



## RIPLEY CORP FOURTH QUARTER 2021 RESULTS REPORT

The results show that we have had the best quarter in Ripley's history and reflect the success of our strategy and the speed with which we managed to transform ourselves into a more agile and innovative company. We have consolidated a solid omnichannel proposal, focusing on improving people's quality of life, but we still have many opportunities for improvement. We are confident that the new features and products that we will launch in 2022 will allow us to continue improving our customers' experience and consolidating our omnichannel strategy. We have made progress in having the conditions for the development of a 100% digital bank, making efforts to offer a digital checking account that is valued by our customers. In addition, in 2022 we will incorporate a credit card in Chek and we will have new products and services that allow us to reach new customers with an interesting and innovative proposal," said Lázaro Calderon, Corporate CEO.

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- During 2021, revenues from the retail segment in Chile showed an increase of 72.4% compared to 2020. At a consolidated level, retail revenues grew 59.1% year-on-year, registering a figure of \$1,744,913 million, a new historical record for Ripley. The foregoing, driven by the strong recovery in sales of physical channels during the second half of the year and the sustained growth of our digital channels.
- Our digital channels continue to grow strongly and steadily, which allowed our e-commerce platform in the retail segment to reach a GMV of \$843,180 million during 2021, an increase of 34.6% compared to 2020. Online penetration is consolidated by 39.5% during 2021, a growth of 21.7 pp compared to the levels registered in 2019 (pre-pandemic). As part of our strategy to strengthen the ecommerce channel, we have launched Ripley Pets, becoming the first retailer with a category completely focused on pets in our marketplace and which has the largest assortment in the market.
- We continue to strengthen our digitalization proposal for Banco Ripley, closing the year with 85.3% of customers served through our digital channels. During 2021 we developed the technology to launch our first checking account, which will be 100% digital, and which is already available in all our channels. Additionally, during the year, 33.7% of our placements were through our digital channels, doubling compared to 2020. All of the above has allowed us to resume the growth of our loan portfolio in Chile, reaching a growth of 14.5% compared to the previous year, closing the year with the best risk indicators in the bank's history.
- We have strengthened our digital tools and functionality in order to optimize the in-store shopping experience. To date, 67% of our stores in Chile have self-service checkouts. The foregoing, added to the implementation of our new Scan & Go payment method, has allowed us to self-manage 18% of all store transactions during December 2021.

- Additionally, our logistics infrastructure has allowed us to improve our delivery commitment. During the fourth quarter, more than 2.7 million orders were dispatched, of which 38.3% were delivered in less than 48 hours, where more than 40% of these were dispatched in less than 24 hours. As a result, in Chile we continue to maintain the lowest rate of complaints at the level of large retailers.
- During the year we have managed to strengthen the financial position of the company, after reducing our net financial debt of the non-banking segment by \$60,915 million. The foregoing, driven by the improvement in operating cash flow that reached \$168,242 million, because of the strong recovery in sales and the improvement of our margins, which allowed us to reduce financial liabilities by almost \$120 billion during the year.

### Consolidated Income Statement<sup>1</sup>

CONSOLIDATED RIPLEY CORP (amounts in MMCLP)		Quarterly	
	4Q21	4Q20	Var %
Revenues from ordinary activities	677.722	554.106	22,3%
Cost of sales	(440.678)	(373.029)	18,1%
Gross Profit	237.044	181.077	30,9%
SG&A expenses	(169.795)	(159.718)	6,3%
EBIT	67.249	21.359	214,9%
Other income (losses)	381	28.088	(98,6%)
Net financial cost	(8.726)	(10.670)	(18,2%)
Share of post-tax profits of associates	3.643	(15.835)	123,0%
Exchange difference & results per adjustment units	(1.168)	(64)	(1713,9%)
Income/loss before taxes	61.378	22.878	168,3%
Income tax expense	(12.663)	(25.188)	(49,7%)
Income (loss) from continued operations	48.716	(2.310)	2208,8%
Income (loss) from discontinued operations	0	0	NA
Non-controlling interest	31,002	9,106	240,5%
<b>Controlling interest Net Income</b>	<b>48.685</b>	<b>(2.319)</b>	<b>2199,2%</b>
Depreciation and amortization	(16.759)	(16.769)	(0,1%)
EBITDA	84.007	38.128	120,3%

CONSOLIDATED RIPLEY CORP (amounts in MMCLP)		Accumulated	
	2021	2020	Var %
Revenues from ordinary activities	2.062.196	1.498.667	37,6%
Cost of sales	(1.371.585)	(1.040.873)	31,8%
Gross Profit	690.611	457.794	50,9%
SG&A expenses	(556.676)	(507.202)	9,8%
EBIT	133.935	(49.408)	371,1%
Other income (losses)	9.071	28.390	(68,0%)
Net financial cost	(40.354)	(40.295)	0,1%
Share of post-tax profits of associates	6.989	(17.285)	140,4%
Exchange difference & results per adjustment units	(12.460)	(6.526)	(90,9%)
Income/loss before taxes	97.181	(85.124)	214,2%
Income tax expense	(18.589)	1.721	(1179,8%)
Income (loss) from continued operations	78.592	(83.403)	194,2%
Income (loss) from discontinued operations	0	0	NA
Non-controlling interest	25	75	(66,7%)
<b>Controlling interest Net Income</b>	<b>78.567</b>	<b>(83.477)</b>	<b>194,1%</b>
Depreciation and amortization	(65.301)	(67.320)	(3,0%)
EBITDA	199.236	17.911	1012,4%

<sup>1</sup> On the annexes section the impact of the IFRS16 addition is presented.

