | - | - | 77,669,291 | - | 78,191,230 | - | 1,071,527,684 |
| Investments in companies | - | - | - | 3,134,482 | - | - | - | 3,134,482 |
| Intangible assets | 27,133,458 | - | - | 30,309,561 | - | 19,082,352 | - | 76,525,371 |
| Property, plant and equipment | 32,681,567 | - | - | 12,819,491 | - | 13,389,821 | - | 58,890,879 |
| Current tax liabilities | 1,524,332 | - | - | 4,613,500 | - | 7,079,532 | - | 13,217,364 |
| Deferred tax liabilities | 49,294,889 | - | - | 14,227,065 | - | 2,970,384 | - | 66,492,338 |
| Other assets | 86,551,096 | 28,507,143 | - | 18,027,214 | - | 11,759,542 | - | 144,844,995 |
| Total Assets - -Banking Business | 5,589,154,221 | 216,447,090 | - | 722,491,095 | - | 928,017,243 | - | 7,456,109,649 |
| Total Assets | 13,004,127,401 | 376,591,799 | 2,337,084 | 3,159,137,154 | 126,726,954 | 1,713,884,439 | 535,724,835 | 18,918,529,666 |

Note 34 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

a) Balances as of December 31, 2020 are detailed as follows (continued)

| | Chilean peso ThCh\$ | US dollar ThCh\$ | Euros ThCh\$ | Peruvian new sol ThCh\$ | Argentine peso ThCh\$ | Colombian peso ThCh\$ | Other currencies ThCh\$ | Total ThCh\$ |
|---|------------------------|----------------------|-------------------|----------------------------|--------------------------|--------------------------|-------------------------------|-----------------------|
| Liabilities - Non-Banking Business | | | | | | | | |
| Other financial liabilities, current | 389,067,170 | 37,283,921 | 61,912 | 84,491,281 | 8,667 | 19,629,431 | - | 530,542,382 |
| Leasing liabilities, current | 53,303,147 | 11,400,291 | - | 1,750,988 | 414,326 | 8,166,735 | 4,919,587 | 79,955,074 |
| Trade and other payables | 595,087,045 | 100,611,105 | 6,530,405 | 266,560,773 | 39,531,690 | 81,021,642 | 55,758,267 | 1,145,100,927 |
| Related party payables, current | 12,274,209 | - | - | - | - | 5,410,296 | 399,864 | 18,084,369 |
| Other provisions, current | 7,048,150 | 213,285 | 4,177,618 | 5,994,162 | 4,384,283 | 3,229,341 | 1,006,117 | 26,052,956 |
| Current tax liabilities | 21,416,760 | - | 13,946 | 745,566 | 337,043 | 4,748 | 105,764 | 22,623,827 |
| Employee benefit provisions | 97,246,112 | - | 24,763 | 28,798,471 | 7,012,408 | 4,012,052 | 8,480,872 | 145,574,678 |
| Other non-financial liabilities, current | 126,887,114 | 952,376 | 570,504 | 31,840,037 | 10,736,720 | 15,695,382 | 8,226,256 | 194,908,389 |
| Total current liabilities | 1,302,329,707 | 150,460,978 | 11,379,148 | 420,181,278 | 62,425,137 | 137,169,627 | 78,896,727 | 2,162,842,602 |
| Other Non-Current Financial Liabilities | 1,879,347,711 | 916,359,386 | - | 264,226,689 | - | 170,056,377 | - | 3,229,990,163 |
| Leasing liabilities, non-current | 502,018,697 | 196,417,500 | - | 46,233,929 | 6,359,053 | 52,807,910 | 49,755,898 | 853,592,987 |
| Trade and other payables, non-current | 1,064,672 | - | - | - | - | 9,962 | - | 1,074,634 |
| Other provisions, non-current | 444,740 | - | - | 6,584,474 | 20,598 | 182,312 | 1,193,654 | 8,425,778 |
| Deferred tax liabilities | 476,060,944 | - | - | 111,456,925 | 844,774 | 21,260 | 3,423,391 | 591,807,294 |
| Non-current employee benefits provisions | 42,323,501 | - | - | 821,163 | 118,258 | 220,667 | 116,162 | 43,599,751 |
| Other non-financial liabilities, non-current | 42,770,723 | 1,808,935 | - | 5,712,306 | - | 171,351 | 173,554 | 50,636,869 |
| Total Non-Current Liabilities | 2,944,030,988 | 1,114,585,821 | - | 435,035,486 | 7,342,683 | 223,469,839 | 54,662,659 | 4,779,127,476 |
| Total Liabilities - Non-Banking Business | 4,246,360,695 | 1,265,046,799 | 11,379,148 | 855,216,764 | 69,767,820 | 360,639,466 | 133,559,386 | 6,941,970,078 |
| Liabilities - Banking Business | | | | | | | | |
| Deposits and other demand obligations | 1,330,482,537 | 310,563 | - | 30,512,507 | - | 188,590,886 | - | 1,549,896,493 |
| Transactions pending settlement | 129,987,903 | 135,988,527 | - | - | - | - | - | 265,976,430 |
| Savings accounts and other term deposits | 1,344,364,202 | 66,522,216 | - | 527,417,901 | - | 482,966,886 | - | 2,421,271,205 |
| Financial derivative contracts | 586,982,994 | 264,851 | - | - | - | - | - | 587,247,845 |
| Obligations to banks | 269,654,765 | 27,907,583 | - | 76,373 | - | 43,479,992 | - | 341,118,713 |
| Debt issued | 205,447,491 | - | - | - | - | - | - | 205,447,491 |
| Other financial obligations | 74,735,593 | - | - | - | - | - | - | 74,735,593 |
| Leasing liabilities | 10,191,663 | 7,312,369 | - | 2,362,637 | - | 7,370,387 | - | 27,237,056 |
| Current tax liabilities | 13,390,117 | - | - | - | - | - | - | 13,390,117 |
| Provisions | 24,553,144 | 319 | - | 2,552,974 | - | 3,919,265 | - | 31,025,702 |
| Other liabilities | 311,690,153 | 72,395,684 | - | 38,600,401 | - | 51,271,014 | - | 473,957,252 |
| Total Liabilities - Banking Business | 4,301,480,562 | 310,702,112 | - | 601,522,793 | - | 777,598,430 | - | 5,991,303,897 |
| Total Liabilities | 8,547,841,257 | 1,575,748,911 | 11,379,148 | 1,456,739,557 | 69,767,820 | 1,138,237,896 | 133,559,386 | 12,933,273,975 |

Note 34 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

b) Balances as of December 31, 2019 are detailed as follows:

| | Chilean peso ThCh\$ | US dollar ThCh\$ | Euros ThCh\$ | Peruvian new sol ThCh\$ | Argentine peso ThCh\$ | Colombian peso ThCh\$ | Other currencies ThCh\$ | Total ThCh\$ |
|---|------------------------|---------------------|------------------|----------------------------|--------------------------|--------------------------|-------------------------------|-----------------------|
| Assets - Non-Banking Business | | | | | | | | |
| Cash and cash equivalents | 97,753,802 | 23,439,600 | 1,638,100 | 82,607,847 | 8,094,013 | 77,912,584 | 8,519,407 | 299,965,353 |
| Other financial assets, current | 10,499,547 | 635,420 | - | 3,236,279 | 34,226 | 132,515 | 39,336 | 14,577,323 |
| Other non-financial assets, current | 76,640,018 | 451,511 | - | 7,295,206 | 1,641,420 | 924,074 | 10,445,225 | 97,397,454 |
| Trade and other receivables, current | 307,697,662 | 20,166,122 | 203,921 | 34,003,701 | 75,628,574 | 19,769,865 | 46,277,463 | 503,747,308 |
| Related party receivables, current | 5,000,925 | - | - | - | - | 5,003,344 | 34,172,388 | 44,176,657 |
| Inventories | 685,408,706 | - | - | 441,159,156 | 44,022,158 | 98,960,719 | 63,302,916 | 1,332,853,655 |
| Current tax assets | 84,424,829 | 38,913 | - | 12,096,280 | 656,968 | 18,950,857 | 993,225 | 117,161,072 |
| Non-current assets or disposal groups held for sale | 17,371,457 | - | - | - | - | - | - | 17,371,457 |
| Total current assets | 1,284,796,946 | 44,731,566 | 1,842,021 | 580,398,469 | 130,077,359 | 221,653,958 | 163,749,960 | 2,427,250,279 |
| Other financial assets, non-current | 18,758,213 | 185,819,949 | - | - | - | - | - | 204,578,162 |
| Other non-financial assets, non-current | 43,563,064 | 3,963,186 | - | 2,619,519 | 16,135,906 | 22,681,664 | 14,879,598 | 103,842,937 |
| Trade and other receivables, non-current | 6,662,496 | 1,351,499 | - | 688,837 | 1,678,477 | 744,738 | - | 11,126,047 |
| Equity method investments | 285,687 | - | - | - | - | 133,218,614 | 57,974,377 | 191,478,678 |
| Intangible assets other than goodwill | 282,610,295 | - | - | 22,505,786 | 8,243,267 | 1,606,374 | 27,716,712 | 342,682,434 |
| Goodwill | 259,964,833 | - | - | 250,944,203 | - | - | 138,240,766 | 649,149,802 |
| Property, plant and equipment | 2,007,807,174 | 20,568 | - | 1,277,947,915 | 71,042,881 | 171,702,100 | 169,865,143 | 3,698,385,781 |
| Investment properties | 2,641,065,847 | 466 | - | 399,520,690 | - | 194,482,700 | - | 3,235,069,703 |
| Tax assets, non-current | 12,255,523 | - | - | 1,942,420 | 909,777 | 2,312,347 | - | 17,420,067 |
| Deferred tax assets | 125,215,234 | 809,066 | - | 36,034,766 | 2,416,937 | 10,690,829 | 37,117,876 | 212,284,708 |
| Total Non-Current Assets | 5,398,188,366 | 191,964,734 | - | 1,992,204,136 | 100,427,245 | 537,439,366 | 445,794,472 | 8,666,018,319 |
| Total Assets - Non-Banking Business | 6,682,985,312 | 236,696,300 | 1,842,021 | 2,572,602,605 | 230,504,604 | 759,093,324 | 609,544,432 | 11,093,268,598 |
| Assets - Banking Business | | | | | | | | |
| Cash and bank deposits | 177,289,414 | 55,997,316 | - | 32,461,977 | - | 38,606,513 | - | 304,355,220 |
| Transactions pending settlement | 64,905,198 | 15,883,840 | - | 137,893 | - | - | - | 80,926,931 |
| Traded instruments | 156,555,180 | - | - | - | - | 22,781,294 | - | 179,336,474 |
| Financial derivative contracts | 411,178,302 | - | - | - | - | - | - | 411,178,302 |
| Customer loans and receivables | 3,680,548,465 | 660,794 | - | 699,325,870 | - | 838,681,603 | - | 5,219,216,732 |
| Investment instruments held for sale | 583,283,677 | - | - | 78,891,608 | - | 18,854,737 | - | 681,030,022 |
| Investments in companies | - | - | - | 3,721,554 | - | - | - | 3,721,554 |
| Intangible assets | 29,853,800 | - | - | 31,223,029 | - | 17,041,653 | - | 78,118,482 |
| Property, plant and equipment | 20,325,103 | - | - | 35,806,168 | - | 16,776,689 | - | 72,907,960 |
| Current tax liabilities | 12,694,107 | - | - | - | - | - | - | 12,694,107 |
| Deferred tax liabilities | 41,454,385 | - | - | 4,912,909 | - | 2,437,535 | - | 48,804,829 |
| Other assets | 90,288,317 | 39,903,486 | - | 3,789,290 | - | 14,130,534 | - | 148,111,627 |
| Total Assets - Banking Business | 5,268,375,948 | 112,445,436 | - | 890,270,298 | - | 969,310,558 | - | 7,240,402,240 |
| Total Assets | 11,951,361,260 | 349,141,736 | 1,842,021 | 3,462,872,903 | 230,504,604 | 1,728,403,882 | 609,544,432 | 18,333,670,838 |

