

Soriana announces 4Q and full year 2023 Financial Results

- Total Income of \$49.4 billion pesos in the 4Q and a total of \$176.1 billion pesos in 2023.
- 9% growth in the Total Income in the 4Q and 6% in the year.
- 21.1% increase in cash net profit in the quarter and cumulative of 9.3%.
- Opening of 7 Soriana stores and 1 Sodimac during 2023.
- Annual Capex of \$7.2 billion pesos.

Monterrey, N.L. February 23rd, 2024.- Organización Soriana, S.A.B. de C.V. (Soriana) reports financial results for the fourth quarter and full year 2023. The figures in this report are provided on a nominal basis and in accordance with the International Financial Reporting Standards ("IFRS").

Operational Performance

The Company's Total Income reached \$49.407 billion pesos, which represents an increase of 9% vs 4Q22. This increment was mainly supported by the opening of four units in the quarter, also due to an increase in sales in the Mercado and Express store formats, and an increase of 11% in Real State Revenue. Same-Store-Sales for the quarter reached 5.9% and considering all stores of 6.7%. In annual terms SSS was 4.5% and 5.4% total stores.

Gross Profit reached \$11.435 billion pesos in this quarter, which was equal to 23.1% margin and represents an increase of 9.3% vs. 4Q22, mainly supported by an extraordinary income accounted during this period. Cumulative Gross Profit reached \$40.134 billion pesos equal to a 22.8% margin, and an expansion of 60 bps vs. 2022 with an increase of 9%.

The **operating expenses** line showed an 10% increase vs. 4Q22, this is 14.3% over sales, reaching \$7.065 billion pesos, which represents 10 bps expansion vs. 4Q22. This increment was primarily due to personnel costs as a consequence of a better vacancy coverage during the year, and the effect of 7 new stores in operation, also by a 9% increase in the cost of the company's energy mix, due to an extraordinary situation in an Eolic park that affected the energy cost this quarter. In cumulative terms, operating expenses represents 15.4% over sales with an increase of 11.6% vs. 2022.

As a result of the above mentioned, **EBITDA**⁽¹⁾ closed the Q4 in \$4.240 billion pesos, which is equal to 8.6% margin showing a contraction of 30 bps and an increase of 4.6% vs. 4Q22 results. In cumulative terms, EBITDA reached \$12.905 billion pesos, which represents a 7.3% margin and an increase of 2.2%.

(1) EBITDA se define como utilidad de operación antes de la depreciación y amortización

Regarding **financial items**, net financial cost of the quarter closed in \$737 million pesos, showing an increase of 89.6% vs. last year, derived from a lower financial product after the close of the equity swap in October, and an increase in Debt cost due to a higher interest reference rate. The annual net financial cost amounted to \$2.493 billion pesos equal to 1.4% over sales, showing an increase of 24.7% against 2022 result.

Finally, **Net Income** reached \$2.185 billion pesos, equal to 4.4% as a percentage over sales which implies an increase of 11% vs. 4Q22. In cumulative terms, closed in \$5.046 billion pesos, representing 2.9% over sales.

Debt Behavior

For year closing, the Company **Total Debt** amounted in \$12.834 billion pesos, a decrease of 1% against year-end balance of 2022.

Operational Information

Below is a comparative table of the number of units in operation by store format at the year end.

| Format | Units | | Sales-Floor Area (sqm) | |
|--------------|------------|------------|------------------------|--------------|
| | 4Q23 | 4Q22 | 4Q23 | Inc. vs 4Q22 |
| Hiper | 368 | 369 | 2,646,996 | -0.2% |
| Super | 130 | 127 | 269,482 | 3.8% |
| Mercado | 162 | 163 | 703,228 | -0.3% |
| Express | 106 | 105 | 143,744 | 1.4% |
| City Club | 39 | 37 | 312,453 | 5.7% |
| Total | 805 | 801 | 4,075,903 | 0.5% |
| Sodimac | 13 | 12 | 115,122 | 3.5% |

** The information contained in the table was adjusted to reflect the changes derived from: remodeling, store format changes and upgrades of layout made during the year.*

The company total investments during 2023 reached \$7.2 billion pesos in which the greater amount was allocated to 18 new stores (including 4 re-opening and under construction) as well to stores maintenance and equipment reposition, land acquisitions required for future expansion and IT platforms, among others.

Social Responsibilities Activities

As part of our Corporate Social Responsibility strategy, we have 4 pillars that represent a solid platform for our customers, suppliers, collaborators, shareholders and community. These pillars were supported throughout the quarter through the following actions:

a) Soriana Foundation

During 2023, Soriana Fundacion made a social investment of \$115.3 million pesos supporting a total of 390 institutions along the country, that improved the life conditions of 518,823 people in different states of the country. This support was mainly given to, food programs initiatives, childhood support and community projects.

