

FORUS
CONSUMER FANATIC

EARNINGS RELEASE

4Q19

February 2020



Life is a long weekend



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ROCKFORD The Outdoor Experience

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Notes:

- All figures in dollars are calculated using the observed dollar exchange rate for January 1st, 2020: Ch\$ 748.74/US\$.
- Quarters: 1Q, 2Q, 3Q y 4Q.
- Periods ending June 30th, September 30th and December 31st: 6M, 9M, 12M.
- Currency symbols: Ch\$, CLP or \$: Chilean pesos. US\$: U.S. dollars. COP: Colombian pesos. UYU: Uruguayan pesos. PEN: Peruvian sol.
- Units: M: millions.
- Other symbols: SSS: Same store sales. SG&A: Selling, General & Administration. YoY: Year over Year. DTC: Direct-to-Consumer. Sqm: square meters.

I. Executive Summary

This year Forus continued to effectively execute our omnichannel strategy, which drove **e-commerce revenue to increase by 62.8% and reach 8.0% of total retail sales (DTC) in Chile in 2019, almost double the 4.5% of DTC that e-commerce represented in 2018**. In 4Q19, e-commerce revenue was 10.9% of DTC in Chile. On a broader note, 2019 was a challenging year for Chilean retail, as the industry faced several headwinds, including the social unrest that began on October 18th, which resulted in disruptions to business operations and commerce, among other consequences. During this period of social unrest, we looked beyond the financial impact that these events might have on the Company and **focused primarily on the security of our clients, employees and suppliers**, taking the necessary measures to protect their well-being.

In 4Q19 we continued to implement our **omnichannel strategy**, expanding and implementing new services and functionalities. In Chile, we launched an upgraded version of our **Forus App**, a sales force tool that centralizes, in a single interface, omnichannel sales and delivery operations, among other things. We also activated **Click & Collect** (buy online and pickup in store) across all of Forus' websites in Chile (we started with three websites in 3Q19) and enable C&C in the +130 stores that we have in the Santiago Metropolitan Region. The upgraded Forus App includes a new functionality, called **Consumer Experience**, which allows our sales people to search for inventory across all stores and the distribution center, if a customer does not find the product that he or she wants. Once the product is located with the Forus App, the sales person can complete the sale, offering home delivery or Click & Collect options. **In 4Q19, e-commerce revenue in Chile grew 26.8%, despite the disruptions to commerce in the period, and reached 10.9% of DTC**, compared to 7.1% in 4Q18.

We should also highlight our **subsidiaries' strong performance this quarter, with Peru and Colombia delivering 16.0% and 3.8% revenue growth, respectively**. This growth was the result of an increase in sales area (Peru +2.1%; Colombia +5.2%), SSS growth (Peru +2.0%; Colombia +7.2%) and the favorable consolidation effect from the appreciation of these local currencies against the Chilean peso. In Colombia, Forus' subsidiary LBC, which we do not consolidate given our 49% ownership, drove part of this growth, which is reflected in our non-operating income. **The subsidiaries, taken together, reported operating profit growth of 43.5% YoY this quarter**.

In 4Q19, our revenue in Chile declined by 10.8%, in part due to store closures and reduced store hours, post October 18th. Consumer confidence in October saw a sharp decline, with a slight recovery in November and December, which also negatively affected retail demand. In addition, during this period, several of our stores were vandalized, which also impacted our operations and sales, but only five of these locations remain closed and will not be reopened. It is important to note that in 4Q19 we inaugurated eight new stores in Chile, including two new Vans locations, so we concluded 2019 with a total of 345 shops in Chile, one more than in 3Q19, before the protests began. Forus has insurance policies that cover damages to facilities, inventories and other assets, and we are currently processing those claims (we estimate that the accounting loss for damaged assets will be close to zero). The increase in interest rates and exchange rate volatility in Chile this quarter impaired the performance of our investment funds and dollar cash holdings, which resulted in a loss in this quarter's non-operating result.

II. Summary of Consolidated Results

Fourth Quarter 2019

- E-commerce revenues in Chile grew 26.8% YoY in 4Q19 and reached 10.9% of retail sales (DTC), compared to 7.1% in 4Q18.
- Ebitda came in at Ch\$ 7,397 million, an increase of 6.6% YoY. The Ebitda margin of 12.9% expanded by 167 basis points YoY. Excluding the impact of IFRS 16, Ebitda would have reached Ch\$ 2,690 million, a 61.2% YoY decline and Ebitda margin would have contracted by 652 basis points.
- Consolidated revenue of Ch\$ 57,419 million decreased 7.3% YoY.
- Gross profit of Ch\$ 29,838 million decreased 9.5% YoY. Gross margin decreased 130 basis points, reaching 52.0%.
- Operating income of Ch\$ 1,595 million decreased by 66.8% YoY. The operating margin was 2.8% of revenues.
- Net income in 4Q19 was Ch\$ 9 million, down 99.8% YoY, explained in part by the Ch\$ 2,742 million non-operating loss.

Full year 2019

- E-commerce revenue in Chile grew 62.8% YoY in 2019 and reached 8.0% of retail sales (DTC), compared to 4.5% in 2018.
- Ebitda of Ch\$ 39,295 million increased 4.7% YoY. The Ebitda margin of 16.5% expanded by 139 basis points. Excluding the impact of IFRS 16, Ebitda would have reached Ch\$ 22,348 million, a 40.5% YoY decline, and Ebitda margin would have decreased by 575 basis points.
- Consolidated revenue of Ch\$ 237,560 million decreased 4.1% YoY.
- Gross profit of Ch\$ 125,248 million decreased 7.8% YoY. Gross margin declined 212 basis points, reaching 52.7%.
- Operating profit of Ch\$ 18,598 million declined by 40.5% YoY. The operating margin was 7.8% of revenues.
- Net income was Ch\$ 23,404 million in 2019, an increase of 8.4% YoY, with a net margin of 9.9%, representing contraction of 46 basis points. This year's net income includes the sale of our former corporate headquarters, which generated a net non-operating gain of Ch\$ 11,360 million (US\$ 17 million), before taxes, which was recorded in 1Q19.

