

[411000-AR] Datos generales - Reporte Anual

Annual report:	Anexo N
Type of instrument:	Acciones
Foreing issuer:	No
Mentioning whether or not have collateral:	This element does not apply to WALMEX.
Detail the partial or total dependence:	No



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Serie [Eje]	Acciones
Specification of the characteristics of outstanding securities [Abstract]	
Clase	Common
Serie	From the same series
Tipo	No-par value
Número de acciones	17,446,322,177
Bolsas donde están registrados	Bolsa Mexicana de Valores, OTCQX Market Tier
Clave de pizarra de mercado origen	WALMEX
Tipo de operación	
Observaciones	

Ticker:

WALMEX

The mention that the values of the issuer are registered:

Los títulos se encuentran inscritos en el Registro Nacional de Valores

Article 86 legend of the LMV:

La inscripción en el Registro Nacional de Valores no implica certificación sobre la bondad de los valores, solvencia de la emisora o sobre la exactitud o veracidad de la información contenida en este Reporte anual, ni convalida los actos que, en su caso, hubieren sido realizados en contravención de las leyes.

Annual report CUE legend:

Reporte anual que se presenta de acuerdo con las disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes del mercado

Period representing:

2024-01-01 to 2024-12-31

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[413000-N] Información general

Glossary of terms and definitions:

AEO Certification	Recognition granted by Mexican customs authorities to economic agents involved in international trade.
ARCO Rights	These are the right of access, rectification, cancellation, and opposition of the holders regarding their personal data
BAE	Bodega Aurrera Express
Bodegas and discount stores	Austere self-service stores offering basic merchandise, food and household items at the best price
BPAyD	Storage and distribution best practices
BRC Certification	British Retail Association
BPS	Basis Points
CAM	Central America
Cetes	Mexican Federal Treasury Certificates
CG-MR	Multiline and Specialty Retailers Distributors
CNBV	National Banking and Securities Commission
CO2eq	Carbon dioxide equivalent
COFEPRIS	Federal Commission for the Protection Against Health Risks
CONAGUA	National Water Commission
Cross Border Commerce	Information on cross border trade
Crowdsourcing	External collaboration for picking and delivery services
Despensa a tu casa	Bodega website for home delivery services
Distribution Center/ DC	Location for the receipt of goods from supplies and store distribution
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EPRA	Enterprise Privacy Risk Assessment
ESG	Environmental, Social and Corporate Governance
Every Day Low Prices / Every Day Low Costs	Permanent philosophy of Walmart de México y Centroamérica, in order to contribute towards improving the quality of life for the region
Fintech	Combination of the terms “finance” and “technology”. Used to describe companies and services that leverage technological innovation to improve and facilitate financial operations
Flex POS	Our system to manage the Point of Sale

Fulfillment Center	Smaller logistics facility where customer orders through digital platforms are prepared and shipped
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IMPI	Mexican Institute of Industrial Property
INAPAM	Instituto Nacional de las Personas Adultas Mayores
ISR	Income Tax
IT	Information Technology
KPI	Key performance indicator
LED	Light Emitting Diode
MVNO	Mobile Virtual Network Operator.
Net sales	Income from merchandise sales in our units
NGO	Non-governmental Organization
NIST	National Institute of Standards and Technology
NOM	Mexican Official Standards
NPS	Net Promoter Score, indicator to measure customers' loyalty
PACIC	Package Against Inflation and Scarcity
PAI	Walmart Comprehensive Assistance Program
Pandemic	An epidemic disease that spreads too many countries or that affects almost all individuals in a region.
Picker	Associate responsible to collect products requested by the customers
PM Particles	Particles with aerodynamic diameter less than 10 microns
Powered by Walmart	Powered or Influenced by Walmart
Price Clubs	Membership warehouse clubs focused on businesses and consumers who seeks the best possible prices
PROFECO	Consumer Protection Agency
Royalties	Revenue share or fixed amount of money paid to a copyright owner for approval to use it
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
Sellers	External sellers within the marketplace
SENASICA	National Service for Agrifood Health, Safety and Quality
SICA	Central American Integration System
SINGREM	National System for the Management of Packaging and Medicine Waste
SKU	Stock Keeping Unit, is the unique reference number of a product
SME	Small and medium-sized enterprises
SSA	Secretary of Health
Supermarkets	Self-service stores located in residential areas

T-MEC	Mexico-United States-Canada Agreement.
Total revenues	Net sales plus other income
USDA	United States Department of Agriculture
Walmart	Self-service stores providing the widest assortment of goods from groceries and perishables to apparel and general merchandise
Walmex	Ticker symbol for Wal-Mart de México S.A.B. de C.V.

Executive Summary:

Walmart de México y Centroamérica is one of the most important retail chains in the region. As of December 31, 2024, it operates 4,079 units with operations in six countries (Costa Rica, El Salvador, Guatemala, Honduras, Mexico and Nicaragua), through self-service stores, warehouse membership clubs and omnichannel sales.

During 2024, Walmart de México y Centroamérica achieved the following results.

Financial Data					
		Million pesos		Growth	
		2024		2023	(%)
RESULTS					
Net sales	Ps.	951,642	Ps.	880,122	8.1
Other income		6,865		6,401	7.2
Total income		958,507		886,523	8.1
Gross profit		231,473		210,558	9.9
General expenses		156,085		136,747	14.1
Operating income		77,359		73,276	5.6
EBITDA*		99,998		93,853	6.5
Income before income tax		68,931		68,607	0.5
Income tax		15,104		17,017	-11.2
Consolidated net income attributable to the parent	Ps.	53,827	Ps.	51,590	4.3
FINANCIAL POSITION					
Cash and cash equivalents	Ps.	36,514	Ps.	40,669	-10.2
Inventories, net		110,695		95,088	16.4
Other assets, net		54,962		43,887	25.2
Fixed assets, net		249,025		222,606	11.9
Goodwill		42,697		34,297	24.5
Total assets	Ps.	493,893	Ps.	436,547	13.1
Suppliers		121,971		114,430	6.6
Other liabilities		139,047		123,031	13.0

Equity	232,875	199,086	17.0
Total liabilities, equity and non-controlling interest	Ps. 493,893	Ps. 436,547	13.1

*Walmart de México y Centroamérica considers this indicator in order to measure the operating performance of the business.

Our strategy

We focus on offering an ecosystem of solutions that is preferred by our customers as a result of our omnichannel structure, which allows us to win in discount. We have the best talent to respond to customer needs by putting them at the center of all our decisions, backed by an efficient supply chain and technology that support and streamline every operation.



Walmart Ecosystem

In recent years, our enterprise has undergone significant change, evolving from a company with physical stores to an omnichannel company. This change has been an exciting and challenging journey, with a clear objective: to meet our customers' needs in a single place and at prices they can afford.

Our core business, the stores, is solid and feeding the ecosystem, while the new businesses we create drive customer loyalty and strengthen the core business so that it grows, becomes stronger, and remains resilient.



Win in Discount

Aware of the challenges we faced in 2024, we worked to help families in Mexico and Central America save money and live better. Despite the moderate consumption we saw at the end of the year, we are encouraged by our business's resilience.

Our value proposition of experience, variety, and convenience has proven to be relevant and successful. Our customers and members value and respond positively to our strategic investments, confirming the importance of keeping prices low in a challenging macroeconomic environment.

We maintain our price leadership and continue to operate with discipline, which is reflected in our customers' continued preference. Our purpose of having Every Day Low Prices is essential to serving them in a personalized way, as we know they prioritize value, access, and affordability in the product catalog we offer.

We will continue to invest in the best technology and growth to fulfill our purpose.

In 2024, our efforts to Win in Discount focused on the following initiatives:

1. Low Prices
2. Perishables
3. Our Brands
4. Operating Efficiencies

LOW PRICES

The combination of lower prices and an efficient assortment has helped us maintain our customers' trust.

We were able to offer the cheapest basic food basket in Mexico throughout the entire first half of the year.

At Walmart de México y Centroamérica, we focus on offering products and services that improve the lives of families by increasing their purchasing power at the lowest prices. Our unique positioning is based on our multi-format omnichannel strategy, which allows us to serve customers and members with different consumption habits and savings needs. This is particularly relevant in discount formats such as Bodega in Mexico and Palí in Central America, where people are looking for the best prices.

In 2024, we experienced a slowdown in consumption towards the second half of the year, reflecting a more savings-oriented behavior. Nevertheless, the value proposition behind our strategic priority, Win in Discount, was well received.

We are prepared to meet these challenges with clear strategies that prioritize merchants, optimize operations, and strengthen our value proposition. These challenges are also opportunities to innovate and strengthen our price leadership position in the market.

Bodega

Today, Bodega Aurrera is one of the most valuable brands in Mexico. We have more than 2,500 stores and an omnichannel shopping experience that provides access to a solid ecosystem of services that fight economic and social barriers in favor of our customers.

Throughout 2024, we remained committed to the Package Against Inflation and Scarcity (PACIC), as we were recognized by the Federal Consumer Protection Agency (PROFECO) as the self-service chain with the lowest national average price in the basic food basket in the first half of the year. This confirms our philosophy and shows that the strategies implemented to combat inflation and high costs of living are working.

Morralla, our permanent campaign offering products at affordable prices between 5 and 35 pesos, continues to be a key driver of sales growth and success. With an average of 1.3 items sold per minute, we can see this initiative's undeniable value.

El Fin Irresistible

In Mexico, Bodega achieved one of the largest sales increases over the previous year. Both in stores and online with **Despensa a tu Casa**, we had three days that were characterized by the highest sales in the history of the format. We thank all the teams that made this possible.

The sum of these advances was reflected in a historic NPS at Bodega, with a +110 basis-point increase over the same event in 2023. Low prices and the variety of offers and promotions were essential to achieve these results.

Enablers in Action: Customer Centricity

In 2024, we streamlined our communications with customers by leveraging our connection to generative artificial intelligence platforms, which has given us a new Mamá Lucha influencer. Through her, we can communicate our value proposition with greater agility than before. We connected with younger audiences and increased our presence on social networks, transforming this iconic character into a relevant figure for new generations and strengthening its brand identity.

- *Mamá Lucha* has been declared a "Famous Brand" by the Mexican Institute of Industrial Property (IMPI).

Walmart Supercenter

We continued to work with key programs. These included Los **Básicos de tu Canasta**, which keeps more than 100 essential products at low prices. We also strategically placed our Prichos store near the checkout area in 25 large-format Walmart stores, which allowed sales to double. This contributed to a 400-basis point increase in traffic, strengthening our price perception in Supercenters.

Sam's Club

Just as we do every year, we held the *Socio* Fest event. This event is meant to thank our members, at which we offer exclusive discounts, special promotions, and additional benefits for a wide range of products. Members

can enjoy promotions such as interest-free months, gifts with purchase, and discounts on a variety of categories, from groceries to household items. The *Socio* Fest is an excellent opportunity to save money.

Central America

In Central America, we strengthened our supplier contracting strategy so we can rely on a value chain with the appropriate scale to obtain the best prices. In this way, we can both offer a diversified product range at low cost and reactivate the physical growth of our presence and number of stores.

PERISHABLES

The quality, variety, and availability of perishable products in all formats are essential to building customer loyalty and ensuring we can offer discounts. This is particularly important in bakery, seafood, and meat. We have relied on our Global Sourcing team to ensure a supply of fresh and diverse products throughout the year.

We are on track with our three major initiatives for perishables sales growth:

- **Transformation:** We centralized processes and integrated them vertically with our own facilities and strategic suppliers, optimizing nearly 80% of our stores. We improved operating income and the shopping experience, accomplishing a significant increase in NPS.
- **Quality Perception:** We focus on quality and improving our customer experience. We invested in improving our service and expanding our Beef and Bakery catalog.
- **Regenerative Company:** Over the past decade, we have supported more than 30,000 farmers, increasing their income by 35% and developing their sector.

By developing our supplier network, we were able to source 16% of the fruits and vegetables we sell from Mexican small farmers. In addition to stimulating the local economy, this helps eliminate intermediaries who raise produce prices for us and for consumers.

This year, we implemented a single ticket system for store associates that optimizes the sale of perishables at lower prices based on their expiration potential. Using a matrix that identifies excess inventory, the platform notifies associates within minutes of price reductions that should be adjusted in-store. By reducing their response time, we eliminate waste and ensure the best prices for consumers.

- In Central America, we are making significant investments in the reengineering of price differentials in fresh products. By focusing on freshness and variety, we created an attractive shopping experience, supported by our global sourcing team.

Walmart Express

In addition to optimizing in-store infrastructure and service, we made numerous efforts to improve the perception and experience of Walmart Express customers in 2024. These initiatives have focused on improving the assortment and quality of perishable items, which have been well received.

We highlight our accomplishments in Bakery, where we sold millions of premium quality products thanks to the return of quality bakers. We also reintroduced premium butchers to the store, further strengthening the perishables offering.

To ensure that customers are aware of these developments, we have launched an extensive media campaign for Walmart Express. This was broadcast on television, radio, digital channels, and in movie theaters, focusing on highlighting the improvements we have implemented.

Our commitment to improving the Walmart Express customer experience will continue as we evolve the assortment and quality of perishables and effectively communicate these improvements. We are proud of our accomplishments to date and will continue to work to improve even more.

OUR BRANDS

Our offer of Own Brand products is a key element of the Win in Discount strategy. The quality and value of these products have been very well received in Mexico, resulting in an increase of more than 50 basis points in the penetration of Our Brands' sales in self-service stores compared to the previous year. In 2024, the percentage of customers who bought at least one private brand item was close to 50%. We are particularly proud of Sam's Club's Member's Mark, which has been instrumental in renewing members' annual memberships. At Sam's Club, we promise to offer incredible products at disruptive prices, which is why we saw an 87-basis point increase in Member's Mark penetration compared to last year.

In terms of price perception, we saw an increase of 70 basis points during the year in Mexico, with sustained growth across all formats. This resulted from our strategic products' relevance and Our Brands' strength.

In Central America, our customers continue to reward us with their loyalty and appreciate our efforts to ensure the best in-store experience, with a positive trend in NPS (Net Promoter Score) for all formats and a steady improvement in price perception.

Our Brands will continue to be the focus of our efforts in the coming years, with a commitment to offering affordable prices. As a result, we expect their market share to continue to grow.

- 16.5% Our Brands penetration in Mexico.
- 18.8% Our Brands penetration in Central America.
- 48 our brands currently make up our portfolio.
- Products up to 15% on average cheaper than the market leaders.

Our Brands in Central America are being recognized for their excellent prices. In 2024, the Suli brand was rated #1 in price and performance.

ENABLERS IN ACTION: Customer Centricity

By gaining a deep understanding of each consumer's consumption patterns, tastes, preferences, budgets, and shopping formats, we can identify where we can improve our catalogue prices. Our Price Perception Model, a key part of the Customer Centricity Enabler, helps us understand the critical variables that influence the perceptions of our customers, especially those who are more sensitive to cost changes. We consolidate, profile, and interpret this information to develop our brand products that truly resonate with them, offering solutions that meet their expectations and lifestyles. We create offers that not only meet market demands but also strengthen customer loyalty and enhance their shopping experience, ensuring that each product launched has a positive and significant impact on their lives.

OPERATING EFFICIENCIES

In 2024, our operations evolved to become even more efficient through three fundamental factors: automation, digitalization, and simplification.

Automation has strengthened our technology leadership. This evolution has allowed us to optimize processes, reduce errors and free up time to focus on what matters most to the organization: customers, members, suppliers, and associates.

Digitalization, on the other hand, has improved our connection with merchants by enabling us to better understand their needs and expectations. This transformation has made it easier to deliver personalized and relevant experiences that strengthen our relationship with each customer.

Simplifying processes was the third key element in our journey to efficiency. Reducing the complexity of our operations has made them more fluid and improved the experience for everyone who interacts with us.

We have made significant progress in the organization's efficiency, with notable improvements in several of our processes. Throughout the year, the Smart Receiving program was implemented with positive results, such as optimizing deliveries from suppliers, increasing product availability at points of sale, improving inventory turns, and improving overall productivity.

In the area of digitalization, we have started to implement digital receipts, which will allow all customers of the Walmart and Bodega Aurrera "Benefits" program to access their receipts digitally. This innovation not only improves the shopping experience and efficiency but also helps the environment by reducing the use of paper. In turn, it represents savings in our operating costs, while increasing our digital penetration with the merchant base.

ENABLERS IN ACTION: Technology

By listening to our customers' needs and leveraging technology to meet them, we optimize operations and maximize their budgets. We improve key areas such as the sales floor, supply chain, and home delivery, eliminating friction at every touch point and reducing operating costs. We simplify internal processes and empower our associates with more agile and efficient tools to deliver superior service. To enhance the

shopping experience and build loyalty, we implemented new strategies and the Operational Excellence Program, improving customer satisfaction metrics by responding with more efficient communication, timing, and incident management.

We are also migrating our data centers to storage systems in a distributed cloud. This will provide robust solutions to back up business information and ensure the continuity of installed systems in the event of a disaster. In this way, we aim to improve data accessibility, reduce operating costs, and ensure an infrastructure that can adapt to future growth with a higher level of security.

This year we implemented productivity initiatives, including the first Self Check Out registers in Bodega Aurrera Express and in all Bodega Aurrera stores. Now, 50% of customers prefer to use Self Check Out over assisted checkouts. We also simplified the checkout process by eliminating the use of keys to unlock the systems. We replaced them with passwords and verification metrics that eliminated the need for a supervisor. This saved 140 thousand man hours and significantly reduced wait times, improving the customer experience. In addition, we are facilitating in-store payments through our Cashi application, which allows customers to pay with digital money without commissions.

- >1,200 stores of all formats have this self-checkout technology.

Our distribution centers also saw a steady increase in productivity throughout the year, thanks to mechanization and automation initiatives such as walkie pallets and new sorters.

Superfunctionals: Operating Efficiencies

In 2024, we completed the implementation of our Superfunctionals project, a pioneering initiative in the retail sector. We started this project in Mexico in 2023 and expanded it to all stores and clubs, including Supercenter, Sam's, and Walmart Express. Rather than having our associates perform a single role within the store, we prepare them to perform multiple tasks. This not only contributes to their professional development but also increases operational efficiency and generates significant economic savings by eliminating waiting times and adjusting the number of associates assigned to stores.

In addition, we developed training scales and compensation levels that have accomplished an 85% acceptance rate, up from an initial 70%. We complement this with annual certifications and updates to ensure that all new associates are properly integrated into this system.

Automated?Back Office: Administrative Efficiencies

We streamlined back-office operations by reorganizing tasks and automating processes that did not add direct value to customers. This was our largest productivity project and generated significant savings across all formats without causing disruption or significant operational differences. We also eliminated unnecessary tasks through digitization and training to ensure a smooth transition. This allows us to focus on providing better service.

Lead in Omnichannel

Over the years, we have evolved to delight different customer segments in the 750 cities where we operate in Mexico and Central America. Our ability to tailor our businesses to their lifestyles allows us to not only meet but exceed their expectations. We have also expanded what we offer to benefit the more than six million customers and members who visit our stores every day.

We have focused this transformation on improving the shopping experience by integrating our physical stores, digital platforms, and supply chain. This robust omnichannel approach, coupled with our commitment to maintaining our Every Day Low Prices value proposition, is how we put the customer at the center of our decisions.

We are constantly improving and expanding our platform offerings to make life easier for our consumers. With our On Demand service, we deliver products the same day they are ordered in any of our formats. In addition, our Marketplace offers an extended assortment of local and international vendors, which grew by 50% compared to 2023, ensuring a wide variety of items at the best prices.

In Central America, we continued to strengthen our omnichannel strategy, including the expansion of our stores and the launch of our mobile app. This offers our customers a broad product catalog with home delivery and in-store pickup capacities.

As Omnichannel Leaders, our focus on customer centricity and our ever-expanding capabilities have positioned us to deliver exceptional service in 2024 and will enable us to continue doing so in the future.

Store Openings

Our greatest strength lies in the strategic expansion of our stores, an aspect on which we continue to focus our efforts. We continue to invest in optimizing and enriching the shopping experience, recognizing that each interaction is unique. Our goal is to enhance the value proposition in each of our formats, ensuring an offer tailored to the needs and expectations of our customers. In this way, we seek not only to grow, but also to consolidate our position in the market. This year, we opened 180 new stores, marking a milestone in our openings and surpassing the previous year's record. It also represents a record number since 2013. These additions contributed 1.7% to our total revenue growth, exceeding the expectations we set for the year.

- 180 new stores:
 - 151 in Mexico.
 - 29 in Central America: 19 stores in Costa Rica / 8 in Guatemala / 2 in Nicaragua.
- +180 thousand m² of additional installed capacity.
- 2.4% more selling space than in 2023.

These actions reflect our focus on sustained expansion and strengthening our presence in key markets.

Store Remodeling

As we build and remodel stores, we focus on major maintenance and invest in equipment replacements, including replacing 20-30% of refrigerants. We use robust tools to identify maintenance needs and new store openings, considering factors such as socioeconomic status, population, revenue capacity, store location, and supply chain proximity. With Intensity 2.0, and soon 3.0, we integrate customer NPSs to assess infrastructure, considering store age and maintenance costs, to identify improvement opportunities.

ENABLERS IN ACTION: Customer Centricity

We are renovating our stores' spaces and layouts to provide an improved shopping experience that is aligned with what matters most to each of our customers. Through our space adaptation project, we are highlighting the omnichannel experience and bringing it closer to them.

At Bodega, we currently have 16 stores that include a showroom of our extended assortment available online. At Walmart Express, we piloted moving the pharmacy's locations off the sales floor to provide quick access for patients without them having to enter the store, while also showcasing the Floral department and our new Dermacenter, which focuses on dermatological care. We launched Country Fairs to promote products from different regions and make them available to consumers. In this format, as well as in the Supercenter, we also optimized space for key categories such as pets, babies, sports, and cleaning, in line with market trends.

ENABLERS IN ACTION: Technology

We launched our new Minecraft way of working, which makes us more agile in customizing and distributing spaces. We start with a prototype of what we want the stores to look like and then adapt them to different spaces and their characteristics as best as possible. This will allow us to reduce opening times by 50% and accelerate our expansion in highly competitive areas. As of today, this new way of working applies to all Bodega Aurrera Express prototypes.

Accelerating store openings also means expanding our footprint and presence with greater agility, using innovation as a driver to improve each customer's shopping experience.

eCOMMERCE

Our eCommerce platforms are key to our omnichannel strategy. Their growth across all our business formats has made them a fundamental pillar for the future of the company. They enable us to be present at every shopping occasion, making it easy for our customers to find and buy their favorite products.

As eCommerce adoption continues to accelerate, we have strengthened and expanded our digital strategy to provide our customers with a more streamlined and convenient shopping experience. Our customers value the convenience of online shopping, and we are continually refining our digital offerings and assortments to meet their evolving needs. In this regard, we continue to expand our Marketplace and complement our On Demand offerings in stores and clubs. This has allowed us to increase the variety of products in our catalog and respond to market needs more quickly.

Reflecting these trends, our eCommerce Gross Merchandise Value (GMV) in Mexico grew 20% in 2024. It represented 7.4% of total GMV, driven by the expansion of On Demand and the acceleration of our Extended Assortment.

- 20% increase in eCommerce Gross Merchandise Value (GMV) in Mexico.

ENABLERS IN ACTION: Technology

Technology is a key tool for us as we continue to strengthen the infrastructure that streamlines and enhances our digitized sales channels. The way we connect with our customers and within our own operations, makes it easier to capture, process, and act on operational information. This data allows us to get a feel for buying patterns, fine-tune our logistics planning, and improve our understanding of what our merchants want.

Our key initiatives to accelerate and strengthen our shopping experience on eCommerce platforms include



We want to emphasize the importance of our omnichannel ambitions in Central America. We have focused on improving the shopping experience for our customers in the region and enriching the value proposition of our formats. We have optimized this experience with an enhanced omnichannel infrastructure, allowing our customers to enjoy faster and more efficient shopping processes.

In 2024, we took our omnichannel plans a step further. eCommerce grew by 73% and increased sales penetration by more than 40 basis points. This significant growth was driven by store expansion and the launch of our mobile app, among other initiatives. We continue to invest and expand our capabilities to ensure that all families in Central America can enjoy this streamlined and efficient shopping experience. The success of our omnichannel strategies demonstrates our commitment to continuous improvement and our ability to adapt to the changing needs of our customers in this region.

- 73% growth in eCommerce Gross Merchandise Value (GMV) in Central America.

ON DEMAND

On Demand has been a key driver of our eCommerce growth and overall omnichannel strategy. This service allows us to bring products from our own stores closer to our customers. In doing so, we are increasing the

purchase frequency of items that were previously only available in stores, and leveraging the trust that consumers already have in our product portfolio to expand our On Demand efforts.

This service had a strong performance in Mexico in 2024, mainly across all our formats, mainly due to improvements in our infrastructure and our associates' efficient way of work. These positive results show that we are on the right track with our omnichannel strategy and that our investment decisions are resonating with our customers.

Despensa a tu Casa at Bodega Aurrera

During the year, we continued to expand the penetration of our MiBodega and Bodega Aurrera Express formats. Through the implementation of the Glass platform across all our formats, we have experienced significant results. Notably the performance of '*Despensa a tu Casa*', which recorded the highest growth rate of all our formats. This evolution has been fundamental in consolidating our digital operations, especially in the sale of the basic food basket, where we took advantage of our expanded distribution network to reach more customers quickly and efficiently.

- +3.6 million app customers.

Walmart Express and Walmart Supercenter

At Walmart Express, we are focused on returning the value proposition of premium products to our customers with assortments and differentiated products, particularly in perishables, meat and seafood, floral, skin care, and imported items. As we grow, we will seek to introduce regional catalogs to cater to customers' local tastes.

Meanwhile, at Walmart Supercenter, we have strengthened our one-stop shopping service. We offer a wide variety of products for all needs, and we strengthened our in-store apparel brands by adding several premium names, such as Lululemon and Carolina Herrera, to the catalog. We also added seasonal or limited-edition products to the catalog, such as promotional items for movies.

Walmart Supercenter and Walmart Express doubled their year-over-year growth rate as a result of our expanded logistics capabilities and optimized online shopping experience. We improved the availability of same-day delivery slots and strengthened our *Pronto* service, which allows customers to receive their purchases in 90 minutes or less.

In addition, adoption of Walmart Pass continued to grow, solidifying its position as a leading solution for unlimited home delivery. With these improvements, we reinforced our promise to offer an agile and trusted service, driving our customers' preference for the Walmart Supercenter and Walmart Express formats.

El Fin Irresistible

During our *El Fin Irresistible* event in November, the most important of the year, we achieved historic sales records on our digital channel. During these days, we registered more than 170 million visits to our eCommerce platforms, reflecting the exponential growth and relevance of our digital operations.

November 18th became the highest sales day in the company's history, with historic figures in all our formats. Bodega Aurrera's *Despensa a tu Casa* experienced 72% growth over last year, while Walmart Supercenter and Walmart Express achieved record service levels during the event. In addition, Sam's Club achieved an unprecedented number of memberships, consolidating its growth and member loyalty.

- Membership renewal rate was over 75%
- We will double the number of digital members by 2025.
- +1.3 million new members.

Sam's Club

At Sam's Club, we aimed to gain a significant market share in wines and spirits, as well as in the supply of the highest quality technology and perishable products. We sought to align ourselves closely with the sales strategies of Member's Mark in other countries, such as seasonal promotions at Halloween.

At the same time, we continued to develop our digital and logistics expertise. We extended our *Pronto* delivery promise to all clubs, enabling our members to receive their orders in less than 2 hours. With an optimized digital picking and service model, we were able to improve operational efficiencies and offer even faster delivery times.

At Sam's, we completed the migration onto our digital platform, called Glass, in the last quarter of the year. This migration was the fastest in all of Walmart de México y Central America, breaking records for all formats. It was completed in only 3 months and with a double-digit improvement in transactional performance.

We improved the Sam's On Demand app experience with flexible delivery options, use of digital membership, time-saving with Scan & Go, access to the Member's Mark catalog, creation of shopping lists, among others. In addition, the Pronto service is now 10% of the total.

Omni Returns

In Mexico, we enhanced our Omni Returns system to simplify in-store returns for our online customers and strengthen our omnichannel offering. Now you can shop online and return items at any store of your choice, free of charge. We also introduced a new feature that allows refunds to be made to their original payment methods, guaranteeing full refunds.

Walmart Pass

We offer our customers more than 150,000 products and 60-minute delivery from more than 250 Walmart Supercenter and Walmart Express stores. This is complemented by Walmart Pass, a membership that allows customers to receive unlimited same-day delivery on orders of 299 pesos and above. This saves them time and money.

- 1,359 of our more than 3,150 stores in Mexico can offer this service in more than 400 cities in Mexico.
- 18% Walmart Pass users growth in 2024.
- 37% of On Demand's Walmart sales came from Walmart Pass.

Crowdsourcing

As part of our On Demand service, the Crowdsourcing model showed significant growth in its implementation and effectiveness. In 2024, 2.5 million of orders registered through this model were delivered that same day, thanks to the acceleration of *Pronto* Orders. By the end of the year, these accounted for 69% of same-day delivery orders.

Growth in the use of Crowdsourcing was particularly notable at Sam's, Walmart Supercenter, and Walmart Express, which saw a 17% increase compared to 2023. This means that 2 out of 10 On Demand delivery orders were using this model. By the end of 2024, we had expanded our operations to 319 stores across our formats, demonstrating the adaptability, success, and expansion of this model.

Central America

In Central America, we made significant progress in our omnichannel strategy. We expanded our services to more stores and regions, including the integration of *bodega*-format stores in Costa Rica and Guatemala. With the launch of our new shopping experience, we saw 80% growth in usage, doubling our business and accelerating digital shopping as well as home delivery and pickup. Additionally, we have launched initiatives like Cyber Monday to promote the use of our platform and ensure its implementation in all segments.

The launch of our omnichannel strategy and the deployment of our solutions ecosystem have transformed our product offering, evolving from products to services and finally to end-to-end solutions.

EXTENDED ASSORTMENT

We continued to consolidate and expand our extended assortment, leveraging technology and successful strategies implemented in other Walmart regions, all for our customers' benefit.

We used data analytics to optimize product delivery, enabling us to ship more volume in less time. We continue to invest in technology and in strengthening our supply chain. These actions, together with improvements in our planning, have led to a significant increase in the efficiency of our operations. The result is a more agile and reliable service to our customers.

ENABLERS IN ACTION: Supply Chain

Our supply chain plays a critical role in the agility with which we can execute our operations and deliver extended assortment items. This year, with the support of Walmart Fulfillment Services, we achieved a significant improvement in Marketplace delivery times. This collaboration allowed us to deliver products to our customers with a same-day wait time, on average.

We also optimized service costs as a percentage of GMV, which were significantly reduced by 66 basis points compared to 2023. Cost per unit declined by 5% year-over-year, a remarkable start to our overall Cost of Service improvement plan.

Empowering Purchasing Platforms

In our efforts to improve productivity and enhance the online shopping experience, we have joined the Glass integrated network. This platform, which uses algorithms to find products and display inventory in real time, has allowed us to speed up search and navigation in our Walmart Supercenter, Walmart Express, and Bodega formats. It has also allowed us to expand Private Brand sales and offer an extended catalog available only online.

This year, we made the migration to Glass in Mexico and Central America, using Walmart's technology in the United States to standardize the technology behind all our formats. This progress will allow us to significantly boost our eCommerce business by personalizing offers based on our customers' shopping habits. We also fine-tuned the back-end of our platforms by implementing the Walmart Commerce Platform, allowing us to scale our Marketplace with local and international sellers and provide an improved user experience with a more diverse and easier-to-navigate catalog.

- Excellent performance across all merchandise categories, reaching an all-time sales milestone in November during our *El Fin Irresistible* event, one of the most significant achievements of the year.

Marketplace

Our Marketplace continues to prove to be a powerful driver of our eCommerce growth. In 2024, we had a significant 50% increase in the number of sellers compared to 2023.

Focused on further accelerating our Marketplace, we increased the number of SKUs by approximately 60% year-over-year. A diversified product offering has benefited our customers by giving them with access to a broader catalog of options. In addition, we improved Marketplace delivery times by an average of one day, reflecting our continued focus on providing customers with faster product delivery. These efforts have resulted in 21% growth in our Marketplace GMV.

To accelerate our growth, we continue to offer our sellers more opportunities to expand their market presence. This year, we achieved 57% growth in Walmart Fulfillment Services, a service that receives, stores, and delivers our sellers' products using our company's infrastructure and technology.

To reach more customers, we will continue to expand our portfolio and add new categories to our product offering.

- GMV Marketplace growth of 21% in 2024.
- ~60% SKUs growth.

- ~50% sellers growth.

ENABLERS IN ACTION: Technology

We are also optimizing the back end of our platforms by implementing the Walmart Commerce Platform. This tool will allow us to expand our Marketplace's scale by incorporating local and international sellers, while we improve the user experience, especially in terms of search capabilities.

SUPPLY CHAIN

Our robust distribution network is highlighted by the strength of our more than 4,000 stores, leveraging the omnichannel capabilities of distribution centers and physical stores, and supported by an efficient middle- and last-mile infrastructure. Our focus is on driving an operation connected to the future and transforming the business, always prioritizing efficiency and productivity.

- 32 DCs:
 - 21 Mexico
 - 11 Central America.
- +1.2 million square meters.
- +3,100 million boxes were moved this year.
- +19 thousand associates operate our supply chain in Mexico.
- +4,000 stores leveraging the omnichannel capabilities of DCs and physical stores in Mexico.

Growth

Walmart de México y Centroamérica is in the process of constructing the 34th distribution center in the region. Located in the municipality of Silao, in the state of Guanajuato, Mexico, this new addition to our infrastructure is being built with a projected investment of over 500 million. It is expected to generate over a thousand permanent direct jobs and have the capacity to serve over 600 stores and clubs in Aguascalientes, Guanajuato, Jalisco, Michoacán, Querétaro, San Luis Potosí, Tamaulipas, and Zacatecas.

The initiative of this new distribution center reinforces our focus on providing a more agile and efficient omnichannel shopping experience in the Bajío region. The project marks a milestone in our commitment to innovation, automation, and simplification, all with the objective of helping our customers and members save money and live better.

It is important to note that the new distribution center will feature a robotic technology platform, powered by artificial intelligence, revolutionizing the way consumer goods move through our supply chain. This technology stems from a contract with Symbotic, a U.S. robotic warehouse automation company, and will allow us to incorporate the same technologies that are implemented in Walmart in the United States into our region. This will result in greater availability of merchandise for our customers and significant savings in our costs to serve operations in our stores and clubs. Undoubtedly, it is an exciting step in our evolution, and we hope that this project will be one of the distribution centers with the highest levels of automation in all of Latin America.

- We increased our supply chain NPS by 390 basis points.
- +31 thousand zip codes.

ENABLERS IN ACTION: Supply Chain and Technology

Throughout the year, we strengthened our Supply Chain with advanced technology:

Atlas technology is being deployed in all our Distribution Centers (DCs) and will be completed by 2025, improving the flow and distribution of merchandise and optimizing middle-mile trips. Through our Common Merchant strategy, we are connecting our merchant services globally across all Walmart operations. We are also beginning to use artificial intelligence to streamline replenishment, improve our last-mile services, and reduce inventory shrinkage.

With an automation technology provided by Symbotic, we are streamlining the pallet handling process from the time pallets are unloaded from a truck until they are transferred to a manufacturing truck, without human intervention. This automated system breaks down pallets and stores products quickly and safely, improving efficiency and reducing risk in the handling of goods.

We are also deploying facial recognition screens in our facilities to register associates at DCs and using smart locks to reduce theft between DCs that only stores have the key to open with. This program has already been implemented in more than 100 stores and will be completed by 2025.

We integrated advanced tools to optimize pallet stability and strengthen shipping to all our stores served by the Cuautitlán DCs. This innovative approach improves safety and efficiency in the handling of all products, reaffirming our commitment to operational excellence and sustainability.

At Cuautitlán DCs, we developed a new calculator that accurately determines the volume processed by our Sorter. This allows us to optimize capacity, reduce operating times, and improve overall efficiency, demonstrating our commitment to innovation and process improvement.

Finally, with Monarch Pilot technology, we are using its Optic Vision feature to manage inventory in real time, freeing associates from repetitive tasks and improving pricing and labeling accuracy in Sam's Club stores. These initiatives allow us to optimize our supply chain, reduce costs, and improve operational efficiency.

Transforming our Supply Chain

This year, we launched our supply chain transformation project to achieve best-in-class NPSs with unmatched cost of service. We set short- (2025) and medium-term (2029) goals to ensure traceability of our progress in 4 key areas:

1. Evolve our perishables network.
2. Transform our import network design with strategic external marketers.

3. Deploy omnichannel network automation on a large scale.
4. Expand our last-mile by optimizing our transportation and Walmart Fulfillment Services.

Evolving our Perishables Network

We intend to evolve our perishables supply chain to increase our capacity to manage fresh produce and reduce our reliance on third parties. We will improve product availability by developing an efficient import network that connects us to a diverse sample of suppliers committed to our quality standards and delivery efficiency. In addition, we will automate various logistics processes through a low-cost distribution network to support our eCommerce growth.

To support this, we are implementing several initiatives to reduce shrinkage in our supply chain. We have brought airport security technology to our eCommerce DCs, using X-rays to inspect boxes for organic and inorganic products. Additionally, we penalize delivery companies when problems with incorrect products are detected, which has reduced customer complaints by 50%. We plan to expand this technology in 2025.

Integrated Omnichannel Network

Our commitment to innovation positions us as leaders in supply chain optimization. We have specialized our distribution network to reach our customers more efficiently, allowing us to expand our price differential and create a virtuous cycle. We have one of the most automated and extensive omnichannel supply chains in Mexico, and we understand our delivery responsibility to each customer.

Last Mile Model

We are investing and evolving to implement innovative delivery models and optimize our transportation system to provide a faster and more efficient experience for our customers and members. The opening of Delivery Stations allows us to control the last mile internally, replacing third-party logistics, and guaranteeing a more agile and higher quality service.

We are expanding our Last Mile Hubs in five locations and optimizing transportation, including training associates. Through these efforts, we expect to capture significant savings, free up capacity constraints and improve customer satisfaction, consolidating our market position and ensuring quality service.

The interaction between our real estate team and supply chain is critical as we work to transition from using manufacturing facilities as logistics hubs to strategic warehouses to reduce associated maintenance costs.

- 46 Delivery Stations / 10 new in 2024.
- Walmart Fulfillment Services experienced a 57% growth compared to 2023 and now represents 38% of the Marketplace (3P).

Walmart Fulfillment Services (WFS)

Walmart Fulfillment Services enables our Marketplace sellers to fulfill orders quickly and efficiently, leveraging our supply chain for greater customer satisfaction. Our goal is to automate the entire omnichannel network at scale, digitizing the processes we use with third parties and international third-party merchandisers.

These types of solutions make it easier for WFS orders to reach customers in half the time compared to the traditional Marketplace system.

Our Fulfillment Centers function as a kind of smaller DCs located in strategic locations where we hold merchant inventory for faster and more direct delivery through our logistics network.

ENABLERS IN ACTION: Technology

In 2024, we continued to work on our new data center in Querétaro, which is still under construction. It already houses 14 of our most important services, including eCommerce platform functionalities and key services for supplier operations and the supply chain in general.

- Walmart Fulfillment Services grew 57% vs. 2023 and represents 38% of the Marketplace (3P).

CUSTOMER OFFICE

In 2022, we began developing our Customer Office, a transformation strategy designed to enhance our customers' and members' experience. It is based on data and information gathered from our customers' habits and our operations. In 2024, we focused on integrating this approach into a model that gives us a comprehensive view of how certain variables interact to influence the customer experience. Knowing their consolidated value allows us to have a deeper understanding of our customers across several dimensions, which in turn guides the necessary modifications in our operations.

Customer Office Structure

We focus our efforts on four key areas to implement initiatives aimed at improving our customers' experience:

- **Customer Knowledge and Experience**
Integrates various sources of customer information, including indicators and quantitative and qualitative studies. This allows us to identify our customers' main concerns to define strategies that generate effective solutions.
- **Marketing**
Based on our customer knowledge, we develop strategies and value propositions, manage brand commitments, and establish clear and effective communication.
- **Omnichannel Customer Service**
As the first point of contact for customers with problems or queries, we seek to develop an omnichannel communication that offers a comprehensive service, addressing their concerns from a unified approach.
- **Data and Product Analysis**

This team develops solutions and determines how to optimize the company's technological processes to improve customer experience. In addition, it focuses on data integration through various analytical models to provide effective and efficient solutions.

At Walmart de México y Centroamérica, we strengthened the Moments of Care (MOC) training program, which is aimed at associates who interact directly with our customers and members. Its main objective is to improve the shopping experience and the level of service we offer in all our units, focusing especially on taking care of crucial moments in their shopping journeys.

We Measure Customer Satisfaction

We employ innovative digital tools to measure and analyze our customers' and members' satisfaction through our omnichannel NPS. These monitoring tools are available via email, WhatsApp, SMS, social media, and QR codes available in our units.

Customer satisfaction index surveys:

- 429,791 Mexico
- 1,579,464 Central America

Omnichannel NPS Results

Mexico

- We increased our total Omnichannel NPS by 228.9 bps vs 2023.
 - We increased our Omnichannel NPS at Sam's Club by 228.5 bps vs 2023.
 - We maintained our Omnichannel NPS at our self-service formats vs 2023.
 - We increased our Omnichannel NPS at Walmart Supercenter by 127.7 bps vs 2023.
 - We increased our Omnichannel NPS at Bodega Aurrera by 102.7 bps vs 2023.
 - We increased our Omnichannel NPS at Mi Bodega by 147.0 bps vs 2023.

Central America

- We increased our total Omnichannel NPS by 600.0 bps vs 2023.
 - We increased our Omnichannel NPS at Más X Menos/Paiz/La Despensa de Don Juan/La Unión by 700.0 bps vs 2023.
 - We increased our Omnichannel NPS at Maxi Palí/Maxi Despensa by 400.0 bps vs 2023.
 - We increased our Omnichannel NPS at Palí/Despensa Familiar by 700.0 bps vs 2023.
 - We increased our Omnichannel NPS at Walmart by 300.0 bps vs 2023.

During 2024, we evolved the way we analyze and understand the feedback we receive from our customers and members through automations with text analytics. This allowed us to obtain valuable information and transform it into concrete actions to meet their expectations and continuously improve their shopping experience.

Driven by a customer- and member-centric culture, empowered by technology and data-driven decision making, we reaffirm our purpose of helping families in Mexico and Central America save money and live better.

Ecosystem of Choice

In recent years, we have transformed our company from a network of physical stores to an omnichannel platform. This process has been both a challenge and an opportunity, guided by a clear purpose: to bring our customers closer to the digital economy and offer them comprehensive solutions in a single place, always at prices they can afford.

To accomplish our objectives, we have designed our ecosystem as a diversified portfolio of services that can meet our customers' various needs. It is designed to be an omnichannel business, combining the strength of our physical stores with a large eCommerce platform. Its solutions range from internet and mobile connectivity through Bait, affordable financial services through Cashi, and health services through memberships in our pharmacies, to creating meaningful connections between brands and our customers through Walmart Connect. Thanks to its reach, our ecosystem allows us to gain a deeper understanding of our customers to offer them, in addition to savings, personalized benefits with every purchase using our new Bodega Aurrera Beneficios and Walmart Beneficios programs. This allows us to foster long-term relationships where our customers can save money and live better.

In 2024, we achieved great results, always focused on the customer. We want to be our customers' first choice when it comes to having solutions that generate benefits for them, satisfying their current needs.



BAIT

We continued to expand our reach with Bait, closing 2024 with more than 18.3 million active users, an increase of more than 6 million users compared to the previous year. We also reached a significant milestone by achieving profitability and operational sustainability for Bait for the first time.

- 18.3 million active users*.

* Active users: users with at least one transaction in the last 6 months, including economic transactions (sales to distributors). Includes Home Broadband and Mifi lines.

Affordable connectivity, including home internet and prepaid mobile telephony, giving Mexican families access to the digital economy. Bait is characterized for offering:

- **Low prices:** we maintain the lowest rates for connectivity, data, voice, and text message services with national and international coverage.
- **Full-speed coverage:** our high-speed experience is powered by our 4.5G LTE network.
- **Shopping benefits:** we continue to offer our customers megabytes for their purchases in our stores, helping them save while staying connected.

Our complete connectivity solutions at low prices are available throughout the country. In 2024, we were able to provide coverage to 19 thousand communities. Many of these places are located where no other provider offers digital services, so our presence becomes relevant to be able to bridge Mexico's digital gap.

Bait, Part of our Omnichannel Ecosystem

We continue to work to strengthen our physical-store business by focusing on providing high-quality products and services. As part of this, we have boosted our sales through innovative offers and strategies carefully designed to meet our customers' needs. In this way, our rewards program has established itself as the hub that brings this ecosystem together, connecting the digital with the physical and easing our verticals' interaction, thanks to the trust placed in us by our customers.

Looking for meaningful rewards to thank customers for their loyalty with every purchase, we launched an offer where customers with a minimum purchase of 199 pesos in Private Brand products received Bait SIM cards with megabytes included. This strategy not only boosted Private Brand sales but also attracted new users to our Bait network and rewards program, thereby strengthening our customer base and expanding the reach of both.

- As a result of this strategy, Bait is increasingly positioning itself as one of the leading telephony and connectivity services in the country.

Digital Innovation

During 2024, we launched Bait's eSIM technology through our MiBait site. The eSIM, or electronic SIM, is a digital version of the traditional SIM card embedded in mobile devices. It allows a phone line to be activated

without the need for a physical card. This launch reinforces our commitment to innovation and accessibility by making it easier for users to purchase and activate their lines from the comfort of their homes.

With Bait's eSIM, our customers can enjoy multiple benefits that make their experience more convenient and flexible:

- Online purchase and activation, without leaving home.
- Possibility of changing operators without the need to exchange physical cards.
- Compatibility with the latest generation of devices.
- Activation via QR code from the operator.
- Increased security by reducing the risk of loss or damage to physical cards.
- Possibility of having multiple numbers on the same device.

We will continue to constantly seek new technologies that will enable us to position ourselves as leaders in digital innovation in the telecommunications market.

ENABLERS IN ACTION: Technology

Technology is a key pillar in our business's digital innovation, allowing us to develop more efficient and accessible solutions for customers and associates. By modernizing our technology infrastructure and deploying advanced platforms, we lower barriers for our users to access the services they need most. We enhance their experience and provide greater flexibility in their telecommunications solutions.

Bait for Business

We understand the importance of providing solutions that increase the productivity and growth of companies in Mexico. That is why we have developed a service designed for businesses that combines advanced connectivity, flexibility, and competitive pricing. The Bait Negocios service allows its users to stay connected and focused on their objectives, while optimizing their resources and strengthening their operations. Its main benefits are:

1. **Unlimited internet:** Open to share data with other devices.
2. **Broad coverage:** National, United States, and Canada.
3. **Savings:** Offering attractive plans at affordable prices.

Packages for our Associates

At Walmart, we value our team's efforts and dedication, which is why we offer our associates access to exclusive Bait packages as part of their benefits, allowing them to stay connected with their loved ones and simplify their daily lives with an accessible and reliable telephony solution.

These packages include exclusive recharge options starting at 60 pesos. In addition, all recharges include national and international calls to the United States and Canada, unlimited text messaging and social media

navigation. We want to give them complete connectivity to meet their personal and professional needs. This benefit reaffirms Walmart's commitment to the well-being of its team by ensuring that every associate has access to efficient and affordable communication tools.

FINANCIAL SOLUTIONS

Our mission is to be an ally to our customers, providing them with the necessary tools to achieve their personal and family goals. We want to facilitate access to affordable services that improve their quality of life and, as part of this, we continually seek to strengthen our financial solutions offering.

Our financial solutions strategy is based on 4 pillars:

Cashi

Our digital wallet is a mobile application that allows you to pay securely and conveniently from a mobile device. Cashi has been operating for almost six years and continues evolving. Since the acquisition of the Mexican Fintech Trafalgar in 2023, and the subsequent authorization of the National Banking and Securities Commission (CNBV), Cashi has continued to carry out rigorous internal tests to ensure the efficiency and security of our services. We will soon share exciting news on this matter. We would like to emphasize that this topic remains a top priority for us. As part of our testing, we introduced new features in 2024 that, for the time being, are only available to “friends and family”. We are excited about this new step and look forward to sharing it with all our customers in the near future.

- Total Payment Volume (TPV) grew 92% in the year.

ENABLERS IN ACTION: Customer Centricity

Understanding our customers allows us to design financial solutions that are tailored to their needs and consumption patterns. By analyzing their expectations and behaviors, we can develop tools that make their daily lives easier. Whether it be receiving, sending, or saving their money, this customer-centric approach is a key factor in aligning our service offering with their interests in managing their personal and family finances properly.

We simplify processes and transactions so that our customers can have peace of mind and focus on the things that matter most to them.

Factoring: we have a program focused on our suppliers that allows them to convert accounts receivable into immediate cash and obtain credit at competitive rates. Our goal is to assist our supply chain with their working capital needs by providing greater liquidity and helping our suppliers meet their commitments and production cycle.

- In 2024 we achieved a 10.0% growth in Mexico.
- In 2024 we achieved a 11.3% growth in Central America.

Credit:

We offer credit solutions designed to help our customers make purchases quickly and easily. We have our own credit scoring system, the Walmart Score, which allows us to work with credit members and offer our customers personalized options through a marketplace of lenders. This data intelligence allows us to understand unbanked users, who are traditionally unscored by the financial system, and improve their credit reliability.

- CrediBodega had 38% growth in active accounts compared to 2023 (134,000 new accounts).

To this end, we have two main product lines:

- **Co-brand Credit**
 - CrediBodega: provides access to unique promotions and discounts, interest-free monthly purchases, and the flexibility to use it in both physical stores and our online store. This card has become the number one card in terms of transactions in our Bodega format stores.
 - Walmart-Inbursa Card: as part of its promotions, this card generates a 3% bonus on the value of its users' purchases.
- **Digital Credit**
 - Telephony: credit for the purchase of a new cell phone worth up to 10,000 pesos available in our stores.
 - Extended Assortment: credit for the purchase of our Extended Assortment products worth up to 6,000 pesos available at Cashi.

Cashi: Digital credits with quick and easy processes that gives an answer in five minutes and offers credit lines of up to 20,000 pesos.

Remittances

Our remittance service, which allows customers to receive up to US\$1,500 per transaction at any of our stores, is available 365 days a year. We also offer a Buy & Collect service in more than 2,800 stores that allows our customers to pay directly with their remittance before picking them up at the point of sale. This also gives them access to exclusive promotions and incentives from our rewards programs. At the end of the transaction, customers can withdraw any remaining balance in cash, adding flexibility and convenience to their experience.

We want to continue building a value proposition focused on our customers by expanding our credit and service offerings. Our ecosystem offers unique benefits of scale and synergies between its different solutions that serve the diverse needs of our customers, driving a comprehensive financial experience.

- 1.5 million customers collect their remittances through our network.

The consumer retail industry is undergoing a transformation, driven by evolving customer behaviors in an increasingly omnichannel world. Digitization, the growth of eCommerce, and the integration of physical and digital experiences have redefined customer expectations, with shoppers seeking convenience, personalization, and speed in their shopping experience.

Through Walmart Connect, we seek to build meaningful relationships between brands and our customers, connecting the right brand with the right customer at the perfect time. Whether in our more than 3,000 stores, or through our Bodega Aurrerá, Walmart Express, Walmart Supercenter, and Sam's ClubeCommerce platforms and mobile apps, our customers always find the best products, when, where, and how they want. This approach not only drives sales for our advertisers but also ensures that our customers find what creates value for them. By reinforcing this trust, we build customer loyalty, encourage them to return, and continue to choose us as their preferred option.

We are continuously optimizing the impact of our advertising, moving to digital formats that are not only more dynamic and agile, but also significantly reduce our environmental impact.

- 26% growth at Walmart Connect vs. 2023.
- 32% growth in Campaigns vs. 2023.

We are proud that 2024 was an outstanding year for Sponsored Product development, exceeding our goals and delivering products to our customers more effectively. Customers now have enriched details, such as in-depth videos, to help them to make more informed purchasing decisions. We also successfully launched our new Sponsored Ads platform on the Marketplace, developed using proprietary technology, and positioning us as the first marketplace outside the United States to launch this innovative solution. This not only meant providing a more user-friendly experience for sellers but also improved the profitability of this line of business by eliminating the need to pay an external supplier for a similar solution.

During the year, we also launched the Social Commerce initiative, which consolidated our audience on key platforms such as Meta, TikTok and Pinterest, providing a more seamless and simplified shopping experience, and opening new doors to interact with our customers in a more personalized way.

ENABLERS IN ACTION: Technology

*The ability to turn shopping trends into actionable information allows us to optimize merchandising strategies while continuing to provide a seamless and personalized shopping experience for the more than 5 million customers who visit our stores and clubs every day in Mexico. In 2024, we launched the platform **Scintilla** (formerly called Walmart Luminare) as part of our **Walmart Data Ventures** business vertical. This collaborative tool is a suite of Walmart's digital data products and insights that allows our suppliers to*

understand our customers in greater depth, helping them make more informed and effective decisions about their advertising strategies. This strengthens our business relationships and drives their success.

This platform provides in-depth analysis of key trends such as category penetration, purchase frequency and mission, decision making and cross-promotions. Based on historical data from the last two years, it will only capture purchasing patterns without personal information, protecting our customers' privacy while providing valuable insights to optimize our suppliers' strategies.

HEALTH

We continue to focus on strengthening healthcare solutions for our customers, providing the most accessible service in the country. We now have 568 clinics and 1,574 pharmacies in this service network. Through our clinics, we provide our customers with access to world-class healthcare. In addition, we build trust with them by providing them with medicines from our pharmacies, ensuring that they have everything they need for their well-being in one place.

Our pharmacies offer a wide range of vaccines, including COVID-19, seasonal influenza, herpes zoster, pneumococcus, and human papillomavirus. Vaccinations are administered by certified healthcare professionals in more than 400 locations near Bodega Aurrera, Walmart Express, and Walmart Supercenters. We also have rapid tests for COVID-19 and Influenza, provided by Abbott Pharmaceuticals.

We offer a 5% discount on shopping discounts to members of our Health Program and to those who present the INAPAM card.

- 2024 We more than doubled Health Program renewals vs last year.
- 2.5 million Health Programs allocated.

Health Program

Our Health Program, formerly known as membership, is available in all our formats and offers our customers benefits designed to improve their health and well-being. These include emergency phone calls, emergency ambulance access, remote medical, nutritional, and psychological counseling and support via video call or telephone, appointments with specialists at preferred rates, discounted at-home health care, lab discounts, 5% off Walmart pharmacies, and special promotions such as 2-for-1 movie tickets. In addition, depending on the type of membership, customers can receive free medical consultations at Walmart stores and dental consultations through Odontoprev network.

- 568 medical offices available in our network.

In 2024, we accumulated 2.5 million Health Programs in the hands of our customers, more than doubling the number from the previous year and increasing access to health solutions. To facilitate their use, we launched a digital option that makes it easier for customers to manage, renew, and shop for their program. We also

partnered with Walmart Connect to drive more than 400 thousand Health Program enrollments through in-store offers. As part of our innovations, we also launched a special recharge in Bait that allows customers to add a Health Program for an additional 20 pesos, selling 25 thousand programs in just two months.

Walmart and Bodega Aurrera Benefits

At Walmart, we continue to evolve to consolidate our position as the ecosystem of choice, offering our customers access to the benefits of the digital economy and solutions that go beyond physical products. Our commitment is to better understand our customers' needs and preferences to offer them accessible solutions, strengthen their loyalty and maximize the value of each purchase. We continue to invest in getting to know them better to encourage them to stay with us for the long term. We know that our customers rely on us to deliver solutions at a price they can afford.

With our customers at the center of our strategy, we have developed the *Bodega Aurrera Beneficios* and *Walmart Beneficios* programs, designed not only to generate savings, but also to create personalized experiences that match their shopping habits. Through these programs, we create a closer digital connection with our customers, allowing them to maximize their purchasing power and access rewards within our ecosystem, such as Bait megas, Health Programs, and digital education courses, among others, additionally to benefits with external Walmart allies.

Our customers' response has been exceptional. The program's Net Promoter Score (NPS) confirms that this value proposition is resonating with them, helping them save money and live better while making it easier for them to access our ecosystem. As a result, the Benefits program has reached nearly 46 million users just seven months after its launch, consolidating its position as a key pillar in our strategy to build customer loyalty and strengthen our relationships with them.

- We reached 46 million users of our Benefits program in seven months.

Access to these benefits is simple and is completed in three steps:

1. Registration customers enter their phone number at the checkout line of our Bodega Aurrera, Walmart Express and Walmart Supercenter stores in Mexico.
2. Accumulation they register their purchases made both in the physical stores and online.
3. Enjoy exclusive benefits this gives customers access to rewards in categories such as education, entertainment, dining, health, and more.

Regenerative Company

We continue to make progress towards our goal of becoming a Regenerative Company by 2040, with the ambition of having a positive socioeconomic and environmental footprint that contributes to improving the health and well-being of people, communities, and the planet.

Being a Regenerative Company means going beyond compliance and what is expected. It involves creating shared value for our stakeholders, and, therefore, our business. This approach enables us to operate efficiently in the present, fostering sustainable growth for the future.

- **Opportunity**
 - Creating quality jobs and development opportunities for our associates.
 - Fostering Belonging.
 - Supporting the development of our suppliers and local economies.
- **Community**
 - Serving local communities by providing access to an affordable and reliable ecosystem.
 - Supporting local communities' growth and development.
- **Sustainability**
 - Mitigating climate change.
 - Promoting a circular economy within our operations and supply chain.
 - Protecting, managing, and restoring natural capital.
- **Ethics and Integrity**
 - Operating with the highest ethical and compliance standards.
 - Promoting digital citizenship and information security.

STRATEGY

Our Objectives

Addressing social and environmental issues in a way that generates value for our business and our stakeholders is part of our business DNA. Throughout 2024, we continued to measure, monitor, and make progress in each of our tier 1 regeneration objectives. We aspire to become a regenerative company, one dedicated to placing nature and humanity at the center of our business practices.

Becoming a Regenerative Company drives us to continue creating shared value for our stakeholders and business. This approach allows us to operate efficiently in the present and foster sustainable growth for the future.

The objectives we have established guide our efforts toward a clear and ambitious vision. Each tier 1 regeneration objective is assigned to a member of the Executive Committee, who is responsible for overseeing and implementing actions that favor its fulfillment.

