

Falabella will invest US\$ 796 million in 2021 in technology, logistics and stores to consolidate its physical and digital ecosystem

- 56% will be allocated to investments in technology and logistics, to transform falabella.com into its single platform for e-commerce and marketplace, strengthen its logistics capabilities, and continue to develop its digital applications.
- The remaining 44% will be allocated mainly to the development of IKEA in the region, and the expansion of Tottus in Peru and Sodimac in Mexico with a total of 19 store openings for 2021.

Santiago, January 6th of 2021.- Falabella announced its investment plan for 2021 for US\$ 796 million. The largest share of the investments will be allocated to scale up its technological capabilities to allow falabella.com to become its single e-commerce and marketplace platform to lead the regional commerce. Its logistics capabilities will also be strengthened to sustain the accelerated growth of its online sales, improve the experience of its customers with digital and personalized solutions, and increase the operational efficiency of the company.

Gaston Bottazzini, CEO of Falabella, highlighted that “at Falabella we seek to simplify the lives of our customers and transform their shopping experiences. The plan presented focuses on accelerating the creation of falabella.com, as a single platform to consolidate traffic and assortment, along with the development of new and better functionalities in our retail and financial apps, especially those that simplify the shopping experience at the store. The deployment of more and better services for Marketplace sellers is also an important focus of our investment and growth ”.

Investments in technology will improve the experience of both customers and sellers under the integrated falabella.com platform. Also, FPay will continue to consolidate itself as a digital payment platform with financial services for both customers and sellers, and expanding its operation in Peru and Colombia.

Additionally, technological projects will be developed to enhance home delivery logistics focused on shortening delivery times to 48 hours, meeting customer requirements in an accelerated manner, and increasing visibility and tracking in the last mile. These resources will also strengthen the company's logistics capabilities, such as:

- Creation of Home Delivery Unit, an integrated logistics unit consolidating all operations related to home delivery logistics.
- Increase the order processing and packaging capacity of the existing distribution centers in Chile, Peru and Colombia.
- Scaling up third-party product fulfillment capabilities (warehousing, packaging and delivery services).
- Integration of logistics assets to unify the logistics of home delivery (new transfer centers)
- Enhancement of Fazil, the on-demand delivery application, in Chile and Peru, which together with distributing the Tottus offer will incorporate products from the Falabella Retail, Sodimac units and also from third party sellers.

Investments in technology and logistics for 2021 total US\$ 443 million, from which US\$ 303 million will be allocated to technology and US\$ 140 million to logistic.

Investments in physical stores

44% of the remaining investments will be used, mainly, to develop IKEA in Chile, Peru and Colombia, and to expand the regional physical network of all its business units.

US\$ 110 million of the investments announced for 2021 will be used for the multi-year store opening plan, that contemplates 19 stores openings in the region for 2021; including opening 7 Tottus and Hiperbodegas supermarkets in Peru, the second largest player in the market in that country, 4 Tottus in Chile; the opening of 3 new Sodimac stores in Mexico and 4 across the region; and 1 Falabella Retail in Peru.

Also, during 2021, US\$ 243 million will be invested in optimizing the network of existing stores and shopping centers, through renovations and remodeling that will enhance the integration of the digital proposal with the physical shopping experience, accelerating the development of the store of the future. A large share of the estimated amount for 2021 will focus on shopping center remodeling for IKEA openings in 2022 and home improvement in the region.

Bottazzini concludes: "The investments that we will make in our e-commerce platform, seller center, and payments are the main focus to generate the future growth of the company. These are complemented by improvements in logistics and the re-adaptation of the network of stores and shopping centers that will generate truly omnichannel shopping experiences."