III. Highlights of the Period

Acknowledgements

At the annual Columbia Sportswear conference, held in Portland, Oregon, in October of 2019, **Forus received the Distributor of the Year Award**, which is the highest distinction that Columbia grants to its global distributors, in recognition of brand building and sales performance for **Columbia in Chile**.

Acquisition of property for new distribution center in Chile

On November 5th of 2019 the Company acquired a real estate property in the Enea sector of the Pudahuel municipality for Ch\$ 7,034 million for the future construction of the new distribution center in Santiago, Chile.

Events in Chile

On October 18th and the days that followed, Chile was the focal point of several protests, some of which resulted in serious disruptions to public order. As a result, some of our stores were vandalized, suffering varying degrees of damage; those stores were temporarily, or permanently, closed. Forus has insurance policies, from reputable companies, that cover both loss of inventory and damages to infrastructure and equipment. Forus has begun to process these insurance claims. We estimate that the accounting loss for damaged assets will be close to zero. Of the vandalized stores, only five locations remain closed and will not be reopened.

Store openings and closures

During the fourth quarter of 2019, Forus opened nine new stores: eight in Chile and one in Peru. During the same period, we closed seven stores in Chile. Details are available in the Data by Country section.

Highlights after the Period

Interim dividend

On January 22nd 2020, the Board of Directors approved a second interim cash dividend, paid out of 2019 earnings, of \$14 per share, equivalent to Th \$3,618,566. The dividend was paid on February 14th, 2020.

IV. Consolidated Income Statement

Fourth Quarter:

	4Q19 Th Ch\$	% Revenues	4Q18 Th Ch\$	% Revenues	YoY
Revenues	57,418,694		61,915,175		-7.3%
Cost of Sales	(27,580,643)	-48.0%	(28,937,102)	-46.7%	-4.7%
Gross Profit	29,838,051	52.0%	32,978,073	53.3%	-9.5%
Distribution Expenses	(625,360)	-1.1%	(474,046)	-0.8%	31.9%
Administrative Expenses	(27,618,137)	-48.1%	(27,699,847)	-44.7%	-0.3%
Selling, General and Administrative Expenses	(28,243,497)	-49.2%	(28,173,893)	-45.5%	0.2%
Operating Income	1,594,554	2.8%	4,804,180	7.8%	-66.8%
Other income	138,677		76,593		81.1%
Other expenses	(301,737)		184,253		-263.8%
Financial Income	(1,970,771)		(87,523)		2151.7%
Financial Expenses	(582,803)		(87,610)		565.2%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	116,520		60,453		92.7%
FX Differences	(260,213)		902,859		-128.8%
Result of Indexation units	31,685		30,292		4.6%
Other gains and losses	86,900		512,081		-83.0%
Non-Operating Income	(2,741,742)	-4.8%	1,591,398	2.6%	-272.3%
Profit before income tax	(1,147,188)	-2.0%	6,395,578	10.3%	-117.9%
Income Taxes	1,156,167		(1,236,844)		-193.5%
Profit (Loss)	8,979	0.0%	5,158,734	8.3%	-99.8%
Profit (loss) attributable to equity holders of parent	(141,398)		5,073,129		-102.8%
Profit (loss) attributable to minority interest	150,377		85,605		75.7%
Profit (loss)	8,979	0.0%	5,158,734	8.3%	-99.8%
EBITDA	7,397,271	12.9%	6,939,670	11.2%	6.6%

Full year, 2019 y 2018:

	2019 Th Ch\$	% Revenues	2018 Th Ch\$	% Revenues	YoY
Revenues	237,560,015		247,711,908		-4.1%
Cost of Sales	(112,311,911)	-47.3%	(111,862,334)	-45.2%	0.4%
Gross Profit	125,248,104	52.7%	135,849,574	54.8%	-7.8%
Logistic costs	(2,883,104)	-1.2%	(2,859,732)	-1.2%	0.8%
Administrative Expenses	(103,767,169)	-43.7%	(101,745,240)	-41.1%	2.0%
Selling, General and Administrative Expenses	(106,650,273)	-44.9%	(104,604,972)	-42.2%	2.0%
Operating Income	18,597,831	7.8%	31,244,602	12.6%	-40.5%
Other income	15,287,159		411,947		3611.0%
Other expenses	(4,447,118)		(83,909)		5199.9%
Financial Income	3,608,113		1,207,960		198.7%
Financial Expenses	(2,713,804)		(403,611)		572.4%
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	7,856		(257,584)		-103.0%
FX Differences	384,606		1,729,477		-77.8%
Result of Indexation units	41,783		42,186		-1.0%
Other gains and losses	303,955		578,097		-47.4%
Non-Operating Income	12,472,550	5.3%	3,224,563	1.3%	286.8%
Profit before income tax	31,070,381	13.1%	34,469,165	13.9%	-9.9%
Income Taxes	(7,666,853)		(8,918,974)		-14.0%
Profit (Loss)	23,403,528	9.9%	25,550,191	10.3%	-8.4%
Profit (loss) attributable to equity holders of parent	23,388,501		25,587,975		-8.6%
Profit (loss) attributable to minority interest	15,027		(37,784)		-139.8%
Profit (loss)	23,403,528	9.9%	25,550,191	10.3%	-8.4%
EBITDA	39,295,410	16.5%	37,541,362	15.2%	4.7%

V. Consolidated Income Statement Analysis

Operating Results

- **Consolidated revenue of Ch\$ 57,419 million declined 7.3% in 4Q19.**

Consolidated revenues decreased 7.3% YoY in 4Q19, pressured by Chile, given that the international subsidiaries, together, reported revenue growth of 6.0%, driven by Peru and Colombia.