Plan	Metric	Region	2024 Results	2024 Objective
Opportunity	Environmental protection and restoration (T of total assets)	WA	25.5%	25.5%
	Renovation with innovation (T of total assets)	WA	1.0%	2.7%
	Renovation with social benefits (Properties in renovation)	WA	5.4%	14.0%
	Renovation with innovation and social benefits (Properties in renovation)	WA	1.0%	2.7%
	Renovation with innovation and social benefits (Properties in renovation)	CA	14.0%	14.0%
Community	Local and regional infrastructure investment for innovation (T of total assets)	WA	14.0%	14.0%
	Local and regional infrastructure investment for innovation (T of total assets)	CA	14.0%	14.0%
	Local and regional infrastructure investment for innovation (T of total assets)	CA	14.0%	14.0%
Sustainability	Local and regional infrastructure investment for innovation (T of total assets)	WA	14.0%	14.0%
	Local and regional infrastructure investment for innovation (T of total assets)	CA	14.0%	14.0%
	Local and regional infrastructure investment for innovation (T of total assets)	CA	14.0%	14.0%
Ethics and Integrity	Local and regional infrastructure investment for innovation (T of total assets)	WA	14.0%	14.0%
	Local and regional infrastructure investment for innovation (T of total assets)	CA	14.0%	14.0%
	Local and regional infrastructure investment for innovation (T of total assets)	CA	14.0%	14.0%

ESG MANAGEMENT

ESG Governance Model

Our environmental, social, and governance (ESG) management is carried out with a focus on efficiency, data-driven decision-making, and transparency, supported by a solid governance structure.

Walmart Inc. defines the global regeneration strategy, as well as the goals that guide our aspiration to become a Regenerative Company. Since the context of each country in which we operate is unique, we adapt these goals to meet each region’s particular needs. At Walmart de México y Centroamérica, we ensure that we effectively address the specific needs of the communities we operate in.

In 2023, we conducted our first Double Materiality Analysis in Mexico and Central America, which allowed us to identify how our actions have an impact on social and environmental aspects and how these may influence our financial performance. Thanks to this analysis’s results, we confirmed that our ESG strategy and actions considered the aforementioned criteria, addressing impacts derived from our business, and aligned with our stakeholders’ needs.

In 2024, we began conducting quarterly reviews of the information collected by different teams to assess our progress toward our tier 1 regeneration objectives. These reviews are conducted by the Executive Committee in Mexico, which is led by our President and CEO, as well as by the Executive Committee of Central America, headed by its President and CEO. Both committees are composed of our company’s leadership, responsible for overseeing and directing the implementation of initiatives to achieve our objectives. Subsequently, progress is reported to the Board of Directors of Walmart de México y Centroamérica. This regular follow-up enables efficient and timely decision-making.

Additionally, to remain consistently aligned and coordinated with Walmart’s different markets, the Executive President and CEO of Walmart de México y Centroamérica meets and reviews quarterly progress with the Regional CEO of Walmart Canada, Chile, Mexico, and Central America—who also chairs our Board of Directors—and with the Executive President and CEO of Walmart International.

These touchpoints unify our vision and facilitate the identification of areas with potential for improvement. From there, we outline actionable and effective plans, ensuring transparency and reliability in the information we share regarding progress toward our Regenerative Company objectives. To achieve this, it is essential to have accurate and reliable information that enables data-driven decision-making and compliance with reporting requirements.

For this purpose, we have an ESG Governance Policy that ensures adherence to the highest reporting standards, ensuring transparency, comprehensibility, and accessibility of the indicator calculation process, while defining the specific responsibilities of each area.



This approach allows us to align with major global agendas such as the **Sustainable Development Goals** (SDGs) and the **United Nations Global Compact**. Since 2019, we identified our five priority SDGs through a process conducted in collaboration with members of the Executive Committee and industry studies at local, regional, and global levels. Starting in 2020, we integrated a historical report to track our progress in their fulfillment.

- We have been signatories of the United Nations Global Compact since 2019.

Fostering a Regenerative Culture

In 2024, we carried out several initiatives to raise awareness among our stakeholders about the structure and purpose of our Regenerative Company strategy. We seek for them to live and promote regenerative principles in their daily activities.

Opportunity

DEVELOPING OUR SUPPLIERS AND LOCAL ECONOMIES

Our business is dedicated to offering quality and affordable products to millions of customers and members. To best meet their preferences and needs, we are committed to fostering the development of local suppliers and farmers, enabling their access to the formal market and promoting their sustainable growth. We encourage their training and skills development, giving them access to new opportunities. By doing so, we not only create jobs and boost local economies, but also strengthen the resilience of our supply chains and offer differentiated products that enrich our value proposition.

46,185 suppliers in the region | 31,726 Mexico | 14,459 Central America

4,762 new suppliers | 3,843 Mexico | 919 Central America

- 89.40% of SME suppliers in Mexico and 12.61% in Central America.
- 91.2% of merchandise sold in Mexico is purchased within the country.
- 83.73% of the merchandise sold in Central America is purchased within the region.

Inclusive Supply Chain

This year, we reinforced and integrated our efforts to support current and potential suppliers. Our goal is to support their development through tailored programs and tools, guiding them toward sustainable growth. We focus on providing market opportunities that allow them to evolve their operations, meet customer expectations, and create long-term value for their businesses.

To achieve this, we actively listen to our suppliers through multiple channels to understand their needs and strengthen our collaboration. By integrating the insights gathered, we gain a more comprehensive understanding of their profiles. This enables us to offer opportunities that align with both their current circumstances and their future goals.

Market Access and Development Opportunities

We assess and identify the best available options for our suppliers to access the formal market through eCommerce, physical stores and clubs, or Marketplace. Likewise, we offer development opportunities through comprehensive training for both existing and prospective suppliers, to enhance their production capabilities and commercial skills. Therefore, we have different programs tailored to their specific needs and future objectives.

Pequeño Productor (Small Farmers)

2024 OBJECTIVE: 14.5% penetration of small farmers purchases in the fruit and vegetable category.

2024 RESULT: 16.1%

This program was created with the vision of transforming the Mexican countryside and supporting small farmers living below the poverty line. Our goal is to increase their productivity and income in a sustainable way to boost local economies. We have achieved this through:

- Direct access to a secure market.

- Training to strengthen both production and commercial skills.
- Fast and secure payments, eliminating the need for intermediaries.

Additionally, we have incorporated key elements that increase the impact and reach of the program:

- Maintain a demand-driven approach.
- Identify and address market access barriers to facilitate farmer growth.
- Provide timely training to farmers on omnichannel sales.
- Incorporate regenerative agriculture practices.

For producing families, optimizing their processes is essential to increase profitability and achieve long-term market stability. These improvements can also help create employment opportunities in rural areas, reduce farmland abandonment, and mitigate youth labor migration.

Action	2030 Goal	2024 Progress
Strengthen market access	Make up 20% of the total amount of perishables purchased	16.16%
	Have 15 allied companies to expand the program	13 allies
Promote regenerative agriculture	Have 100,000 hectares cultivated under regenerative agriculture	71,371 hectares
Increase rural connectivity	Digitally train 25,000 farmers	7,002 farmers trained
Contribute to generating jobs and entrepreneurial opportunities for young people	Create 10,000 jobs for young women and men	7,002 jobs created
Provide tools and training	Train 50,000 farmers	35,933 farmers trained

Results:

- 5,970 farmers benefited.
- 1,817 women farmers benefited.
- 40.30% increase in average income.
- 4,535 new jobs generated.
- +1.3 million pesos in purchases from small farmers.
- 39,723.09 tons of food sold.

SUCCESS STORY

Productores Agrícolas Plataneros de la Isla (PAPI)

This cooperative, located in Tabasco, was able to grow and establish itself as a formal supplier to the consumer market thanks to the strategic alliance between the Walmart de México Foundation and the PepsiCo Foundation.

At Walmart de México y Centroamérica, we have a long-standing practice of purchasing fruits and vegetables from small farmers in the region. Through our Foundation, we collaborated with PepsiCo Foundation to support PAPI's transformation into an agro-business capable of responding to market demands.

We implemented a specialized training methodology to help optimize production processes and created high-quality packaging solutions that meet industry standards. To date, this cooperative has successfully sold 232 tons of green plantain for the production of Natuchips. This achievement is the culmination of a three-year collaboration that resulted in the development of a new product from scratch with a high potential for positive impact on Mexican agriculture.

We are convinced that this alliance not only facilitates small farmers' access to the formal market and selling their products at fair prices but also provides them with the necessary tools and resources to protect the soil, water, and biodiversity of their lands.

SUCCESS STORY

Jitomateros Mazahuas Cooperative

More than 15 years ago, a group of Mazahua men and women from San Felipe del Progreso, State of Mexico, came together to overcome the challenges of agricultural production in their community. In an environment of food scarcity and various constraints, many started growing crops in their backyards to provide for their families. However, they all shared a common dream: to change their reality and expand their reach beyond their region. Through hard work, dedication, and a common vision, they organized themselves into a cooperative. This allowed them to learn from each other, to receive training in good agricultural practices, quality control and marketing, and gradually strengthen their business.

Today, this dream has become a reality. In 2024, they achieved remarkable results by selling 6 tons of tomatoes to our company. This accomplishment represents years of effort and overcoming obstacles, proving that tradition and perseverance can turn aspirations into reality.

This success represents more than economic gain, it is a recognition of their talent as indigenous farmers who have escaped food poverty and gained direct access to a stable and secure formal market, bringing quality tomatoes to thousands of households.

- 12 farmers benefited.

Tierra Fértil (Fertile Soil)

The aim of *Tierra Fértil* is to support small and medium-sized Central America agricultural farmers, helping them transform their farms into thriving agro-businesses. We promote their growth and development by strengthening their production and commercial capabilities, while ensuring secure payments without intermediaries. The program benefits our agricultural suppliers while enhancing our value proposition to customers by ensuring the availability of high-quality local products at competitive prices.

2024 GOAL: 71.0% penetration from small farmer purchases in the fruit and vegetable category.

2024 RESULTS: 64.0%.

Our team of engineers and agronomists plays a crucial role in supporting our suppliers, acting as in-house technical advisors. This group of professionals makes regular visits to growers, providing advice on key issues such as: regenerative farming techniques, reducing the use of agrochemicals, disease and pest control, soil management, and responsible use of resources.

- 644 farmers benefited, 99 were women.
- 24 farmers trained, 4 were women.
- 11,216 families benefited.
- +2.5 million pesos in purchases from farmers.
- 11,216 direct jobs generated.

With the aim of reducing the digital divide for agricultural farmers, we strengthened the *Tierra Fértil* app. This platform provides essential agricultural insights to help farmers enhance the yield and productivity of their crops. Using any mobile device, participants can:

- Access training schedules, agronomic databases, weather forecasts, and crop production cost estimates.
- Consult with a virtual phytopathologist.
- Perform performance analysis and keep records of farming activities.
- Monitor pests and diseases.

In 2024, we launched the Surcharges and Replenishments Module to streamline communication supply shortages. This module allows the Merchandising team to express a specific supply need so that farmers can efficiently meet demand. This is an opportunity for farmers to increase their sales, optimize response time, and improve customer satisfaction.

Strawberries and Blackberries in Hydroponics and Protected Structure

The *El Niño* and *La Niña* phenomena severely affected agricultural production, causing drought, pests, excessive rainfall, and crop diseases. To mitigate these effects, we trained 26 suppliers in Honduras and Guatemala on bio-inputs and hydroponic production of strawberries and blackberries, cost-efficient agricultural practices, agrochemical reduction, and improved agricultural and commercial management. By adopting regenerative and resilient agriculture, these farmers have improved their business operations, commercial management, and sales stability.

Boosting the Agricultural Sector in Guatemala: Walmart and AGEXPORT Alliance

In collaboration with the Guatemalan Exporters Association (AGEXPORT), we signed a Memorandum of Understanding to strengthen Guatemala's agricultural sector. Additionally, we will invest in the training and development of more than 400 agricultural farmers in Sololá and Jalapa. This strategic alliance seeks to empower farmers by providing business, production, and commercial management tools, while integrating them into formal markets under a sustainable and resilient agriculture approach. This joint effort promotes

training and innovation, transforming the reality of small farmers and helping them reach their full potential, boosting the development of local economies, and creating a positive long-term impact.

SUCCESS STORY

Transforming a Farmer's Business

In a highly competitive macroeconomic environment, Ulises Martínez, Costa Rican farmer, was able to improve his farming techniques and diversify his crops thanks to the training and tools provided by our *Tierra Fértil* program. This program connected him to a direct and secure purchasing market, eliminating the need for intermediaries, and allowing him to reach his customers directly. In addition, the ability to receive timely payments has ensured a steady revenue stream, allowing him to consolidate his business and secure his long-term financial well-being.

He started with only 5,000 sweet chili plants, but only four years after joining the program, he expanded his production to 80 thousand plants. With our support, he has also been able to diversify his production to include cilantro, lettuce, zucchini, radish, and mini vanilla.

Ulises has had a significant impact on his community by creating job opportunities. His workforce has grown from just 2 employees to 34, contributing to local economic development.

Walmart Growth Summit Mexico

In April, we held the second edition of the Walmart Growth Summit Mexico, an open call for Mexican companies of all sizes to join our supplier network. This initiative provides companies access to millions of customers through our stores, clubs, eCommerce, and Marketplace. This program offers an opportunity for companies whose products are manufactured, grown, or assembled in Mexico to connect directly with our merchandising team.

At this edition, we welcomed the participation of the Ministry of Foreign Affairs, representatives from 16 state governments, and the embassies of the United States and Chile. In this collaborative space, we signed a memorandum of understanding with the Ministry of Foreign Affairs to support the training and education of digital skills and knowledge for women.

- More than 330 companies of the 32 states of the Mexican Republic and more than 100 merchant.
- 120 Golden Tickets were awarded, representing merchants' interest in integrating new products into Walmart's sales channels.
- 85% of participants were SMEs with less than 50 employees.
- 90% of the attendees were potential suppliers, who had never done business with the company.?

In 2025, the third edition of the Walmart Growth Summit Mexico and the first edition of the Walmart Growth Summit Central America will be held in Costa Rica and Guatemala.

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Adopta una Pyme (Adopt an SME)

Since its launch in 2014, the *Adopta una Pyme* (Adopt an SME) business acceleration program has played a key role in driving economic and social growth in Mexico. The initiative supports micro, small, and medium enterprises (SMEs) that are part of our supply chain, helping them to develop a broader business vision and accelerate their growth.

Throughout the program, our expert associates provide suppliers with comprehensive training on key aspects that will help them improve their operations, financials, logistics, and omnichannel business strategy to reach over 6 million customers who shop at our stores, clubs and eCommerce daily. We offer a learning path that covers a variety of topics, from operational compliance aspects to an deep understanding of our ecosystem and best practices to foster social and environmental well-being.

More than 70% of the suppliers who participated in the program continue do business with us. This is a clear reflection of our commitment to fostering their growth and permanence in the market.

In 2024, the tenth generation of the program graduated, with the participation of 40 SMEs, 45% of which are led by women.

- +550 SMEs supported in 10 generations.
- 36.4% increase in sales vs. 2023.
- 1.7 billion pesos in sales.
- 48% growth in supplier participation in the program vs. 2023.

SUCCESS STORY

ZAHINI: more than just an alternative to yogurt

Zahini is a Mexican line of 100% dairy-free products, who became our supplier through the Walmart Growth Summit Mexico in 2023. Later, in 2024, they joined the Adopt an SME program. Its main ingredient is organic coconut pulp, enriched with probiotics and sweetened with agave honey for a better taste. They started with a simple maquila, and in 2019, began the construction of their own plant dedicated to the production of our innovative products. The facility is 100% free of dairy, gluten, soy, and animal products, making it one of a kind in Mexico, and has the FSSC 22000 Development Program certification.

Since February 2024, Zahini has been expanding its presence nationwide, now located in:

- 28 Mexican states.
- 305 Walmart Supercenter and Walmart Express stores.

SUCCESS STORY

Avante Gourmet: Don Paul's vision in Mexico

Avante Gourmet started in 1950 as a small grocery store founded by Don Paul, who was known for his homemade pickled chili recipe. As demand grew, the family decided to expand the business, always maintaining a commitment to quality and authentic Mexican flavors. Every ingredient in their products serves a purpose beyond taste, aiming to deliver delicious yet nutritious food options. In 2021, Avante Gourmet

joined the Adopt an SME program, marking a crucial turning point in its business expansion. By 2024, the company successfully expanded nationwide, securing a stronger market presence. Today, Avante Gourmet is proud to be a major employer in its community, now supporting 29 employees, and has achieved Hazard Analysis and Critical Control Points (HACCP) certification, ensuring food safety and product excellence.

Una Mano para Crecer (A Helping Hand to Grow)

This program is designed to promote the growth and development of small and medium-sized manufacturing companies in Central America, providing our customers with high-quality, locally sourced products while strengthening our value proposition to the customer. By doing so, we aim to contribute to economic dynamization and improve the quality of life in our communities.

- 480 SMEs benefited, of which 47% are led by women.
- 7,702 jobs generated.
- 4.57% increase in sales vs. 2023.
- 4.77% increase in purchases vs. 2023.
- 7,702 families benefited.

Likewise, in collaboration with small and medium-sized suppliers, we launched *Mercadito Pymes* (small SME market), an initiative that provides suppliers with a unique opportunity to showcase their products directly on the sales floor, helping them to expand their reach and accelerate their growth. We held seven editions, with 44 SMEs participating in the program, achieving a 60% increase in sales compared to the previous weekend. In addition, we launched the SME Stamp, which allows customers to identify products from the *Una Mano para Crecer* program, promoting empathy and support for local purchases. Companies can voluntarily place this stamp on their products.

SUCCESS STORY

Mamá Gollita Supplier, Nicaragua

Mamá Gollita is a Nicaraguan company founded in 2010. It began as a small, home-based business producing ground achiote and vinegar. Thanks to its participation in the *Una Mano para Crecer* program, the company has experienced remarkable growth. Since joining in 2011, Mamá Gollita has shown unwavering commitment to its business. Initially selling more than 250 boxes a month with just two products, by 2024, thanks to its effort, dedication, and commitment to the program, it increased the volume to more than 1,000 boxes per month with a variety of eight products, increasing its sales to four times what they were at the beginning. Today, Mamá Gollita is preparing to expand into the broader Central American market, solidifying its position as a success story for SMEs. Its impressive growth highlights our commitment to the development of local suppliers, benefiting thousands of families across the region.

Crece con Walmart (Grow with Walmart)

As part of our omnichannel strategy, our Marketplace in Mexico has become a key platform for small and medium-sized Mexican companies to expand their sales reach, bringing their products closer to families across the region.

In line with this commitment, we launched the *Crece con Walmart* program in Mexico, a free digital platform designed to facilitate access to online sales channels and the Marketplace, offering companies the possibility to:

- Develop as our suppliers through flexible, on-demand learning.
- Learn online from experts in key business development areas.
- Connect with a team of professionals who will guide them through the successful integration of their business into Walmart's Marketplace in Mexico.

We offer training at different levels and with different approaches based on each company's specific needs.

- Our goal is to train 30 thousand MSMEs by 2029.

Export Opportunities

Access to global markets is an important milestone for any supplier. To support this, we identify and promote the development of regional suppliers and create opportunities for them to participate in international markets. This approach helps suppliers enhance their capabilities and open new avenues for growth. With this in mind, we seek to connect suppliers with the omnichannel opportunities of our business to scale their reach and growth potential according to their future goals, through our global sourcing teams, international Marketplace, and export-focused events, such as the Walmart Global Growth Summit.

Community

SERVE LOCAL COMMUNITIES BY PROVIDING ACCESS TO AN AFFORDABLE AND RELIABLE ECOSYSTEM

Our purpose is clear: to help families in Mexico and Central America save time and money to live better. At Walmart de México y Centroamérica, we foster trust within the communities where we operate, addressing their needs and offering affordable solutions that enhance their well-being.

To achieve this, we embraced the Every Day Low Price (EDLP) philosophy as the foundation of our value proposition. This allows us to provide high-quality essential products at affordable prices. Every purchase contributes to improving the well-being of families, reflecting our commitment to affordability and transparency. With EDLP, we help more people meet their daily needs in a simple, reliable, and care-free way.

Offer Access to an Affordable and Reliable Ecosystem

We understand the challenges many of our customers and members face in joining the digital economy, accessing financial services, or receiving adequate healthcare. In response, we are committed to bridging these gaps by offering practical, high quality, and affordable solutions. Our goal is to create an integrated ecosystem that simplifies and amplifies the benefits offered by each of our verticals.

Reliable connectivity and access to the digital economy

Demand for connectivity continues to grow, yet many families in Mexico still lack access to digital services. Thanks to the trust and closeness we have built with our customers, we provide them with the opportunity to stay connected to what they value most—always at the lowest price. Since its launch, Bait has become the most inclusive and accessible Mobile Virtual Network Operator for Mexican families. We take pride in being part of their everyday lives.

Financial solutions

Many people in Mexico and Central America are still not part of the traditional financial system. That is why we work to bring our customers closer to these solutions that seemed beyond their reach, helping to strengthen their personal and family economies. Through Cashi, our goal is to help them save and improve their personal finances when making purchases and paying for services. We also offer a fast, simple, and secure channel for sending remittances from abroad. To further support financial inclusion, we offer access to credit with preferential and flexible terms.

Medical services

At Walmart de México y Central America, we recognize health as fundamental right. That is why we strive to ensure that our customers and associates have access to the medical care they require, as well as high-quality, affordable medications, promoting their overall well-being.

OFFER SAFE AND HEALTHY PRODUCTS

We are committed to creating value for communities by providing them with access to affordable, safe, healthy, and high-quality products.

Our customers' interest in health and wellness is constantly evolving, driving demand for products that improve their quality of life. Supply chain transparency has become increasingly important, as customers want to know the origin of the products they purchase and their manufacturing process. The need for a safe, healthy, and diverse product catalog has been reinforced by various regulations and standards, such as Mexico's General Law on Adequate and Sustainable Food, and NOM 051. These measures have encouraged product reformulation to better serve our customers.

Product Development and Reformulation

We have a robust development and reformulation process that allows us to meet customer preferences while ensuring regulatory compliance and improving overall well-being. Together with our suppliers, we offer affordable products tailored to market needs. We work every day to make the necessary reformulations in our Private Brand products in Mexico:

- Offering products with less fat, sugar and sodium.
- Promoting organic products in categories such as perishables and baby food, providing healthier and more natural options while avoiding artificial preservatives, hormones, and antibiotics.

- Eliminating sodium chloride in canned tuna.
- Increasing our offer of gluten-free products for people with allergies.

In Mexico, we launched the following products:

- Organic honey, lemon, green beans, and mangos.
- Lactose-free oat-based beverages.
- Corn flour, almond flour, and gluten-free rice pancakes as alternatives for people with celiac disease.
- Hormone-free, antibiotic-free, and steroid-free turkey and chicken.
- Preservative-free prepared beans.
- Peanuts free from monosodium glutamate.

In Mexico, all **Our Brand** products are made without partially hydrogenated fats and oils, significantly reducing or eliminating trans fats from the final product. This directly benefits our customers' health and well-being, helping them live better.

NOM 051 - Phase 3

In Mexico, we have made consistent progress in complying with NOM-051, successfully completing phases 1 and 2, which involved collaboration with suppliers to ensure labeling compliance and reformulation of products to meet established nutritional limits. To comply with phase 3 of NOM 051, which takes effect in 2025, we have designed a comprehensive plan that includes advanced tools to identify product ingredients and determine the required nutritional labels. This will also help us align our labeling strategies for new product launches and updates to existing products. We identified 100% of the products requiring adjustments and are actively reformulating a broad portfolio to ensure full compliance from day one.

Genetically Modified Organisms

Mexico's General Law on Adequate and Sustainable Food requires the identification of products containing Genetically Modified Organisms (GMOs). In Central America, the Technical Regulation (RTCA) has similar labeling measures for prepackaged foods. Recognizing that new regulations may emerge, and always with the health and safety of our customers as a priority, we are committed to transparency regarding GMO-derived ingredients in our products. Therefore, in collaboration with our business partners, we identify those products that contain ingredients derived directly from the use of Genetically Modified Organisms. These will be communicated in accordance with the requirements set forth in the Law.

COMMUNITY DEVELOPMENT

Each year, we collaborate closely with local organizations and other stakeholders to understand the needs of the people living in the communities where we operate. This allows us to co-create solutions that drive a positive and sustainable impact. In 2024, we were focused on strengthening the development of local leadership within each community to ensure our programs and initiatives would achieve the greatest possible impact and relevance. Our stores, clubs, and DCs serve as key points of contact to create local solutions within

a 2-kilometer radius of each unit. We work collaboratively to help the community live better. This helps us to prioritize support for immediate social needs, adapting to each of them to maximize the positive impact on communities.

Most notably, we seek to combat poverty and malnutrition by leveraging our infrastructure, collective outreach, and expertise. These efforts include donating food and essential products and fostering volunteering programs. Additionally, we support the development of local economies by partnering with small producers and suppliers, offering them access to formal markets and training. We are also firmly committed to delivering an agile and effective response to natural disasters.



Food Security

GOAL 2024: Recover 46.0% of food and general merchandise suitable for donation in Mexico and 47.0% of food in Central America.

We achieved: 44.6% in Mexico and 27.8% in Central America.

Although the region produces enough food to meet the needs of the population, we face a critical challenge: food waste and food insecurity. Paradoxically, while many families struggle with limited access to food, large quantities go to waste. At Walmart de México y Centroamérica, we are firmly committed to addressing this issue. Our extensive logistics network and regional reach allow us to respond to this situation quickly and efficiently.

Partnerships with Food Banks

Mexico

We work daily to minimize food waste across all our stores, clubs, and Distribution Centers. This commitment has positioned us as a the leading donor to food banks in Mexico, directing food and general merchandise that, while unsuitable for sale, remains safe for human consumption. Through these efforts, we provide essential nutritional support to people with limited resources. Additionally, we focus on strengthening and expanding

the food bank system, continuously improving our mechanisms for recovering and redistributing food to those who need it most.

- We channeled +3.0 billion pesos in food and general merchandise through more than 102 food banks in the 32 states of Mexico.

Central America

We are co-founders of the five leading food banks in the region, we have helped channel support directly to those most in need. In 2024, we were able to recover 60% of the food in the region, resulting in the donation of 6,576.52 tons from our stores, DCs, and facilities to food banks in Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica, as well as to the San Sebastián Lions Club Association in Costa Rica. These donations benefited more than 268 thousand people experiencing food insecurity.

We also donated 5.49 million pesos to food banks for equipment purchases to enhance their logistical capacity, such as refrigerated trucks. These trucks will help preserve cold chains, ensuring safe donation of perishable foods. This represents a collective effort across our entire regional operation to recover and distribute essential food and staple products, especially perishables, to improve the diets of those served by these institutions.

- We received the *Aliados por la Alimentación* seal, a recognition granted by the Food Bank of El Salvador in acknowledgement of our support and the sustainable practices integrated into our business model to contribute to the well-being of Salvadoran families in vulnerable situations.

Development of Productive Capacities

In Mexico, we develop projects that promote food security such as the creation of orchards, farms, water systems, sanitation, and ecological stoves in urban, rural, and indigenous communities, also providing training for their efficient use. This holistic approach aims to meet people's basic needs to facilitate their integration into the economic system.

- The average income of a family before receiving training in a food security program is 1,400 pesos per month. After joining the program and producing their own food, their income increases to 10,600 pesos thanks to the sale of surplus food.

SUCCESS STORY

Chinantla Community

In the community of Chinantla, Oaxaca, home to the Chatina ethnic group, we implemented projects aimed at improving food security, such as the establishment of orchards and farms to produce their own food, among others. This has improved their nutritional well-being by savings on purchase of foods like fruit, vegetables, and chicken, which they now produce independently.

- 540 people benefited.

Small Farmer Development

The *Pequeño Productor* and *Tierra Fértil* programs aim to provide small farmers with access to formal markets and opportunities for growth by identifying and addressing the barriers that limit their market participation. Through these initiatives, we offer training in key areas such as sales, production, post-harvest processes, logistics, and business management. Additionally, we promote regenerative agricultural practices, providing new growth opportunities and empowerment for local producers.

Natural Disaster Relief

As part of our commitment to the community, we build strategic alliances with businesses, civil society organizations, and government agencies to deliver humanitarian aid where it is needed most during times of crisis. By working hand in hand with our associates, customers, and the community, we multiply our efforts.

Thanks to Walmart de México y Centroamérica’s infrastructure, the operational capacity of the Mexican Red Cross, and our humanitarian aid revolving fund, we can provide assistance to affected communities in Mexico within the first 24 hours of a natural disaster. We leverage our logistical capabilities, supplier network, and financial contributions, alongside our Continuity of Operations Center, which operates 24/7 to ensure rapid response in emergency situations. Our goal is to minimize disruptions to our operations, restore services to the community as quickly as possible, and safeguard the integrity of our associates and customers.

- Our responsibility extends beyond responding during a natural disaster—we are committed to providing timely and effective support in the aftermath, helping affected communities recover in the medium and long term.
- 27 natural disasters addressed in 2024, benefiting 146,597 people.

NATURAL DISASTERS ATTENDED

NATURAL DISASTERS ATTENDED		
	Mexico	Central America
Landslides	State of Mexico	
Forest fires	Veracruz, State of Mexico, Tamaulipas, Michoacán, Jalisco, Hidalgo and Tabasco	Guatemala
Tropical storms	Tamaulipas and Nuevo León	El Salvador, Honduras, and Costa Rica
Heat wave	Baja California	
Hurricane	John in Michoacán, Oaxaca and Guerrero	Costa Rica
Floods	Quintana Roo and State of Mexico	
Drought	Sinaloa	

Communities in Guerrero

Following the impact of Hurricane Otis in 2023, this year we continued supporting local communities by distributing food and personal hygiene packages through the National Food Bank Network (BAMX) in each of the affected areas. This initiative reflects our ongoing commitment to the state, which faced yet another severe weather event in 2024.

In collaboration with the *Centro Nacional de Apoyo ante Contingencias y Desastres Epidemiológicos (CENACED)*, we also launched a school rehabilitation project in Acapulco, focused on water, sanitation, and hygiene, to address the aftermath of Hurricane Otis. This project began in 2024 and will continue for the next 2 years, with the advice and technical support from UNICEF.

Volunteering

As part of our firm commitment to becoming a Regenerative Company, in 2024 we carried out a series of volunteer initiatives that included reforestation activities, beach cleanups, and the restoration of public spaces. Each of these efforts not only brought tangible improvements but also created new ways to generate a positive impact in the communities we serve—always supported by the dedication and human quality of our associates.

Across the region, we carried out 2,335 volunteer activities, in which 35,234 associates participates.

With the participation of our associates in Mexico and Central America, we delivered toys to children in communities near our stores, clubs, and offices through the *Haz Magia* program. Throughout the day, volunteers facilitated various recreational activities, culminating in the most exciting moment—the distribution of toys to the children.

- *Haz Magia* brought joy to 9,044 children in Mexico and Central America in 2024.

During the year, we continued our 2K Volunteering program in Mexico. This program aims to generate volunteer activities within a 2-kilometer radius of our stores, always with the utmost respect for the customs and traditions of each community. In this way, we not only manage to generate a direct and positive impact on the communities where we operate but also provide our associates with an opportunity to feel part of a greater purpose. Additionally, we establish local partnerships and actively participate in the most relevant moments for our communities.

Among the efforts we carried out during 2024, the following stand out:

- **La Guelaguetza:** For the third consecutive year, Sam's Club associates in Oaxaca participated in volunteer activities during the Guelaguetza. Along with the community, they went to the streets where the celebration takes place to conduct cleanup activities.
- **Reforestations:** We aim to actively contribute to the regeneration of the environment, benefiting the quality of life of people. This year, we managed to plant more than 144 thousand trees through 219 volunteer activities, with the participation of volunteers nationwide.
- **Cleaning of public spaces:** We carried out more than 918 cleaning activities, which were the result of the closeness generated with customers and neighbors in the areas surrounding our stores, clubs, and distribution centers.

We also highlight the following efforts made in Central America:

We enabled the *Vuelo Libre* lookout point in the United Nations National Park in Guatemala, in collaboration with the *Defensores de la Naturaleza Foundation*. This project included installing irrigation and fire

prevention systems, placing interpretive signage, setting up recycling stations, and designing a long-term maintenance plan to ensure continuous care for the area. Additionally, we organized an environmental volunteer day, during which native species were planted to enrich the newly established trail. This initiative created a space for the enjoyment of both the local community and visitors.

We also partnered with regional food banks to support logistics operations and helped create an interactive exhibit for children at the Tin Marín Museum in El Salvador. Here, they learned how to read the nutritional components of product labeling and make shopping lists, among other life skills.

Financial Value

2024 allowed us to demonstrate once again our capacity for constant growth. We achieved our eleventh consecutive year of same-store sales above the self-service market as measured by the National Association of Supermarkets and Department Stores (ANTAD) in Mexico.

Despite a challenging macroeconomic environment, we achieved a consolidated revenue growth of 8.1% and a record in store openings. As a result, we were able to strengthen our core, offering more solutions to our customers and consolidating our market presence.

Our growth strategy, backed by rigorous financial discipline, enabled us to deliver sustainable growth and strong investment returns. We are convinced that our diversified portfolio with an omnichannel approach represents a unique value proposition, strengthening our customers' and business partners' trust.

PERFORMANCE

We are proud to reaffirm our leadership with a solid performance in 2024. We continued to consolidate our position as a benchmark in the sector. We maintained sustained growth, driven by our financial discipline, the strengthening of our ecosystem, and a value proposition focused on offering low prices to our customers in Mexico and Central America, despite a challenging macroeconomic environment.

Our strategic investments in technology and omnichannel expansion allowed us to grow in all formats, divisions, and regions. This year, we reaffirmed our commitment to our customers and members, achieving results that reflect our long-term strategy's consistency.

Consolidating our leadership with sustained growth above the market.



Mexico

In Mexico, our ability to adapt and focus on our customers’ and members’ needs allowed us to achieve a 5.8% same-store sales growth.

- +7.4% in total revenue. For the eleventh consecutive year, we have grown our same-stores sales above the formal market measured by ANTAD.



We experienced the most growth at the South and Metropolitan regions, followed by the Central and Northern regions. Sam's Club and Walmart Express were the formats that presented the best growth levels, and while all merchandise divisions posted positive numbers, General Merchandise and Supermarkets were the divisions that showed the most significant growth, above inflation.

We reached a revenue of 797.6 billion pesos, which implied a 7.4% growth compared to the previous year, demonstrating our commitment to our growth strategy. At year-end, the GMV (Gross Merchandise Value) of

our eCommerce grew by 20% and represented 7.4% of the total GMV in Mexico, reaffirming our omnichannel leadership.

We also achieved a gross margin expansion of 40 basis points, representing 24.1% of total revenues. Increasingly relevant contributions from Walmart Connect, Bait and Financial Services, as well as improvements in our supply chain and commercial margins, have allowed us to improve the business' profitability.

SG&A represented 16% of total revenues, a 100 basis point increase compared to 2023. This was partly explained by our strategic investments in new store openings, the strengthening of our digital platforms, the continuous improvement in our value proposition for associates and customers, and labor cost pressures in the local market.

- 797.6 billion pesos in total revenues +7.4 growth.

EBITDA of 85.2 billion, with a 5.5% increase year over year, reaching a margin of 10.7%.

This year, we achieved an important milestone with the opening of 151 new stores. This reflected the solid execution of our expansion strategy and ability to reach every corner of the country. We backed this plan with the automation of our Distribution Centers, enabling key operational efficiencies to guarantee product availability, competitive pricing, and an exceptional shopping experience.

Central America

We are satisfied with our performance in the region. We achieved continued profitable growth in the five countries where we operate despite significant competitive challenges. We have been able to continue adapting to our customers' needs and strengthening our operations.

During the year, same-store sales grew 4.3%, with Honduras and Nicaragua leading this growth, followed by Guatemala, El Salvador, and Costa Rica. This performance allowed us to reach total revenues of 160.9 billion pesos, which were equivalent to a 5.2% growth versus the previous year.

- 160.9 billion pesos in total revenues + 5.2% of growth.

Meanwhile, our gross margin grew 10 basis points to 24.3% of total revenues, driven by new businesses such as Walmart Connect, logistics improvements, and margin optimization in key categories. These benefits offset higher costs associated with price investments and initiatives to strengthen our value proposition. SG&A represented 17.8% of total revenues, with a slight increase showing discipline in cost management despite a challenging macroeconomic environment. Operating income represented 6.7% of total revenues and a growth of 9.7% compared to the previous year. EBITDA was 14.8 billion pesos, a 7.1% increase versus 2023 and a margin expansion of 10 basis points to 9.2% of total revenues.

- 9.2% EBITDA margin.

Note: Percentages related to Central America do not consider exchange rate effects.

Consolidated

At a consolidated level, our same-store sales grew 6.6% versus the previous year, reflecting our strategy's consistency and the strengthening of our ecosystem. As a result, we generated a total of 958.5 billion pesos in consolidated revenues, an 8.1% growth versus the previous year. Our new openings contributed 1.7% to the total sales growth rate.

- 958.5 billion pesos in total consolidated revenues +8.1% of growth.

Our consolidated gross margin grew 30 basis points to 24.1% of total revenues, mainly driven by the contribution of our new businesses in both regions, improvements in commercial margins, and benefits across our supply chain. These developments enabled us to maintain our price competitiveness while advancing our value proposition.

SG&A represented 16.3% of consolidated revenues, a 14.1% growth, reflecting strategic investments in new store growth and technology.

Operating income represented 8.1% of total revenues, growing 5.6% versus last year. EBITDA totaled 100.0 billion pesos, a 6.5% growth compared to 2023, with a double-digit margin of 10.4%.

Our consolidated net income was 53.8 billion pesos, a 4.3% increase compared to the previous year.

Sales Share by Business Format

Our multi-format strategy combines omnichannel solutions to meet the diverse shopping needs of our customers. From offering low prices to generating premium experiences, we continued consolidating our leadership and transforming retail.

47% Bodega and discount stores: Store formats that focus on customers looking to shop at the best prices. Through our Every Day Low Prices value proposition, we offer perishables, groceries, consumables, and general merchandise at the best prices in the market. All these products can be purchased On Demand and through our website, with same-day delivery and an Extended Assortment.

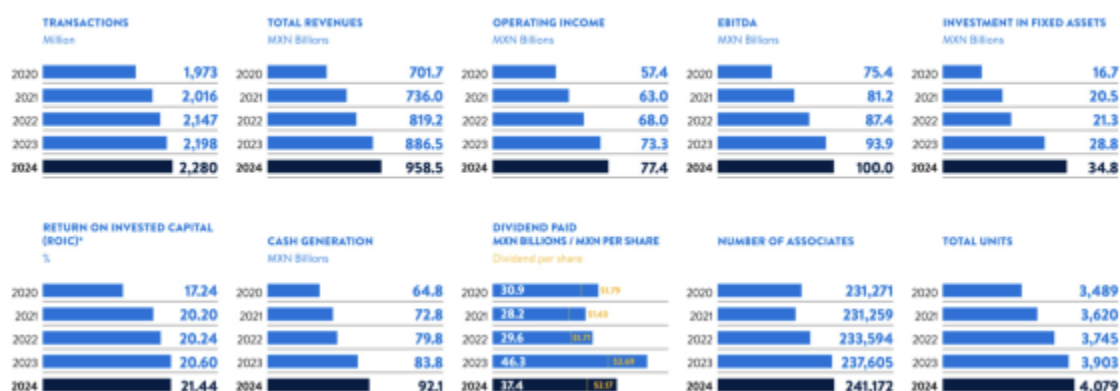
26% Hypermarkets: Our proposal is to offer an extensive product catalog (ranging from perishables, groceries, consumables, general merchandise, and apparel) through Every Day Low Prices. We offer an Extended Assortment on our website, complemented by our Marketplace, so that our customers have everything they need in one place. To offer a better experience, we enabled stores with omnichannel capabilities to offer On Demand service with delivery a few hours after the order is placed.

22% Price Clubs: Our Price Clubs with memberships offer products in volume at very attractive prices. At Sam's Club we offer our members the best in-store or online experience, which is why On Demand service with home delivery or pickup service and an Extended Assortment are enabled in all our clubs.

5% Supermarkets: Through an extensive product catalog, we offer the best quality in perishable, grocery, consumables, and selected general merchandise departments. We also offer our customers services and solutions focused on making their lives easier through low and competitive prices. This format has an online store with the easiest shopping experience.

KEY FIGURES

Our EBITDA continues to grow year over year.

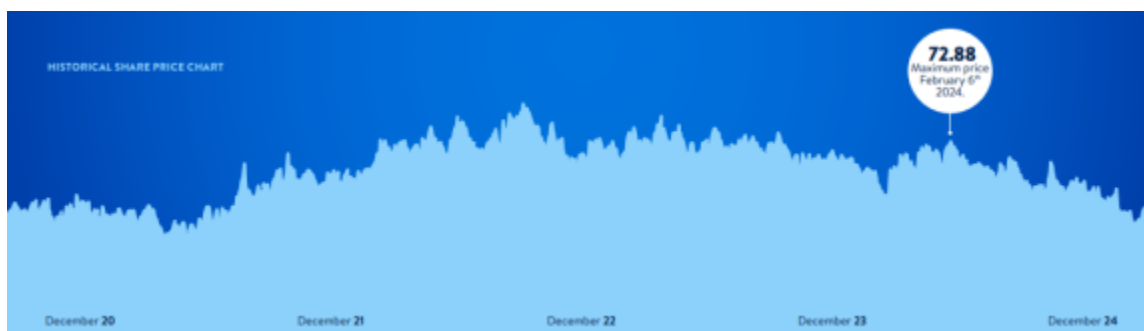


*Source Bloomberg

CREATING VALUE

In line with our commitment to operational excellence and the strengthening of our capabilities, we maintain the trust of our shareholders as a key pillar for generating sustained value year after year. In 2024, we once again delivered strong and consistent results that reflect our long-term vision. We continue to reward our shareholders' confidence with dividend payments, reflecting our strong financial position. This year, we distributed a total of 37.4 billion pesos in dividends, which included an ordinary cash dividend of 1.18 pesos per share, and an extraordinary cash dividend of 0.99 pesos per share. These were paid in 2 installments throughout the year, one on November 12th and the other on December 10th, 2024.

These results highlight our ability to generate consistent revenue and maintain outstanding performance, strengthening value creation for all our stakeholders.



INVESTMENTS

We continue to allocate strategic resources to strengthen our business, expand our capabilities, and ensure that we are prepared for future challenges. These investments are aimed at improving the shopping experience, increasing our operations' productivity, and strengthening our connection with customers and members.

In 2024, we invested a total of 34.8 billion pesos in strategic projects. This amount was allocated to:

- **Remodels:** 49% of our investment, upgrading our existing stores and enabling them with omnichannel capabilities to offer a more complete and efficient shopping experience.
- **New store openings:** 31% of our investment, reflecting our commitment to growth and expansion in key regions.
- **Supply chain:** 13% of our investment, increasing our operational efficiency and optimizing our Distribution Centers to meet demand in a more agile manner.
- **eCommerce and technology:** 7% of our investment, focusing on the digitalization of processes, store automation, and the improvement of our technological platforms to strengthen our omnichannel ecosystem.



Income Statement and Balance Sheet

As of December 31, 2024.

Walmex Consolidated Results

(MXN Billions)

	2024		2023		VAR. %
	\$	%	\$	%	
Total revenues	958.5	100.0	886.5	100.0	8.1
Gross profit	231.5	24.1	210.6	23.8	9.9
SG&A	156.1	16.3	136.8	15.4	14.1
Other income, net	2.0	0.2	(0.5)	(0.1)	468.1
Operating income	77.4	8.1	73.3	8.3	5.6
EBITDA	100.0	10.4	93.9	10.6	6.5
Net income	53.8	5.6	51.6	5.8	4.3

Balance sheet (MXN Billions)



Risk factor's:

The risks described herein could have a material and adverse effect on our business, our business results, our financial standing and liquidity. They are not the only risks we face. Our business operations could also be affected by additional factors that apply to all the companies operating in Mexico and around the world, in addition to risks yet unknown that may arise and affect our operations.

Both domestic and international macroeconomic factors that could adversely affect our financial performance.

The overall economic conditions, both global and in one or more countries where we operate, could have an adverse effect on our financial performance. In Mexico and Central America the list includes stock market fluctuations, volatility in the price of our shares, increases in interest rates, in the costs for fuel and other energy sources, the plummeting of the real estate market, inflation/deflation, rising costs for basic services, higher unemployment rates, reduced income for consumers, consumer credit restrictions, greater consumer indebtedness, exchange rate fluctuations, higher tax rates, new taxes, changes to tax legislation, other regulatory changes, economic slowdowns, and other economic factors could adversely affect consumer demand for the products and services offered in all our formats and markets where we operate, with the

possibility of over demand or excess supply. The aforementioned conditions could have an adverse effect on our gross margins, sales costs, inventory sell-thru, and markdown policies.

The factors that could affect our operations could also have repercussions on the operations and economic performance of our suppliers, both in Mexico as well as Central America. Said factors could possibly lead to cost increases for the products we sell our customers or, even worse, could cause problems for certain suppliers, making them unable to provide us with the volumes needed in our units.

Our current commercial strategy may not identify and respond effectively to consumer trends in a timely manner, whether involving physical retail, eCommerce retail or a combination of retail offerings, which could negatively affect our relationship with our customer, the demand for our products and services, and our market share.

It is difficult to predict consistently and successfully the products and services our customer will demand. The success of our business depends in part on how accurately we predict consumer demand, availability of merchandise, the related impact on the demand for existing products and the competitive environment, whether for customers purchasing products at our stores and clubs, through our eCommerce businesses or through the combination of both retail offerings. A critical piece of identifying consumer preferences involves price transparency, assortment of products, customer experience and convenience. These factors are of primary importance to customers and they continue to increase in importance, particularly as a result of digital tools and social media available to consumers and the choices available to consumers for purchasing products online, at physical locations or through a combination of both retail offerings.

Failure to timely identify or effectively respond to changing consumer tastes, preferences (including key factors described above) and spending patterns, whether for our physical retail offerings, eCommerce offerings or through a combination of these retail offerings.

Failure to successfully execute our omni-channel strategy and the cost of our eCommerce investments may affect our market position and financial performance.

The retail business is rapidly evolving and consumers are increasingly embracing shopping digitally. As a result, the portion of total consumer expenditures with retailers and wholesale clubs occurring through digital platforms is increasing and the pace of this increase could accelerate.

Our strategy, which includes investments in eCommerce, technology, store openings, remodels and other customer initiatives may not adequately or effectively allow us to grow our eCommerce business, increase comparable store sales, maintain or grow our overall market position or otherwise offset the impact on the growth of our business of a moderated pace of new store and club openings. The success of this strategy will depend in large measure on our ability to build and deliver a seamless omni-channel shopping experience and is further subject to the risks we face. As a result, our market position, net sales and financial performance could be adversely affected, which could also result in impairment charges to intangible assets or other long-lived assets.

Furthermore, the cost of certain eCommerce and technology investments, including any operating losses incurred could adversely impact our financial performance in the short-term and may adversely impact our financial performance over the longer term.

If we are not sufficiently able to properly manage our trademarks, it could affect our image, operations and financial performance.

All commercial names for our different business formats -both in Mexico and in Central America- and all the commercial notices used in the advertising of our different private labels found on labels and products are duly registered by Wal-Mart de México, S.A.B. de C.V., and other companies of the group, rights that are used directly by the holders of the same and by the companies operating the different business formats under indefinite licensing and/or sublicensing agreements. Registered trademarks belonging to third parties are also used in Mexico, for which there are licensing agreements executed so as to guarantee the legal use of the same and to comply with applicable legislation regarding the subject of brands. Said property rights are protected and in use, pursuant to applicable legislation on brands and copyrights. The legal and proper use of the aforementioned copyrights is of crucial importance to the company, any violation of the same could generate harmful effects to our prestige, corporate wealth, and financial performance.

Delays and/or expansion obstacles for our operations could affect our financial performance.

In both Mexico and the Central American nations where we operate, our capacity to open new units, perform remodels, and relocate existing units depend largely on our ability to identify, hire and retain qualified personnel and on our capacity to locate, lease and/or acquire sites with acceptable terms. Compliance with municipal, state and federal legislation can affect and/or delay commercial expansion processes. Adherence to zoning and construction regulations, in addition to local opposition to the building of certain units at specific sites can affect our ability of opening new units, converting existing units to new formats, and/or relocating and expanding units in certain cities and states. Our growth opportunities could be limited by increases in real estate prices and construction/development costs. If we are kept from opening new units in our different formats, our financial performance, growth in net sales, and our operating income could be adversely affected.

Moreover, if consumers in the markets where we expand our business are not receptive to our value proposition and to our self-service, club and apparel store concepts, or do not want us in their communities, then our financial performance could suffer.

Access to certain types of product and service suppliers could limit our ability to increase the number of units or to expand our selection of products in existing units in certain regions, particularly markets with consumers wanting to buy locally-produced goods. In addition, cultural differences in certain regions where we operate, or where we expand our self-service units and clubs could impact those consumers unable to respond as positively to our commercial proposition as we would have expected, thus potentially affecting our financial performance.

We may be unable to continue to identify suitable acquisition candidates at acceptable prices and may not be successful in completing the acquisition of any such candidate identified. Although we ultimately believe we

will be able to successfully integrate any newly acquired operations into our existing operations, no certainty exists that future acquisitions or alliances will be successfully integrated into our operations or can be successfully integrated in a reasonable time. Our failure to identify appropriate candidates for acquisition or alliances or to integrate effectively future acquisitions and alliances into our existing operations could adversely affect our growth and our future financial performance.

The inability to attract and retain qualified associated, changed to laws and labor matters could have an adverse effect on our financial performance.

The capacity to continue expanding our operations hinges on our ability to attract and retain a growing number of qualified associates.

The capacity to cover our needs for labor, including our ability to find talent to cover vacant positions in our existing stores, clubs and distribution centers while maintaining the nominal structure and other controlled labor-related costs are generally contingent on numerous external factors, including the availability of a sufficient number of qualified people within the set of the economically active population in the markets where we operate –labor force-, unemployment levels, salary levels in effect, changes in the demography, health and other related insurance costs, the implementation of new and/or amended labor laws, and applicable regulations. If we are incapable of identifying, attracting and retaining talent, if labor and related costs increase significantly or if new and/or amended labor and labor safety laws and regulations are adopted or enforced, our labor performance could be adversely affected.

We face fierce competition from existing and/or new market players (whether through physical retail, eCommerce retail or through a combination of both offers), which could have an adverse effect on our financial performance.

The retail and club sectors are highly competitive. Each one of our business segments competes for customers, employees, store sites, products, services and in other important aspects of its business with many other local, regional and international market players, which could increase in the future. Our competitors consist of companies from the retail, price club and apparel store sectors. They operate discount, department, pharmacy, single-price, convenience, specialty, supermarket, hypermart, price club, eCommerce and catalog segments. These operators compete in a variety of ways including merchandise assortment and availability, by offering added-value services, location site, operating hours and price. Our ability to respond effectively to these competitive pressures, the arrival of new market players, and changes in the retail and club sectors could affect our financial performance.

Risks associated with suppliers providing products and the safety of said products could adversely affect our financial performance.

The products we sell are sourced from a variety of national and international suppliers. The supply of products we sell is an important factor for our financial performance.

All our suppliers must comply with applicable legislation, including labor, safety and environmental laws; they must also be certified regarding compliance with our quality and performance standards. Our ability to find qualified suppliers who meet our standards and who can access products efficiently and in time constitutes a significant challenge, especially in the case of suppliers and products sourced outside of Mexico and Central America. Political and economic instability in countries where our suppliers are located, financial instability, the inability to meet our quality and performance standards, access and availability of raw materials, merchandise quality issues, exchange rates, transportation availability, costs, and safety, inflation rates, and other factors related to suppliers and the countries where they are located are factors outside of our control.

In addition, regulations governing foreign trade, tariffs and other taxes on imported goods, commercial sanctions applied in certain countries, limitations regarding the importing of certain types of goods, or goods containing specific materials from certain countries, and other factors related to foreign trade are all beyond our control. These and other factors affecting our suppliers and the access we may have to products could adversely affect our financial performance.

Our customers trust that we will offer safe products. Therefore, matters concerning food safety and safe non-food products that we later sell could lead customer refusal to purchase certain products in our units, or that they seek out other alternatives to meet their food and non-food needs, especially if the entire matter is out of our control. Any loss of customer confidence could prove difficult and costly to regain. Therefore, any matter pertaining to the safety of food and non-food products sold by us –regardless of the cause- could have a negative impact on our financial performance.

Changes in government regulations.

The Company is exposed to the changes in different laws and regulations in Mexico, which, after becoming effective, could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities has greatly increased.

Our operations outside Mexico make us susceptible to legislative, judicial, accounting, regulatory, political, economic and environmental risks and conditions specific to the countries in which we operate, which could adversely affect our financial performance.

As a result of our expansion in Central America, our operating results could become affected by a variety of factors, many of which are out of our control. These include political conditions and/or instability, economic conditions, legal and regulatory limitations, money laundering prohibitory laws and regulations, commerce policies, exchange rate regulations, or any other similar matter in any of the countries where we currently operate and/or those situations or events which could affect us on an international level. Our future operating results in the countries where we operate could be negatively affected by a variety of factors, most of which are beyond our control. Exchange rate fluctuations can impact costs and future cash flows for our operations in Central America, which could then adversely affect our financial performance.

On the other hand, the economies for certain countries where we operate in Central America have, in the past, undergone high inflation rates and the devaluation of their currency, which if it happens again, could have a negative effect on our financial development. Other factors that could impact our operations in Central America include foreign trade, monetary and tax policies in Mexico and in other countries; laws, regulations and other foreign government activities; agencies and similar organizations and risks associated with having diverse installations located in countries which historically have been less stable than Mexico. Additional risks inherent to our operation generally include such things as the costs and difficulties of managing international operations, the consequences for adverse taxes and greater difficulty for having complied with intellectual property rights in countries other than Mexico. The range of risks inherent to doing business in Mexico generally exist when running commercial operations outside the country, and these may increase due to the difficulties of doing business in different venues due to cultural, legal and regulatory differences.

Both in Mexico and in the Central American nations, we maintain policies that prohibit such business practices and we have implemented anticorruption regulatory compliance programs designed to ensure full adherence to these laws and regulations.

Any infringement, even of our internal policies, could adversely affect our financial performance. In such cases, the Code of Conduct governs the way we expect our associates, contractors and intermediaries to conduct business.

Natural disasters, climate changes and geopolitical events could adversely affect our financial performance.

One or more natural, environmental and/or accidental disasters such as hurricanes, cyclones, typhoons, tropical storms, flooding, earthquakes, and droughts, or things such as geopolitical events like civil uprisings or terrorist attacks in any of the countries where we operate or in any country where our suppliers are located could have a negative impact on our operations and financial performance.

Said events could cause physical damages and/or partial or total losses to one or more of our properties; the closing of one or more of our units of any type due to the lack of an adequate labor force in any given market; to the incapacity of our customers and associates of using means of transportation to the units directly affected by any such event; to the evacuation of the population located where our operating units are situated; to the change in consumer habits and in available income for shopping for the duration of the any of the aforementioned events, and/or definitive out-of-stock for products provided by suppliers both national and international; to the impact on the transportation of the imported goods; to lack of supplies or delays in product deliveries to our distribution centers, units or facilities; to the loss of communication with our stores. These events and the ensuing impact could alter and affect our operations in the areas where said events may have taken place and could adversely affect our financial performance.

If the technology-based systems that provide the capacity to our customers of making online purchases of merchandise do not work efficiently, our operating results as well as our capacity to grow within the eCommerce segment could be adversely affected.

A certain portion of our customers shop via our eCommerce sites, which in turn are part of an omnichannel sales strategy. Increasingly more customers are using computers, tablets, smart phones and other devices to shop from us and our competitors online, and to compare offerings. Therefore, any failure by us in providing the necessary technological interfaces in our eCommerce programs, including user-friendly software for smart phones, tablets and other devices could place us in a disadvantageous position vis-à-vis our competitors, with the resulting loss in online sales, damage to our reputation with our customers, negative impacts on our eCommerce business, and also negatively affecting the results of our operations.

Any incident related to the security of the information we have on our customers, associates and suppliers, stemming from the activity of hackers, could damage our reputation and lead to very high additional costs, make us susceptible to lawsuits, and possibly affect our operations.

Much like the majority of commercial sector companies, we obtain information on our customers, associates, and suppliers. In addition, our online commercial operations via our websites depend on the safe conveyance of confidential information through public networks, including information on electronic payments. Each year, hackers make countless attempts at accessing data stored in our information systems.

We have considerable security measures to protect against and prevent unauthorized access to said data. Nevertheless, it is possible that some form of hacking –new methods are rapidly evolving and becoming increasingly sophisticated- may exceed our security measures in the future and manage to obtain personal data that we have on our customers, associates and suppliers. An infiltration of this type could adversely affect our reputation with our customers, associates, and suppliers and also affect our operations, our financial standing and liquidity, leading to possible litigation against us or the imposing of sanctions.

What is more, a security violation could require the further investment of a considerable amount of resources to improve security measures employed in safeguarding such sensitive information against hackers and any other attempt at accessing the same, thus interrupting our operations, especially our online sales.

As a retailer who accepts debit and credit cards for payment, we are subject to compliance with guidelines and standards with regard to security surrounding the physical and electronic storage, processing and transmission of individual cardholder data.

Despite our compliance with these standards and other information security measures, we cannot be certain that all of our information technology systems are able to prevent, contain or detect any cyberattacks, cyber terrorism, or security breaches from known malware or malware that may be developed in the future. To the extent that any disruption results in the loss, damage or misappropriation of information, we may be materially adversely affected by claims from customers, financial institutions, regulatory authorities, payment card associations and others. In addition, the cost of complying with stricter privacy and information security laws and standards could be significant to us.

We are highly dependent on computer systems to process transactions, consolidate results and manage our business. Any interruptions to our primary and backup systems could damage our capacity to manage the business.

Despite having primary and backup computer systems that are independent, sufficient and physically separate, given the number of individual transactions we have each year it is critical to maintain the seamless operation of our computer systems. Said systems, including backups, are subject to damage or interruption due to cuts in the power supply, computer and telecommunication failures, viruses, security violations –from hackers and sophisticated organizations- catastrophic events such as fires, tornados, earthquakes, hurricanes, and incorrect use by our associates. If our computer and backup systems are damaged, violated or no longer work properly, we will be forced to invest heavily in the necessary repairs or replacements, leading to temporary interruptions in our operations. Any interruption in either the computer or backup systems could have considerable negative effects on our business and our operating results. The risk of interruption increases when significant changes to the systems are conducted; however, we feel our processes and management changes would mitigate this risk. If we fail in the integration of our systems and computer processes, we could fail to achieve the savings that are expected to stem from said initiatives.

Recent events.

The past year was characterized by electoral processes, both in Mexico and the United States that significantly impacted the political and social landscape. In Mexico, prior to the elections, public spending and the transfer of economic resources from social programs were accelerated, boosting short-term consumption and expenditure. Additionally, 18 substantial constitutional reforms were approved that profoundly modified the legal framework of the Mexican state, including a structural reform to the Judiciary Power, which has generated uncertainty regarding the new mechanisms and processes for substantiating and resolving disputes following the selection of judges that will take place on June 1st. The framework for economic competition and other highly regulated areas such as telecommunications, energy, and data protection was also substantially reformulated.