## 1. 4Q21 Results

- In the fourth quarter of 2021, Ripley Corp reached total revenues of \$677,722 million, representing an increase of 22.3% compared to the same period last year. The higher revenue is mainly explained by the 30.9% growth in revenue from the Chilean retail segment compared to 4Q20, due to the continued dynamism of consumption.
- Our Ripley.com platform continues to grow, reaching a GMV of \$212,868 million during the quarter, 13.6% higher than the same period of the previous year. For its part, online penetration is consolidated at 29.9% of sales in the fourth quarter, a growth of 10.2 p.p compared to the levels registered in 4Q19 (pre-pandemic).
- Gross profit registered a growth of 30.9% compared to 4Q20, reaching \$237,044 million, equivalent to a gross margin of 35.0%, returning to pre-pandemic levels. The foregoing was driven by a recovery of margins in the retail segment due to a greater participation of soft drinks in the sales mix, after a total opening of physical stores, and less promotional activity.
- The expense ratio continues at historically low levels, which stood at 25.1%, 13.1 p.p. lower than that registered in 4Q20. This result reflects the automation, self-service, and process improvement initiatives that we have been implementing across our company.
- Operating income reached \$67,249 million, equivalent to a historical margin of 9.9%, increasing by \$45,890 million compared to that registered in 4Q20. This better result is mainly explained by the retail segment, which increased by \$46,194 million compared to 4Q20. The operating margin of the retail segment in Chile reached 12.3%, an improvement of 650 bps compared to 4Q20.
- EBITDA<sup>2</sup> or the quarter reached \$84,007 million, increasing by \$45,880 million, or 120.3% compared to 4Q20. The EBITDA margin was 12.4%, the highest in history. For its part, the non-operating result reached a loss of Ch\$5,870 million, mainly explained by net financial costs of Ch\$8,726 million, partially offset by a gain of Ch\$3,643 in participation in associates.
- With all the above, profit in the fourth quarter reached \$48,716 million, compared to the loss of \$2,310<sup>3</sup> million reached in 4Q20.

## 2. 2021's Results

- As mobility restrictions eased, the Chilean and Peruvian economies resumed greater dynamism in consumption. The foregoing allowed us to reverse the performance of 2020 and achieve a year with historically positive results for the Company. To face the social and economic situation, the Company focused on strengthening its omnichannel proposal, which allowed us to show resilience and adapt to the new context. These initiatives were further consolidated as our customers returned to the stores. and our physical and online channels managed to adapt to this ecosystem.
- During the year 2021, Ripley Corp's consolidated revenues reached \$2,062,196 million, which means an increase of 37.5% compared to the previous year. The retail segment showed an increase in sales of 59.1% compared to 2020, driven by the 72.4% growth of the Chile retail segment, being the best year for retail in Ripley's history.

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<sup>2</sup> EBITDA = Operational Result plus Depreciation and Amortization

- Gross profit registered a growth of 50.9% compared to the previous year, reaching Ch\$690,611 million, equivalent to a gross margin of 33.5%, an improvement of +2.9 pp versus 2020. The above, driven by a strong recovery of the gross result in the retail segment, which showed a growth of 87.2% year-on-year, reaching a gross margin of 27.3% during the 2021 period (+4.1 pp year-on-year).
- Along these same lines, consolidated EBITDA reached \$199,236 million, with a margin of 9.7%, the highest figure recorded in the company's history. For its part, the non-operating result registered a loss of \$36,754, an increase of 2.9% compared to 2020, explained by higher financial costs and losses due to readjustment units due to higher inflation.
- As a consequence of all of the above, the net profit for the year reached \$78,592 million, reversing the losses of \$83,403 million registered during 2020.

### 3. Recent facts

- **Launch of products and services to complete the personal banking value proposition**

In line with the development of its digitization strategy, in 2021 the bank developed the technology to launch its first current account, which will be 100% digital and will be available in March through its application. This will allow it to move forward in capturing new customer segments and will be complemented by existing products, such as sight accounts, Banco Ripley Mastercard, debit cards, consumer loans and its fintech, Chek.

- **Ripley Pets, the new category of our marketplace totally focused on pets**

Ripley.com launched a new platform entirely focused on pets. Ripley Pets is committed to offering the consumer the most complete category in specialized products for pets. Ripley Pets will work through our marketplace, which will bring together more than 100 sellers, making more than 6,000 products and services available. In this way, we became the first retailer with a section totally focused on these members of the household, who increasingly have more and better implements or treatments that provide a better quality of life.

- **Launching of the fulfillment service for sellers**

With the aim of providing a better shopping experience to marketplace customers and further strengthening the relationship with our sellers, as of October 2021, the implementation of the new fulfillment service by Ripley began. With this service, sellers will be able to access our infrastructure and logistics processes, improving their level of service with the client. This new service is in line with the commitment to strengthen the marketplace ecosystem and scale the online business

- **Banco Ripley closes alliance with Khipu adding a new payment alternative to customers**

As of December 6, the bank's customers can already use Khipu, the payment initiation platform, to pay their bills from the Ripley Bank mobile application quickly and at no additional cost to our customers. This alliance provides our clients with a new payment alternative, reinforcing our commitment to continue innovating in our processes in order to offer technological solutions that deliver the best 100% digital experience.

- **Advances in our ESG strategy: permanent commitment to responsible management with all our stakeholders**

We are proud to present our sustainability strategy, which embodies our commitment to people and the planet. Our social commitment is part of our identity and our history, which is why Ripley has defined 6 fundamental pillars to commit ourselves to giving the best of ourselves to promote the well-being and quality of life of people and the planet.

Transparency: We do things the right way, keeping a strong ethic management, with information security and traceability of our operations.

Our people: Thousands of collaborators are the ones that bring our value proposition to reality. We want that all of them to feel proud to be part of Ripley. We want that the decision of choosing us to be driven by wanting to grow, developing themselves professionally and fulfill their dreams.

Our products: We put our efforts in know and connect with our purchasers through an offer of products and services that meet their needs and aspirations.

Innovation: We choose to break paradigms. We promote an endeavor spirit within our teams to face our business evolution and deliver a differentiating value proposition, putting our costumers experience in the center of it all, giving guarantees that our sales are accomplished with an equally efficient and profitable management.

Social development: We aspire to be a social change agent, looking forward to impacting the places that count with our presence in the best way possible.

Planet care: Because we are aware that taking care of the planet is everybody's work, we are committed to push a circular view in our processes and products.