In Chile, sales this quarter reached Ch\$ 43,954 million, a 10.8% YoY decrease, and represented 76.5% of the Company's consolidated revenue in the quarter. The decline was driven by the retail business, which registered a 16.9% drop in sales, due to -16.7% SSS and the closure of five vandalized stores, which was the result of the events that began on October 18th and that disrupted retail operations and adversely affected consumer confidence, among other consequences. The wholesale business, on the other hand, registered 41.1% YoY growth this quarter, led by the incorporation of the Vans brand, which has a strong wholesale business in Chile.

E-commerce revenue grew 26.8% YoY in 4Q19 and reached 10.9% of retail business revenues (DTC) in Chile.

The following is a summary of the revenues by subsidiary:

- In **Peru** revenues increased 16.0% YoY (3.8% in local currency), driven by the 2.0% SSS increase, the 2.1% increase in selling area (the subsidiary added three stores, net, in the last 12 months) and the favorable consolidation effect of the appreciation of the PEN against the CLP.
- In **Uruguay**, sales decreased 2.9% YoY (+0.1 in local currency), primarily due to the depreciation of the UYU against the CLP. Revenue was pressured by the retail business, given that SSS declined by 4.8% this quarter and sales area decreased slightly, by 0.7%, in the last year, despite the addition of two new stores, net.
- In **Colombia**, Forus Colombia's revenue increased 3.8% YoY (-0.7% in local currency), primarily explained by the appreciation of the COP against the CLP. The growth in SSS of 7.2% was primarily driven by LBC, which Forus has a minority stake in and does not consolidate. This quarter, sales area –of Forus Colombia and LBC– increased 5.2% in square meters, with three net additional stores, compared to the same time last year.

- **Gross Profit of Ch\$ 29,838 million declined 9.5% YoY in 4Q19. Gross margin decreased by 130 basis points, reaching 52.0%.**

Consolidated Gross Profit decreased 9.5% YoY in 4Q19, pressured by Chile, given that the international subsidiaries, as a whole, reported gross profit growth of 4.3% YoY, driven by Peru and Colombia.

In Chile, gross profit decreased 13.4% YoY in 4Q19 and gross margin contracted by 153 basis points, due to the depreciation of the CLP against the USD, which increased the costs of the spring/summer collection by 8.9%. In the retail segment in Chile, gross profit decreased 16.3% with a 41 basis point improvement in gross margin, given that this quarter lower sales were accompanied by less promotional activity, while the wholesale segment reported a 16.1% YoY increase in gross profit with a 790 basis points decline in gross margin, explained by the incorporation of the Vans brand and the depreciation of the CLP against the USD.

The following is a summary of gross profit by subsidiary:

- **Peru:** Gross profit grew 17.3% YoY and gross margin expanded by 59 basis points, reaching 55.0% in 4Q19 compared to 54.4% in 4Q18.
 - **Uruguay:** Gross profit declined 9.9% YoY and gross margin contracted by 430 basis points, reaching 55.5% in 4Q19, explained by increased costs due to the depreciation of the local currency against the dollar.
 - **Colombia:** Gross profit at Forus Colombia increased 15.9% and gross margin expanded by 610 basis points, reaching 58.3%, primarily due to fewer markdowns. This is the highest gross margin of all of the international subsidiaries this quarter and the highest for Colombia since 2014.
- **Operating Income of Ch\$ 1,595 declined 66.8%. The operating margin reached 2.8% in 4Q19.**

The Chilean operation is responsible for the decrease in operating income this quarter, given that the subsidiaries, taken together, registered operating income growth of 43.5% YoY in 4Q19, driven by Peru and Uruguay.

Chile's operating income decreased 84.8% YoY in 4Q19 and the operating margin deteriorated by 696 basis points, primarily as a result of the 13.4% YoY decline in gross profit and the impact of operating deleveraging from lower sales, given that SG&A expenses remained flat YoY.

The following is a summary of operating income by subsidiary:

- **Peru:** Operating income of Ch\$ 541 million grew 60.3% YoY this quarter. The operating margin of 8.6% in 4Q19 improved by 236 basis points compared to the same period last year, driven by

revenue growth, gross margin expansion and expense containment efforts, given that SG&A as a percentage of revenues improved by 177 basis points.

- **Uruguay:** Operating income of Ch\$ 284 million increased 112.2% YoY this quarter and the operating margin of 5.2% expanded by 281 basis points, due to a 15.0% decrease in SG&A primarily explained by a one-time accounting adjustment to lease premiums (*derechos de llave*) of the stores in Uruguay.
- **Colombia:** Forus Colombia's operating income of Ch\$ 142 million deteriorated 29.9% YoY this quarter. This decline was the result of the 30.6% increase in SG&A. The increase in expenses this quarter was primarily due to the reclassification of fees that the subsidiary receives, as compensation for services from LBC, the other company in Colombia in which Forus has a minority stake (these fees, which in the past decreased SG&A expenses, are currently recorded as non-operating income).