Following governmental changes at the federal, state, and municipal levels, the Company's policy remains to seek close collaboration with authorities, participating in existing programs that have been endorsed, such as PACIC, and joining new policies where we reconcile our purpose of helping the country's families save money and live better.

Conversely, the presidential election in the United States and the subsequent definition of new policies on trade, immigration, and security have generated uncertainty and market volatility. As of the date of this report, being an ongoing event, the effects on the operation and financial scope have not yet been definitively determined.

Other values:

Walmart de México y Centroamérica with its sponsored level 1 ADR program that has Bank of New York as depositary bank is one of the three first international issuers to trade in “International OTCQX Market Tier” (www.otcqx.com).

The “International OTCQX Market Tier” recognizes the companies that have ADRs trading in the Over the Counter market in the U.S., who distinguished themselves by providing credible information to investors, and meet the financial qualifications of the NYSE listing standards. Among the main benefits is the electronic quotation and trading system, and an online financial information system.

Walmart de México y Centroamérica has complied, in the last three fiscal periods, in form and time with the requirements of Mexican and foreign legislations regarding relevant matters and periodical information such as quarterly and yearly reports on results.

Significant changes to the rights of securities registered:

This element does not apply to Walmex.

Use of proceeds, if any.:

This element does not apply to Walmex.

Public documents:

Copies from this report as well as from the following documents are available to the investor public at large, through the MSE website, www.bmv.com.mx, and Walmart de México y Centroamérica’s website, www.walmartmexico.com and Investor Relations website www.walmex.mx:

- Annual report – MSE format

- Notification of relevant events
- Quarterly report on results: Consolidated Financial Statements (Financial Statements compared against the same quarter of the previous year)
- Annual Report, including the Consolidated and Audited Financial Statements for the latest fiscal periods, as well as a comparison of the previous period
- Annual Report is based on the methodology used in Global Reporting Initiative (GRI)
- Code of Corporate Best Practices
- Corporate bylaws

Moreover, copies of this report can be provided via:

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History and development of the issuer:

- 1958 The first Aurrera store was opened to the public in Mexico City.
- 1960 Superama begins operations.
- 1964 Vips begins operations.
- 1965 On October 25, the company is formed in Mexico City under the name Compañía Mexicana de Desarrollo Internacional, S.A., with a duration of 50 years.
- 1968 The company changes its name to Midco, S.A.
- 1970 Suburbia and Bodega Aurrera initiate operations.
- 1973 The company changes its name to Aurrerá, S.A.
- 1977 Company shares were first traded in the Mexican Stock Exchange. Its stock symbol was AURRERÁ.
- 1982 Corporate conversion to Aurrerá, S.A. de C.V.
- 1986 The company changes its name to Cifra, S.A. de C.V. (Cifra).
- 1991 A joint venture agreement is signed with Wal-Mart Stores, Inc. (50%-50%) to open Sam's Club in Mexico. The first club opened its doors in December of the same year.
- 1992 Joining the agreement are the new Aurrera, Bodega Aurrera and Superama units, in addition to the Walmart Supercenters. With this purpose in mind, two companies are created: Cifra-Mart and WMHCM, of which Cifra owns 50% and Wal-Mart Stores, Inc., the other 50%. Cifra keeps 100% of its units opened prior to May 1992.
- 1993 The duration of the company is extended 99 years, starting March 8, 1993.
- 1993 Walmart Supercenter initiates operations.
- 1994 The new Suburbia and Vips units are incorporated into the agreement.
- 1997 The joint venture companies merge into Cifra. Wal-Mart Stores Inc. makes a public tender offer in the Mexican Stock Exchange acquiring control of the Company. Cifra remains a public company that operates all the businesses in Mexico (Bodega Aurrera, Walmart Supercenter, Aurrera, Sam's Club, Superama, Suburbia and Vips).
- 2000 The General Shareholders' Assembly approves the change in name from Cifra, S.A. de C.V., to Wal-Mart de México, S.A. de C.V. Its stock symbol is **WALMEX**.
- 2001 All Aurrera stores are converted to either Walmart Supercenter or Bodega Aurrera.
- 2004 Our Shareholders' Assembly granted voting rights to holders of Series "C" shares, and converted them to Series "V". The conversion was par value, that is, a Series "V" share for each share of Series "C". All capital stock for Walmart de México is represented by a single series, thus giving all shareholders equal voting rights.
- 2006 The General Shareholders' Assembly approved the official name change from Wal-Mart de México, S.A. de C.V. to Wal-Mart de México, S.A.B. de C.V., its current official name.

- The Ministry of Finance and Public Credit grants the Company the authorization for the incorporation of Banco Wal-Mart de México Adelante, S.A.
- 2007 Walmart Bank begins operations.
- 2009 Approval of the acquisition of 100% of Walmart Centroamérica's operation, the leading retailer in the region in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.
- 2010 On February 15, the acquisition of Walmart Centroamérica was completed, changing the commercial brand name to Walmart de México y Centroamérica.
- 2011 First Walmart Supercenter in Central America (Honduras).
- 2013 Walmart.com.mx launches.
- 2014 Sale of the restaurant division (Vips).
- 2015 Sale of Banco Wal-Mart de México Adelante, S.A.
- 2018 Cashi Más que Efectivo launches.
- 2017 Sale of apparel stores (Suburbia).
- 2019 "Agile Transformation" implementation.
- 2020 Walmart Express begins operations.
BAIT (Bodega Aurrera Internet y Telefonía) launches.
- 2021 Walmart Pass launches.
Relaunch of Walmart Connect. Formerly Walmart Media Group.
- 2022 Health membership pilot launches.
Inauguration of the first six regenerative stores.
- 2023 On April 10, the acquisition of Fintech Trafalgar Digital, S.A. de C.V. an Electronic Payment Funds Institution (IFPE) was completed, a company that has authorization from the National Banking and Securities Commission (CNBV) to operate as an IFPE.
On that same date, the change of company name to Cartera Digital Walmart, S.A. de C.V. Institution of Electronic Payment Funds (Digital Wallet), was formalized. As well as the change of its bylaws and appointment of officials.
- 2024 Launching Walmart Benefits and Bodega Aurrera Benefits.
Launching of the Scintilla tool (formerly Walmart Luminate).

Corporate Headquarters

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 Phone number: +52 55 5283 0100
 walmartmexico.com
 walmex.mx

Total Investment in Fixed assets	2024	2023	2022
Investment (billion pesos)	Ps. 34.8	Ps. 28.8	Ps. 21.3
Openings (number of units)	180	162	126

Business Overview:

Walmart de México y Centroamérica is a leading retail sector companies in the region.

As of December 31, 2024, it operated 4,079 units, throughout six countries (Costa Rica, Guatemala, Honduras, El Salvador, México, and Nicaragua), including self-service stores, membership clubs and omnichannel sales.

Walmart shares trade in the Mexican Stock Exchange since 1977; the ticker symbol is WALMEX.

Sales growth will come from:

- Same-store sales
- Sales from new stores
- Omnichannel and ecosystem

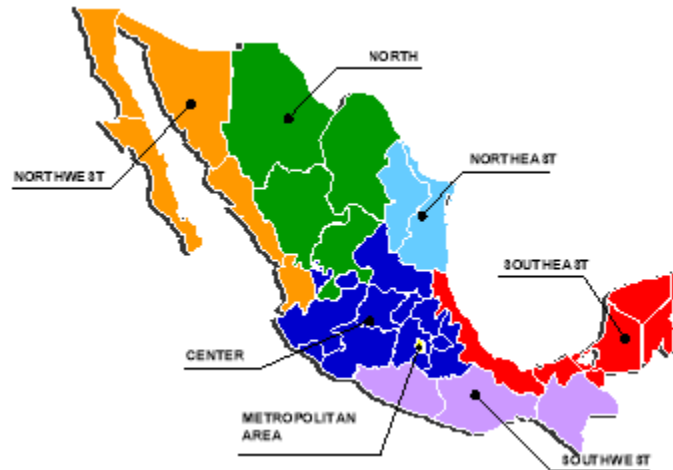
Main activity:

As of December 31, 2024, Walmart de México y Centroamérica operates 4,079 units, including self-service stores and warehouse membership clubs located in 750 cities in the six countries where we have presence.

Format	Value Proposition	Income Levels	Units
Bodegas & discount stores	Price	C, D, E	3,343
Hypermarkets	Assortment & price	B, C, D	364
Supermarkets	Quality, convenience & service	A, B, C	199
Clubs	Price leader, volume, new & unique merchandise	A, B, C, Business	173

In Mexico is present in 592 cities throughout the country.

Presence by geographical region (Units)								
	Total	Metropolitan	Center	Northeast	Southeast	Northwest	North	Southwest
Bodega Aurrera	2,553		505	959	410	237	167	145
Walmart	327		71	105	32	32	42	31
Sam's Club	173		35	52	15	22	20	16
Walmart Express	101		55	35	2	8	0	0
TOTAL	3,154		666	1,151	459	299	229	158



In Central America is present in 158 cities throughout the country.

Presence in Central America by country (Units)						
	Total	Costa Rica	Guatemala	El Salvador	Nicaragua	Honduras
Bodegas and Discount Stores	789	282	234	79	92	102
Supermarkets	98	37	27	17	9	8
Walmart	38	14	11	6	3	4
TOTAL	925	333	272	102	104	114



Cyclical Performance

The demand for goods and services increases significantly during the last few months of each year as result of the holiday season. In 2024, the fourth quarter represented 28.7% of the year’s total revenues.

Revenues by Quarter		
	2024 Total revenues (million pesos)	Contribution (%)
1 st Quarter	Ps. 226,194	23.6
2 nd Quarter	227,415	23.7
3 rd Quarter	230,194	24.0
4 th Quarter	274,705	28.7
TOTAL	Ps. 958,507	100

Vacations and national holidays also have a significant impact on sales performance.

Distribution channels:

21 distribution centers in Mexico

City	Name	Servicio
Mexico City	Cuautitlán	Dry goods / Meat plant
	San Martín Obispo (2)	Dry goods / Perishables
	Santa Bárbara	Dry goods
	Chalco (2)	Dry goods / Perishables
	Fulfillment Center	eCommerce

Monterrey	Dry Perishables Fulfillment Center	Dry goods Perishables / Meat Plant <i>eCommerce</i>
Guadalajara	Dry Perishables Fulfillment Center	Dry goods Perishables <i>eCommerce</i>
Villahermosa	Dry Perishables Fresh	Dry goods Perishables Fresh
Culiacán	Dry Perishables	Dry goods Perishables
Mérida	Mérida	Omnichannel
Chihuahua	Chihuahua	Omnichannel
Mexicali	Santo Niño	Omnichannel

11 distribution centers in Central America

Country	Name	Service
Guatemala	Amatitlán	Dry goods
	Bárcenas (2)	Dry goods / Perishables
El Salvador	Apopa	Dry goods
	San Juan Opico	Dry goods
Honduras	San Pedro Sula (2)	Dry goods
	Tegucigalpa	Dry goods / Perishables
Nicaragua	Mateare	Dry goods / Perishables
Costa Rica	Coyol	Dry goods / Perishables
	Coris	Dry goods

Patents, licenses, trademarks and other contracts:

As of this date, the commercial brands for the different business formats in Mexico such as Bodega Aurrerá, Mi Bodega Aurrerá, Bodega Aurrerá Express, Prichos, Cashi and BAIT, are owned by Wal-Mart de México, S.A.B. de C.V. as well as the trademarks Aurrera, Medimart, Atvio, etc. Additionally, trademarks for the business formats Walmart, Walmart Express, Walmart Pass, Walmart Connect and Sam's Club and other private trademarks such as Great Value, Equate, Mainstays, Members Mark and Carrito Wal-Mart, etc., are trademarks property of WALMART APOLLO, LLC. Said trademarks are used by the operating companies under license agreements and/or sub-license agreements for an indefinite term. The Company also uses

registered trademarks owned by third parties through license agreements to guarantee the correct use and compliance with the applicable and in force legislation.

All the banners for the different retail formats in Central America such as Despensa Familiar, Palí, la Despensa de Don Juan, La Unión, Más x Menos, Maxi Bodega and MaxiPalí (with the exception of Walmart), as well as the different private labels such as, among others, SABEMAS, SuperMax and Suli, are registered of different subsidiaries in Central America. The private labels Walmart, Great Value, Equate, George & Design, among others, are traded under license by WALMART APOLLO, LLC.

Included among the distinct banners of the Group are the various brands owned by the subsidiaries of the Agroindustrial Division, an operation that was created with the purpose of supporting the Walmart Centroamérica retail operations, through the production, supply, distribution and sale of fresh products and, the development of some private label in some grocery and perishable products.

The legal use and preservation of the rights of our various private brands is of utmost importance for the issuer, as they are part of its net worth, beyond the fact that the consumer population identifies the quality of the items merchandized under those brands together with the services granted by the operating formats. All this involves the issuer prestige, as a result of which, we have a legal area specialized in intellectual property rights, which is responsible for guaranteeing the use and defense of such rights.

Wal-Mart de México has politics and procedures for the development of their products bearing our Trademarks that establishes the guidelines for the creation, management and marketing of said trademarks; as well as the steps and the specific scope of each of those involved in product development. Strategic brand Direction is responsible for verifying that the products marketed by the area of strategic brands are used with trademark registrations owned by Walmart de Mexico and Centroamérica and registrations by WALMART APOLLO, LLC., in those cases where Walmart México y Centroamérica is authorized to sell by.

There are about 4 policies that govern (and have governed for at least the last three years), plans for research, development and use of trademarks of our products and within which the importance of products marketed under strategic brands stands meet at least the following requirements of the company:

- Being utility generators, i.e., have better margin than the competitor product and / or category where they participate according to the strategy of each brand.
- Signifying a proposed customer value. Have a lower price than the leader product, aligned with the strategy of each brand.
- Having strict adherence to company programs such as EDLC and EDLP to grow the competitiveness of the company.
- Comply with regulations and current regulations applicable to each product in each country (labeling, formulation, health requirements, etc.).
- Being products developed and managed in your business process by the area of Strategic Brands. Products that are made in store and / or which are only placed a label will not be considered or counted.

Regarding investment amounts, it is impossible to determine, since each product for each format carries different processes of evaluation and assessment but always attached to the policies and guidelines outlined above.

Main customers:

Our main customer is the public in general. Throughout 2024, we had generated around 2.3 billion transactions in Mexico and Central America.

Applicable law and tax situation:

Wal-Mart de México, S.A.B de C.V., is a corporation established under Mexican law that complies with all the legal provisions for the construction and operation of its units, with special emphasis on: environmental, urban development, operation, hygiene, civil defense, animal and pest control, and advertisements, pursuant to all applicable federal, state and municipal regulations.

Furthermore, Walmart de México y Centroamérica complies with the commercial basic principles ruling the relation between suppliers and consumers established by the Federal Consumer Protection Law.

Regarding tax situation in Mexico, the issuer is registered as a taxpayer with the Tax Administration Service of the Ministry of Finance and Public Credit and, since 2019 to date, the company is taxed within the general regime of law, complying with all provisions that regulate the tax aspects related to the development of issuer's business.

The primary laws that regulate WALMEX in Mexico are: the Securities Market Law, General Corporation and Partnership Law, Income Tax Law, Value-Added Tax Law, Tax on Cash Deposit Law, Luxury Tax Law, Federal Intellectual Property Law, Federal Copyright Law, Federal Consumer Protection Law, Federal Anti-Trust Law, Foreign Investment Law, Banking Law, Federal Labor Law, Protection of Personal Data Federal Law, Federal Telecommunications and Radio Broadcasting Law, Law for the Transparency, Prevention and Combat of Improper Practices in the matter of Advertising Hiring, General Health Law, Health Supplies Regulations, Regulation of the General Law of Health in Terms of Advertising and Federation Fiscal Code.

The operation known as Walmart Central America was consolidated under CAMT-FB Holding Corporation, S de R.L. de C.V. (formerly named TFB Corporation, N.V.), a subsidiary of WMCA Central American Holding, S. de R.L. de C.V., that in turn is a direct subsidiary of Wal-Mart de México, S.A.B. de C.V., with the latter being an indirect subsidiary of Walmart Inc.

CAMT-FB Holding Corporation, S. de R.L. of C.V., was established with the sole purpose of serving as the holding company for a number of indirect subsidiaries that operate stores, distribution centers and agro-industrial businesses, established in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.

Likewise, there is full compliance with the basic principles of commercial relations between suppliers and established consumers in each of the countries served.

Regarding the tax position in Central America, CAMT-FB Holding Corporation, S. de R.L. of C.V., subsidiaries are subject to each country Fiscal Bylaws and are registered in their Tax ID and in compliance with any and all tax requirements related to the development of their respective businesses operation.

Human Resources:

Opportunity – Our talent

We are focused on creating opportunities that develop and strengthen our associates and suppliers. Therefore, we are looking to:

- Create good jobs and development opportunities for our associates.
- Foster belonging.

CREATE GOOD JOBS AND DEVELOPMENT OPPORTUNITIES FOR OUR ASSOCIATES

Our purpose of helping people save money and live better takes shape through our associates, who make a difference for our customers every day.

We are committed to making the retail sector a place of opportunity, seeking that anyone, regardless of their starting point, can acquire the skills and experience necessary to advance their career. Doing so enables us to attract, develop, and retain the best talent to deliver our value proposition to the customer.

A team composed of people with different backgrounds and perspectives triggers fresh ideas and approaches. Each associate brings their unique experience and knowledge that become innovative and creative solutions for our customers. Therefore, we focus on leveraging their talent as a key enabler for our strategy.

OUR TALENT

Associates Value Proposition

This year we were able to maximize our Associate Value Proposition:

- We are the place where we work with a purpose, which consists of supporting our communities and working for a better planet.
- We challenge and reinvent ourselves daily. We embrace agility as a way of working, adopting innovative methodologies to face challenges.
- We offer our associates opportunities for personal and professional growth. To this end, we have different training programs that enhance their talent.
- We create a collaborative environment, where we listen to and help each other, recognizing and celebrating each accomplishment. This is the place where we enjoy what we do every day.
- We are focused on creating a workplace where all associates feel seen, supported, and connected through a culture of Belonging.

Flywheel for our Associates

Our Flywheel generates a virtuous circle that dynamically links the value we deliver to our customers with the unique proposition we offer our associates.

How does our Flywheel prepare and empower the team?

- Operations associates: help us deliver our value proposition.
- *Staff* associates: support value creation.

1. Redefining associates' experience to win at our *core*

We focus on our associates' experiences and invest in their benefits, well-being, growth, and development to retain the best talent.

2. Enhancing and maximizing potential

We prepare and support our associates throughout their careers to maximize their potential, keeping their work challenging and interesting.

3. Simplifying work methods

By giving them access to modern platforms and digital tools, we evolve the way our associates carry out their work.

4. Creating a purpose-driven culture

We earn our associates' trust by inspiring, empowering, and celebrating their success to create a purpose-driven culture.

Talent Attraction

We are committed to the continuous improvement of our talent recruitment and selection processes. We continue to evolve the way we hire, reducing process times and increasing our productivity.

Additionally, in 2024 we improved the onboarding process for new associates in three phases: pre-boarding, support during the first 30 days, and follow-up during the first 100 days. Improvements included a simplified offer letter, a detailed description of benefits, and a digital book with key company information. This allowed us to optimize communication, standardize and simplify the hiring process. As a result, we achieved a pre-onboarding Net Promoter Score (NPS) of 98%.

In Mexico and Central America, we also adopted an approach focused on increasing the flow of candidates through social media, using platforms such as LinkedIn, Instagram, Facebook, and TikTok to reach a wider and more diversified audience. Our associate influencers, who share their work experiences with us on social media, were a key factor in humanizing the brand and building trust with potential candidates.

This strategy allowed us to process more than 20 thousand candidates monthly, resulting in an efficient selection process to hire more than 7,000 new associates each month. We were able to digitize 75% of our recruitment, which represents a notable increase compared to 50% in the previous year. This progress reflects a significant improvement in the efficiency and modernization of the recruitment process.

- 10,151 new jobs created.

Internal Opportunities and Growth

Just as it is important for us to attract new talent, it is also imperative to promote the growth of associates who are already part of our family. With this in mind, we launched an app in Mexico that allows associates to apply for new opportunities within the company in a simple and 100% digital way, optimizing internal talent management.

- We had 998 internal positions to foster growth opportunities within the company. More than 4,000 associates applied for these positions, showing strong interest and commitment to their development.
- Out of the total vacancies available during the year, the internal promotion rate stood at 36.28%.
- 39% of positions were filled by associates in Mexico.

We will continue to strengthen strategies that enhance the associates' experience to ensure that attracting talent also becomes retaining the best talent.

Our Team

We reaffirm our commitment to attract, retain, and include top talent. We use technology tools to visualize data on our team, simplifying decision making. These dashboards report on key metrics such as turnover,

coverage, and outputs, providing a clear and detailed view our workforce's status, performance, and needs in Mexico and Central America.

- Total associates in Mexico and Central America: 241,172
 - 45% Men / 55% Women
- Office: 11,968
 - 52% Men / 48% Women
- Field: 229,204
 - 45% Men / 55% Women

Total associates by age and gender:

	% Men	Men	Women	% Women
≤25	50%	33,242	23,965	42%
26-30	51%	20,822	20,095	49%
31-35	44%	16,059	20,082	56%
36-40	39%	11,255	17,670	61%
≥41	36%	27,951	50,031	64%

- 5.1 associates' average years of tenure | 5.1 Mexico | 5.0 Central America
- 792 associates with foreign nationalities | 228 Mexico | 564 Central America

Turnover Rate*	Mexico	Central America	Mexico and Central America
2022	35.4%	32.1%	34.8%
2023	40.1%	31.5%	38.7%
2024	38.8%	31.1%	37.5%

* In 2024, the methodology for calculating turnover changed vs 2023.

Fostering Self-development

At Walmart de México y Centroamérica we offer a wide range of careers and opportunities. Our associates can develop their skills and have opportunities to move between teams, roles, and locations. From the moment an associate joins the company onward, we focus on supporting their growth, maximizing their potential, and helping them develop their professional career. This year, we encouraged self-development as a method to identify and boost each associate's capabilities.

We launched our **Self-Development Week** in Mexico, with the participation of more than 2,000 associates, to whom we offered webinars on personal and professional development. These included activities to design the future of their professional careers, where we introduced them to various development tools available within

the company to achieve their goals. In Central America, we carried out our **Self-Development Month**, where associates and leaders received tools to strengthen their self-awareness and skills.

We also designed development maps for associates in stores and clubs, providing them with a clear vision of their current positions and the growth opportunities available both within their format and in others. Likewise, we strengthened mentoring as a strategic enabler, benefiting more than 1,200 associates.

Walmart Education: We awarded 2,502 educational scholarships in Mexico and 74 in Costa Rica and Guatemala, supporting our associates in accrediting their studies from basic to higher levels, enhancing their professional development and improving their families' quality of life.

27,884 promotions | 45% women and 55% men

- 22,646 in Mexico | 42% women and 58% men
- 5,238 in Central America | 57% women and 43% men

Training

We offer our associates access to a robust learning ecosystem that drives their professional development through technology tools and on-site courses. With a solid network of training in technical skills, leadership, and collaborative organizational culture, we promote their continuous growth to reach their full potential.

327,881 associates trained¹ | 87% in Mexico | 13% in Central America

- 174,514 women associates trained | 54% in Mexico | 48% in Central America
- 153,367 men associates trained | 46% in Mexico | 52% in Central America
- 25.8 average hours of training per associate
- +42.1 million pesos invested in training
- 8,305,791.9 man hours of training in Mexico.
- 141,104.4 man hours of training in Central America.
- 8,446,896.3 man hours of training in Mexico and Central America

1. Training includes both mandatory and voluntary courses. The latter refers to courses that associates choose to take as part of their professional development.

2. This data considers active and non-active associates as of December 31, 2024.

Development programs by approach:

Developing Leaders

Having leaders who embody the values of our company, underpin our strategic priorities, know how to work collaboratively and guide their teams, allows us to channel our talent's value. This is why we implement various training programs aimed at developing their leadership skills.

- **Leadership Academy:** We strengthened essential skills aligned with our behaviors, developing our associates in key areas such as effective feedback, high-performance team building and service-based leadership. We had an impact on more than 100 thousand associates in Mexico and Central America through the program.
- **Spark Talent:** A program for high-performance associates in non-executive positions, who receive training regarding data, agility, leadership, and customer focus. More than 500 associates in the region participated in this program.
- **Manager Academy:** We adapted a U.S. program to meet Mexico's specific needs. Aimed at store, club, and supply chain managers, we strengthened their key leadership skills.
- **Development Experiences:** We trained more than 600 executive leaders in key topics such as innovation, digital transformation, and narrative skills, strengthening their competencies to lead in a changing environment.

In-store Service and Quality

We offer development programs for our associates in stores and clubs, who interact directly with customers and members in our different store formats and points of sale. Having the highest quality customer service is essential for creating differentiated experiences, which is why we work to develop prepared and agile teams.

Mexico

- **Fresh Institute:** We trained 758 facilitators across 40 locations to teach associates in the perishables department how to improve end-to-end processes and optimize business KPIs, positively impacting the quality of customer service.
- **Electronics Workshop:** We offered specialized workshops in key categories such as electronics, home appliances, phone services and kiosks.
- **Practical Training Labs:** Training spaces specifically dedicated to the hands-on practice of merchandise receiving processes and Sorter feeding in safe environments within distribution centers, impacting over 25 thousand new associates.

Central America

- **Moments of Trust in Operations:** We trained our checkout associates on key aspects to improve customer service, positively impacting the customer's shopping experience. We trained more than 8,500 associates, and, thanks to this effort, we achieved a 4-point increase in the NPS in our stores.
- **Virtual Training Spaces:** Since fully equipped training areas were created across five Central American countries, benefiting over 2,000 associates by providing dedicated spaces for virtual training. This initiative involved an investment of 146,000 pesos.

Associates can use these acquired experiences and knowledge to continue to move up to positions of greater responsibility and remuneration.

Make it Agile, Make it Walmart: We promote agility and innovation in our Way of Working (WOW) with content distributed in two waves of training, encouraging flexibility and adaptability at work.

Associate Evaluations

At Walmart de México y Centroamérica, we continue to evolve our annual performance evaluation process. In 2024, we were able to implement it 100% digitally in a unified platform, covering executive and non-executive associates from operations and staff.

Performance evaluations are crucial within the talent cycle process because they allow us to identify opportunities for improvement and development. They include powerful conversations between leaders and associates to provide timely and constructive feedback, building a system of continuous growth.

They also reveal each associate's skills and strengths, facilitating talent management from a strategic perspective. During this process, the accomplishment of previously established objectives is evaluated, as well as four key behaviors: living our values, satisfying the customer, adapting to change, and focusing on associates. This information is very valuable, as it provides visibility when structuring Individual Development Plans.

Our remuneration scheme values both accomplishments and seniority, aligning with the success behaviors established in our policies, to ensure a fair and transparent system.



Associate Listening and Feedback

We listen to our associates' opinions, suggestions, and perceptions about their experience in the company first-hand. To open this channel of dialogue, we conduct our Engagement Survey and Feedback to your Leader Survey annually, inviting 100% of associates to participate. Both surveys are confidential and completely voluntary.

Engagement Survey

This survey measures the associates' commitment, belonging, permanence, and participation index. With these results, we can identify areas of recognition and improvement that we must work on to build an unparalleled experience for our associates.

Participation in the engagement survey 92% Mexico and Central America | 94% Mexico | 84% Central America

Engagement index 87% Mexico and Central America | 87% Mexico | 89% Central America

Leadership Survey

In 2024, in line with our ongoing commitment to leadership, we once again implemented the Feedback to Your Leader Survey. This tool is key to knowing and understanding our associates' direct perception of their leaders. We reached a significant milestone, extending the survey to all team members in Mexico and Central America for the first time, achieving coverage of more than 200 thousand associates. We also started measuring the perception of associates' direct leaders' superiors, providing a more comprehensive view of leadership teams.

Participation in the Leadership index: 72% Mexico | 65% Central America | 71% Mexico and Central America

Leadership index: 84% Mexico | 87% Central America | 85% Mexico and Central America

Work-life Balance

At Walmart de México y Centroamérica, we value our associates' integral well-being. Through fair compensation, competitive benefits, and attractive schedules, we support their economic, physical, and emotional well-being. We generate a positive work environment, as well as a balance between their jobs and personal lives.

In 2024, we continued to advance our Integral Assistance Program (PAI) in Central America and, in Mexico, we evolved it by launching the *Membresía Más* (More Membership). Both provide free access to a variety of third-party services, including specialized medical, nutritional, emotional, legal, financial, and veterinary assistance. This benefit is also extended to our associates' direct family members, benefiting more than 28,580 people.

We offer access to discounts of up to 70% on a wide range of products and services through our Benefits Platform, which includes categories such as automotive, beauty, technology, and household items.

Emotional Health

Emotional and mental health challenges, such as anxiety, stress and depression, are some of the most common conditions faced by people today. At the company, we prioritize the emotional well-being of our associates and their families, offering them access to free counseling available 24 hours a day, as well as educational tools.

Our initiatives include:

- **Emotional Health Course:** In Mexico, we taught the first edition of this course to provide our associates with practical tools and resources that enable them to better manage emotions and stress, both at work and in their daily lives.
- **Emotional Health Week:** In Mexico, we dedicated a week to conferences and initiatives focused on promoting habits that favor our associates' mental and emotional health. We addressed topics such as stress management and burnout, anxiety and depression, complementing these activities with massages and meditation sessions.
- **Health Webinars:** In Central America, we implemented a webinar with an external specialist on mental health, which addressed essential topics such as the importance of self-care. It included tools and tips to detect when there is an imbalance in mental health.

In 2024, 24,237 associates and their families in Mexico and Central America received psychological support from a third party.

Physical and Nutritional Health

We are committed to providing our associates and their families with access to high-quality, affordable health care. In addition, we promote their physical well-being.

Our main initiatives during the year were:

- **Nutrition service:** We have a team that provides face-to-face assistance to our associates at corporate offices in the region.
- **Major medical insurance:** In Mexico, we extended the insurance coverage to different services such as bariatric surgeries and free coverage for children over 25 years of age with disabilities. Associates also have the option of getting insurance policies for their parents at preferential rates.
- **Support for family development:** As a result of having expanded the Major Medical Expenses policy in Mexico, we have two new coverages. The first is for egg cryopreservation, and the second for costs related to treatments or procedures for fertility control, infertility, and assisted reproduction of associates or their spouses.

- **Health Weeks:** We promote physical wellness addressing topics and activities to promote women's and men's health, preventive health, oral, visual, and hearing health, nutrition, and the importance of sleep.
- **Breast cancer prevention campaign:** In Central America, associates or dependents who have a medical insurance policy can have access to mammograms.
- 757 nutritional and 5,689 medical consultations were conducted by a third party as part of our PAI program in Central America and the *Membresía Más* program in Mexico.
- 494 medical offices in corporate offices, units and distribution centers for our associates.
- 324 nursing rooms in corporate offices, units, and distribution centers.
- 7,191 vaccines administered against COVID-19 and 10,747 against Influenza.

Financial Health

We are committed to providing tools that strengthen our associates' financial capabilities, helping them make informed decisions that contribute to their personal and family financial well-being. To that end, we offer a variety of benefits designed to promote their financial health.

In Mexico, we implemented the Savings Fund as a welfare benefit for associates with permanent contracts in stores, clubs, distribution centers, and staff. Associates contribute 2% of their nominal salary (up to 1.3 times the UMA2), and Walmart contributes the same amount on a biweekly or weekly basis, depending on the payment frequency. Furthermore, the amounts saved generate returns on both the associates' and the company's contribution.

- **Caja de Ahorro:** This voluntary savings system allows associates in Mexico to save between 5% and 25% of their gross salary, with payroll deductions, obtaining attractive returns on their contributions.
- **Sam's Club Digital Associate Membership:** All associates in Mexico, both staff and operations, with an indefinite or temporary contract, receive a Sam's Club Digital Associate Membership at no cost. This benefit gives them access to offers, exclusive promotions, and other club benefits, contributing to the well-being of their families.
- **Electronic Voucher and Associates Discount:** In Mexico, we increased electronic voucher benefits by an additional 1%, from 12% to 13%, with a \$1,500 MXN pesos limit per month. Also, in all the countries where we operate, we grant a 10% shopping discount in all formats (except clubs) for our associates and an additional family member.
- **Ecosystem in Action**
 - **Bait telephony and internet packages:** We offered affordable telephony and internet options to facilitate access to the digital world and contribute to the financial well-being of our associates.
 - **As Super Program:** We support associates with temporary and permanent contracts at Bodega Aurrera, Walmart Supercenter, and Sam's Club, providing them with economic support through

their **Cashi** digital wallets. This amount can be used to purchase basic food basket products from Private Brands (Great Value, Bodega Aurrera, and Marketside).

- In March we launched **Financial Health Week**, a series of webinars taught by various experts and suppliers to promote healthy financial habits. More than 2,800 associates participated, receiving tools and advice to better manage their money, encourage savings, and make informed economic decisions.

Work Flexibility

We understand the importance of work flexibility for our associates. In Mexico and Central America, we offer different schemes, leaves of absence, and flexible schedules that favor a positive work environment and contribute to their quality of life:

- **Flexible schedules:** Our staff associates can accommodate their work hours to enjoy shorter Fridays. We also offer fixed shifts during nursing periods, specific schedules for students, and transfers to improve quality of life.
- **Hybrid-Flexible Work:** Currently, our staff associates can work remotely for two days and attend to the office three times a week.
- **Special leaves of absence:** We provide maternity leave of up to five months. In addition, we launched the Extended Paternity scheme, in which associates return to work after 30 calendar days with pay, as of the birth or the conclusion of the adoption process. This is meant to allow them to spend more time with their children and enjoy this important stage in their lives. In Central America, leaves of absence are adjusted to social security expense regulations.
- **Support in special cases:** In situations of adoption or surrogacy, associates have the option of taking a week's leave before the baby arrives. In emergency cases, such as maternal death or hospitalization of the baby, parents can adjust their leave to care for their family.

Environmental performance:

Sustainability



* As used herein, “renewable sources of energy” means renewable sources of electricity and is not intended to cover other energy sources. In 2024, we updated our methodology for reporting percentage of electricity needs supplied by renewable sources in Walmex to align with Walmart Inc.’s approach. This includes generation from active renewable and low-carbon projects. It considers the combined contribution of power generated from on-site and off-site projects as well as renewable energy generation feeding into the grids where our sites are located. The electricity procured from our renewable energy projects and the most recent grid fuel mix information obtained from the International Energy Agency for the regions where we operate. Previously, renewable energy generation feeding into the grids was not included in Walmex’s percentage of electricity needs supplied by renewable sources. Based on the updated methodology, in 2023, 63.2% of Walmex’s electricity needs were supplied by renewable sources: 60.7% in Mexico and 80.0% in Central America.

** Walmart has adopted the “Zero Waste” **definition** and **business principles** from Zero Waste International Alliance (ZWIA)—including achievement of 90% or more diversion of all discarded resources from landfills, incinerators and the environment. Our Zero Waste goal and reporting scope includes waste materials and products generated in Walmart’s owned facilities and its operations (e.g., stores, clubs, DCs).

*** The progress calculations are based on the information reported by our suppliers.

**** Priority Regions: Such as the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay.

We strive to have a positive impact that strengthens ecosystems, preserves biodiversity, and improves collective well-being. That is why we remain focused on our three priorities:

- Mitigate Climate Change.
- Foster a Circular Economy in our Operations and Supply Chain. Change.
- Protect, Manage, and Restore Natural Capital.

MITIGATE CLIMATE CHANGE

In response to the global challenge of climate change, we are implementing proactive actions to mitigate greenhouse gas emissions and improve energy efficiency. A solid climate strategy helps us manage associated risks, strengthen our business' resilience, and create competitive advantages. Our collective reach and business relationships enable us to lead in reducing operational emissions, support our value chains' decarbonization, and expand access to clean energy. Thereby, contributing to strengthen the business and effectively address climate change, reducing our carbon footprint and promoting a more sustainable future for all.

Focus areas:

- Climate risks and opportunities.
- Scope 1, 2, and 3 emissions.

CLIMATE RISKS AND OPPORTUNITIES

Walmart Inc. periodically conducts a Climate Risk and Opportunity Assessment based on different scenarios to design and communicate climate adaptation and mitigation strategies. We used these global results and applied and adapted its findings to our plans at a local level. In 2024, for the first time, we conducted a study specific to Walmart de México y Centroamérica, assisted by an external consultant.

This process was structured in line with the Taskforce for Climate-related Financial Disclosures' (TCFD) recommendations. It involved our Business Directors, Chief Finance Officer (CFO), and internal experts in this area. We assessed risks and opportunities, delving into their financial materiality, likelihood of occurrence, and potential impact in the short, medium, and long term. This process will be periodically revisited to enhance our understanding of the magnitude of what is at stake for our business so we can then incorporate these results into the business strategy as necessary.

- This assessment encompasses all operations and business lines in the six countries where we operate, as well as in our local supply chain.

Financial Materiality

Financial materiality was integrated and evaluated based on each business unit's proportion and scale of sales, with the objective of making evaluated CROs* comparable. Each business unit was examined according to its context so we could then build specific plans that respond to their needs.

In accordance with the new International Financial Reporting Standards (IFRS S2) on disclosure of sustainable risks and opportunities, we integrated this assessment's results into the decision making of all related business processes, thus aligning the assessment of financial materiality with the implementation of IFRS.

Each CROs* relevance was determined by identifying those that could have a greater material impact on Walmart de México y Centroamérica or on a particular business unit. For this prioritization, we adopted an

evidence-based approach, using criteria linked to external climate scenarios or to Walmart de México y Centroamérica's financial items.

To understand which parts of our results could be considered material, we calculated potential financial impact based on the relationship between the scenario parameters assigned to each CRO* and the affected financial item. These estimates were based on a collection of relevant financial data.

Scenarios

We considered different scenarios, grounded in the recommendations provided by the TCFD, in the context of climate change. The Current Policy scenario aligns with existing policies that currently exhibit a lack of action towards climate change. The Stress scenario depicts extreme strains on global and economic environments, taking into consideration sector-specific statistics. The Net Zero scenario, utilized for assessing transition risks, targets a global temperature rise of 1.5°C or less. The High Temperature scenario, employed for evaluating physical risks, forecasts a global temperature rise of 3°C or more.

Results

We evaluated a total of 26 risks and opportunities based on their financial materiality, time horizon, and likelihood of occurrence. These were grouped into the following thematic axes:

Chronic physical risks:

- Chronic rising temperatures impact on operational energy demand due to higher cooling costs.
- Chronic rising temperatures lead to lower employee productivity impacting annual income.

Energy, fuel and refrigerant use:

- An increase in fossil fuel prices (both gases and liquids) leads to higher logistics and operations costs.
- Increasing regulations on refrigerants lead to higher refrigeration and operational costs in assets.
- Renewable energy installation and supply constriction drives up logistics and procurement costs.

Carbon regulations and taxes:

- Carbon pricing on operations from increased climate-related regulations.
- Carbon pricing on the production of goods results in procurement cost increase.
- Carbon taxes and changes in mobility regulations lead to higher logistics costs.

Miscellaneous:

- The slow development of green technologies for Walmart and its suppliers results in higher costs from non-compliance fines.
- Noncompliance with internal sustainability policies damages reputation, leading to a decreasing in sales.
- Sustainable production increases commodity prices, leading to higher prices to end consumers.
- Misleading climate-action statements from Walmart can lead to greenwashing accusations, negatively affecting reputation and decreasing sales.

- Tighter ESG criteria from investors, stock exchanges, and insurers reduce investment, credit scores, and financing access, leading to higher investment costs.
- Bans on single-use plastics result in higher operations costs.

Opportunities:

- Investing in new circular economy strategies can raise income from sustainability measures, increasing revenue.
- Regionalizing the supply chain reduces transportation costs.
- Offering products with a lower environmental impact could attract new customers, leading to an increase in revenue.
- Lagging behind direct competitors introducing low-carbon breakthrough technologies leads to lower sales.
- Building stores in areas with lower climate risk while implementing efficient construction technologies reduces operation and maintenance costs.
- Investment in mitigation and adaptation measures leads to higher overall revenue.
- Investing in new or expanded renewable energy plants to offer suppliers power purchase agreements (PPAs) will create a new revenue stream for Walmart.

Acute physical risks:

- Extreme weather events (wildfires, heatwaves, tropical cyclones and flooding) affect logistics due to disruptions in the supply chain, leading to higher costs or sales losses.
- Extreme weather events affect suppliers, resulting in higher procurement costs.
- Extreme weather events lead to higher Walmart's expansion costs and future revenue loss.
- Extreme weather events can disrupt telecommunications and lead to grid outages, decreasing income from online sales and services.
- Operational disruption from extreme weather events can cause income decrease due to property damage, inventory destruction, and sales losses.

The following risks were considered material:

Risk	Description	Mitigation
Carbon tax policies	Risk of stricter carbon tax policies being implemented to meet greenhouse gas emissions (GHG) reduction objectives.	1.- Implement proactive monitoring of emissions trends as a best practice in our operations.
Rising fossil fuel costs	Volatile fossil fuel costs resulting from various factors, including climate change, geopolitical tensions, and macroeconomic variables.	2.- Constant review of regulatory changes in the region. 3.- Create alliances to foster collaborations with business players in the industry.
Technology development	Slow or insufficient technology development to facilitate compliance with global sustainability objectives.	4.- Maintain progress towards zero operational emissions by 2040.
Extreme weather	Extreme weather events can damage store	1.- Conduct thorough forward-looking

events	infrastructure, increase repair costs, and reduce sales due to temporary closures.	risk assessments. 2.- A robust emergency response plan. 3.- Optimize insurance coverage. 4.- Regular testing and clear communication protocols to enhance readiness and resilience.
Chronic temperature increases	Chronic rises in temperature may negatively impact equipment performance and increase operating costs due to the purchase of more cooling systems.	1.- Monitor energy demands that could cause power outages. 2.- Strengthen our energy storage capacity. 3.- Constant monitoring of new products' availability in the market at affordable prices.

The following opportunities were considered material:

Opportunity	Description	Key Strategies
Circular Economy	Investing in new circular economy strategies can raise income from sustainability measures, increasing revenue.	1.- Create alliances to foster collaborations with business players in the industry. We continue to implement strategies and innovations in our processes to optimize the use of products.
Supply Chain	Regionalizing the supply chain reduces transportation costs.	2.- Work with our suppliers to reduce transportation costs.
Products	Offering products with a lower environmental impact could attract new customers, leading to an increase in revenue.	3.- Identify products with low environmental impact attributes, that make up our suppliers' sources.

EMISSIONS

Our emissions mitigation strategy includes working towards zero operational emissions, including emissions from refrigerants, fuels and electricity. In addition, we are committed to encouraging suppliers and other stakeholders to reduce emissions in our value chain.

Having a robust governance structure and strategy that stretches from our data owners to the Board of Directors allows us to produce reliable and accurate information on our performance. This also makes it easier for us to oversee progress of our decarbonization efforts. We review these advances on a quarterly basis at the Executive-Committee level, as well as with the Board of Directors in Mexico and Central America, committing to continuously monitoring the implementation of mitigation actions that bring us closer to meeting our goals.

While we continue to work towards our goal of Zero Emissions by 2040, progress will not be linear and will depend on both our initiatives and factors beyond our control. These include public policies related to energy, available physical infrastructure and technological innovation, such as low Global Warming Potential (GWP) refrigeration solutions or low-carbon transportation solutions for trucks. However, we will continue working to reduce emissions and report on our progress.

Emission Sources

We measure our carbon footprint periodically, considering Scopes 1, 2, and 3, with the objective of calculating all greenhouse gas emissions associated with our operations and supply chain. To do so accurately, we must have a clear understanding of which emission sources correspond to each scope:

- Our main **Scope 1** emission sources are those associated with refrigerant gases and fuels from fixed sources used in stores and DCs, as well as utility vehicles.
- Our **Scope 2** emissions consider purchased electrical energy from non-renewable sources.
- This year's **Scope 3** emissions excluded product acquisition and customer use and disposal of products, which are characteristic of the retail sector. However, we are aware of their relevance and plan to include them in the future. Currently, our scope 3 emissions cover outsourced transportation, business trips, and associates' commutes.

Emissions Intensity

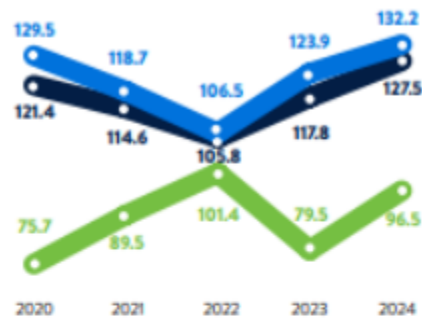
This year, we recorded an increase in our operation's emissions intensity, which indicates an increase in our scope 1 and 2 emissions per square meter. This was mainly attributable to an increased use of refrigerants and electrical energy.

In Mexico, the uptick in emissions intensity was driven by the heat wave we witnessed across the country from May through June, which decreased the volume of renewable energy available. Additionally, we had to consume greater amounts of diesel due to power outages, which led to using our emergency plant facilities more often than usual.

In the case of Central America, our increase in emissions intensity was influenced by a combination of climate and operational factors. The delay in Costa Rica's rainy season negatively affected the production of hydroelectric power, subsequently leading to a reduction in the renewable energy available for the company's use. High salinity and humidity levels in our coastal stores also led to the deterioration of our refrigeration systems, resulting in refrigerant leakages.

We will continue to implement initiatives focused on emissions reduction, thereby reaffirming our strong commitment to sustainability and reducing environmental impact.

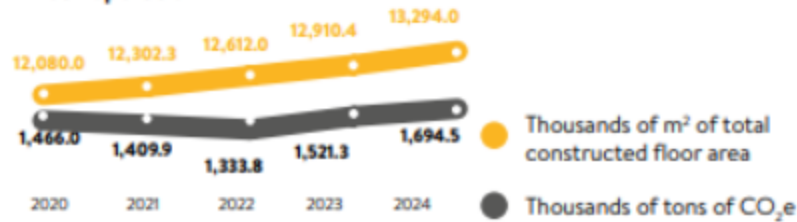
Scope 1 & 2 emissions intensity Kg CO₂e / m² of total construction floor area



Scope 1 & 2 emissions intensity Millions of tons CO₂e / Revenue (million pesos)

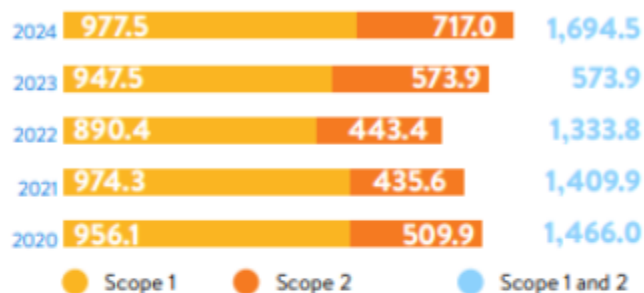


Total box vs total emissions in our operation

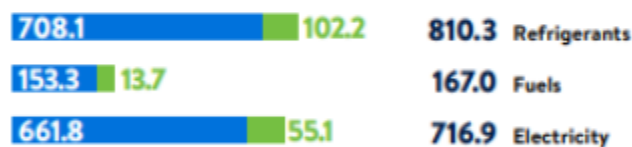


Total Emissions

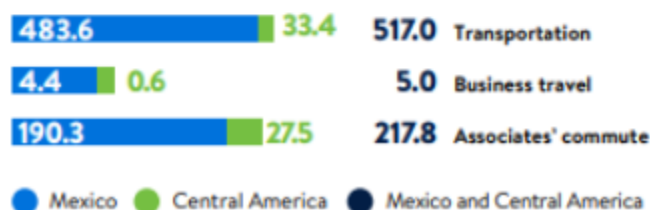
Emissions from our operations by scope
Mexico and Central America (kt CO₂e)



Scope 1 & 2 emissions from our operations by source
kt CO₂e



Scope 3 emissions by source
kt CO₂e



Scope 1 Emissions

Scope 1 emissions are where we have the greatest potential for change and positive impact. We focus our reduction strategy at this level, based on two key efforts: transitioning towards using refrigerants with a lower environmental impact and reducing or substituting the use of fossil fuels for renewable energies.

Refrigerants

Delivering fresh and frozen food safely to millions of customers in our stores and clubs, which has a positive impact on their shopping experiences, requires refrigeration and air-conditioning equipment that use refrigerants. To mitigate their impact, we are transitioning to using refrigerants with a lower GWP. This involves a great deal of research and testing new technologies that will get us closer to meeting our objectives, as well as reducing leaks.

- Implementing low Global Warming Potential (GWP) systems

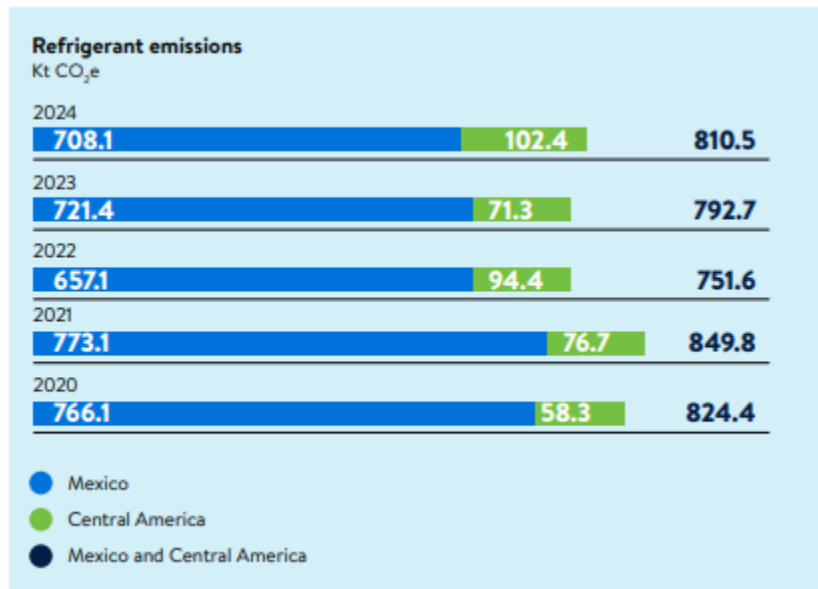
We are making progress on this front, with store remodeling projects incorporating R-448A refrigeration systems, which have the potential to reduce greenhouse gas emissions by up to 70% compared to conventional systems. We are also testing new technologies such as A2L and CO₂.

In Mexico, we installed A2L refrigeration technology in two Bodega Aurrera Express stores. This technology can emit 97% fewer emissions compared to conventional gases. In Central America, we opened a Walmart Supercenter store in Guatemala that was the first to use CO₂ refrigeration technology, with potential to reduce emissions by 99% compared to conventional gases. This technology was also successfully implemented in two remodeled stores in Costa Rica.

- **Reduce refrigerant gas leaks**

Refrigerant gas leaks were one of the main contributors to the rise in our operating emissions. To address this, we are focusing on reducing leaks through enhanced preventive maintenance and the replacement of parts and materials.

We continue to drive the transformation of our current and future units in Mexico into **Regenerative Stores**. Our aim is for these stores to contribute to the regeneration of the social and environmental well-being of the communities in which we operate. These stores have various strategic features, such as refrigeration systems with low Global Warming Potential, LED lighting, and on-site renewable energy generation through solar panels, among others. We currently have **268 regenerative stores**.



Fuels

In response to several power outages that occurred throughout the year in Mexico, we had to consume fuels to keep our operations running. However, the percentage of consumption corresponding to onsite diesel Liquefied Propane (LP) gas, natural gas, and gasoline for utility vehicles represented a small percentage of our total scope 1 emissions.

Despite their limited impact, we continue to work every day to strengthen our adaptability to these types of risks, learning how to prepare for and transition towards a diversified supply of clean and reliable energy sources.

Scope 2 Emissions

- Our goal is to power 100% of our operations with renewable energy by 2035.

With the intention of continuing our efforts to reduce scope 2 emissions, we are focused on increasing the share of renewable energies we source while we implement energy efficiency initiatives.

Renewable Energy

Achieving our renewable energy target depends largely on our ability to secure access to sufficient renewable energy supply and capacity.

Some of our strategies include:

- **Onsite renewable energy generation:** We expanded our installed capacity with the installation of solar panels in Mexico. In Central America, we opened 30 stores with solar panels that generate 1.6 MWp, totaling more than 2,350 gigawatt hours annually. We also installed solar panels in 42 stores, contributing an additional 4.5 MWp. We reached a total installed capacity of 20.3 MWp, capable of generating more than 29 thousand gigawatt hours annually, representing 5.5% of the energy demand for our operations in Central America.
- **Renewable energy sourcing from external sources:** From 2010 to 2017, we signed Power Purchase Agreements (PPAs) that allow us to source renewable energy from six wind farms and two hydroelectric facilities in Mexico with an overall 0.55 GW power potential. Currently, we do not have any PPAs in place in Central America. Moving forward, we will explore strategies to not only sustain but also increase renewable energy consumption in our operations, always in compliance with local regulations and constraints.

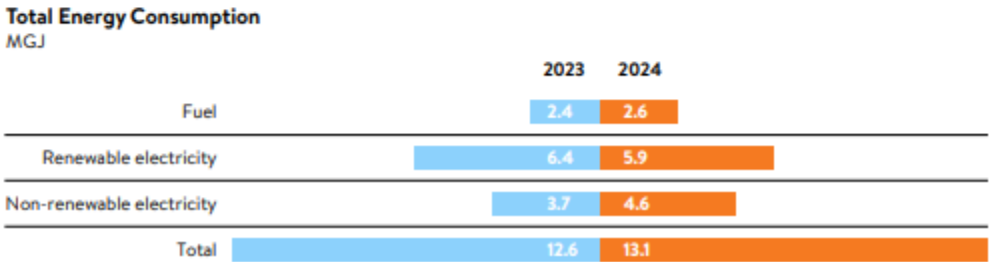
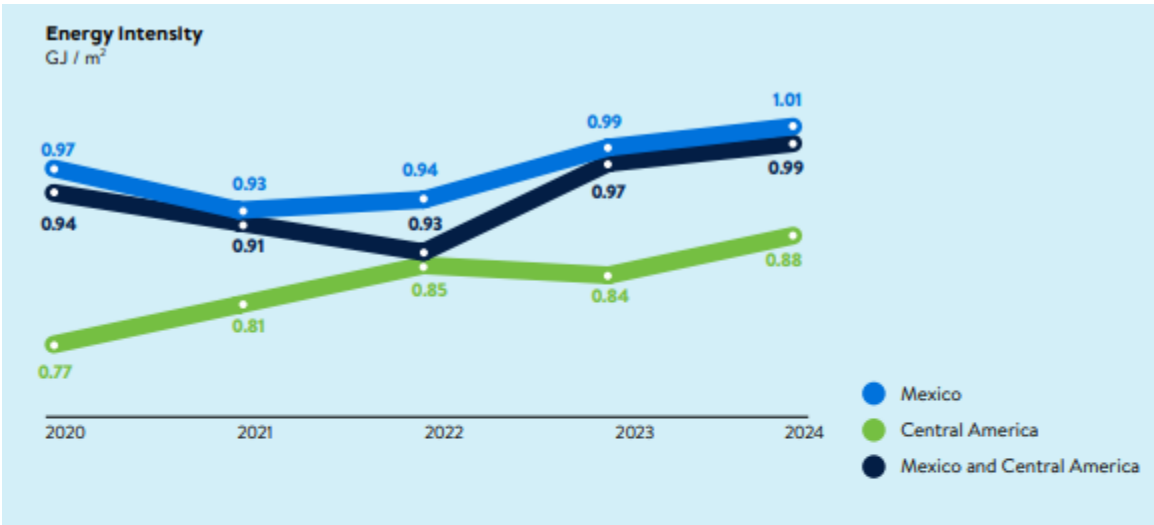
In Mexico, promoting low-emission transportation, we added 27 electric vehicles to our DCs fleet. In Central America, we incorporated 8 electric vehicles to our owned fleet to transport products from our DCs to store pharmacies, reaching annual savings of more than 37 thousand liters of diesel fuel. In addition to these, we have 19 electric vehicles available for when the merchandising team and the team of expert agronomists visit producers that are part of the *Tierra Fértil* program.

Energy Efficiency

We are prioritizing energy efficiency as our energy needs increase due to business growth, facility automation, and electrification. We design and build new facilities and remodel existing ones with more efficient lighting, HVAC (Heating, Ventilation and Air conditioning) and refrigeration systems.

In Mexico, we maintained the 270 submetering and real-time energy consumption monitoring systems, which we installed in 2023. These optimize energy and water consumption and improve waste management. They have also enabled us to make data-driven decisions about usage patterns, potential leaks or other anomalies in the operation. Likewise, we installed LED lighting in 62 stores, achieving reductions in energy consumption of between 30% and 50%. In Central America, we replaced existing traditional motors in refrigerated equipment with motors with new technology, achieving efficiencies of up to 62%.

We reinforced our energy storage capacity with new battery systems at one Walmart Express and one Sam's Club, which allow us to harness solar energy during peak hours, further optimizing our use of resources. These systems not only improve our energy efficiency but are also designed to integrate renewable energy sources in the future.



Scope 3 Emissions

Scope 3 emissions come from our upstream and downstream activities. For a retailer, upstream emissions come primarily from suppliers and production (raw material processing, energy in manufacturing, agricultural emissions and transportation). Likewise, downstream emissions result primarily from the use of products by customers (e.g. household appliances) and the end-of-life treatment of sold products (e.g. food waste). Reducing these emissions requires transforming energy, materials, transportation and food systems, with joint efforts by the public sector, civil society and the private sector. These emissions are difficult to estimate and measure due to the complexity of supply chains.

In the retail sector, Scope 3 emissions are largely driven by the procurement of products for sale, their usage by customers throughout their lifecycle, and their disposal at the end of their use. However, these categories have not been included in this year's emissions calculations. We recognize their significance and are actively exploring ways to account for them in future reports. Currently, our Scope 3 emissions cover those linked to the operation of outsourced transportation fleets supporting our logistics, including business travel. Additionally, we include emissions from our associates' commutes across all transportation modes.

- Categories included in Scope 3 calculation: Transportation, associates' commute and business travel.

ENABLERS IN ACTION: Supply Chain

Having an efficient and modern Supply Chain enables us to reduce the environmental impact of distribution activities without sacrificing agility and reliability of delivery to the customer.

Transport

We remain committed to our efforts towards achieving sustainable mobility, whether through electrification or the adoption of less polluting fuels in the fleet, which is supplied by third parties. Each year we have a greater understanding of the areas and activities in which we can optimize our mobility, which is why we have arrived at the following key lines of action:

- Advocating for a more sustainable fleet supplied by third-party suppliers.
- Diversifying our long-distance transportation options.
- Adjust the efficiency of distribution routes.