### **Physical operations estatus**

- During the fourth quarter of 2021, we faced fewer operational restrictions associated with the health context, which allowed us to continue providing face-to-face service to our clients in both countries. On average and at a consolidated level, 100% of our stores and 96% of bank branches served the public; while 87% of our GLA in Mall Aventura was operational.
- As of the date of publication of the report, all our stores and bank branches and 87% of our own GLA are serving the public

## **4. Business results**

### **4.1 Digital advances**

Ripley Corp	Unidad	4Q21	4Q20	Variation	
				4Q21/4Q20	4Q21/4Q19
<b>Consolidated Retail</b>					
Total Visits <sup>1</sup>	miles	222.991	229.109	-3%	56%
Total Sold Units <sup>2</sup>	miles	38.568	36.765	5%	73%
Digital Sales GMV	MMCLP	212.868	187.371	14%	299%
Sales GMV 1P	MMCLP	188.560	164.884	14%	292%
Sales GMV 3P	MMCLP	24.308	22.487	8%	357%
Shares Digital Sales	%	30%	33%	-3p.p.	+10,2p.p.
Total SKUs <sup>3</sup>	miles	2.296	1.540	49%	527%
Number of Sellers	n°	3.776	2.781	36%	184%
<b>Consolidated Bank</b>					
Digital Clients <sup>4</sup>	%	85%	78%	+7p.p.	+40p.p.
<b>Chek</b>					
Total Users	miles	1.055	578	83%	N.A.
Asociated Businesses	miles	51	13	280%	N.A.
Number of Transactions LTM	miles	753	81	833%	N.A.
TPV	MMCLP	13.704	9.028	52%	N.A.

1/ Considers quarterly visits, to the retail and banking segment

2/ Considers units sold quarterly

3/ Corresponds to total Ripley.com SKUs

4/ Digital customers / Total customers

Our omnichannel ecosystem is based on a continuous interaction of our physical and digital platforms, which goal is that our customers can have the same experience in all our streams. During 4Q2021, the lesser sanitary restrictions allowed us to have the entirety of our shops open to public, showing a strong recovery in our sales and our financial colocations of the products in those stores as well. A non-stopping search to minimize the potential frictions in every stream is required for our strategy, in this way we leverage our digital factories (Ripleytech), where more than 300 collaborators integrate different teams for the development of more agile and efficient solutions, able to adapt itself to the continuous market evolution and our purchasers needs.

The digital sales of our retail portion reach the notable share of 29,9% in terms of the total Ripley's sales. On another hand, CLP\$212.868 million on GVM were registered, reaching a 13,6% of grow compared to 4Q2020, empowered by a 15,7% amplification our digital platform Ripley.com in Chile.

Equally, throughout this quarter we accomplish a 36% increase in sellers number and 49% of growth in the SKUs based on 2020's last quarter. This allows us to keep expanding our offered services and products categories, achieving a greater meeting our customer's need.

*Chek*, our digital wallet, passed the million of users during this period, lifting this parameter in an 83% compared to the same period of the former year, witnessing more than 1,5 million of transactions through our wallet. The TPV<sup>3</sup> reached the amount of CLP\$13.704 million, evolving by 51,8% taking 4Q20 as a base.

<sup>3</sup> Total volumen of transactions materialized through Chek in our retailers and associated Business

## 4.2 Retail segment

Retail Segment (amounts in MMCLP)	Chile			Perú			Consolidated		
	4Q21	4Q20	Var %	4Q21	4Q20	Var %	4Q21	4Q20	Var %
Revenues	432.489	330.403	30,9%	152.855	140.403	8,9%	585.344	470.806	24,3%
Gross Profit	140.477	89.806	56,4%	43.117	38.135	13,1%	183.593	127.941	43,5%
SG&A expenses	(87.284)	(70.692)	23,5%	(31.517)	(38.651)	(18,5%)	(118.802)	(109.343)	8,7%
EBIT	53.192	19.114	178,3%	11.600	(516)	NA	64.792	18.598	248,4%
Non-Operational Income	(2.227)	(1.798)	23,9%	(666)	(3.528)	(81,1%)	(2.893)	(5.326)	(45,7%)
Net Income	36.054	12.992	177,5%	8.720	(4.856)	279,6%	44.774	8.136	450,4%
EBITDA	62.072	26.996	129,9%	15.803	3.645	333,5%	77.875	30.641	154,2%

Consolidated revenue from the retail segment for the fourth quarter of 2021 reached \$585,344 million, an improvement of 24.3% compared to the same period in 2020 and reaching the highest level of sales for a fourth quarter in history. This growth was achieved thanks to the recovery of sales in our physical locations, as well as the positioning of our online platform.

In Chile, gross profit reached \$140,477 million, an improvement of 56.4% compared to the same quarter of the previous year, driven by revenue growth of 30.9% year over year. The gross margin stood at 32.5%, showing an improvement of 5.3 pp, and that is explained by a mix effect associated with the recovery of the share of the soft category compared to 4Q20, added to a lower promotional activity during the month of December.

On the other hand, the results of our segments in Peru, measured in CLP, were impacted by the appreciation of the average CLP/PEN exchange rate by 3.1%, going from 211.61 during 4Q20 to 205.07 in 4Q21. Revenues in Peru grew by 10.8% in local currency compared to 4Q20, due to the greater release of capacity compared to 4Q20, added to the strengthening of our online sales channels. For its part, gross profit increased by 13.1%, reaching a margin of 28.2%, the foregoing explained by higher sales of soft within the sales mix.

The gross profit of the consolidated segment amounted to Ch\$183,593 million, which represents an increase of Ch\$55,652 million compared to 4Q20, mainly explained by the good result in Chile and, to a lesser extent, the recovery in Peru. The gross margin of the consolidated segment reaches 31.4%, +4.2 p.p versus 4Q20. On the other hand, the total GAV for the period had an increase of 6.3% compared to 4Q20, mainly due to the growth in sales. However, the efficiency ratio for 4Q21 stood at 20.3%, which represents an improvement of 2.9 p.p. compared to the level of 4Q20, because of initiatives implemented across our company.

In this way, the segment's EBITDA increased by \$47,234 million, reaching \$77,875 million, the highest amount recorded in a fourth quarter.