Non-Operating Income

- **Non-Operating Income reached Ch \$ (2,742) in 4Q19, a decrease of 272.3%.**

The decline in Non-Operating Income this quarter was primarily due to the negative performance of our investment funds and U.S. dollar holdings, given the rise in interest rates and the increased volatility in FX. As a result, Financial Income registered a loss of Ch\$ (1,971) million this quarter, compared to Ch\$ (88) million in 4Q18, and the FX Differences account reported a loss of Ch\$ (260) million this quarter, compared to a gain of Ch\$ 903 million in 4Q18.

Net Income and Ebitda

- **Net income in 4Q19 was Ch\$ 9 million, which represented a decline of 99.8% YoY.**

Net income declined due to Chile and the loss in Non-Operating Income.

- **Ebitda of Ch\$ 7,397 million in 4Q19 increased 6.6% YoY and the Ebitda margin of 12.9% expanded by 167 basis points. Excluding the impact of IFRS 16, Ebitda would have registered Ch\$ 2,690 million, a decline of 61.2% YoY and Ebitda margin would have contracted by 652 basis points.**

The increase in Ebitda this quarter was due to the application of IFRS 16, given that, excluding this accounting effect, Ebitda decreased in line with operating income. The IFRS 16 accounting standard was applied both in Chile and in subsidiaries as of January 1, 2019.

VI. Financial Situation Analysis

Consolidated Balance Sheet

- Assets** (in millions of Ch\$)

	Dec-2019	Dec-2018	Variation	
	M Ch\$	M Ch\$	M Ch\$	%
Current Assets	203,119	196,117	7,002	3.6%
Non-Current Assets	114,608	55,853	58,755	105.2%
Total Assets	317,727	251,970	65,757	26.1%

Current assets increased 3.6% YoY. The accounts that presented relevant changes include: Cash and cash equivalents, which increased Ch\$ 5,499 million, and Other current financial assets, which decreased Ch\$ 2,542 million. Both variations are the result of divestments from investment funds. Trade and other accounts receivables increased Ch\$ 2,793 million, primarily due to the addition of the Vans in August of 2019.

Non-Current Assets increased 105.2%, explained by the Ch\$ 59,348 million increase in Property, Plant & Equipment, mainly as a result of the application of IFRS 16 which created rights-of-use assets (Ch\$ 51,850 million).

- Liabilities** (in millions of Ch\$)

	Dec-2019	Dec-2018	Variation	
	M Ch\$	M Ch\$	M Ch\$	%
Current Liabilities	43,912	29,567	14,345	48.5%
Non-Current Liabilities	38,725	1,630	37,095	2275.8%
Shareholder's Equity	235,090	220,773	14,317	6.5%
Total Liabilities & Shareholders' Equity	317,727	251,970	65,757	26.1%

Current Liabilities increased 48.5%, primarily due to the increase in Other current financial liabilities, which resulted from the application of IFRS 16 (creating rights-of-use liabilities in the amount of Ch\$ 13,479 in 2019), and also from an increase in Current trade and other current accounts payable, which rose Ch\$ 2,152 million.

Non-Current Liabilities, meanwhile, reached Ch\$ 38,725 million, compared to Ch\$ 1,630 million at the end of December 2018, explained by the increase in Other non-current financial liabilities, which resulted from the recognition of leases obligations with a duration of more than 12 months, according to the application of IFRS 16 (creating right-of-use liabilities in the amount of Ch\$ 37,206 million in 2019).

- **Shareholders' Equity**

Shareholders' Equity on December 31st 2019 and 2018 was as follows:

	Dec-2019		Dec-2018		Variation	
	M	Ch\$	M	Ch\$	M	Ch\$
Paid-in capital	24,243		24,243		-	0.0%
Other reserves	16,347		15,921		426	2.7%
Retained earnings	193,569		179,742		13,827	7.7%
Non-controlling interest	931		867		64	7.4%
Total Shareholders' Equity	235,090		220,773		14,317	6.5%

Shareholders' Equity increased by Ch\$ 14,317 million, due to net gains in the period.

The change in Other Reserves is explained by the following FX consolidation differences at the subsidiaries:

	M Ch\$
Perú Forus S.A.	1,209
Uruforus S.A.	(960)
Forus Colombia S.A.S.	51
Lyfestyle Brands of Colombia	126
Total FX consolidation differences	426

Financial Ratios

- **Liquidity Ratios**

	Units	Dec-19	Dec-18	Var.
Current liquidity	x	4.63	6.63	-2.01
Acid ratio	x	2.86	4.01	-1.15

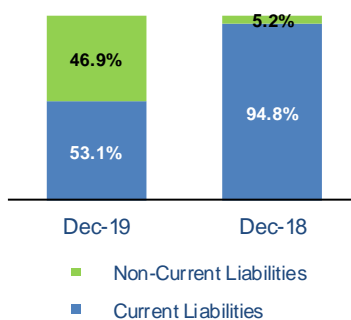
The current liquidity index indicates a slight negative variation with respect to the end of last year and the acid ratio goes from 4.01x in December of 2018 to 2.86x at the close of the period. These variations are mainly explained by the increase in other financial liabilities, which resulted from the recognition of lease obligations according to the application of IFRS 16.

- **Debt Ratios**

The variation in debt ratios is also due to the implementation of IFRS 16, which requires the recognition of assets and liabilities for all lease contracts with a duration of more than 12 months. The application

of the accounting rule increased the Other financial liabilities account by recognizing lease obligations.