Therefore, 49% of this investment was directed to Feeding programs, that is \$76.3 million pesos investment where 358 thousand people in food poverty were benefited. In second term, Children support represented 35% of this investment, that is \$55 million pesos investment, that helped 46 thousand children among the different programs. And lastly, 16% of the investment was directed to the Community, where we have different community development projects, investing \$24.5 million pesos that benefited 115 thousand people.

During the year we executed different projects under the 3 axes of support: Standing out the **Community** development projects that supported 54 communities in the states of Chiapas, Puebla, Veracruz, and Yucatan, helping more than 9,000 people, also school classrooms and restrooms were renovated in 62 rural schools. Also, we collaborated in installing 20 rainwater collection systems in the community of San Fernando in the State of Chiapas, we also brought our eco-friendly stoves program to 550 families in rural communities, which now accounts to 4,735 units since the creation of this program.

Regarding our projects to support **Childhood**, a social investment was made of \$9.3 million pesos into our sponsored EDUSER school where we extended classes to Elementary grade benefiting 434 students. **Food programs** where mainly supported by expanding merchandise for donation to benefit the Network of Food Banks of Mexico.

b) Soriana Universidad

We continue to encourage the development of our collaborators through Soriana Universidad. At the end of 2023, 404 students finished their academic education on different educational levels and the number of new students registered showed an increase of 6.4% at year-end close.

c) Environment

Committed to the environmental care, in this quarter we concluded the installation of the photovoltaic systems in 3 additional stores located in the southeast of the country.

Accumulating 25 units with a capacity of 11.7 MWp equivalent to 35,000 panels, and an estimated annual generation of 15.7 million kWh.

Likewise, in 2023 we continued with the transition of LP Gas to Natural Gas in the stores. And in this 4th quarter, we were able to do the change in 20 units. These actions let us to reduce the CO2 emissions and decrease 50% of the expenses.

d) Rankings and Recognitions

In this 4th quarter, Organización Soriana was recognized in 9 important rankings, in which stands out in 4th place of the sector, and 44 in the general list with "Companies with the Best Reputation in Mexico" by MERCO, which strengthens the Company's image and position in the self-service sector. Likewise, Soriana took 40th place in the ranking "The 1000 Most Important Companies from Mexico" by Mundo Ejecutivo. These achievements reflect the commitment of Soriana with the business excellence and services quality.

Moreover, the commitment of Soriana with the environment was recognized, since the Company took the place 92 in the list "Responsible Companies" by Expansión, which shows the dedication we have to sustainability and social responsibility.

These achievements stand out our commitment to the Mexican communities and their economy and our solid dedication to continuous improvement and social business responsibility. As an integral part of our corporate identity, we are proud to highlight the positive impact we make into society and the environment. We will continue working, always looking to surpass the expectations and to contribute in a significative way to the wellness of our communities.

Organización Soriana, S.A.B. de C.V. and Subsidiaries
Consolidated Statements of Income

Millions pesos

| | Fourth Quarter | | | | |
|---|-----------------------|--------------|---------------|--------------|---------------|
| | 4Q2023 | % | 4Q2022 | % | Var. % |
| Net Sales | 49,407 | 100 | 45,322 | 100 | 9.0 |
| Cost of Sales | 37,972 | 76.9 | 34,856 | 76.9 | 8.9 |
| Gross Income | 11,434 | 23.1 | 10,466 | 23.1 | 9.3 |
| Operating Expenses | 7,065 | 14.3 | 6,424 | 14.2 | 10.0 |
| Income before other expenses, net | 4,369 | 8.8 | 4,042 | 8.9 | 8.1 |
| Other Income and (Expenses), Net | (129) | (0.3) | 11 | 0.0 | (1,300.9) |
| EBITDA | 4,240 | 8.6 | 4,053 | 8.9 | 4.6 |
| Depreciation and Amortization | 929 | 1.9 | 821 | 1.8 | 13.2 |
| Operating Income | 3,311 | 6.7 | 3,232 | 7.1 | 2.4 |
| Interest Income (Expenses), Net | (824) | (1.7) | (677) | (1.5) | 21.8 |
| Foreign Exchange Gain (Losses) | 82 | 0.2 | 259 | 0.6 | (68.4) |
| Utility (Loss) Exchange | 5 | 0.0 | 29 | 0.1 | (82.7) |
| Comprehensive Financing Income | (737) | (1.5) | (389) | (0.9) | 89.6 |
| Minority Interest | (51) | (0.1) | (137) | (0.3) | (62.9) |
| Earnings Before Tax & Profit Sharing | 2,523 | 5.1 | 2,706 | 6.0 | (6.8) |
| Tax Provision | 338 | 0.7 | 738 | 1.6 | (54.1) |
| Net Income | 2,185 | 4.4 | 1,968 | 4.3 | 11.0 |
| Controlling interest | 2,180 | 4.4 | 1,963 | 4.3 | 11.0 |
| Non-controlling interest | 5 | 0.0 | 5 | 0.0 | (0.2) |
| Cash Net Profit | 2,962 | 6.0 | 2,446 | 5.4 | 21.1 |