For its part, the non-operating result for 4Q21 presented a loss of \$2,893 million, lower than the loss of \$5,326 million recorded in 4Q20, because of the positive result of \$1,273 million due to the exchange difference for IFRS 16 lease liabilities. All this, the consolidated segment obtained a profit of \$44,774 million, higher by \$36,639 million than the profit achieved in 4Q20, being the highest amount registered during the last 6 years.

To date, all our stores in Chile and Peru are operational, which allows us to gradually recover the sales potential of our face-to-face channels. Additionally, during the last quarter, more than 2.7 million orders were shipped between Chile and Peru. In this sense, our logistics infrastructure has allowed us to improve our delivery commitment, tripling the volume of dispatches delivered in less than 48 hours. During the fourth quarter, 38% of the shipment volume was delivered in less than 48 hours, and 17% was delivered the same day or the day after the purchase was made, reflecting significant efficiencies in our delivery times. As a result, in Chile we continue to maintain the lowest rate of complaints at the level of large retailers.

### 4.3 Banking segment<sup>4</sup>

Banking Segment (amounts in MMCLP)	Chile			Perú			Consolidated		
	4Q21	4Q20	Var %	4Q21	4Q20	Var %	4Q21	4Q20	Var %
Revenues	63.580	54.604	16,4%	23.618	23.906	(1,2%)	87.198	78.510	11,1%
Gross Profit	36.026	41.602	(13,4%)	17.274	(11.920)	244,9%	53.301	29.682	79,6%
SG&A expenses	(31.614)	(31.510)	0,3%	(16.494)	(12.530)	31,6%	(48.108)	(44.040)	9,2%
EBIT	4.413	10.092	(56,3%)	780	(24.450)	103,2%	5.193	(14.357)	136,2%
Non-Operational Income	(483)	(754)	(35,9%)	(78)	(1.844)	(95,8%)	(561)	(2.598)	(78,4%)
Net Income	4.489	7.060	(36,4%)	379	(18.961)	102,0%	4.867	(11.900)	140,9%
EBITDA	6.671	12.321	(45,9%)	2.263	(23.062)	109,8%	8.934	(10.741)	183,2%

The consolidated gross loan portfolio at the end of 4Q21 reached \$1,081,083 million, a growth of 8.9% compared to the same period of the previous year, driven by a higher volume of average loans associated with the greater dynamism of the economies and the normalization of the liquidity measures implemented in both countries. Additionally, the flow of loans increased by 38.7%, reaching levels similar to those registered in the pre-pandemic, thanks to greater customer acquisition and greater use of digital channels.

Total income from the banking business increased by 11.1%, reaching Ch\$87,198 million, mainly explained by growth in Chile. On the other hand, the operating costs of the consolidated segment decreased by 30.6%, mainly due to the strong contraction in the cost of net risk in Peru, since in 4Q20 an important part of the portfolio was written off to face the macroeconomic and social scenario. In this sense, there was a 79.6% increase in gross profit for the segment, standing at \$53,301 million. The GAV of the consolidated segment increased by 9.2%, explained by an increase in technology expenses because of the digitalization of banking in Peru, ending the year with 70% of customers served through digital channels.

In Chile, the gross loan portfolio for the quarter increased by 14.5% compared to 4Q20, driven by an 18.9% growth in the healthy loan portfolio, closing the quarter with a 16.4% increase in total revenues. The segment's gross profit decreased by 13.4%, mainly due to an increase in the net cost of risk due to higher voluntary provisions recorded in response to a possible deterioration at the macroeconomic level. Despite the above, the risk indicators have improved significantly compared to 4Q20, the cost of net risk and delinquency greater than 90 days remain at historically low levels. As a result of the above, the bank reached a net profit of \$4,489 million.

On the other hand, in Peru, although the gross portfolio decreased 3.5% in CLP (8.7% drop in PEN), compared to 4Q20, when compared to 3Q21, we see a recovery of 13.4% in PEN, reflecting a positive trend change observed during the last months of the year. In this way, revenues fell 1.2% in CLP (an increase of 1.9% in PEN), due to a lower volume in the average portfolio, partially offset by a higher accrual rate. For its part, the net cost of risk decreased significantly compared to 4Q20, returning to pre-pandemic charge-off levels. The foregoing allowed the bank to achieve positive results, continuing the trend observed during 3Q21, after accumulating five consecutive quarters with losses.

With all this, the profit for the period of the consolidated banking segment was \$4,867 million, explained by the good results of the bank in Chile, and leaving behind the losses obtained in the bank in Peru in 4Q20.

### 4.4 Real Estate segment

<sup>4</sup> Financial statements based on the instructions given by Chile and Peru's bank regulator, the Commission for the Financial Market (CMF) and the Banking and Insurance Superintendence (SBS), respectively. In the Headquarters segments of each country is where the NIFF rules's settings were made, like the IFRS 9 mainly associated net risk costs (expected loss)

Real Estate Segment (amounts in MMCLP)	Chile			Perú			Consolidated		
	4Q21	4Q20	Var %	4Q21	4Q20	Var %	4Q21	4Q20	Var %
Revenues	107	92	16,1%	9.357	7.422	26,1%	9.465	7.514	26,0%
Gross Profit	107	92	16,1%	9.357	7.422	26,1%	9.465	7.514	26,0%
SG&A expenses	0	0	NA	(1.106)	(631)	75,2%	(1.106)	(631)	75,2%
EBIT	107	92	16,1%	8.251	6.791	21,5%	8.359	6.883	21,4%
Non-Operational Income	3.736	(9.832)	138,0%	(655)	24.964	(102,6%)	3.082	15.132	(79,6%)
Net Income	5.068	(30.616)	116,6%	5.330	22.386	(76,2%)	10.398	(8.229)	226,4%
EBITDA	107	92	16,1%	8.285	6.833	21,2%	8.392	6.925	21,2%

During the fourth quarter of 2021, revenues from the consolidated real estate segment increased by 26.0%, reaching \$9,465 million. Consolidated EBITDA for the quarter was \$8,392 million, 21.2% higher than that recorded during the same period in 2020, reaching an EBITDA margin of 88.7%.