	Units	Dec-19	Dec-18
Liabilities			
Current Liabilities	%	53.1%	94.8%
Non-Current Liabilities	%	46.9%	5.2%



	Units	Dec-19	Dec-18	Var.
Leverage	x	0.35	0.14	0.21
Interest Coverage	x	14.48	91.55	-77.07

- Profitability Ratios (12M period)**

	Units	Dec-19	Dec-18	Var.
ROA	%	7.4%	10.1%	-2.8%
ROS	%	9.9%	10.3%	-0.5%
ROE	%	10.0%	11.6%	-1.6%
EPS	\$	90.5	98.9	-8.3

In 2019 EPS decreased by \$8.3 compared to the prior year, que represents a decline of 8.4%.

Consolidated Cash Flow

	Dec-2019	Dec-2018	Variation
	M Ch\$	M Ch\$	M Ch\$
Cash flows from Operating Activities	29,955	52,461	(22,506)
Cash flows from (used in) Investment Activities	3,674	(35,441)	39,115
Cash flows from (used in) Financing Activities	(28,554)	(16,326)	(12,228)

Cash flows from operating activities generated less cash than in 2018, in the amount of Ch\$ 22,506 million, mainly due to a decline in collections from sales of goods and services.

Cash flows from investment activities increased, mainly due to the sale of the Company's former headquarters in Chile and another real estate property, which resulted in Ch\$ 14,407 million in net proceeds, as well as from mutual funds and other liquid investments.

Cash flows from financing activities resulted in a larger outflow of cash this period, mainly as a result of the reclassification of Ch\$ 15,662 million in lease liability payments that were previously classified as payment to suppliers (in operating cash flows).

Market Risk Analysis

Risk outlook by country: This quarter, economic growth in **Chile** deteriorated significantly, in the context of the social unrest that began on October 18th. The indicator of economic activity (IMACEC) for the months of October and November registered -3.4% and -3.3%, respectively, with a return to growth of 1.1% in December. In October, consumer confidence fell to 28.3 points (50 is neutral), its lowest level in 18 years, improving slightly in the following months and ending the year at 29.4 points. National unemployment in 4Q19 was 7.0%, a YoY increase of 0.3%. In **Uruguay** the macroeconomic environment remained challenging, although sequentially better, with consensus forecast GDP growth of 1.2% for 4Q19E (compared to 0.9% in 3Q19). Unemployment increased to 8.8% this quarter (8.1% in 4Q18) and the annual inflation rate was 8.8% in December 2019 (compared to 8.0% in December 2018). Consumer confidence, however, observed a slight improvement, registering in neutral territory at 50.9 in October and 49.9 in November (50 is neutral). In **Peru** GDP growth was 1.8% in 4Q19 and 2.2% in 2019, driven by private consumption and higher export volumes, while inflation this quarter remained stable at 1.9%. The unemployment rate was 3.6% in 4Q19 and 3.9% in 2019. Finally, in **Colombia**, the economy grew 3.4% in 4Q19 and 3.3% in 2019, driven primarily by domestic demand, with an inflation rate of 3.8%. Consumer confidence registered -9.5% in December, which was a sequential improvement with the previous four months, but still in pessimistic territory (0 is neutral). The unemployment rate (seasonally adjusted) in December was 10.2%, an improvement compared to 3Q19.

Foreign exchange risk: As a result of greater global economic uncertainty and the weakening outlook in Chile, the CLP continued to depreciate against the dollar in the fourth quarter, increasing operating costs, given the FX effect on imported products. With respect to the subsidiaries, the local currencies of Uruguay and Colombia also depreciated against the dollar (quarterly average), while the PEN remained stable. The PEN and the COP appreciated against the CLP, our functional currency, while the UYU depreciated against the CLP. As a result, the exchange rate had a positive impact in the consolidation of the subsidiaries in Peru and Colombia and a negative effect in the case of Uruguay.

Financial risk: The Company continues to maintain a conservative cash position, with sufficient funds for its 2020 investment plans, while maintaining very low levels of financial debt.

VII. Data by Country

Revenue (Ch\$ million)

	4Q19	4Q18	Var %	Local Currency	12M19	12M18	Var %	Local Currency
Chile	43,954	49,255	-10.8%	-10.8%	191,844	203,573	-5.8%	-5.8%
Colombia	1,658	1,598	3.8%	-0.7%	4,697	4,932	-4.8%	-4.4%
Peru	6,320	5,447	16.0%	3.8%	20,735	18,880	9.8%	1.4%
Uruguay	5,486	5,653	-2.9%	0.1%	20,284	20,509	-1.1%	3.5%
Total Subsidiaries	13,465	12,698	6.0%		45,716	44,322	3.1%	

Revenue (% total)

	4Q19	4Q18	12M19	12M18
Chile	76.5%	79.5%	80.8%	82.1%
Colombia	2.9%	2.6%	2.0%	2.0%
Perú	11.0%	8.8%	8.7%	7.6%
Uruguay	9.6%	9.1%	8.5%	8.3%
Total Subsidiaries	23.5%	20.5%	19.2%	17.9%

Same Store Sales

Data in nominal values (in local currency) *

	2019				2018				2019 12M	2018 12M
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Chile	-11.7%	-6.6%	-8.5%	-16.7%	-2.9%	-5.0%	-5.3%	0.2%	-10.7%	-3.3%
Colombia	-1.5%	-1.5%	0.1%	7.2%	-6.9%	11.2%	6.3%	6.4%	2.4%	4.3%
Peru	-3.1%	3.8%	7.6%	2.0%	8.0%	7.5%	13.8%	11.2%	2.8%	10.2%
Uruguay	-0.8%	-7.1%	6.5%	-4.8%	8.6%	-7.6%	3.3%	-9.4%	0.9%	-3.1%

*As of 4Q19 and full-year 2019, subsidiaries' SSS includes e-commerce revenue, which was already included for Chile.