In Mexico and Central America, we continued with route and cargo optimization programs, such as backhaul and reverse logistics. These allow us to reduce the number of empty trips for our fleet and that of our suppliers. Thanks to these practices, we were able to increase the flow of additional cases transported monthly to 21 million compared to the previous year through our truck load optimization program.

In the last-mile delivery fleet, we used 148 electric vehicles, which traveled over 3 million km in 2024.

For the first time, we are using intermodal rail transportation between our DCs, an alternative that emits fewer greenhouse gases, mitigates urban pollution and reduces traffic congestion, optimizing our fuel consumption.

Supply chain efficiency			
Mexico and Central America			
	Backhaul	Reverse logistics	Total
Km not traveled	29,873,870.8	24,415,349.4	54,289,220.2
tCO ₂ _{eq} avoided	38,044.9	26,356.1	64,401.0
Trips avoided	322,262.0	218,833.0	541,095.0
Liters of fuel avoided	13,481,160.4	9,320,709.7	22,801,870.1

We will continue to strengthen strategic alliances with our stakeholders such as local and national governments, as well as with suppliers to promote sustainable projects and reduce our carbon footprint.

Project Gigaton

In 2016, Walmart Inc. set an ambitious global goal for emissions reductions by 2030 through Project Gigaton. In 2024, we achieved our initial Project Gigaton goal six years ahead of time, with suppliers reporting projects that are expected to exceed 1 billion metric tons of cumulative emissions reduced, avoided, or sequestered in global value chains by our deadline. Although we reached our goal, we are continuing to engage suppliers under the Project Gigaton banner to further accelerate emissions reduction across the value chain?in ways that are positive for our customers, suppliers, farmers and other producers, and communities.

We recorded a 49.30% increase in our suppliers’ participation vs 2023, adding 490 new participants to the program in Mexico and Central America.



Foster a Circular Economy in Our Operations and Supply Chain

Unlike the traditional linear model that produces, consumes, and disposes, the circular economy focuses on minimizing waste generation and extending the useful life of resources at all stages of the product life cycle. We are committed to developing strategies that promote the reuse and recycling of materials. We aspire to reduce waste in our operations and work with suppliers, customers, and communities to accelerate the adoption of innovative packaging and products designed for circularity.

IN OUR OPERATIONS	IN OUR PRODUCTS
Zero Waste Divert 90% of operational waste (considered “zero waste” by ZWIA ⁶) from landfill and incineration in Mexico by 2025.	Packaging 100% of Our Brands packaging recyclable, reusable, or industrially compostable by 2025.
Food loss and waste Reduce operational food loss and waste 50% by 2030 (vs 2016 ⁸ baseline).	20% Our Brands plastic packaging made from post-consumer recycled content by 2025 ⁷ .

Waste Management in Operations

Given the scale and scope of our operations, at Walmart de México y Centroamérica we understand the value of adequately managing waste and materials. We focus on implementing an operation that avoids or minimizes waste generation. We seek to utilize waste that can be reintegrated into new value cycles, following the most recognized international waste management hierarchies.

Zero Waste

We are committed to diverting from landfills more than 90% of the waste generated, both inorganic and organic, following the Zero Waste International Alliance's methodology, thus contributing to the preservation of the environment. We are making solid progress in Mexico, however, we will likely not meet the 2025 timeline.

Inorganic Waste Management

At Walmart de México y Centroamérica we use different materials for our operations, mainly generating waste from secondary packaging materials used to transport and store products. For this purpose, we have implemented strategies, processes, and tools in our stores, clubs, and DCs designed to help us more effectively manage waste.

In 2024, we maintained the following initiatives:

- **Recycling by-products:** Materials that can be recycled and reintegrated into new production processes, such as cardboard, stretch film, and other plastics, are sent to authorized suppliers for recycling and appropriate treatment.
- **Reusable wooden pallets:** In Mexico and Central America, we manage our logistics operations with a more sustainable approach, using wooden pallets to minimize our environmental footprint. These can be returned to our DCs for reuse, while those that are damaged are restored or sent to suppliers who reincorporate them into other production processes.
- **Reusable plastic containers:** In Mexico and Central America, we use containers made from recycled plastic to transport fruits, vegetables, and other products. These containers return to the DCs to be washed and reused, eliminating the need for disposable containers.
- **Recycling unused or obsolete fixed assets:** In Mexico, our refrigeration, computer, security, and office equipment is sent to specialized refurbishing and recycling companies at the end of their useful lives. This allows us to extend their life cycles or recover valuable materials such as copper and aluminum.

These initiatives favor the diversion of inorganic waste from landfills.

Organic Waste Management

GOAL 2030: Reduce operational food loss and waste 50% by 2030 (vs 2016 baseline).

RESULTS 2024: 64.60% operational food loss and waste intensity reduction vs 2016 baseline⁹.

We offer our customers a wide variety of quality food products at affordable prices. As part of our operations related to the handling, preparation, and sale of these products, we generate organic waste. Some waste arises as by-products of certain processes, such as used cooking oil, while others result from in-store food spoilage. In cases where generating organic waste is inevitable, we implement programs to make use of these materials in association with authorized recyclers. We also implement a variety of strategies to mitigate food waste, from its prevention, donation to prevent it from becoming waste, transforming it into raw materials for energy generation, to converting it into fertilizers and compost.

Some initiatives to reduce food waste included:

Initiatives with Associates

In Mexico and Costa Rica, we launched AsCanasta, a pilot program that allows our associates to purchase products in good condition, but not suitable for customer sales, at a 90% discount. The remaining 10% is used to finance academic scholarships for associates, creating a virtuous circle that diverts perishables from landfills while fostering the development of internal talent. This action is rounded off with the AsPan and AsFrut programs, which allow our associates to take advantage of fruits and bread that will be withdrawn from points of sale due to upcoming expiration dates but still retain their quality and nutrients. In this way, our associates can complement their diets while we avoid food waste.

- 6,443.9 tons of food donated to associates through AsPan and AsFrut.
- 56,125.50 tons donated to food banks.

Food Banks

Through our units and DCs, we collaborate daily with the Mexican Food Bank network and five regional food banks in Central America. Our objective is to channel products unsuitable for sale to these institutions for reasons such as packaging damage or close expiration dates. We can then avoid food waste.

Soap from Organic Waste

In alliance with experts, we developed a pilot project in Mexico to produce hand soap from fruit and vegetable waste generated in the operation, which is available at our DC in Monterrey. We are also working on the development of other products from waste such as creams, degreasers, and multipurpose cleaners, with the aim to promote the circular economy.

Biodigestion Plant

In Costa Rica, we started operations at the biodigestion plant located in the Coris DC. This plant is designed to process more than 1,800 tons of organic waste annually and convert it into raw material for biofertilizers, avoiding sending it to landfills. In addition, we carry out a continuous recovery analysis to identify best practices to make the most of this waste.

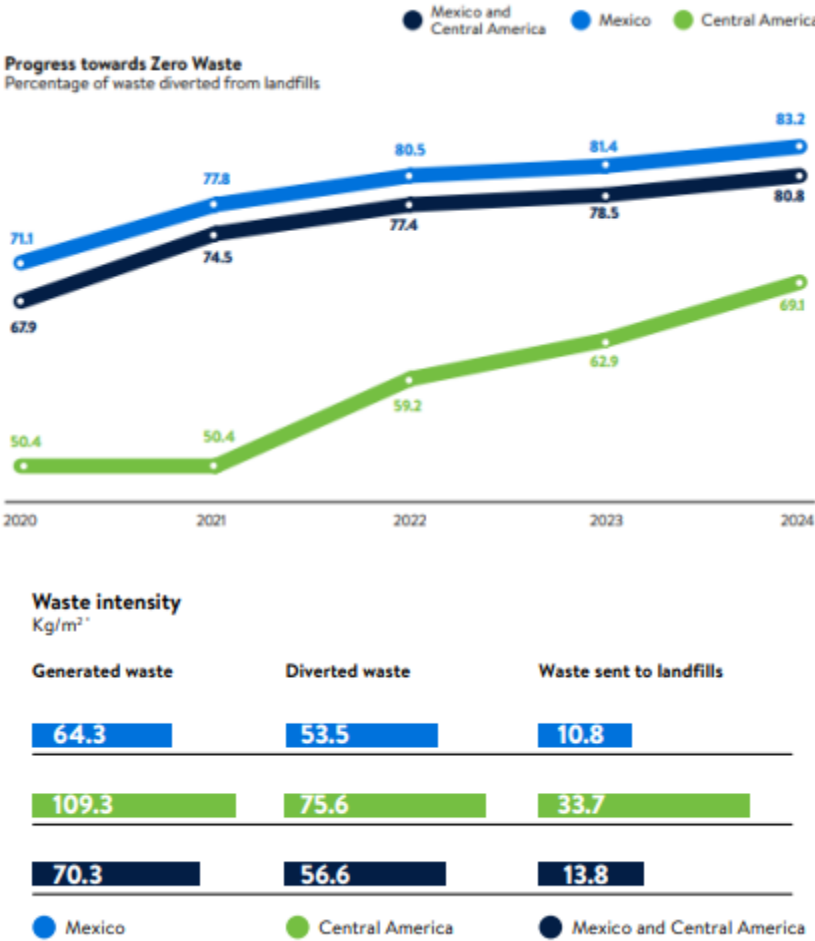
Call for Collaboration

In Central America, we launched an open call to identify suppliers specialized in the collection and management of organic waste, in which 26 potential candidates participated. We seek to establish strategic collaborations that strengthen our operations and reinforce our focus on more sustainable management.

Imperfect but Good

We expanded our **Imperfect but Good** program, which has the objective of reducing food waste by offering fruits and vegetables that do not meet certain aesthetic standards but maintain their nutritional properties and delicious taste. In 2024, this program was active in 109 stores in Mexico. By revaluing these foods, we prevent food waste and promote a more conscious consumption. These actions reflect our commitment to the circular economy and the well-being of our communities.

- 2,581,192.0 kg sold in Mexico under the Imperfect but Good program.



934,399.8 tons of waste generated

- 99.63%
 - 930,935.38 tons of non-hazardous waste | 78.90% Mexico | 20.73% Central America
- 0.19%
 - 1,774.32 tons of hazardous waste | 0.18% Mexico | 0.01% Central America
- 0.18%

- 1,690.20 tons of sanitary waste | 0.18% Mexico | 0.00% Central America

Inorganic waste diverted from landfills						
	Mexico		Central America		Mexico and Central America	
	Tons	Percentage	Tons	Percentage	Tons	Percentage
Corrugated (paper and cardboard)	293,929.0	66.0%	44,532.0	10.0%	338,461.0	76.0%
Metals	2,236.7	0.5%	59.8	0.01%	2,296.5	0.5%
Others	64,630.5	14.5%	40,036.5	9.0%	104,667.0	23.5%
Total	360,796.2	81.0%	84,628.3	19.0%	445,424.5	100.0%

Organic waste by destination						
	Mexico		Central America		Mexico and Central America	
	Tons	Percentage	Tons	Percentage	Tons	Percentage
Biofuels	251.8	0.1%	0	-%	251.8	0.1%
Fertilizers	333.9	0.1%	0	-%	333.9	0.1%
For associates	6,442.1	1.5%	0	-%	6,442.1	1.5%
Composted	8,300.6	2.0%	7,683.1	1.8%	15,983.7	3.8%
Animal feed	25,495.7	6.0%	4,658.2	1.1%	30,153.9	7.1%
Donated to organizations	49,549.0	11.7%	6,576.5	1.6%	56,125.5	13.2%
Landfill	59,614.3	14.1%	58,775.2	13.9%	118,389.5	27.9%
Others	185,722.6	43.8%	10,522.0	2.5%	196,274.6	46.3%
Total	335,710.0	79.2%	88,245.0	20.8%	423,955.0	

CIRCULARITY IN OUR PRODUCTS

Each of our products represents an opportunity to collaborate with our suppliers, promoting the circularity of products and their packaging.

Packaging and Materials

OBJECTIVES:

- 100% of Our Brands packaging recyclable, reusable, or industrially compostable by 2025.
- 20% Our Brands plastic packaging made from post-consumer recycled content by 2025.

We are committed to working closely with our suppliers to identify innovative solutions which allow us to offer Our Brands products with recyclable, reusable, or industrially compostable packaging. We work to include post-consumer recycled material and encourage the adoption of optimized circular designs that use only the necessary materials. We also strive to optimize the use of materials in our operating processes, prioritizing those that have a lower impact on the environment.

During 2024, we made progress in incorporating sustainable attributes in Our Brands' packaging, including:

- Great Value hygiene products and towels with 30% PCR.
- SuperTech engine lubricating oil with 30% PCR.
- Great Value 7-liter colored apparel detergent with 50% PCR.
- Great Value dishwashing soap with 20% of PCR.
- We transformed the multilayer packaging of Member's Mark's sliced and frozen organic strawberries into mono-material packaging made of polyethylene.
- Member's Mark fabric softener with 60% PCR.
- Member's Mark 5-liter antibacterial liquid soap with 25% PCR.
- Toilet paper from Our Brands in Central America with 30% PCR.

In Mexico, we developed a label for Our Brands products, with the purpose of promoting the recycling of packaging. This label, which will be implemented gradually, informs customers of the components used in the production of each packaging, providing information on their materials and clear instructions for recycling.

In Central America, we initiated research focused on transforming Doypack packaging – which are multilayer bags with plastic nozzles - into a 100% recyclable mono-layer design for Our Brands tomato sauce.

Just as we continue to work to reduce the environmental impact of our product packaging, we also seek innovative solutions to reduce the use of virgin plastic in the materials used in our operations.

In Mexico, we introduced honeycomb trays for meat, fish, and seafood. These include an innovative solution that eliminates the need for absorbent pads that are difficult to recycle and generate additional waste in traditional packaging. In addition, with the goal of reducing the use of materials and improving product delivery safety, we replaced cardboard boxes and paper bags with compostable bags in our On Demand, Marketplace and eCommerce services. These new bags use less material, are better adapted to product sizes, and have a secure closure system. They are designed to biodegrade within 6 to 12 months, reducing our environmental impact and improving logistics efficiency. Likewise, we continue working towards removing Styrofoam from our stores for internal use.

In Central America, we continued to reinforce our **No Bags Please** strategy, in which we eliminated single-use bags in our stores, avoiding the use of more than 3,800 tons of virgin plastic.

Bulk and Refill Sales

We implemented projects to promote the sale of some products under our bulk or refill scheme, which contributes to reducing the use of packaging.

Bulk Pet Food

This nationwide program in Mexico focuses on minimizing packaging waste and promoting more cost-effective and sustainable alternatives. Its objective is to allow our customers to purchase the exact amount of

kibble their pets need, thus eliminating the need for individual packaging and promoting a more conscious consumption model. Through this program we seek to reduce the production of plastic, encouraging the use of reusable containers, and promoting responsible consumption habits.

- 10,569,166 kg of kibble sold.

Refill Machines

In Mexico, in collaboration with Colgate, we installed two 3L Suavitel Superior Care fabric softener refill machines, offering our customers a discount on the current shelf price of the product. The machines are currently operating in two stores, selling 1,182 liters through this scheme.

ACTIONS WITH CUSTOMERS

We are proud to invite our customers to be part of our efforts to contribute to regeneration. In this way, we grow the scope of programs that seek to address challenges related to waste management. Thanks to their collaboration, we can mitigate our impact at every stage of the life cycle of the waste generated, from its origin to its final disposal.

Post-consumption Programs

We continue to expand our recycling programs in our stores and clubs, in collaboration with our business partners and customers. We strive to recover materials for reuse in other production processes.

Reciclamanía Evolucion

This program continues to evolve year after year, bringing recycling infrastructure closer to more people in Mexico. Our goal is to make recycling a simple and accessible experience, where people can dispose of their waste responsibly as they do their shopping in our stores and clubs, all in one place.

In collaboration with our business partners, we opened four new recycling centers in 2024. With this, we reached a total of 35 centers available to our customers. This expansion was possible thanks to the collaboration and commitment of Alpura, Barcel and Bimbo, Heineken, Colgate, Suavitel, Bonafont, Silk, Herdez, HI-Core, Kellogg's, Listerine, Nestlé, Garnier, Sabritas, PEPSICO, pep, Gamesa, P&G and J&J. Thanks to these joint efforts and the growing participation of the community, Reciclamanía Evolucion continues to expand its positive impact.

History and Evolution of Reciclamanía Evolucion



As part of the program's evolution, we implemented a scheme to promote a recycling culture among our customers. This system allows customers to collect *Ecolanitas*, which can be redeemed for attractive discounts or be used to pay for services. With this, we encourage a continuous cycle of education and participation, motivating more people to join our commitment to recycling and care for the environment.

We complement these efforts with various post-consumer programs designed to recover, reuse, and recycle different products:

Mexico	Impact
Expired Medicine Collection	Together with Singrem, we safely and responsibly collect expired medicines to prevent them from contaminating water bodies and the environment.?? In 2024, we collected and properly disposed of 17,286 kg of medicines.
Coffee Pod Collection	In alliance with Nespresso: Nescafé Dolce Gusto, we offer coffee pod collection points both in stores and corporate offices to facilitate the proper disposal of used pods for our customers and associates. 14,408 kg of pods collected.
Reciclar para Ganar	In collaboration with Grupo Alen, we promoted the recycling of plastics in different communities in Nuevo León, where collection machines have been installed in our units. We collected 89,123 kg of plastic, made up of 2.8 million plastic bottles.
Árbol por Árbol	In collaboration with the Green Infrastructure Department of the Mexico City Ministry of Environment, we set up collection points to recycle natural Christmas trees and convert them into organic material to revitalize public parks and gardens. We collected 4,587 natural Christmas trees.

Puntos Verdes Central America

In Central America, we have established 26 recycling stations in collaboration with our suppliers. These stations are located in our stores, generating a positive impact in the five countries in the region where we operate. Through these centers, we make recycling a simple experience by inviting our customers to recycle flexible plastics, PET, cardboard, paper, tetrapak, electronics, and aluminum.

- +140.5 tons of waste collected.

PROTECT, MANAGE, AND RESTORE NATURAL CAPITAL

- We are committed to the global goal set by Walmart Inc. to help more sustainably manage, protect and/or restore at least 50 million acres of land and 1 million square miles of ocean by 2030.

Many of the products we sell—from produce and seafood to sheets and shampoo—come from nature or depend on ingredients derived from nature. Communities also depend on nature for climate regulation, fresh water, storm and flood protection, soil regulation, pollination, and energy. Yet natural landscapes and seascapes have come under stress due to factors such as land conversion, climate change, and pollution. Stakeholders including governments, customers, communities, and shareholders expect our company to run our business in way that contributes to positive nature outcomes to help reverse negative trends and sustain critical resources for the future.

We recognize the importance of collaborating across supply chains and fostering innovative solutions that reduce environmental impact, contributing to the balance of ecosystems and the conservation of their resources. To address these challenges, we have defined key strategic areas that guide our actions:

Strategic areas:

- Sustainable sourcing
- Water footprint
- Biodiversity protection

SUSTAINABLE SOURCING

Sustainable sourcing practices create value for businesses and society, increasing the resilience and efficiency of supply chains. They can improve product availability and quality, mitigate risks, and create development opportunities for people and communities.

Raw Materials

At Walmart de México y Centroamérica, we promote the responsible production of deforestation-free products and transparency in our supply chain, focusing on priority raw materials. We encourage collaboration among producers, traders, manufacturers, retailers, and suppliers to combat the degradation of forests and oceans.

Palm oil		Beef		Soy
We are committed to 100% of palm oil in Our Brands products sourced with no deforestation or conversion by 2025 ¹¹ . We ensure the traceability of this raw material through recognized certifications such as the Roundtable on Sustainable Palm Oil (RSPO). Sustainable palm oil:		We aspire to source 100% of beef (fresh, chilled, frozen, and processed corned beef products) for Our Brands and national brand products originating from Priority Regions ¹² as deforestation-free and conversion-free (DCF) by 2025.		We aspire to have Our Brands products containing soy originating from Priority Regions ² source as deforestation-free and conversion-free (DCF) by 2025.
Mexico: 61.10%	Central America: 84.9%			
Pulp, paper, and timber		Sustainable fishing		
Our goal is for 100% of Our Brands products made of pulp, paper, and timber sourced deforestation-free and conversion-free by 2025. Our suppliers are encouraged to comply with recognized certifications such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI) or guarantee the use of materials with recycled content. Sustainable pulp, paper, and timber:		Our goal is that by 2025, our suppliers of fresh, frozen, farmed, and wild-caught seafood will source from fisheries that are third-party certified as sustainable, actively working towards certification, or engaged in a Fishery Improvement Project (FIP) or Aquaculture Improvement Project (AIP). ¹³ Suppliers are encouraged to comply with recognized standards such as Best Aquaculture Practices (BAP) or Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), or be supported by an FIP or AIP. In addition, by 2025, in Mexico, all canned light and white tuna suppliers will source from fisheries that are third-party certified as sustainable, actively working toward certification, or engaged in a fishery improvement project (FIP). Sustainable fish and seafood:		
Mexico: 93.20%	Central America: 94.98%	Mexico: 59.90%	Central America: 77.68%	Canned tuna in Mexico: 100%

Products with Lower Environmental Impact

We are committed to providing our customers with conscious and responsible purchasing options. To this end, we identify those products that have low environmental impact features, such as those that are sustainably and organically produced, and that respect animal welfare.

Products with lower environmental impact		
Mexico	Quantity	Percentage
Organics	355	2.7%
Hydroponics	7	0.1%
Compostable / biodegradable	65	0.5%
Water and energy savers	1,152	8.9%
Certified sustainable and free grazing	430	3.3%
Recycled or recyclable packaging	611	4.7%
Textiles	6,765	52.0%

Animal cruelty free	113	0.9%
Free of chemical compinds	46	0.4%
Others	3,465	26.6%
Total	13,009	

Earth-Friendly Products

This program aims to highlight products with social, environmental and/or ethical attributes in our stores and clubs, as well as on our eCommerce websites, thereby promoting responsible and sustainable consumption among our customers and members. At the same time, we seek to meet the growing demand for products with attributes that have a lower environmental impact and greater social benefit.

In Mexico, during 2024, we conducted phase 1 which consisted of evaluating the products proposed by our suppliers. Phase 2, scheduled for 2025, will focus on highlighting these products both in stores and on our eCommerce sites. In Central America, these products are already available in stores.

- + 900 Earth-Friendly products evaluated in Mexico.
- +8,000 Earth-Friendly products on the sales floor in Central America.

Sustainable?Textiles

We aspire to incorporate more sustainable materials into our textile offerings. We work with suppliers to encourage more responsible production processes. In 2024, more than 12 million garments included more sustainable attributes such as recycled cotton and recycled PET.

WATER FOOTPRINT

During 2024, we faced critical water challenges in Mexico and Central America. Irregular rainfall distribution, the effects of climate change, and the increasing demand for water are exacerbating the scarcity of this valuable resource. These factors not only affect the current water availability but also pose a significant risk to its future access.

At Walmart de México y Centroamérica, we recognize the importance of water as a precious and limited resource. We reaffirm our commitment to water conservation and stewardship through strategies that prioritize the reduction, reuse, and optimization of its use.

Mexico

We strengthened our water management with actions focused on efficiency. During the year, we carried out comprehensive maintenance on 127 wastewater treatment plants and installed 10 new ones. We also implemented a zero-discharge project at the new distribution center in the Bajío region, which allows us to recycle a large portion of our industrial wastewater.

To ensure continuous and effective monitoring, the **Water Committee** was established this year. It addresses drought issues in Mexico, a challenging situation for our operations and supply chain. The main objective of this committee was to oversee and coordinate the implementation of cross-cutting actions proposed by different areas of the organization to address current water challenges. By analyzing drought monitoring

provided by the National Water Commission of Mexico (CONAGUA), we identified the regions most affected by shortages. In response, we implemented programs to optimize the use of water resources, including the installation of water meters and maintenance of units with leaks.

Central America

We advanced our water management strategy by installing sink faucet aerators in 600 stores. On average, these devices can reduce water consumption between 5%-10% per store. We also developed a water stress map, which has served as a key tool to inform and strengthen our future water management strategies.

- 1,075 water-saving valves in more than 30% of units.
- In addition to the water meters required by authorities, we installed sub-metering devices in 315 units.

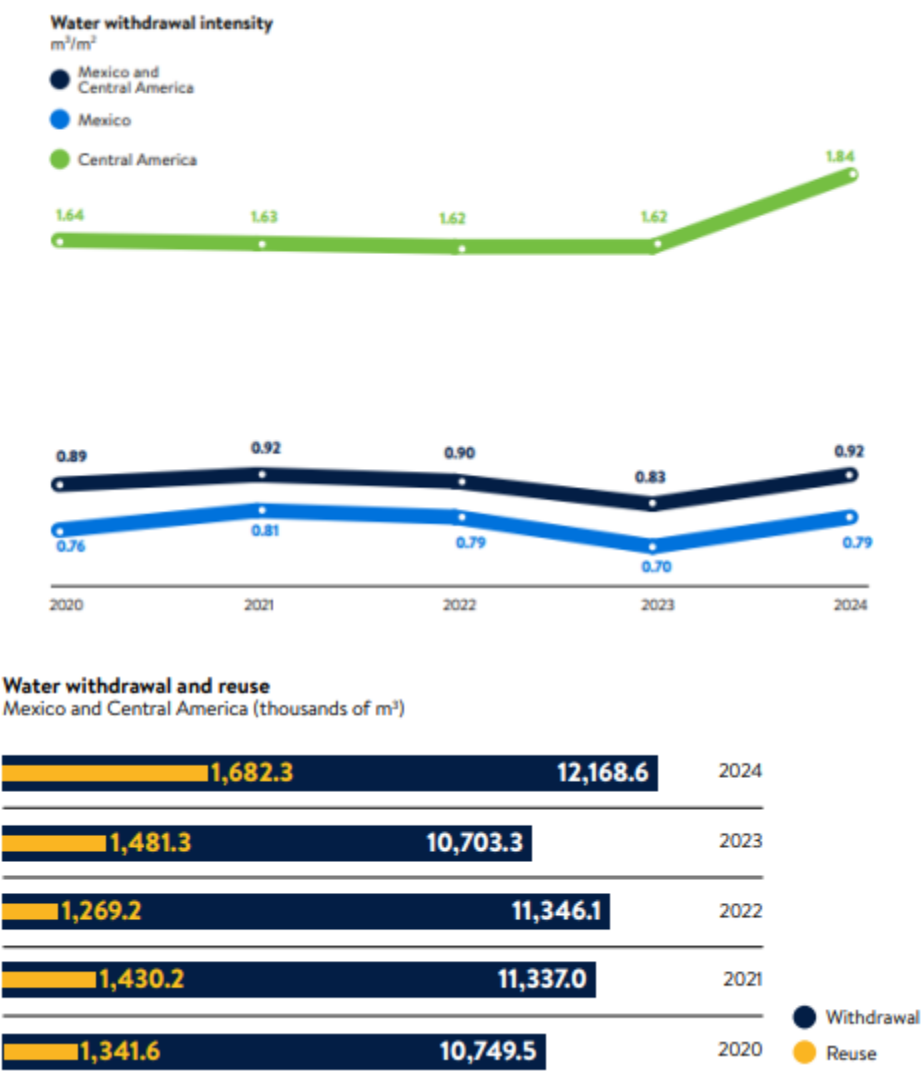
Water Guardians Summer Camp

We conducted the Water Guardians Summer Camp for our associates' children with the aim of sharing knowledge about the importance of water conservation and provide them with practical advice they can implement in their daily lives. 55 children participated.

- 11,630,848.5 m³ wastewater || 8,681,826.5 m³ in Mexico || 2,949,022.0 m³ in Central America
- 1,456 treatment plants || 971 in Mexico || 485 in Central America
- 3,888,493.3 m³ treated wastewater || 2,167,661.3 m³ in Mexico || 1,720,832.0 m³ in Central America
- 1,682,296.0 m³ reused water || 1,639,262.0 m³ in Mexico || 43,034.0 m³ in Central America

Water withdrawal			
	Mexico	Central America	Mexico and Central America
2023	7,861,495.1 m ³	2,841,819.8 m ³	10,703,314.9 m ³
2024	9,115,860.6 m ³	3,052,742.0 m ³	12,168,602.6 m ³

Water withdrawal by source		
Mexico and Central America	2023	2024
Municipal supply	79.7%	82.2%
Well supply	8.6%	9.3%
Pipe supply	11.5%	9.3%
Mall	0.2%	0.2%



BIODIVERSITY PROTECTION

The benefits of restoring biodiversity are countless, including improved ecosystem services, increased carbon capture, habitat preservation, the promotion of common well-being, and long-term business sustainability.

We are committed to mitigating the negative impacts on biodiversity that may result from the construction and operation of our business units. To this end, we implement policies and procedures designed to promote the conservation of biodiversity and more sustainable use of natural resources, always in strict compliance with applicable laws and regulations.

We also promote the protection, restoration, and regeneration of biodiversity through different initiatives, including:

Pollinator Gardens

We inaugurated our first two pollinator gardens in Mexico, located in a store and a DC. These gardens, which contain a variety of pollinator species, embellish the space and play an important role in the environment’s health; they provide a habitat for bees, butterflies, and hummingbirds, which are essential for the reproduction

of many plant species. Thanks to this initiative, we were awarded the Cladodio Award in recognition of our commitment to sustainability.

Reforestation Awareness

In 2024, we reforested trees in the State of Mexico, Jalisco, and Nuevo León as part of our Allies for the Planet initiative, in partnership with Procter & Gamble (P&G) and Nestlé. This initiative allows us to have a positive impact on the restoration of natural areas.

We held 219 reforestation campaigns in Mexico and Central America, in which we planted 144 trees to promote the recovery of natural spaces.

Market Information:

Walmart de México y Centroamérica is a publicly-held retail company that operates self-service stores, membership wholesale clubs and eCommerce platforms.

In Mexico competition consists of:

- Hypermarkets with an average sales area of 5 thousand m² as well as supermarkets with an average sales area of 2 thousand m², both with scanning technology and three or more exit lanes, such as: Soriana, La Comer, Fresko, City Market, Chedraui, Casa Ley, Futurama, San Francisco de Asís, HEB, Almacenes Zaragoza, Casa Chapa, Calimax, Sumesa, Alsuper, S-Mart and Waldo's, among others.
- Convenience stores with an average sales area 100 m², such as: Oxxo, 7 Eleven, Extra, Six, Super City, Super Rapiditos Bip-Bip, Superette, Super K, Super Deli, Super Tiendas del Hogar, Círculo K, Comextra, JV, On the Run and Modelorama.
- Discount stores such as Tiendas Neto, Ley Express, Mi tienda del ahorro, Super Che and Tiendas BBB, among others.
- Apparel and specialized stores, such as: Coppel, El Palacio de Hierro, El Puerto de Liverpool, Sears, Sanborns Hermanos, Famsa, Elektra, Home Depot, Office Max, Office Depot, Zara, Radio Shack, La Marina, Martí, Innovasport, Farmacias Guadalajara, Farmacias Benavides, Farmacias San Pablo and Autozone.
- Membership warehouse clubs, such as: Costco and City Club.
- Cash & Carry stores such as Sahuayo, Zorro, Merza, Dunososa, DICONSA, Grupo Sanchez, Casa Vargas, Grupo Merza, Puma, Garis, Scorpion, Consumo Z, among others.
- Establishments operated by public agencies, such as: ISSSTE, UNAM, etc.
- Pure eCommerce players, such as Amazon, Mercado Libre and Rappi among others.

In Central America, the formal market where it competes is composed as follows:

- Supermarkets with a sales area of over 400 m², which have three or more outgoing boxes and advanced scanning and weighing technology. Among them are commercial chain establishments such as La Torre (Guatemala), Súper Selectos (El Salvador), La Colonia (Honduras), La Antorcha (Honduras), Gessa (Perimercados, Super Compro and Saretto), Auto Mercado, Megasuper (Costa Rica) and Price Smart (Membership Clubs in the region).
- Mini-supermarkets that are independent self-services with one or two lines and a maximum of 370 m² of sales area. Among them, commercial chain establishments such as Vindi, AMPM, Fresh Market (Costa Rica), Super24 (Guatemala), Pronto (El Salvador), Super del Barrio (Guatemala), as well as independent ones stand out.
- Departmental and specialized stores where Carrión, Siman, Cemaco, EPA, ACE, Grupo M, Elektra, Grupo Monge, La Curacao and Pequeno Mundo stand out.

The formal market of the five countries where the Company operates (Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica) is estimated to include more than 1,477 supermarkets (large and small), 8,145 convenience stores and convenience stores, 16,803 pharmacies and 285,701 traditional stores and tobacconists (small shops).

The region has a strong informal market. This market includes traditional establishments such as municipal markets, small businesses, butchers and fishmongers, in addition to a large number of street vendors. Both sectors have considerable market share as they are able to supply communities that, due to mere size, restrict the entry of other establishments.

The investment made by Walmart de México y Centroamérica in growth, systems, logistics and distribution are meant to increase and modernize both installed capacity and distribution, thus resulting in a more efficient operation, reduced costs and ever improving service for its customers. All this gives it competitive advantages to maintain its position in the industry.

Corporate structure:

Wal-Mart de México, S.A.B. de C.V., is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose tax address is located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of **WALMEX** is Walmart, Inc., a U.S. corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 70.57% in the Company.

Wal-Mart de México, S.A.B., has subsidiaries in Mexico and Central America, holding 100% of the shares, whose groups are mentioned below:

Group	Line of business
Nueva Walmart	Operation in 2024 of 2,553 Bodega Aurrera discount stores, 327 Walmart hypermarkets, 101 Walmart Express supermarkets, 173 Sam's Club membership self-service wholesale stores and eCommerce websites. In addition of providing advertising services with Walmart Connect. A health program to provide health services, in addition of a benefits digital program, among others.
Walmart Innovación	Connectivity services with internet at home and prepaid mobile telephony.
Comercio Digital	Financial services that include the digital wallet Cash!, credit and remittances collection.
Importing Companies	Import of goods for sale.
Real estate	Property developments and management of real estate companies.
Services companies	Rendering of professional not-for-profit services to the community at large and shareholding.
Walmart Central America	Operation of 618 Despensa Familiar and Palí discount stores, 98 Paiz, La Despensa de Don Juan, La Unión and Más x Menos supermarkets, 172 Bodegas, Maxi Bodega and Maxi Palí, and 37 Walmart hypermarkets in 2024. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

Walmart Inc.

Walmart Inc., American Society, through Intersalt, S. de R.L. de C.V., Mexican Society, one of its subsidiaries, is the majority shareholder for Wal-Mart de México, S.A.B. de C.V.

At the end of its fiscal year, dated January 31, 2025, Walmart Inc. reported the operation of more than 10,750 commercial units throughout 19 countries, which are located in the United States, Mexico, Costa Rica, Guatemala, El Salvador, Nicaragua, Honduras, Africa, Canada, Chile, China and India, and on eCommerce websites. Sales for Walmart Inc. during the last fiscal year amounted to 681.0 billion dollars, an increase of 5.1% over the similar prior year period.

Walmart Inc. common stock is listed on the New York Stock Exchange under the ticker symbol WMT.

Description of key assets:

As of December 31, 2024, the assets of the company are mainly comprised of its cash and cash equivalents (36.5 billion pesos), inventories (110.7 billion pesos) and fixed assets such as real estate, stores, distribution centers, right-of-use asset and equipment (249.0 billion pesos). We must point out that cash represents 7.4% of our assets.

Some of the units are owned and others are leased.

Fixed assets are formed by business units, as described:

Description by business format

Format	Description	Units	Sales area (square feet)
Mexico			
Bodega Aurrera	Discount stores	2,553	34,584,807
Walmart	Hypermarkets	327	25,511,352
Sam's Club	Membership warehouse clubs	173	13,461,938
Walmart Express	Supermarkets	101	1,733,103
Central America			
Despensa Familiar, Palí	Discount stores	618	2,767,164
Paiz, La Despensa de Don Juan, La Unión, MásxMenos	Supermarkets	98	1,451,539
Walmart	Hypermarkets	37	2,051,085
MaxiDespensa, MaxiPalí	Warehouses stores	172	2,764,667

Judicial, administrative or arbitration proceedings:

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of

\$4,474,261* as of December 31, 2024, (\$1,977,808* in 2023) which is presented in other accounts payable. In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

*Thousand pesos MXN.

Capital shares:

As of December 31, 2024, 2023 and 2022, nominal capital stock was as follows:

Common Stock			
Thousand pesos			
	2024	2023	2022
Fixed	Ps. 5,591,362	Ps. 5,591,362	Ps. 5,591,362
Variable	36,898,537	36,898,537	36,935,265
Subtotal	42,489,899	42,489,899	42,526,627
Inflation effects	2,939,261	2,939,261	2,941,801
Total	Ps. 45,429,160	Ps. 45,429,160	Ps. 45,468,428

There is a Single Series of shares, which are registered and with no nominal value. The free subscription, common shares are structured as follows:

Stock Structure			
Number of shares			
Series	2024	2023	2022
Single series			
Free subscription, common shares	17,446,322,177	17,446,322,177	17,461,402,631

The Company has entered into Fx-forward contracts for foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities in Mexico related to the purchase of imported goods agreed in US dollars.

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2.

At December 31, 2024, 2023 and 2022, the Company has Fx-forward contracts with a term of no more than four months recorded in other accounts payable, which are shown below:

	2024	2023	2022
Current contracts	304	258	271
Notional amount (USD million)	US \$260	US \$234	US \$177
Fair value (MXN million)	(\$84.57)	(\$130.58)	(\$29.74)

Dividends:

During recent years the Company has decreed dividend payments in cash.

Dividend paid per share (pesos)	
2021	1.63
2022	1.71
2023	2.69
2024	2.17

As a result of 2024's dividend payment, 37.4 billion pesos were paid in cash. The Company intends to continue paying yearly dividends, the amount of which will depend upon growth opportunities, the economic situation, and the competitive environment, among other factors.

[424000-N] Información financiera

Concept	Previous period MXN 2024-01-01 - 2024-12-31	Previous Annual Period MXN 2023-01-01 - 2023-12-31	Annual Previous Previous Period MXN 2022-01-01 - 2022-12-31
Revenue	958,507,491.0	886,523,205.0	819,169,435.0
Income (loss) Gross	231,473,218.0	210,558,344.0	191,398,334.0
Profit (loss) from operating activities	77,358,988.0	73,275,983.0	68,011,617.0
Profit (loss)	53,827,384.0	51,589,989.0	48,974,184.0
Profit (loss) per share	3.09	2.96	2.81
Acquisition of property and equipment	34,763,789.0	28,792,178.0	21,303,739.0
Depreciation and operating amortization	22,639,474.0	20,577,439.0	19,359,205.0
Total assets	493,893,065.0	436,546,616.0	418,808,371.0
Total non-current liabilities	87,429,407.0	81,242,066.0	78,654,234.0
Accounts receivable turnover	38.6	38.6	49.0
Accounts payable turnover	6.0	5.9	6.3
Inventory turnover	6.6	7.1	7.0
Total equity	232,875,469.0	199,086,037.0	202,468,383.0
Cash dividends declared per share	2.17	2.69	1.71

Selected financial information disclosure:

Financial Summary (Million pesos)

	2024	2023	2022	2021	2020
Mexico GDP (Growth,%)	1.3	3.1	3.1	5.0	(8.5)
Mexico Annual Inflation (%)	4.2	4.7	7.8	7.4	3.2
Peso Devaluation (%)	22.5	(12.7)	(5.6)	2.9	5.6
Average Exchange Rate	18.3	17.7	20.1	20.3	21.5
Year-end Exchange Rate	20.6	17.0	19.5	20.5	19.9
Mexico Average Interest Rate (28 Day Cetes,%)	10.7	11.1	7.7	4.4	5.3
RESULTS					
NET SALES	951,642	880,122	813,060	730,352	696,711
% of growth total units	8.1	8.2	11.3	4.8	8.6
% of growth comp units	6.6	6.8	10.1	3.6	7.0
OTHER INCOME	6,865	6,401	6,109	5,692	5,023
% of growth	7.2	4.8	7.3	13.3	0.0
TOTAL REVENUES	958,507	886,523	819,169	736,044	701,734
% of growth	8.1	8.2	11.3	4.9	8.5
GROSS PROFIT	231,473	210,558	191,398	171,840	162,040
% of profit margin	24.1	23.8	23.4	23.3	23.1
GENERAL EXPENSES	156,085	136,747	124,694	110,181	105,042
% of total revenues	16.3	15.4	15.2	15.0	15.0
OPERATING INCOME	77,359	73,276	68,011	62,908	57,447
% of total revenues	8.1	8.3	8.3	8.5	8.2
% of growth	5.6	7.7	8.1	9.5	6.4
EBITDA	99,998	93,853	87,370	81,214	75,387
% of total revenues	10.4	10.6	10.7	11.0	10.7
FINANCIAL INCOME (EXPENSES), NET	8,428	4,669	4,645	5,612	7,983
INCOME BEFORE INCOME TAX	68,931	68,607	63,366	57,296	49,464
INCOME TAX	15,104	17,017	14,392	13,158	16,029
DISCONTINUED OPERATIONS	-	-	-	-	-
CONSOLIDATED NET INCOME ATTRIBUTABLE TO THE PARENT	53,827	51,590	48,974	44,138	33,435
% of growth	4.3	5.3	11.0	32.0	(11.8)
FINANCIAL POSITION					
CASH	36,514	40,669	47,427	42,817	35,670
INVENTORIES	110,695	95,088	89,462	80,317	68,360
OTHER ASSETS	54,962	43,887	37,671	35,269	31,401
FIXED ASSETS	249,025	222,606	208,634	200,219	191,455
GOODWILL	42,697	34,297	35,614	35,767	34,997
TOTAL ASSETS	493,893	436,547	418,808	394,389	361,883
SUPPLIERS	121,971	114,430	98,956	96,638	92,356
OTHER LIABILITIES	139,047	123,031	117,384	111,869	100,408
EQUITY	232,875	199,086	202,468	185,882	169,119
NON-CONTROLLING INTEREST	-	-	-	-	-
TOTAL LIABILITIES, EQUITY AND NON-CONTROLLING INTEREST	493,893	436,547	418,808	394,389	361,883

NUMBER OF UNITS MEXICO					
Bodega Aurrera	2,553	2,419	2,292	2,198	2,088
Walmart Supercenter	327	316	303	294	287
Sam's Club	173	170	167	165	164
Superama	0	0	0	14	89
Walmart Express	101	102	101	85	6
Suburbia	-	-	-	-	-
Farmacias Medimart	-	-	-	-	-
TOTAL UNIDADES	3,154	3,007	2,863	2,756	2,634
NUMBER OF UNITS CENTRAL AMERICA					
Discount Stores	618	595	583	572	563
Supermarkets	98	98	98	98	100
Bodegas	172	167	165	158	157
Walmarts	37	36	36	36	35
Clubs	-	-	-	-	-
TOTAL	925	896	882	864	855
Banco Walmart					
Bank branches					
OTHER INFORMATION AT THE END OF THE YEAR					
Number of Associates	241,172	237,605	233,594	231,259	231,271
Share Price ⁽¹⁾ (pesos)	54.89	71.57	68.59	76.09	55.98
Number of Outstanding Shares ⁽²⁾ (millions)	17,446	17,446	17,461	17,461	17,461
Market Value	957,611	1,248,610	1,197,650	1,328,607	977,467
Earnings per Share ⁽³⁾ (pesos)	3.085	2.955	2.805	2.528	1.915
Payment of Dividends	37,399	46,349	29,558	28,189	30,934
Number of Shares Repurchased ⁽⁴⁾ (millions)	-	15	-	-	-
Investment in Shares Repurchasing Operations	-	988	-	-	-

1 Vips is presented under Discontinued Operations.

2 Adjusted according to split conducted in April 2010

3 Vips' associates not included

4 Banco Walmart's & Vips' results are presented under Discontinued Operations.

5 Banco Walmart's associates not included.

6 Results from Banco Walmart and its sale presented under Discontinued Operations.

7 Suburbia's and Banco Walmart' sales and results are presented under Discontinued Operations.

8 Suburbia's results are presented under Discontinued Operations. Financial position displays reclassifications in presentation, in order to be comparable to 2017 only.

9 Suburbia's associates not included.

10 Information with adjustments, derived from the Income Standard that applies as of 2018.

11 Information with adjustments, derived from the Leases that applies as of 2019.

* IFRS = Financial information under International Financial Reporting Standards.

** MFRS = Financial information under Mexican Financial Reporting Standards.

NA = Non Applicable

ACQUISITIONS OF PROPERTY AND EQUIPMENT	34,763	28,792	21,304	20,466	16,728
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Selected quarterly financial information:

This element does not apply to **WALMEX**, as the Company considers that all relevant information related to 4Q24 has already been released to the market.

Information in case of issues guaranteed by subsidiaries of the issuer:

This element does not apply to **WALMEX**

Financial information by business line:

As of December 31, 2024, Mexico had 3,154 operating units, representing 75,291,200 square feet of sales floor. Central America had 925 operating units, representing 9,034,455 square feet of sales floor.

Shares in net sales by business format in Mexico

	2024	2023	2022	2021
Bodega Aurrera	41%	41%	41%	40%
Walmart	25%	25%	26%	27%
Sam's Club	24%	25%	24%	25%
Walmart Express	3%	3%	3%	3%
eCommerce	6%	6%	6%	5%
Bait	1%	-	-	-
Net sales (million pesos)	Ps. 791,122	Ps. 736,465	Ps. 673,658	Ps. 603,835

Shares in sales by business in Central America

	2024	2023	2022	2021
Costa Rica	43%	43%	39%	39%
Guatemala	24%	24%	25%	26%
El Salvador	11%	11%	13%	13%
Honduras	12%	12%	12%	12%
Nicaragua	10%	10%	11%	10%
Net sales (million pesos)	Ps. 160,520	Ps. 143,657	Ps. 139,402	Ps. 126,517

The geographical breakdown of the business units for Mexico and Central America is as follows:

Breakdown of units by geographical region in Mexico

	2024	2023	2022
Metropolitan Area	21.1%	21.8%	22.2%
Center	36.5%	36.3%	36.5%
Northeast	14.6%	14.5%	14.2%
Southeast	9.5%	9.1%	8.8%
Northwest	7.3%	7.2%	6.9%
North	6.1%	6.1%	6.1%
Southwest	5.0%	5.0%	5.3%
Total Units	3,154	3,007	2,863

Breakdown of units by geographical region in Central America

	2024	2023	2022
Guatemala	29.4%	29.5%	29.8%
Costa Rica	36.0%	35.0%	34.4%
El Salvador	11.0%	11.4%	11.6%
Nicaragua	11.2%	11.4%	11.6%
Honduras	12.3%	12.7%	12.6%
Total Units	925	896	882

As of December 31, 2024, the installed capacity for the company by geographical region is as follow:

Breakdown of units by geographical region in Mexico

	Units	Self-service + Clubs
Metropolitan Area	666	21.5%
Center	1,151	33.8%
Northeast	459	9.5%
Southeast	299	10.6%
Northwest	229	10.6%
North	192	8.2%
Southwest	158	6.0%
Total	3,154	75,291,200 <i>square feet</i>

Breakdown of units by geographical region in Central America

	Units	Self-service
Guatemala	272	29.8%
Costa Rica	333	37.0%
El Salvador	102	12.7%
Nicaragua	104	8.4%
Honduras	114	12.0%
Total	925	9,034,455 <i>square feet</i>

Relevant credit report:

The Company does not have credits with financial institutions.

Comments and management analysis on operating results and issuer financial statement:

As we always do, we would like to begin by extending our sincere thanks to all our associates. Their dedication to our customers and members continues to be priceless, and together, we have successfully navigated a 2024 of intense activity.

We are fortunate enough to be able to visit our stores, clubs, and distribution centers in Mexico and Central America. It is always a pleasure to meet new associates who have joined us, catch up with those who have been with us for a while, and discuss with customers and partners about their experiences. We value hearing from them about what they think we do well, and what we can improve on. Their feedback makes us better.

As a company, our narrative is one of growth. We are focused on operating outstanding stores and clubs in conjunction with digital experiences that help people save money and live better. We have found that people really want four things:

- They want value for their money,
- They want a wide assortment of products,
- They want a great experience, and
- They want to do business with a company they can trust.

In these areas, Walmex stands out and we see this through our strategy: winning in discount, being leaders in omnichannel, and being the ecosystem of choice.

We know that when we perform at a high level, focus on the customer, and control the things within our reach, we have the opportunity to achieve strong sales growth and improve long-term return on investment. This is what we aim for and are actively focusing on.

To complement our traditional retail growth, we are also building a set of businesses that connect to this core, developing an ecosystem that mutually reinforces itself. Therefore, our business model and P&L are changing.

This portfolio composed of businesses that structurally deliver higher margins gives us greater flexibility to deliver our financial objectives and to make the necessary investments to grow the business in the future.

As eCommerce adoption continues at an accelerated pace, growing 20% in the year, we are expanding the Marketplace to complement our On Demand offering from stores and clubs. The GMV of Marketplace increased 21% in the year, driven by a 50% increase in the number of sellers and the addition of 60% more SKUs.

While we continue to invest in having the right technological platforms that will allow us to unlock all our eCommerce potential, we are growing and gaining market share. And as we attract more visits to our site, we can sell more advertising, which results in the growth of Walmart Connect by 26% in 2024.

Likewise, the rest of our new businesses have grown significantly. We are bringing our customers and members closer to the trends of digital connectivity. In 2024, Bait reached 18.3 million active users, while we sold 2.5 million health programs and our recent "Walmart and Bodega Aurrerá Benefits" Digital Connection program reached 46 million contactable customers, from whom we are learning every day to serve them better.

By themselves, each of these figures would represent great results in each of the industries in which they participate. These businesses increase the loyalty of our customers, driving higher frequency, a higher ticket, and therefore, capturing a larger market share. We are truly proud of what we are building with our ecosystem.

Before concluding, we would like to comment on COFECE's resolution.

COFECE concluded that Walmex had engaged in a single relative monopolistic practice related to supplier contributions. COFECE fined Walmex an amount less than 5 million US dollars and imposed certain corrective measures. COFECE acknowledged that Walmex can continue with the negotiations of the contributions with its suppliers, except in two specific contributions of the four originally investigated.

On January 6, 2025, WALMEX challenged COFECE's resolution through an indirect protection lawsuit, promoted in Specialized Federal Courts. Until the protection lawsuit is resolved, WALMEX's subsidiary will continue working collaboratively with its suppliers to ensure business continuity, in compliance with COFECE's resolution.

We will close today's remarks by saying that we feel good about the overall business. Our above-market performance demonstrates the preference of our customers and members, the strength of our diversified portfolio, and our value proposition, which is even more relevant in difficult market conditions.

As we move forward to 2025, we remain optimistic. We are aware of the challenges ahead, but we trust in our ability to overcome them. We will continue to prioritize our customers and invest in our people and technology, moving towards a prosperous future for all our stakeholders.

Operation results:

2024 results

Note: Please consider that Central America is referring to figures on a constant currency basis.

For the full year, consolidated revenues grew 8.2%, reaching 9.3% without exchange rate effect: 9.3% in Mexico and 9.4% in Central America.

Mexico

In general, we grew above the self-service and clubs market measured by ANTAD +190bps for the full year, being the eleventh consecutive year achieving a positive differential compared to ANTAD.

Performance by format

Looking at 2024, we have faced complex macroeconomic conditions, characterized by volatility and uncertainty. Despite this, the resilience and adaptability of our team allowed us to maintain a steady course, focusing on our long-term strategy and managing daily operational demands.

Growth was led by Sam's Club, as well as Groceries. This year was also benefited from "El Fin Irresistible". For those who don't know, it is our most anticipated seasonal event of the year and we have reported historical figures, including the sales record in a single day, which was November 18.

Winning in Discount

Regarding value, in 2024 we saw an opportunity to invest even more in prices and accelerate earnings in participation. Regarding price perception, we saw a 70 pb improvement during the year with growth in all our formats. Communication efforts, key items and the strength of Private Brands are behind this result, which has been one of our priorities to complement with the price difference we have built. Regarding assortment, during the year we expanded our Supercenter offer with licenses of recognized brands such as Mickey Mouse, Harry Potter and Hello Kitty, which were very successful. Also, as every year, from September to early January we had our "Jugueterilandia" toy annexes in more than one hundred Supercenters and Bodegas with additional licenses. These store extensions have good results, positioning us as the main destination for toy shopping in Mexico.

Our efforts in the transformation of Walmart Express continue to bear fruit, as our customers are appreciating our initiatives in terms of improvements in customer experience, assortment and perishables. We had a great season in Bakery with over 1 million of our premium bakery products sold after the changes we have made

throughout the year with the return of our premium bakers. The penetration of Private Brands continues to improve. In 2024, penetration increased +50 basis points compared to the previous year. Our private brands have been and will continue to be a priority for us in the coming years, offering prices that customers can afford, so they can expect their share to increase consistently. To conclude, we continue to work on efficiencies throughout the organization and reviewing each process. We have been sharing with you every year some of the results. During 2024, we implemented the "Smart Receiving" program internally from our Distribution Centers to Stores and Clubs, as well as with Direct Store Delivery suppliers, with benefits in more supplier deliveries, faster availability on the sales floor for customers, better inventory rotations and overall productivity improvement.

Omnichannel

Our customers are valuing the convenience of online shopping, and we are continually refining our digital offerings and assortment to meet their constantly evolving needs. For the full year, eCommerce GMV also grew 20% and accounted for 7.4% of total GMV. On Demand as main driver was benefited throughout the year thanks to "Despensa a tu Casa" from Bodega, which has proven to be a success with the highest growth rate among formats. Supercenter and Walmart Express also doubled their growth rate compared to 2023 thanks to faster deliveries through increased availability of same-day delivery slots and "Pronto" deliveries in up to 90 minutes. For Extended Assortment, we have been improving delivery times for Marketplace with the goal of delivering products faster to our customers, thanks in part to Walmart Fulfillment Services. During 2024, we had our "El Fin Irresistible" event, our biggest seasonal event of the year that took place from November 7 to 20. We had more than 170 million eCommerce visits throughout the event. Particularly November 18 was the day with the highest sales in the company's history! Historical figures during the event were widespread across all our formats. "Despensa a tu Casa" from Bodega had a 72% growth against last year, while our two Walmart formats had a record service level during the event and Sam's Club reached a record number of memberships. In addition to the technological transformation in which we have been and will continue to work on the implementation of Walmart's Global Platforms; we are also focusing on digitizing and simplifying some key processes along the way, such as in-store picking, guide generation, our pickers app, among others; which helps us reduce times and improve store productivity, delivery times and overall customer experience.

Ecosystem

Bait, our telecommunications business, has reached 18.3 million active users. We are thrilled at how this business continues to bolster our omnichannel strategy by enhancing frequency while escalating both sales and profits quarter by quarter. As for Financial Solutions, during the "El Fin Irresistible" event, Cashi was the most downloaded financial application in Mexico. We persist in testing Cashi's open-loop banking solutions in our pilot with friends & family. Our highly profitable advertising business, Walmart Connect, recorded a 26% increase in annual revenue. Throughout 2024, we have continued to roll out our in-store digital initiatives, such as the expansion of advertising space through TV Screens in over 200 Bodegas and the digital Totems in 80% of our Supercenters, equipped with a camera to measure audience interaction, a valuable metric for our advertisers. Lastly, our "Walmart y Bodega Aurrera Beneficios" program is gaining significant traction. By the end of 2024, we reached a sizeable 46 million reachable customers. The program's penetration already

accounts for about a third of total transactions, enabling us to better understand our customers in ways we previously couldn't. This is assisting us in better knowing our customers and their shopping missions, leading to improved communication to meet their needs. We are looking forward to sharing additional insights about what we are learning from these customers soon. We are still developing the capabilities to unlock the full potential of the program.

Performance Vs. Market

This year we saw the opportunity to increase our investments in price, even during the "El Fin Irresistible". The good execution of these investments, coupled with our value proposition, yielded positive results. We grew above the self-service and clubs market measured by ANTAD +190pbs in the year.

Central America

We are very pleased with the efforts our teams are making, given the region's economic slowdown, commercial and pricing efforts are more important than ever for our customers. In the year Central America reported same-store sales growth of 4.3%, driven primarily by volume. It's good to see Costa Rica gradually coming out of deflation. Regarding our omnichannel ambition, eCommerce reported a growth of 73%, thanks to store expansion, the launch of the mobile application, among other initiatives.

New Stores

Although same-store sales make up the majority of our growth today, the opening of new stores is also important. During the year we opened 180 new stores, exceeding last year's number of openings and representing a record number since 2013. These new stores contributed 1.7% to total revenue, above the guide given at our Walmex Day. These openings included store number 2,500 of Bodega Aurrera in Mexico and our store number 4,000 in the region with the opening of Walmart Naranjo in Guatemala, which was the first hypermarket we opened in the country since 2016.

We are focused on our growth strategy and committed to maintaining this momentum forward. As we shared at our last Walmex Day, we plan to accelerate store openings in the coming years.

2023 results

Note: Please consider that Central America is referring to figures on a constant currency basis.

For the full year 2023, consolidated revenue grew 8.2%, reaching 9.3% in constant currency: 9.3% in Mexico and 9.4% in Central America.

Mexico

In 2023, as a result of our strategy, investments in pricing, and listening to our customers, we managed to outperform the formal market measured by ANTAD by 60 basis points, this being the tenth consecutive year

achieving a positive differential vs ANTAD figures. This speaks to the consistency and discipline of our execution over the past decade, coupled with the work and effort that our associates put in every day.

Performance by Format

All our formats and divisions experienced positive growth again. We observed a similar effect with “El Fin Irresistible” in November to what was reported in June with the Hot Sale event, where consumers waited for the right moment, at these type of events, to purchase high-value products.

Bodega and Sam's Club continue to deliver good results quarter after quarter, for our 2 Walmart formats, we continue working on our key initiatives regarding our enhanced offering of perishables, an optimized catalog, and a better look & feel of our stores, which has already helped us gain share in certain categories like fruits and vegetables.

At Sam's Club, the team is focused on offering the best products and working in a more digital way to further improve our members' experience. We organized our “Plus Fest” event, where we offered great value and unique items for our Plus members. We had a sales growth of 15% compared to the same event last year and an increase in acquisition of all our different memberships. eCommerce continues to show momentum at Sam's: online sales grew, becoming a key factor for the results.

Winning at Discount

The combination of the lowest prices and an efficient catalog has helped us maintain the trust of our customers; this is reflected in a 120 basis point improvement during the year in the perception of self-service prices and in our omnichannel NPS of Bodega that in 2023 increased 110 bps vs last year.

We are always looking for new ways to better serve our customers. For example, thanks to the positive results we have seen in Bodega, we enabled the first self-checkout within a Bodega Aurrera Express, which has had very good results.

We know how important proximity is for Bodega customers, so we are constantly looking to get closer and reach more of them; Bodega Aurrera Express is our vehicle to achieve this. Bodega Aurrera Express is our key expansion format. Additionally, during the year we achieved the milestone of opening store number 2,400 of our Bodega formats in Morelos, helping us reach our expansion goals for the year.