Note 34 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

b) Balances as of December 31, 2019 are detailed as follows (continued)

| | Chilean peso ThCh\$ | US dollar ThCh\$ | Euros ThCh\$ | Peruvian new sol ThCh\$ | Argentine peso ThCh\$ | Colombian peso ThCh\$ | Other currencies ThCh\$ | Total ThCh\$ |
|---|------------------------|----------------------|-------------------|----------------------------|--------------------------|--------------------------|-------------------------------|-----------------------|
| Liabilities - Non-Banking Business | | | | | | | | |
| Other financial liabilities, current | 255,945,954 | 45,845,487 | 21,710,677 | 95,552,962 | 10,264,721 | 14,612,647 | - | 443,932,448 |
| Leasing liabilities, current | 53,545,981 | 12,941,813 | - | 984,625 | 692,257 | 8,390,451 | 6,326,340 | 82,881,467 |
| Trade and other payables | 567,941,866 | 72,592,437 | 7,022,280 | 250,213,345 | 53,033,857 | 82,079,462 | 76,322,732 | 1,109,205,979 |
| Related party payables, current | 11,503,784 | - | - | - | - | 4,672,562 | 916,036 | 17,092,382 |
| Other provisions, current | 3,214,061 | - | - | 5,842,802 | 4,358,751 | 36,200 | 10,306,320 | 23,758,134 |
| Tax liabilities, current | 25,025,940 | 102,509 | - | 4,492,322 | 12,173 | 1,074,618 | 98,527 | 30,806,089 |
| Employee benefit provisions | 86,137,816 | - | - | 38,454,095 | 9,115,770 | 5,929,632 | 9,812,028 | 149,449,341 |
| Other non-financial liabilities, current | 88,402,897 | 294,793 | - | 33,193,754 | 12,750,502 | 19,416,804 | 11,502,961 | 165,561,711 |
| Total current liabilities | 1,091,718,299 | 131,777,039 | 28,732,957 | 428,733,905 | 90,228,031 | 136,212,376 | 115,284,944 | 2,022,687,551 |
| Other Non-Current Financial Liabilities | 1,305,105,839 | 988,566,154 | 7,460,400 | 365,422,669 | 2,747,580 | 143,996,643 | - | 2,813,299,285 |
| Leasing liabilities, non-current | 495,999,697 | 208,176,218 | - | 56,789,409 | 12,367,960 | 58,822,226 | 68,219,052 | 900,374,562 |
| Trade and other payables, non-current | 1,070,446 | - | - | 850,240 | - | - | - | 1,920,686 |
| Other provisions, non-current | 391,569 | - | - | 7,580,995 | 30,495 | 296,046 | 1,291,753 | 9,590,858 |
| Deferred tax liabilities | 478,057,704 | - | - | 126,658,141 | 4,343,148 | - | 4,923,013 | 613,982,006 |
| Non-current employee benefits provisions | 54,502,342 | - | - | 878,878 | 56,182 | 270,574 | 260,837 | 55,968,813 |
| Other non-financial liabilities, non-current | 43,735,467 | 2,004,262 | - | 8,932,941 | - | 144,500 | 208,703 | 55,025,873 |
| Total Non-Current Liabilities | 2,378,863,064 | 1,198,746,634 | 7,460,400 | 567,113,273 | 19,545,365 | 203,529,989 | 74,903,358 | 4,450,162,083 |
| Total Liabilities - Non-Banking Business | 3,470,581,363 | 1,330,523,673 | 36,193,357 | 995,847,178 | 109,773,396 | 339,742,365 | 190,188,302 | 6,472,849,634 |
| Liabilities - Banking Business | | | | | | | | |
| Deposits and other demand obligations | 591,568,698 | 347,534 | - | 68,100,235 | - | 142,355,603 | - | 802,372,070 |
| Transactions pending settlement | 41,911,829 | 32,081,526 | - | - | - | - | - | 73,993,355 |
| Savings accounts and other term deposits | 1,853,635,661 | 71,365,578 | - | 581,874,873 | - | 520,375,120 | - | 3,027,251,232 |
| Financial derivative contracts | 457,066,804 | 1,285,213 | - | - | - | - | - | 458,352,017 |
| Obligations to banks | 392,470,063 | 29,301,003 | - | 44,271,618 | - | 81,129,065 | - | 547,171,749 |
| Debt issued | 263,272,215 | - | - | 605,985 | - | - | - | 263,878,200 |
| Other financial obligations | 89,407,460 | - | - | - | - | - | - | 89,407,460 |
| Leasing liabilities | 11,954,328 | 8,466,443 | - | 4,169,254 | - | 10,934,542 | - | 35,524,567 |
| Current tax liabilities | 61,383 | - | - | 1,886,652 | - | 1,025,635 | - | 2,973,670 |
| Provisions | 25,573,173 | - | - | 2,791,118 | - | 3,652,891 | - | 32,017,182 |
| Other liabilities | 202,172,835 | 30,595,091 | - | 19,435,738 | - | 43,063,962 | - | 295,267,626 |
| Total Liabilities - Banking Business | 3,929,094,449 | 173,442,388 | - | 723,135,473 | - | 802,536,818 | - | 5,628,209,128 |
| Total Liabilities | 7,399,675,812 | 1,503,966,061 | 36,193,357 | 1,718,982,651 | 109,773,396 | 1,142,279,183 | 190,188,302 | 12,101,058,762 |

Note 35 - Share Capital

a) The Company's capital management objectives, policies and processes

Falabella S.A. achieves appropriate capital ratios, in order to support and provide continuity and stability to its business. In addition, the Company continuously monitors its capital structure and that of its subsidiaries, in order to maintain an optimal structure that reduces the cost of capital.

Falabella monitors capital using an index of net consolidated financial debt (excluding the banking businesses) over equity. As of December 31, 2020, this index was 0.43.

The Company has been rated locally as follows by the Feller-Rate and Fitch Ratings credit ratings:

| Local Ratings | Feller-Rate | Fitch Ratings |
|--------------------------|------------------|-----------------------|
| Shares | 1st C.N. 1 | 1st C.N. 1 |
| Bonds and lines of bonds | AA / CW Negative | AA / Outlook Negative |

The Company also has an international credit rating from Standard & Poor's (BBB, Negative Outlook) and Fitch Ratings (BBB, Negative Outlook)

b) Share capital and number of shares

As of December 31, 2020, the Company's capital was detailed as follows:

Number of shares

| Series | Number of Shares | Number of Shares | Number of Shares |
|--------|------------------|------------------|--------------------|
| | Subscribed | Paid | With Voting Rights |
| Single | 2,508,844,629 | 2,508,844,629 | 2,508,844,629 |

Share capital

| Series | Dec-31-20 | | Dec-31-19 | |
|--------|--------------------|--------------|--------------------|--------------------|
| | Subscribed capital | Paid capital | Subscribed capital | Subscribed capital |
| | ThCh\$ | ThCh\$ | ThCh\$ | ThCh\$ |
| Single | 919,419,389 | 919,419,389 | 919,419,389 | 919,419,389 |

c) Share Premium on Placement

As of December 31, 2020 and 2019, the cumulative amount was ThCh\$ 93,482,329.

Note 35 - Share Capital (continued)

d) Other reserves as of December 31, 2020 and 2019 were detailed as follows:

| Other reserves | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|----------------------|----------------------|
| Conversion reserve ⁽¹⁾ | (269,379,440) | 25,472,380 |
| Cash flow hedge reserve | 395,917 | (36,810,863) |
| Actuarial gains or losses on defined benefit plans reserve | (21,064,356) | (21,475,754) |
| Gains or losses on financial assets held for sale reserves | 756,970 | 869,698 |
| Share-based payments reserve | 40,106,269 | 40,106,269 |
| Capital adjustment due to currency restatement ⁽²⁾ | 12,256,323 | 12,256,323 |
| Other reserves ⁽³⁾ | (170,361,418) | (170,361,418) |
| Total Other Reserves | (407,289,735) | (149,943,365) |

| Movement in Other Reserves | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
|---|----------------------|----------------------|
| Opening balance | (149,943,365) | (321,368,626) |
| Conversion reserve | (294,851,820) | 161,620,735 |
| Cash flow hedge reserve | 37,206,780 | 14,409,522 |
| Actuarial gains or losses on defined benefit plans reserves | 411,398 | (5,943,056) |
| Gains or losses on financial assets held for sale reserves | (112,728) | 1,440,630 |
| Other reserves | - | (102,570) |
| Total Annual Movement | (257,346,370) | 171,425,261 |
| Closing balance | (407,289,735) | (149,943,365) |

(1) As of December 31, 2020 and 2019 includes ThCh\$ (139,733,533) and ThCh\$ (118,306,387), respectively, for subsidiaries in Argentina.

(2) This one off effect was caused by adopting IFRS due to the obligation to apply the CPI for local purposes.

(3) Primarily due to reserves on the acquisition of minority interests.

e) Dividend policy

Falabella's dividend policy is to distribute at least 30% of the Company's distributable earnings each year.

At a meeting held on October 26, 2010, the Board approved a policy (hereinafter the "Policy") to calculate distributable earnings, in accordance with Circular 1,945, complemented by Circular 1,983, both issued by the FMC. This policy established that no deductions or additions would be made to distributable earnings, in response to the circumstances at the time the Policy was implemented. The policy has been consistently applied since it was approved. Consequently, since it was approved through to 2015, the Company has not adjusted the "Net Income (Loss) Attributable to Owners of the Parent" in its financial statements.

On December 27, 2016, the Board agreed to amend the Policy on the basis of the results for 2016, to exclude the following:

- i. Unrealized gains on the fair value valuation of assets and liabilities, which arise as a result of business combinations or corporate restructuring, including at subsidiaries and associates. They will be reinstated when realized.
- ii. Unrealized gains on the fair value valuation of investment properties. They will be reinstated into distributable earnings when realized.
- iii. The effects of deferred taxes associated with the concepts indicated in i) and ii) above will be treated in the same manner as the item generating them.

On April 28, 2020, an Annual General Shareholders' Meeting approved the distribution of a final dividend of Ch\$19 per share from earnings for 2019. This dividend was paid on May 13, 2020.

Note 35 - Share Capital (continued)

a) Dividend Policy (continued)

On April 23, 2019, an Annual General Shareholders' Meeting approved the distribution of a final dividend of Ch\$50 per share from earnings for 2018. This dividend was paid on May 8, 2019.

On December 19, 2019, a Shareholders' Meeting approved the distribution of an interim dividend of Ch\$17 per share from earnings for 2019. This dividend was paid on January 8, 2020.

d) Summarized financial information for subsidiaries with non-controlling interests

The Chilean subsidiary Plaza S.A. has non-controlling interests that are significant for Falabella, before inter-company eliminations and other adjustments for consolidation. Financial information regarding this subsidiary is detailed as follows:

| | Dec-31-20 | Dec-31-19 |
|--|---------------|---------------|
| Non-controlling interest | 40.7220% | 40.7220% |
| Non-current assets | 3,303,749,728 | 3,229,045,228 |
| Current assets | 336,099,272 | 154,869,705 |
| Non-current liabilities | 1,484,516,714 | 1,268,906,168 |
| Current liabilities | 248,210,554 | 202,437,521 |
| Net assets | 1,907,121,732 | 1,912,571,244 |
| Revenue | 187,329,190 | 309,598,345 |
| Net income for the year | 11,017,868 | 104,578,612 |
| Comprehensive income | (14,906,210) | 11,535,500 |
| Net income (loss) attributable to non-controlling interests | (1,229,742) | 4,503,811 |
| Cash flow from operating activities | 86,438,725 | 222,937,457 |
| Cash flow from investing activities | (98,324,365) | (78,178,426) |
| Cash flow from financing activities, before dividends paid to parties with non-controlling interests | (163,226,665) | (142,340,510) |
| Cash flow from financing activities, cash dividends to parties with non-controlling interests | (17,954,120) | (18,421,905) |

Note 36 - Financial Information by Segment

General description of segments and their measurement:

The Company's operating segments have been selected in accordance with Falabella's main businesses, which are regularly reviewed by Senior Management, in order to measure performance, evaluate risks, allocate resources, and segmented information is available. Certain segments have been grouped because they possess similar financial characteristics. The information that the Company's Management regularly examines is net income from each of the operating segments in Chile and consolidated net income from each foreign subsidiary.

The same policies described in the accounting criteria note are used to produce Management and accounting reports. There are no overall differences between the accounting policies used to measure net income, assets and liabilities for each segment. Inter-segment eliminations are disclosed at an overall level; therefore inter-segment transactions and income are disclosed at the value of the original transaction in each segment.