Number of stores and selling area in square meters

	Dec. 2019		Dec. 2018		YoY %	
	# Stores	Sqm	# Stores	Sqm	# Stores	Sqm
Chile	345	39,887	341	39,168	1.2%	1.8%
Colombia	54	3,559	51	3,384	5.9%	5.2%
Perú	68	5,604	65	5,491	4.6%	2.1%
Uruguay	62	4,948	60	4,983	3.3%	-0.7%
Total	529	53,998	517	53,026	2.3%	1.8%

E-commerce websites, by country

Digital stores		
Chile		
	Website	
1	Cat	Cat.cl
2	Columbia	Columbia.cl
3	Merrell	Merrell.cl
4	Jansport	Jansport.cl
5	7veinte	7veinte.cl
6	Norseg	Norseg.cl
7	Zapatos	Zapatos.cl
8	Hush Puppies	HushPuppies.cl
9	Hush Puppies Kids	HushPuppiesKids.cl
10	Keds	Keds.cl
11	Mountain Hardwear	MountainHardwear.cl
12	Burton	Burton.cl
13	Azaleia	Azaleia.cl
14	Billabong	Billabong.cl
15	Rockford	Rockford.cl
16	B&S	Bodyandsoul.cl
17	Nine West	Nine West.cl
18	Zapatillas	Zapatillas.cl
19	Vans	Vans.cl
Uruguay		
	Website	
1	Cat	Catlifestyle.com.uy
2	Hush Puppies	Hushpuppies.com.uy
3	Merrell	Merrell.com.uy
4	Pasqualini	Pasqualini.com.uy
5	Columbia	Columbia.com.uy
6	Rockford	Rockford.com.uy
Peru		
	Website	
1	Billabong	Billabong.pe
2	Columbia	Columbia.pe
3	Hush Puppies	Hushpuppies.pe
4	Rockford	Rockford.pe
Colombia		
	Website	
1	Cat	Catlifestyle.co
2	Hush Puppies	Hushpuppies.com.co
3	Merrell	Merrellcolombia.com
32	Total Forus S.A.	

4Q19 store openings/closures, by country

Openings					
Country	# Stores	Chain	Store	City	Sqm
Chile		Shoe Express	Mid Maipu	Santiago	220
		Azaleia	Portal Osorno	Osorno	46
		Vans	Marina Arauco	Viña del Mar	77
		Merrell	Buenaventura	Santiago	78
		Caterpillar	Buenaventura	Santiago	89
		7Veinte	Open Kennedy	Santiago	73
		Vans	Valdivia	Valdivia	77
		Caterpillar	Valdivia	Valdivia	83
	8				743
Perú		Patagonia	Larcomar		70
	1				70
Total	9				813

Closures					
Country	# Stores	Chain	Store	City	Sqm
Chile		We love Shoes	Portal Osorno	Osorno	46
		7Veinte	Florida Center	Santiago	65
		Hush Puppies	Valparaiso	Valparaíso	86
		Hush Puppies	Copiapó	Copiapó	62
		Hush Puppies	Concepción	Concepción	42
		D.House	Quilicura	Santiago	283
		Shoe Express	Matucana	Santiago	100
	7				684
Total	7				684

Openings/closures, net		
Country	# Stores	Sqm
Chile	1	59
Uruguay	0	0
Perú	1	70
Colombia	0	0
Total	2	129

CHILE

(Ch\$ million)

Retail

P&L	4Q19	% Revenues	4Q18	% Revenues	YoY%
Revenues	36,559		44,014		-16.9%
Cost of Sales	(16,919)		(20,551)		-17.7%
Gross Profit	19,640	53.7%	23,464	53.3%	-16.3%
SG&A	(19,317)	-52.8%	(19,188)	-43.6%	0.7%
Operating Income	323	0.9%	4,276	9.7%	-92.4%

Wholesale

P&L	4Q19	% Revenues	4Q18	% Revenues	YoY%
Revenues	7,395		5,241		41.1%
Cost of Sales	(4,689)		(2,909)		61.2%
Gross Profit	2,706	36.6%	2,332	44.5%	16.1%
SG&A	(2,401)	-32.5%	(2,477)	-47.3%	-3.0%
Operating Income	304	4.1%	(145)	-2.8%	-309.5%

Retail + Wholesale

P&L	4Q19	% Revenues	4Q18	% Revenues	YoY%
Revenues	43,954		49,255		-10.8%
Cost of Sales	(21,608)		(23,460)		-7.9%
Gross Profit	22,346	50.8%	25,795	52.4%	-13.4%
SG&A	(21,718)	-49.4%	(21,665)	-44.0%	0.2%
Operating Income	627	1.4%	4,130	8.4%	-84.8%

CHILE (cont.)