In Supercenter, for example, our “Electronics, Video and Cell Phones” category achieved double-digit sales growth. We are seeing encouraging results with the key initiatives we have been implementing in our Walmart formats regarding the catalog, the improvement of the perishable product offering, and the look and feel of some stores. For Walmart Express, for example, the Omnichannel NPS in 2023 increased 710 bps compared to last year, which demonstrates how well our customers are perceiving these efforts. That said, we recognize that these formats can grow faster and we are implementing additional actions to achieve it.

Our Brands continue to be a key factor in our efforts to Win at Discount, growing year after year, which reflects the trust that our customers have in their quality and value. This year we launched and relaunched more than 800 products and continue to strengthen quality through our suppliers to deliver the best products to our customers and partners.

Omnichannel

On Demand continues to be a key driver. We already have this service in more than 1,200 stores; about half of them are from our Bodega formats, which celebrated the third anniversary of “Despensa a tu Casa”.

We are adapting our omnichannel experience to the different customers we serve.

Regarding the Extended Assortment, the SKUs of our Marketplace increased 2.7 times compared to last year, while the sellers increased by 50%.

We continue to evolve to provide the level of service that our customers expect. As you know, Walmart Fulfilment Services is key to delivering faster to our customers and continues to grow.

For the full year, our GMV grew by 21.7%, reaching a share of 6.8% on total sales and our Net eCommerce Sales increased by 18.3% compared to 2022.

We are further consolidating our position as leaders in Omnichannel. We have seen customers, post-pandemic, return to physical stores more than we originally thought, but we continue to see strong digital traffic and an increase in ticket value, so we remain positive with the acceleration of our growth plan for eCommerce. The average ticket of our On Demand customers is 2.5 to 3 times higher than that of traditional brick customers, and in the case of an extended catalog in Bodega, it can reach up to 10 times.

Our focus continues to be the acceleration of Extended Assortment primarily driven by the marketplace. We are making it easier for sellers to work with us, developing our cross-border capabilities, and investing in technology, driven by Walmart, to further enhance the customer experience. This is without sidelining our leadership in On Demand and being the primary destination for grocery purchases at home.

Ecosystem

Bait reached 11.8 million active users at the end of the year, more than doubling the figure from 2022. The growth rate in this vertical has become exponential and thanks to this strategy, more customers have low-cost access to the digital economy. Bait is becoming a significant traffic generator and represents the possibility of having a 24/7 reach of digital customers for Walmex.

Walmart Connect grew by 34% compared to last year. This growth is in line with what has been a constant of a solid year where Connect has continually become a relevant advertising alternative for many of our suppliers.

On the other hand, our Financial Services are gaining relevance for our unbanked customers so they can acquire the merchandise they need. This year we granted more than 500 thousand credits and we will continue working to strengthen our credit offer to customers. In addition, by offering our suppliers the possibility of anticipating payments, we achieved a 32% revenue growth in our factoring business during 2023.

Finally, our Health vertical had a solid year with more than one million health memberships sold. These memberships offer our customers access to easy and low-cost health services, discounts at our pharmacies, free consultations, assistance services, among other things. Like with other verticals, it is a significant traffic generator towards our pharmacies, where customers with a health membership have a pharmacy ticket 4 times higher than a regular customer.

Performance Vs. Market

We will continue listening to the needs of our customers, acting quickly, and innovating to constantly improve our value proposition and transform the shopping experience to maintain the trust of our customers.

In 2023, thanks to our strategy and investments in price, we managed to outperform the formal market measured by ANTAD by 60 basis points. This marks the tenth consecutive year of success and demonstrates our consistency and discipline in execution, backed by the effort of our associates.

Central America

Our focus on serving customers, through price and catalog, contributed to a growth in sales at equal units above the inflation of the region. The growth was affected by political demonstrations in October in Guatemala and deflationary pressure in Costa Rica, which were partially offset by volume growth in all markets.

The omnichannel momentum continues, gradually launching in Bodegas in Costa Rica while advancing with the implementation in Guatemala that started during the third quarter of 2023. Total eCommerce sales had a positive double-digit growth.

We are working to gradually build an ecosystem that should bring more opportunities in the future.

New Stores

The contribution of new stores to the growth of consolidated sales was 1.5% for the entire year.

Our Bodega formats led in terms of openings and we have also resumed our store growth plan in Guatemala.

In 2023 we opened 162 stores, which represents a record figure since 2013. We plan to accelerate this even more in the coming years. We continue to see space to open new stores and we are pleased with the results of these new openings.

2022 results

Note: Please consider that Central America is referring to figures on a constant currency basis.

For the full year 2022, consolidated revenue grew 11.3%: 11.5% in Mexico and 13.6% in Central America.

Mexico

We kept our winning streak in Mexico by growing same-store sales 10 bps ahead of the market measured by ANTAD. Marking 9 consecutive years surpassing the formal market's growth measured by ANTAD.

Performance by format

Bodega's omni evolution is resonating with customers. Despensa a tu Casa reached 443 stores, where we are offering more than 64,000 items for same-day delivery in half of the Bodega households that we serve, solving a relevant pain-point for our Bodega customers, which is transportation.

A strong Customer Value Proposition is propelling sustainable membership and sales growth at Sam's Club. We hosted another edition of the Plus Fest, where we offered unique items and great value for our Plus members. Plus memberships reached a record penetration of 60%, which is great for our business as these members buy 40% more frequently than a benefits member.

We continued to reinforce our Member's Mark offering to increase member's loyalty and to help them save even more. We also launched Member's Mark Food Trucks in 18 clubs to generate a differentiated experience for our members and to promote our brand.

We concluded the conversions from Superama to Walmart Express. Now we have 101 stores operating under the new brand. We will continue fine-tuning our value proposition to offer our customers a seamless shopping experience and to accelerate growth going forward.

Omnichannel

Throughout 2022, we saw customers adapting to new shopping habits again and I am proud about how the team responded to this challenge. We delivered more than 13 million orders during 2022 and NPS increased 470 bps.

Online sales grew 16.6% during the year and GMV grew 19.0%, which translates into a 67% growth on a two-year stacked basis and a 340% growth on a three-year stacked basis.

The evolution of our supply chain is backing up these results, our omnichannel distribution efforts were awarded with the Premio Nacional de Logística Galardon Tameme.

Our goal is to deliver what customers want, how and when they need it, in a seamless experience, and our omnichannel proposition and investments are helping us to move fast in this direction.

Ecosystem

We know financial inclusion is low among our customers, especially among the most price-sensitive ones, and we are crafting credit solutions that meet their need so they can afford the merchandise they need.

We enabled a new lender on the digital credit marketplace in Cashi for 100 Bodega stores, and we started an MVP to originate credit digitally through CrediBodega.

Cashi was a very important sales driver through the seasonal period. By year end, we reached 5.4 million users, growing 218% vs. last year.

With BAIT, by the end of 2022 we had 7.8 million total users, of which 5.6 million are active. With this figure, we surpassed the users' goal we set for 2022.

Performance vs. The market

When we started to see inflation go up at the beginning of 2022, we decided our priority should be to protect our customers from inflation, by investing aggressively in prices and adapting our commercial offering, among other actions.

We were able to expand our self- service price gap 100 bps for the full year.

Our strategy was well received by customers, and they rewarded us with their loyalty.

With the 10.3% same-store sales we achieved in 2022, we've been able to grow ahead of the formal market measured by ANTAD for 9 years in a row, demonstrating the consistency and discipline of our execution.

By listening to our customers and working with an end-to-end vision, we were able to deliver for our customers through a challenging and atypical period.

Central America

We continued with the implementation of our strategy: to win in Bodega and Discount and to simplify our business.

We progressed with the roll out of an enhanced CVP in the Bodega and Discount formats, reaching 309 stores and covering the main competitive traits in Costa Rica and Guatemala.

New Stores

We opened our first regenerative Bodega store, in Temixco, State of Mexico, the first regenerative Sam's Club in Huinalá, Nuevo León and the first regenerative Walmart Express in Querétaro, Querétaro. These stores are equipped with energy efficiency initiatives and access features for people with disability and materialize our goal to become a 100% regenerative company by 2040.

During the full year 2022, we opened 126 new stores, bringing our low-price value proposition and granting access to low-cost solutions to new customers in 17 cities.

New stores contribution to consolidated sales growth was 1.2% for the year, in line with the guidance we shared with you at the beginning of 2022.

Financial position, liquidity and capital resources:

2024 Balance

Cash decreased by 10.2% compared to the same period in 2023.

Inventories experienced a growth of 16.4%, surpassing sales growth, due to an increase in inventory to improve in-stock levels at the beginning of 2025 and lower sales in certain categories. We are prioritizing the improvement of our inventory days for 2025, reinforcing our capital discipline in this area.

And finally, accounts payable grew approximately in line with sales, reporting a growth of 6.6% compared to the previous year.

Over the past twelve months, we generated \$92.1 billion pesos in cash. We invested \$34.8 billion pesos in CAPEX on high-return projects to accelerate growth, above the market and in line with the guidance provided at our Walmex Day.

We returned \$37.4 billion pesos to our shareholders in the form of dividends; our working capital for the period required \$8.3 billion pesos, due to the increase in inventories mentioned earlier, and we paid \$16.4 billion pesos in taxes.

In summary, our cash position ended the year at \$36.5 billion pesos.

We will continue to create value for our shareholders.

2023 Balance

In 2023, we have stepped up significantly our Capex execution investing 28.8 billion pesos in high return projects, above our guidance, due to opportunities to accelerate our organic expansion, reflecting our commitment to accelerate our growth story.

We paid almost 20 billion pesos in taxes and our associate share plan required over 4 billion pesos. We started operating our share buyback program repurchasing shares worth close to 1 billion pesos.

In 2023, we generated 83.8 billion pesos in cash and 9.9 billion pesos through working capital, the latter helping us to improve capital efficiency.

We returned 46.3 billion pesos to our shareholders as dividends, 57% more compared to last year, due to the special one-off dividend paid in April.

With all this, we ended the year with a cash position of \$40.7 billion pesos.

Our strategy translates into value creation for shareholders with improved returns on investment.

2022 Balance

Capital Expenditure for the full year 2022 stood at \$21.3 billion pesos, representing 2.6% of total revenue.

Actual CapEx was 23% below the guidance we provided for the year. The main reason behind this variation was the global supply chain disruption that we experienced at the beginning of 2022, which caused delays in technology supplies, store equipment and construction materials. This required us to defer the implementation program we've planned for some projects.

Another one of the reasons behind actual CapEx execution, was the strategic decision to increase the automation's scope of the Tlaxcala and Bajío distribution centers. The increase of fixed costs in Mexico is one of the main drivers behind this decision, making it more feasible for us to accelerate the automation strategy by implementing technologies already proven in other markets.

Besides increasing productivity, this investment will allow us to offer our associates a safer and healthier environment and to continue to reduce the risk of accidents, to ease process for our stores with simpler pallets, and to improve availability for our customers.

We recognize CapEx execution was significantly below our guidance. We plan to catch up with some of these projects in 2023, but you can expect us to continue to invest in a very disciplined way.

During 2022, cash generation grew 9.6% and reached \$79.8 billion pesos. Inventories grew in line with revenues and working capital required \$6.7 billion pesos.}

We returned \$29.6 billion pesos in dividends after investing \$21.3 billion pesos in projects aligned to our long-term strategy.

Our strategy translates into value creation for shareholders.

Internal control:

Having the highest regulation compliance standards and an appropriate control system is fundamental to achieving the objectives established by Walmart de México y Centroamérica.

The company's internal control assures:

- Assets safety.
- Compliance with the law and established policies.
- Proper operations registry.
- Reliable and timely information.
- Prevention, identification and detection of frauds.

The control of our operation is supported in several administrative systems in order to comply with fiscal regulatory requirements and obtain detailed information.

Our control processes are dynamic, continuously adapting to the changes in our environment:

1. Policies and Procedures.
 - Restrictive regulatory environment.
2. Accounting Control.
 - Account catalog.
 - Accounting guidelines and allocation of Balance accounts.
 - Monthly conciliations and exception reports.
3. Segregation of Duties.

As a public corporation, Walmart de México y Centroamérica operates with the Corporate Best Practices:

- Ethics Code.
- Board of Directors integrated in terms for Securities Market Law.
- Audit and Corporate Practices Committee.
- Financial transparency and communication of relevant information.
- Open-door policy; any associate can inform irregularities to higher hierarchy levels.

- Internal Control reviews of the main accounts of P&L and Balance Sheet under US GAAP, in accordance with the Sarbanes-Oxley Law.
 - Internal reviews to the Financial Controls of P&L and Balance Sheet accounts that are relevant to the provisions of the FCPA (Foreign Corrupt Practices Act) provisions of the United States of America.
-

Estimates, critical accounting provisions or reserves:

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
 - Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.
-

[427000-N] Administración

External auditors of the administration:

The Consolidated Financial Statements for the company and its subsidiaries as of December 31 of each year have been audited by Mancera, S.C., a member of Ernst & Young Global since 1998, and there were no adverse comments for any of the periods audited. Approval of the Independent Auditor is the sole domain of the Board of Directors for **WALMEX**, after receiving the opinion of the Audit Committee. The fees paid in 2024 to the Independent Auditor amounted to 34.8 million pesos for auditing and other services rendered.

Transactions with related parties:

There are operations conducted with Walmart Inc., and other related parties. These consist of the purchasing of merchandise and the payment of services and royalties, which are performed under market conditions.

Related party balances

At December 31, 2024, 2023 and 2022, the consolidated statement of financial position includes the following balances with related parties:

	December 31, 2024	December 31, 2023	December 31, 2022
Accounts payable:			
C.M.A. – U.S.A., L.L.C.	Ps. 1,147,599	Ps. 801,317	Ps. 612,659
WMGS Commercial Services Limited	47,931	28,257	-
	Ps. 1,195,530	Ps. 829,574	Ps. 612,659
Other short-term accounts payable:			
Walmart Inc.	Ps. 1,754,150	Ps. 1,331,668	Ps. 1,302,994
WMGS Commercial Services Limited	Ps. 69,888	Ps. 52,797	Ps. 134,956
Newgrange Platinum Services LTD	Ps. 3,126	Ps. 37,742	Ps. 21,417
	Ps. 1,827,164	Ps. 1,422,207	Ps. 1,459,367
Other long-term accounts payable:			
Walmart Inc.	Ps. 65,462	Ps. 133,834	Ps. 163,409

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2024, 2023 and 2022, there were no uncollectible related party balances.

Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Walmart Inc. (previously with Newgrange Platinum Service, LTD, until August 31, 2024) that are payable monthly.
- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam's.

The terms of the related party transactions are consistent with those of an arm's length transaction.

The Company had the following transactions with related parties during the years ended December 31, 2024, 2023 and 2022:

	December 31, 2024	December 31, 2023	December 31, 2022
Purchases and commissions related to the import of goods for sale:			
C.M.A. – U.S.A., L.L.C.	Ps. 6,071,824	Ps. 5,406,569	Ps. 4,822,933
WMGS Commercial Services Limited	853,559	874,819	887,463
	<u>Ps. 6,925,383</u>	<u>Ps. 6,281,388</u>	<u>Ps. 5,710,396</u>
Costs and expenses related to technical assistance, services and royalties:			
Walmart Inc.	Ps. 10,142,075	Ps. 9,245,998	Ps. 8,574,148
Newgrange Platinum Service, LTD	471,530	551,659	508,630
	<u>Ps. 10,613,605</u>	<u>Ps. 9,797,657</u>	<u>Ps. 9,082,778</u>

Remuneration of principal officers

Remuneration to the Company's principal officers and Board of Directors for the years ended December 31, 2024, 2023 and 2022 is as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
Short-term benefits	Ps. 2,062,959	Ps. 2,022,879	Ps. 1,806,127
Termination benefits	118,701	82,857	104,512
Share-based payments	23,315	92,303	68,353
	<u>Ps. 2,204,975</u>	<u>Ps. 2,198,039</u>	<u>Ps. 1,978,992</u>

Administrators and shareholders:

Our company is built on the foundations of integrity and the highest standards of ethics, thus always guaranteeing strict adherence to the legislation in force in all the countries where we operate.

Board of Directors

Members at December 31, 2024.

	<i>Member since</i>
Chairman of the Board	
Guilherme Loureiro	2016
Directors	
María Teresa Arnal*	2022
Ignacio Caride	2024
Ernesto Cervera*	2014
Elizabeth Kwo*	2022
Eric Pérez-Grovas*	2018
Karthik Raghupathy	2022
Viridiana Ríos*	2024
Venessa Yates	2024
Tom Ward	2021

**Independent Directors*

Makeup and Frequency:

- It is comprised solely by statutory members.
- The officers of the Company and its subsidiaries are limited to executive presidency and general direction positions only.
- Members are appointed each year by the Ordinary Shareholders' Assembly.
- The Board of Directors meets a minimum of four times a year. During 2024, they held seven meetings. The average meeting attendance was of 94.7%.
- Independent Directors must constitute a minimum of 25% of total members. As of December 31, 2024, 50% of all directors are independent.
- The average tenure of the members of the Board is 3 years.
- Minority shareholders, whose shares represent a minimum of 10% of owners' equity, have the right to appoint and remove a member of the Board of Directors. Their appointment may only be removed when the other members of the Board of Directors are revoked. At the close of 2024, 28% of the company shares are traded among the investor public.
- 4 of the members are women, i.e. 40%
- 5 of the members are independent, i.e 50%

Other practices:

- The Board evaluates the performance of each director.
- Independent Directors are experienced in the core business and strategic areas of the company
- The Board has access to independent consultants
- The Chairman of the Board does not act as Secretary and does not preside Audit and Corporate Practices Committee.

Primary responsibilities

- Appoint the President and CEO of the company.
- Act as adviser/ consultant for company top management.
- Work with Top Management to develop overall strategies for the company and its subsidiaries
- Oversee management and operation of the company and its subsidiaries.
- Approve information and communication policies regarding shareholders and the market.
- Ensure that overall strategy is in line with the company principles on ESG

The Board of Directors receives the support of two committees for its duties; said committees are charged with in-depth analysis of matters related to its field of expertise and offer recommendations to the Board so it may study the information and make the best decision, creating value for our shareholders and stakeholders.

Note: On April 10, 2025, the Shareholders' Meeting of Walmex accepted the resignations of Leigh Hopkins and Tom Ward from their positions as Directors of the Board, accepted the resignation of Kathryn McLay as

Director and Chair of the Board, ratified the interim appointment previously made by the Board of Venessa Yates as Director, and appointed Rachel Brand as Director.

Audit and Corporate Practices Committees

As of December 31, 2024, these Committees had three statutory Directors, all of them independent.

Members at December 31, 2024.

Chairman

Ernesto Cervera*

Members

Eric Pérez-Grovas*

Elizabeth Kwo*

*Independent Directors.

Primary responsibilities

- Voicing opinions on the hiring of the Independent Auditor for the Company and establishing fees.
- Ensuring the existence of a proper internal control scheme for the Company that meets any and all applicable accounting and legal provisions, and reviewing Company transactions with related parties.
- Reviewing the financial statements and ensuring they are a true and accurate reflection of the financial situation for the Company. They also have a set procedure for receiving, retaining, and responding to claims concerning accounting practices and controls, and any audit issues. Moreover, said committees have the necessary resources for, and are authorized to retain the services of counsel and/or any other outside adviser needed to perform their duties.
- Reducing the risk of conducting operations such that could affect Company worth or could result in the granting of favored conditions to any one group of shareholders.
- Approving policies for the use of properties pertaining to the net worth of the Company.
- Authorizing transactions with related parties.
- Serving as support for the Board of Directors in producing reports on accounting practices.
- Holding private meetings and receiving periodic reports from Internal Audit, Legal, Compliance, and Ethics.
- Calling Shareholders to meetings and ensuring that the order of business includes all points deemed necessary.

Principal requisites and practices:

- Ensure independent auditors do not provide consultancy services for the Company.

- All members are independent directors, experts in finance, auditing, systems, economics and private equity.
- Ensure that the partner from the independent auditing firm that renders the opinion on the financial statements is periodically rotated.

Compensation and Succession Planning Committee

As of December 31, 2024, the committee was made up of three directors.

Composition as of December 31, 2024.

Members:

Guilherme Loureiro (President)

Ernesto Cervera *

María Teresa Arnal *

*Independent Directors.

Main responsibilities

- Support the Board of Directors in the performance of its responsibilities related to the compensation and succession planning of relevant executives and associates.
- Recommend the form or amount of compensation for relevant executives, as well as the development of succession plans for senior executives and key directors.
- Annual review and recommend to the Board of Directors the corporate objectives and goals, and evaluate their performance.
- Annual review and recommend to the Board of Directors, in collaboration with the CEO, the compensation for company executives.
- Have the general responsibility of reviewing the compensation and benefits structure applicable to the company's associates.

Walmart de México Foundation Board of Trustees

The Walmart Foundation Board of Trustees is comprised of 12 executive members, three of whom are independent directors, and meets four times a year.

The Walmart de México Foundation is committed to providing support to the community, contributing significantly to local development through the implementation of high-impact programs.

Trustees at December 31, 2024

- Juan Carlos Alarcón
- Ignacio Caride
- Roberto Delgado
- Jorge Familiar*
- Paulo Garcia
- Julie Gehrki*
- Kathleen McLaughlin*
- Raúl Quintana
- Marinela Servitje*
- Javier Treviño
- José Luis Torres*
- Adriana Velázquez

*Independent trustees

Senior Officers as of April 29, 2025

IGNACIO CARIDE President and Chief Executive Officer (CEO) 7 years of experience in the Company	
JUAN CARLOS AJA Vice President, Merchandising Food 29 years of experience in the Company	JUAN CARLOS ALARCÓN Senior Vice President, People Mexico-CAM 12 years of experience in the Company
EDMUNDO DELGADO Vice President Operations W2 26 years of experience in the Company	MARIA DOLORES FERNANDEZ LOBBE Senior Vice President, Chief Merchandising Officer Mexico 4 years of experience in the Company
PEDRO MARTIN PATIÑO GONSENHEIM Vice Presidente, People Partner Operations 17 years of experience in the Company	OSCAR BADILLO Vice President, Controllership 8 years of experience in the Company
FRANCIA PRISCILA DEL CARMEN ALARCON Vice President, Taxes 6 years of experience in the Company	MILTON BRANDT Vice President, Finance CAM 7 years of experience in the Company
GUILLERMO EMILIO BARRETO AREAS Senior Vice President, Commercial Finance Mexico 8 years of experience in the Company	JOSE ANGEL GALLEGOS VILLASEÑOR Vice president, Chief Operations Officer 20 years of experience in the Company
JOSE ANGEL SANCHEZ VILLALOBOS Vice President, Merchandising Sam'S Club 19 years of experience in the Company	NAYELLI GUTIERREZ ARISTA Vice President, Internal Audit Mexico and Central America 8 years of experience in the Company
JAVIER ANDRADE Senior Vice President, General Merchandise Officer 25 years of experience in the Company	PAULO JORGE DA ENCARNACAO CALADO GARCIA Senior Vice President, Chief Financial Officer Mexico and Central America 4 years of experience in the Company
ANUSHA PILLAY	GERARDO ARTURO ADAME LEGORRETA

Vice president, EDLC and Ops Support 2 years of experience in the Company	Vice President, Walmart Connect And Data Ventures 3 years of experience in the Company
MARIANA REBECA GONZALEZ GARCIA Vice President, Merchandising Entertainment And Seasons Mexico 17 years of experience in the Company	OWEN STEVE OLIVA MALDONADO Vice President, Perishables Mexico 12 years of experience in the Company
CARLA MARINA ACEVEY Vice President, eCommerce 4 years of experience in the Company	TOMAS ANDRES DURANDEAU LABARCA Senior Vice President, Bodega Aurrera 3 years of experience in the Company
SANDRO NORBERTO DO NASCIMENTO Vice President, Supply Chain 2 years of experience in the Company	IVONNE MONTIEL Senior Vice President, Sam's Club Operations 16 years of experience in the Company
JAVIER TREVIÑO CANTU Senior Vice President, Coporate Affairs Mex CAM 3 years of experience in the Company	BEATRIZ NÚÑEZ Senior Vice President, Chief Growth Officer 7 years of experience in the Company
MARCELINO HERRERA VEGAS Senior Vice President, Financial Solutions 2 years of experience in the Company	YVONNE ALEJANDRA PACZKA Vice President, People Transformation And Office Experience 7 years of experience in the Company
RAÚL QUINTANA Vice President Senior, Omnichannel Operations 26 years of experience in the Company	CRISTINA RONSKI Senior Vice President and General Manager, Central America 5 years of experience in the Company
TODD RAY STARBUCK Vice President, Supply Chain Transform 1 year of experience in the Company	ERIKA ABIGAIL FALFAN Vice president, Real State MEX-CAM 10 years of experience in the Company
JOSE ELEAZAR CHAPA MONTEMAYOR Vice President, Data and Product 1 year of experience in the Company	ADRIANA VELÁZQUEZ Vice President, Ethics, Compliance and Legal Mexico 13 years of experience in the Company
GASTÓN WAINSTEIN Senior Vice President, Supply Chain and Real Estate Development 24 years of experience in the Company	JUAN MANUEL EUGENI Vice President, Operations Bodega Aurrera Mexico 17 years of experience in the Company
EDUARDO VILLARREAL HOLGUERA Vice President, Operations W2 10 years of experience in the Company	FRANCISCO JOSE PEREZ BRENA Vice President, Merchandising Central America 7 years of experience in the Company
RICHARD VARGAS LOAICIGA Vice President, Operations Central America 34 years of experience in the Company	MARIANA ALEJANDRA FONSECA MEDINA Vice president, Customer Office 1 year of experience in the Company

No Board members or Executives (Secretary and Prosecretary) are related to each other. No Director or Executive has significant holdings in the Company, either as individuals or as a group, above 1%.

The total payment made from the Company to its Directors and main Executives during the year ended December 31, 2024 amounted to \$2,205 million pesos. The payment made by the Company to the totality of

its personnel, including its main Executives but excluding its Directors, consists of a fixed part and a variable component, represented by a bonus for results, whose amount depends on accomplishing the goals stated in the Business Plan for the year in question.

As of December 31, 2024, the employee stock option plan fund is comprised of **WALMEX** shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant Restricted Stock Units (RSUs) and Performance Equity Units (PEUs) to the company's executives, based on the provisions established in the Securities Market Law and applicable regulations, and based on **WALMEX** Corporate Bylaws.

As of December 31, 2024, the employee stock option plan fund consisted of 210,735,342 **WALMEX** shares, which have been placed in a trust created for the plan. As of December 31, 2024, the granted and exercisable shares under the stock option plan fund are 184,008,959 and 98,980,228 respectively.

During the period from January 1 to December 31, 2023, a total of 30,349,610 shares were assigned, and 14,619,946 shares were exercised. The Company purchased the stock necessary for this plan through the Mexican Stock Exchange. The stock holdings in the Personnel Stock Option Plan Fund represent only 1.2% of outstanding shares as of December 31, 2024.

Intersalt, S. de R.L. de C.V. is the majority shareholder of Wal-Mart de México, S.A.B. de C.V., and beneficiary of more than 10% of the Company's capital stock; its equity interests as of December 31, 2024 amount to 70.57% of the representative shares of the outstanding shares, making it a shareholder which executes control and significant influence in the Company. The remaining shares are distributed as follows:

Stock situation as of December 31, 2024		
	Million shares	%
Intersalt, S. de R.L. de C.V.	12,312	70.6
Personnel stock option plan fund	211	1.2
Market	4,923	28.2
Subtotal –Outstanding shares-	17,446	100
Treasury shares*	15	
Total	17,461	

**Note: During the year ended as of December 31, 2024, there was there was no repurchase of its own shares. During the year ended as of December 31, 2023, 15,080,454 shares of WALMEX were acquired; such repurchase implied reduce the capital as is shown in the Consolidated statements of changes in equity.*

In turn, a subsidiary of Walmart Inc. is the majority partner of Intersalt, S. de R.L. de C.V. Walmart Inc. is a U.S. Corporation listed in the New York Stock Exchange; its ticker symbol is WMT.

It is important to indicate there are neither Board Members nor Senior Officers of the Company in possession of individual shareholdings over 1%.

Company Counselors[Abstract]

Related [Member]

Caride Ignacio			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2024-04-30			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Raghupathy Karthik			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2022-07-04			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Ward Tom			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit		Corporate Practices	Evaluation and Compensation
NO	NO	NO	
Others			
NO			
Designation			
Designation date			
2021-03-23			
Period for which they were elected		Position	Time worked in the Issuer
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
His resignation as Director was accepted at the Shareholder's Meeting on April 10, 2025.			

De Souza Macedo Loureiro Guilherme

Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO	SI	
Others			
NO			
Designation			
Designation date			
2016-03-31			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Presidente	No aplica	No aplica
Additional Information (Administrator)			

Yates Venessa			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2025-10-04			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
Venessa was appointed on an interim basis by the Board on October 23, 2024, but her appointment as Director was ratified at the Shareholder's Meeting on April 10, 2025.			

Brand Rachel			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2025-10-04			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
On April 10, 2025, at Walmex Shareholders' Meeting, Rachel Brand was appointed as a Director.			

Independent [Member]

Ríos Contreras Viridiana		
Gender	Directorship Type	
Mujer	Propietario	
Participate in committees		
Audit	Corporate Practices	Evaluation and Compensation
NO	NO	NO
Others		
NO		
Designation		
Designation date		

2024-04-30			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Kwo Elizabeth			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
SI	SI		NO
Others			
NO			
Designation			
Designation date			
2022-10-20			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Cervera Gómez Ernesto			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
SI	SI		SI
Others			
NO			
Designation			
Designation date			
2014-03-20			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Arnal Machado María Teresa Altgracia			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		SI
Others			
NO			
Designation			
Designation date			
2022-10-20			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Pérez Grovas Aréchiga Eric		
Gender	Directorship Type	
Hombre	Propietario	
Participate in committees		
Audit	Corporate Practices	Evaluation and Compensation
SI	SI	NO
Others		
NO		
Designation		
Designation date		

2018-03-22			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Relevant directors [Member]

Caride Ignacio			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices	Evaluation and Compensation	
NO	NO	NO	
Others			
NO			
Designation			
Designation date	Assembly Type		
2024-04-30			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
No aplica	President and Chief Executive Officer	7	No aplica
Additional Information (Administrator)			

Velazquez Villaseñor Adriana			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date		Assembly Type	
2024-09-12			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
No aplica	General Counsel	13	No aplica
Additional Information (Administrator)			

Da Encarnacao Garcia Paulo Jorge			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices	Evaluation and Compensation	
NO	NO	NO	
Others			
NO			
Designation			
Designation date	Assembly Type		
2021-02-08			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
No aplica	Senior Vice President and Chief Financial Officer	4	No aplica
Additional Information (Administrator)			

Total percentage of men as relevant directors: 67

Total percentage of women as relevant directors: 33

Total percentage of men as counselors:	50
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Total percentage of women as counselors:	50
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Has a policy or program of labor inclusion:	Yes
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Description of the policy or program of labor inclusion

FOSTERING BELONGING

We uphold a set of timeless values that shape our culture and behaviors, with respect for the individual at the core. We are committed to ensuring all associates are valued, seeking to make them feel excited about developing their careers with us. At Walmart de México y Centroamérica, opportunities are abounded for all. We aspire for everyone to feel recognized for their unique contributions, supported in their daily work, and connected to their peers. In doing so, we create opportunities for them, as well as for our suppliers, business partners, and other stakeholders, while strengthening the communities in which we operate. We strive to cultivate a work culture in which associates at all levels feel like an integral part of the company.

- **BELONGING:** Our goal is to build a corporate culture in which each associate feels valued for who they are, deeply rooted in respect for the individual.

Our strategy consists of 4 pillars:

1. Women in the Workforce
2. Personal Identity
3. Talent with Disabilities
4. Non-Discrimination

We have established governance structures that provide effective oversight of our belonging strategy. Our Advisory Council comprised of operations and business leaders from Mexico and Central America has the purpose of consolidating inclusive strategies in our organization.

We also have policies that strongly support our culture of belonging:

- Code of Conduct
- Equal Pay Policy
- Global Harassment and Discrimination Prevention Policy

WOMEN IN THE WORKFORCE

We promote respect, opportunity, and a culture of belonging for our associates.

- **2024 OBJECTIVE:** Female executive talent 43.0% in Mexico and 44.5% in Central America.
- **2024 RESULTS:** Female executive talent 42.6% in Mexico and 42.4% in Central America.

We promote the development and empowerment of female talent through initiatives such as the *Red Crecemos Juntas* (We Grow Together Network), which has brought together over 600 participants with the goal of strengthening critical skills for their personal and professional growth. This effort led us to being recognized in first place in the Best Companies for Women in Mexico ranking, awarded by Grupo Expansión.

In addition, with the Women in Real Estate and Distribution (WIRED) project, we train and empower women in the workforce who operate loading equipment in our distribution centers, offering sessions designed to help them identify and value their strengths, which in turn helps us tap into new talent pools and highlight opportunities for all.

To foster belonging in our recruitment in Mexico, we formed strategic alliances with organizations to highlight opportunities and expand talent pools in key areas. These partnerships help attract and develop women in technical and leadership positions, promoting female talent and streamlining the hiring process.

55% of our workforce is made up of women.

55% of the promotions were for women.

136 women are developing in STEM (Engineering and Information Technology) positions.

Pay Equity

We are committed to fair and equitable pay for associates in all countries where we operate. We have processes, tools, and systems in place to help ensure equitable, bias-free compensation for offers, movement, and promotions within the organization. Measuring and disclosing pay gaps promotes transparency. In 2024, we conducted both adjusted and unadjusted pay gap analyses in Walmart de México y Centroamérica and obtained the following results:

Adjusted pay gap: The adjusted pay gap indicates whether associates performing the same work—accounting for job-relevant factors like geographic location, business unit, internal level and position,—are paid fairly relative to one another, regardless of protected status. Our most recent adjusted pay gap analyses indicates that female associates are paid \$0.9987 MXN for every \$1 MXN that male associates are paid.

Unadjusted pay gap: While we believe that the adjusted pay gap is the most meaningful measure for determining pay equity, we also report on the unadjusted pay gap, which indicates median pay differences when not adjusting for factors like geographic location and internal level (reflecting relative representation in higher- or lower-paying roles). Our most recent unadjusted pay gap analyses shows that female associates are paid 99.76% of the pay for male associates.

PERSONAL IDENTITY

At Walmart de México y Centroamérica, we actively promote respect for the individual and value a culture of belonging. We highlight the importance of supporting all associates, including the LGBT+ community and strive to create an environment in which each individual feels valued and respected.

We reaffirm our commitment to belonging and support for the LGBT+ community through various initiatives. During the National Day for Labor Inclusion, we were recognized by Pride Connection Mexico for fulfilling their 10 commitments to create safe workspaces and we signed the San Jose Declaration, which promotes non-discrimination and Human Rights for the LGBT+ community in the workplace.

SUCCESS STORY

Volunteering LGBT+ *VIHve Libre* in Mexico

As part of the Pride Month actions, the Associate Resource Group (ARG) PROWD team organized the first collection of products such as food and personal hygiene items for the organization *VIHve Libre*, which promotes belonging and supports the LGBT+ community. We benefited +100 people who needed it most with these donations.

TALENT WITH DISABILITIES

During 2024, we continued to implement initiatives that provide people with disabilities with the opportunity to work and grow professionally within our company.

2024 OBJECTIVE: To have 3.75% of associates with disabilities in Mexico and 4.9% in Central America.

2024 RESULTS: 3.8% in Mexico and 5.0% in Central America.

- 9,493 associates with disabilities | 7,647 Mexico | 1,846 Central America

Swat TwD Team

We formed the Swat TwD Team (Talent with Disabilities), dedicated to leading initiatives that integrate people with disabilities into our daily activities. We proactively mapped these associates' needs and opportunities, ensuring accessible processes and open positions for TwD. We also certified our associates, who were trained in Mexican Sign Language (LMS), to encourage empathetic relationships and increase the productivity of teams that include members with hearing disabilities.

Inclusión con el Corazón (Inclusion with Heart)

Through the AsCanasta pilot program, we enable our associates to purchase products in good condition, at a 90% discount, but that are not suitable for customer sales. The remaining 10% is used to finance academic scholarships for associates and provide functional aids for associates with disabilities. We delivered more than 87 functional aids in Mexico, which represented an investment of more than 260 thousand pesos. We aim to create a virtuous cycle that fosters the development and growth of internal talent and contribute to our associates' financial well-being, while also diverting perishables from landfills.

Sensory-friendly Hour

We relaunched the Sensory Hour to support people with visual and auditory hypersensitivities. We offer a special schedule from 7:00am to 8:00am every day, during which we reduce sensory stimuli such as

promotional screens and loudspeaker announcements. Furthermore, during the Halloween and Christmas seasons, we turn off lights, inflatables, and any other stimuli, all with the aim of enhancing their shopping experience.

SUCCESS STORY

Janeth, ambassador of our belonging culture

Janeth, a Bodega Aurrera associate in Veracruz, has stood out for her exceptional performance since joining Walmart de México y Centroamérica. Besides being an active promoter of our values and a Walmart Culture ambassador, she is an example both within her store and in her community. Thanks to her performance, customer commitment, and values, she was recognized with the opportunity to attend Shareholders, a cultural event that fosters associate commitment and brings together people from all the countries where we operate.

Janeth became the first associate from Walmart de México y Centroamérica with hearing disabilities to attend this event. To make it possible, the team helped her issue her passport and visa, and provided comprehensive support, including the presence of a Mexican Sign Language interpreter, allowing her to fully enjoy the experience. With actions like these, Walmart reaffirms its commitment to prioritizing talent over any condition, highlighting its genuine dedication to belonging.

Accessibility

We foster belonging in our stores, offices and distribution centers by creating accessible spaces for people with disabilities. We provide specialized infrastructure that includes:

- **Inclusive Checkout:** Cash registers with accessible sections designed for people with disabilities.
- **Assistance Button:** A wireless device connected to associates' portable radios that emits a predefined signal to request assistance in specific areas for people with disabilities.
- **Signage and Tactile Maps:** Raised graphic representations and braille texts detailing the layout of spaces, including the design of sales floors and restrooms.
- **Tactile Flooring:** Indicative tactile guides for directions for people with visual disability.

NON-DISCRIMINATION

Non-discrimination not only represents a fundamental value for us but also defines how we operate daily. We strive to create an environment where every individual feels valued, respected, and appreciated. We recognize that our true strength lies in our unique associates and steadfast commitment to belonging.

More than 190 suppliers in Mexico and Central America are part of the Business Commitment for Diversity and Inclusion.

SUCCESS STORY

Self-Checkout with instructions in Mayan language

We are excited to launch Inclusive Self-Checkout at our *Maxi Despensa* and *Despensa Familiar* stores in Guatemala, reaffirming our commitment to our customers. This initiative caters to the Chimaltenango, Sololá, Quiché, Totonicapán, Quetzaltenango, Alta Verapaz, and Petén regions by offering self-checkout technology with instructions in three significant Mayan languages: *Kaqchikel*, *K'iche'*, and *Q'eqchi'*. These languages were selected based on their importance in the country.

In collaboration with the Mayan Languages Association, we ensured that all communications are accurate and respectful. The self-checkout machines provide instructions in both Spanish and Mayan through audio commands, making shopping easier and more independent for customers. This technology enhances speed and efficiency, improving the overall shopping experience. Additionally, our associates are trained to use the self-checkout equipment, ensuring excellent service and resolving any issues. Including Mayan languages adds an extra layer of accessibility without altering the purchase process.

- 22 stores with Mayan-language self-service checkouts.

Company shareholders [Abstract]

Beneficial shareholders of more than 10% [Member]

N/A N/A Intersalt, S. de R.L. de C.V.	
Shareholding	70.57
Additional Information (Shareholders)	

Shareholders with influence [Member]

N/A N/A Intersalt, S. de R.L. de C.V.	
Shareholding	70.57
Additional Information (Shareholders)	

Shareholders exercising control [Member]

N/A N/A Intersalt, S. de R.L. de C.V.	
Shareholding	70.57
Additional Information (Shareholders)	

Association and other agreements:

WAL-MART DE MÉXICO, S.A.B. DE C.V. BYLAWS

CHAPTER ONE NAME, ADDRESS, PURPOSE, AND TERM

ONE. The name of the corporation is WAL-MART DE MÉXICO. This name shall always be followed by the words SOCIEDAD ANÓNIMA BURSÁTIL DE CAPITAL VARIABLE, or its abbreviation S.A.B. DE C.V. The corporation may use the word “Wal-Mart” as part of its name pursuant to a license agreement with Wal-Mart Stores, Inc. (the “Permanent Shareholder”) or a corporation related to it. If the Permanent Shareholder ceases to be, directly or indirectly, the majority shareholder of the corporation, it shall immediately call for a general extraordinary shareholders’ meeting to change its name, within sixty (60) calendar days, to any other not including the word “Wal-Mart” or any confusingly similar words.

TWO. The legal domicile for the corporation shall be in Mexico City, but representations or branch offices may be established or conventional domiciles may be stipulated in anywhere within the United Mexican States or abroad.

THREE. The purpose of the corporation is:

Notwithstanding, the general capacity of the Company referred to in this article and article 4 (fourth) of the General Corporations Law, as well as the authority of the general meeting of shareholders or the Board of Directors to recognize and ratify any acts carried out by the Company other than those listed below, the purpose of the Company is:

1. To promote, incorporate, organize, exploit and take interest in the capital and equity, directly or indirectly by any legal means, shares, participations, certificates of participation or representative interests of the capital or assets of all kinds of commercial, civil companies, associations, trusts, industrial, commercial, service companies or of any other nature, or entities of any kind, both national and foreign, from their incorporation or at a later time, as well as sell, assign, transfer, negotiate, encumber or otherwise dispose of or pledge said shares, participations, participation certificates or interests.
2. To acquire, issue and offer securities to the public, in accordance with the applicable provisions, and to repurchase shares in accordance with the terms of the Securities Market Law and those provisions derived therefrom.
3. Carry out operations and negotiate with all types of securities, as well as forwards.
4. To obtain, purchase, register, have in possession, use, prove use, license, sublicense and dispose of any time of franchises, patents, trademarks, trade names, copyright, as well as any type of intellectual or industrial property.

Activities in pursuit of its Purpose:

Likewise, and notwithstanding the generality of the provisions of the second paragraph of article 4th of the current General Corporations Law, which is hereby reproduced as if it were inserted, and as a consequence of what is there established, the company may carry out all those businesses, acts, contracts, agreements, agreements, declarations, procedures, records, lists, processes and/or procedures, in the broadest sense of said

terms, both public and private, that are necessary and/or convenient for the achievement of its corporate purpose, as it was delimited in this Third Clause, whether they are of a commercial, civil, administrative, criminal, labor, fiscal or any other nature, regardless of their form, provided that they are not prohibited or restricted by law, and in those cases in which prior government authorization is required, provided that the same has been obtained, including without limitation:

I. Obtain and grant financing, by any means; issue bonds, debentures, stock certificates and/or any other type of debt and/or credit titles and/or securities, with or without guarantee.

II. To assume any obligations on its own behalf or on behalf of third parties, no limited to mortgages, pledges, trusts or by any other figure; as well as becoming a joint and several obligor, guarantor and/or guarantor of third parties, whether they are related or not;

III. Underwrite, accept, endorse, guarantee and/or in any way negotiate any credit instruments and/or securities.

IV. To acquire and purchase (even by donation) any movable property and real estate; lease, sublease, and obtain or grant its possession, use and enjoyment by any form, including grant rights for the use and disposal of, and in general, the exploitation of, any movable property or real estate, including loan agreements.

V. Obtain, acquire, possess, use and dispose of all kinds of records, listings, concessions, permits, licenses and authorizations, as well as modify, update, take notes and/or cancel any of said records and/or listings regarding any securities issued by the Company in one or more stock exchanges institutions, either in Mexico or abroad, and if applicable, deposit them in any institutions for the deposit of securities in Mexico or abroad;

VI. Participate directly or indirectly, individually or as part of a consortium, in all kinds of contests and/or public or private biddings, whether national or international, as well as in bidding by restricted invitation or direct award and/ or contracts called by entities of the federal or local public administration, whether centralized or parastatal, decentralized organizations, powers of the union, federal, local or municipal authorities, companies with a majority state participation, productive state companies, organizations constitutionally autonomous and, in general, any government bodies, national or foreign, regardless of the form and/or proportion of said participation, including without limitation acting directly or indirectly as the bidder or successful bidder, even in the form of the consortium or through its participation in any pre-existing vehicle or created expressly for said purpose, subcontractor, integrator, common representative;

VII. To maintain insurance policies with domestic or foreign insurance companies;

VIII. Hire any third parties, either individuals or companies, national or foreign, as necessary and/or convenient for the development and/or achievement of the purpose of the company.

FOUR. The term of the corporation shall be ninety-nine years beginning on the eighth day of March, in the year nineteen hundred and ninety-three.

CHAPTER TWO CAPITAL STOCK AND SHARES

FIVE. (a) The capital of the corporation is variable.

(b) The minimum fixed capital amounts to \$5'591,362,245.00 (five billion, five hundred and ninety-one million, three hundred and sixty two thousand, two hundred and forty-five Mexican pesos).

(c) The authorized maximum variable capital amounts to \$100,000,000,000.00 (One hundred billion pesos, lawful currency of the United Mexican States).

- (d) The capital, minimum, or fixed or variable, shall be represented by shares of the same series, registered, common or ordinary, without par value, of free subscription, representing one hundred percent (100%) of the voting shares, which may be subscribed or acquired by individuals or entities, domestic or foreign.
- (e) The capital stock shall be represented by a minimum of 3,000,000,000 (three billion) and a maximum of 100,000,000,000 (one hundred billion). The Board of Directors may increase or decrease the number of shares outstanding, provided that it is within the minimum and maximum amounts provided for in this paragraph.
- (f) Given that the corporation is a publicly-traded corporation (sociedad anónima bursátil) governed by the Securities Market Law, and that the right of withdrawal in accordance with the last paragraph of Article fifty (50) of the Securities Market Law is not applicable to said corporations, it is agreed that there shall be no distinction between the shares representing the fixed capital and those representing the variable capital; therefore, shareholders shall have a proportional interest in the shares of the fixed and variable capital. The corporation shall indicate in the stock certificate or provisional stock certificates the amount of its minimum fixed.
- (g) The capital may be increased by further contributions of the shareholders or by the admission of new shareholders and in the events referred to in Article one hundred sixteen (116) of the General Corporations Law, and decreases of the capital by reimbursement to shareholders, to absorb losses and the repurchase of shares.
- (h) Increases and, if applicable, decreases of the capital stock shall be approved by the general ordinary or extraordinary shareholders' meeting, as applicable, in any case, with the notarization of the relevant minutes, except when said increases or decreases result from the repurchase of the shares of the corporation.
- (i) Any increase and decrease of capital resulting from one or more of the following events, except when modifying the minimum fixed capital or the maximum authorized variable capital, shall not require the approval of the meeting and may be declared by the Board of Directors: (i) capitalization of stockholders' equity items; (ii) a decrease in the capital stock to absorb losses; or (iii) increases or reductions resulting from the repurchase of shares. In the event of (i) and (ii) above, the number of shares outstanding shall not vary, given that shares have no par value.
- (j) On an annual basis, at the general annual ordinary meeting, the Board of Directors shall inform the meeting: (i) the number of shares repurchased by the corporation and whether said shares have been made outstanding or their cancellation is applicable; (ii) the amount of the capital, within the minimum and maximum authorized; (iii) the number of shares outstanding at the close of the previous year; and (iv) the use given to the powers granted by this Article. This obligation is separate from the reporting obligations of the corporation.
- (k) The corporation may repurchase shares in accordance with the terms of the Securities Market Law and the provisions derived therefrom, out of the capital stock and, if applicable, a fund created with net profits, called fund for the repurchase of shares.
- (l) Corporations in which Wal-Mart de México, S.A.B. de C.V., is the majority shareholder shall not invest, directly or indirectly, in shares of the same, [nor of any other corporation that is a majority shareholder of Wal-Mart de México, S.A.B. de C.V.], except in the event where the shares are purchased to comply with stock options granted or that may be granted to the employees of said corporations, provided that the shares owned by them do not exceed twenty-five percent of the total shares of the corporation.
- (m) The corporation may issue shares to be subscribed by the investing public, provided that it complies with the following: (i) the general extraordinary shareholders' meeting approves the maximum amount of the capital increase and the terms under which the relevant shares shall be issued; (ii) the subscription of shares is

made in a public offering, after registration with the National Registry of Securities, in compliance with the provisions of the Securities Market Law and the general provisions derived therefrom; (iii) the amount of capital being subscribed and paid is disclosed by the corporation when it discloses the authorized capital stock represented by the issued and unsubscribed shares; and (iv) the preferential subscription right referred to in Article one hundred thirty two (132) of the General Corporations Law shall not be applicable with respect to capital increases made by public offering.

SIX.

1. All the shares into which the capital stock is divided are registered, indivisible, and with no par value. Shares confer rights on the holders and make them liable to those obligations corresponding to common stock. The corporation, directly and/or through an institution for the deposit of securities or a credit institution acting as registration agents in the name and on behalf of the corporation, shall keep a shareholders' registry in accordance with Article one hundred twenty-eight (128) of the General Corporations Law, in which the subscriptions, acquisitions or transfers of shares representing the capital stock shall be recorded, stating the name of the subscriber and the acquirer. Any person acquiring one or more shares shall assume the sellers' rights and obligations with respect to the corporation. Ownership of one or more shares means the acceptance by a holder of the provisions of the bylaws of the corporation, the amendments or modifications hereto and the resolutions adopted by the general shareholders' meetings and the Board of Directors, regardless of the rights provided for herein.

The corporation shall only acknowledge as shareholder the persons registered as such in the shareholders' registry book maintained by the corporation directly and/or through an institution for the deposit of securities or a credit institution acting as registration agents in the name and on behalf of the corporation. However, with respect to shares intended to be outstanding among the investing public, the indication of this circumstance and of the institution for the deposit of securities in which the stock certificate or certificates representing said shares shall suffice for registration, and, in such case, the corporation shall also acknowledge as shareholders the persons that evidence such capacity with the certificates issued by the relevant institute for the deposit of securities, together with the list of holders of the relevant shares, prepared by whom appears as depositor of said certificates.

2. Shares shall be represented by printed certificates. Provisional stock certificates may be issued until final stock certificates are printed.

3. The provisional and final stock certificates representing the capital stock shall be consecutively numbered and shall represent one or more shares. Stock certificates shall contain the items listed in Article one hundred and twenty-five (125) of the General Corporations Law. Articles five (5), six (6) and twenty-five (25) herein shall be transcribed verbatim thereon. Stock certificates shall have two written or facsimile signatures of either the Chairman or the Chief Executive Officer, if a board member, or the secretary or alternate secretary of the Board of Directors, or the signatures of two members of the Board as appointed by the Board for said purpose. Stock certificates may have coupons attached and be duly numbered. Stock certificates or provisional stock certificates may be exchanged for others of different denominations, provided that new or provisional stock certificates represent the same number of shares as those given in exchange. Should the certificates or provisional certificates be lost, stolen or destroyed, they may be replaced pursuant to the provisions of Title One, Chapter One, Section Two of the General Law of Negotiable Instruments and Credit Transactions, with expenses for said replacement to be covered by the owner of the relevant certificates.

CHAPTER THREE

GENERAL SHAREHOLDERS' MEETING

SEVEN.

1. The supreme authority of the corporation is the General Shareholder' Meeting, which shall hold either ordinary or extraordinary meetings.

2. The ordinary shareholders' meeting shall meet:

I. To deal with the report referred to in Article one hundred seventy two (172) of the General Corporations Law with respect to the immediately preceding fiscal year of the corporation and the companies controlled by the corporation, as well as the other reports that, pursuant to Article twenty-eight (28), section IV of the Securities Market Law, must be submitted by the Board of Directors of the corporation. Said report shall state the main positions held by each director, indicating which director are independent and which are not.

II. If required, to designate the amount of capital stock that may be used to the repurchase of shares as well as the stockholders' equity maximum amount, with the only limitation being that the sum of the funds that may be allocated for said purpose shall under no circumstances exceed the aggregate balance for net income for the corporation.

III. To appoint and remove the Chairman of the Audit Committee as well as the Chairman of the Corporate Practices Committee.

IV. The general ordinary shareholders' meeting, in addition to the provisions of the General Corporations Law, shall meet to discuss and, if applicable, approve the transactions intended to be executed by the corporation or the entities controlled by it, during one fiscal year, when the transaction represents twenty percent (20%) or more of the consolidated assets of the corporation based on the figures corresponding to the close of the immediately preceding quarter, regardless of the manner in which such transactions are executed, either simultaneously or successively, but that due to their characteristics may be deemed a single transaction. The shareholders of voting shares, including limited or restrictive voting shares in accordance with Article forty-seven (47) of the Securities Market Law, may vote at such meetings.

V. Any other matter not expressly reserved by law or these bylaws to the General Extraordinary Shareholders' Meeting.

3. General ordinary meetings may be held at any time but must meet at least once each year within four months after the close of the fiscal year.

4. General Ordinary Meetings shall be deemed legally convened upon first call if at least half of the shares in the capital stock are represented thereat and resolutions shall be valid when taken by a majority of votes of those present at said meetings. If the meeting cannot be held on the date designated thereto, a second call shall be stating said circumstance. Meetings held upon second call shall be deemed legally convened with any number of shares represented thereat and its resolutions shall be valid if taken by a majority vote of those present thereat.

5. General Extraordinary Meetings shall be called to deal with the matters listed in Article one hundred and eighty-two (182) of the General Corporations Law:

- I. Extension of the term of the corporation;
- II. Advanced dissolution of the corporation;
- III. Increase or reduction of the Capital Stock;
- IV. Changes to the corporation's purpose;
- V. Change of the corporation's nationality;
- VI. Transformation of the corporation;

- VII. Merger and spin-off of the corporation;
- VIII. Issuance of preferred stock;
- IX. Amortization by the corporation of its own shares, issuance of preferred stock (acciones de goce);
- X. Issuance of bonds; and
- XI. Any other change to the bylaws.

General Extraordinary Shareholder's Meetings shall be deemed legally convened, upon first call, if at least seventy-five percent (75%) of shares are represented thereat and their resolutions shall be valid if approved by the shareholders representing at least half of said shares. Upon second or subsequent call, the General Extraordinary Shareholder's Meetings shall be deemed legally convened when at least fifty percent (50%) of shares are present. Resolutions shall only be valid if approved by the shareholders representing at least fifty percent of the capital stock.

EIGHT. General Shareholders' Meetings shall be held pursuant to the following rules:

1. Meetings shall be held at the corporate domicile, except in the event of force majeure, and shall be called by the Board of Directors through the Electronic System for Publications of Corporations. Calls shall be published at least fifteen calendar days prior to the meeting, except in the event provided for in Article Seven, section two, subsection II hereof, which term shall be of at least five calendar days prior to the meeting. Call shall include the date, time and place for the meeting, the Agenda, and shall be signed by whom makes said call. During said term, the books and documents related to the items on the Agenda of the Meeting shall be made available at corporate offices to the shareholders for consultation and, if applicable, shall include the financial statements with exhibits.
2. No call shall be necessary if attendees to the meeting represent all issued shares and if a meeting is adjourned for any reason and is to continue on a different date and time. In both cases, this circumstance shall be noted in the relevant minutes.
3. Shareholders may be represented at the meetings by the person or persons appointed through proxy letters granted in accordance with the terms of the applicable law in the forms made available by the corporation in accordance with section III of Article forty-nine (49) of the Securities Market Law. The corporation shall make available to the intermediaries of the securities market that evidence having the representation of the shareholders of the corporation, for the term referred to in Article one hundred seventy-three (173) of the General Corporations Law, forms of proxy letters prepared by the corporation, in order for said intermediaries to provide the forms in a timely manner to those represented by them. Proxy letters shall clearly indicate the name of the corporation and the respective agenda and shall provide space for the instructions of the grantor for the exercise of the proxy. The secretary of the Board of Directors of the corporation shall be required to make sure the provisions of this Article have been complied with and inform so to the shareholders' meeting, which shall be stated in the respective minutes. Members of the Board of Directors shall not represent the shareholders at any meeting.
4. To attend the meetings, the shareholders shall be registered in the shareholders' registry maintained by the corporation (directly or through an institution for the deposit of securities and the lists of depositors evidencing participation of said shareholder) or by a credit institution acting as registration agent in the name and on behalf of the corporation, obtaining, within the period of time indicated in the respective call, from the secretary of the Board of Directors the admission ticket to attend the meeting, which shall be requested to the secretary of the Board of Directors no later than two (2) days prior to the date set for the meeting.

5. Before calling the meeting to order, the officer presiding over shall appoint one or more recount clerks, who shall verify the number of shares represented and shall make a list of the attendees, stating the number of shares each represents.
6. After quorum is established, the Chairman shall declare the meeting convened and shall proceed to go over the items on the Agenda, presiding over any agreements and debates.
7. The meeting shall be presided over the Chairman of the Board of Directors and should he be absent, the person elected by the meeting. The secretary of the Board of Directors shall act as secretary of the meeting. If absent, the person elected by the meeting shall act as secretary.
8. The Secretary shall draft the minutes of each meeting and shall create a file therefor. The file shall contain the following:
 - a) A copy of the call that was published, should it be the case.
 - b) The attendance list of the owners of stock.
 - c) Proxy letters or the extract of the document used to evidence capacity certified by the secretary or recount clerk.
 - d) A copy of the meeting's minutes.
 - e) All reports, opinions and other documents submitted during the meeting.
 - f) Certification by the secretary that provisions in paragraph III of Article forty-nine (49) of the Securities Market Law have been complied with.
9. If for any reason a legally called meeting is not convened, a document stating said circumstance and the reasons thereof shall be drafted and a file shall be created in connection with paragraph eight above.
10. Resolutions taken by the general meetings are legally binding for all shareholders, including dissident and absent shareholders, shall be final and without further recourse. The Board of Directors is thereby authorized to adopt resolutions, issue orders and take actions or enter into agreement necessary for the execution of any approved resolutions.
11. Shareholders holding twenty percent (20%) or more of the capital stock may judicially oppose to the decisions adopted by the meeting.
12. Shareholders holding ten percent (10%) or more of the corporation's capital stock shall be entitled to request the adjournment, for one time only, for three calendar days and without any further call, the voting of any matter with respect to which they are not sufficiently informed.
13. If there is no quorum at a general ordinary or extraordinary shareholders' meeting, duly called, the call shall be republished with the same requirements and the same time periods as set forth in paragraph one of this Article. The meeting upon second or subsequent call shall be held provided that the number of shares set forth in Article Seven hereof for these types of meetings is always represented.
14. Without being gathered at a meeting, shareholders may adopt resolutions with the unanimous vote of the shareholders representing all the voting shares in the applicable matters, as the case may be, which resolutions shall be as valid as if adopted by the general shareholders' meeting, respectively, provided that such resolutions are confirmed in writing and entered into the applicable minutes book with the signature of the secretary of the Board of Directors.