Note 36 - Financial Information by Segment (continued)

Falabella has the following business segments:

- a) Department stores: This segment operates under the Falabella brand and its activities are the sale of a range of products including retail sales of clothing, accessories and products for the home, electronics, beauty products and others.
- b) Home improvement: This segment operates mainly under the Sodimac brand and its activities are the sale of building and home improvement products, including building materials, hardware, tools, and accessories for kitchen, bathroom, garden and decoration, among other things.
- c) Supermarkets: This segment operates using the hypermarkets and supermarkets format under the Tottus brand, offering food and other non-food products.
- d) Real estate: Operates in the real estate segment through constructing and leasing malls.
- e) Other businesses and inter-segment eliminations include the remaining Falabella companies, which includes Linio, the industrial sector, Viajes Falabella⁽¹⁾, Corredora de Seguros de Chile, CF Seguros de Vida, investments in Uruguay and Mexico, investment companies and eliminations. In addition, the consolidated operations of the following subsidiaries abroad have been defined as segments:
 - Argentina: It has department stores, home improvement and financial retail businesses.
 - Colombia It has department stores and retail financial businesses. Banco Falabella S.A. is shown in the Banking Business for segment information purposes.
 - Peru: It is the only foreign country with the same businesses as Chile, Banco Falabella Peru S.A. is shown in the Banking Business for segment information purposes.
 - Brazil It has a home improvement business.
- f) Banking Business: includes information on all banking business, in Chile and abroad.

The customer portfolio is broadly dispersed and there are no individual customers that are significantly representative.

The information disclosed in each segment is presented net of eliminations for transactions and income between companies in each segment. Inter-segment income and transactions are eliminated at an overall level, and form part of Falabella's final consolidated figures. This presentation is the same used by management for its regular reviews of the Company's performance.

Operating revenue for the Chile Real Estate segment of ThCh\$ 253,374,902 as of December 31, 2020 (ThCh\$ 385,944,470 as of December 31, 2019) is total income receivable from real estate companies in Chile from third parties and related companies. Conversely, Note 14 i) presents the leasing income receivable from third parties for all real estate companies of Falabella.

⁽¹⁾ Shares of the subsidiaries Viajes Falabella Chile, Peru and Argentina were sold on June 7, 2019. Subsequently, shares of the subsidiary Viajes Falabella Colombia were sold on July 31, 2019.

Note 36 - Financial Information by Segment (continued)

Segment Information - Non-Banking Business

| Segment Information Non-Banking Business | Department Stores Chile | Home Improvement and Construction Materials Chile | Supermarkets Chile | Real Estate Chile | Department Stores Peru | Home Improvement and Construction Materials Peru | Supermarkets Peru | Other Businesses and Eliminations Peru | Department Stores, Home Improvement and Construction Materials Argentina | CMR Argentina | Other Businesses and Eliminations Argentina | Department Stores Colombia | Other Businesses and Eliminations Colombia | Home Improvement and Construction Materials Brazil | Other Businesses and Eliminations Brazil | Other Businesses and Inter- segment eliminations | Total Non-Banking Business |
|--|----------------------------|---|-----------------------|----------------------|---------------------------|---|-------------------|--|--|------------------|---|----------------------------------|--|---|--|---|-------------------------------|
| Dec-31-20 | | | | | | | | | | | | | | | | | |
| Operating revenue | 1,554,181,690 | 2,290,251,443 | 867,017,586 | 253,374,902 | 550,057,214 | 587,984,167 | 1,151,187,339 | 34,257,837 | 210,008,407 | 34,821,886 | (1,818,903) | 411,048,430 | 20,522,720 | 218,878,455 | - | 99,276,776 | 8,281,049,949 |
| Operating Costs | (1,093,007,655) | (1,576,085,290) | (637,688,276) | (118,478,675) | (402,736,209) | (407,459,157) | (865,744,387) | (21,330,601) | (113,438,353) | (8,432,304) | 90,718 | (302,318,762) | (2,722,570) | (140,548,102) | - | (100,834,067) | (5,790,733,690) |
| Non-Banking financial income | 799,488 | 1,911,955 | 124,426 | 9,135,149 | 3,762,219 | 10,325,908 | 6,639,622 | 117,248 | 17,106,581 | 2,146,981 | 848,858 | 1,082,738 | 483,419 | 729,837 | 1,416 | 12,691,156 | 67,907,001 |
| Non-Banking financial expenses | (28,642,690) | (51,141,926) | (15,074,601) | (77,205,116) | (13,751,630) | (20,602,449) | (18,626,836) | 1,845,644 | 415,708 | (3,736,811) | (109,836) | (15,665,896) | 107,438 | (14,010,032) | (315,393) | (26,674,574) | (283,189,000) |
| Net financial expenses all segments | (27,843,202) | (49,229,971) | (14,950,175) | (68,069,967) | (9,989,411) | (10,276,541) | (11,987,214) | 1,962,892 | 17,522,289 | (1,589,830) | 739,022 | (14,583,158) | 590,857 | (13,280,195) | (313,977) | (13,983,418) | (215,281,999) |
| Depreciation and amortization all segments | (77,682,242) | (99,500,610) | (44,161,496) | (65,761,779) | (28,287,799) | (33,316,099) | (40,666,621) | (748,443) | (8,397,395) | (1,440,998) | (178,344) | (20,905,139) | (911,628) | (10,639,058) | - | 8,102,980 | (424,494,671) |
| Net income before tax | (118,231,123) | 83,789,430 | 3,277,532 | 16,601,398 | (9,506,766) | (24,703,080) | 26,492,274 | 35,307,792 | (57,736,400) | (13,600,789) | 9,136,332 | (18,217,645) | 24,430,829 | (2,975,017) | (311,217) | (41,548,249) | (87,794,699) |
| Income tax (expense) income | 35,033,919 | (22,543,633) | 301,818 | 896,116 | 338,104 | (269,313) | (11,356,257) | (6,597,927) | 3,186,848 | (2,385,658) | (279,019) | 2,647,329 | (2,337,617) | (254,086) | (155) | (1,623,545) | (5,243,074) |
| Net income all segments | (83,197,204) | 61,245,797 | 3,579,350 | 17,497,516 | (9,168,662) | (24,972,393) | 15,136,017 | 28,709,865 | (54,549,552) | (15,986,447) | 8,857,313 | (15,570,316) | 22,093,212 | (3,229,103) | (311,372) | (43,171,794) | (93,037,773) |
| Share of net income of associates and joint ventures accounted for using the equity method | - | - | - | 15,834 | - | - | - | - | - | - | - | - | 18,087,164 | - | - | (14,523,824) | 3,579,174 |
| Trade and other receivables, current | 74,507,957 | 104,152,859 | 23,879,360 | 70,320,320 | 6,164,870 | 5,669,662 | 9,288,878 | 10,407,420 | 13,536,752 | 25,183,615 | 14,517 | 5,896,118 | 4,828,664 | 34,664,138 | 375 | 28,057,016 | 416,572,521 |
| Inventories | 298,033,867 | 248,087,262 | 74,181,040 | 221,097 | 128,050,691 | 114,173,916 | 118,537,557 | - | 35,576,098 | - | - | 89,772,136 | 21,740 | 37,087,903 | - | 17,501,240 | 1,161,244,547 |
| Trade and other receivables, non-current | - | 457,265 | - | 3,987,834 | 94,059 | 69,975 | - | 523,321 | - | 342,057 | - | - | - | - | - | 119,644 | 5,594,155 |
| Property, Plant and Equipment | 441,844,044 | 813,440,659 | 310,249,718 | 848,644,548 | 197,557,793 | 372,092,788 | 395,502,376 | 142,751,281 | 18,413,350 | - | 758,910 | 131,150,587 | 2,336,694 | 91,000,158 | - | (377,652,704) | 3,388,090,202 |
| Investment Properties | - | - | - | 2,957,998,857 | - | 19,486,776 | - | 339,321,942 | - | - | - | - | - | - | - | (1,488,103) | 3,315,319,472 |
| Total segment assets | 1,011,620,500 | 1,609,493,943 | 456,876,611 | 4,401,845,609 | 396,476,275 | 815,473,548 | 601,644,763 | 544,777,855 | 96,576,516 | 44,468,232 | (15,047,648) | 295,768,340 | 171,151,498 | 230,166,483 | 35,318,957 | 765,808,535 | 11,462,420,017 |
| Equity method investments | - | - | - | 282,665 | - | - | - | - | - | - | - | - | 123,247,771 | - | - | 70,615,877 | 194,146,313 |
| Other current financial liabilities | 5,019,395 | 38,264,707 | 2,971,265 | 191,884,560 | 6,227,401 | - | 1,404,683 | 76,870,881 | 8,667 | - | - | 16,720,546 | - | - | - | 191,170,277 | 530,542,382 |
| Trade and other payables | 216,362,339 | 225,899,413 | 81,720,071 | 50,158,681 | 78,253,161 | 94,893,406 | 129,302,446 | 11,155,037 | 33,633,254 | 8,945,959 | 268,889 | 69,487,416 | 11,217,707 | 40,865,713 | 1,900 | 92,935,535 | 1,145,100,927 |
| Other Non-Current Financial Liabilities | - | 62,971,521 | - | 1,002,935,253 | 16,668,513 | - | 28,227,607 | 219,522,916 | - | - | - | 37,540,999 | - | - | - | 1,862,123,354 | 3,229,990,163 |
| Leasing liabilities, non-current | 229,724,745 | 592,011,155 | 163,599,847 | 15,990,374 | 87,930,216 | 142,489,137 | 118,399,952 | (123,325,507) | 14,099,819 | - | 483,772 | 51,703,993 | 1,188,210 | 43,448,734 | - | (484,151,460) | 853,592,987 |
| Total segment liabilities | 965,801,485 | 1,376,060,751 | 402,966,528 | 2,151,411,864 | 290,210,896 | 437,017,123 | 395,296,098 | 75,230,893 | 97,737,272 | 35,975,086 | (9,330,491) | 245,743,264 | 20,283,106 | 102,266,590 | 3,400,510 | 351,899,103 | 6,941,970,078 |
| Disbursements of the segment's non-monetary assets | (47,584,606) | (56,458,570) | (74,267,373) | (152,782,018) | (26,248,537) | (12,582,548) | (20,650,756) | (36,959,184) | (2,890,195) | (151,168) | (149,043) | (11,918,494) | (55,633) | (6,136,450) | - | (51,554,267) | (500,388,842) |
| Segment's operating cash flow | 64,080,590 | 356,621,062 | 101,303,303 | 123,444,461 | 26,338,107 | 97,243,571 | 74,455,143 | 195,358,750 | (11,759,131) | 23,562,818 | (279,993) | 3,425,274 | (10,678,510) | 18,135,677 | - | (279,620,893) | 781,630,229 |
| Segment's investing cash flow | (239,819,763) | (55,386,097) | (100,000,856) | (171,822,335) | (21,550,853) | (10,245,348) | (14,707,903) | (57,333,281) | (13,729,999) | (1,074,150) | 471,656 | (9,650,350) | (18,229,796) | (6,135,140) | - | 270,284,564 | (448,929,651) |
| Segment's financing cash flow | 165,688,904 | (276,487,487) | (3,397,355) | 220,290,975 | 24,616,725 | (30,915,049) | (25,640,626) | (83,030,488) | 25,443,934 | (3,583,045) | (1,097,770) | 26,152,322 | 33,741,004 | 21,243,914 | (141,960) | 284,007,243 | 376,891,241 |

Falabella S.A. and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Note 36 - Financial Information by Segment (continued)