(Ch\$ million)

Retail

P&L	12M19	% Revenues	12M18	% Revenues	YoY%
Revenues	151,983		166,229		-8.6%
Cost of Sales	(69,301)		(73,301)		-5.5%
Gross Profit	82,682	54.4%	92,929	55.9%	-11.0%
SG&A	(73,680)	-48.5%	(72,274)	-43.5%	1.9%
Operating Income	9,002	5.9%	20,655	12.4%	-56.4%

Wholesale

P&L	12M19	% Revenues	12M18	% Revenues	YoY%
Revenues	39,861		37,344		6.7%
Cost of Sales	(21,929)		(18,836)		16.4%
Gross Profit	17,932	45.0%	18,508	49.6%	-3.1%
SG&A	(9,833)	-24.7%	(9,571)	-25.6%	2.7%
Operating Income	8,099	20.3%	8,937	23.9%	-9.4%

Retail + Wholesale

P&L	12M19	% Revenues	12M18	% Revenues	YoY%
Revenues	191,844		203,573		-5.8%
Cost of Sales	(91,230)		(92,137)		-1.0%
Gross Profit	100,614	52.4%	111,437	54.7%	-9.7%
SG&A	(83,513)	-43.5%	(81,844)	-40.2%	2.0%
Operating Income	17,101	8.9%	29,592	14.5%	-42.2%

COLOMBIA

(Ch\$ million)

P&L	4Q19	% Revenues	4Q18	% Revenues	YoY%
Revenues	1,658		1,598		3.8%
Cost of Sales	(692)		(764)		-9.5%
Gross Profit	966	58.3%	834	52.2%	15.9%
SG&A	(824)	-49.7%	(631)	-39.5%	30.6%
Operating Income	142	8.6%	202	12.7%	-29.9%

(Ch\$ million)

P&L	12M19	% Revenues	12M18	% Revenues	YoY%
Revenues	4,697		4,932		-4.8%
Cost of Sales	(2,383)		(2,555)		-6.7%
Gross Profit	2,314	49.3%	2,377	48.2%	-2.7%
SG&A	(2,916)	-62.1%	(2,431)	-49.3%	20.0%
Operating Income	(603)	-12.8%	(54)	-1.1%	1011.4%

PERU

(Ch\$ million)

P&L	4Q19	% Revenues	4Q18	% Revenues	YoY%
Revenues	6,320		5,447		16.0%
Cost of Sales	(2,842)		(2,481)		14.5%
Gross Profit	3,478	55.0%	2,965	54.4%	17.3%
SG&A	(2,938)	-46.5%	(2,628)	-48.2%	11.8%
Operating Income	541	8.6%	337	6.2%	60.3%

(Ch\$ million)

P&L	12M19	% Revenues	12M18	% Revenues	YoY%
Revenues	20,735		18,880		9.8%
Cost of Sales	(9,453)		(8,666)		9.1%
Gross Profit	11,282	54.4%	10,214	54.1%	10.5%
SG&A	(10,170)	-49.0%	(9,697)	-51.4%	4.9%
Operating Income	1,112	5.4%	517	2.7%	115.1%

URUGUAY

(Ch\$ million)

P&L	4Q19	% Revenues	4Q18	% Revenues	YoY%
Revenues	5,486		5,653		-2.9%
Cost of Sales	(2,439)		(2,270)		7.5%
Gross Profit	3,048	55.5%	3,384	59.9%	-9.9%
SG&A	(2,763)	-50.4%	(3,250)	-57.5%	-15.0%
Operating Income	284	5.2%	134	2.4%	112.2%

(Ch\$ million)

P&L	12M19	% Revenues	12M18	% Revenues	YoY%
Revenues	20,284		20,509		-1.1%
Cost of Sales	(9,246)		(8,687)		6.4%
Gross Profit	11,038	54.4%	11,822	57.6%	-6.6%
SG&A	(10,050)	-49.5%	(10,632)	-51.8%	-5.5%
Operating Income	988	4.9%	1,190	5.8%	-17.0%

FORUS S.A. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

expressed in Thousands of Chilean Pesos, as of

	December 2019 Th Ch\$	December 2018 Th Ch\$
ASSETS		
Current Assets		
Cash and cash equivalents	10,757,766	5,258,872
Other financial assets, current	80,963,148	83,505,075
Other non-financial assets, current	4,050,906	3,469,235
Trade and other account receivables	26,381,313	23,587,907
Accounts receivables from related companies	8	366
Inventories	77,410,933	77,603,656
Tax assets, current	3,554,657	2,691,669
Total Current Assets	203,118,731	196,116,780
Non-Current Assets		
Other financial assets, non-current	-	24,992
Other non-financial assets, non-current	235,230	2,588,933
Fees receivables, non-current	463,803	206,292
Investments in associated companies	2,079,964	1,946,292
Net intangibles assets	2,352,181	1,790,696
Goodwill	5,426,310	5,426,310
Property, plant & equipment	100,677,798	41,330,639
Deferred tax assets	3,373,454	2,539,519
Total Non-Current Assets	114,608,740	55,853,673
TOTAL ASSETS	317,727,471	251,970,453
LIABILITIES		
Current Liabilities		
Other financial liabilities, current	13,961,172	2,004,614
Current trade and other current accounts payable	15,751,063	13,598,897
Current accounts payable to related companies	652,340	967,253
Other short-term provisions	5,383,737	5,831,046
Current tax liabilities	-	-
Current provisions for employees benefits	6,377,798	5,885,542
Other non-financial liabilities, current	1,785,605	1,279,746
Total Current Liabilities	43,911,715	29,567,098
Non-Current Liabilities		
Other non-current financial liabilities	38,726,241	1,624,700
Other non-financial non-current liabilities	-	5,808
Total Non-Current Liabilities	38,726,241	1,630,508
TOTAL LIABILITIES	82,637,956	31,197,606
SHAREHOLDER'S EQUITY		
Paid-in capital	24,242,787	24,242,787
Retained earnings	193,569,192	179,742,259
Issue premium	17,386,164	17,386,164
Other reserves	(1,039,351)	(1,465,344)
Equity attributable to equity holders of the parent	234,158,792	219,905,866
Non-controlling interest	930,723	866,981
Total Net Equity	235,089,515	220,772,847
TOTAL NET EQUITY AND LIABILITIES	317,727,471	251,970,453