CHAPTER FOUR

MANAGEMENT OF THE CORPORATION

NINE. Management of the corporation shall be entrusted to a Board of Directors and a Chief Executive Officer. The Board shall consist of the number of directors determined by the general ordinary shareholders' meeting, and they shall be no more than twenty-one, at least twenty-five percent of which shall be independent directors. Also, for each director, an alternate may be appointed. The alternate of an independent director shall also be independent. Unless otherwise agreed by the general ordinary shareholders' meeting, the majority of the directors and alternates shall be citizens and residents of any jurisdiction that does not cause the corporation or the securities issued by it, be object of a registry, authorization, registration or any other similar act in a jurisdiction different from the United Mexican States only by virtue of the citizenship or residency of its directors.

Independent directors shall mean the persons that, in the judgment of the general ordinary shareholders' meeting, have the necessary experience, ability and reputation, and considering that they will be able to perform their duties free of any possible conflicts of interests or influenced by personal, economic or other interests. The general shareholders' meeting appointing or ratifying the members of the Board of Directors or, if applicable, the meeting at which said appointments or ratifications are informed, shall determine the independent capacity of the directors. Notwithstanding the foregoing, in no event the persons referred to in sections I through V of Article twenty-six (26) of the Securities Market Law may be appointed or act as independent shareholders. Independent directors that during office cease to be deemed independent shall inform so to the Board of Directors no later than the following meeting of the said body.

TEN. The Board of Directors shall be in charge of Corporate affairs and shall execute the transactions, acts and agreements related to the corporate purpose, with the exception of those expressly reserved by law of these bylaws to the general ordinary or extraordinary shareholders' meetings. Said Board shall represent the corporation before any administrative and judicial authorities, with general powers for acts of ownership and administration and for lawsuits and collections, without limitation, in accordance with Article two thousand five hundred and fifty-four (2554) of the Civil Code for the Federal District. It shall also be authorized to exercise the powers that according to law require special clause, including, but not limited to, the following:

- a) To take the actions strictly pertaining to ownership matters such as, to sell, mortgage or otherwise dispose of or encumber, as well as to lease or pledge, the corporation's assets and property.
- b) To borrow money, issue bonds, purchase in installments and execute credit transactions without any limitation whatsoever, including the execution and acceptance of any type of negotiable instruments and become joint obligor on behalf of the corporation.
- c) In general, to direct, manage and control the corporate affairs and the administration of all its properties, overseeing compliance of any type of agreements and contracts in order to comply with the corporate purposes.
- d) To prepare, approve and submit to the shareholders the annual financial statements as required by law, and recommend and propose to the shareholders the resolutions deemed appropriate in connection with the income, profits and losses.
- e) To suggest plans and standards to be followed by the corporation, specifically with regards to the purchase, sale, lease, lien, mortgage and transfer of any type of movable properties or real estate, rights and concessions, franchises, incurrence of loans, and any other material management acts and concerns.
- f) To appoint and remove, freely, proxies and other corporation's officials and employees, to grant them powers and modify their authority, but always setting the limits set forth in Article Seventeen, set their compensation and determine the personal guaranty to be provided to secure the faithful performance of their

duties and approve the external auditor of the corporation, with the prior recommendation from the Audit Committee.

g) To establish and close branches and agency offices of the corporation.

h) With limitations set forth in Article Seventeen, to delegate, in whole or in part, powers to any person or individual, or group of persons, managers or other official or proxy, as well as to grant general or special powers, legal mandates or administrative authorities for any period of time, and to delegate to any person, whether member or not of the Board of Directors, the power to grant or revoke general and special powers, and to take any other action required to be completed.

i) To issue and exchange shares when it does not involve changes to the capital stock in accordance with the provisions of Article Five.

j) The non-delegable power to resolve the purchasing of shares representing the capital stock of the corporation, through the stock exchange, at the current market price, chargeable to stockholders' equity and, the capital stock, if applicable; and its later offering among the investing public.

k) The non-delegable power of the Board to approve transactions outside the ordinary course of business and intended to be executed by the corporation and its shareholders with persons who are members of the corporation's management, or with whom said persons have equity ties, or if applicable, blood ties or ties to the second degree, the spouse or common law spouse, and those transactions representing more than one percent of corporate assets; the purchase or sale of five percent or more of assets and the granting of guarantees in amounts exceeding five percent of assets.

l) After having first received an opinion from the Audit and Corporate Practices Committees, to decide on and approve those transactions that the corporation or its subsidiaries wish to execute with related parties or that compromise the corporation's estate.

m) To appoint among its members or alternates the members for the Audit and Corporate Practices Committees, provided that said Committees may act as one if they comply with the provisions of Articles forty-one (41), forty-two (42) and forty-three (43) of the Securities Market Law.

n) All others conferred by the Mexican laws and these bylaws that are not expressly reserved to the shareholders.

o) Create other Committees, internal or external, that are required for the effective performance of its obligations, and determine its integration and operation.

ELEVEN.

1. The members of the Board of Directors shall be appointed as set forth in Article Nine and shall hold office for the time period determined by the meeting, until such time as replacements have been elected and take office. Notwithstanding, a duly called shareholders' meeting may revoke the appointment of one or more Directors.

The Board of Directors may appoint provisional directors pursuant to and for the purposes set forth in Article twenty-four (24) of the Securities Market Law.

2. Unless otherwise required by the general ordinary shareholders' meeting, members of the Board of Directors are not required to guarantee any liability that could be incurred in the performance of their duties.

3. Directors shall be appointed with the majority vote of the shares entitled to vote at the general ordinary shareholders' meeting.

4. The minority shareholders representing at least ten percent (10%) of the capital stock, represented by shares subscribed by the corporation, shall be entitled to:

a) Appoint and remove a member of the Board of Directors. Such appointment may only be revoked when the other members of the Board of Directors are also removed, in which case, removed members shall not be appointed as such for a period of 12 months immediately following the date of removal.

b) Request the Chairman of the Board of Directors or the Chairman of the Audit and Corporate Practices Committees, at any time, to call for a general shareholders' meeting.

5. If upon holding elections of Directors as set forth in paragraph three of this Article, a minority shareholder or group of minority shareholders exercise the right granted by paragraph four above to appoint a director and its alternate for a fiscal year or a portion thereof, at any shareholders' meeting, said minority shareholder or group of minority shareholders may not vote during the appointment of the remaining directors for the same fiscal year or portion thereof.

TWELVE.

1. Meetings of the Board of Director shall be held at the corporate domicile, in the branch offices or agencies that have been established anywhere within the United Mexican States or abroad as determined by the Board. Meetings may also be held in person or with access through electronic or telecommunications means.

Resolutions taken in lieu of a board meeting, unanimously, shall be as valid as if taken by a meeting of the Board. In this case, resolutions may be taken regardless of the location of each Board member, or the means used for communication. Said resolutions shall be confirmed in writing, entered in the Board meeting's minutes' book and duly signed by the chairman and secretary or alternate secretary.

2. Meetings of the Board of Directors may be held at any time whenever called by the chairman, the secretary, the alternate secretary, the Audit and Corporate Practices Committees or twenty-five percent (25%) of the directors, in writing or otherwise, at least three (3) calendar days prior to the meeting, specifying the time, date, place and Agenda.

The Board of Directors shall meet at least four times each year.

3. Board members may waive in writing the need for a call to a meeting. If a director is present, it shall be deemed it has waived the call. No prior call is required for meetings included in the schedule approved by the Board. For other cases, any call made three (3) calendar days prior to the meeting shall suffice.

4. Except for cases outlined below in this same paragraph regarding the existence of quorum for any Board of Directors' meeting, attendance of at least half plus one directors or alternates is required. Resolutions on all matters reserved for the Board and listed on the Agenda shall be approved with the affirmative vote of at least half plus one of directors or alternates. To deal with and validly adopt resolutions on any of the matters listed below, the attendance of the chairman of the Board of Directors and at least half of the directors or alternate directors is required. Resolutions shall be adopted with the affirmative vote of the chairman of the Board of Directors and at least half of the directors or alternate directors. These matters are:

a) Any purchase or acquisition, through any means, sale or disposal of any title to property of the fixed assets of corporation or any permanent investment exceeding twenty-five percent of stockholders' equity pursuant to the most recent financial statements approved by the shareholders.

b) Incur debts maturing beyond twelve months and in an amount exceeding twenty-five percent of the stockholders' equity pursuant to the most recent document of financial information approved by the shareholders.

c) Grant bonds, pledges, mortgages and other guaranties of any kind in excess of twenty-five percent (25%) of the stockholders' equity pursuant to the most recent financial statements approved by the shareholders.

d) The appointment or removal of the Chairman of the Board of Directors and the Chief Executive Officer of the corporation, as well as the granting or revoking of their respective powers, in which case, neither the attendance nor the vote of the active chairman shall be required.

5. Minutes shall be drafted of any meetings of the Board of Directors. Said minutes shall be recorded in the Minutes book and signed by the Chairman and Secretary or Alternate Secretary of the Board.

6. For the provision of their services, directors shall receive the compensation set by the general shareholders' meeting, in addition to any travel expenses incurred in conducting the operations of the corporation, as well as those incurred for traveling to and from the place where the meeting is held.

The persons that have an employee relation with the Permanent Shareholder and its subsidiaries, including this corporation, that occupy a position of director, alternate director, secretary or alternate secretary, shall have no right to receive emoluments for its services, but only to the reimbursement of their traveling expenses.

7. Board members are in responsible for the resolutions adopted with respect to the matters referred to in section k) of Article Ten above, with the exception of the provisions of Article one hundred and fifty-nine (159) of the General Corporations Law and the events listed in Articles forty (40) of the Securities Market Law.

8. Members of the Board of Directors and the Chief Executive Officer shall meet the duties of care and loyalty as set forth in Articles thirty (30), thirty-one (31), thirty-two (32), thirty-four (34), and thirty-five (35) of the Securities Market Law, and shall refrain from engaging in conducts that may be deemed illicit deeds or actions pursuant to Article thirty-six (36) of the Securities Market Law.

9. The corporation shall indemnify and hold harmless the members of the Board of Directors with respect to any liability incurred to third parties in the performance of their duties and it shall pay the amount of said indemnification for any damages caused to third parties, the corporation or the entities it controls or in which it has significant influence, except with respect to acts that are intentionally malicious, in bad faith or illegal. In addition, the corporation may take out in favor of the members of the Board of Directors insurance, bonds or guaranties covering the amount of the indemnification for any damages caused in the performance of their duties to the corporation or the entities it controls or in which it has significant influence, except with respect to acts that are intentionally malicious, in bad faith or illegal.

CHAPTER FIVE OFFICIALS AND PERMANENT SHAREHOLDER

THIRTEEN. Once the Board of Directors is duly formed, in its first meeting, it shall appoint among its members a Chairman. Also, a secretary and an alternate secretary may be appointed, none of which are required to be a Board member.

FOURTEEN.- The duties and obligations for the Chairman of the Board are:

I. Preside over general shareholders' meetings and comply with its resolutions when no special executor is appointed.

II. Call for Board of Director meetings, preside over meetings and comply with its resolutions when no special executor is appointed.

III. Sign the minutes of shareholders' and Board meetings presided over by him, as well as the copies of said documents when issued upon request of the interested parties.

IV. Supervise the strict compliance with these bylaws, the interior regulations of the corporation and any agreements approved by the Board and the Committees.

V. Submit to the Shareholders on an annual basis a detailed report on the state of affairs of the corporation.

VI. Any others granted or imposed by the Board of Directors.

FIFTEEN. The corporation is a subsidiary of, and is controlled by, the Permanent Shareholder, who has expressed to the corporation its intention to become the owner of at least the majority of the voting shares and the capital stock of the corporation. The Audit and Corporate Practices Committee, solely comprised of independent directors, has determined that it is in the best interests of the corporation and its shareholders, without any distinction, to become a member of the business group lead by the Permanent Shareholder. Therefore, the corporation, after obtaining the favorable opinion of its Audit and Corporate Practices Committee and that of its Board of Directors, in both cases solely through the directors that are independent, may adopt policies and procedures with respect to the consistency, reporting, information, compliance, regulation, organization and other that are consistent with those adopted by the Permanent Shareholder, provided that said policies and procedures are consistent with and do not contravene Mexican law.

SIXTEEN.- The powers and duties of the secretary and alternate secretary of the Board of Directors are:

1. To act as such at the Shareholders' and Board meetings, and to draft any minutes thereof and sign them together with the Chairman of the Board.
2. To keep the Shareholders' and Board meetings' minutes books, as well as the Shareholders' and Capital Variations Registry Books.
3. To issue, upon request, copies of the minutes recorded in said books, and documentation relating to the corporation, as well as to sign certificates and communications in compliance with the law applicable to publicly-traded corporations (sociedades anónimas bursátiles).
4. Formalize any resolutions adopted by the Board of Directors and Shareholders' meetings, and those resolutions that under the applicable law are required to be formalized.

SEVENTEEN. The Board of Directors may freely appoint and remove the Chief Executive Officer and other senior executive officers, who may or may not be shareholders, and who shall have the obligations, powers and compensation allocated by the Board of Directors and those stated by Law; and shall secure the performance of their duties in the same manner as the directors. The powers granted to said Chief Executive Officer as well as to any other official employed by the corporation or its subsidiaries shall always require the prior approval by the Board with respect to the matters listed in Article Twelve, paragraph four hereof. The positions of directors and Chief Executive Officer shall be compatible and may be held by the same person, in which case the aforementioned guarantee shall only be provided once.

The Chief Executive Officer shall perform the duties of management, administrative and execution of the business of the corporation and the legal entities controlled by the corporation, as well as those activities described in Articles forty-four (44), forty-five (45), forty-six (46) and those applicable under the Securities Market Law.

EIGHTEEN. The Chief Executive Officer, or in his absence, the Board, may freely appoint and remove one or more managers, assistant managers and agents of the corporation, and who may or may not be shareholders, and may designate their powers, duties and compensation, with clear indication given of the scope of their rights and duties to be exercised and performed in the businesses and locations determined by the Board.

CHAPTER SIX

SURVEILLANCE OF THE CORPORATION

NINETEEN. Surveillance of the corporation shall be the responsibility of the Board of Directors, through the Audit and Corporate Practices Committees, which shall consist of at least three independent directors. The person conducting the external audit of the corporation shall also perform the surveillance activities. The members of the Audit and Corporate Practices Committees shall be annually appointed by the Board of Directors and shall perform the duties set forth in Articles forty-two (42) and forty-three (43) of the Securities Market Law and shall hold their positions for one year or until replacements have been appointed and take office.

CHAPTER SEVEN PROFITS AND RESERVE FUND

TWENTY. At the close of each fiscal year, the financial statements of the corporation and its subsidiaries shall be prepared, on a consolidated basis, based on the principles set forth in the Securities Market Law and the general provisions derived therefrom, pursuant to the accounting principles issued or acknowledged by the National Banking and Securities Commission and pursuant to the provisions of Article one hundred four (104) of the Securities Market Law. Said financial statements shall be completed within three months following the close of the fiscal year and shall be submitted to the general shareholders' meeting for approval. The following distribution shall be made of the net profits resulting from the financial statements approved by the shareholders' meeting:

- a) At least five percent is to be set aside to establish the reserve fund in accordance with the provisions of Article twenty (20) of the General Corporations Law, until said fund amounts to twenty percent (20%) of the historic capital stock. Said amounts are also to be used to create any other funds approved by the general meeting, including, without limitation, a fund for the repurchase of shares.
- b) The remaining profits shall be used as agreed by the general ordinary shareholders' meeting. As instructed by the shareholders' meeting, the Board of Directors may pay at any time dividends on profits earned pursuant to financial statements approved by the shareholders. Any dividends declared and not collected by the shareholders within a period of five (5) years shall be deemed waived in favor of the corporation.
- c) When so agreed by the general extraordinary shareholders' meeting, the corporation may proceed to redeem shares with distributable income pursuant to the rules set forth in the General Corporations Law.

CHAPTER EIGHT DISSOLUTION AND LIQUIDATION

TWENTY-ONE. The corporation shall be dissolved upon expiration of the term referred to in Article Four, unless said term is extended prior to its expiration by agreement of the general extraordinary shareholders' meeting or prior to said expiration for any of the reasons outlined in Article two hundred and twenty-nine (229) of the General Corporations Law.

TWENTY-TWO. Upon completion of the dissolution process of the corporation by the shareholders' meeting, one or two liquidators shall be appointed, who shall proceed to liquidate the corporation and distribute any proceeds among the shareholders in the direct proportion to the number of shares held by each shareholder. Said liquidators shall be granted full powers to liquidate the corporation and may, therefore, collect any amounts due to the corporation and pay any amounts owed by it. Also, liquidators shall initiate any suits and proceedings and pursue them to completion with full powers pursuant to Articles two thousand

five hundred and fifty-four (2554) and two thousand five hundred and eighty-seven (2587) of the Civil Code for the Federal District. Liquidators are also authorized to cancel mortgages and other liens; settle disputes and sell properties or securities of any nature. With regards to any powers and obligations not specifically set forth in these bylaws, liquidators shall have those conferred by Articles two hundred and forty-two (242) and others in accordance with the General Corporations Law.

TWENTY-THREE. Shareholders shall be responsible for the corporation losses only to the extent of the value of their respective subscribed and unpaid shares.

TWENTY-FOUR. Founding partners as such do not reserve any special interest in the profits.

CHAPTER NINE GENERAL PROVISIONS

TWENTY-FIVE. Any foreigner who upon the incorporation or at a later time acquires any interests or shares in the corporation shall, therefore, be deemed a Mexican national with respect to said interests or shares and it shall be understood that said foreigner agrees not to claim the protection of his government, under penalty, in case of failure to comply with this agreement, of forfeiting such interests or shares to the Mexican nation.

TWENTY-SIX. Fiscal years for the corporation shall run from January first through December thirty-first of each year.

TWENTY-SEVEN. For the purpose of canceling registration of the shares with the Registry, pursuant to the terms of Article one hundred eight (108), section II of the Securities Market Law, the corporation shall be exempted from making the public offering provided for in said legal provision; provided that the corporation proves to the National Banking and Securities Commission that the shareholders, representing at least ninety-five percent (95%) of the capital stock of the corporation, have given their consent by agreement of the meeting that the amount for the shares to be offered to the investing public is less than three hundred thousand (300,000) investment units and creates a the trust referred to in the last paragraph of section II of said Article one hundred eight (108) and notifies the cancellation and creation of the trust through the means provided in the Securities Markey Law.

TWENTY-EIGHT. The provisions of the Securities Market Law and the General Corporations Law shall apply to any matters not expressly provided for in these bylaws.

TWENTY-NINE. Any interpretation of any of the provisions of these bylaws shall be made pursuant to the laws applicable in the United Mexican States, including the provisions of the Securities Market Law, the general provisions issued by the National Banking and Securities Commission, the General Corporations Law and the other sources referred to in Article five (5) of the Securities Market Law. In case of interpretation or any dispute thereof, the federal courts sitting in the corporate domicile of the corporation shall be competent.

Additional information Administrators and shareholders

This element does not apply to **WALMEX**.

[429000-N] Mercado de capitales

Shareholding structure:

Walmart de México y Centroamérica stock trades in the Mexican Stock Exchange under the **WALMEX** ticker symbol.

Stock structure			
As of December 31, 2024			
Millions of Shares			
Series		Number of Shares	%
Single	Free subscription, with voting rights	17,446	100

The company has a sponsored ADR program on its single series shares. The depositary bank is The Bank of New York.

Behavior of the share:

Relevant Stock Indicators					
	2020	2021	2022	2023	2024
Maximum Price	60.10	78.78	81.92	75.96	72.88
Minimum Price	50.32	57.22	65.84	59.51	51.89
Closing Price	55.98	76.09	68.59	71.57	71.69
Volume (millions)	4,349.80	3,615.70	3,612.90	3,723.04	5,229.10

Relevant Stock Indicators 2024				
	QUARTER			
	1 ST	2 ND	3 RD	4 TH
Maximum Price	72.88	69.00	68.02	61.54
Minimum Price	65.50	59.94	58.13	51.89
Closing Price	67.00	62.26	59.17	54.89

Volume (millions)	1,024.7	1,296.6	1,407.3	1,500.5
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Relevant Stock Indicators 2023

	QUARTER			
	1 ST	2 ND	3 RD	4 TH
Maximum Price	75.96	74.87	70.63	71.90
Minimum Price	69.19	66.57	63.15	59.51
Closing Price	72.03	67.72	65.60	71.57
Volume (millions)	752.4	1,055.9	981.6	933.1

Relevant stock indicators (october 2024 - march 2025)

	OCT	NOV	DIC	ENE	FEB	MAR
Maximum Price	61.54	56.35	61.40	57.89	58.49	58.39
Minimum Price	55.02	51.89	54.03	53.58	54.38	52.77
Closing Price	55.02	53.90	54.89	53.72	54.38	56.36
Volume (millions)	1,281.9	1,094.4	1,135.7	1,231.5	1,063.7	1,104.3

Name of each market maker

This element does not apply to WALMEX.

Identification of the values

This element does not apply to WALMEX.

Effective beginning, extension or renewal

This element does not apply to **WALMEX**.

Description of the services provided

This element does not apply to **WALMEX**.

Overview of the impact of the performance

This element does not apply to **WALMEX**.

PEOPLE IN CHARGE

"The undersigned hereby solemnly swear that, in the performance of our respective duties, we prepared the information relative to the issuer contained in the annual report herein and to the best of our knowledge said information reasonably reflects the situation of the aforementioned issuer. In addition, we hereby swear that we have no knowledge of the omission or falsification of material information contained in said annual report or that it contains any information that could mislead the investors and cause them to make erroneous judgments."

(Signed)

Ignacio Caride
*President and Chief
Executive Officer*

(Signed)

Paulo Garcia
*Senior Vice President and Chief
Financial Officer*

(Signed)

Adriana Velazquez
General Counsel

Mexico City, April 29, 2025

Mexico City, April 29, 2025

Statement by the external Auditor

Exclusively for the purposes of the information related to the financial statements audited in accordance with number 3 of subsection a) of section I of article 33 of the General Provisions applicable to securities issuers and other participants in the stock market, as well like any other financial information included in the annual report of Wal-Mart de México, S.A.B. de C.V., whose source comes from the audited consolidated financial statements:

The undersigned states, under protest of truth, that the consolidated financial statements contained in this annual report of Wal-Mart de México, S.A.B. de C.V. for the year ended December 31, 2024, 2023 and 2022, were issued on February 13, 2025, February 14, 2024 and February 15, 2023, in accordance with the International Auditing Standards.

Likewise, it states that it has read this annual report and based on its reading and within the scope of the audit work carried out, it is not aware of relevant errors or inconsistencies in the information included and whose source comes from the stated audited consolidated financial statements in the preceding paragraph, nor of information that has been omitted or falsified in this annual report or that it contains information that could mislead investors.

However, the undersigned was not hired, and did not carry out additional procedures in order to express his opinion with respect to the other information contained in the annual report that does not come from the consolidated financial statements ruled by him.

Attentively,
Mancera, S.C.
A member of Ernst & Young Global Limited

(Signed)

C.P.C. José Refugio Vázquez González

[432000-N] Anexos

Financial Statements (Audited):



Nombre y cargo de personas responsables (PDF)

PEOPLE IN CHARGE

"The undersigned hereby solemnly swear that, in the performance of our respective duties, we prepared the information relative to the issuer contained in the annual report herein and to the best of our knowledge said information reasonably reflects the situation of the aforementioned issuer. In addition, we hereby swear that we have no knowledge of the omission or falsification of material information contained in said annual report or that it contains any information that could mislead the investors and cause them to make erroneous judgments."

(Signed)

Ignacio Caride
*President and Chief
Executive Officer*

(Signed)

Paulo Garcia
*Senior Vice President and Chief
Financial Officer*

(Signed)

Adriana Velazquez
General Counsel

Mexico City, April 29, 2025

Mexico City, April 29, 2025

Statement by the external Auditor

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Attentively,
Mancera, S.C.
A member of Ernst & Young Global Limited

(Signed)

C.P.C. José Refugio Vázquez González

Estados financieros (Dictaminados) por los últimos tres ejercicios y
opiniones del comité de auditoría o informes del comisario por los
últimos tres ejercicios



Report of independent auditors

To the Shareholders of Wal-Mart de México, S.A.B. de C.V.

Opinion

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as of December 31, 2024, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for audit opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the International Code of Ethics for Accounting Professionals (included the of the International Ethics Standards) (“Code of Ethics of IESBA”) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the “Code of Ethics of the Mexican Institute of Public Accountants” (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment assessment of Goodwill

Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of goodwill, because the determination of the recovery value is complex, it involves a high degree of judgment from the Company’s management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2024.



Notes 3, and 12 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of goodwill.

How we responded to the key audit matter

We evaluated the design and tested the effectiveness of significant controls with respect to the impairment analysis process for the goodwill as of December 31, 2024.

We analyze the assumptions and hypotheses used by the Company's management for the identification and grouping of the goodwill in each cash-generating unit (CGU).

We evaluated the financial projections of future cash flows used by the Company's management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions. We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company's Management in its impairment analysis according to International Accounting Standard ("IAS") 36, Impairment of assets. We independently recalculated the arithmetic calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company's management on its goodwill, and we evaluated the competence, technical capabilities and objectivity of the management's external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of the goodwill of the accompanying consolidated financial statements as of December 31, 2024.

Other information

The Company is responsible of the other information. The other information comprises the financial information presented in the Annual Report by the Company submitted to the National Banking and Securities Commission (the Commission) and in the annual report submitted but is not included the consolidated financial statements in our auditors' report. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other

information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report submitted to the Commission and the Stakeholders', if we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company's shareholders, we are required to report that fact to governance and to describe the matter in our statement on the Annual Report required by the Commission.

Responsibilities of Management and of those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's governance is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the responsible of Company's governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is who signs it.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

C.P.C. José Refugio Vázquez González

Mexico City
February 13, 2025

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of comprehensive income

(Amounts in thousands of Mexican pesos)

	For the years ended December 31,	
	2024	2023
Net sales	\$ 951,642,597	\$ 880,121,761
Other revenues (Note 20)	6,864,894	6,401,444
Total revenues	958,507,491	886,523,205
Cost of sales (Note 21)	(727,034,273)	(675,964,861)
Gross profit	231,473,218	210,558,344
General expenses (Note 21)	(156,085,246)	(136,746,969)
Income before other income and expenses	75,387,972	73,811,375
Other income	2,784,127	1,539,395
Other expenses	(813,111)	(2,074,787)
Operating income	77,358,988	73,275,983
Financial income (Note 22)	3,672,831	4,230,598
Financial expenses (Note 22)	(12,100,332)	(8,899,844)
Income before income taxes	68,931,487	68,606,737
Income taxes (Note 17)	(15,104,103)	(17,016,748)
Consolidated net income	\$ 53,827,384	\$ 51,589,989

Other comprehensive income items:

Items that do not reclassify to profit or loss of the year:

Actuarial results on employee benefits, net of income taxes

Items that may be reclassified subsequently to profit or loss:

Cumulative translation adjustment

Other comprehensive income (loss)

Comprehensive income

Basic earnings per share (in pesos)

For the years ended December 31,			
2024	2023		
\$ (451,592)	\$ (244,672)		
16,620,054	(3,736,149)		
16,168,462	(3,980,821)		
\$ 69,995,846	\$ 47,609,168		
\$ 3.085	\$ 2.955		

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of financial position

(Amounts in thousands of Mexican pesos)

	December 31,			December 31,	
	2024	2023		2024	2023
Assets			Liabilities and equity		
Current Assets:			Current liabilities:		
Cash and cash equivalents (Note 6)	\$ 36,513,582	\$ 40,668,985	Accounts payable	\$ 121,971,233	\$ 114,430,006
Accounts receivable, net (Note 7)	24,862,289	22,960,095	Short-term lease liability	4,735,116	4,312,123
Inventories, net (Note 8)	110,694,942	95,088,332	Other accounts payable (Note 14)	42,694,405	36,262,347
Prepaid expenses and other assets	1,326,455	1,024,900	Income taxes payable	4,187,435	1,214,037
Total current assets	173,397,268	159,742,312	Total current liabilities	173,588,189	156,218,513
Non-current assets:			Long-term liabilities:		
Property and equipment, net (Note 9)	180,715,011	156,127,476	Leases and other long-term liabilities (Note 16)	82,050,246	74,433,405
Right-of-use assets (Note 10)	63,958,072	61,483,671	Income tax liabilities (Note 17)	2,381,292	4,481,551
Investment properties, net (Note 11)	4,351,732	4,995,315	Employee benefits (Note 18)	2,997,869	2,327,110
Intangible assets, net (Note 12)	47,393,126	38,336,220	Total liabilities	261,017,596	237,460,579
Deferred tax assets (Note 17)	21,678,914	14,177,846			
Other non-current assets	2,398,942	1,683,776	Equity (Note 19)		
Total assets	\$ 493,893,065	\$ 436,546,616	Capital stock	45,429,160	45,429,160
			Retained earnings	167,447,963	151,020,031
			Other comprehensive income items	25,260,173	9,091,711
			Premium on sale of shares	5,906,487	5,640,011
			Employee stock option plan fund	(11,168,314)	(12,094,876)
			Total equity	232,875,469	199,086,037
			Total liabilities and equity	\$ 493,893,065	\$ 436,546,616

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of changes in equity

For the years ended December 31, 2024 and 2023 (Note 19)
(Amounts in thousands of Mexican pesos)

	Retained earnings						
	Capital stock	Legal Reserve	Retained earnings	Other comprehensive income items	Premium on sales of shares	Employee stock option plan fund	Total equity
Balance at December 31, 2022	\$ 45,468,428	\$ 9,104,745	\$ 137,622,278	\$ 13,072,532	\$ 5,289,992	\$ (8,089,592)	\$ 202,468,383
Movements in employee stock option plan fund					350,019	(4,005,284)	(3,655,265)
Repurchase of shares	(39,268)		(948,374)				(987,642)
Dividends declared			(46,348,607)				(46,348,607)
Comprehensive income			51,589,989	(3,980,821)			47,609,168
Balance at December 31, 2023	45,429,160	9,104,745	141,915,286	9,091,711	5,640,011	(12,094,876)	199,086,037
Movements in employee stock option plan fund					266,476	926,562	1,193,038
Dividends declared			(37,399,452)				(37,399,452)
Comprehensive income			53,827,384	16,168,462			69,995,846
Balance at December 31, 2024	\$ 45,429,160	\$ 9,104,745	\$ 158,343,218	\$ 25,260,173	\$ 5,906,487	\$ (11,168,314)	\$ 232,875,469

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of cash flows

(Amounts in thousands of Mexican pesos)

For the years ended December 31,	
2024	2023
\$ 68,931,487	\$ 68,606,737
22,639,474	20,577,439
(402,757)	465,022
493,766	478,401
(2,657,187)	(3,021,084)
8,593,484	7,836,519
(62,852)	355,889
574,290	453,754
42,902	62,201
98,152,607	95,814,878
(173,566)	(6,191,597)
(12,543,798)	(6,601,890)
(826,096)	766,359
3,057,479	16,708,363
2,121,813	5,166,658
(16,397,777)	(19,949,533)
(755,127)	(591,655)
72,635,535	85,121,583

Investing activities

Long-lived assets with defined useful lives	(34,763,789)	(28,792,178)
Interest collected (Note 22)	2,657,187	3,021,084
Proceeds from sale of property and equipment	872,570	312,968
Employee stock option plan fund	699,272	(4,133,666)
Business acquisition (Note 4)	-	(169,800)
Net cash flow used in investing activities	(30,534,760)	(29,761,592)

Financing activities

Dividends paid (Note 19)	(37,399,452)	(46,348,607)
Repurchase of shares	-	(987,642)
Interest paid	(42,902)	(62,201)
Payment of leases liability (Note 10)	(12,355,100)	(11,153,474)
Net cash flow used in investing activities	(49,797,454)	(58,551,924)
Effect of changes in the value of cash	3,541,276	(3,566,273)
Decrease in cash and cash equivalents	(4,155,403)	(6,758,206)
Cash and cash equivalents at beginning of year	40,668,985	47,427,191
Cash and cash equivalents at end of year	\$ 36,513,582	\$ 40,668,985

Non-cash transactions:

Additions of right of use assets	\$ 1,821,479	\$ 6,196,845
Right of use assets remeasurements	\$ 4,651,885	\$ 3,141,926

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to consolidated financial statements

At December 31, 2024 and 2023

(Amounts in thousands of Mexican pesos, except where otherwise indicated)

1. Description of the business

Wal-Mart de Mexico, S.A.B. de C.V. (WALMEX, “the Company” or “the Group”) is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of WALMEX is Walmart, Inc., a U.S. Corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 70.57% in the Company.

WALMEX holds 100% of equity interest in the following groups of companies in Mexico and Central America:

Group	Actividad
Nueva Walmart	Operation in 2024 of 2,553 Bodega Aurrera discount stores, 327 Walmart hypermarkets, 101 Walmart Express supermarkets and 173 Sam’s Club memberships self-service wholesale stores.
Other businesses	Provide mobile internet connectivity services and sale of airtime recharges (BAIT); advertising services (Walmart Connect); financial services through digital wallet (Cashi).
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Corporate companies	Not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2024 of 618 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Mas x Menos), 172 Bodegas (Maxi Bodegas and Maxi Palí), and 37 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

2. New accounting pronouncements

Amendments to IFRS 16, Lease liability in a sale and leaseback transaction

This amendment requires a lessee-seller to subsequently measure the liabilities for a lease that arises from a sale and leaseback transaction so that it does not recognize any amount of profit or loss related to the right of use that retains.

The new requirements introduced by the amendment do not prevent a lessee-seller from recognizing in income any profit or loss related to the partial or total termination of a lease.

Although it had previously been proposed that a lessee-seller initially measures the right-of-use asset and lease liability arising from a return lease using the present value of expected lease payments at the inception date, the final amendments do not eliminate specific measurement requirements for lease liabilities that arise from a return lease.

This amendment is effective for annual periods beginning on or after January 1st, 2024.

The Company’s management considers that adoption of this standard has no have material impact on the consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

On May 25, 2023, the IASB issued these amendments that were initiated as a result of the December 2020 agenda decision by the IFRS Interpretations Committee.



The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions.
- The carrying amounts of supplier finance arrangement financial liabilities at the beginning and end of the reporting period and the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.
- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities.

The amendments is effective for annual reporting periods beginning on or after January 1st, 2024.

The Company's management considers that adoption of this standard did not have material impact on the consolidated financial statements.

IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information

In June 2023 the International Sustainability Standards Board (ISSB) issued IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information”. The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- The governance processes, controls and procedures the entity uses to identify, assess, prioritize, monitor, manage and oversee sustainability-related risks and opportunities.
- The entity's strategy for managing sustainability-related risks and opportunities.
- The entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 is effective for annual reporting periods beginning on or after January 1st, 2024, with earlier adoption permitted if IFRS S2, “Climate-related Disclosures” is also applied; however, in accordance with the guidelines that the National Banking and Securities Commission has issued for this compliance, its effective application will be for annual reporting periods beginning on or after January 1, 2025 to present information in 2026.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS S2, Climate-related Disclosures

In June 2023, the ISSB issued IFRS S2, “Climate-related Disclosures”.

IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, and/or its access to financing over the short, medium or long term (collectively referred to as ‘climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects’). IFRS S2 applies to:

- a) climate-related risks to which the entity is exposed, which are:
 - i. climate-related physical risks; and
 - ii. climate-related transition risks; and
- b) climate-related opportunities available to the entity.

IFRS S2 is effective for annual reporting periods beginning on or after January 1, 2024, with earlier adoption permitted as long as IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information” is also applied; however, in accordance with the guidelines that the National Banking and Securities Commission has issued for this compliance, its effective application will be for annual reporting periods beginning on or after January 1, 2025 to present information in 2026.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS issued but not yet effective.

Annual Improvements to IFRS Accounting Standards

On July 2024, the IASB published “Annual Improvements to IFRS Accounting Standards – Volume 11”. It contains amendments to five standards as result of the IASB's annual improvements project, addressed to clarify and/or improve the general understanding of it:



The pronouncement comprises amendments to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 7 Financial Instruments: Disclosures (include improvements to implementation guidance)
IFRS 9 Financial Instruments
IFRS 10 Consolidated Financial Statements
IAS 7 Statement of Cash Flows

The amendments do not include transition requirements, other than that an entity is required to apply the amendment to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IAS 21, Effects of Changes in Foreign Exchange Rates: Lack of exchangeability.

In August 2023, the IASB published 'Lack of Exchangeability (Amendments to IAS 21), that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2025. Earlier application is permitted.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments.

On May 30, 2024 the International Accounting Standards Board (IASB) issued Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments. The amendments:

- Clarify that a financial liability is derecognized on the “settlement date”. The amendments also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) linked features and other similar contingent features.
- Clarify the treatment of non-recourse assets and contractually linked instruments.
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG/linked) and equity instruments classified at fair value through other comprehensive income (FVTOCI).

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements introduced by the amendments will be applied retrospectively with adjustment to retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS 18, Presentation and disclosure in financial statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, focusing on changes in the presentation and disclosure in the income statement, and introduces some limited changes in the statement of financial position, changes in equity and cash flows. IFRS 18 will replace IAS 1, however, many of the principles included in IAS 1 are maintained in IFRS 18. The main changes introduced in IFRS 18 refer to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.



IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it could change what an entity reports as its "operating result".

IFRS 18 will apply to reporting periods starting from January 1, 2027, and must be applied retrospectively; early application is permitted, which must be disclosed. The Company's Management is analyzing the possible impacts of this adoption.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS 19, Subsidiaries without public accountability: Disclosures

On May 9, 2024, The IASB issued IFRS 19, Subsidiaries without public accountability: Disclosures, which allows eligible entities to elect to apply IFRS 19's reduced disclosures requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.

The application of the standard is optional for eligible entities:

- entities that do not have public accountability; and
- entities that have an ultimate or intermediate parent that produce consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity applying IFRS 19 is required to disclose that fact as a part of its general IFRS accounting standards compliance statement.

The standard will become effective for reporting periods beginning on or after January 1st, 2027, with early application permitted. In the first year of applying IFRS 19, the entity is required to disclose comparative information for current year amounts as required by IFRS 19, unless IFRS 19 or another IFRS accounting standard permit or require otherwise.

The Company's management considers that adoption of this standard has no have impact on the consolidated financial statements.

3. Information of material accounting policies

A summary of the material accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2023.

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the IASB, and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company's foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.

The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.



WALMEX has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period. The Mexican peso is the Company's functional and Reporting currency.

b) Consolidation

The accompanying consolidated financial statements include the financial statements of WALMEX, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by WALMEX, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee)
- Exposure to, or rights to, variable returns from its participation in the investee
- The ability to use its power over the investee to affect its returns

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investee Cargill Protein S. de R.L. de C.V., according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in this entity. Net (loss) income for the consolidated year considers a remaining attributable to the results of the investee of \$(74,648) in 2024 and \$61,008 in 2023; and the statement of financial position as of December 31, 2024 and 2023, contains a remaining attributable of the investee of \$(68,375) y \$6,273, respectively.

c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. Financial assets. These assets are classified in one of the following categories, as required; financial assets at fair value through profit or loss, accounts receivable and investments held to maturity. The Company's financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.
- II. Financial liabilities. These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

Level 1. Quoted prices for identical instruments in active markets;

Level 2. Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and

Level 3. Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company's financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously*.

d) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.

Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.

e) Derivative financial instruments

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, the Company manages only Fx-forwards as derivative financial instruments.

f) Accounts receivable and provision for impairment of other accounts receivable

WALMEX recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 "Financial Instruments", recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

g) Inventories

Inventories are valued using the retail method, except for merchandise for Sam's Clubs, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the weighted average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

h) Prepaid expenses

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i) Property and equipment

Property and equipment are recorded at acquisition cost and are presented net of accumulated depreciation.

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements:

Constructions and structures	2.5 %	a	5.0 %
Facilities and adaptations	5.0 %	a	12.5 %
Construction finishes	10.0 %	a	25.0 %

Furniture and equipment	5.0 %	a	33.3 %
Computer equipment	12.5 %	a	33.3 %
Transportation equipment	10.0 %	a	33.3 %

Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

j) Investment properties

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.

Depreciation of investment properties is computed on a straight-line basis at the following annual rates:

Buildings, facilities and leasehold improvements:

Constructions and structures	2.5 %	a	5.0 %
Facilities and adaptations	5.0 %	a	12.5 %
Construction finishes	10.0 %	a	25.0 %

k) Leases

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

WALMEX as a lessee

WALMEX recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of WALMEX.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if WALMEX changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The impairment in the value of this type of assets is recognized by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.



n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America and Cartera Digital (see Note 4) at the acquisition date and is not subject to amortization.

Goodwill was assigned applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is tested for impairment annually. The Company engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

o) Liabilities and provisions

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

p) Income taxes

Current and deferred income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where WALMEX has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.

Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by WALMEX and it is probable that the temporary differences will not reverse in the near future.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.

Uncertain tax positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where WALMEX operates will accept the tax position under current tax laws.

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates. All of the above, taking as a starting point the legal-fiscal analysis of each particular case.



q) Employee benefits

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, WALMEX's employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country's respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage, in addition, WALMEX pays a retirement compensation based on years of service and position of each associate, as long as they have been in service for more than 5 years at the date of retirement. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

WALMEX recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.

r) Equity

Legal reserve:

As of December 31, 2024 and 2023, the Company's legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders' equity directly.

Employee stock option plan fund and stock option compensation:

The employee stock option plan fund is comprised of WALMEX shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.

The shares subject to the plan are assigned, taking as a reference the weighted average price of the purchase and sale transactions in the secondary market of such shares.

The current policy has two grant plans to executives; the first one grants stock options and the second one grants restricted shares (the last one is offered only to certain executive levels).

In the plan to grant restricted shares, the right to receive them is released in one third for each year, and the corresponding to the restricted stock plan subject to the company's performance, the term for its release is at the end of 3 years from the date of assignment.

The amount of restricted shares plan subject to the Company performances considers certain metrics that are evaluated against the performance of the year following the allocation, and which may cause the original allocation to be decreased or increased, ranging from 0% to 212.5%.

According to the previous policies until 2023 (date of the last allocation) there was a stock option plan granted to executives. Until 2017, the right to exercise the option to purchase the shares was released in five years in equal parts, from 2018 to 2021 such right was released in 4 years, 50% in year 2 and the remaining 50% in year 4, and the rights of the 2022 and 2023 allocations are released 33% in year one, 33% in year 2 and 34% per year 3. The term to exercise the rights is 10 years from the date of allocation.

The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.



s) Revenue recognition

Revenue from merchandise sales, including online sales ("e-Commerce") is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when "control" of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Extended warranties, service commissions and cell phone airtime are recognized net in the net sales line in the consolidated statement of comprehensive income at time the service is provided.

Sam's Club membership income is deferred over the twelve-month term of the membership and presented in the other revenue line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered with third parties and presented in the other revenue line in the consolidated statement of comprehensive income.

Revenues from the sale of waste and parking lots are recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

t) Basic earnings per share

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

The effect on earnings per share, which represents the remaining attributable to the results of the investees in 2024 and 2023 is of \$0.004 and \$0.003 pesos per share, respectively.

u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company's performance. Segment information is presented based on the geographical zones in which the Company operates.

v) Foreign currency transactions

The Company's foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

4. Business acquisition

On April 10, 2023, the Company acquired 100% of shares of Trafalgar Digital, S.A. de C.V., Institución de Fondos de Pago Electrónico, date on which WALMEX acquired the assets and assumed the liabilities of said company. Likewise, on that date, it was formalized the change in its corporate name to Cartera Digital Walmart, S.A. de C.V., Institución de Fondos de Pago Electrónico(Cartera Digital) , as well as the change of its bylaws and the appointment of officials. The operation was settled with the Company's own resources for an amount of \$176,744 (USD\$9.8M).

The Company acquired qualified as business acquisition; and was recognized accounting according to the methodology indicated in IFRS 3, "Business Combinations". For such purpose, the Company determined the fair values of the net assets acquired, considering the valuation rules of this IFRS.

As part of determination and subsequent recognition of the fair value of the net assets acquired, an intangible assets mainly was identified related to the authorization granted by the National Banking and Securities Commission (CNBV per its acronym in Spanish) to Trafalgar Digital, S.A. de C.V. (now Cartera Digital) to operates as IFPE (Institución de Fondos de Pago Electrónico per its acronym in Spanish), recognizing the fair value of such intangible asset as part of net assets acquired.

The cash flow by business acquisition, presented in the Consolidated Statements of Cash Flows by the year ended December 31, 2023, was determined considering the total consideration payment net of cash and cash equivalents that the Company received from acquired Company on April 10, 2023.

5. Risk management

a) General risk factors

The Company is exposed to facts or events that could affect the purchasing power and/or buying habits of the population. These facts or events may be economic, political or social in nature and some of the most important are described below:

- l. **Changes in exchange rates.** Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately adversely affect the Company's sales, in particular due to the purchase of imported goods. Likewise, the revaluation of the exchange rate may mean that individuals receiving remittances from abroad obtain less domestic currency, which may also adversely affect the Company's sales.

- II. **Competition.** The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new players into the market. Likewise, the new activities carried out by the Company that it did not carry out before - BAI^T, Connect, Cashⁱ, to mention a few - face very strong competition from participants that have a greater participation than the Company in those market segments.
- III. **Inflation.** A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services, as well as employment and salaries and in the prices of the goods and services supplied by the Company. Although the Company always seeks to keep costs low in order to offer low prices, there are circumstances in which it is not possible to defer price increases, even though the Company always seeks to do so.
- IV. **Changes in government regulations.** The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities and other regulatory authorities has increased considerably. This includes risks related to the renegotiation of tax agreements between the tax authorities, such as the Bilateral Advance Pricing Agreement (BAPA), and related impacts on significant contracts that the Company has in place (as disclosed in Note 13). Ongoing tax discussions may result in a renegotiation of agreements between companies, which could have an impact on the royalties and fees we pay to Walmart Inc. A change in royalties could have a material adverse impact on our net operating expenses and profits.
- V. **Certain events.** Political changes, climatic phenomena and geopolitical tensions, have caused disruptions in the markets, prices of many products and price increases or shortages of many products and disruptions, delays, and cost increases in the international supply logistics chain.

These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance. As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.

b) Financial risk factors

The Company's activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.

Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar ("USD").

As of December 31, the exchange rate used to translate assets and liabilities denominated in US dollars was \$20.65 per dollar (\$16.97 in 2023).

Considering the net monetary position in dollars at December 31, 2024, if there was an increase or decrease in the exchange rate of the US dollar against the Mexican peso of 5%, there would be a favorable or unfavorable effect on the financial income (expenses) and equity of the Company of \$224,750.

The Company has entered into Fx-forward contracts for foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities in Mexico related to the purchase of imported goods agreed in US dollars.

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 "Information of material accounting policies – Financial assets and liabilities and fair value measurement").

As of December 31, 2024 and 2023, Fx-Forward contracts have a term of no more than four months, which are shown below:

	2024		2023	
Current contracts		304		258
Notional amount (millions of USD)	US\$	260	US\$	234
Notional amount (millions of Mexican pesos)	MXN\$	5,327	MXN\$	4,129.06
Fair value, net (millions of pesos)	MXN\$	84.57	MXN\$	(130.58)

Each Fx-forwards operation contracted with the banking institutions is agreed by means of a confirmation letter and consists in the exchange in kind of currencies with the same counterpart that occurs simultaneously at the settlement date agreed in the confirmation letter.

Interest rate risk:

The Company has temporary investments in government paper which generate financial income. By reducing the interest rate, the financial income of the Company also decreases. The interest rate of these investments fluctuated during the year 2024 between 2.86% and 11.31%. As of December, 31, 2024, the financial income amounted to \$2,657,187 (\$3,021,084 in 2023).

Considering the highly liquid instruments as of December 31, 2024, if there was an increase or decrease in the interest rate of 0.50%, there would be a favorable or unfavorable effect on the financial income of the Company of \$20,609.

Liquidity risk:

The Company is subject to liquidity risks to meet its payment obligations to suppliers, payment of taxes, acquisitions of fixed assets and other working capital requirements, which are settled through the cash flow generated in the operation. For this reason, in order to avoid the breach of its obligations, the Company has available lines of credit and overdraft with different Banks. As of December 31,2023, the available and unused credit and overdraft lines amounted \$48,524 (\$47,414 in 2023) million pesos (of which \$13,980 (\$13,715 in 2023) million pesos corresponding to pre-approved lines of credit and \$34,544 (\$33,699 in 2023) million pesos to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.

6. Cash and cash equivalents

An analysis of cash and cash equivalents as of December 31, 2024 and 2023, is as follow:

	2024	2023
Cash and cash in bank	\$ 36,513,582	\$ 35,743,572
Highly marketable investments	-	4,925,413
	<u>\$ 36,513,582</u>	<u>\$ 40,668,985</u>

As of December 31, 2024 and 2023 has no restricted cash.

7. Accounts receivable

An analysis of accounts receivable as of December 31, 2024 and 2023, is as follows:

	2024	2023
Income tax, VAT, IEPS pending to recover	\$ 16,033,404	\$ 15,991,944
Vouchers issuers and trade receivables	3,448,091	3,948,981
Other accounts receivable	5,964,997	3,523,170
Allowance for impairment of other receivables ^(*)	(584,203)	(504,000)
	<u>\$ 24,862,289</u>	<u>\$ 22,960,095</u>

Average aging to collect the accounts receivable to customers is 30 to 90 days.

(*) Includes \$224 million of allowance for impairment of other receivables corresponding to ATM's services supplier.

8. Inventories

An analysis of inventories as of December 31, 2024 and 2023, is as follows:

	2024	2023
Merchandise for sale	\$ 103,603,066	\$ 88,839,145
Desarrollo Agro-Industrial	1,978,509	1,480,082
	<u>105,581,575</u>	<u>90,319,227</u>
Merchandise in transit	5,113,367	4,769,105
	<u>\$ 110,694,942</u>	<u>\$ 95,088,332</u>

As of December 31, 2024 and 2023, the effect of inventory impairment is \$2,321,018 and \$1,823,228, respectively, which was included in cost of sales in the consolidated comprehensive income statement.



9. Property and equipment

An analysis of property and equipment as of December 31, 2024 and 2023, is as follows:

Table with 12 columns: Category, December 31, 2022, Additions, Disposals, Transfers, Translations effect, December 31, 2023, Additions, Disposals, Transfers, Translations effect, December 31, 2024. Rows include Cost (Land, Buildings, Facilities and leasehold improvements, Furniture and equipment, Subtotal), Accumulated depreciation (Buildings, Facilities and leasehold improvements, Furniture and equipment, Subtotal, Construction in progress, Total).

Depreciation expense for the years ended December 31, 2024 and 2023, was \$15,538,291 and \$13,963,678, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$311,375 and \$303,228, respectively.

Property and equipment impairment for the years ended December 31, 2024 and 2023, was \$112,551 and \$56,321, respectively, and is presented in the disposals column.

10. Leases

WALMEX has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

WALMEX sub-leases some of its investment properties. The right of use assets balance is as follows:

	December 31, 2022		Disposals Modifications and updates		Transfers		Translations effect		December 31, 2023		Disposals Modifications and updates		Transfers		Translations effect		December 31, 2024					
Cost:																						
Property	\$	73,597,922	\$	2,366,976	\$	2,832,416	\$	1,981	\$	(593,998)	\$	78,205,297	\$	1,524,332	\$	4,250,901	\$	—	\$	2,679,941	\$	86,660,471
Furniture and equipment		2,372,333		3,829,869		(791,654)		(268,622)		2,759		5,144,685		297,147		(105,094)		(367,253)		17,581		4,987,066
Subtotal		75,970,255		6,196,845		2,040,762		(266,641)		(591,239)		83,349,982		1,821,479		4,145,807		(367,253)		2,697,522		91,647,537
Accumulated depreciation:																						
Property		(17,190,080)		(4,426,590)		262,946		7		399,416		(20,954,301)		(4,682,237)		402,174		—		(948,218)		(26,182,582)
Furniture and equipment		(1,158,756)		(683,684)		786,248		134,308		9,874		(912,010)		(850,447)		106,954		158,663		(10,043)		(1,506,883)
Subtotal		(18,348,836)		(5,110,274)		1,049,194		134,315		409,290		(21,866,311)		(5,532,684)		509,128		158,663		(958,261)		(27,689,465)
Total	\$	57,621,419	\$	1,086,571	\$	3,089,956	\$	(132,326)	\$	(181,949)	\$	61,483,671	\$	(3,711,205)	\$	4,654,935	\$	(208,590)	\$	1,739,261	\$	63,958,072



An analysis of the lease liabilities is as follows:

Year	December 31, 2024
2025	\$ 12,742,149
2026	12,359,427
2027	12,014,164
2028	11,048,825
2029	10,321,626
2030 and thereafter	126,439,339
Nominal lease payments	184,925,530
Contract update effects	(105,195,626)
Lease liabilities - net	\$ 79,729,904

The Company analyzes its services agreements that do not have the legal form of a lease to determine if the supplier transfers the use of an asset to WALMEX. After this analysis, WALMEX has determined that there are no material service agreements that must be classified as a lease.

The amounts recognized in the consolidated statements of income for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Depreciation expense for the right of use assets, by type of asset:		
Property	\$ 4,682,237	\$ 4,426,590
Equipment	\$ 850,447	\$ 683,684
Interest on lease liabilities	\$ 8,593,484	\$ 7,836,519
Expenses related to short-term leases	\$ 236,121	\$ 146,527
Expenses related to leases of low-value assets	\$ 63,326	\$ 58,795
Variable lease payments (not included in the measurement of lease liabilities)	\$ 4,109,228	\$ 4,154,750
Sub-lease revenue	\$ (1,436,650)	\$ (1,556,729)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2024 and 2023, are as follow:

	2024	2023
Rent payments – principal	\$ 3,761,616	\$ 3,316,955
Rent payments – interest	\$ 8,593,484	\$ 7,836,519
Additions of right of use assets	\$ 1,821,479	\$ 6,196,845
Modifications and updates	\$ 4,651,885	\$ 3,141,926



11. Investment properties

An analysis of investment properties as of December 31, 2024 and 2023 is as follows:

	December 31, 2022					December 31, 2023					December 31, 2024				
		Additions	Disposals	Modifications and updates	Transfers		Additions	Disposals	Modifications and updates	Transfers		Additions	Disposals	Modifications and updates	Transfers
Land	\$ 2,673,164	\$ -	\$ -	\$ -	\$ (169,429)	\$ 2,503,735	\$ -	\$ (18,612)	\$ -	\$ 15,222	\$ 2,500,345				
Buildings	5,545,473	1,651	(367,215)	142,587	(32,112)	5,290,384	783	(555,722)	10,142	(95,299)	4,650,288				
Facilities and improvements	1,128,037	-	(121,694)	-	(5,743)	1,000,600	-	(214,688)	-	-	785,912				
Subtotal	9,346,674	1,651	(488,909)	142,587	(207,284)	8,794,719	783	(789,022)	10,142	(80,077)	7,936,545				
Accumulated depreciation	(3,866,569)	(269,540)	384,983	(48,278)	-	(3,799,404)	(212,106)	409,021	(8,289)	25,965	(3,584,813)				
Total	\$ 5,480,105	\$ (267,889)	\$ (103,926)	\$ 94,309	\$ (207,284)	\$ 4,995,315	\$ (211,323)	\$ (380,001)	\$ 1,853	\$ (54,112)	\$ 4,351,732				

December expense for the years ended December 31, 2024 and 2023, was \$212,106 y \$269,540, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2024 and 2023, the fair values of the properties are based on Management's valuations. To calculate the value of a commercial property, the rental approach was used, applying the corresponding gross rent multiplier (GRM). The Company determines the estimated fair value based on its annual rental income before expenses, divided by the capitalization rate used in the real estate sector (Cap rate). On the other hand, the capitalization rates used for the year ended December 31, 2024 and 2023, was 9.0% in both years. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company's Management determined that there is no impairment in the investment properties as of December 31, 2024 and 2023. The estimated fair value of the investment properties as of December 31, 2024 and 2023 is \$6,060,227 and \$6,439,028, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.



12.Intangible assets

An analysis of intangible assets as of December 31, 2024 and 2023 is as follows:

	December 31, 2022					December 31, 2023					December 31, 2024				
		Additions	Disposals	Transfers	Translation effect		Additions	Disposals	Transfers	Translation effect		Additions	Disposals	Transfers	Translation effect
Goodwill	\$ 35,613,704	\$ 125,854	\$ -	\$ -	\$ (1,442,747)	\$ 34,296,811	\$ -	\$ -	\$ -	\$ 8,400,093	\$ 42,696,904				
Trademarks	772,499	-	-	-	(51,784)	720,715	-	-	-	172,470	893,185				
Licenses and software	5,171,640	1,213,400	(11,794)	227,306	(66,956)	6,533,596	1,400,705	(870,497)	92,885	249,007	7,405,696				
Subtotal	5,944,139	1,213,400	(11,794)	227,306	(118,740)	7,254,311	1,400,705	(870,497)	92,885	421,477	8,298,881				
Accumulated amortization	(2,339,469)	(930,719)	4,838	(715)	51,163	(3,214,902)	(1,045,018)	856,711	1,090	(200,540)	(3,602,659)				
Subtotal	3,604,670	282,681	(6,956)	226,591	(67,577)	4,039,409	355,687	(13,786)	93,975	220,937	4,696,222				
Total	\$ 39,218,374	\$ 408,535	\$ (6,956)	\$ 226,591	\$ (1,510,324)	\$ 38,336,220	\$ 355,687	\$ (13,786)	\$ 93,975	\$ 8,621,030	\$ 47,393,126				

Trademarks represents the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, Despensa Familiar, Maxi Bodega, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2024 and 2023, were \$1,045,018 and \$930,719, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of the Goodwill as of December 31, 2024 and 2023. The assumptions used in the goodwill impairment test are:

- Net book value of long-lived assets with a defined and indefinite life.
- Projection period of financial and operational assumptions (Revenues, EBITDA, Working Capital and Capex) of 5 years for each cash-generating unit (CGU).
- Estimate of the terminal value in perpetuity based on the latest estimated flow, considering a growth between 1.7% and 4.9% (2.1% and 5.7% in 2023) in nominal terms, which correspond to the estimated average inflation for each CGU.
- Appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which vary in a range from 7.5% to 13.20% (8.1% to 13.40% in 2023) determined according to the associated risks for each CGU.