Investment horizon

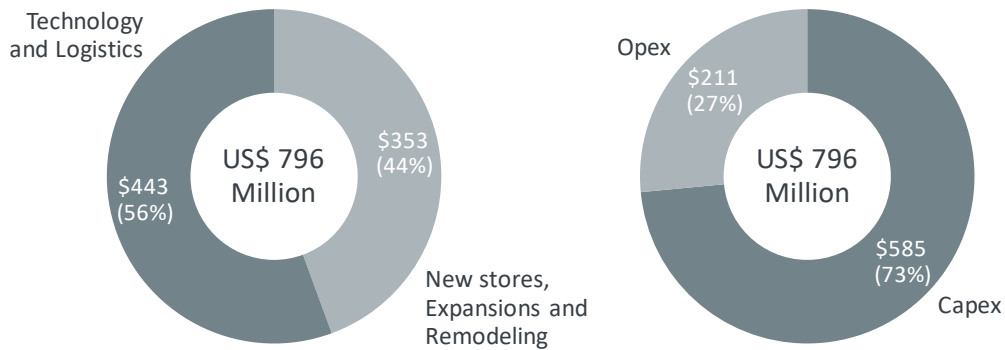
The competitive environment and the speed of change we face, require greater flexibility when investing. For this reason, Falabella separated its investment plan into two categories:

- *For investments in physical stores and shopping centers, both new and remodeled, the investment plan for the period 2021 to 2023 is presented. This corresponds to an investment of US\$ 353 million for the year 2021 and US\$ 1,060 million, in total, for the period 2021-2023.*
- *For investments in technology and logistics, disclosure is only for the year 2021. Because the company's technological development is strongly focused on the development of applications and short-term technological solutions, aside from world-class software implementations of long use that are registered as assets and amortized over time (Capex), from now on, not only the estimated investments in capex will be disclosed, but also in opex (operating expenses that are recognized as SG&A in the period executed will be reported), in order to show the complete investment in that item. The total investment for the year 2021 in technology and logistics corresponds to US\$ 443 million, of which US\$ 211 million are Opex and US\$ 232 million are Capex.*

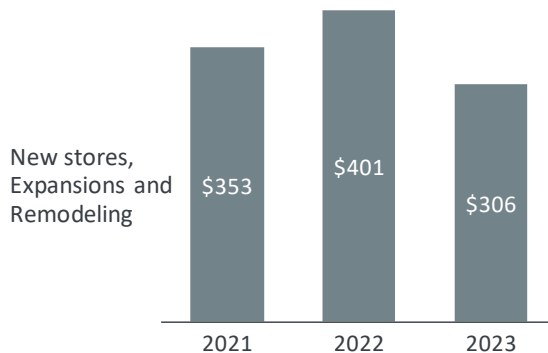
About Falabella

Falabella is the leading omnichannel retailer in Latin America, with presence in 7 countries and sales of US\$ 11,524 million (last twelve months (LTM) to 3Q-2020). It operates department stores, home improvement stores, and supermarkets, through 516 physical stores in the region and e-commerce portals with sales of US\$ 2,568 million (LTM, as of 3Q-2020). It has shopping centers in Chile, Colombia and Peru. Falabella also develops a financial services business, with a total loan portfolio of US\$ 5,921 million (at the end of 3Q-2020). Through its physical-digital ecosystem, Falabella serves 30 million customers in the region.

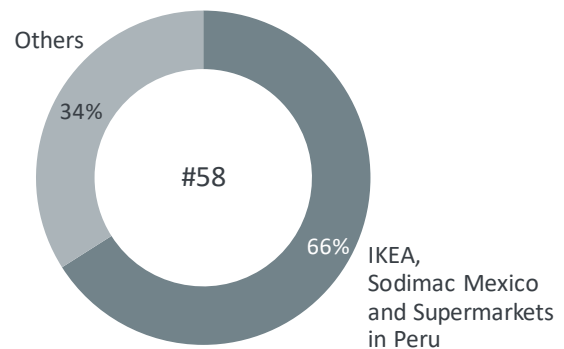
Investment plan for 2021 – US\$ Million



Investment in physical assets – US\$ Million



Store openings for 2021-2023



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

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