Organización Soriana, S.A.B. de C.V. and Subsidiaries
Consolidated Statements of Income

Millions pesos

| | Accumulated | | | | |
|---|--------------------|--------------|----------------|--------------|---------------|
| | 2023 | % | 2022 | % | Var. % |
| Net Sales | 176,120 | 100 | 166,157 | 100 | 6.0 |
| Cost of Sales | 135,986 | 77.2 | 129,330 | 77.8 | 5.1 |
| Gross Income | 40,134 | 22.8 | 36,827 | 22.2 | 9.0 |
| Operating Expenses | 27,179 | 15.4 | 24,363 | 14.7 | 11.6 |
| Income before other expenses, net | 12,955 | 7.4 | 12,464 | 7.5 | 3.9 |
| Other Income and Expenses, Net | (50) | 0.0 | 165 | 0.1 | (130.2) |
| EBITDA | 12,905 | 7.3 | 12,629 | 7.6 | 2.2 |
| Depreciation and Amortization | 3,465 | 2.0 | 3,240 | 2.0 | 6.9 |
| Operating Income | 9,440 | 5.4 | 9,389 | 5.7 | 0.5 |
| Interest Income (Expenses), Net | (3,019) | (1.7) | (2,489) | (1.5) | 21.3 |
| Foreign Exchange Gain (Losses) | 574 | 0.3 | 485 | 0.3 | 18.5 |
| Utility (Loss) Exchange | (49) | (0.0) | 4 | 0.0 | (1,202.4) |
| Comprehensive Financing Income | (2,493) | (1.4) | (1,999) | (1.2) | 24.7 |
| Minority Interest | (239) | (0.1) | (303) | (0.2) | (21.1) |
| Earnings Before Tax & Profit Sharing | 6,707 | 3.8 | 7,086 | 4.3 | (5.3) |
| Tax Provision | 1,661 | 0.9 | 2,036 | 1.2 | (18.4) |
| Net Income | 5,046 | 2.9 | 5,050 | 3.0 | (0.1) |
| Controlling interest | 5,021 | 2.9 | 5,023 | 3.0 | (0.0) |
| Non-controlling interest | 25 | 0.0 | 26 | 0.0 | (4.5) |
| Cash Net Profit | 8,111 | 4.6 | 7,422 | 4.5 | 9.3 |

Organización Soriana, S.A.B. de C.V. and Subsidiaries
Consolidated Balance Sheets