In Chile, the result of this segment is related to the participation in the associated companies Inmobiliaria Mall Viña del Mar S.A., and Nuevos Desarrollos S.A. in which Ripley owns 50% and 22.5% ownership, respectively. At the end of December 2021, the investment in Nuevos Desarrollos S.A. was no longer classified as "non-current assets available for sale" and "Investment in associates and joint ventures" is once again included, including the corresponding adjustments in accordance with IAS 28. The foregoing implied recognizing a gain of Ch\$2,535 million for fair value adjustments of assets during 2021 and a loss of Ch\$4,847 million in 2020.

In Peru, the result of this segment is exclusively related to Mall Aventura S.A., a company of which Ripley fully owns. During the quarter, revenues reached \$9,357 million, an increase of 26.1% compared to the previous quarter, as a result of the higher level of opening of our shopping centers, thus boosting the sales of our tenants, and leaving behind the need for discounts. . Additionally, during the quarter we had an improvement of 5 p.p. compared to the previous quarter in our operating GLA, reaching levels of 87%.

To date, our three shopping centers are operational, with certain measures of operational restrictions and capacity.

#### 4.5 Headquarters segment

Headquarters (amounts in MMCLP)	Chile			Perú			Corporate			Consolidated		
	4Q21	4Q20	Var %	4Q21	4Q20	Var %	4Q21	4Q20	Var %	4Q21	4Q20	Var %
Revenues	(1.283)	(818)	(56,7%)	(599)	(545)	(9,9%)	(2.403)	(1.360)	(76,7%)	(4.285)	(2.724)	-57,3%
Cost of sales	(680)	7.283	(109,3%)	(6.740)	9.988	(167,5%)	2.390	1.392	71,6%	(5.030)	18.663	-127,0%
Cost of sales Retail	(4.263)	(908)	369,5%	-612	(1.359)	55,0%	2.390	1.392	71,6%	(2.485)	(875)	NA
Cost of sales Banking	3.583	8.191	(56,3%)	(6.128)	11.347	(154,0%)	0	0	NA	(2.545)	19.538	-113,0%
Interest expenses	3,8	4,2	(9,6%)	0	0	NA	0	0	NA	4	4	-9,6%
Cost net of risk	2330	7532	(69,1%)	(6.128)	11.347	(154,0%)	0	0	NA	(3.798)	18.879	-120,1%
Others	1.249	655	90,7%	0	0	NA	0	0	NA	1.249	655	90,7%
Real Estate Cost of Sales	0	0	NA	0	0	NA	0	0	NA	-	-	NA
Gross Profit	(1.963)	6.465	(130,4%)	(7.339)	9.443	(177,7%)	(14)	32	(142,4%)	(9.315)	15.940	-158,4%
SG&A expenses	(561)	(5.033)	(88,9%)	1.203	867	38,7%	(2.421)	(1.538)	57,4%	(1.779)	(5.704)	-68,8%
EBIT	(2.523)	1.431	(276,3%)	(6.136)	10.310	(159,5%)	(2.435)	(1.506)	(61,7%)	(11.095)	10.235	-208,4%
Non-operational Income	4.183	(7.310)	157,2%	338	344	(1,8%)	(10.018)	1.276	(884,8%)	(5.498)	(5.690)	-3,4%
Net Income	5.493	(993)	653,1%	(4.088)	8.640	(147,3%)	(12.729)	2.037	(724,7%)	(11.324)	9.684	(216,9%)
EBITDA	(2.235)	1.797	(224,3%)	(6.525)	11.011	(159,3%)	(2.435)	(1.506)	(61,7%)	(11.194)	11.302	(199,0%)

In the office segment, consolidation adjustments are recognized for intercompany transactions, the gaps that are generated between the regulatory provision model with respect to the IFRS9 expected loss model for the banking segment, and the contributions of the business as a whole.

During the quarter, the bank in Chile constituted additional voluntary provisions for a total of \$3,527 million as a prudential measure against a possible deterioration of the portfolio. As it is a provision not required by local regulations, IFRS9 regulations require that they be reversed, being reflected in the net risk cost of the Chilean office segment. For its part in Peru, the bank made a provision reversal for \$6,128 million, which due to consolidation adjustments are canceled in the cost line for net risk in the Peru office segment.

Also, due to fewer restrictions and higher physical sales, contributions to the business as a whole were recorded, which were recorded in cost of sales and GAV.

With all this, the EBITDA of the office segment recorded a loss of \$11,194 million.

## 5. Main indicators

RETAIL BUSINESS	Unit	2020	2021			
		4Q	1Q	2Q	3Q	4T
<b>RETAIL CHILE</b>						
Variation in Retail Sales	%	44,8%	45,5%	252,7%	90,7%	30,9%
Variation in Retail Sales LTM	%	(5,0%)	7,6%	61,0%	83,8%	72,4%
Inventory	MMCLP	162.072	190.589	179.464	228.952	218.858
m2 sale area	m2	290.857	290.857	288.570	288.570	288.570
Number of Open Stores (average)	n°	32	26	14	42	45
Total Number of stores	n°	46	45	45	45	45
<b>RETAIL PERÚ</b>						
Variation in retail sales	%	10,5%	18,8%	373,1%	37,8%	10,8%
Variation in retail sales LTM	%	27,7%	28,2%	25,9%	27,1%	30,7%
Inventory	MPEN	520.224	566.810	600.717	614.952	634.730
m2 sale area	m2	203.597	203.597	203.597	203.597	203.597
Number of Stores Open (average)	n°	29	23	26	30	31
Total Number of stores	n°	31	31	31	31	31
<b>BANKING BUSINESS</b>						
	Unit	2020	2021			
		4T	1T	2T	3Q	4T
<b>RIPLEY BANKING CHILE</b>						
Loan Flows	MMCLP	324.027	285.946	332.261	364.392	446.727
Gross Loan Portfolio	MMCLP	675.023	645.652	652.445	671.209	772.757
Provisions/ Total Gross Loan	%	9,3%	8,4%	7,8%	6,9%	7,1%
LTM Net risk cost/LTM Average Loan Portfolio	%	14,4%	10,6%	7,3%	1,0%	3,0%
Recovery net write-offs	MMCLP	13.646	3.813	3.518	5.194	3.277
Net write-offs (LTM)/Average Loan Portf (LTM)	%	14,2%	11,9%	8,3%	4,0%	2,4%
Over 90 Days NPL's	%	3,1%	2,8%	2,9%	2,1%	1,9%
Number of credit cards with debt	thousands	911	857	876	900	967
Basel	%	21,23%	21,96%	22,07%	22,50%	21,49%

