

Falabella will invest US\$711 million in technology, logistics and stores during 2022, to strengthen its physical and digital ecosystem

- It will invest 60% of this sum on technology and logistics to strengthen the value proposition of its website “falabella.com” and expand in Peru and Colombia.
- The remaining 40% will be mainly invested in expanding the store network, with a particular focus on IKEA in Chile and Colombia, Sodimac in Mexico and Brazil, and Tottus in Peru.

Santiago, January 11, 2022. Falabella announces its US\$711 million investment plan for 2022. A significant proportion will be invested in launching falabella.com's integrated platform in Peru and Colombia, together with strengthening its technological capabilities, in order to improve the value proposition of this e-commerce platform. It will continue to invest in logistics with the aim of increasing the order processing capacity within its existing infrastructure mainly in Chile, Peru and Colombia.

Falabella's CEO, Gaston Bottazzini, mentioned that "we are progressing with our digital transformation, and we want to build falabella.com into the leading e-commerce platform in the Andean region, which will simplify the shopping experience of our 35 million customers in the region and give them more time to enjoy their lives. The investment plan will continue to strengthen our main growth engines. It will continue to develop our integrated e-commerce platform, which will drive online sales growth for our retailers and marketplace sellers. It will also continue to transform Banco Falabella into a fully digital bank.

Investments in technology and logistics are particularly focused on leveraging physical assets within the ecosystem, with the aim of strengthening the omni-channel experience for customers and sellers through the following universal initiatives:

- Continuously improve e-commerce platforms, to continually add new product categories
- Expand App functionality to optimize the in-store shopping experience, by focusing on the complete customer journey from an omni-channel perspective
- Strengthen digital banking platforms and focus on positioning the Banco Falabella App as the main customer service channel
- Strengthen Fpay, by expanding its functionalities as the payment processor for the integrated e-commerce platform, and implementing new use cases such as a digital wallet

Furthermore, technological projects will strengthen home delivery logistics and focus on reducing delivery times, quickly responding to customer requirements, and increasing last mile visibility and traceability. The following initiatives will strengthen the company's logistics capabilities:

- Increase the order processing and packing capacity of existing distribution centers in Chile, Peru and Colombia.
- Expand third-party product processing capabilities, covering warehousing, packaging and delivery services.
- Improve on-demand delivery and expand assortment, in order to expand the capabilities and products available to Marketplace sellers

Investments in technology and logistics during 2022 will total US\$418 million, split into US\$308 million in technology and US\$110 million in logistics.

Investments in physical stores

The remaining 40% will be mainly invested in developing IKEA in Chile and Colombia, Home Improvement in Mexico and Brazil, expanding Tottus in Peru, and improving and remodeling the regional store network.

US\$135 million of the 2022 investment plan will be invested in the multi-year store opening plan, which expects to open 19 stores in the region during 2022. These comprise four Tottus and Hiperbodega supermarkets in Peru, which is the second largest player in the Peruvian market; one Tottus in Chile; four Sodimac stores in Mexico and seven in the rest of the region; two IKEA stores in Chile and one Falabella Retail store in Colombia.

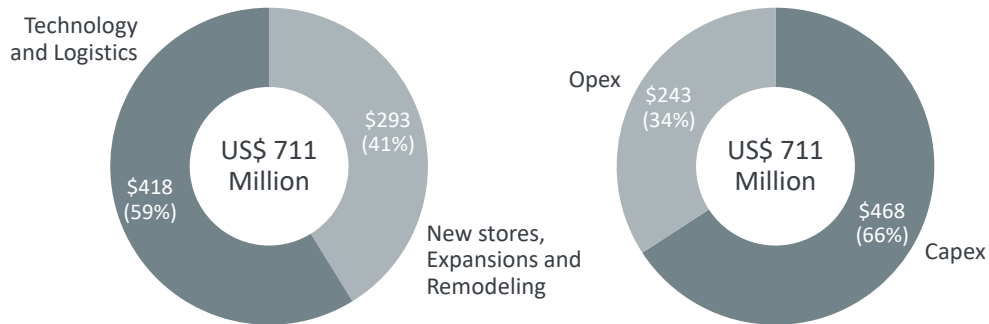
Mr. Bottazzini added that: "We continue to achieve progress with our selective store opening plan, which focuses on businesses and markets with clear growth opportunities. We remain committed to our Home Improvement expansion plan in Mexico and are very satisfied with the performance of the nine stores already operating there. We are also excited about the prospects for Home Improvement in Brazil, where we plan to open eight stores that add to the existing 53 store network, as a result of their good business performance."

