

FREE TRANSLATION

FALABELLA S.A.
Open-ended Corporation
Securities Register Entry No. 582

INFORMATION ON THE OPTIONAL REGIME OF SUBSTITUTE TAXATION OF FINAL TAXES

Falabella S.A. (hereinafter, indistinctly, "Falabella" or the "Company"), in connection with the distribution and payment of the dividend that it will submit for the approval and decision of the Annual Shareholders' Meeting to be held on April 19, 2022 (the "Annual Meeting"), makes available to its shareholders a procedure whereby they may elect to pay the substitute tax for final taxes, with respect to the profits accumulated in the Company's taxable profits fund ("ISFUT"), as established in provisional Article 25 of Law No. 21,210 and the instructions issued for this purpose by the Chilean Internal Revenue Service (the "SII"). This optional regime is in force until the last business day of April 2022, with respect to the balance of accumulated earnings pending taxation as of December 31, 2021, and recorded in the Company's FUT registry as of December 31, 2016.

For such purposes, Falabella hereby advises its shareholders of the following in relation to the ISFUT regime and the procedure for applying for it:

1. In accordance with the criterion held by the SII in various rulings, the Company's shareholders may opt to pay the ISFUT, at a fixed rate of 30%, on the accumulated earnings in Falabella's FUT registry to which they are entitled. As a deduction against the ISFUT determined, the credit for the first category tax paid by the Company on the profits under this regime will be deducted.
2. Once the ISFUT has been paid, it is understood that the earnings under this regime have fully complied with their final taxation, that is, with the personal income tax or additional tax, as applicable, and may be withdrawn or distributed at the time deemed appropriate, without being subject to the attribution rules established by the Income Tax Law (*Ley sobre Impuesto a la Renta* ("LIR")).
3. In view of its nature as a substitute tax for final taxes, the ISFUT paid by the Company is charged to the earnings under this regime. Therefore, the shareholders who choose to pay ISFUT will do so against the earnings to which they are entitled, so that the corresponding balance is subsequently distributed to them, after deducting the amount equivalent to the tax borne.

On the other hand, the Company's shareholders who decide not to pay the ISFUT will receive the earnings to which they are entitled in full, without any discount, subject to the general rules of taxation and following the general orders of imputation established in the LIR.

4. Considering the above, Falabella's shareholders may instruct Falabella to pay ISFUT on all or part of the dividend to which they are entitled, according to the number of shares registered in their name as of April 22, 2022, authorizing the Company to charge such payment to the dividend to

be distributed, and to withhold from it a percentage equivalent to the amount of tax paid on the profits subject to this regime.

For purposes of the declaration and payment of ISFUT, Falabella has determined an effective first category tax credit rate (or “TEF”) of 0.229372, which will be assigned to taxable income under this regime. The percentage to be withheld from the dividend to be paid to such shareholders for ISFUT is 13.94396%.

In order to exercise the option, shareholders who wish to take advantage of the ISFUT payment, must send the Company the form titled “*Instructions for Payment of Final Tax Substitute Tax*”, before 2:00 p.m. on April 26, 2022. This form is available to shareholders as of April 4, 2022 on the Company’s website <https://investors.falabella.com>, from where it may be downloaded, and must be sent to the Company in accordance with the instructions contained therein.

Note: shareholders who hold their shares in the custody of a broker (or through a custodian bank), should ask them to send the Company the ISFUT Payment Instruction Form, according to the instructions contained in the same form.

5. Shareholders who decide not to apply for the ISFUT and instruct the Company to do so, or who, upon expiration of the term indicated in number 4 above, have not sent the instructions, shall receive the dividend for the total amount as agreed at the Annual Meeting, and shall be subject to the general taxation regime of the LIR.
6. In any case, Falabella informs that the dividend payment date to be proposed at the Annual Meeting is April 28, 2022, regardless of whether or not the shareholder chooses to opt for the payment of the ISFUT.

THIS INFORMATION, TOGETHER WITH THE AFOREMENTIONED INSTRUCTIONS, HAS BEEN PUBLISHED ON THE FOLLOWING WEBSITE: <https://investors.falabella.com>

FALABELLA DOES NOT ISSUE ANY OPINION REGARDING THE CONVENIENCE OF OPTING FOR A PARTICULAR TAX TREATMENT WITH RESPECT TO THE MATTERS COVERED IN THIS DOCUMENT, AND THEREFORE IS NOT RESPONSIBLE FOR THE DECISION THAT THE SHAREHOLDER ADOPTS IN THIS REGARD.