Segment Information - Non-Banking Business (continued)

| Segment Information Non-Banking Business | Department Stores Chile | Home Improvement and Construction Materials Chile | Supermarkets Chile | Real Estate Chile | Department Stores Peru | Home Improvement and Construction Materials Peru | Supermarkets Peru | Other Businesses and Eliminations Peru | Department Stores, Home Improvement and Construction Materials Argentina | CMR Argentina | Other Businesses and Eliminations Argentina | Department Stores Colombia | Other Businesses and Eliminations Colombia | Home Improvement and Construction Materials Brazil | Other Businesses and Eliminations Brazil | Other Businesses and Inter-segment eliminations | Total Non-Banking Business | |
|--|-------------------------|---|--------------------|-------------------|------------------------|--|-------------------|--|--|---------------|---|----------------------------|--|--|--|---|----------------------------|---------------|
| Dec-31-19 | | | | | | | | | | | | | | | | | | |
| Operating revenue | 1,472,210,617 | 2,092,652,566 | 750,664,899 | 385,944,470 | 650,251,832 | 669,966,327 | 881,829,505 | 53,259,898 | 325,768,779 | 64,896,360 | (3,981,114) | 436,045,192 | 23,033,978 | 209,119,069 | - | 41,920,457 | 8,053,582,835 | |
| Operating Costs | (1,015,850,704) | (1,473,123,084) | (561,726,207) | (111,011,638) | (453,945,796) | (472,236,690) | (659,655,900) | (5,456,561) | (177,530,206) | (34,907,636) | 98,492 | (306,703,513) | 440,872 | (138,277,978) | - | (23,183,701) | (5,433,070,250) | |
| Non-Banking financial income | 8,903,366 | 3,219,588 | 1,487,962 | 2,628,848 | 458,729 | 494,992 | 465,038 | 260,512 | 3,061,044 | 233,592 | 129,424 | 568,616 | 852,628 | 154,760 | 3,852 | 4,477,999 | 27,400,950 | |
| Non-Banking financial expenses | (26,860,725) | (38,545,360) | (10,007,285) | (66,337,834) | (12,559,711) | (20,193,567) | (17,200,142) | (154,952) | 3,199,576 | 525,499 | (182,136) | (12,537,098) | 18,814 | (13,702,674) | (41,846) | (17,275,360) | (231,854,801) | |
| Net financial expenses all segments | (17,957,359) | (35,325,772) | (8,519,323) | (63,708,986) | (12,100,982) | (19,698,575) | (16,735,104) | 105,560 | 6,260,620 | 759,091 | (52,712) | (11,968,482) | 871,442 | (13,547,914) | (37,994) | (12,797,361) | (204,453,851) | |
| Depreciation and amortization all segments | (79,521,960) | (96,212,280) | (42,159,406) | (57,917,636) | (23,209,560) | (29,549,588) | (34,242,798) | (2,039,778) | (9,650,361) | (1,705,829) | (131,686) | (20,207,980) | (1,559,537) | (11,490,181) | - | 8,733,858 | (400,864,722) | |
| Net income before tax | (87,092,201) | 12,938,573 | (17,404,817) | 161,299,344 | 39,016,382 | 6,765,287 | 20,138,846 | 50,286,017 | (14,032,771) | 710,197 | (702,195) | 4,087,163 | 31,870,212 | (10,866,172) | (86,883) | (11,945,021) | 184,981,961 | |
| Income tax (expense) income | 27,037,623 | (2,889,058) | 4,876,884 | (37,483,776) | (12,184,030) | (2,412,819) | (6,963,626) | (14,704,670) | (1,260,494) | (1,813,462) | 255,929 | (1,233,366) | (4,529,810) | (275,681) | (15,096) | (8,502,537) | (62,097,989) | |
| Net income all segments | (60,054,578) | 10,049,515 | (12,527,933) | 123,815,568 | 26,832,352 | 4,352,468 | 13,175,220 | 35,581,347 | (15,293,265) | (1,103,265) | (446,266) | 2,853,797 | 27,340,402 | (11,141,853) | (101,979) | (20,447,558) | 122,883,972 | |
| Share of net income of associates and joint ventures accounted for using the equity method | - | - | - | 15,718 | - | - | - | - | - | - | - | - | 19,338,265 | - | - | (19,017,199) | 336,784 | |
| Trade and other receivables, current | 67,051,671 | 125,418,403 | 34,349,769 | 68,811,254 | 8,497,637 | 6,512,041 | 9,726,335 | 24,627,594 | 17,653,352 | 58,478,964 | 18,811 | 11,942,444 | 5,544,773 | 33,137,526 | 510 | 31,976,224 | 503,747,308 | |
| Inventories | 278,617,983 | 321,031,239 | 78,719,680 | 222,324 | 155,667,637 | 160,455,987 | 125,035,532 | - | 44,022,158 | - | - | 98,960,719 | - | 52,589,151 | - | 17,531,245 | 1,332,853,655 | |
| Trade and other receivables, non-current | - | 520,334 | - | 3,093,085 | 280,801 | 86,779 | - | 680,719 | - | 2,168,822 | 6,593 | 7,566 | 744,738 | - | - | 3,536,610 | 11,126,047 | |
| Property, Plant and Equipment | 473,464,760 | 767,939,232 | 287,055,982 | 864,814,592 | 213,930,024 | 350,124,345 | 458,221,311 | 262,368,864 | 67,429,306 | 2,747,961 | 865,614 | 160,350,568 | 2,654,997 | 123,802,325 | - | (337,384,100) | 3,698,385,781 | |
| Investment Properties | - | - | - | 2,840,890,935 | - | 18,236,165 | - | 377,430,706 | - | - | - | - | - | - | - | - | (1,488,103) | 3,235,069,703 |
| Total segment assets | 1,015,583,724 | 1,398,932,652 | 449,794,138 | 4,081,902,025 | 428,827,403 | 837,256,403 | 659,665,194 | 611,616,634 | 155,872,732 | 76,029,166 | (11,590,850) | 321,907,803 | 168,638,817 | 265,163,644 | 47,796,736 | 585,872,377 | 11,093,268,598 | |
| Equity method investments | - | - | - | 285,687 | - | - | - | - | - | - | - | - | 133,218,612 | - | - | 57,974,379 | 191,478,678 | |
| Other current financial liabilities | 5,796,417 | 11,371,743 | 1,386,587 | 113,710,670 | 8,062,874 | 41,844,257 | 2,704,740 | 40,190,557 | 1,144,046 | 9,120,675 | - | 11,472,152 | - | 46,450,127 | - | 150,677,603 | 443,932,448 | |
| Trade and other payables | 148,104,550 | 175,042,534 | 80,492,432 | 79,426,050 | 71,036,461 | 80,457,163 | 123,175,747 | 9,733,736 | 45,857,675 | 11,506,634 | 661,822 | 76,599,391 | 7,710,575 | 36,942,097 | 9,980 | 162,449,132 | 1,109,205,979 | |
| Other financial liabilities, non-current | - | 53,373,822 | - | 788,224,034 | 23,333,861 | - | 34,026,632 | 308,062,176 | 617,879 | 2,129,701 | - | 56,032,671 | - | 32,639,250 | - | 1,514,859,259 | 2,813,299,285 | |
| Leasing liabilities, non-current | 247,640,801 | 537,548,298 | 155,464,165 | 16,825,861 | 91,427,898 | 105,246,299 | 124,134,819 | (75,900,094) | 26,833,064 | 1,395,699 | 631,544 | 63,611,686 | 1,674,837 | 58,031,665 | - | (454,191,980) | 900,374,562 | |
| Total segment liabilities | 907,809,549 | 1,207,426,500 | 399,463,675 | 1,822,887,851 | 299,635,684 | 438,100,850 | 414,340,055 | 67,026,398 | 124,536,146 | 62,620,216 | (9,615,356) | 249,985,348 | 17,540,072 | 193,536,012 | 4,637,877 | 272,918,757 | 6,472,849,634 | |
| Disbursements of the segment's non-monetary assets | (86,324,432) | (91,346,325) | (43,618,177) | (157,455,868) | (17,645,344) | (19,252,496) | (42,331,641) | (72,707,051) | (8,704,178) | (2,676,251) | (92,814) | (21,462,927) | (217,002) | (11,797,889) | - | (64,482,816) | (640,115,211) | |
| Segment's operating cash flow | 41,385,229 | 174,016,242 | 67,950,807 | 261,415,995 | 70,137,135 | 94,432,484 | 69,315,742 | 12,069,618 | 16,126,452 | 58,470,499 | 1,635,060 | 26,412,397 | (147,845,734) | (5,026,695) | - | 42,093,740 | 782,588,971 | |
| Segment's investing cash flow | (122,535,891) | (91,406,108) | (41,029,165) | (117,530,258) | 35,399,140 | (7,379,298) | (20,475,992) | (149,600,194) | (882,049) | (1,807,999) | (461,987) | (19,108,033) | 20,746,005 | (11,724,430) | - | (86,583,881) | (614,200,140) | |
| Segment's financing cash flow | 79,230,621 | (83,223,493) | (28,504,514) | (160,005,387) | (101,149,127) | (79,883,352) | (43,457,278) | 61,435,955 | (12,678,484) | (54,226,249) | (583,866) | (1,525,487) | 150,481,714 | 17,761,653 | (10,035) | (319,789,322) | (576,126,651) | |

Note 36 - Financial Information by Segment (continued)

Segment Information Banking Business ⁽¹⁾

| Segment Information Banking Business | Banking Business Chile | Banking Business Peru | Banking Business Colombia | Total Banking Business |
|--|---------------------------|--------------------------|------------------------------|---------------------------|
| Dec-31-20 | | | | |
| Banking interest and indexation income | 664,444,547 | 163,243,422 | 151,028,685 | 978,716,654 |
| Banking interest and indexation expense | (80,711,587) | (21,993,907) | (35,340,005) | (138,045,499) |
| Banking commission income | 104,032,998 | 51,531,982 | 51,343,375 | 206,908,355 |
| Banking commission expense | (57,850,599) | (13,210,000) | (15,701,215) | (86,761,814) |
| Other operating income | 1,801,024 | 189,177 | 135,276 | 2,125,477 |
| Provisions and other operating costs | (206,411,288) | (98,768,044) | (55,908,233) | (361,087,565) |
| Net interest income all segments | 629,915,359 | 179,571,497 | 151,330,840 | 960,817,696 |
| Depreciation and amortization all segments | (16,147,208) | (12,456,434) | (8,902,535) | (37,506,177) |
| Net income before tax | 192,107,987 | (35,339,222) | 12,336,569 | 169,105,334 |
| Income tax (expense) income | (44,105,403) | 9,930,799 | (5,228,515) | (39,403,119) |
| Net income all segments | 148,002,584 | (25,408,423) | 7,108,054 | 129,702,215 |
| Share of net income of associates and joint ventures accounted for using the equity method | - | 708,890 | - | 708,890 |
| Cash and bank deposits | 183,858,790 | 126,023,720 | 26,923,121 | 336,805,631 |
| Traded instruments | 418,620,771 | - | 32,153,007 | 450,773,778 |
| Customer receivables and loans | 3,089,506,874 | 478,205,115 | 737,276,063 | 4,304,988,052 |
| Property, Plant and Equipment | 28,729,415 | 16,837,755 | 13,323,709 | 58,890,879 |
| Total segment assets | 5,766,523,043 | 759,957,670 | 929,628,936 | 7,456,109,649 |
| Investment in associates and joint ventures accounted for using the equity method | - | 3,134,482 | - | 3,134,482 |
| Deposits and other demand obligations | 1,330,565,553 | 30,740,054 | 188,590,886 | 1,549,896,493 |
| Savings accounts and other term deposits | 1,371,379,733 | 566,924,586 | 482,966,886 | 2,421,271,205 |
| Total segment liabilities | 4,567,304,657 | 631,642,183 | 792,357,057 | 5,991,303,897 |
| Disbursements of the segment's non-monetary assets | (10,937,713) | (14,226,389) | (8,817,954) | (33,982,056) |
| Segment's operating cash flow | 1,281,936,145 | 74,989,538 | 59,780,127 | 1,416,705,810 |
| Segment's investing cash flow | (18,070,072) | (13,008,374) | (68,154,447) | (99,232,893) |
| Segment's financing cash flow | (297,973,313) | (605,985) | - | (298,579,298) |

| Banking Business Chile | Banking Business Peru | Banking Business Colombia | Total Banking Business |
|---------------------------|--------------------------|------------------------------|---------------------------|
| Dec-31-19 | | | |
| 764,610,389 | 190,926,596 | 153,208,982 | 1,108,745,967 |
| (110,571,814) | (37,403,450) | (35,144,479) | (183,119,743) |
| 123,960,811 | 63,330,037 | 57,752,951 | 245,043,799 |
| (84,811,508) | (14,658,387) | (16,587,526) | (116,057,421) |
| 2,703,945 | 227,379 | 470,700 | 3,402,024 |
| (227,718,937) | (56,721,100) | (31,818,824) | (316,258,861) |
| 693,187,878 | 202,194,796 | 159,229,928 | 1,054,612,602 |
| (14,907,854) | (12,065,091) | (8,023,556) | (34,996,501) |
| 246,069,473 | 24,979,410 | 44,892,848 | 315,941,731 |
| (59,635,233) | (7,726,165) | (15,287,831) | (82,649,229) |
| 186,434,240 | 17,253,245 | 29,605,017 | 233,292,502 |
| - | 834,977 | - | 834,977 |
| 180,757,203 | 84,254,514 | 39,343,503 | 304,355,220 |
| 156,555,180 | - | 22,781,294 | 179,336,474 |
| 3,680,793,342 | 699,741,787 | 838,681,603 | 5,219,216,732 |
| 27,023,182 | 29,108,089 | 16,776,689 | 72,907,960 |
| 5,331,702,453 | 936,242,297 | 972,457,490 | 7,240,402,240 |
| - | 3,721,554 | - | 3,721,554 |
| 591,639,907 | 68,376,560 | 142,355,603 | 802,372,070 |
| 1,878,147,619 | 628,728,493 | 520,375,120 | 3,027,251,232 |
| 4,009,013,662 | 786,085,352 | 833,110,114 | 5,628,209,128 |
| (12,956,228) | (9,866,303) | (7,752,305) | (30,574,836) |
| 348,486,100 | 90,909,184 | 18,519,206 | 457,914,490 |
| 167,140,337 | (31,928,089) | (14,869,312) | 120,342,936 |
| (48,425,206) | 10,635,487 | - | (37,789,719) |

⁽¹⁾ The items affected by IFRS 16 were presented net of intra-group effects.