BANKING BUSINESS	Unit	2020	2021			
		4T	1T	2T	3Q	4T
<b>RIPLEY BANKING PERU</b>						
Loan Flows	MPEN	707.296	559.961	714.915	823.103	1.023.304
Gross loan portfolio	MPEN	1.589.552	1.273.844	1.286.215	1.279.100	1.450.481
Provisions/ Total Gross Loan	%	21,0%	12,8%	10,9%	8,2%	6,1%
LTM Net risk cost/LTM Average Loan Portfolio	%	20,9%	21,2%	15,3%	16,8%	7,6%
Recovery net write-offs	MPEN	92.264	217.162	45.425	51.183	43.291
Net write-offs (LTM)/Average Loan Portf (LTM)	%	9,0%	21,0%	24,9%	29,3%	26,7%
Over 90 Days NPL's	%	11,3%	3,4%	3,9%	2,7%	1,7%
Number of credit cards with debt	thousands	415	327	343	359	418
Basel	%	14,41%	12,95%	12,41%	14,30%	13,57%
Gross loan portfolio	MMCLP	318.111	242.585	244.428	253.215	308.326
Recovery net write-offs	MMCLP	16.366	52.790	29.068	2.233	8.961
<b>REAL ESTATE BUSINESS</b>						
REAL ESTATE BUSINESS	Unit	2020	2021			
		4T	1T	2T	3Q	4T
<b>CONSOLIDATED MALL AVENTURA</b>						
Mall sales	MPEN	330.075	235.163	275.389	347.397	421.148
Average Vacancy	%	7,9%	8,1%	7,9%	6,7%	6,1%
Average GLA	m2	204.610	204.526	204.540	204.522	204.588
Average operative GLA, same malls	%	76%	58%	80%	83%	89%
Average operative GLA malls	%	73%	60%	78%	82%	87%
Total EBITDA	MPEN	33.055	11.938	17.896	17.740	39.992
EBITDA Margin of operating malls	%	96%	72%	83%	83%	97%
<b>MALL AVENTURA AREQUIPA</b>						
Mall Sales	MPEN	152.966	107.122	120.347	147.349	183.636
Average GLA	m2	72.566	72.566	72.562	72.553	72.552
EBITDA Margin of operating malls	%	100%	85%	85%	94%	97%
<b>MALL AVENTURA SANTA ANITA</b>						
Mall Sales	MPEN	129.568	77.954	102.415	128.444	151.954
Average GLA	m2	84.423	84.371	84.378	84.379	84.382
EBITDA Margin of operating malls	%	97%	72%	81%	80%	77%
<b>MALL AVENTURA CHICLAYO</b>						
Mall Sales	MPEN	47.541	50.086	52.627	71.603	85.558
Average GLA	m2	47.621	47.589	47.600	47.590	47.653
EBITDA Margin of operating malls	%	76%	46%	85%	63%	88%

## 6. Financial structure<sup>5</sup>

By the end of 2021, Ripley Corp had liquidity level of CLP\$535,893. The banking segment closed the year with CLP\$338.327 million in liquidity, while the non-banking portion reach a liquidity equivalent to CLP\$197.567 million.

**Banking vehicle's debt level:** as of December 31st, 2021, the segment's net financial debt (DFN) reached CLP\$1.110.591 million. On another hand, leverage (DFN/Patrimony) amounts to 2,65x, indicating a slight increase since 2,60x in December 2020. In addition, Chile's solvency indicator (Basel) is located at a higher level than the one observed in the same period of 2020, mainly because of the adoption of Basel III, while in Perú a minor level is noticed compared to 2020's closure.

Banco Ripley	Basel Ratio	
	dec-21	dec-20
Chile	21,49%	21,23%
Perú	13,57%	14,41%

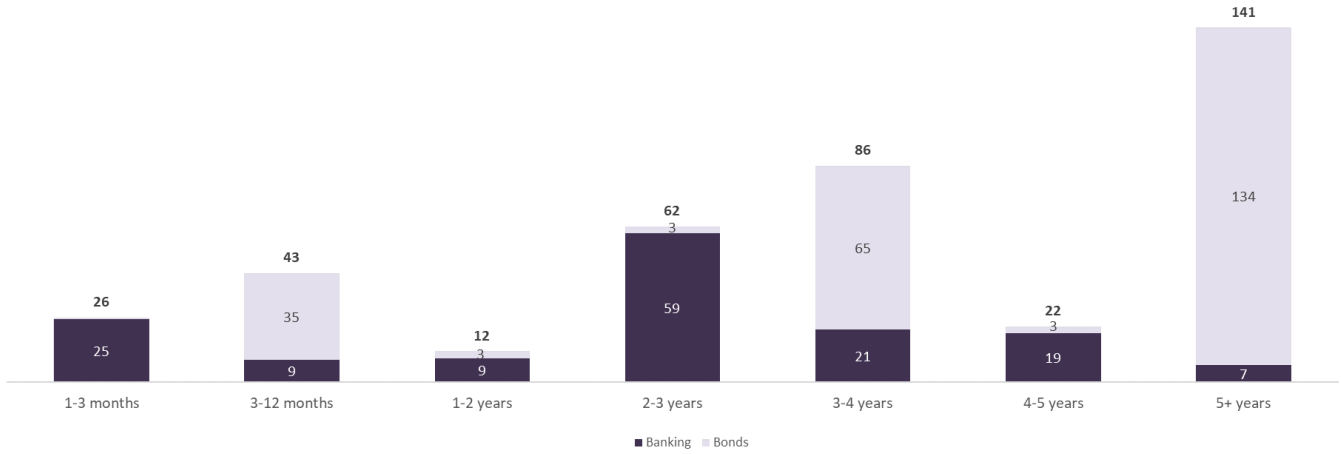
**Non-Banking vehicle's debt level:** The net financial debt reached CLP\$161.330 million by the end of 2021, a reduction of CLP\$60.915 million compared to what was reported during 2020's closure, supported mainly by an improvement in the segment's cash flow generator and debt amortization. On another hand, the leverage indicator DFN/Assets decreased a total of 0,10 times compared to the 0,13 times from December 2020.