13. Related parties

a) Related party balances

As of December 31, 2024 and 2023, the consolidated statement of financial position includes the following balances with related parties:

	2024	2023
Accounts payable:		
C.M.A. – U.S.A., L.L.C.	\$ 1,147,599	\$ 801,317
WMGS Commercial Services Limited	47,931	28,257
	<u>\$ 1,195,530</u>	<u>\$ 829,574</u>
Other short-term accounts payable:		
Walmart Inc.	\$ 1,754,150	\$ 1,331,668
WMGS Commercial Services Limited	69,888	52,797
Newgrange Platinum Services LTD	3,126	37,742
	<u>\$ 1,827,164</u>	<u>\$ 1,422,207</u>
Other long-term accounts payable:		
Walmart, Inc. (Note 16)	\$ 65,462	\$ 133,834

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2024 and 2023, there were no uncollectible related party balances.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Walmart Inc. (before with Newgrange Platinum Service, LTD until August 31, 2024) that are payable monthly.

- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam’s.

The Company had the following transactions with related parties during the years ended December 31, 2024 and 2023, respectively:

	2024	2023
Purchases and commissions related to the import of Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 6,071,824	\$ 5,406,569
WMGS Commercial Services Limited	853,559	874,819
	<u>\$ 6,925,383</u>	<u>\$ 6,281,388</u>
Costs and expenses related to technical assistance, service and royalties:		
Walmart Inc.	\$ 10,142,075	\$ 9,245,998
Newgrange Platinum Services LTD	471,530	551,659
	<u>\$ 10,613,605</u>	<u>\$ 9,797,657</u>

c) Remuneration of principal officers

Remuneration to the Company’s principal officers and Board of Directors for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Short-term benefits	\$ 2,062,959	\$ 2,022,879
Termination benefits	118,701	82,857
Share-based payments	23,315	92,303
	<u>\$ 2,204,975</u>	<u>\$ 2,198,039</u>

14. Other accounts payable

An analysis of other accounts payable as of December, 2024 and 2023, is as follows:

	2024	2023
Accrued liabilities and others	\$ 34,053,074	\$ 30,855,484
Contingencies (Note 15)	4,474,261	1,977,808
Deferred revenues ^(a)	2,105,749	1,789,263
Related parties (Note 13)	1,827,164	1,422,207
Dividends	234,157	217,585
	<u>\$ 42,694,405</u>	<u>\$ 36,262,347</u>

(a) Includes Sam’s club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.

15. Commitments and contingencies

a) Commitments

As of December 31, 2024, the Company has entered into agreements with suppliers for the acquisition of inventories, property and equipment, maintenance services, as well as renewable energy supply services, as shown below:

Year	Amount
2025	\$ 37,297,269
2026	\$ 3,363,685
2027	\$ 3,008,364
2028	\$ 2,286,871
2029	\$ 1,442,693
2030 and thereafter	\$ 3,244,317

The Company has lease commitments as explained in Note 10.

b) Contingencies

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$4,474,261 as of December 31, 2024, (\$1,977,808 in 2023) which is presented in other accounts payable.

In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

16. Leases and Other long term liabilities

Lease and other long-term liabilities as of December 31, 2024 and 2023, includes:

	2024	2023
Pasivos por arrendamiento a largo plazo (Nota 10)	\$ 74,994,788	\$ 70,941,673
Impuesto sobre la renta a largo plazo	4,452,158	459,778
Ingreso diferido por rentas	2,524,430	2,891,014
Partes relacionadas (Nota 13)	65,462	133,834
Otros	13,408	7,106
	<u>\$ 82,050,246</u>	<u>\$ 74,433,405</u>

17. Income taxes

The income tax provision includes taxes payable by WALMEX's subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2024, companies in Mexico determined and paid their income tax under the general tax law.



An analysis of income taxes charged to the income statement for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Current income taxes:		
Mexico	\$ (21,255,608)	\$ (14,607,290)
Central America	(2,887,024)	(3,774,817)
Consolidated	(24,142,632)	(18,382,107)
Deferred income taxes:		
Mexico	9,190,298	1,312,188
Central America	(151,769)	53,171
Consolidated	9,038,529	1,365,359
	\$ (15,104,103)	\$ (17,016,748)

The following is a reconciliation between Mexico’s statutory tax rate and the effective income tax rate on pre-tax income from continuing operations:

	2024	2023
Statutory tax rate in Mexico	30.00%	30.00%
Bilateral Advanced Pricing Agreement	(7.3)	(6.9)
Inflationary effects	(1.8)	(1.8)
Revenues taxed at a different tax rate	(0.3)	(0.2)
Non-deductible expenses	1.2	0.8
Dividends	1.3	0.8
Other permanent items	(1.2)	2.1
Effective tax rate	21.9%	24.8%

The income tax rates applicable to each country are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long term income taxes (assets and liabilities), as of December 31, 2024 and 2023:

	2024	2023
Provision for impairment of other receivable	\$ 176,558	\$ 139,534
Inventories	1,143,110	1,134,805
Prepaid expenses	(650,679)	(451,805)
Property and equipment	2,541,474	(3,099,171)
Other accounts payable	10,050,816	6,541,803
Leases and other long-term liabilities	5,862,538	5,082,644
Labor obligations	1,076,129	679,298
Tax losses carryforward from subsidiaries	386,930	599,762
Long-term income tax	(1,289,254)	(930,575)
Deferred tax, net	\$ 19,297,622	\$ 9,696,295
Balance of Consolidated financial position:		
Deferred tax assets	\$ 21,678,914	\$ 14,177,846
Deferred tax liabilities	(2,381,292)	(4,481,551)
Deferred tax, net	\$ 19,297,622	\$ 9,696,295

During the 2024 fiscal year, the Administration conducted an analysis of the useful lives and fiscal values of the Real Estate and equipment category used for the calculation of deferred income tax; as a result, the following effects were recognized: an increase in deferred tax assets by \$5,862,989, an increase in current tax liabilities by \$5,868,870, resulting in a net impact on results of \$5,881, which is not material in the context of the consolidated financial statements taken as a whole.

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income:

Year of expiration	Amount
2028	\$ 324
2030	675
2031	410,309
2032	546,839
2033	205,719
2034	125,899
	<u>\$ 1,289,765</u>

Changes in the deferred tax assets and liabilities, net as of December 31, 2024 and 2023 is as follows:

	2024	2023
Balances as of beginning of the year	\$ 9,696,295	\$ 7,616,333
Deferred income tax charged in the year	2,650,835	1,449,026
Long-term income taxes	284,244	559,797
Other comprehensive income tax by labor obligations	185,875	105,141
Effect by the reviewing of property and equipment tax value	5,862,989	-
Excess of previous years	502,591	(83,667)
Business acquisition effect	-	(15,690)
Translation effect	114,793	65,355
Balance as of end of the year	<u>\$ 19,297,622</u>	<u>\$ 9,696,295</u>

18. Employee benefits

As of December 31, 2024 and 2023, an analysis of the Company’s assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2024	2023	2024	2023
Defined benefit obligations	\$ 2,539,135	\$ 2,196,654	\$ 1,752,190	\$ 1,444,745
Plan assets	(1,293,456)	(1,314,289)	-	-
Net projected liability	<u>\$ 1,245,679</u>	<u>\$ 882,365</u>	<u>\$ 1,752,190</u>	<u>\$ 1,444,745</u>

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2024 and 2023, are shown below:

	Seniority premiums		Retirement benefits	
	2024	2023	2024	2023
DBO at beginning of year	\$ 2,196,654	\$ 2,057,057	\$ 1,444,745	\$ 1,422,429
Net period cost charged to results:				
Labor cost from actual services	143,672	230,479	193,082	200,130
Interest cost on DBO	198,015	193,267	150,126	101,067
Labor cost from previous services	71	-	4	-
Other actuarial items	-	(290,592)	-	131,176
Other comprehensive income items	309,993	302,519	185,521	33,332
Benefits paid	(309,270)	(296,076)	(435,417)	(280,031)
Translation effect	-	-	214,129	(163,358)
DBO at end of the year	<u>\$ 2,539,135</u>	<u>\$ 2,196,654</u>	<u>\$ 1,752,190</u>	<u>\$ 1,444,745</u>

Changes in the net present value of the plan assets (PA) as of December 31, 2024 and 2023, are shown below:

	Seniority premiums	
	2024	2023
PA at beginning of year	\$ (1,314,289)	\$ (1,200,930)
Return on plan assets	(110,680)	(111,773)
Other comprehensive income items	141,953	13,962
Plan contributions	(319,606)	(311,211)
Benefits paid	309,166	295,663
PA at the end of the year	<u>\$ (1,293,456)</u>	<u>\$ (1,314,289)</u>

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2024 and 2023, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2024 and 2023, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,850,956 and \$1,399,364, respectively.

The assumptions used in the actuarial valuations of Mexico and Central America are as follows:

	Mexico		Central America	
	2024	2023	2024	2023
Financial:				
Discount rate	10.60 %	9.90 %	4.45 % - 11.01 %	5.41% - 11.28%
Salary increase rate	5.25 %	5.25 %	3.00 % - 6.70 %	3.5% - 6.3%
Minimum salary increase rate	4.75 %	4.75 %	2.0 %	2.0 %
Inflations rate	4.00 %	4.00 %	0.70% - 4.20%	0.70% - 4.20%
Biometrics:				
Mortality	IMSS 2009 ^(*)	IMSS 2009 ^(*)	RP - 2000 ^(**)	RP - 2000 ^(**)
Disability	2.1%	2.1 %	Disability study table 1985	Disability study table 1985
Retirement age	65 years	65 years	50 - 65 years	50 – 60 years

^(*) Mexican Social Security Institute experience for males and females
^(**) RP – 2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador

A sensitivity analysis of the DBO as of December 31, 2024, is as follows.

	Amount
DBO December 31, 2024	\$ 4,291,325
DBO at discount rate + 1%	\$ 4,378,003
DBO at discount rate – 1%	\$ 4,691,989
Effects over DBO	\$
Discount rate + 1%	\$ (225,268)
Discount rate – 1%	\$ 243,379

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

19. Equity

a) At an ordinary meeting held on April 30, 2024, the shareholders adopted the following resolutions:

1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2024 to repurchase its own shares.
2. The shareholders declared an ordinary cash dividend of \$1.18 pesos per share, paid in two installments of \$0.59 each, the first one on November 12, 2024 and the second one on December 10, 2024; and an extraordinary dividend to be paid in cash at a rate of \$0.99 pesos per share in two installments: \$0.49 pesos per share on November 12, 2024 and \$0.50 pesos per share on December 10, 2024.

b) At an ordinary meeting held on March 30, 2023, the shareholders adopted the following resolutions:

1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2023 to repurchase its own shares.



2. The shareholders declared an ordinary cash dividend of \$1.12 pesos per share, paid in two installments of \$0.56 each, the first one on November 29, 2023 and the second one on December 6, 2023; and an extraordinary dividend to be paid in cash at a rate of \$1.57 pesos per share in three installments: \$0.75 pesos per share on April 11, 2023, \$0.41 pesos per share on November 29, 2023 and \$0.41 pesos per share on December 6, 2023.

After the dividend declared is approved at the shareholders’ meeting, the Company reduces retained earnings and recognizes the accounts payable in the consolidated statement of financial position.

As of December 31, 2024 and 2023, the decreed dividends are as follows:

	2024	2023
Dividends in cash decreed and paid:		
Ordinary dividend \$1.18 per share (\$1.12 in 2023)	\$ 20,337,028	\$ 19,285,428
Extraordinary dividend \$0.99 per share (\$1.57 in 2023)	17,062,424	27,063,179
	<u>\$ 37,399,452</u>	<u>\$ 46,348,607</u>

- c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company’s capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.

As of December 31, 2024 and 2023, an analysis of paid-in stock and the number of shares representing it is as follows:

Common stock	Amount
Fixed minimum capital	\$ 5,591,362
Variable capital	36,898,537
Subtotal	<u>42,489,899</u>
Inflation effects	2,939,261
Total	<u>\$ 45,429,160</u>
Number of freely subscribed common shares	<u>17,446,322,177</u>

During the year ended as of December 31, 2024, there was there was no repurchase of its own shares. During the year ended as of December 31, 2023, 15,080,454 shares of WALMEX were acquired; such repurchase implied reduce the capital as is shown in the Consolidated statements of changes in equity.

- d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

As of December 31, 2024 and 2023, the amount of the tax accounts related to stockholders' equity, by CUCA amounts to \$80,119,952 and \$76,883,170, respectively, and by CUFIN \$106,554, as of December 31, 2023 in accordance with the current tax provisions.

Likewise, the Mexican subsidiaries have CUFIN balances that can be used for the distribution of dividends to WALMEX; such dividends, once received, will form part of WALMEX's individual CUFIN balance, which will be available to distribute dividends to its shareholders.

- e) As of December 31, 2024, the employee stock option plan fund consists of 210,735,342 WALMEX shares, which have been placed in a trust created for the plan.

The total compensation cost charged to Operating results during the year ended December 31, 2024 and 2023 was \$493,766 and \$478,401, respectively, which represented no cash outflow for the Company and it is included in the general expenses line in the consolidated comprehensive income statement.



Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance as of December, 31, 2022	166,662,636	56.64
Granted	47,706,383	71.54
Exercised	(24,209,421)	47.96
Cancelled	(11,067,835)	65.00
Balance as of December 31, 2023	179,091,763	61.48
Granted	30,349,610	68.48
Exercised	(14,619,946)	47.83
Cancelled	(10,812,468)	62.50
Balance as of December 31, 2024	184,008,959	63.66

Shares available for option grant:

December 31, 2024	26,726,383
December 31, 2023	46,263,525

As of December 31, 2024, the granted and exercisable shares under the stock option plan fund are 184,008,959 of which 98,980,228 are available to exercise.

20. Other disclosures of revenue

a) The other revenue that forms part of the main activity of the Company as of December 31, 2024 and 2023 is as follows:

	2024	2023
Memberships	\$ 2,988,907	\$ 2,773,213
Rents	2,789,098	2,746,171
Sale of waste	982,995	783,384
Parking	103,894	98,676
Total	\$ 6,864,894	\$ 6,401,444

As of December 31, 2024, rental income includes investment properties of \$738,968 (\$632,294 in 2023).

b) The Company analyzes and manages its operation through its geographical location and business format.

An analysis of income from contracts with customers for the year ended December 31, 2024 and 2023 is as follows:

	2024	2023
Mexico		
Self-service	61.2 %	61.7 %
Price Clubs	21.9 %	22.0 %
Central America	16.9 %	16.3 %

Of WALMEX’s total net sales, approximately \$48.4 billion and \$40.5 billion relates to electronic commerce in Mexico for the years ended December 31, 2024 and 2023, respectively.

In Central America, the net sales related to electronic commerce are \$1.9 billion and \$1.1 billion for the years ended December 31, 2024 and 2023, respectively, and includes the sales made through home delivery platforms.

21. Cost of sales and general expenses

Cost of sales and general expenses are presented in the consolidated statement of comprehensive income and mainly include the purchase of merchandise, personnel expenses, depreciation and amortization, rent, advertising, maintenance, utilities, royalties, and technical assistance.



22. Financial income (expenses)

An analysis of financial income (expenses) for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Financial income:		
Financial income	\$ 2,657,187	\$ 3,021,084
Currency exchange gain	434,355	879,535
Income on changes in fair value of derivatives	581,289	329,979
	<u>\$ 3,672,831</u>	<u>\$ 4,230,598</u>
Financial expenses:		
Interest on Finance leases	\$ (8,593,484)	\$ (7,836,519)
Currency exchange loss	(1,172,770)	(595,851)
Loss on changes in fair value of derivatives	(366,137)	(430,874)
Other financial expenses	(1,967,941)	(36,600)
	<u>\$ (12,100,332)</u>	<u>\$ (8,899,844)</u>

Financial income primarily consists of interest earned on investments.

23. Segment financial information

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

Years ended December 31, 2024			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 66,574,281	\$ (7,474,423)	\$ 59,099,858
Central America	10,784,707	(953,078)	9,831,629
Consolidated	<u>\$ 77,358,988</u>	<u>\$ (8,427,501)</u>	<u>\$ 68,931,487</u>

Years ended December 31, 2023			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 63,957,761	\$ (4,230,666)	\$ 59,727,095
Central America	9,318,222	(438,580)	8,879,642
Consolidated	<u>\$ 73,275,983</u>	<u>\$ (4,669,246)</u>	<u>\$ 68,606,737</u>

Years ended December 31, 2024				
Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 29,219,848	\$ 18,601,857	\$ 363,070,453	\$ 143,620,253
Central America	5,543,941	4,037,617	88,125,708	29,967,936
Goodwill	-	-	42,696,904	-
Consolidated	<u>\$ 34,763,789</u>	<u>\$ 22,639,474</u>	<u>\$ 493,893,065</u>	<u>\$ 173,588,189</u>



Years ended December 31, 2023					
Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities	
Mexico	\$ 24,896,088	\$ 16,792,478	\$ 334,509,599	\$ 132,465,119	
Central America	3,896,090	3,784,961	67,740,206	23,753,394	
Goodwill	-	-	34,296,811	-	
Consolidated	\$ 28,792,178	\$ 20,577,439	\$ 436,546,616	\$ 156,218,513	

An analysis of income from customer contracts is presented in Note 20.

24. Other disclosures

- a) As of December 31, 2023, As we have reviewed our operations in Central America, we believe that these businesses are all financially strong, are well placed to serve their customers and communities, and continue to have significant growth potential which is best realized under continued Walmex ownership.
- b) On November 23, 2020, WALMEX received a notification from the Federal Economic Competition Commission (COFECE), that it has initiated an ex officio investigation in the supply and distribution market to the wholesale of consumer goods, retail marketing of these and related services for the alleged commission of relative monopolistic practices. WALMEX responded to four requests for information, beginning on November 23, 2020 and ending on June 2023.

On June 21, 2023, COFECE published the notice through which it formally concluded the investigation stage.

On October 6, 2023, COFECE notified WALMEX that COFECE’s Investigative Authority had recommended the initiation administrative process followed in the form of trial against WALMEX’s main Mexican operating subsidiary. On December 14, 2023, WALMEX timely submitted its defense arguments and offered its evidence with COFECE.

On August 27, 2024, WALMEX timely submitted its closing arguments with COFECE and on September 30th, we had an oral hearing with the commissioners of COFECE which at that point in time had not pronounced on the matter.

On December 12, 2024, COFECE concluded that the WALMEX subsidiary had engaged in a single relative monopolistic practice in relation to the use of certain contributions with its suppliers. In said resolution, COFECE imposed a sanction on the WALMEX subsidiary for \$93.4 million pesos (~US\$5 million) and imposed certain measures that WALMEX is implementing withing the timelines required by COFECE’s resolution.

COFECE recognizes that Walmex can continue negotiating contributions with its suppliers except for two specific contributions out of the four originally investigated.

On January 6th 2025, WALMEX challenged the COFECE resolution through an indirect amparo, filed before Specialized Federal Courts. Until the amparo lawsuit is resolved, WALMEX’s subsidiary will continue to work collaboratively with its suppliers to ensure business continuity, in compliance with COFECE’s ruling.

25. Approval of the financial statements

The consolidated financial statements and accompanying notes for the years ended December 31,2024 and 2023, were approved by the Company’s management and Board of Directors on February 13, 2025 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.

Report of the Audit and Corporate Governance

Board of Directors
Wal-Mart de México S.A.B. de C.V.

Board of Directors:

In compliance with article 43 of the Securities Market Law (“LMV”) and the Rules of Procedure of the Committees, duly approved by the Board of Directors for Wal-Mart de México, S.A.B. of C.V. (which together with its subsidiaries hereinafter is the “Company”), we hereby inform you of the activities undertaken during the reporting period ending on December 31st, 2024.

Throughout the work conducted, in addition to that stipulated under the LMV, we have abided by that contained under the Code of Best Corporate Governance, issued by the Coordinating Business Council; the Code of Ethics of the Company; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

To comply with our oversight process, the Audit and Corporate Governance Committees held quarterly regular meetings during 2024, to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and enhancing our participation throughout the year in meetings with the CEO, CFO and General Counsel of the Company, as well as the reports rendered by the principal officers of the Company, highlighting the following:

I. Audit matters:

- a) The status of the internal control system being informed in detail of the programs and development of internal and external audits.
- b) The main aspects requiring improvement and followed-up on the preventive and corrective measures implemented by the management of the Company. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.

- c) The performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company’s Financial Statements and their adherence to International Financial Information Standards. Hence, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to provide their audit services, the Audit Committee evaluated the necessary requirements for intellectual and economic independence of action, therefore we recommended to the Board to ratify EY’s appointment as external auditors to examine and issue the report on the Financial Statements of the Company. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2024, no services other than the external audit of Financial Statements were retained by this firm.
- d) The Company’s quarterly and annual Financial Statements and recommended, at the appropriate time, their approval by the Board of Directors for its publication.
- e) The accounting policies approved and applied during the fiscal year ended on December 31st 2024.
- f) The follow-up on all relevant observations made by the shareholders, Directors, relevant officers and employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.
- g) The follow-up on the agreements made by the Shareholders in the General Meeting and by the board of directors of the Company.
- h) The legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- i) The progress regarding cybersecurity matters.
- j) The progress of the Enterprise Risk Management (ERM) established by the Company.



- k) Lastly, the status of the Company in terms of Ethics and Compliance matters and the measures adopted by the Company to reinforce these aspects.

II. Corporate Governance affairs:

- a) Performance evaluation processes for relevant officers, which, with powers delegated by the board of directors of the Company, oversees the Compensation and Succession Planning Committee.
- b) The transactions with related parties, during the reporting period, that may have occurred during the annual period ending December 31st, 2024, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.
- c) With powers delegated by the board of directors of the Company, the Compensation and Succession Planning Committee approved the emolument packages or total compensation of the CEO and relevant officers, as well as the new metrics to define the Long-Term Incentive for executives.
- d) The Board of Directors granted no permission whatsoever to any Director, relevant officer, or anyone with a position of decision maker, as indicated under article 28, section III, paragraph f) of the LMV.
- e) The results of the transfer pricing study 2024 for Mexico and Central America, informing that all its operations were made accordingly.

Based on the work completed and the opinion issued by independent auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company's financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors submits to the General Annual Shareholders Meeting, for their approval, the Financial Statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2024.

Sincerely,

Ernesto Cervera
Chair
Audit and Corporate Governance Committees.

Mexico City, February 13th, 2025.



REPORT OF INDEPENDENT AUDITORS

To the Shareholders of Wal-Mart de México, S.A.B. de C.V.

OPINION

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as of December 31, 2023, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR AUDIT OPINION

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the International Code of Ethics for Accounting Professionals (included the of the International Ethics Standards) (“Code of Ethics of IESBA”) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the “Code of Ethics of the Mexican Institute of Public Accountants” (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



IMPAIRMENT ASSESSMENT OF PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLES

Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of property and equipment, right of use assets and intangibles, because the determination of the recovery value is complex, it involves a high degree of judgment from the Company’s management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, operating margins, the weighted average cost of capital, capitalization rate and others, which are sensitive and are affected by economic changes and market conditions, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2023.

Notes 3, 9, 10 and 12 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of property and equipment, right-of-use assets and intangibles.

How we responded to the key audit matter

We evaluated the design and tested the effectiveness of significant controls with respect to the impairment analysis process for long-lived assets as of December 31, 2023.

We analyze the assumptions and hypotheses used by the Company’s management for the identification and grouping of long-lived assets in each cash-generating unit (CGU).

We evaluated the financial projections of future cash flows used by the Company’s management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their

consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions. We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company’s Management in its impairment analysis according to International Accounting Standard (“IAS”) 36, Impairment of assets. We independently recalculated the arithmetic calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company’s management on its long-lived assets, and we evaluated the competence, technical capabilities and objectivity of the management’s external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of property and equipment, right-of-use assets and intangibles of the accompanying consolidated financial statements as of December 31, 2023.

OTHER INFORMATION

The Company is responsible of the other information. The other information comprises the financial information presented in the Annual Report by the Company submitted to the National Banking and Securities Commission (the Commission) and in the annual report submitted but is not included the consolidated financial statements in our auditors’ report. We expect to obtain the other information after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report submitted to the Commission and the Stakeholders', if we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company's shareholders, we are required to report that fact to governance and to describe the matter in our statement on the Annual Report required by the Commission.

RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's governance is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Company’s governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company’s governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the responsible of Company’s governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor’s report is who signs it.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

Jose Vazquez

Mexico City
February 14, 2024



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
(Amounts in thousands of Mexican pesos)

	For the years ended December 31	
	2023	2022
Net sales	\$ 880,121,761	\$ 813,060,445
Other revenues (Note 20)	6,401,444	6,108,990
Total revenues	886,523,205	819,169,435
Cost of sales	(675,964,861)	(627,771,101)
Gross profit	210,558,344	191,398,334
General expenses (Note 21)	(136,746,969)	(124,693,340)
Income before other income and expenses	73,811,375	66,704,994
Other income	1,539,395	2,029,722
Other expenses	(2,074,787)	(723,099)
Operating income	73,275,983	68,011,617
Financial income (Note 22)	4,230,598	3,452,199
Financial expenses (Note 22)	(8,899,844)	(8,097,257)
Income before income taxes	68,606,737	63,366,559
Income taxes (Note 17)	(17,016,748)	(14,392,375)
Consolidated net income	\$ 51,589,989	\$ 48,974,184

Other comprehensive income items

Items that do not reclassify to profit
or loss of the year

Actuarial results on employee benefits,
net of income taxes

Items that may be reclassified subsequently
to profit or loss:

Cumulative translation
adjustment

Other comprehensive income (loss)

Comprehensive income

Basic earnings per share (in pesos)

	For the years ended December 31	
	2023	2022
	\$ (244,672)	\$ (55,862)
	(3,736,149)	(1,661,135)
	(3,980,821)	(1,716,997)
	\$ 47,609,168	\$ 47,257,187
	\$ 2.955	\$ 2.805

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position

(Amounts in thousands of Mexican pesos)

	December 31,	
	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents (Note 6)	\$ 40,668,985	\$ 47,427,191
Accounts receivable, net (Note 7)	22,960,095	16,719,308
Inventories, net (Note 8)	95,088,332	89,461,735
Prepaid expenses and other assets	1,024,900	924,796
Total current assets	159,742,312	154,533,030
Non-current assets:		
Property and equipment, net (Note 9)	156,127,476	145,533,306
Right-of-use assets (Note 10)	61,483,671	57,621,419
Investment properties, net (Note 11)	4,995,315	5,480,105
Intangible assets, net (Note 12)	38,336,220	39,218,374
Deferred tax assets (Note 17)	14,177,846	14,103,957
Other non-current assets	1,683,776	2,318,180
Total assets	\$ 436,546,616	\$ 418,808,371

	December 31,	
	2023	2022
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 114,430,006	\$ 98,956,251
Short-term lease liability	4,312,123	3,511,546
Other accounts payable (Note 14)	36,262,347	31,356,053
Income taxes payable	1,214,037	3,861,904
Total current liabilities	156,218,513	137,685,754
Long-term liabilities:		
Leases and other long-term liabilities (Note 16)	74,433,405	69,888,054
Income tax liabilities (Note 17)	4,481,551	6,487,624
Employee benefits (Note 18)	2,327,110	2,278,556
Total liabilities	237,460,579	216,339,988
Equity (Note 19)		
Capital stock	45,429,160	45,468,428
Retained earnings	151,020,031	146,727,023
Other comprehensive income items	9,091,711	13,072,532
Premium on sale of shares	5,640,011	5,289,992
Employee stock option plan fund	(12,094,876)	(8,089,592)
Total equity	199,086,037	202,468,383
Total liabilities and equity	\$ 436,546,616	\$ 418,808,371

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Amounts in thousands of Mexican pesos)

	Retained earnings						
	Capital stock	Legal Reserve	Retained earnings	Other comprehensive income items	Premium on sale of shares	Employee stock option plan fund	Total equity
Balance at December 31, 2021	\$ 45,468,428	\$ 9,104,745	\$ 118,206,132	\$ 14,789,529	\$ 4,908,573	\$ (6,595,404)	\$ 185,882,003
Movements in employee stock option plan fund					381,419	(1,494,188)	(1,112,769)
Dividends declared			(29,558,038)				(29,558,038)
Comprehensive income			48,974,184	(1,716,997)			47,257,187
Balance at December 31, 2022	45,468,428	9,104,745	137,622,278	13,072,532	5,289,992	(8,089,592)	202,468,383
Movements in employee stock option plan fund					350,019	(4,005,284)	(3,655,265)
Repurchase of shares	(39,268)		(948,374)				(987,642)
Dividends declared			(46,348,607)				(46,348,607)
Comprehensive income			51,589,989	(3,980,821)			47,609,168
Balance at December 31, 2023	\$ 45,429,160	\$ 9,104,745	\$ 141,915,286	\$ 9,091,711	\$ 5,640,011	\$ (12,094,876)	\$ 199,086,037

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Amounts in thousands of Mexican pesos)

	For the years ended December 31,	
	2023	2022
Operating activities		
Income before income taxes	\$ 68,606,737	\$ 63,366,559
Items related to investing activities:		
Depreciation and amortization	20,577,439	19,359,205
Loss from disposal of property and equipment and impairment	465,022	117,761
Stock option compensation expenses	478,401	384,953
Interest earned	(3,021,084)	(2,025,182)
Items related to financing activities:		
Interest on lease liabilities	7,836,519	7,049,835
Unrealized, exchange rate fluctuation	355,889	(998,965)
Provision of labor obligations	453,754	531,774
Interest accrued	62,201	44,053
Cash flow from operating activities	95,814,878	87,829,993
Variances in:		
Accounts receivable	(6,191,597)	(155,262)
Inventories	(6,601,890)	(9,425,547)
Prepaid expenses and other assets	766,359	82,478
Accounts payable	16,708,363	(432,441)
Other accounts payable	5,166,658	3,268,202
Income tax paid	(19,949,533)	(16,122,086)
Employee benefits	(591,655)	(575,914)
Net cash flow from operating activities	85,121,583	64,469,423

	For the years ended December 31,	
	2023	2022
Investing activities		
Long-lived assets with defined useful lives	(28,792,178)	(21,303,739)
Interest collected	3,021,084	2,025,182
Proceeds from sale of property and equipment	312,968	459,402
Employee stock option plan fund	(4,133,666)	(1,497,722)
Business acquisition (Note 4)	(169,800)	-
Net cash flow used in investing activities	(29,761,592)	(20,316,877)
Financing activities		
Dividends paid	(46,348,607)	(29,558,038)
Repurchase of shares	(987,642)	-
Interest paid	(62,201)	(44,053)
Payment of leases liability	(11,153,474)	(10,039,198)
Net cash flow used in investing activities	(58,551,924)	(39,641,289)
Effect of changes in the value of cash	(3,566,273)	99,399
Net (decrease) increase in cash and cash equivalents	(6,758,206)	4,610,656
Cash and cash equivalents at beginning of year	47,427,191	42,816,535
Cash and cash equivalents at end of year	\$ 40,668,985	\$ 47,427,191
Non-cash transactions:		
Additions of right of use assets	\$ 6,196,845	\$ 2,591,724
Right of use assets remeasurements	\$ 3,141,926	\$ 5,920,509

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

At December 31, 2023 and 2022

(Amounts in thousands of Mexican pesos, except where otherwise indicated)

1. DESCRIPTION OF THE BUSINESS

Wal-Mart de Mexico, S.A.B. de C.V. (**WALMEX**, “the Company” or “the Group”) is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of **WALMEX** is Walmart, Inc., a U.S. Corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 70.57% in the Company.

WALMEX holds 100% of equity interest in the following groups of companies in Mexico and Central America:

Group	Activity
Nueva Walmart	Operation in 2023 of 2,419 Bodega Aurrerá discount stores, 316 Walmart hypermarkets, 102 Walmart Express supermarkets and 170 Sam’s Club memberships self-service wholesale stores.
Other businesses	Provide mobile internet connectivity services and sale of airtime recharges (BAIT); advertising services (Walmart Connect); financial services through digital wallet (Cashi).
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Corporate companies	Not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2023 of 595 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Mas x Menos), 167 Bodegas (Maxi Bodegas and Maxi Palí), and 36 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

2. NEW ACCOUNTING PRONOUNCEMENTS

IFRS 17, “Insurance Contracts”

This IFRS will replace IFRS 4 that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

IFRS 17 is effective for reporting periods beginning on or after January 1st, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company’s management estimates that the adoption of this standard has no impact on the consolidated financial statements.

Amendments to IAS 1, “Classification of Liabilities as Current or Non-current”

In January 2020, the International Accounting Standards Board (IASB) issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- Changes in criteria to classify a liability as current or non-current
- Considerations about substantial right to defer the liability settlement
- Settlement definition and possibility of settling liabilities in cash, other economic resources, or entity’s equity instruments
- New disclosures by liabilities deferrals



Classification as current or non-current liability will not be affected by the probability that the entity exercises or not its deferral right.

The amendments are effective for annual reporting periods beginning on or after January 1st, 2023 and must be applied retrospectively. The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.

IAS 12 – “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments to IAS 12 “Income Taxes” require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

The amendment is effective for annual periods beginning on or after January 1st, 2023. The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.

Amendments to IAS 8, Accounting policies, changes in accounting and errors estimations – Definition of accounting estimate

On February 2021, IASB issued amendments to IAS 8 that introduce a new definition of “accounting estimate”. The change that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they are not the result of correcting an error from prior periods. The previous definition of a change in accounting estimate specified that changes in accounting estimates may be the result of new information; therefore, such changes are not bug fixes. The IASB retained this consideration in the definition.

The amendments to IAS 8 are applicable for annual periods beginning on or after January 1st, 2023. The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.

IAS 1, “Presentation of financial statements” – Materiality in accounting policy disclosures.

In February 2021, the IASB issued amendments to IAS 1 “Presentation of Financial Statements”, which provide guidance and examples to help entities when applying materiality judgments to accounting policy disclosures. The IASB also issued amendments to the IFRS 2 Practice Statement to support the amendments in IAS 1 by explaining and exemplifying the application of the “four-step process” to accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1st, 2023. Because the amendments to the IFRS 2 Practice Statement provide non-mandatory guidance on applying the definition of materiality to accounting information, the IASB concluded that transition requirements and an effective date for these amendments were not necessary.

The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.



Amendments to IAS 12: International Tax Reform—Pillar Two Model Rules.

In December 2021, the Organization for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing, legislation on this.

In response to the introduction of Pillar Two, the IASB issued amendments to IAS 12, “Taxes on Profits.” These modifications introduce a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and some disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1st 2023, but not for any interim periods ending on or before December 31, 2023.

As of December 31, 2023, the Company has reviewed the detail of its corporate structure in light of the introduction of the Pillar Two rules and it was concluded that the effective tax rate in each jurisdiction where **WALMEX** operates is above the 15% which is the minimum rate to not be subject to the rules of Pillar Two. At this time, none of the jurisdictions where **WALMEX** operates have enacted or substantially enacted Pillar Two rules. Since Pillar Two legislation was not effective at the reporting date, the group has no related tax exposure. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

IFRS issued but not yet effective

Amendments to IFRS 16, Lease liability in a sale and leaseback transaction

This amendment requires a lessee-seller to subsequently measure the liabilities for a lease that arises from a sale and leaseback transaction so that it does not recognize any amount of profit or loss related to the right of use that retains.

The new requirements introduced by the amendment do not prevent a lessee-seller from recognizing in income any profit or loss related to the partial or total termination of a lease.

Although it had previously been proposed that a lessee-seller initially measures the right-of-use asset and lease liability arising from a return lease using the present value of expected lease payments at the inception date, the final amendments do not eliminate specific measurement requirements for lease liabilities that arise from a return lease.

This amendment will be effective for annual periods beginning on or after January 1st, 2024, and early adoption of this amendment is permitted.

The Company’s management considers that adoption of this standard will not have material impact on the consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

On May 25, 2023, the IASB issued these amendments that were initiated as a result of the December 2020 agenda decision by the IFRS Interpretations Committee.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions.
- The carrying amounts of supplier finance arrangement financial liabilities at the beginning and end of the reporting period and the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.
- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities.

The amendments will be effective for annual reporting periods beginning on or after January 1st, 2024. Early adoption is permitted but will need to be disclosed.



The Company’s management considers that adoption of this standard will not have material impact on the consolidated financial statements.

IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information

In June 2023 the International Sustainability Standards Board (ISSB) issued IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information”. The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports.

IFRS S1 sets out the requirements for disclosing information about an entity’s sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- The governance processes, controls and procedures the entity uses to identify, assess, prioritize, monitor, manage and oversee sustainability-related risks and opportunities.
- The entity’s strategy for managing sustainability-related risks and opportunities.
- The entity’s performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 is effective for annual reporting periods beginning on or after January 1st, 2024 with earlier adoption permitted as long as IFRS S2, “Climate-related Disclosures” is also applied.

The Company’s management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS S2, Climate-related Disclosures

In June 2023, the International Sustainability Standards Board (ISSB) issued IFRS S2, “Climate-related Disclosures”.

IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, and/or its access to

financing over the short, medium or long term (collectively referred to as ‘climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects’). IFRS S2 applies to:

- a) Climate-related risks to which the entity is exposed, which are:
 - i. climate-related physical risks; and
 - ii. climate-related transition risks; and
- b) Climate-related opportunities available to the entity.

IFRS S2 is effective for annual reporting periods beginning on or after January 1st 2024 with earlier adoption permitted as long as IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information” is also applied.

The Company’s management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IAS 21, Effects of Changes in Foreign Exchange Rates: Lack of exchangeability.

In August 2023, the IASB published ‘Lack of Exchangeability (Amendments to IAS 21), that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2025. Earlier application is permitted.



3. INFORMATION OF MATERIAL ACCOUNTING POLICIES

A summary of the material accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2022.

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company's foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.

The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.

WALMEX has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period. The Mexican peso is the Company's functional and Reporting currency.

b) Consolidation

The accompanying consolidated financial statements include the financial statements of **WALMEX**, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by **WALMEX**, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.



Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee),
- Exposure to, or rights to, variable returns from its participation in the investee
- The ability to use its power over the investee to affect its returns

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investee Cargill Protein S. de R.L. de C.V., according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in this entity. Net income for the consolidated year considers a remaining attributable to the results of the investee of \$61,008 in 2023 and \$63,541 in 2022; and the statement of financial position as of December 31, 2023 and 2022, contains a remaining attributable of the investee of \$6,273 and \$(54,735), respectively.

c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. I. Financial assets. These assets are classified in one of the following categories, as required: financial assets at fair value through profit or loss, accounts receivable and investments held to maturity. The Company’s financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.
- II. I. Financial liabilities. These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The

liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1.** Quoted prices for identical instruments in active markets;
- Level 2.** Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and
- Level 3.** Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company’s financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously.

d) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.



Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.

e) Derivative financial instruments

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, the Company manages only Fx-forwards as derivative financial instruments.

f) Accounts receivable and provision for impairment of other accounts receivable

WALMEX recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 “Financial Instruments”, recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

g) Inventories

Inventories are valued using the retail method, except for merchandise for Sam’s Clubs, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the weighted average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving

and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

h) Prepaid expenses

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i) Property and equipment

Property and equipment are recorded at acquisition cost and are presented net of accumulated depreciation.

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	to	5.0%
Facilities and adaptations	5.0%	to	12.5%
Construction finishes	10.0%	to	25.0%
Furniture and equipment	5.0%	to	33.3%
Computer equipment	12.5%	to	33.3%
Transportation equipment	10.0%	to	33.3%



Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

j) Investment properties

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.

Depreciation of investment properties is computed on a straight-line basis at the following annual rates

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	a	5.0%
Facilities and adaptations	5.0%	a	12.5%
Construction finishes	10.0%	a	25.0%

k) Leases

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

WALMEX as a lessee

WALMEX recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of WALMEX.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if WALMEX changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The impairment in the value of this type of assets is recognized by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.



The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.

n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America and Cartera Digital (see Note 4) at the acquisition date and is not subject to amortization.

Goodwill was assigned applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is tested for impairment annually. The Company engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

o) Liabilities and provisions

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

p) Income taxes

Current and deferred income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where **WALMEX** has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.



Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by **WALMEX** and it is probable that the temporary differences will not reverse in the near future.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.

Uncertain tax positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where **WALMEX** operates will accept the tax position under current tax laws.

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would

accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates.

q) Employee benefits

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, **WALMEX**'s employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country's respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage, in addition, **WALMEX** pays a retirement compensation based on years of service and position of each associate, as long as they have been in service for more than 5 years at the date of retirement. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

WALMEX recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.



r) Equity

Legal reserve:

As of December 31, 2022, the Company’s legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders’ equity directly.

Employee stock option plan fund and stock option compensation:

The employee stock option plan fund is comprised of **WALMEX** shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.

The shares subject to the plan are assigned, taking as a reference the weighted average price of the purchase and sale transactions in the secondary market of such shares.

The current policy has two grant plans to executives; the first one grants stock options and the second one grants restricted shares (the last one is offered only to certain executive levels).

In the stock option plan, the vesting period for a third portion of the granted options is one year, and on the other hand under the restricted share plan these are granted within a 3 year-period since assignment. The right to exercise the options is 10 years since assignment date or 60 days after the executive leaves the Company, such term may be extended in certain circumstances when non-competition obligations are assumed by the executive that exits the Company, without exceeding 10 years from the assignment date.

Regards of the restricted shares plan, the amount was subject to compliance with certain metrics that are evaluated against the performance of the year following the allocation, and which may cause the original allocation to be decreased or increased, ranging from 0% to 212.5%.

According to the previous policies, until 2017 the executives may exercise their option to acquire shares in equal parts over five years. And from 2018 to2021 the executives may exercise their option to acquire shares in 4 years, 50% in year 2 and the other 50% in the year 4.

The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.

s) Revenue recognition

Revenue from merchandise sales, including online sales (“e-Commerce”) is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when “control” of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Extended warranties, service commissions and cell phone airtime are recognized net in the net sales line in the consolidated statement of comprehensive income at time the service is provided.

Sam’s Club membership income is deferred over the twelve-month term of the membership and presented in the other revenue line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered with third parties and presented in the other revenue line in the consolidated statement of comprehensive income.



Revenues from the sale of waste and parking lots are recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

t) Basic earnings per share

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

The effect on earnings per share, which represents the remaining attributable to the results of the investees in 2023 and 2022 is of \$0.003 and \$0.004 pesos per share, respectively.

u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company’s performance. Segment information is presented based on the geographical zones in which the Company operates.

v) Foreign currency transactions

The Company’s foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

4. BUSINESS ACQUISITION

On April 10, 2023, the Company acquired 100% of shares of Trafalgar Digital, S.A. de C.V., Institución de Fondos de Pago Electrónico, date on which **WALMEX** acquired the assets and assumed the liabilities of said company. Likewise, on that date, it was formalized the change in its corporate name to Cartera Digital Walmart, S.A. de C.V., Institución de

Fondos de Pago Electrónico(Cartera Digital) , as well as the change of its bylaws and the appointment of officials. The operation was settled with the Company’s own resources for an amount of \$176,744 (USD\$9.8M).

The Company acquired qualified as business acquisition; and was recognized accounting according to the methodology indicated in IFRS 3, “Business Combinations”. For such purpose, the Company determined the fair values of the net assets acquired, considering the valuation rules of this IFRS.

As part of determination and subsequent recognition of the fair value of the net assets acquired, an intangible assets mainly was identified related to the authorization granted by the National Banking and Securities Commission (CNBV per its acronym in Spanish) to Trafalgar Digital, S.A. de C.V. (now Cartera Digital) to operates as IFPE (Institución de Fondos de Pago Electrónico per its acronym in Spanish), recognizing the fair value of such intangible asset as part of net assets acquired.

On April 10, 2023, the amount of goodwill, as well as the net assets acquired are shown below:

Total consideration paid		\$ 176,744	
	Balance as of April 10, 2023	PPA Adjustments	Adjusted balances as of April 10, 2023
Assets	\$ 19,194	\$ 52,300	\$ 71,494
Liabilities	\$ 4,914		\$ 4,914
Net assets acquired			66,580
Subtotal			\$ 110,164
Deferred taxes liability			15,690
Goodwill recognized			\$ 125,854

The cash flow by business acquisition, presented in the Consolidated Statements of Cash Flows, was determined considering the total consideration payment net of cash and cash equivalents that the Company received from acquired Company on April 10.



In order to provide a broader view of the Operating performance of the acquired Company, the effect on results that would have had if the acquisition had taken place from January 1, 2023 is presented below:

	Year ended December 31, 2023		
	Consolidated	Cartera Digital	%
General expenses	\$ (136,746,969)	\$ (37,621)	0.03%
Operating income	\$ 73,811,375	\$ (37,621)	(0.05)%
Income before income taxes	\$ 68,606,737	\$ (37,621)	(0.05)%
Consolidated net income	\$ 51,589,989	\$ (23,378)	(0.05)%

5. RISK MANAGEMENT

a) General risk factors

The Company is exposed to facts or events that could affect the purchasing power and/or buying habits of the population. These facts or events may be economic, political or social in nature and some of the most important are described below:

- I. Changes in exchange rates. Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population’s purchasing power, which could ultimately adversely affect the Company’s sales, in particular due to the purchase of imported goods. Likewise, the revaluation of the exchange rate may mean that individuals receiving remittances from abroad obtain less domestic currency, which may also adversely affect the Company’s sales.
- II. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company’s market share at risk. Other factors affecting the Company’s market share could be the business

expansion of its competitors and the possible entrance of new competitors into the market. Likewise, the new activities carried out by the Company that it did not carry out before - BAiT, Connect, Cashi, to mention a few - face very strong competition from participants that have a greater participation than the Company in those market segments.

- III. Inflation. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company’s customers and the demand for its products and services, as well as employment and salaries and in the prices of the goods and services supplied by the Company. Although the Company always seeks to keep costs low in order to offer low prices, there are circumstances in which it is not possible to defer price increases, even though the Company always seeks to do so.
- IV. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company’s operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities and other regulatory authorities has increased considerably.
- V. Certain events. International events involving Ukraine and Israel, together with the effects of the pandemic, have caused disruptions in the markets, prices of many products and price increases or shortages of many products and disruptions, delays, and cost increases in the international supply logistics chain.

These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance. As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.

b) Financial risk factors

The Company’s activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.



Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar (“USD”).

As of December 31, 2023, the exchange rate used to translate assets and liabilities denominated in US dollars was \$16.97 per dollar (\$19.50 in 2022).

Considering the net monetary position in dollars at December 31, 2023, if there was an increase or decrease in the exchange rate of the US dollar against the Mexican peso of 5%, there would be a favorable or unfavorable effect on the financial income (expenses) and equity of the Company of \$253,462.

The Company has entered into Fx-forward contracts for foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities in Mexico related to the purchase of imported goods agreed in US dollars.

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 “Information of material accounting policies – Financial assets and liabilities and fair value measurement”).

As of December 31, 2023 and 2022, Fx-Forward contracts have a term of no more than four months, which are shown below:

	2023		2022	
Current contracts		258		271
Notional amount (millions of USD)	US\$	234	US\$	177
Notional amount (millions of Mexican pesos)	MXN\$	4,129.06	MXN\$	3,517.82
Fair value, net (millions of pesos)	MXN\$	(130.58)	MXN\$	(29.74)

Each Fx-forwards operation contracted with the banking institutions is agreed by means of a confirmation letter and consists in the exchange in kind of currencies with the same counterpart that occurs simultaneously at the settlement date agreed in the confirmation letter.

Interest rate risk:

The Company has temporary investments in government paper which generate financial income. By reducing the interest rate, the financial income of the Company also decreases. The interest rate of these investments fluctuated during the year 2023 between 2.38% and 11.12%. As of December 31, 2023 the financial income amounted to \$3,021,084 (\$2,025,182 in 2022).

Considering the highly liquid instruments as of December 31, 2023, if there was an increase or decrease in the interest rate of 0.50%, there would be a favorable or unfavorable effect on the financial income of the Company of \$114,807.

Liquidity risk:

The Company is subject to liquidity risks to meet its payment obligations to suppliers, payment of taxes, acquisitions of fixed assets and other working capital requirements, which are settled through the cash flow generated in the operation. For this reason, in order to avoid the breach of its obligations, the Company has available lines of credit and overdraft with different Banks. As of December 31,2023, the available and unused credit and overdraft lines amounted \$47,414 (\$52,623 en 2022) million pesos (of which \$13,715 (\$18,664 in 2022) corresponding to pre-approved lines of credit and \$33,699 (\$33,959 in 2022) million to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.



6. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents as of December 31, 2023 and 2022, is as follow:

	2023	2022
Cash and cash in bank	\$ 35,743,572	\$ 36,008,176
Highly marketable investments	4,925,413	11,419,015
	<u>\$ 40,668,985</u>	<u>\$ 47,427,191</u>

As of December 31, 2023, the Company has no restricted cash, \$199,612 at December 31, 2022 and it is presented in the consolidated statement of financial position in the other non-current assets item.

7. ACCOUNTS RECEIVABLE

An analysis of accounts receivable as of December 31, 2023 and 2022, is as follows:

	2023	2022
Income tax, VAT, IEPS pending to recover	\$ 15,991,944	\$ 12,418,965
Vouchers issuers and trade receivables ⁽¹⁾	3,948,981	2,036,744
Other accounts receivable	3,523,170	2,805,813
Allowance for impairment of other receivables ⁽²⁾	(504,000)	(542,214)
	<u>\$ 22,960,095</u>	<u>\$ 16,719,308</u>

Average aging to collect the accounts receivable to customers is 30 to 90 days.

⁽¹⁾ Includes vendor allowance to be collected as a consequence of the new reform issued in 2023 by the Supreme Court of Justice in which it is stated that civil compensation is not a method of payment of Value Added Tax (VAT), for which the Company ceased to offset accounts receivable and payable with vendors.

⁽²⁾ Includes \$224 million of allowance for impairment of other receivables corresponding to ATM’s services supplier.

8. INVENTORIES

An analysis of inventories as of December 31, 2023 and 2022, is as follows:

	2023	2022
Merchandise for sale	\$ 88,839,145	\$ 83,883,622
Agro-industrial development	1,480,082	1,435,803
	<u>90,319,227</u>	<u>85,319,425</u>
Merchandise in transit	4,769,105	4,142,310
	<u>\$ 95,088,332</u>	<u>\$ 89,461,735</u>

As of December 31, 2023 and 2022, the effect of inventory impairment is \$1,823,228 and \$1,513,303, respectively, which was included in cost of sales in the consolidated comprehensive income statement.



9. PROPERTY AND EQUIPMENT

An analysis of property and equipment as of December 31, 2023 and 2022, is as follows:

	December 31, 2021	Additions	Disposals	Transfers	Translations effect	December 31, 2022	Additions	Disposals	Transfers	Translation effect	December 31, 2023
Cost:											
Land	\$ 32,479,569	\$ 112,523	\$ (105,879)	\$ (61,666)	\$ (37,608)	\$ 32,386,939	\$ 57,450	\$ (20,620)	\$ 464,782	\$ (302,001)	\$ 32,586,550
Buildings	76,203,276	1,270,383	(1,310,664)	2,680,526	(261,839)	78,581,682	2,269,574	(1,150,734)	5,120,326	(1,106,321)	83,714,527
Facilities and leasehold improvements	56,369,859	273,909	(699,060)	5,530,861	(346,161)	61,129,408	441,106	(1,015,868)	6,492,763	(837,994)	66,209,415
Furniture and equipment	77,764,822	4,747,696	(4,274,538)	4,868,126	(596,371)	82,509,735	6,572,325	(3,432,992)	5,571,390	(1,676,029)	89,544,429
Subtotal	242,817,526	6,404,511	(6,390,141)	13,017,847	(1,241,979)	254,607,764	9,340,455	(5,620,214)	17,649,261	(3,922,345)	272,054,921
Accumulated depreciation:											
Buildings	(37,156,657)	(2,996,120)	1,114,985	195,722	109,102	(38,732,968)	(3,008,180)	883,212	6,898	445,651	(40,405,387)
Facilities and leasehold improvements	(28,583,001)	(3,083,156)	553,720	(270,638)	197,545	(31,185,530)	(3,245,045)	785,196	(161,290)	491,791	(33,314,878)
Furniture and equipment	(42,586,304)	(7,726,188)	4,159,797	15,819	348,570	(45,788,306)	(8,013,681)	3,106,123	(16,796)	975,215	(49,737,445)
Subtotal	(108,325,962)	(13,805,464)	5,828,502	(59,097)	655,217	(115,706,804)	(14,266,906)	4,774,531	(171,188)	1,912,657	(123,457,710)
Construction in progress	6,005,034	13,648,144	(10,363)	(13,058,638)	48,169	6,632,346	18,288,972	(22,896)	(17,350,807)	(17,350)	7,530,265
Total	\$ 140,496,598	\$ 6,247,191	\$ (572,002)	\$ (99,888)	\$ (538,593)	\$ 145,533,306	\$ 13,362,521	\$ (868,579)	\$ 127,266	\$ (2,027,038)	\$ 156,127,476

Depreciation expense for the years ended December 31, 2023 and 2022, was \$13,963,678 y \$13,491,000, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$303,228 and \$314,464, respectively.

Property and equipment impairment for the years ended December 31, 2023 and 2022, was \$56,321 and \$49,005, respectively, and is presented in the disposals column.



10. LEASES

WALMEX has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

WALMEX sub-leases some of its investment properties.

The right of use assets balance is as follows:

	December 31, 2021	Additions	Disposals Modifications and updates	Transfers	Translations effect	December 31, 2022	Additions	Disposals, Modifications and updates	Transfers	Translations effect	December 31, 2023
Cost:											
Property	\$ 66,011,324	\$ 2,343,220	\$ 5,660,844	\$ 3,026	\$ (420,492)	\$ 73,597,922	\$ 2,366,976	\$ 2,832,416	\$ 1,981	\$ (593,998)	\$ 78,205,297
Furniture and equipment	2,697,790	248,504	(289,792)	(282,432)	(1,737)	2,372,333	3,829,869	(791,654)	(268,622)	2,759	5,144,685
Subtotal	68,709,114	2,591,724	5,371,052	(279,406)	(422,229)	75,970,255	6,196,845	2,040,762	(266,641)	(591,239)	83,349,982
Accumulated depreciation											
Property	(13,519,152)	(4,042,270)	204,112	560	166,670	(17,190,080)	(4,426,590)	262,946	7	399,416	(20,954,301)
Furniture and equipment	(1,052,454)	(540,565)	288,551	141,957	3,755	(1,158,756)	(683,684)	786,248	134,308	9,874	(912,010)
Subtotal	(14,571,606)	(4,582,835)	492,663	142,517	170,425	(18,348,836)	(5,110,274)	1,049,194	134,315	409,290	(21,866,311)
Total	\$ 54,137,508	\$ (1,991,111)	\$ 5,863,715	\$ (136,889)	\$ (251,804)	\$ 57,621,419	\$ 1,086,571	\$ 3,089,956	\$ (132,326)	\$ (181,949)	\$ 61,483,671



An analysis of the lease liabilities is as follows:

Year	December 31, 2023
2024	\$ 11,492,238
2025	11,212,772
2026	10,845,005
2027	10,506,446
2028	9,581,577
2029 and thereafter	113,958,730
Nominal lease payments	167,596,768
Contract update effects	(92,342,972)
Lease liabilities - net	\$ 75,253,796

The Company analyzes its services agreements that do not have the legal form of a lease to determine if the supplier transfers the use of an asset to **WALMEX**. After this analysis, **WALMEX** has determined that there are no material service agreements that must be classified as a lease.

The amounts recognized in the consolidated statements of income for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
Depreciation expense for the right of use assets, by type of asset:		
Property	\$ 4,426,590	\$ 4,042,270
Equipment	\$ 683,684	\$ 540,565
Interest on lease liabilities	\$ 7,836,519	\$ 7,049,835
Expenses related to short-term leases	\$ 146,527	\$ 194,342
Expenses related to leases of low-value assets	\$ 58,795	\$ 56,045
Variable lease payments (not included in the measurement of lease liabilities)	\$ 4,154,750	\$ 4,860,779
Sub-lease revenue	\$ (1,556,729)	\$ (1,439,050)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2023 and 2022, are as follow:

	2023	2022
Rent payments – principal	\$ 3,316,955	\$ 2,989,363
Rent payments – interest	\$ 7,836,519	\$ 7,049,835
Additions of right of use assets	\$ 6,196,845	\$ 2,591,724
Modifications and updates	\$ 3,141,926	\$ 5,920,509



11. INVESTMENT PROPERTIES

An analysis of investment properties as of December 31, 2023 and 2022 is as follows:

	December 31, 2021	Additions	Disposals	Modifications and updates	Transfers	December 31, 2022	Additions	Disposals	Modifications and updates	Transfers	December 31, 2023
Land	\$ 2,569,611	\$ -	\$ -	\$ -	\$ 103,553	\$ 2,673,164	\$ -	\$ -	\$ -	\$ (169,429)	\$ 2,503,735
Buildings	5,416,222	-	(78,909)	116,933	91,227	5,545,473	1,651	(367,215)	142,587	(32,112)	5,290,384
Facilities and improvements	1,135,775	-	(11,101)	-	3,363	1,128,037	-	(121,694)	-	(5,743)	1,000,600
Subtotal	9,121,608	-	(90,010)	116,933	198,143	9,346,674	1,651	(488,909)	142,587	(207,284)	8,794,719
Accumulated depreciation	(3,537,762)	(285,878)	31,775	-	(74,704)	(3,866,569)	(269,540)	384,983	(48,278)	-	(3,799,404)
Total	\$ 5,583,846	\$ (285,878)	\$ (58,235)	\$ 116,933	\$ 123,439	\$ 5,480,105	\$ (267,889)	\$ (103,926)	\$ 94,309	\$ (207,284)	\$ 4,995,315

Depreciation expense for the years ended December 31, 2023 and 2022, was \$269,540 y \$285,878, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2023 and 2022, the fair values of the properties are based on Management’s valuations. To calculate the value of a commercial property, the rental approach was used, applying the corresponding gross rent multiplier (GRM). The Company determines the estimated fair value based on its annual rental income before expenses,

divided by the capitalization rate used in the real estate sector (Cap rate). On the other hand, the capitalization rates used for the year ended December 31, 2023 and 2022, was 9.0% and 8.5%, respectively. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company’s Management determined that there is no impairment in the investment properties as of December 31, 2023 and 2022. The estimated fair value of the investment properties as of December 31, 2023 and 2022 is \$6,439,028 and \$6,701,368, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.