Note 36 - Financial Information by Segment (continued)

Operating revenue from external customers by country of domicile and geographic area is detailed as follows

| Operating revenue | Dec-31-20 |
|---|---------------|
| Operating revenue from external customers by country of domicile. | 5,834,380,966 |
| Operating revenue from external customers, all foreign countries | 3,634,419,469 |

Operating revenue by geographical area, outside the country of domicile of the company is detailed as follows:

| Operating revenue | Dec-31-20 | |
|-------------------|-----------|---------------|
| | Country | Revenue |
| Operating revenue | Peru | 2,538,451,138 |
| Operating revenue | Argentina | 243,011,390 |
| Operating revenue | Colombia | 634,078,486 |
| Operating revenue | Brazil | 218,878,455 |

The distribution of non-current assets by geographical area is detailed as follows:

| Non-Current Assets | Dec-31-20 |
|---|---------------|
| Non-current assets by country of domicile | 7,329,062,217 |
| Non-current assets, all foreign countries | 2,180,339,375 |

The distribution of the most significant non-current assets by geographical area, outside the country of domicile of the company is detailed as follows:

| Non-Current Assets | Dec-31-20 | |
|--|----------------|---------------------------------|
| | Country Assets | Attributed to a Foreign Country |
| Property, plant and equipment (net) | Peru | 1,124,741,991 |
| Investment property (net) | Peru | 358,808,718 |
| Customer loans and banking receivables | Peru | 113,333,817 |
| Property, plant and equipment (net) | Argentina | 19,172,260 |
| Trade and other receivables, non-current | Argentina | 342,057 |
| Property, plant and equipment (net) | Colombia | 146,810,990 |
| Property, plant and equipment (net) | Brazil | 91,000,158 |

Note 37 - Contingencies, Lawsuits and Other Legal Issues

a) Litigation

- a.1) The Parent Company and its subsidiaries are facing litigation or administrative proceedings, which are being resolved by the respective courts or administrative bodies. The Company has made provisions to reflect unfavorable contingencies. No provision has been made where these matters have low probabilities of success and should be resolved in the Company's favor.

Note 37 - Contingencies, Lawsuits and Other Legal Issues (continued)

a) Litigation (continued)

The litigation as of December 31, 2020 is detailed as follows:

| Proceedings | Number of cases | Amount ThCh\$ | Accounting provision ThCh\$ |
|-------------|-----------------|------------------|--------------------------------|
| Civil | 352 | 22,628,092 | 2,661,583 |
| Consumer | 799 | 7,601,953 | 3,235,007 |
| Employment | 1,560 | 24,051,626 | 11,272,324 |
| Tax | 77 | 21,484,472 | 13,502,225 |
| Others | 272 | 8,504,843 | 1,927,179 |

- a.2) Taxation matters include the situation facing our Peruvian subsidiary SAGA Falabella S.A. As a consequence of the review of income tax returns from 2000 to 2005, the National Tax Administration Superintendent (SUNAT or "Superintendencia Nacional de Administración Tributaria") sent it assessments and penalties related to general sales tax and income tax for these periods, for an updated amount of 34,901,000 Peruvian new soles (ThCh\$ 6,853,160).

Also, SUNAT reviewed the 2013 tax returns for the subsidiaries SAGA Falabella S.A. and Hipermercados Tottus S.A. and subsequently issued several resolutions and fines related to income tax for that period that total approximately 21,048,000 Peruvian new soles (ThCh\$ 4,132,985) and 13,224,000 Peruvian new soles (ThCh\$ 2,596,665), respectively. The subsidiaries have filed the corresponding appeals before the tax authority, which have reached the administrative stage. Legal advisors believe that these appeals will be resolved favorably for the Company.

On September 23, 2011, Inversiones Accionarias Limitada (whose successor is Costanera SACI) filed a demand for recovery against Plaza Oeste S.A. (now Plaza Oeste SpA), asking for restitution of land with a surface area of approximately 1,005.80 square meters, located on the westerly side of the land on which the Mallplaza Norte shopping center is constructed, in addition to requesting payment for mutual benefits and compensation for damages. Plaza Oeste SpA requested the dismissal of this demand and filed a counterclaim against Inversiones Accionarias Limitada, requesting that in the event that the main claim is upheld, Inversiones Accionarias Limitada be ordered to pay the expenses incurred to conserve and improve that strip of land.

The court of first instance considered that Plaza Oeste SpA acted in good faith and partially granted the claim of the plaintiff, ordering the former to return an area of 895.43 square meters, but rejecting the claim for mutual benefits and compensation for damages. The court recognized Plaza Oeste SpA's ownership of 110.37 square meters of the disputed strip in the counterclaim, and accordingly only ordered the restitution of 895.43 square meters. It also ordered Inversiones Accionarias Limitada to pay the defendant for the improvements to the land.

Appeals were lodged against the judgment, which were rejected on June 27, 2019, and the ruling of first instance was upheld. Following various incidents and appeals filed during the execution of the first instance ruling, the parties finally reached an agreement through an out-of-court settlement on July 17, 2020, where they concluded the case and granted each other a broad, complete and final settlement with respect to all the facts that gave rise to the demand, and the strip of land was returned on the same date.

Note 37 - Contingencies, Lawsuits and Other Legal Issues (continued)

a) Litigation (continued)

- a.2) Returning this strip of land does not change how the shopping center will function nor the Company's ability to operate it.
- a.3) Ribera Desarrollos S.A. owns a store leased by Sodimac in Argentina, but it filed for preventive insolvency proceedings on February 1, 2019. Preventive insolvency proceedings are a crisis process that do not imply that the debtor is disempowered, as the debtor can continue to manage its business under the supervision of a trustee appointed by the court.

On September 3, 2019, the judge verified that the loan in favor of Falabella S.A. (Argentina) was unsecured, with no opposition from the insolvent party or creditors.

On August 20 and October 2, 2020, Ribera Desarrollos S.A. presented its proposals with the agreement of the creditors. As of the reporting date, it obtained majority support for the preventive agreement of unsecured creditors, which includes Falabella S.A. The insolvency administrator has ruled in favor of the agreement. Therefore, if there are no challenges, the unsecured creditors' reorganization agreement will proceed.

As of December 31, 2020, the subsidiary Falabella S.A. (Argentina) has paid ThCh\$ 2,650,206 to Ribera Desarrollos S.A., disclosed under the heading "Other current and non-current non-financial assets", which represents leasing fees paid in advance.

At the reporting date, the terms under which this lease contract would continue or be terminated are uncertain, subject to the corresponding compensation. This situation is also subject to the positions adopted by Ribera Desarrollos S.A. and the judge in these bankruptcy proceedings.

b) Others

Falabella Argentina has provided customs guarantees of ThCh\$ 5,394,705 as of December 31, 2020.

Falabella Peru has assets in guarantee totaling ThCh\$ 52,793,240 as of December 31, 2020.

Note 38 - Guarantees with Third Parties

a) Performance bonds and other instruments received

- a.1) The Company has received contract performance bonds amounting to ThCh\$ 59,257,346 as of December 31, 2020, which primarily guarantee construction and contract performance obligations.
- a.2) As of December 31, 2020, Falabella S.A. has pledged ThCh\$ 46,150,869 as collateral to support the Cross Currency Swap contracts with banks, of which ThCh\$ 22,080,869 have been received in cash, ThCh\$ 11,880,000 are Term Deposits and ThCh\$ 12,190,000 are Central Bank Bonds, the latter two pledged in favor of the Company.
- a.3) Sodimac Chile had received checks in guarantee for ThCh\$ 1,571,708 as of December 31, 2020.

b) Performance bonds provided

The Company has provided guarantees amounting to ThCh\$ 12,028,236 as of December 31, 2020.

Note 38 - Guarantees with Third Parties (continued)

c) Indirect guarantees

Guarantees managed by subsidiaries with financial institutions are detailed as follows:

| Guarantee creditor | Debtor Name | Relationship | Guarantee | Balance pending | |
|------------------------|--|--------------|--------------------------|---------------------|---------------------|
| | | | | Dec-31-20 ThCh\$ | Dec-31-19 ThCh\$ |
| SCOTIABANK | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | STANDBY LETTER OF CREDIT | 2,995,883 | 2,143,360 |
| BBVA BANCO CONTINENTAL | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | STANDBY LETTER OF CREDIT | 5,159,913 | 4,550,273 |
| BANCO DE CREDITO | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | STANDBY LETTER OF CREDIT | 1,314,962 | 1,092,288 |
| INTERBANK | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | STANDBY LETTER OF CREDIT | - | 127,931 |
| CITIBANK | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | STANDBY LETTER OF CREDIT | 1,423,217 | 1,358,300 |
| BBVA BANCO CONTINENTAL | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | 17,243 | 76,126 |
| SCOTIABANK | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | - | 5,582,365 |
| BANCO DE CREDITO | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | 16,387,369 | 15,780,231 |
| CITIBANK | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | - | 24,034 |
| SCOTIABANK | SAGA FALABELLA S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | 5,738,021 | - |
| BANCO DE CREDITO | HIPERMERCADOS TOTTUS S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | 3,692,537 | 3,459,174 |
| SCOTIABANK | HIPERMERCADOS TOTTUS S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | 25,993 | 226,140 |
| CITIBANK | HIPERMERCADOS TOTTUS S.A. (PERU) | SUBSIDIARY | GUARANTEE LETTER | - | 140,407 |
| SCOTIABANK | HIPERMERCADOS TOTTUS ORIENTE | SUBSIDIARY | GUARANTEE LETTER | - | 74,874 |
| BBVA BANCO CONTINENTAL | TIENDAS PARA EL MEJORAMIENTO DE HOGAR S.A.(PERU) | SUBSIDIARY | GUARANTEE LETTER | 4,032,649 | - |
| SCOTIABANK | TIENDAS PARA EL MEJORAMIENTO DE HOGAR S.A.(PERU) | SUBSIDIARY | GUARANTEE LETTER | 3,202,239 | - |
| BANCO DE CREDITO | TIENDAS PARA EL MEJORAMIENTO DE HOGAR S.A.(PERU) | SUBSIDIARY | GUARANTEE LETTER | 3,013,928 | - |
| SANTANDER CHILE | SHEARVAN CORPORATE S.A. | SUBSIDIARY | GUARANTOR (*) | - | 23,662 |
| SANTANDER CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 130,995 | 125,937 |
| BBVA S.A. | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 426,570 | 449,244 |
| BBVA S.A. | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 4,705,777 | 4,524,077 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 470,222 | 299,496 |
| BBVA S.A. | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 218,325 | 209,895 |
| BBVA S.A. | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 1,097,566 | 1,055,186 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 23,000,000 | 13,000,000 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | - | 176,000 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 284,380 | 299,496 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | - | 74,874 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 8,886,875 | 9,359,250 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 91,697 | 79,760 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 818,716 | 765,143 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 61,131 | 167,916 |
| BANCO DE CHILE | FALABELLA RETAIL S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 710,950 | 748,740 |
| SCOTIABANK | FALABELLA DE COLOMBIA S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 3,949,660 | 3,927,141 |
| SCOTIABANK | FALABELLA DE COLOMBIA S.A. | SUBSIDIARY | STANDBY LETTER OF CREDIT | 4,151,020 | 3,450,000 |
| BANCO GALICIA | FALABELLA S.A. (ARGENTINA) | SUBSIDIARY | STANDBY LETTER OF CREDIT | 99,820 | 319,037 |

(*) Falabella Retail S.A. is guarantor for Shervan Corporate S.A.

The subsidiary Falabella Inversiones Financieras S.A. granted guarantees for MXN 502 million (Ch\$ 17,932 million) to a Mexican bank for loans contracted by the associate Servicios Financieros Soriana S.A.P.I. de C.V.

The subsidiary Home Trading S.p.A. granted guarantees for MXN 775 million (Ch\$ 27,857 million) to Mexican banks for loans contracted by the associate Comercializadora SDMHC S.A. de C.V. and MXN 31 million (Ch\$ 1,114 million) to other companies for liabilities acquired by the associates Comercializadora SDMHC S.A. de C.V. and Servicios Ejecutivos Sodico S.A. de C.V.