RIPLEY CORP (ammounts in MMCLP)	Non-Banking		Banking		Total	
	dec-21	dec-20	dec-21	dec-20	dec-21	dec-20
Cash and investments <sup>1</sup>	197.567	264.144	338.327	504.498	535.893	768.642
Financial Debt <sup>2</sup>	358.897	486.388	1.110.591	1.176.668	1.469.488	1.663.057
NFD	161.330	222.245	772.264	672.170	933.594	894.415
Equity	741.823	699.910	291.650	258.706	1.033.473	958.617
Assets	1.657.166	1.661.360	1.548.420	1.546.021	3.205.587	3.207.380
<b>DFN/Assets</b>	<b>0,10x</b>	<b>0,13x</b>	<b>0,50x</b>	<b>0,43x</b>	<b>0,29x</b>	<b>0,28x</b>
<b>DFN/Equity</b>	<b>0,22x</b>	<b>0,32x</b>	<b>2,65x</b>	<b>2,60x</b>	<b>0,90x</b>	<b>0,93x</b>

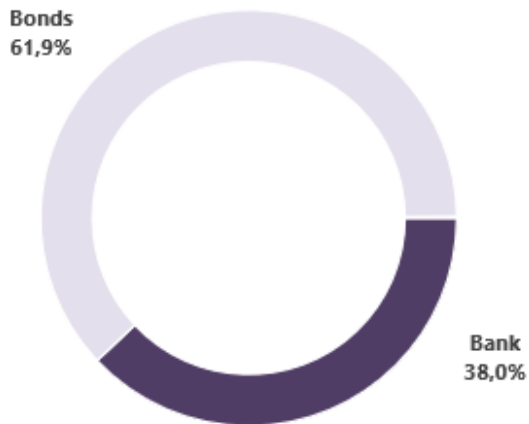
<sup>5</sup> The impact of IFRS16 adoption is not taken into consideration for the financial structure analysis and its indicators.

## Non-Banking segment financial information

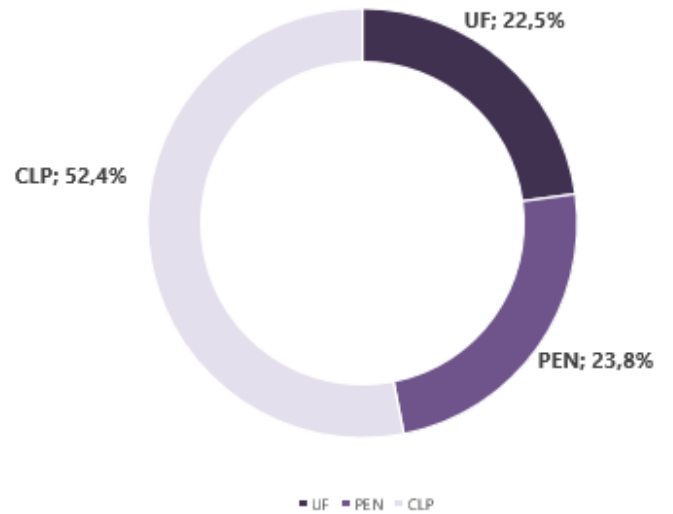
Maturity Profile (MMCLP)



Debt per Type of Funding



Debt per Type of Currency



## **7. Risks and balance analysis**

Ripley is exposed to the inherent risks related to the business in which the Company takes part, mainly influenced by the global economy cycles effects, but particularly, to the Chilean and Peruvian economies ones, natural disasters and legislation changes that can intercede the normal course of business.

Transversely, the retail, banking and real estate business are exposed to market, credit and liquidity risks. Next, an overview with some of the main risk factors for Ripley's segments is displayed.

### **7.1 Sanitary emergencies risks**

The sanitary emergencies as the one provoked by the SARS-CoV-2 Virus (COVID-19 disease catalyst), that is shocking almost the entire world, affects the markets in which the Company operates, including the entirety of its actors, from our clients to our suppliers. The impacts of the transmissible disease's outbreaks or public health pandemics already had a negative effect our business, finances and results, and it's possible that it would keep generating them.

One of the main aftermaths coming from the SARS-CoV-2 pandemic is the interruption of business in which Ripley takes part, consequence of the sanitary measures imposed by the corresponding authority.

Arrangements to reduce COVID-19 propagations has been adopted by the Company, based on instructions given by the sanitary authority of each country. Nevertheless, the measures taken by the companies aren't necessarily a guarantee for reduction or limitation of commercial and financials impacts, since the return to the normal development of activities is being carried out gradually and gradually, having the respect of the health protection measures, both of our clients and our collaborators as a priority.

This emergency is still under development, and, in fact, its evolution had some regressions caused by the new COVID-19 outbreaks and the irruption of its Delta and Omicron variants. The markets in which Ripley takes part are already reflecting the financial effects coming from the economic slowdown, the ones that have the potential to unleash an economic recession that will affect the Company's businesses, their clients and suppliers. To this day, it's impossible to put the final effect caused by this sanitary emergency on the Company's activities into numbers.

To the date, all our stores and bank offices are open to public in both countries, although with some capacity restrictions and sanitary measures that seek to protect our clients and collaborators.

The consequences of the risks arising from this health emergency could negatively affect the other risk factors described in this section.

### **7.2 Political risk**

Since 2019, Chile has witnessed an intense period of changes that have impacted on greater social and economic uncertainty. In this line, during 2021, The Constitutional Convention that oversees drafting Chile's Constitution began its functions. After the elections that took parte on May 16th, 2021, the plenary of this instance was made up of a majority of members linked to opposition sectors (leftist) and independents. There is still great uncertainty about the process of approving a new Constitution and possible changes in the political situation of the country or the system could affect business prospects and, ultimately, the Company and the market for our products.