FORUS S.A. & SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

expressed in Thousands of Chilean Pesos for the end of the periods of

and for the quarters

	December 2019 Th Ch\$	December 2018 Th Ch\$	4Q19 Th Ch\$	4Q18 Th Ch\$
Revenues	237,560,015	247,711,908	57,418,694	61,915,175
Cost of Sales	(112,311,911)	(111,862,334)	(27,580,643)	(28,937,102)
Gross Margin	125,248,104	135,849,574	29,838,051	32,978,073
Other incomes of total operation	15,287,159	411,947	138,677	76,593
Logistic costs	(2,883,104)	(2,859,732)	(625,360)	(474,046)
Administrative Expenses	(103,767,169)	(101,745,240)	(27,618,137)	(27,699,847)
Other expenses of total operation	(4,447,118)	(83,909)	(301,737)	184,253
Other gains or (losses)	303,955	578,097	86,900	512,081
Financial Income	3,608,113	1,207,960	(1,970,771)	(87,523)
Financial Expenses	(2,713,804)	(403,611)	(582,803)	(87,610)
Participation in gains (losses) of joint venture businesses accounted by using the proportional value of participation	7,856	(257,584)	116,520	60,453
Exchange Differentials	384,606	1,729,477	(260,213)	902,859
Result of Indexation units	41,783	42,186	31,685	30,292
Profit before income tax	31,070,381	34,469,165	(1,147,188)	6,395,578
Income Taxes	(7,666,853)	(8,918,974)	1,156,167	(1,236,844)
Profit (loss)	23,403,528	25,550,191	8,979	5,158,734
Profit (loss) attributable to equity holders of parent	23,388,501	25,587,975	(141,398)	5,073,129
Profit (loss) attributable to minority interest	15,027	(37,784)	150,377	85,605
Profit (loss)	23,403,528	25,550,191	8,979	5,158,734
Earnings per share	\$ 90.5	\$ 98.9	\$ 0.0	\$ 20.0

FORUS S.A.
INDIVIDUAL CASH FLOWS STATEMENT
 expressed in Thousands of Chilean Pesos, as of

	December 2019 Th Ch\$	December 2018 Th Ch\$
Cash Flows Originating from (used in) Operating Activities		
Types of Earnings from operating activities		
Earnings from sales of goods and rendering of services	264,329,905	291,980,286
Earnings from premiums and benefits, annual payments and other benefits of subscribed policies	186,339	215,045
Other earnings from operating activities	5,179	512,092
Types of Payment		
Payments to suppliers for the supply of goods and services	(171,420,682)	(177,523,171)
Payments to and on behalf of employees	(41,215,669)	(37,199,114)
Payments for premiums and benefits, annuities and other obligations derived from the policies subscribed	(96,724)	(104,239)
Other payments for operating activities	(143,134)	(235,895)
Net cash flows originating from (used in) the operation	51,645,214	77,645,004
Dividends received, classified as operating activities	-	-
Income taxes paid (reimbursed), classified as operating activities	(9,910,992)	(8,659,363)
Other cash inflows (outflows), classified as operating activities	(11,779,186)	(16,524,684)
Cash flows from (used in) operating activities	29,955,036	52,460,957
Cash Flows Originating from (used in) investment activities		
Cash flows from sales of property, plant and equipment, classified as investing activities	14,406,812	-
Purchases of property, plant and equipment, classified as investment activities	(16,494,581)	(17,181,067)
Cash flows from sales of intangible assets, classified as investment activities	512,971	-
Purchases of intangible assets, classified as investment activities	(856,361)	(43,395)
Purchases of other long-term assets classified as investment activities	(573,345)	(472,416)
Dividends received, classified as investment activities	-	1,581
Interest received, classified as investment activities	206,406	155,736
Other cash inflows (outflows), classified as investment activities	6,471,834	(17,901,456)
Cash Flows Originating from (used in) investment activities	3,673,736	(35,441,017)
Cash Flows Originating from (used in) financing activities		
Amounts from short-term loans	29,688,620	24,473,905
Loans Reimbursements, classified as financing activities	(32,320,790)	(30,055,927)
Payments of finance lease liabilities, classified as financing activities	-	-
Payments of lease liabilities	(15,661,570)	-
Loan payments to related entities	-	-
Amounts from government subsidies, classified as financing activities	-	-
Dividends paid, classified as financing activities	(10,220,076)	(10,678,611)
Interest paid, classified as financing activities	(40,574)	(65,361)
Other cash inflows (outflows), classified as financing activities	-	-
Cash flows from (used in) financing activities	(28,554,390)	(16,325,994)
Increase (decrease) in cash and cash equivalents, before the effect of the changes in the exchange rate	5,074,382	693,946
Effects of the Exchange Rate Variation on Cash and Cash Equivalents		
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	424,512	199,890
Increase (decrease) of the Cash and Cash Equivalents	5,498,894	893,836
Cash and Cash Equivalents (Initial Balance)	5,258,872	4,365,036
Cash and Cash Equivalents (Final Balance)	10,757,766	5,258,872

FORUS is leading Chilean retail company, focused on the customer experience, connecting people to the brands that move them. The Company, which designs, markets and distributes proprietary and international brands of footwear, apparel and accessories, was founded in 1980 and to date has 529 stores and 32 e-commerce websites in Chile, Peru, Colombia and Uruguay. FORUS operates a portfolio of 31 brands, which includes CAT, Hush Puppies, Columbia, Merrell, Rockford, Azaleia and Vans, among others.

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