Note 39 - The Environment

Falabella Retail S.A. has continued its real estate development based on environmentally sustainable conduct, in compliance with its declarations on corporate social responsibility. Thus, the project portfolio for 2020 includes constructing the Parque Arauco store, which is being built under international sustainable development standards.

Waste management includes recycling programs that continue at 17 stores in the Metropolitan Region, which covers collection, removal and subsequent forwarding to specialized centers that process the waste generated by businesses, such as plastics, cardboard and paper. Non-hazardous waste management outside Santiago continues to meet the requirements of the authorities, and hazardous waste management and removal continues to meet specific requirements and complies with environmental requirements.

Falabella has partially implemented the REP Law, and provided resources to secure compliance at all its stores, including the corporate building. The Company continued with the Huella Chile program in 2020, and calculated the Carbon Footprint of all its facilities under scope 1, 2 and 3.

The Peruvian subsidiaries SAGA Falabella S.A. and Hipermercados Tottus S.A. have received certified compliance with environmental standards for the last stores opened by these companies.

Sodimac S.A. has incorporated leading edge international environmental standards in the construction of its commercial stores, following the recommendations of the U.S.A. Green Building Council.

Currently, all the new stores for Sodimac S.A. incorporate sustainable construction characteristics and efficient resource use. Therefore, LED lighting has been incorporated, energy consumption is monitored, and centralized control systems for climate and lighting equipment have been installed, which results in lower energy consumption and a smaller carbon footprint, which is measured annually. Sodimac is also developing a project to make all its product dispatches carbon neutral as of 2019, through an alliance with the Santiago Climate Exchange (SCX).

Sodimac S.A. has focused on reducing and mitigating the environmental impact of operating its stores. It has focused on recycling, supplying eco-efficient products, and increasing energy and water efficiency. Sodimac launched the first initiative in the Circular Economy by a retailer in South America, when it began to market its first products manufactured from plastic waste it collected at its own network of recycling points.

Furthermore, Sodimac declares all the environmental statements included in the Pollutant Release and Transfer Register (PRTR). This platform was created by the Environment Ministry to provide citizen access to information on emissions, waste and pollutant transfers by organizations.

Sodimac S.A. has the environmental permits for its commercial operations. However, the Company is monitoring the regulatory bodies for indications of any new requirements.

Note 39 - The Environment (continued)

Summary of principal disbursements.

| Company Name | Project Name | Disbursement Description | Asset or Expense | Asset or Expense Description | Disbursement ThCh\$ | Known or estimated disbursement date | Project In Progress or Completed |
|-------------------------------------|---|--|------------------|---|---------------------|--------------------------------------|----------------------------------|
| Nuevos Desarrollos S.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 193,894 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 239,837 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 85,554 | monthly | In progress |
| | Recycling facility | Operating recycling facilities | Expense | Processing materials and maintaining and administrating the facilities, which includes a monthly management report. | 16,593 | monthly | In progress |
| | Organic digester | Leased organic digester | Expense | Organic waste biodegradation system using organic waste from fast food stores to generate fertilizer for landscaping | 8,285 | monthly | Completed: |
| Inmobiliaria Mall Calama S.p.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 59,296 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 27,001 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 12,998 | monthly | In progress |
| Inmobiliaria Mall Las Américas S.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 24,092 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 27,942 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 8,496 | monthly | In progress |
| Plaza Antofagasta S.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 48,035 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 56,199 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 12,946 | monthly | In progress |

Note 39 - The Environment (continued)

Summary of principal disbursements (continued)

| Company Name | Project Name | Disbursement Description | Asset or Expense | Asset or Expense Description | Disbursement ThCh\$ | Known or estimated disbursement date | Project In Progress or Completed |
|---|---|--|------------------|---|---------------------|--------------------------------------|----------------------------------|
| Plaza del Trébol S.p.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 52,527 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 112,162 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 23,943 | monthly | In progress |
| Plaza La Serena S.p.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 28,958 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 29,826 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 8,889 | monthly | In progress |
| Plaza Oeste S.p.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 56,443 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 85,397 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 29,618 | monthly | In progress |
| Plaza Tobalaba S.p.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 14,321 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 18,210 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 14,049 | monthly | In progress |
| Plaza Vespucio S.p.A. | Control and treatment of effluents and sewage | Control and treatment of effluents and sewage | Expense | Preventive and corrective service covering the treatment of effluents (liquid industrial waste) according to environmental regulations | 30,944 | monthly | In progress |
| | Comprehensive waste management | Comprehensive waste management from collection to final disposal | Expense | Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza | 201,122 | monthly | In progress |
| | Pest control program | Pest prevention and control, such as mice, and control of flying insects | Expense | Fumigation, sanitation and pest control | 16,154 | monthly | In progress |
| Patrimonio Autónomo Centro Comercial Barranquilla | Fumigation service Mall Barranquilla | Fumigation of common areas | Expense | Fumigation service Mall Barranquilla | 6,742 | monthly | Completed: |

Note 39 - The Environment (continued)

Summary of principal disbursements (continued)

| Company Name | Project Name | Disbursement Description | Asset or Expense | Asset or Expense Description | Disbursement ThCh\$ | Known or estimated disbursement date | Project In Progress or Completed |
|---------------------------|--|--|------------------|---|---------------------|--------------------------------------|--|
| Falabella Retail S.A. | Environmental management | LEED Certification | Expense | Environmental Advice | 25,311 | Dec-20 | In progress |
| | Environmental Compliance | Environment Ministry requirement for RM Stores | Expense | Transport and final waste disposal | 1,018,274 | Ongoing | In progress |
| | Environmental management of EPR Law | Applying EPR Law in all stores | Expense | Environmental Advice | 57,976 | Ongoing | In progress |
| | Environmental Compliance | Environment Ministry requirement | Expense | Regulatory compliance | 50,223 | Ongoing | In progress |
| | Environmental management | Memberships | Expense | Memberships | 31,610 | Completed | In progress |
| | Environmental management | Huella Chile Program at all stores | Expense | Measuring Carbon Footprint | 18,982 | Completed | In progress |
| Sodimac S.A. | Recycling facilities | Recycling for customers | Expense | Environmental sustainability | 691,817 | Ongoing | In progress |
| | Inventory of Extended Product Responsibility (EPR) materials | Legal Compliance (EPR) | Expense | Environmental sustainability | 21,789 | Ongoing | In progress |
| | Environmental declarations | Legal Compliance | Expense | Environmental sustainability | 30,332 | Ongoing | In progress |
| | Environmental platform | Environmental Compliance | Expense | Environmental sustainability | 23,843 | Ongoing | In progress |
| | Waste treatment | Hazardous waste | Expense | Prevention of environmental risks | 22,328 | Ongoing | In progress |
| | Measuring Carbon Footprint | Carbon Footprint | Expense | Environmental sustainability | 46,340 | Ongoing | In progress |
| | Change lighting | LED lighting | Asset | Environmental projects | 918,568 | Ongoing | In progress |
| Hipermercados Tottus S.A. | Hazardous waste removal | Regulatory compliance | Expense | Hazardous waste removal to comply with DS 148 issued by the Ministry of Health. | 25,298 | Ongoing | Regulations require removals every 6 months. |
| | Recycling point. Support offices | Waste recycling | Expense | Purchase of Recycling point (2) and Container purchase 1,100 Lt. | 1,307 | Mar-20 | Completed |
| | 2020 EPR Declaration | Regulatory compliance | Expense | Advice on the materiality declaration to the Environment Ministry of the own brand products and direct imports launched every year. | 10,846 | July 2020 | The Project has reached the closing phase |
| | Measuring the Carbon Footprint | Huella Chile Program award | Expense | Measurement of greenhouse gases produced by 66 Tottus stores in 2019, in compliance with the Company's commitment to the Huella Chile program of the Environment Ministry. | 5,592 | Oct-20 | The Project has reached the closing phase |
| | Clean Production Agreement (CPA) and Ecolabeling | CPA Seal Certification and Ecolabeling | Expense | Certification of 13 own brand skus for the Ecolabel seal. | 789 | Sep-20 | The project is underway. |
| | AB management system that complies with EPR Law | Regulatory compliance | Expense | AB Management System 2019-2020 installment, plus waste recycling pilots in Providencia and AMUSA | 19,779 | Nov-20 | The project is underway. |
| | Carbon Footprint verification | Huella Chile Program award | Expense | Verification audit of the greenhouse gases measurement produced by 66 Tottus stores in 2019, in compliance with the Company's commitment to the Huella Chile program of the Environment Ministry. | 44,134 | April 2021 | The Project is completed for that period. |
| Saga Falabella S.A. | LEED Implementation Efficiency | LEED Certification process advice (SF Comas) | Asset | Property, machinery and equipment | 19,210 | Mar-21 | In progress |

Note 40 - Main Financial Covenants

As of December 31, 2020, Falabella S.A. and its subsidiaries have complied with all the covenants connected with their financial agreements. These are detailed as follows.

Falabella S.A.

- Bonds issued in Chile

| Line Number | Series | Currency | Amount | Placement Date | Maturity |
|-------------|--------|----------|----------------|-------------------|-------------------|
| 579 | J | UF | 3,500,000 | April 1, 2009 | April 1, 2033 |
| 467 | M | UF | 3,000,000 | Jul 15, 2014 | Jul 15, 2037 |
| 578 | O | CLP | 63,000,000,000 | April 15, 2016 | April 15, 2022 |
| 578 | P | UF | 2,000,000 | April 15, 2016 | April 15, 2039 |
| 846 | Q | CLP | 78,000,000,000 | November 25, 2016 | November 25, 2021 |
| 847 | S | UF | 3,000,000 | November 25, 2016 | November 25, 2039 |
| 858 | Z | UF | 2,000,000 | June 4, 2020 | April 15, 2027 |
| 857 | AC | UF | 5,000,000 | June 4, 2020 | April 15, 2030 |

Main restrictions in the Bond contracts issued in Chile

Covenants applicable only to Series J Bonds:

- The Issuer and/or its relevant subsidiaries may not establish pledges and mortgages that guarantee new issues of Bonds or any other monetary credit transaction or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 5.3% of the Issuer's Total Consolidated Assets.

As of December 2020, the Issuer does not have any guaranteed pledges or mortgages, so the restriction is met.

- Financial Borrowing Limit As of March 31, 2010, at the close of each quarter keep the Net Financial Debt in the Issuer's Financial Statements, defined as (i) total liabilities for the Non-Banking Business on the Financial Position Statement, Other Current Financial Liabilities, and Other Non-Current Financial Liabilities. However, this sum shall not take into consideration the sub-account "Other Financial Liabilities," which belongs to the note Other Current and Non-Current Financial Liabilities of the Non-Banking Business (ii) less the Non-Banking Business Assets account of the Financial Position Statement, Cash and Cash Equivalents, no greater than the Maximum Borrowing Limit defined in Appendix Two of the respective issue contract.

As of December 31, 2020, the financial borrowing limit was ThCh\$ 8,109,988,182 and the financial borrowing was ThCh\$ 2,425,674,517. Therefore, the maximum borrowing restriction is satisfied (the methodology for calculating financial covenants is as follows).