Moreover, the constitutional process will end few months away from the installation of Chile's new government, after the election of Gabriel Boric Font as the Republic President, who competed as part of the "Apruebo Dignidad" coalition, headed by the Frente Amplio and the Chilean Communist Party. All the above is part of the context in which the Company is developing in Chile and that could have a positive or negative impact on its performance.

On the other hand, in the case of Peru, the second electoral round that took place on June 6th, 2021, and after various review processes of the ballots, concluded with the proclamation of Mr. Pedro Castillo as president-elect.

The first months of Pedro Castillo's government brought consequences for the economy, reflected in the increase in the price of the dollar and higher inflation; In addition, greater political and legal uncertainty, due to the majority rejection of the measures that were intended to be implemented, but that to date have not been carried out. This is how, during the first six months of the mandate, there have been three ministerial cabinets, the last of them made up, just on February 1st, by a mixture of politicians from different benches, with the intention of avoiding an immediate vacancy. This third cabinet must be submitted to the confidence of Congress within 30 days following the date on which it was constituted. In general, the consequences of political risks could negatively affect the other risk factors described in this section.

### **7.3 Interest rate risk**

Ripley Corp uses different short- and long-term financing instruments, in Chilean pesos, Unidades de Fomento, Peruvian soles, US dollars and euros. Generally, financing is contracted at a fixed rate, to avoid interest rate risk. In the case of variable rate financing, the Company evaluates the contracting of derivatives, which allow eliminating the volatility that these could generate in the financial statements. Additionally, short-term financing that could eventually be renewed is exposed to fluctuations that may occur in market interest rates with the consequent risk of increased financial expenses.

### **7.4 Evolution of Chilean and Peruvian economies**

The behavior of consumer agents is affected by the general performance of the economy, as well as the expectations of it: growth, inflation, employment, interest rates, among others. The foregoing, in addition to affecting purchasing behavior, also impacts the willingness to pay the credits contracted. Therefore, negative changes in growth, inflation and employment indicators could affect the Company's results.

### **7.5 Market structure risk**

The Company does not depend on a particular supplier, on the contrary, it has a wide range open to the world, having agents distributed in different geographical regions that facilitate its access to supply sources. Nor does it face a risk of customer concentration, since it serves millions of them in different socioeconomic strata. Ripley currently markets thousands of products in Chile and Peru. For all the above, its specific risk in the sense described is low and is not different from that of retail trade in general and that of large stores.

### **7.6 Legal, regulatory and administrative action of the local authority**

The financial situation and the operating results of the Company and its subsidiaries could be affected as a result of the enactment, modification and/or repeal of any regulations that apply to them, whether they are administrative, labor or tax matters, among others. The effects of eventual modifications to current regulations would affect the results, depending directly on the degree of relevance in the business and the restrictive, neutral or expansive sense that it had on it.

Additionally, the different reforms or political changes can also affect the confidence of consumers and businessmen, affecting consumption and/or investment.

## **7.7 Exchange rate risk**

Both the Chilean and Peruvian currencies are subject to variations with respect to the US dollar and other international currencies. Part of the products offered for sale in our stores are purchased in foreign countries, therefore, during the period in which such import operations are pending payment, there is an exposure to exchange rate fluctuations.

However, the Company maintains the policy of hedging the risk arising from exchange rate variations on the net position of liabilities due in foreign currency, through instruments designed for such purposes. In order to mitigate this risk, the Company uses derivative hedging instruments, which are held solely to cover the associated risk and thus compensate it significantly.

On the other hand, as a result of the adoption of the IFRS16 regulation and associated mainly with long-term lease contracts in dollars in the retail and real estate segments in Peru, exchange fluctuations are generated based on the movement of the Sol with respect to the USD. Being an accounting impact, the Company has decided not to hedge this exposure.

## **7.8 Competition risk**

Rather than being a risk, competition is the essence of doing business in free market economies. To maintain and increase the solid position it holds, Ripley will continue to develop its cutting- edge competitive strategy, aligning with it, the performance in the key variables of the business and the trust, reputation, omnichannel, digitization and convenience that the brand represents for customers. The activities carried out by the Company are inserted in highly competitive markets. In recent years, the arrival of many specialty retailers, both national and international, with a physical and/or digital presence, and the entry of new digital actors of services and financial products that have increased competition. Ripley's results may be affected depending on the aggressiveness or intensity of the competition. Likewise, the banking markets in Chile and Peru are highly competitive. Recent years have seen strong competition from local and foreign banks, as well as department stores offering credit cards and local and international capital markets lending to business customers, fintechs, as well as other digital competitors. Competition could reduce the interest rates and fees we are able to charge our clients, which could negatively affect loan growth and put pressure on margins.

## **7.9 Credit on banking segments risk**

One of the bank's main activities is granting loans to customers. Credit risk is the possibility that banks may incur a loss due to partial or total non-compliance with the resources provided to a specific client. Given the foregoing, financial institutions must permanently evaluate their entire loan portfolio and their contingent credits, in order to timely establish the necessary provisions and sufficient to cover the losses, due to the eventual non-recovery of these. For this purpose, banks use evaluation models that they consider to be the most appropriate, considering the type of portfolio and the characteristics of the operations.

## **7.10 Asset's damage or spoilage risk**

The Company carries out its activities using many assets, those that are affected could reduce its equity and results. However, the fixed assets of the building, infrastructure, installation and equipment, merchandise, plus the risks of civil liability that could originate in them, are covered for operational risk, through the pertinent insurance policies.

## **7.11 Cybersecurity risk**

The networks and computer infrastructure of the Company, as in the case of other companies in the same field or other businesses, are exposed to the eventual occurrence of cyber risk situations that could potentially affect the equipment, information or cause the interruption of our operations. operations. However, the Company is constantly concerned to prevent the occurrence of these risks and remains vigilant, even more so with the advancement of digital technologies present in the development of our businesses. Therefore, the Company maintains insurance policies to mitigate the potential impacts produced by this type of risk. If these factors materialize, individually or in combination, they could have an adverse effect on our operations.

## Investor Relations

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<https://ripleyinversionistas.cl>

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This information was prepared based on the Financial Statements delivered to the Commission for the Financial Market (CMF).

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