

## SMU PROVIDES ADDITIONAL INFORMATION PERTAINING TO SUPREME COURT RULING

**Santiago, Chile. April 13, 2020.** SMU S.A. (“SMU” or the “Company”) (Santiago Stock Exchange: SMU) today filed an Essential Fact (*Hecho Esencial*) in response to a comment letter received from the Chilean Financial Markets Commission (“CMF” or *Comisión para el Mercado Financiero*) on April 9, 2020. In the comment letter, the CMF requested the following additional information pertaining to the Essential Fact filed by SMU on April 8, 2020, regarding the Supreme Court ruling handed down on such date:

- 1) The financial effects of the additional provision to be recognized in SMU’s financial statements.

On March 1, 2019, the Chilean Antitrust Court (*Tribunal de Defensa de la Libre Competencia* or “TDLC”), handed down a ruling in relation to a complaint filed in 2016 by the Chilean antitrust authority (*Fiscalía Nacional Económica* or “FNE”). That ruling imposed a fine on SMU, and accordingly, the Company recorded a provision of ThCh\$1,994,851.

As a result of the recent ruling, on April 8, 2020, by the Supreme Court, which increased the amount of the fine to 6,876 Annual Tax Units (approximately Ch\$4.1 billion), the Company will recognize an additional provision to cover the full amount of the fine in its March 31, 2020 financial statements.

- 2) Provide further information about the compliance program required by the ruling.

The ruling requires the Company to adopt a free competition compliance and ethics program that at least meets the requirements of the FNE’s “Free Competition Standards Compliance Guidelines” from June 2012.

In addition, the TDLC ruled that the compliance program must have a duration of five years and include the following actions:

- a) Creation of a Compliance Committee as part of the corporate by-laws and including at least one independent director as a member. This committee will be responsible for bringing proposals for the designation and removal of the Compliance Officer to the Board of Directors. The committee will also be responsible for ensuring that the Compliance Officer performs his or her duties satisfactorily;
- b) Designation of an external Compliance Officer who will be specifically responsible for compliance with free competition standards within the Company;
- c) Provide a copy of the Court’s ruling to the members of the Board of Directors and Senior Management and, in general, high-level employees and/or who have decision-making responsibilities in the commercial department;



- d) Obtain, from the individuals named in letter c) above, a sworn statement indicating that they have read and understood the ruling and that they are not aware of any violation of free competition laws within the Company;
- e) Provide the individuals named in letter c) above, as well as anyone else that the Compliance Officer deems necessary, with comprehensive annual training on free competition;
- f) Perform at least two free competition audits during the five-year period beginning when the sentence has gone into effect;
- g) Provide an anonymous whistleblowing channel that enables any employee to disclose any potential violations of free competition standards directly to the Compliance Officer; and
- h) Provide the FNE with a written report describing the execution of the compliance program on an annual basis.

These requirements were outlined by the TDLC in its ruling and maintained by the Supreme Court in its ruling.

It is important to note that SMU already has a free competition compliance program in accordance with FNE Guidelines, and the Company will implement the additional obligations within the time frames defined in the ruling.

- 3) Any additional information necessary to better understand this ruling and its implications.

The Company believes that the responses to points 1) and 2) above, in addition to the contents of the Essential Fact filed on April 8, 2020, provide sufficient information in order to understand the ruling and its implications.



### About SMU

SMU is the largest Chilean food retailer, based on number of stores, and the third largest Chilean food retailer, based on revenue for the year ended December 31, 2019. We operate our food retail business in Chile through four different formats: supermarkets (*Unimarc*), cash and carry stores (*Mayorista 10* and *Alvi*), convenience stores (*OK Market*) and an online grocer (*Telemercados*). We also operate in Peru, through two food cash and carry brands, *Mayorsa* and *MaxiAhorro*.

### Caution Regarding Forward-Looking Statements

This press release may contain forward-looking statements. We have based any such forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. Although management considers these projections to be reasonable based on information currently available to it, many important factors could cause our actual results to differ substantially from those anticipated in our forward-looking statements. The words “believe,” “may,” “will,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “forecast” and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities and the effects of future regulation and competition. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this press release might not occur and are not guarantees of future performance. Therefore, we caution readers not to place undue reliance on these statements. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements included in this press release because of new information, future events or other factors.

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