Note 40 - Main Financial Covenants (continued)

Financial Covenant Calculations

CALCULATION OF FINANCIAL BORROWING LIMIT FOR BOND LINE 579 COVENANT (SERIES J) ⁽¹⁾

Figures expressed in ThCh\$

| | Currency | As of December 31, 2020 | As of September 30, 2020 |
|--|----------|-------------------------------|--------------------------------|
| Period end _i | | December 31, 2020 | September 30, 2020 |
| Period end _{i-1} | | September 30, 2020 | June 30, 2020 |
| UF _i | Ch\$/UF | 29,070.33 | 28,707.85 |
| Variation UF | % | 1.26% | 0.04% |
| Variation % Sol/US\$ | | 0.64% | 1.63% |
| Variation % ARS/US\$ | | 10.47% | 8.12% |
| Variation % COP/US\$ | | (11.01)% | 2.36% |
| Variation % Real/US\$ | | (8.02)% | 3.98% |
| Variation % UYU/US\$ | | (0.61)% | 0.79% |
| Variation % MEX/US\$ | | (9.80)% | -3.70% |
| Variation % EUR/US\$ | | (4.12)% | -4.93% |
| Variation % HKD/US\$ | | 0.05% | 0.17% |
| Third party guarantees _i | ThCh\$ | 17,931,945 | 21,501,629 |
| Variation in third party guarantees _i | ThCh\$ | (3,841,174) | (102,988) |
| Total Equity _i | ThCh\$ | 5,985,255,691 | 6,016,799,520 |
| Dividends payable _i | ThCh\$ | - | - |
| Equity variation _i | ThCh\$ | (107,515,018) | (126,937,497) |
| Fixed assets in Chile _{i-1} ^a | ThCh\$ | 5,017,180,648 | 4,940,012,737 |
| Deferred taxes in Chile _{i-1} ^b | ThCh\$ | 44,075 | 43,983 |
| Adjustment for initial revaluation to IFRS in Chile ^c | ThCh\$ | 1,378,565,594 | 1,378,565,594 |
| Deferred taxes in Chile ^d | ThCh\$ | 284,395,520 | 284,395,520 |
| Indexation of fixed assets in Chile _{i-1} | ThCh\$ | 49,533,382 | 1,531,811 |
| Investment in Peru _i | ThCh\$ | 1,212,677,262 | 1,322,250,279 |
| Investment in Argentina _i | ThCh\$ | (1,262,644) | 51,679,943 |
| Investment in Colombia _i | ThCh\$ | 262,368,242 | 249,849,013 |
| Investment in Brazil _i | ThCh\$ | 159,818,335 | 160,865,075 |
| Investment in Uruguay _i | ThCh\$ | 46,782,181 | 49,070,761 |
| Investment in Mexico _i | ThCh\$ | 103,713,189 | 103,542,430 |
| Investment in Germany _i | ThCh\$ | (4,144,368) | (4,379,911) |
| Investment in Hong Kong _i | ThCh\$ | 1,307,706 | 1,429,999 |
| Investment in Ecuador _i | ThCh\$ | (30,598) | (15,418) |
| Investment in Panama _i | ThCh\$ | 14,460 | (97,286) |
| Investment adjustment, outside of Chile _i | ThCh\$ | (44,399,010) | 34,860,011 |
| Financial Borrowing Limit _{i-1} | ThCh\$ | 8,136,506,158 | 8,250,826,182 |
| Borrowing Limit _i | ThCh\$ | 8,109,988,182 | 8,136,506,158 |
| Net Financial Debt | ThCh\$ | 2,425,674,517 | 3,076,648,561 |

⁽¹⁾ Given the inclusion of Promotora CMR Falabella S.A. in the banking business, the borrowing limit is calculated as defined in Appendix 2 of the Series J Bond Issue Agreements.

^a Net of accumulated depreciation.

^b Associated with "Property Plant and Equipment" and "Investment Property"

^c Associated with "Property, Plant and Equipment and "Investment Property" as of December 31, 2009

^d Associated with the initial revaluation adjustment of "Property, Plant and Equipment" and "Investment Properties" as of December 31, 2009.

Covenants applicable to the Series J, M, O and P Bonds

- Keep the revenue from retail sales, shopping mall administration and credit assessment, authorization and administration at a level of at least 70% of the Issuer's total consolidated revenue, throughout the entire effective term of this Bond issue. Total consolidated revenue is Operating Revenue in the Issuer's Financial Statements, and is measured quarterly for the previous rolling twelve-month period.

Note 40 - Main Financial Covenants (continued)

Covenants applicable to the Series J, M, O and P Bonds (continued)

As of December 31, 2020, 97.54% of total consolidated revenue came from these businesses, so the covenant was met.

Covenants applicable to the Series M, O, P, Q, S, Z and AC Bonds

- The Issuer and/or its relevant subsidiaries may not establish pledges and mortgages that guarantee new issues of Bonds or any other credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 7.5% of the Issuer's Total Consolidated Assets.

As of December 2020, the Issuer does not have any guaranteed pledges or mortgages, so the restriction is met.

Covenants applicable to the Series M, O, P, Q and S Bonds

- Ensure that the Financial Debt Ratio does not exceed 1.3 at every quarter end, based on the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between // Net Financial Debt: /defined as total Non-Banking Liabilities, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current. However, this summation does not include the sub account "Other Financial Liabilities" that is presented in Note Non-Banking Business - Other Financial Liabilities Current and Non-current , less the Non-Banking Business Asset account, Cash and Cash equivalents, and (ii) Equity without any revaluation gains or losses on the re-adoption of IFRS, net of deferred taxes, defined as the Total Equity account minus three hundred sixty-five thousand three hundred thirteen million two hundred twelve thousand pesos (ThCh\$ 365,313,212).

As of December 31, 2020 the ratio is 0.43, which complies with the limit.

Figures expressed in ThCh\$

| | Currency | As of December 31, 2020 | As of September 30, 2020 |
|-----------------------------------|----------|-------------------------------|--------------------------------|
| Net Financial Debt ⁽¹⁾ | ThCh\$ | 2,425,674,517 | 3,076,648,561 |
| Total equity | ThCh\$ | 5,619,942,479 | 5,651,486,308 |
| Financial Debt Ratio | | 0.43 | 0.54 |

⁽¹⁾ Net Financial Debt does not include Promotora CMR Falabella S.A. This ratio cannot exceed 1.30 due to its covenants.

Covenants applicable to the Series Z and AC Bonds

- Ensure that the Financial Debt Ratio does not exceed 1.3 at every quarter end, based on the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between // Net Financial Debt: defined as the sum of the accounts under Non-Banking Liabilities in the Balance Sheet, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current; however, this summation does not include the sub account "Other Financial Liabilities" that is presented in the Note Non-Banking Business - Other Financial Liabilities Current and Non-current , less the Non-Banking Business Asset account in the Balance Sheet, Cash and Cash equivalents, and (ii) Equity, defined as Total Equity.

Note 40 - Main Financial Covenants (continued)

Covenants applicable to the Series Z and AC Bonds (continued)

As of December 31, 2020 the ratio is 0.41; which complies with the limit.

Figures expressed in ThCh\$

| | Currency | As of December 31, 2020 | As of September 30, 2020 |
|-----------------------------------|----------|-------------------------------|--------------------------------|
| Net Financial Debt ⁽¹⁾ | ThCh\$ | 2,425,674,517 | 3,076,648,561 |
| Total equity | ThCh\$ | 5,985,255,691 | 6,016,799,520 |
| Financial Debt Ratio | | 0.41 | 0.51 |

⁽¹⁾ Net Financial Debt does not include Promotora CMR Falabella S.A. This ratio cannot exceed 1.30 due to its covenants.

- International Bonds

International bonds as of December 31, 2020, pursuant to Regulation 144 A of the Securities Act of the United States of America dated 1933 and its corresponding regulations are detailed as follows.

| Currency | Amount Placed | Placement Date | Maturity |
|----------|------------------|-------------------|-------------------|
| USD | 500,000,000 | April 30, 2013 | April 30, 2023 |
| CLP | 94,588,500 | April 30, 2013 | April 30, 2023 |
| USD | 400,000,000 | October 27, 2014. | January 27, 2025 |
| USD | 400,000,000 | October 30, 2017. | October 30, 2027. |

Main restrictions in the International Bond contracts

- The Issuer and/or its relevant subsidiaries cannot establish guarantees, pledges, mortgages and sales with leaseback that guarantee new Bond issues or any other monetary credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 20% of the Total Net Consolidated Tangible Assets.

As of December 31, 2020 the Issuer has complied with the restrictions of the issue contract.

- Other Financial Obligations

The other current and non-current financial obligations assumed by the Company with Banks or Financial Institutions are not subject to any financial covenants.

Note 40 - Main Financial Covenants (continued)

Sodimac S.A.

- Bonds issued in Chile

| Line Number | Series | Currency | Amount | Placement Date | Maturity |
|-------------|--------|----------|-----------|-------------------|------------------|
| 677 | K | UF | 1,500,000 | January 11, 2013: | December 3, 2033 |

Covenants applicable to the Series K Bonds

- The financial debt ratio should be less than 1.5. The financial debt ratio is understood to be the Consolidated Net Borrowing Ratio, which is defined as the ratio between (i) Net Financial Debt, which is total other current and non-current financial liabilities, less cash and cash equivalents, and (ii) Equity, defined as total equity plus dividends.

As of December 31, 2020, the financial debt ratio was 0.21, so the covenant was met.

- The book value of assets free of any pledge, mortgage or other encumbrance must be at least 1.20 times liabilities without guarantees, calculated quarterly according to the Issuer's quarterly consolidated financial statements. Therefore, the Issuer shall send the Bondholders' Representative, within the same period that the Financial Statements must be sent to the Financial Market Commission, details of total assets free of any pledge, mortgage or other encumbrance, and liabilities without guarantees.

As of December 31, 2020, Sodimac S.A. had complied with all the obligations and financial indicators set out in these contracts.

- Other Financial Obligations

The other current and non-current financial obligations of Sodimac S.A. with Banks or Financial Institutions are not subject to any restrictions or guarantees.

Plaza S.A.

| Line Number | Series | Currency | Amount | Placement Date | Maturity |
|-------------|--------|----------|-----------|--------------------|------------------|
| 583 | D | UF | 3,000,000 | October 25, 2010 | October 25, 2031 |
| 584 | C | UF | 338,636 | May 2, 2009 | May 2, 2030 |
| 584 | E | UF | 2,000,000 | October 25, 2010 | October 25, 2031 |
| 670 | H | UF | 2,500,000 | May 15, 2011 | May 15, 2033 |
| 670 | K | UF | 3,000,000 | May 30, 2012 | May 30, 2034 |
| 767 | N | UF | 3,000,000 | August 15, 2013 | August 15, 2035 |
| 669 | P | UF | 2,000,000 | February 5, 2020 | January 15, 2045 |
| 980 | S | UF | 4,000,000 | June 19, 2020 | December 1, 2029 |
| 767 | U | UF | 2,388,636 | September 23, 2020 | November 2, 2032 |

On September 23, 2020, the Company published a notice of voluntary redemption of Series C virtual bonds, giving bondholders the option to exchange these bonds for Series U bonds, charged to bond line No. 767 dated September 23, 2013, for a nominal value of UF 2,727,272, and a coupon rate of 3.60% per annum. The transaction was 87.58% subscribed, equivalent to placing UF 2,388,636 of Series U bonds.

Financial borrowing

Financial borrowing is defined as Total Other Current Financial Liabilities and Other Non-Current Financial Liabilities, divided by the value of the UF at the quarterly closing date of the Issuer's Consolidated Financial Statements. As from March 31, 2010, the Issuer must maintain financial borrowing at the quarterly closing date of the Issuer's Consolidated Financial Statements to less than or equal the value established by a formula.

The calculation of the Financial Borrowing Limit established in Clause Ten, Number One of the Bond Issue Contracts for the Line of Debt Instruments at 10 years and 30 years, and their amendments, are detailed as follows.

Note 40 - Main Financial Covenants (continued)

Plaza S.A. (continued)

Financial borrowing (continued)

CALCULATION OF FINANCIAL BORROWING LIMIT FOR BOND LINES 583, 584, 669.670, 766, 767 AND 980 COVENANTS

| | Currency | As of December 31, of 2020 | As of September 30, of 2020 |
|---|----------|-------------------------------|--------------------------------|
| Year _i | | December 31, 2020 | September 30, 2020 |
| Year _{i-1} | | September 30, 2020 | June 30, 2020 |
| UF _i | Ch\$/UF | 29,070.33 | 28,707.85 |
| UF _{i-1} | Ch\$/UF | 28,707.85 | 28,696.42 |
| Cash and cash equivalents for period _i | ThCh\$ | 202,514,434 | 223,033,987 |
| Cash and cash equivalents for period _{i-1} | ThCh\$ | 223,033,987 | 280,988,793 |
| Cash variation _i | ThCh\$ | (20,519,553) | (57,954,806) |
| Cash variation _i | Th UF | (706) | (2,019) |
| Third party guarantees _i | None | - | - |
| Total Equity _i | ThCh\$ | 1,907,121,732 | 1,911,531,941 |
| Dividends payable _i | ThCh\$ | 3,686,940 | 8,742 |
| Total Equity _{i-1} | ThCh\$ | 1,911,531,941 | 1,926,887,236 |
| Dividends payable _{i-1} | ThCh\$ | 8,742 | 8,606 |
| Equity variation _i | ThCh\$ | (732,011) | (15,355,159) |
| Equity variation _i | Th UF | (25) | (535) |
| Investment Property _{i-1} ^a | ThCh\$ | 2,865,366,305 | 2,867,462,895 |
| Deferred tax, Investment Properties _{i-1} ^b | ThCh\$ | 441,754,957 | 439,355,382 |
| Initial revaluation adjustment of Investment property under IFRS ^c | ThCh\$ | 874,483,983 | 874,483,983 |
| Deferred tax due to initial revaluation of Investment Property ^d | ThCh\$ | 148,662,277 | 148,662,277 |
| Initial revaluation adjustment of Investment property under IFRS ^e | ThCh\$ | 454,824,534 | 454,824,534 |
| Deferred tax due to initial revaluation of Investment Property ^f | ThCh\$ | 122,799,513 | 122,799,513 |
| Percentage variation UF ^g | ThCh\$ | 1.26% | 0.04% |
| Indexation of Investment Property in Chile _{i-1} | ThCh\$ | 17,244,843 | 545,785 |
| Indexation of Investment Property in Chile _{i-1} | Th UF | 593 | 19 |
| Adjustment for Investment Properties outside of Chile _{i-1} | Th UF | (910) | 39 |
| Financial Borrowing Limit _{i-1} | Th UF | 120,559 | 123,532 |
| Financial Borrowing Limit _i | Th UF | 119,169 | 120,559 |

^a Investment property in Chile, net of accumulated depreciation.