Millions pesos

| | 2023 | % | 2022 | % | Var. % |
|---|----------------|-------------|----------------|-------------|---------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | 6,746 | 4.5 | 10,280 | 7.1 | (34.4) |
| Trade | 1,036 | 0.7 | 821 | 0.6 | 26.2 |
| Other Accounts Receivable | 7,136 | 4.7 | 4,871 | 3.4 | 46.5 |
| Inventories | 33,866 | 22.4 | 29,685 | 20.4 | 14.1 |
| Other Current Assets | 311 | 0.2 | 222 | 0.2 | 40.4 |
| Total Current Asset | 49,096 | 32.4 | 45,879 | 31.6 | 7.0 |
| Property, Equipment and Use Rights, Net | 76,727 | 50.6 | 74,287 | 51.1 | 3.3 |
| Intangible Assets | 20,791 | 13.7 | 20,671 | 14.2 | 0.6 |
| Deferred taxes | 871 | 0.6 | 801 | 0.6 | 8.8 |
| Other Assets | 4,015 | 2.7 | 3,748 | 2.6 | 7.1 |
| Total Assets | 151,500 | 100 | 145,385 | 100 | 4.2 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Suppliers | 32,084 | 21.2 | 28,981 | 19.9 | 10.7 |
| Short Term Debt | 0 | 0.0 | 2,700 | 1.9 | 100.0 |
| Other Accounts Payable | 2,859 | 1.9 | 2,115 | 1.5 | 35.2 |
| Short Term Lease Liabilities | 613 | 0.4 | 578 | 0.4 | 6.1 |
| Other Liabilities without cost | 1,726 | 1.1 | 2,003 | 1.4 | (13.8) |
| Total Current Liabilities | 37,283 | 24.6 | 36,377 | 25.0 | 2.5 |
| Deferred Taxes | 9,877 | 6.5 | 10,380 | 7.1 | (4.8) |
| Long Term Debt | 12,834 | 8.5 | 10,204 | 7.0 | 25.8 |
| Long Term Lease Liabilities | 9,832 | 6.5 | 9,800 | 6.7 | 0.3 |
| Other Liabilities | 2,856 | 1.9 | 2,734 | 1.9 | 4.5 |
| Total Long Term Liabilities | 35,400 | 23.4 | 33,117 | 22.8 | 6.9 |
| Total Liabilities | 72,682 | 48.0 | 69,494 | 47.8 | 4.6 |
| Stockholders' Equity | | | | | |
| Paid-In Capital Stock | 83 | 0.1 | 83 | 0.1 | 0.0 |
| Restatement of Paid-In Capital Stock | 1,170 | 0.8 | 1,170 | 0.8 | 0.0 |
| Premium on Sales of Shares | 977 | 0.6 | 977 | 0.7 | 0.0 |
| Repurchase Fund of Shares | 566 | 0.4 | 537 | 0.4 | 5.5 |
| Other Capital Accounts | (733) | (0.5) | (573) | (0.4) | 28.0 |
| Accumulated Earnings | 76,755 | 50.7 | 73,698 | 50.7 | 4.1 |
| Total Stockholders' Equity | 78,817 | 52.0 | 75,892 | 52.2 | 3.9 |
| Total Liabilities and Stockholders' Equity | 151,500 | 100 | 145,385 | 100 | 4.2 |

Organización Soriana, S.A.B. de C.V. and Subsidiaries
Consolidated Cash Flow Statements

Millions pesos

| | <u>2023</u> | <u>2022</u> | <u>Var. %</u> |
|---|----------------|----------------|------------------|
| <u>OPERATING ACTIVITIES</u> | | | |
| Income before Income Tax | 6,707 | 7,086 | (5.3) |
| <u>Adjustments by:</u> | | | |
| Depreciation & Amortization | 3,465 | 3,240 | 6.9 |
| Sales of property and equipment | (191) | (38) | 396.3 |
| Participation in the Results of Associates and Joint Ventures | 239 | 303 | (21.1) |
| Labor cost | 151 | 145 | 3.7 |
| Interest accrued in favor | (545) | (326) | 67.2 |
| Interest accrued in charge | 3,019 | 2,489 | 21.3 |
| Others | (35) | (181) | (80.6) |
| Sum | 12,810 | 12,718 | 0.7 |
| Clients | (215) | 370 | (158.1) |
| Inventories | (4,181) | (1,108) | 277.3 |
| Suppliers | 3,110 | (56) | (5,677.4) |
| Payable and receivable accounts | (2,127) | 1,023 | (307.8) |
| Income Tax Paid | (2,727) | (3,071) | (11.2) |
| Net cash flow from operating activities | 6,670 | 9,876 | (32.5) |
| <u>INVESTING ACTIVITIES</u> | | | |
| Acquisitions of property and equipment | (6,322) | (3,554) | 77.9 |
| Sale of Fixed Assets | 723 | 126 | 473.3 |
| Contribution of share capital in joint ventures | (450) | (676) | (33.4) |
| Interest charged | 451 | 326 | 38.4 |
| Others | 5 | (2) | (352.0) |
| Net Cash flow from investing activities | (5,593) | (3,780) | 48.0 |
| Cash receivable from financing activities | 1,078 | 6,096 | (82.3) |
| <u>FINANCING ACTIVITIES</u> | | | |
| Financing Obtained | 51,800 | 27,100 | 91.1 |
| Financing Repaid | (51,500) | (29,875) | 72.4 |
| Interest Paid | (2,852) | (2,377) | 20.0 |
| Finance lease liability | (626) | (564) | 11.0 |
| Dividends paid | (983) | 0 | * |
| Share buyback | (450) | 0 | * |
| Net cash flow from financing activities | (4,612) | (5,717) | (19.3) |
| Net increase (decrease) in cash and cash equivalents | (3,534) | 380 | (1,031.0) |
| Cash and cash equivalents at beginning of period | 10,280 | 9,901 | 3.8 |
| Cash and cash equivalents at end period | 6,746 | 10,280 | (34.4) |