US\$158 million will be invested in innovations and optimizing the existing store and shopping center network during 2022, through renovations and remodeling that will improve the integration of our digital proposal with the physical shopping experience, while accelerating the development of a store for the future that focuses on:

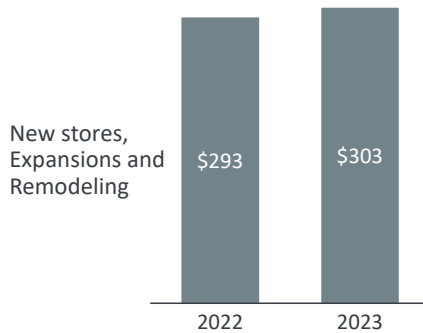
- Optimizing existing sales areas to improve "showrooming" for our own and third-party products
- Increasing our self-service capabilities by leveraging our Apps' ability to seek and discover products and streamline the payment process
- Strengthening the store's logistics role, to support our "Click&Collect" deliveries, improve the returns and exchange experience, and expand our "ship from store" capabilities

Mr. Bottazzini concluded "To summarize, our investment plan aims to strengthen our physical-digital ecosystem, with a clear focus on increasing digital customer interaction, in order to generate long-term customer relationships leveraging on our e-commerce and digital banking proposals"

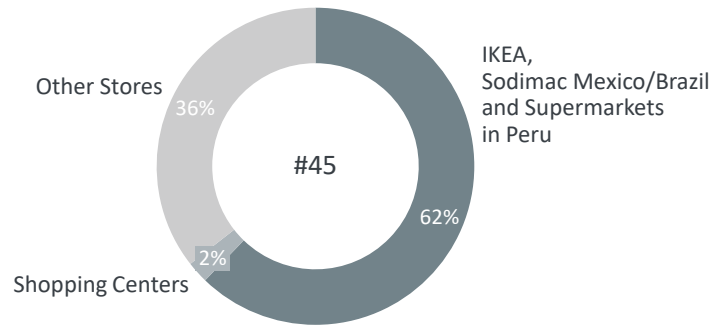
Investment plan for 2022 – US\$ Million



Investment in physical assets – US\$ Million



Store openings for 2022-2023



The investment horizon

Investments require tremendous flexibility, due to the competitive environment and the speed of change. Therefore, Falabella has separated its investment plan into two categories:

- The investment plan in new and remodeled physical stores and shopping centers is reported for 2022 to 2023, and last year's forecast has been updated. This indicates an investment of US\$293 million for 2022 and US\$303 million for 2023.
- The investment plan in technology and logistics is only reported for 2022. Implementing world class software with a long term horizon requires capitalizing and amortizing these investments over time (classified as Capex). However, the company's technological developments are focused on developing Apps and technological solutions with a short duration (Opex). We fully report our investments by reporting not only Capex investments, but also Opex investments, which are classified as operating expenditure and expensed during the period. Total investment in technology and logistics for 2022 is US\$418 million, where US\$243 million is classified as Opex and US\$175 million as Capex.

About Falabella

Falabella is the leading omni-channel retailer in Latin America, with sales in 7 countries and revenue of US\$ 13,566 million over the last 12 months to September 30, 2021. It operates department stores, home improvement stores and supermarkets at 508 physical stores in the region and e-commerce portals (GMV) with sales of US\$ 3,482 million over the last 12 months to September 30, 2021. It has 46 shopping centers in Chile, Colombia and Peru. Falabella also has a financial services business, with a total gross loan portfolio of US\$ 6,137 million as of September 30, 2021. Falabella serves 35 million customers in the region through its physical-digital ecosystem.