^b Associated with investment property in Chile

^c For investment property as of December 31, 2009

^d Associated with the initial revaluation adjustment under IFRS of investment properties as of December 31, 2009. Represents 17% of the initial revaluation adjustment under IFRS

^e For investment property as of December 31, 2016 under IFRS

^f Associated with the revaluation adjustment for investment property as of December 31, 2016 under the re-adoption of IFRS Represents 27% of the revaluation adjustment under the re-adoption of IFRS

^g Percent variation between the values of UF_i and UF_{i-1}.

As of December 31, 2020, the Financial Borrowing Limit was ThUF 119,169 according to the current bond contracts. Whereas, Financial Borrowing as of December 31, 2020 was ThUF 40,928.

Note 40 - Main Financial Covenants (continued)

Plaza S.A. (continued)

Essential assets

A leasable area of five hundred thousand square meters in Chile (three hundred thousand square meters for the 980 line), which are directly owned by the Issuer or owned through Subsidiaries or Associates, or with respect to which the Issuer or any of its Subsidiaries or Associates are concessionaires through a concession contract with a term equal or greater than the term of the Bonds issued under the Lines. For these purposes, the leasable square meters in Chile that are owned by Subsidiaries or Associates of the Issuer, or for which they are concessionaires in accordance with the above terms, is calculated by multiplying (i) the total square meters leasable in Chile that are owned by each Subsidiary or Associate, or which they have under concession; by (ii) the percentage of the Issuer's direct or indirect interest in the respective Subsidiary or Associate.

Financial Institutions

Plaza S.A. has negotiated several loans with financial institutions as of December 31, 2020, which are associated with the following financial covenants:

| Company | Covenant | Limit | Actual as of December 31, 2020 | Actual as of September 30, 2020 |
|--|---|-----------------|--------------------------------|---------------------------------|
| Nuevos Desarrollos S.A. | Consolidated Current Liabilities + Non-current Liabilities / Total Equity | $\leq 2.00x$ | 0.89x | 0.93x |
| Patrimonio Autónomo Centro Comercial Cartagena | (EBITDA + Cash) / Debt Servicing | $\geq 1.10x$ | 1.76x | 1.33x |
| | Net Financial Debt < Borrowing Limit | MCOP 381,584 | MCOP 62,874 | MCOP 73,888 |
| Patrimonio Autónomo Centro Comercial Manizales Dos | (EBITDA + Cash) / Debt Servicing | $\geq 1.10x$ | 8.14x | 3.59x |
| | Net financial debt / Equity | $\leq 2.30x$ | 0.18x | 0.21x |

As of December 31, 2020, all the covenants in these debt contracts have been satisfied.

Banco Falabella

There are bonds issued by Banco Falabella within the banking business in Chile. These bonds have no financial covenants. Additionally, Banco Falabella has lines of credit with no financial covenants.

Businesses in Peru

As of December 31, 2020, there are approximately twenty financial safeguards that companies in the Falabella Group in Peru (Falabella Peru, Inverfal Peru, SAGA Falabella, Hipermercados Tottus, Tiendas de Mejoramiento del Hogar, Open Plaza and Mall Plaza Peru) must comply with and disclose to their respective creditors (banks and bondholder representatives) every quarter.

Note 40 - Main Financial Covenants (continued)

Businesses in Peru (continued)

Financial safeguards that apply to Peruvian companies can be grouped into three categories, which are debt ratios, solvency ratios and guarantee ratios. The most restrictive covenants are detailed as follows:

| Company | Covenant | Limit | Actual as of December 31, 2020 | Actual as of September 30, 2020 |
|---------------------------|--|--------------|-----------------------------------|------------------------------------|
| Falabella Perú S.A.A | Financial Debt excluding the Banking Business / Equity | $\leq 1.30x$ | 0.15x | 0.22x |
| Inverfal Perú S.A.A | Net financial debt excluding the Banking Business / Equity | $\leq 1.30x$ | 0.09x | 0.30x |
| SAGA Falabella S.A. | Total liabilities / Equity | $\leq 3.00x$ | 1.57x | 2.24x |
| SAGA Falabella S.A. | Financial Debt - Cash / Equity | $\leq 1.30x$ | 0.38x | 0.91x |
| Hipermercados Tottus S.A. | Total liabilities / Equity | $\leq 2.50x$ | 1.21x | 1.32x |
| Open Plaza S.A.C. | EBITDA / Debt Servicing (last 12 m) | $\geq 1.20x$ | 2.68x | 3.34x |
| Open Plaza S.A.C. | Ceded Flows / Debt Servicing (next 12 months) | $\geq 1.30x$ | 3.72x | 3.87x |
| Mall Plaza Perú S.A. | EBITDA / Debt Servicing | $> 1.20x$ | (a) | 1.74x |
| Mall Plaza Perú S.A. | Financial debt / Equity | $< 2.00x$ | 0.59x | 0.57x |
| Mall Plaza Perú S.A. | Financial Debt / Fixed Assets | $< 0.75x$ | 0.33x | 0.34x |
| Mall Plaza Perú S.A. | FC/ Installments not yet due (CAY) | $\geq 1.60x$ | 8.77x | 1.79x |

^(a) Mall Plaza Perú S.A. requested that this covenant be waived for 2020, which was accepted by the financial institution.

Note 41 - Business Combinations

On August 5, 2020, the subsidiary Plaza S.A., through its subsidiary Fondo de Capital Privado Mallplaza Compartimento Uno, signed the documents to acquire 66,000 m2 of leasable area within the Calima Shopping Center (currently Mallplaza NQS) in Bogotá, Colombia, which has a total leasable area of 93,000 m2.

On September 23, 2020, all the procedures, formalities and registrations required for this acquisition were completed, and through its subsidiary in Colombia, Mallplaza acquired majority ownership, control and management of this shopping center.

This acquisition totaled 485 billion Colombian pesos, equivalent to approximately US\$ 128 million.

The Calima shopping center is located in the heart of Bogotá. It is an area with tremendous potential for financial and commercial development and it is connected to the city's main access roads and public transport. This is Mallplaza's fourth urban center in Colombia and gives Plaza S.A. 190,000 m2 of leasable area in Colombia when combined with its urban centers in Barranquilla, Cartagena and Manizales.

This shopping center includes a home improvement store Homecenter Sodimac, a Cinépolis cinema complex, Éxito hypermarket, leading retail brands, gastronomic outlets, entertainment and a building containing 11 floors of offices. Furthermore, the opening of the first Swedish IKEA store in Colombia is considered for 2023.

Expenses related to the acquisition have been recorded as Administrative Expenses in the statement of income of the Company.

According to the guidelines established by IFRS 3 "Business Combinations", the assets and liabilities of the Calima shopping center have been valued at fair value.

The price and the fair values of the assets and liabilities as of the acquisition date are detailed as follows:

| | ThCh\$ |
|--|-------------------|
| Acquisition price (A) | 18,421,834 |
| Acquired assets and liabilities | |
| Total current assets | 89,952 |
| Investment properties | 70,746,361 |
| Total Assets | 70,836,313 |
| Bank loans | 51,402,637 |
| Total other liabilities | 100,406 |
| Total Liabilities | 51,503,043 |
| Total Net Assets Acquired (B) | 19,333,270 |
| Goodwill on acquisition (A) - (B) | (911,436) |

Note 42 - COVID - 19

The pandemic caused by the COVID-19 virus ("Coronavirus") outbreak, which began in early 2020 and is still ongoing as of the date of these financial statements, has significantly affected and will continue to significantly affect our activities, operations, sales, margins, revenues, costs and results, and the economic, commercial, business and financial activities in every country and market where we and our suppliers and customers do business. These effects have been and will continue either due to the direct impact of the Coronavirus pandemic or by the measures that States have implemented to combat it, such as restrictions on the movement, gathering, proximity and agglomeration of people; closing borders or increased border controls, restrictions to the free transit of goods and sanitary frontiers; closing or establishment of restrictions on the operation of commercial centers, commercial establishments, schools, universities and restaurants; and total or partial quarantines and curfews; and other measures. The extent, scope, duration and effects of the Coronavirus pandemic and the governmental containment measures are beyond our control. These measures could increase as the Coronavirus pandemic develops.

The Company has adopted all the measures it has considered necessary to secure the operational continuity of its business, subject to protecting the health and safety of its employees and customers, and complying with the measures required by the relevant authorities to contain the Coronavirus. Therefore, the Company has implemented working protocols that reduce the risks of infection for our employees and customers, which include measures, such as: (i) incremental prophylaxis safeguards in our facilities, assets and processes; (ii) establishment of work teams that do not physically have contact with each other; (iii) remote working by shifts for those activities that can be performed remotely; (iv) absolute remote working for our vulnerable employees at higher risk of Coronavirus infection, whether such risk factors affect them directly or their immediate circle; (v) continual publication of self-care measures; and, (vi) protocols that apply to any employee with a confirmed infection. Despite our dedication, all these measures may result in inefficiencies, increased costs or delays in our processes compared to our performance before the Coronavirus pandemic. These measures aim to contain the Coronavirus and its impacts, but we cannot guarantee their effectiveness. Any developments in Coronavirus pandemic could result in increases in the intensity or extent of our measures in the future.

The Coronavirus pandemic has impacted our activities, operations, sales, margins, revenues, costs and results. We have also seen an increase in the demand for our products and services using digital channels. This phenomenon could increase in the future in response to continued governmental restrictions, or as may be advisable for the control of the Coronavirus pandemic; or due to permanent changes in the preferences of customers regarding how they choose to purchase our products and services as a result of the pandemic. Leveraging the logistical, systemic and digital capabilities that the Company has been developing in recent years in all its business units and countries has enabled it to appropriately address this incremental demand for its products and services using digital channels, which to date has been caused to a lesser extent by the restrictions imposed to contain the Coronavirus pandemic. However, as of the date these financial statements were issued, we cannot forecast whether any future governmental measures or measures that the Company deems necessary will severely impact the business or our digital services.

Note 42 - COVID - 19 (continued)

Some of the Company's stores were suspended from the second half of March 2020, in compliance with governmental or other measures required by the Company. As of December 31, 2020, only 2 of our 112 department stores were still suspended. Our shopping centers reopened on a limited basis, as permitted by governmental authorities in each country. Banking, insurance and credit card businesses were also affected during 2020, due to the temporary closure of stores and shopping centers reopening on a limited basis. Our e-commerce and Marketplace business units continued with less disruption, but with higher demand and incremental costs in most of their markets.

The Company is monitoring the development of the Coronavirus pandemic and it is evaluating and developing complementary action plans that minimize its impact on its businesses and financial situation. The financial and operational effects of the Coronavirus pandemic on Falabella can not yet be quantified, as these events are still unfolding and their effects will depend on many factors that are still unknown at this time. Some of these factors are within Falabella's control, such as strengthening our online customer services and sales methods for our commercial and financial services; and other factors are beyond our control, such as the effectiveness and coordination of governmental measures aimed at containing the Coronavirus outbreak, and citizen response and collaboration.

Note 43 - Subsequent Events

The consolidated financial statements of Falabella S.A. and subsidiaries as of December 31, 2020, have been approved by the Board of Directors at a meeting held on February 23, 2021, which was attended by the following Directors and the CEO:

- Carlo Solari Donaggio, Chairman
- Juan Carlos Cortés Solari, Vice-Chairman
- Jose Luis del Río Goudie, Director
- Sergio Cardone Solari, Director
- Hernan Büchi Buc, Director
- Felipe del Río Goudie, Director
- Cecilia Karlezi Solari, Director
- Paola Cuneo Queirolo, Director
- Carlos Alberto Heller Solari, Director
- Gaston Bottazzini, CEO

Between December 31, 2020, and the date these financial statements were issued, the Board is not aware of any other events of a financial or other nature that might significantly affect them or their interpretation.



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