12. INTANGIBLE ASSETS

An analysis of intangible assets as of December 31, 2023 and 2022 is as follows:

	December 31, 2021	Additions	Disposals	Transfers	Translations effect and others	December 31, 2022	Additions	Disposals	Transfers	Translations effect	December 31, 2023
Goodwill	\$ 35,767,241	\$ -	\$ -	-	\$ (153,537)	\$ 35,613,704	\$ 125,854	\$ -	-	\$ (1,442,747)	\$ 34,296,811
Trademarks	788,785	-	-	-	(16,286)	772,499	-	-	-	(51,784)	720,715
Licenses and software	4,762,536	1,254,606	(959,543)	123,230	(9,189)	5,171,640	1,213,400	(11,794)	227,306	(66,956)	6,533,596
Subtotal	5,551,321	1,254,606	(959,543)	123,230	(25,475)	5,944,139	1,213,400	(11,794)	227,306	(118,740)	7,254,311
Accumulated amortization	(2,560,513)	(685,028)	906,297	(7,989)	7,764	(2,339,469)	(930,719)	4,838	(715)	51,163	(3,214,902)
Subtotal	2,990,808	569,578	(53,246)	115,241	(17,711)	3,604,670	282,681	(6,956)	226,591	(67,577)	4,039,409
Total	\$ 38,758,049	\$ 569,578	\$ (53,246)	\$ 115,241	\$ (171,248)	\$ 39,218,374	\$ 408,535	\$ (6,956)	\$ 226,591	\$ (1,510,324)	\$ 38,336,220

Trademarks represents the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, Despensa Familiar, Maxi Bodega, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2023 and 2022, were \$930,719 and \$685,028, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of the Goodwill as of December 31, 2023 and 2022. The assumptions used in the goodwill impairment test are:

- Net book value of long-lived assets with a defined and indefinite life.

- Projection period of financial and operational assumptions (Revenues, EBITDA, Working Capital and Capex) of 5 years for each cash-generating unit (CGU).
- Estimate of the terminal value in perpetuity based on the latest estimated flow, considering a growth between 2.1% and 5.7% (3.3% and 6.1% in 2022) in nominal terms, which correspond to the estimated average inflation for each CGU.
- Appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which vary in a range from 8.1% to 13.40% (9.7% to 12.6% in 2022) determined according to the associated risks for each CGU.



13. RELATED PARTIES

a) Related party balances

As of December 31, 2023 and 2022, the consolidated statement of financial position includes the following balances with related parties:

	2023	2022
Accounts payable:		
C.M.A. – U.S.A., L.L.C	\$ 801,317	\$ 612,659
WMGS Commercial Services Limited	28,257	-
	<u>\$ 829,574</u>	<u>\$ 612,659</u>
Other short-term accounts payable:		
Walmart Inc.	\$ 1,331,668	\$ 1,302,994
WMGS Commercial Services Limited	52,797	134,956
Newgrange Platinum Services LTD	37,742	21,417
	<u>\$ 1,422,207</u>	<u>\$ 1,459,367</u>
Other long-term accounts payable:		
Walmart, Inc. (Note 16)	\$ 133,834	\$ 163,409

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2023 and 2022, there were no uncollectible related party balances.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Newgrange Platinum Service, LTD, that are payable monthly.
- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam’s.

The terms of the related party transactions are consistent with those of an arm’s length transaction.

The Company had the following transactions with related parties during the years ended December 31, 2023 and 2022, respectively:

	2023	2022
Purchases and commissions related to the import of Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 5,406,569	\$ 4,822,933
WMGS Commercial Services Limited	874,819	887,463
	<u>\$ 6,281,388</u>	<u>\$ 5,710,396</u>
Costs and expenses related to technical assistance, services and royalties:		
Walmart Inc.	\$ 9,245,998	\$ 8,574,148
Newgrange Platinum Services LTD	551,659	508,630
	<u>\$ 9,797,657</u>	<u>\$ 9,082,778</u>



c) Remuneration of principal officers

Remuneration to the Company’s principal officers and Board of Directors for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Short-term benefits	\$ 2,022,879	\$ 1,806,127
Termination benefits	82,857	104,512
Share-based payments	92,303	68,353
	<u>\$ 2,198,039</u>	<u>\$ 1,978,992</u>

14. OTHER ACCOUNTS PAYABLE

An analysis of other accounts payable as of December 31, 2023 and 2022, is as follows:

	2023	2022
Accrued liabilities and others (a)	\$ 30,855,484	\$ 26,227,358
Contingencies (Note 15)	1,977,808	1,924,061
Deferred revenues (b)	1,789,263	1,557,776
Related parties (Note 13)	1,422,207	1,459,367
Dividends	217,585	187,491
	<u>\$ 36,262,347</u>	<u>\$ 31,356,053</u>

- (a) Accrued liabilities and others includes an effect due to reforms to the Federal Labor Law in Mexico that have changed the provisions applicable to vacations, and now provides that workers with more than one year of service will enjoy an annual period of paid vacation, which in no case may be less than twelve working days and which will increase by two working days, up to twenty, for each subsequent year of service. Although the entry into force of this reform is January 1, 2023, it concluded that obligation and the corresponding liability was presented at December 31, 2022 with an impact of \$263 million
- (b) Includes Sam’s club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.

15. COMMITMENTS AND CONTINGENCIES

a) Commitments

As of December 31, 2023, the Company has entered into agreements with suppliers for the acquisition of inventories, property and equipment, maintenance services, as well as renewable energy supply services, as shown below:

Year	Amount
2024	\$ 31,887,892
2025	\$ 5,091,546
2026	\$ 3,332,244
2027	\$ 3,370,866
2028	\$ 3,439,657
2029 and thereafter	\$ 19,991,434

The Company has lease commitments as explained in Note 10.



b) Contingencies

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$1,977,808 as of December 31, 2023, (\$1,924,061 in 2022) which is presented in other accounts payable.

In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

16. LEASES AND OTHER LONG-TERM LIABILITIES

Lease and other long-term liabilities as of December 31, 2023 and 2022, includes:

	2023	2022
Long-term leases (Note 10)	\$ 70,941,673	\$ 66,327,036
Deferred rental incomes	3,350,792	3,389,703
Related parties (Note 13)	133,834	163,409
Others	7,106	7,906
	\$ 74,433,405	\$ 69,888,054

17. INCOME TAXES

The income tax provision includes taxes payable by **WALMEX**'s subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2023, companies in Mexico determined and paid their income tax under the general tax law.

An analysis of income taxes charged to the income statement for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Current income taxes:		
México	\$ (14,607,290)	\$ (15,312,910)
Central America	(3,774,817)	(2,864,242)
Consolidated	(18,382,107)	(18,177,152)
Deferred income taxes:		
México	1,312,188	3,845,902
Central America	53,171	(61,125)
Consolidated	1,365,359	3,784,777
	\$ (17,016,748)	\$ (14,392,375)

As of December 31, 2023 and 2022, the Company's effective tax rate is 24.8% and 22.7%, respectively. The difference between the statutory tax rate and Company's effective tax rate is mainly due to inflationary effects and other permanent items.



The income tax rates applicable to each country are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long term income taxes (assets and liabilities), as of December 31, 2023 and 2022, is as follows:

	2023	2022
Deferred tax assets:		
Other accounts payable	\$ 6,541,803	\$ 5,762,883
Leases and other long-term liabilities	5,082,644	4,949,842
Inventories	1,134,805	1,210,472
Labor obligations	679,298	937,896
Tax losses carryforward from subsidiaries	599,762	1,153,279
Provision for impairment of other receivable	139,534	89,585
	\$ 14,177,846	\$ 14,103,957
Deferred tax liabilities:		
Property and equipment	\$ 3,099,171	\$ 4,973,607
Prepaid expenses	451,805	259,237
Investment in subsidiaries and other items	-	136,755
Deferred income tax	\$ 3,550,976	\$ 5,369,599
Long-term income tax	930,575	1,118,025
Income taxes	\$ 4,481,551	\$ 6,487,624

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income:

Year of expiration	Amount
2027	\$ 65,817
2028	309
2029	14,564
2030	609
2031	413,614
2032	1,158,807
2033	345,484
	\$ 1,999,204

Changes in the assets and liabilities for long-term income taxes, net as of December 31, 2023 and 2022, is as follows:

	2023	2022
Balances as of beginning of the year	\$ 7,616,333	\$ 3,958,037
Income tax charged in the year	1,449,026	3,739,259
Long-term income taxes	559,797	(171,149)
Other comprehensive income tax by labor obligations	105,141	29,743
Excess of previous years	(83,667)	45,518
Business acquisition effect (Note 4)	(15,690)	-
Translation effect	65,355	14,925
Balance as of end of the year	\$ 9,696,295	\$ 7,616,333



18. EMPLOYEE BENEFITS

As of December 31, 2023 and 2022, an analysis of the Company’s assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2023	2022	2023	2022
Defined benefit obligations	\$ 2,196,654	\$ 2,057,057	\$ 1,444,745	\$ 1,422,429
Plan assets	(1,314,289)	(1,200,930)	-	-
Net projected liability	\$ 882,365	\$ 856,127	\$ 1,444,745	\$ 1,422,429

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2023 and 2022, are shown below:

	Seniority premiums		Retirement benefits	
	2023	2022	2023	2022
DBO at beginning of year	\$ 2,057,057	\$ 1,916,026	\$ 1,422,429	\$ 1,618,477
Net period cost charged to results:				
Labor cost from actual services	230,479	214,600	200,130	169,696
Interest cost on DBO	193,267	156,829	101,067	100,414
Other actuarial items	(290,592)	-	131,176	-
Other comprehensive income items	302,519	23,261	33,332	(65,804)
Benefits paid	(296,076)	(254,074)	(280,031)	(314,472)
Transfers	-	415	-	-
Translation effect	-	-	(163,358)	(85,882)
DBO at end of the year	\$ 2,196,654	\$ 2,057,057	\$ 1,444,745	\$ 1,422,429

Changes in the net present value of the plan assets (PA) as of December 31, 2023 and 2022, are shown below:

	Seniority premiums	
	2023	2022
PA at beginning of year	\$ (1,200,930)	\$ (1,211,960)
Return on plan assets	(111,773)	(109,764)
Other comprehensive income items	13,962	128,148
Plan contributions	(311,211)	(261,197)
Benefits paid	295,663	253,843
PA at the end of the year	\$ (1,314,289)	\$ (1,200,930)

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2023 and 2022, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2023 and 2022, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,399,364 and \$1,154,692, respectively.



The assumptions used in the actuarial valuations of Mexico and Central America are as follows:

	Mexico		Central America	
	2023	2022	2023	2022
Financial:				
Discount rate	9.90%	9.52%	5.41% - 11.28%	4.6% - 13.2%
Salary increase rate	5.25%	5.25%	3.5% - 6.3%	3.5% - 6.3%
Minimum salary increase rate	4.75%	4.75%	2.0%	2.00%
Inflation rate	4.00%	4.00%	0.70% - 4.20%	0.70% - 4.70%
Biometrics:				
Mortality	IMSS 2009 ⁽¹⁾	IMSS 2009 ⁽¹⁾	RP - 2000 ⁽²⁾ Disability study table 1985	RP - 2000 ⁽²⁾ Disability study table 1985
Disability	2.1%	2.1%		
Retirement age	65 años	65 años	50 – 60 años	50 - 65 años

⁽¹⁾ Mexican Social Security Institute experience for males and females
⁽²⁾ RP-2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador

A sensitivity analysis of the DBO as of December 31, 2023, is as follows.

	Amount
DBO December 31, 2023	\$ 3,641,399
DBO at discount rate + 1%	\$ 3,568,368
DBO at discount rate – 1%	\$ 3,849,089
Effects over DBO:	
Discount rate + 1%	\$ (174,781)
Discount rate – 1%	\$ 187,601

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

19. EQUITY

a) At an ordinary meeting held on March 30, 2023, the shareholders adopted the following resolutions:

- 1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2023 to repurchase its own shares.
- 2. The shareholders declared an ordinary cash dividend of \$1.12 pesos per share, paid in two installments of \$0.56 each, the first one on November 29, 2023 and the second one on December 6, 2023; and an extraordinary dividend to be paid in cash at a rate of \$1.57 pesos per share in three installments: \$0.75 pesos per share on April 11, 2023, \$0.41 pesos per share on November 29, 2023 and \$0.41 pesos per share on December 6, 2023.

b) At an ordinary meeting held on April 7, 2022, the shareholders adopted the following resolutions:

- 1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2022 to repurchase its own shares. There was no repurchase of its own shares as of December 31, 2022.
- 2. The shareholders declared an ordinary cash dividend of \$1.00 pesos per share, paid in two installments of \$0.50 each; the first one on November 24, 2022, and the second one on December 27, 2022; and an extraordinary dividend to be paid in cash at a rate of \$0.71 pesos per share in two installments: \$0.35 pesos per shares on November 24, 2022 and \$0.36 pesos per share on December 27, 2022.



After the dividend declared is approved at the shareholders’ meeting, the Company reduces retained earnings and recognizes the accounts payable in the consolidated statement of financial position.

As of December 31, 2023 and 2022, the decreed dividends are as follows:

	2023	2022
Dividends in cash decreed and paid		
Ordinary dividend \$1.12 per share (\$1.00 in 2022)	\$ 19,285,428	\$ 17,285,400
Extraordinary dividend \$1.57 per share (\$0.71 in 2022)	27,063,179	12,272,638
	<u>\$ 46,348,607</u>	<u>\$ 29,558,038</u>

c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company’s capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.

As of December 31, 2023 and 2022, an analysis of paid-in stock and the number of shares representing it is as follows:

Common stock	2023	2022
Fixed minimum capital	\$ 5,591,362	\$ 5,591,362
Variable capital	36,898,537	36,935,265
Subtotal	42,489,899	42,526,627
Inflation effects	2,939,261	2,941,801
Total	<u>\$ 45,429,160</u>	<u>\$ 45,468,428</u>
Number of freely subscribed common shares	<u>17,446,322,177</u>	<u>17,461,402,631</u>

During the year ended as of December 31, 2023, 15,080,454 shares of **WALMEX** were acquired; such repurchase implied reduce the capital as is shown in the Consolidated statements of changes in equity.

d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

As of December 31, 2023 and 2022, the total balance of the tax accounts related to equity is \$76,989,724 and \$73,463,886, respectively, in conformity with the current tax laws.

e) The employee stock option plan fund consists of 225,355,288 **WALMEX** shares, which have been placed in a trust created for the plan.

The total compensation cost charged to Operating results during the year ended December 31, 2023 and 2022 was \$478,401 and \$384,953, respectively, which represented no cash outflow for the Company and it is included in the general expenses line in the consolidated comprehensive income statement.



Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance as of December, 31, 2021	162,689,486	49.76
Granted	40,943,537	76.42
Exercised	(25,227,765)	45.00
Cancelled	(11,742,622)	55.39
Balance as of December 31, 2022	166,662,636	56.64
Granted	47,706,383	71.54
Exercised	(24,209,421)	47.96
Cancelled	(11,067,835)	65.00
Balance as of December 31, 2023	179,091,763	61.48
Shares available for option grant:		
December 31, 2023	46,263,525	
December 31, 2022	8,522,073	

As of December 31, 2023, the granted and exercisable shares under the stock option plan fund are 179,091,763 of which 78,728,817 are available to exercise.

20. OTHER DISCLOSURES OF REVENUE

a) The other revenue that forms part of the main activity of the Company as of December 31, 2023 and 2022 is as follows:

	2023	2022
Memberships	\$ 2,773,213	\$ 2,500,083
Rents	2,746,171	2,571,438
Sale of waste	783,384	943,799
Parking	98,676	93,670
Total	\$ 6,401,444	\$ 6,108,990

As of December 31, 2023, rental income includes investment properties of \$632,294 (\$581,894 in 2022).

b) The Company analyzes and manages its operation through its geographical location and business format.

An analysis of income from contracts with customers for the year ended December 31, 2023 and 2022 is as follows:

	2023	2022
Mexico:		
Self-service	61.70%	61.3%
Price Clubs	22.0%	21.6%
Central America	16.3%	17.1%

Of **WALMEX's** total net sales, approximately \$40.5 billion and \$34.3 billion relates to electronic commerce in Mexico for the years ended December 31, 2023 and 2022, respectively.



In Central America, the net sales related to electronic commerce are \$1.1 billion and \$853 million for the years ended December 31, 2023 and 2022, respectively, and includes the sales made through home delivery platforms.

21. COST OF SALES AND GENERAL EXPENSES

Cost of sales and general expenses are presented in the consolidated statement of comprehensive income and mainly include the purchase of merchandise, personnel expenses, depreciation and amortization, rent, advertising, maintenance, utilities, royalties, and technical assistance.

22. FINANCIAL INCOME (EXPENSES)

An analysis of financial income (expenses) for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Financial income		
Financial income	\$ 3,021,084	\$ 2,025,182
Currency exchange gain	879,535	961,132
Income on changes in fair value of derivatives	329,979	465,885
	<u>\$ 4,230,598</u>	<u>\$ 3,452,199</u>
Financial expenses:		
Interest on Finance leases	\$ (7,836,519)	\$ (7,049,835)
Currency exchange loss	(595,851)	(532,631)
Loss on chages in fair value of derivatives	(430,874)	(389,373)
Other financial expenses	(36,600)	(125,418)
	<u>\$ (8,899,844)</u>	<u>\$ (8,097,257)</u>

Financial income primarily consists of interest earned on investments.

23. SEGMENT FINANCIAL INFORMATION

Segment financial information is prepared based on the information used by the CODM to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

Year ended December 31, 2023			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 63,957,761	\$ (4,230,666)	\$ 59,727,095
Central America	9,318,222	(438,580)	8,879,642
Consolidated	<u>\$ 73,275,983</u>	<u>\$ (4,669,246)</u>	<u>\$ 68,606,737</u>

Year ended December 31, 2022			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 59,236,007	\$ (4,004,968)	\$ 55,231,039
Central America	8,775,610	(640,090)	8,135,520
Consolidated	<u>\$ 68,011,617</u>	<u>\$ (4,645,058)</u>	<u>\$ 63,366,559</u>



Year ended December 31, 2023

Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 24,896,088	\$ 16,792,478	\$ 334,509,599	\$ 132,465,119
Central America	3,896,090	3,784,961	67,740,206	23,753,394
Goodwill	-	-	34,296,811	-
Consolidated	\$ 28,792,178	\$ 20,577,439	\$ 436,546,616	\$ 156,218,513

Year ended December 31, 2022

Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 17,691,399	\$ 15,357,415	\$ 316,184,388	\$ 116,407,749
Central America	3,612,340	4,001,790	67,010,279	21,278,005
Goodwill	-	-	35,613,704	-
Consolidated	\$ 21,303,739	\$ 19,359,205	\$ 418,808,371	\$ 137,685,754

An analysis of income from customer contracts is presented in Note 20.

24. OTHER DISCLOSURES

- a) As a result of the continued negotiations with the fiscal authorities of a country where we operate in Central America, in 2023 the Company reached an agreement regarding tax issues to cover all past tax liabilities by making a payment of \$1,108M, and also the Company got written confirmations of the taxes that will apply going forward. While we believe we had strong legal grounds to uphold our positions, we concluded that the substantial reduction on the amounts claimed and the certainty for the future were the best decision for **WALMEX**.
- b) As of January 24, 2022, the Company informed its shareholders and the investing public at large that, as approved by its Board of Directors, it is considering strategic alternatives regarding its operations in El Salvador, Honduras and Nicaragua as it focuses efforts and capital on its core business and geographies. These alternatives could include, among others, possible joint ventures, strategic partnerships or alliances, a sale or other possible transactions.

The Company gives no assurance that the process will result in a transaction. **WALMEX** will inform its shareholders and the investing public at large as provided under applicable laws and regulations.

- c) On November 23, 2020, **WALMEX** received a notification from the Federal Economic Competition Commission (COFECE), that it has initiated an ex officio investigation in the supply and distribution market to the wholesale of consumer goods, retail marketing of these and related services for the alleged commission of relative monopolistic practices. **WALMEX** responded to four requests for information, beginning on November 23, 2020 and ending on June 2023.

On June 21, 2023, COFECE published the notice through which it formally concluded the investigation stage.

On October 6, 2023, COFECE notified **WALMEX** that COFECE’s Investigative Authority had recommended the initiation administrative process followed in the form of trial against **WALMEX**’s main Mexican operating subsidiary. On December 14, 2023, **WALMEX** timely submitted its defense arguments and



offered its evidence with COFECE. A resolution in this administrative stage is expected during the second half of 2024. This is the first opportunity for **WALMEX** to defend itself against the Investigative Authority allegations.

WALMEX is confident that its actions have adhered to the applicable legislation, and that its participation in the Mexican market has resulted in lower prices for consumers, particularly benefiting Mexican families with the lowest incomes, and in remote areas of the country that have not been attended by others, which we will demonstrate in the corresponding instances and in the appropriate forums, in which we will exercise our rights.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements and accompanying notes for the years ended December 31,2023 and 2022, were approved by the Company’s management and Board of Directors on February 14, 2024 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.



REPORT OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEES

WAL- MART DE MÉXICO, S.A.B. DE C.V. ANNUAL REPORT

**Board of Directors Wal-Mart de
México S.A.B. de C.V.**

DEAR DIRECTORS:

In compliance with article 43 of the Securities Market Law (“LMV”) and the Rules of Procedure of the Committees, duly approved by the Board of Directors for Wal-Mart de México, S.A.B. of C.V. (which together with its subsidiaries hereinafter is the “Company”), we hereby inform you of the activities undertaken during the reporting period ending on December 31st, 2023.

Throughout the work conducted, in addition to that stipulated under the LMV, we have abided by that contained under the Code of Best Corporate Governance, issued by the Coordinating Business Council; the Code of Ethics of the Company; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

To comply with our oversight process, the Audit and Corporate Governance Committees held quarterly regular meetings during 2023, to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and enhancing our participation throughout the year in meetings with the CEO, CFO and General Counsel of the Company, as well as the reports rendered by the principal officers of the Company, highlighting the following:

I. Audit matters:

- a) The status of the internal control system and were informed in detail of the programs and development of internal and external audits.
- b) The main aspects requiring improvement and followed-up on the preventive and corrective measures implemented by the management of the Company. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.
- c) The performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company’s Financial Statements and their adherence to International Financial Information Standards. Hence, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to provide their audit services, the Audit Committee evaluated the necessary requirements for intellectual and economic independence of action, therefore we recommended to the Board to ratify EY’s appointment as external auditors to examine and issue the report on the Financial Statements of the Company. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2023, no services other than the external audit of Financial Statements were retained by this firm.
- d) The Company’s quarterly and annual Financial Statements and recommended, at the appropriate time, their approval by the Board of Directors for its publication.



- e) The accounting policies approved and applied during the fiscal year ended on December 31st 2023.
- f) The follow-up to all relevant observations made by the shareholders, Directors, relevant officers and employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.
- g) The follow-up to agreements made by the Shareholders in the General Meeting and by the board of directors of the Company.
- h) The legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- i) The progress regarding cybersecurity matters.
- j) The progress of the Enterprise Risk Management (ERM) established by the Company.
- k) Lastly, on Ethics and Compliance matters and the measures adopted by the Company to reinforce those aspects.

II. Corporate Governance affairs:

- a) Performance evaluation processes for relevant officers.
- b) The transactions with related parties, during the reporting period, that may had occurred during the annual period ending December 31st, 2023, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.
- c) Emolument packages or total compensation of the CEO and relevant officers, as well as the new metrics to define the Long-Term Incentive for executives.

- d) The Board of Directors granted no permission whatsoever to any Director, relevant officer, or anyone with a position of decision maker, as indicated under article 28, section III, paragraph f) of the LMV.
- e) The results of the transfer pricing study 2023 for Mexico and Central America, informing that all its operations were made accordingly.

Based on the work completed and the opinion issued by independent auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company’s financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors submits to the General Annual Shareholders Meeting, for their approval, the Financial Statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2023.

Sincerely,

Ernesto Cervera
Presidente /Chair
Audit and Corporate Governance Committees.

Mexico City, February 14th, 2024.

Report of Independent Auditors

TO THE SHAREHOLDERS OF WAL-MART DE MÉXICO, S.A.B. DE C.V.

OPINION

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as of December 31, 2022, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR AUDIT OPINION

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the Code of Ethics for Accounting Professionals of the International Ethics Standards Board for Accountants (IESBA) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the Code of Ethics of the Mexican Institute of Public Accountants (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

IMPAIRMENT ASSESSMENT OF PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS, INVESTMENT PROPERTIES AND INTANGIBLES

Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of property and equipment, right of use assets, investment properties and intangibles, because the determination of the recovery value is complex, it involves a high degree of judgment

from the Company's management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, operating margins, the weighted average cost of capital, capitalization rate and others, which are sensitive and are affected by economic changes and market conditions, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2022.

Notes 3 and 8 to 11 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of property and equipment, right-of-use assets, investment properties and intangibles.

How we responded to the key audit matter

We evaluated the design and tested the effectiveness of significant controls with respect to the impairment analysis process for long-lived assets as of December 31, 2022.

We analyze the assumptions and hypotheses used by the Company's management for the identification and grouping of long-lived assets in each cash-generating unit (CGU).

We evaluated the financial projections of future cash flows used by the Company's management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions.

We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company's Management in its impairment analysis according to International Accounting Standard ("IAS") 36, Impairment of assets. We independently recalculated the arithmetic calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company's management on its long-lived assets, and we evaluated the competence, technical capabilities and objectivity of the management's external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of property and equipment, right-of-use assets, investment properties and intangibles of the accompanying consolidated financial statements as of December 31, 2022.

OTHER INFORMATION

The other information comprises the financial and non-financial information (other than the financial statements and our audit report) presented in the annual report by the Company submitted to the National Banking and Securities Commission (the Commission) and in the annual report submitted to the shareholders for the year ended as of December 31, 2022. Management is responsible for the other information. We expect to obtain the other information after the date of this auditor's report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company's shareholders, we are required to report that fact to those charged with governance and to describe the matter in our statement on the Annual Report required by the Commission.

RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is who signs it..

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

José Refugio Vázquez

Mexico City
Febrero 15, 2023



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME



Other comprehensive income items:

Items that do not reclassify to profit or loss of the year:

Actuarial results on employee benefits,
net of income taxes

Items that may be reclassified subsequently to profit or loss:

Cumulative translation adjustment

Other comprehensive income (loss)

Comprehensive income

Basic earnings per share (in pesos)

The accompanying notes are an integral part of these financial statements.

For the years ended December 31	
2022	2021
\$ (55,862)	\$ 193,834
(1,661,135)	184,327
(1,716,997)	378,161
\$ 47,257,187	\$ 44,516,233
\$ 2.805	\$ 2.528

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands of Mexican pesos)

	December 31,	
	2022	2021
Assets		
Current Assets:		
Cash and cash equivalents (Note 5)	\$ 47,427,191	\$ 42,816,535
Accounts receivable, net (Note 6 and 12)	16,719,308	16,827,238
Inventories, net (Note 7)	89,461,735	80,316,969
Prepaid expenses and other assets	924,796	856,849
Total current assets	154,533,030	140,817,591
Non-current assets:		
Property and equipment, net (Note 8)	145,533,306	140,496,598
Right-of-use assets (Note 9)	57,621,419	54,137,508
Investment properties, net (Note 10)	5,480,105	5,583,846
Intangible assets, net (Note 11)	39,218,374	38,758,049
Deferred tax assets (Note 16)	14,103,957	12,374,229
Other non-current assets	2,318,180	2,221,650
Total assets	\$ 418,808,371	\$ 394,389,471



Liabilities and equity
Current liabilities:
Accounts payable
Short-term lease liability
Other accounts payable (Note 13)
Income taxes payable
Total current liabilities
Long-term liabilities:
Leases and other long-term liabilities (Note 15)
Income tax liabilities (Note 16)
Employee benefits (Note 17)
Total liabilities
Equity (Note 18):
Capital stock
Retained earnings
Other comprehensive income items
Premium on sale of shares
Employee stock option plan fund
Total equity
Total liabilities and equity

	December 31,	
	2022	2021
\$ 98,956,251	\$ 96,637,884	
3,511,546	3,438,469	
31,356,053	29,535,182	
3,861,904	3,096,932	
137,685,754	132,708,467	
69,888,054	65,060,266	
6,487,624	8,416,192	
2,278,556	2,322,543	
216,339,988	208,507,468	
45,468,428	45,468,428	
146,727,023	127,310,877	
13,072,532	14,789,529	
5,289,992	4,908,573	
(8,089,592)	(6,595,404)	
202,468,383	185,882,003	
\$ 418,808,371	\$ 394,389,471	

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY



For the years ended December 31, 2022 and 2021

(Amounts in thousands of Mexican pesos)

	Retained earnings			Other comprehensive income items	Premium on sale of shares	Employee stock option plan fund	Total equity
	Capital stock	Legal Reserve	Retained earnings				
Balance at December 31, 2020	\$ 45,468,428	\$ 9,104,745	\$ 102,256,801	\$ 14,411,368	\$ 4,543,745	\$ (6,666,394)	\$ 169,118,693
Movements in employee stock option plan fund					364,828	70,990	435,818
Dividends declared			(28,188,741)				(28,188,741)
Comprehensive income			44,138,072	378,161			44,516,233
Balance at December 31, 2021	45,468,428	9,104,745	118,206,132	14,789,529	4,908,573	(6,595,404)	185,882,003
Movements in employee stock option plan fund					381,419	(1,494,188)	(1,112,769)
Dividends declared			(29,558,038)				(29,558,038)
Comprehensive income			48,974,184	(1,716,997)			47,257,187
Balance at December 31, 2022	\$ 45,468,428	\$ 9,104,745	\$ 137,622,278	\$ 13,072,532	\$ 5,289,992	\$ (8,089,592)	\$ 202,468,383

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS



(Amounts in thousands of Mexican pesos)

For the years ended
December 31

	2022	2021
Operating activities		
Income before income taxes	\$ 63,366,559	\$ 57,295,648
Items related to investing activities:		
Depreciation and amortization	19,359,205	18,305,881
Loss from disposal of property and equipment and impairment	117,761	353,054
Stock option compensation expenses	384,953	354,257
Interest earned	(2,025,182)	(866,112)
Items related to financing activities:		
Interest on lease liabilities	7,049,835	6,478,994
Unrealized, exchange rate fluctuation	(998,965)	(27,773)
Provision of labor obligations	531,774	553,537
Interest accrued	44,053	63,296
Cash flow from operating activities	87,829,993	82,510,782
Variances in:		
Accounts receivable	(155,262)	1,921,818
Inventories	(9,425,547)	(11,906,229)
Prepaid expenses and other assets	82,478	(224,786)
Accounts payable	(432,441)	4,221,167
Other accounts payable	3,268,202	2,905,551
Income tax paid	(16,122,086)	(13,959,161)
Employee benefits	(575,914)	(587,547)
Net cash flow from operating activities	\$ 64,469,423	\$ 64,881,595

For the years ended
December 31

	2022	2021
Investing activities		
Long-lived assets with defined useful lives	\$ (21,303,739)	\$ (20,466,364)
Interest collected	2,025,182	866,112
Proceeds from sale of property and equipment	459,402	388,548
Employee stock option plan fund	(1,497,722)	81,561
Net cash flow used in investing activities	(20,316,877)	(19,130,143)
Financing activities		
Dividends paid	(29,558,038)	(28,188,741)
Interest paid	(44,053)	(63,296)
Payment of leases liability	(10,039,198)	(9,243,975)
Net cash flow used in investing activities	(39,641,289)	(37,496,012)
Effect of changes in the value of cash	99,399	(1,109,265)
Net increase (decrease) in cash and cash equivalents	4,610,656	7,146,175
Cash and cash equivalents at beginning of year	42,816,535	35,670,360
Cash and cash equivalents at end of year	\$ 47,427,191	\$ 42,816,535
Non-cash transactions:		
Additions of right of use assets	\$ 2,591,724	\$ 2,515,770
Right of use assets remeasurements	\$ 5,920,509	\$ 5,412,193

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2022 and 2021

(Amounts in thousands of Mexican pesos, except where otherwise indicated)

1. DESCRIPTION OF THE BUSINESS

Wal-Mart de Mexico, S.A.B. de C.V. (**WALMEX**, “the Company” or “the Group”) is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of **WALMEX** is Walmart, Inc., a U.S. Corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 70.51% in the Company.

WALMEX holds 100% of equity interest in the following groups of companies in Mexico and Central America:

Group	Line of business
Nueva Walmart	Operation in 2022 of 2,292 Bodega Aurrerá discount stores, 303 Walmart hipermarkets, 101 Walmart Express supermarkets and 167 Sam’s Club memberships self-service wholesale stores.
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Service companies	Not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2022 of 583 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 165 Bodegas (Maxi Bodega and Maxi Palí); and 36 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

2. NEW ACCOUNTING PRONOUNCEMENTS

The Company applied for the first-time certain International Financial Reporting Standards (“IFRS”) and amendments, which are effective for annual periods beginning on or after January 1, 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3, “Business Combinations”

In May 2020, the IASB issued Amendments to IFRS 3 “Business Combinations” - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 “Levies”, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

This amendment had no impact on the Company’s consolidated financial statements, since there are no assets, liabilities, or contingent liabilities within the scope of the amendment.

Amendments to IAS 16, “Property, Plant and Equipment: Proceeds before Intended Use”

In May 2020, the IASB issued these amendments, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, directly in the income statement.

This amendment had no impact on the Company’s consolidated financial statements, since there are not this kind of transactions.

Amendments to IAS 37, “Onerous Contracts – Costs of Fulfilling a Contract”

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

This amendment had no impact on the Company’s consolidated financial statements, since there are not this kind of transactions.

IFRS annual improvements 2018-2020 issued in 2020 and entered into force in 2022

IFRS 1, “First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter”

The IASB issued an amendment to IFRS 1. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

This amendment had no impact on the Company’s consolidated financial statements, since it is not a first-time adopter.

IFRS 9, “Financial Instruments – Fees in the ‘10 percent’ test for derecognition of financial liabilities”

The amendment mentions when derecognize a financial liability that has been modified or exchanged, it must be evaluated whether the terms are substantially different between the new or modified financial liability and the original financial liability. A substantial difference is considered when the present value of the discounted cash flows under the new conditions, including commissions paid net, differs at least 10 percent from the present value of discounted cash flows that still remain from the original financial liability, using for discounting, the original effective interest rate.

The amendment had not impact on the Company’s consolidated financial statements, since there are no financial liabilities with the characteristics that the amendment describes.

IAS 41, “Agriculture – Taxation in fair value measurements”

The amendment removes the requirement in paragraph 22 of IAS 41 where entities needed to exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

The Company’s financial statements were not materially impacted by the adoption of this standard.

IFRS issued but not yet effective

IFRS 17, “Insurance Contracts”

This IFRS will replace IFRS 4 that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company’s management estimates that these modifications will not have a significant impact on the consolidated financial statements.

Amendments to IAS 1, “Classification of Liabilities as Current or Non-current”

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- Changes in criteria to classify a liability as current or non-current.
- Considerations about substantial right to defer the liability settlement.
- Settlement definition and possibility of settling liabilities in cash, other economic resources, or entity’s equity instruments.
- New disclosures by liabilities deferrals.

Classification as current or non-current liability will not be affected by the probability that the entity exercises or not its deferral right.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have.

IAS 12 – “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments to IAS 12 “Income Taxes” require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

The amendment is effective for annual periods beginning on or after January 1, 2023, and early adoption is permitted. The Company is currently assessing the impact the amendments will have on current practice.

Amendments to IAS 8, *Accounting policies, changes in accounting and errors estimations* – *Definition of accounting estimate*”

On February 2021, IASB issued amendments to IAS 8 that introduce a new definition of “accounting estimate”. The change that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they are not the result of correcting an error from prior periods. The previous definition of a change in accounting estimate specified that changes in accounting estimates may be the result of new information; therefore, such changes are not bug fixes. The IASB retained this consideration in the definition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company’s Management is currently evaluating the impact that the amendments will have.

IAS 1, “Presentation of financial statements”

In February 2021, the IASB issued amendments to IAS 1 “Presentation of Financial Statements”, which provide guidance and examples to help entities when applying materiality judgments to accounting policy disclosures. The IASB also issued amendments to the IFRS 2 Practice Statement to support the amendments in IAS 1 by explaining and exemplifying the application of the “four-step process” to accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023, and early application is allowed if this fact is disclosed. Because the amendments to the IFRS 2 Practice Statement provide non-mandatory guidance on applying the definition of materiality to accounting information, the IASB concluded that transition requirements and an effective date for these amendments were not necessary.

These amendments are not expected to have a material impact on the Company’s consolidated financial statements.

Amendments to IFRS 16, *Lease liability in a sale and leaseback transaction*

This amendment requires a lessee-seller to subsequently measure the liabilities for a lease that arises from a sale and leaseback transaction so that it does not recognize any amount of profit or loss related to the right of use that retains.

The new requirements introduced by the amendment do not prevent a lessee-seller from recognizing in income any profit or loss related to the partial or total termination of a lease.

Although it had previously been proposed that a lessee-seller initially measures the right-of-use asset and lease liability arising from a return lease using the present value of expected lease payments at the inception date, the final amendments do not eliminate specific measurement requirements for lease liabilities that arise from a return lease.

This amendment will be effective for annual periods beginning on or after January 1, 2024, and early adoption of this amendment is permitted. It is estimated that this amendment will not have a significant impact on the Company’s consolidated financial statements.

3. INFORMATION OF MATERIAL ACCOUNTING POLICIES

A summary of the material accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2021.

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company's foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.

The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.

WALMEX has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period. The Mexican peso is the Company's functional and Reporting currency.

b) Consolidation

The accompanying consolidated financial statements include the financial statements of **WALMEX**, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by **WALMEX**, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee).
- Exposure to, or rights to, variable returns from its participation in the investee.
- The ability to use its power over the investee to affect its returns.

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investee Cargill Protein S. de R.L. de C.V. and Cargill Protein Servicios S. de R.L. de C.V., merged into Cargill Protein S. de R.L. de C.V. in 2021, according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in these entities. Net income for the consolidated year considers a remaining attributable to the results of the investees of \$63,541 in 2022 and \$(66,136) in 2021; and the statement of financial position as of December 31, 2022 and 2021, contains a remaining attributable to the minority interest of the investees of \$(54,735) and \$(118,276), respectively.

c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. Financial assets. These assets are classified in one of the following categories, as required: financial assets at fair value through profit or loss, accounts receivable and investments held to maturity. The Company's financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.
- II. Financial liabilities. These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

Level 1. Quoted prices for identical instruments in active markets;

Level 2. Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and

Level 3. Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company's financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously.

d) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.

Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.

e) Derivative financial instruments

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, the Company manages only Fx-forwards as derivative financial instruments.

f) Accounts receivable and provision for impairment of other accounts receivable

WALMEX recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 "Financial Instruments", recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

g) Inventories

Inventories are valued using the retail method, except for merchandise for Sam’s Clubs, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the weighted average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

h) Prepaid expenses

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i) Property and equipment

Property and equipment are recorded at acquisition cost and are presented net of accumulated depreciation.

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	to	5.0%
Facilities and adaptations	5.0%	to	12.5%
Construction finishes	10.0%	to	25.0%
Furniture and equipment	5.0%	to	33.3%
Computer equipment	12.5%	to	33.3%
Transportation equipment	10.0%	to	33.3%

Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

j) Investment properties

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.

Depreciation of investment properties is computed on a straight-line basis at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	to	5.0%
Facilities and adaptations	5.0%	to	12.5%
Construction finishes	10.0%	to	25.0%

k) Leases

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

WALMEX as a lessee

WALMEX recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of **WALMEX**.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if **WALMEX** changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The Company recognizes impairment in the value of this type of assets by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.

n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America at the acquisition date and is not subject to amortization.

Goodwill was assigned applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is tested for impairment annually. The Company engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

o) Liabilities and provisions

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

p) Income taxes

Current and deferred income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where **WALMEX** has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.

Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by **WALMEX** and it is probable that the temporary differences will not reverse in the near future.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.

Uncertain tax positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where **WALMEX** operates will accept the tax position under current tax laws.

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates.

q) Employee benefits

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, **WALMEX**'s employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country's respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

WALMEX recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.

r) Equity

Legal reserve:

As of December 31, 2022, the Company's legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders' equity directly.

Employee stock option plan fund and stock option compensation:

The employee stock option plan fund is comprised of **WALMEX** shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.

The shares subject to the plan are assigned, taking as a reference the weighted average price of the purchase and sale transactions in the secondary market of such shares.

The current policy has two grant plans to executives; the first one Grants stock options and the second one Grants restricted shares (the last one is offered only to certain executive levels). In the stock option plan, the term to exercise the option is released in three years in third equal parts. The term to exercise the rights is 10 years from the grant date.

The vesting period for the restricted shares plan is 3 years and the term to exercise the option is up to 10 years starting from the date of the assignment. The amount of the restricted shares is subject to compliance with certain metrics that are evaluated after the first year after the grant, which may cause the original allocation to decrease or increase within a range of 0% up to 213%.

According to the previous policy, **WALMEX** executives may exercise their option to acquire shares in equal parts over five years. The right to exercise the employee stock option expired after 10 years as of the grant date or 60 days after the employee's termination date; and in regards of the restricted shares plan, until March 23, 2021, the amount was subject to compliance with certain metrics that were evaluated after the first year, and that could cause the original allocation to be modified, in a range from 0% to 150%.

The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.

s) Revenue recognition

Revenue from merchandise sales, including online sales ("e-Commerce") is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when "control" of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Extended warranties, service commissions and cell phone airtime are recognized net in the net sales line in the consolidated statement of comprehensive income at time the service is provided.

Sam's Club membership income is deferred over the twelve-month term of the membership and presented in the other revenue line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered with third parties and presented in the other revenue line in the consolidated statement of comprehensive income.

Revenues from the sale of waste and parking lots are recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

t) Basic earnings per-share

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

The effect on earnings per share, which represents the remaining attributable to the results of the investees in 2022 and 2021 is of \$0.004 pesos per share in both years.

u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company's performance. Segment information is presented based on the geographical zones in which the Company operates.

v) Foreign currency transactions

The Company's foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

4. RISK MANAGEMENT

a) General risk factors

The Company is exposed to facts or events that could affect the purchasing power and/or buying habits of the population. These facts or events may be economic, political or social in nature and some of the most important are described below:

- I. Changes in exchange rates. Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately adversely affect the Company's sales, in particular due to the purchase of imported goods.
- II. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new competitors into the market. Likewise, the new activities carried out by the Company that it did not carry out before - BAiT, Connect, Cashi, to mention a few - face very strong competition from participants that have a greater participation than the Company in those market segments.
- III. Inflation. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services, as well as employment and salaries and in the prices of the goods and services supplied by the Company. Although the Company always seeks to keep costs low in order to offer low prices, there are circumstances in which it is not possible to defer price increases, even though the Company always seeks to do so.
- IV. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities and other regulatory authorities has increased considerably.
- V. Recent developments. The COVID-19 pandemic has resulted in widespread and ongoing impacts on the local and international economy, on our associates, suppliers, customers, and other individuals and entities with whom we do business. Although it seems that the most severe effects of the pandemic are over and the vaccination campaigns have significantly reduced the risk of having to implement measures that affect economic activity again, the secondary effects will continue in many areas and will continue to be a risk. In

addition, the increase in violence has caused temporary closures of Company stores, clubs and distribution centers and, in some cases, our facilities have been looted. In all these cases, the Company's policy is always to safeguard the integrity of people -associates, customers, partners or suppliers- and seek to reopen its units as soon as possible to help build confidence in the corresponding location. However, these acts of violence have caused temporary closures and loss of sales, which have not been substantial but could be if they become widespread or of longer duration.

In addition to the above, international events involving Ukraine, together with the effects of the pandemic, have caused disruptions in the markets, prices of many products and in the international supply logistics chain. These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance.

As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.

b) Financial risk factors:

The Company's activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.

Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar ("USD").

As of December 31, 2022, the exchange rate used to translate assets and liabilities denominated in US dollars was \$19.50 per dollar (\$20.46 in 2021).

Considering the net monetary position in dollars at December 31, 2022, if there was an increase or decrease in the exchange rate of the US dollar against the Mexican peso of 5%, there would be a favorable or unfavorable effect on the financial income (expenses) and equity of the Company of \$255,159.

The Company has entered into Fx-forward contracts for foreign currency in order to protect itself from exposure to variability in the exchange rate for the payment of liabilities in Mexico related to the purchase of imported goods agreed in US dollars.

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 “Information of material accounting policies – Financial assets and liabilities and fair value measurement”).

As of December 31, 2022 and 2021, the Company has Fx-forward contracts with a term of no more than four months, recorded in other accounts payable, which are shown below:

	2022		2021	
Current contracts		271		284
Notional amount (millions of USD)	US\$	177	US\$	192.31
Notional amount (millions of Mexican Pesos)	MXN\$	3,517.82	MXN\$	4,069.20
Fair value, net (millions of pesos)	MXN\$	(29.740)	MXN\$	(106.25)

Each Fx-forwards operation contracted with the banking institutions is agreed by means of a confirmation letter and consists in the exchange in kind of currencies with the same counterpart that occurs simultaneously at the settlement date agreed in the confirmation letter.

Interest rate risk:

The Company has temporary investments in government paper which generate financial income. By reducing the interest rate, the financial income of the Company also decreases. The interest rate of these investments fluctuated during the year 2022 between 1.23% y 9.94%. As of December 31, 2022 the financial income amounted to \$2,025,182 (\$866,112 in 2021).

Considering the highly liquid instruments as of December 31, 2022, if there was an increase or decrease in the interest rate of 0.50%, there would be a favorable or unfavorable effect on the financial income of the Company of \$129,056.

Liquidity risk

The Company is subject to liquidity risks to meet its payment obligations to suppliers, payment of taxes, acquisitions of fixed assets and other working capital requirements, which are settled through the cash flow generated in the operation. For this reason, in order to avoid the breach of its obligations, the Company has available lines of credit and overdraft with different banks. As of December 31, 2022, the available and unused credit and overdraft lines amounted \$52,623 (\$51,255 in 2021) million (these include \$18,664 (\$17,931 in 2021) million corresponding to pre-approved lines of credit and \$33,959 (\$33,324 in 2021) million to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.

5. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents as of December 31, 2022 and 2021, is as follow:

	2022		2021	
Cash and cash in bank	\$	36,008,176	\$	35,127,748
Highly marketable investments		11,419,015		7,688,787
	\$	47,427,191	\$	42,816,535

As of December 31, 2022, the restricted cash amounted \$199,612 (\$225,643 in 2021) and it is presented in the consolidated statement of financial position in the other non-current assets item.

6. ACCOUNTS RECEIVABLE

An analysis of accounts receivable as of December 31, 2022 and 2021, is as follows:

	2022	2021
Income tax, VAT, IEPS pending to recover	\$ 12,418,965	\$ 13,118,127
Vouchers issuers and trade receivables	2,036,744	1,415,900
Other accounts receivable	2,805,813	2,847,115
Allowance for impairment of other receivables ⁽¹⁾	(542,214)	(553,904)
	\$ 16,719,308	\$ 16,827,238

Average aging to collect the accounts receivable to customers is 30 to 90 days.

⁽¹⁾ Includes \$224 million of allowance for impairment of other receivables corresponding to ATM's services supplier.

7. INVENTORIES

An analysis of inventories as of December 31, 2022 and 2021, is as follows:

	2022	2021
Merchandise for sale	\$ 83,883,622	\$ 74,466,819
Agro-industrial development	1,435,803	1,315,037
	85,319,425	75,781,856
Merchandise in transit	4,142,310	4,535,113
	\$ 89,461,735	\$ 80,316,969

As of December 31, 2022 and 2021, the effect of inventory impairment is \$1,513,303 y \$1,294,599, respectively, which was included in cost of sales in the consolidated comprehensive income statement.

8. PROPERTY AND EQUIPMENT

An analysis of property and equipment as of December 31, 2022 and 2021, is as follows:

	December 31, 2020	Additions	Disposals	Transfers	Translations effect	December 31, 2021	Additions	Disposals	Transfers	Translations effect	December 31, 2022
Cost:											
Land	\$ 31,693,080	\$ 605,782	\$ (106,636)	\$ 309,400	\$ (22,057)	\$ 32,479,569	\$ 112,523	\$ (105,879)	\$ (61,666)	\$ (37,608)	\$ 32,386,939
Buildings	72,280,298	1,276,226	(503,028)	3,135,993	13,787	76,203,276	1,270,383	(1,310,664)	2,680,526	(261,839)	78,581,682
Facilities and leasehold improvements	52,435,706	244,830	(528,437)	4,065,345	152,415	56,369,859	273,909	(699,060)	5,530,861	(346,161)	61,129,408
Furniture and equipment	73,479,359	3,888,848	(4,405,776)	4,599,689	202,702	77,764,822	4,747,696	(4,274,538)	4,868,126	(596,371)	82,509,735
Subtotal	229,888,443	6,015,686	(5,543,877)	12,110,427	346,847	242,817,526	6,404,511	(6,390,141)	13,017,847	(1,241,979)	254,607,764
Accumulated depreciation:											
Buildings	(34,415,507)	(2,977,245)	319,881	(69,076)	(14,710)	(37,156,657)	(2,996,120)	1,114,985	195,722	109,102	(38,732,968)
Facilities and leasehold improvements	(25,784,216)	(3,046,909)	413,686	(96,907)	(68,655)	(28,583,001)	(3,083,156)	553,720	(270,638)	197,545	(31,185,530)
Furniture and equipment	(39,499,176)	(7,255,124)	4,261,397	8,663	(102,064)	(42,586,304)	(7,726,188)	4,159,797	15,819	348,570	(45,788,306)
Subtotal	(99,698,899)	(13,279,278)	4,994,964	(157,320)	(185,429)	(108,325,962)	(13,805,464)	5,828,502	(59,097)	655,217	(115,706,804)
Construction in progress	4,639,073	13,636,456	(61,598)	(12,194,434)	(14,463)	6,005,034	13,648,144	(10,363)	(13,058,638)	48,169	6,632,346
Total	\$ 134,828,617	\$ 6,372,864	\$ (610,511)	\$ (241,327)	\$ 146,955	\$ 140,496,598	\$ 6,247,191	\$ (572,002)	\$ (99,888)	\$ (538,593)	\$ 145,533,306

Depreciation expense for the years ended December 31 2022 and 2021, was \$13,491,000 y \$12,937,408, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$314,464 y \$341,870, respectively.

Property and equipment impairment for the years ended December 31, 2022 and 2021, was \$49,005 y \$159,133, respectively, and is presented in the disposals column.

9. LEASES

WALMEX has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

WALMEX sub-leases some of its investment properties.

The right of use assets balance is as follows:

	December 31, 2020	Additions	Disposals, Modifications and updates	Transfers	Translations effect	December 31, 2021	Additions	Disposals, Modifications and updates	Transfers	Translations effect	December 31, 2022
Cost:											
Property	\$ 59,099,287	\$ 1,876,726	\$ 5,194,427	\$ (2,541)	\$ (156,575)	\$ 66,011,324	\$ 2,343,220	\$ 5,660,844	\$ 3,026	\$ (420,492)	\$ 73,597,922
Furniture and equipment	2,537,833	639,044	(93,684)	(377,605)	(7,798)	2,697,790	248,504	(289,792)	(282,432)	(1,737)	2,372,333
Subtotal	61,637,120	2,515,770	5,100,743	(380,146)	(164,373)	68,709,114	2,591,724	5,371,052	(279,406)	(422,229)	75,970,255
Accumulated depreciation:											
Property	(10,427,946)	(3,630,535)	198,356	-	340,973	(13,519,152)	(4,042,270)	204,112	560	166,670	(17,190,080)
Furniture and equipment	(889,390)	(493,792)	92,419	215,692	22,617	(1,052,454)	(540,565)	288,551	141,957	3,755	(1,158,756)
Subtotal	(11,317,336)	(4,124,327)	290,775	215,692	363,590	(14,571,606)	(4,582,835)	492,663	142,517	170,425	(18,348,836)
Total	\$ 50,319,784	\$ (1,608,557)	\$ 5,391,518	\$ (164,454)	\$ 199,217	\$ 54,137,508	\$ (1,991,111)	\$ 5,863,715	\$ (136,889)	\$ (251,804)	\$ 57,621,419

An analysis of the lease liabilities is as follows:

Year	December 31, 2022
2023	\$ 9,966,048
2024	9,620,665
2025	9,341,010
2026	9,002,209
2027	8,664,215
2028 and thereafter	111,053,648
Nominal lease payments	157,647,795
Effect on Net present value	(87,809,213)
Lease liabilities - net	\$ 69,838,582

The Company analyzes its services agreements that do not have the legal form of a lease to determine if the supplier transfers the use of an asset to **WALMEX**. After this analysis, **WALMEX** has determined that there are no material service agreements that must be classified as a lease.

The amounts recognized in the consolidated statements of income for the years ended December 31, 2022 and 2021, are as follows:

	2022	2021
Depreciation expense for the right of use assets, by type:		
Property	\$ 4,042,270	\$ 3,630,535
Equipment	\$ 540,565	\$ 493,792
Interest on lease liabilities	\$ 7,049,835	\$ 6,478,994
Expenses related to short-term leases	\$ 194,342	\$ 181,653
Expenses related to leases of low-value assets	\$ 56,045	\$ 37,840
Variable lease payments (not included in the measurement of lease liabilities)	\$ 4,860,779	\$ 3,782,845
Sub lease revenue	\$ (1,439,050)	\$ (1,225,533)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2022 and 2021, are as follow:

	2022	2021
Rent payments – principal	\$ 2,989,363	\$ 2,764,981
Rent payments – interest	\$ 7,049,835	\$ 6,478,994
Additions of right of use assets	\$ 2,591,724	\$ 2,515,770
Modifications and updates	\$ 5,920,509	\$ 5,412,193

10. INVESMENT PROPERTIES

An analysis of investment properties as of December 31, 2022 and 2021 is as follows:

	December 31, 2020	Additions	Disposals	Modifications and updates	Diciembre 31, 2021	Additions	Disposals	Modifications and updates	Transfers	December 31, 2022
Land	\$ 2,487,015	\$ 78,778	\$ 3,818	\$ -	\$ 2,569,611	\$ -	\$ -	\$ -	\$ 103,553	\$ 2,673,164
Buildings	6,061,536	-	(625,311)	(20,003)	5,416,222	-	(78,909)	116,933	91,227	5,545,473
Facilities and improvements	1,528,230	-	(392,455)	-	1,135,775	-	(11,101)	-	3,363	1,128,037
Subtotal	10,076,781	78,778	(1,013,948)	(20,003)	9,121,608	-	(90,010)	116,933	198,143	9,346,674
Accumulated depreciation	(3,770,861)	(308,754)	506,904	34,949	(3,537,762)	(285,878)	31,775	-	(74,704)	(3,866,569)
Total	\$ 6,305,920	\$ (229,976)	\$ (507,044)	\$ 14,946	\$ 5,583,846	\$ (285,878)	\$ (58,235)	\$ 116,933	\$ 123,439	\$ 5,480,105

Depreciation expense for the years ended December 31,2022 and 2021, was \$285,878 y \$308,754, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2022 and 2021, the fair values of the properties are based on Management's valuations. To calculate the value of a commercial property, the rental approach was used, applying the corresponding gross rent multiplier (GRM). The Company determines the estimated fair value based on its annual rental income before expenses, divided by the capitalization rate used in the real estate sector (Cap rate). On the other hand, the capitalization rates used for the year ended December 31, 2022 and 2021, were 8.5%, in both periods. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company's Management determined that there is no impairment in the investment properties as of December 31, 2022 and 2021. The estimated fair value of the investment properties as of December 31, 2022 and 2021 is \$6,701,368 y \$5,911,220, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.

11. INTANGIBLE ASSETS

An analysis of intangible assets as of December 31, 2022 and 2021, is as follows:

	December 31, 2020	Additions	Disposals	Transfers	Translations effect and others (1)	December 31, 2021	Additions	Disposals	Transfers	Translations effect	December 31, 2022
Goodwill	\$ 34,997,380	\$ -	\$ -	\$ -	\$ 769,861	\$ 35,767,241	\$ -	\$ -	\$ -	\$ (153,537)	\$ 35,613,704
Trademarks	871,314	-	(84,934)	-	2,405	788,785	-	-	-	(16,286)	772,499
Licenses and software	4,529,963	735,444	(898,513)	387,232	8,410	4,762,536	1,254,606	(959,543)	123,230	(9,189)	5,171,640
Customer base	215,225	-	(211,838)	-	(3,387)	-	-	-	-	-	-
Subtotal	5,616,502	735,444	(1,195,285)	387,232	7,428	5,551,321	1,254,606	(959,543)	123,230	(25,475)	5,944,139
Accumulated amortization	(3,061,866)	(593,522)	1,096,792	371	(2,288)	(2,560,513)	(685,028)	906,297	(7,989)	7,764	(2,339,469)
Subtotal	2,554,636	141,922	(98,493)	387,603	5,140	2,990,808	569,578	(53,246)	115,241	(17,711)	3,604,670
Total	\$ 37,552,016	\$ 141,922	\$ (98,493)	\$ 387,603	\$ 775,001	\$ 38,758,049	\$ 569,578	\$ (53,246)	\$ 115,241	\$ (171,248)	\$ 39,218,374

Trademarks represents the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, Despensa Familiar, Maxi Bodega, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2022 and 2021, were \$685,028 y \$593,522, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of the Goodwill as of December 31, 2022 and 2021.

The assumptions used in the goodwill impairment test are:

- Net book value of long-lived assets with a defined and indefinite life.
- Projection period of financial and operational assumptions (Revenues, EBITDA, Working Capital and Capex) of 5 years for each cash-generating unit (CGU).

- Estimate of the terminal value in perpetuity based on the latest estimated flow, considering a growth between 3.3% and 6.1% in nominal terms, which correspond to the estimated average inflation for each CGU.

- Appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which vary in a range of 9.7% to 12.6% determined according to the associated risks for each CGU.

- (1) In 2021 the Company corrected an excess of goodwill impairment amount determined in 2012 and 2014, and allocated to Honduras cash generating unit by \$574,804, which was recognized in other income item. Such income is not part of the core operations of the Company.

12. RELATED PARTIES

a) Related party balances

As of December 31, 2022 and 2021, the consolidated statement of financial position includes the following balances with related parties:

	2022	2021
Accounts payable:		
C.M.A. – U.S.A., L.L.C.	\$ 612,659	\$ 691,981
WMGS Commercial Services Limited	-	223,700
	\$ 612,659	\$ 915,681
Other short-term accounts payable:		
Walmart Inc.	\$ 1,302,994	\$ 1,160,011
WMGS Commercial Services Limited	134,956	-
Newgrange Platinum Services LTD	21,417	59,949
	\$ 1,459,367	\$ 1,219,960
Other long-term accounts payable:		
Walmart, Inc.	\$ 163,409	\$ 85,964

Additionally, as of December 31, 2021, the company has other accounts payable with others related parties of \$405.

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2022 and 2021, there were no uncollectible related party balances.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited (as from July 1st, 2022) that are payable on a recurring basis. Until June 2021, Purchase commissions with Swiss Asia Minor GmbH.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Newgrange Platinum Service, LTD, that are payable monthly.
- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam's.

The terms of the related party transactions are consistent with those of an arm's length transaction.

The Company had the following transactions with related parties during the years ended December 31, 2022 and 2021.

	2022	2021
Purchases and commissions related to the import of Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 4,822,933	\$ 4,369,447
Swiss Asia Minor GmbH	-	72,085
WMGS Commercial Services Limited	887,463	222,341
	\$ 5,710,396	\$ 4,663,873
Costs and expenses related to technical assistance, services and royalties:		
Walmart Inc.	\$ 8,574,148	\$ 7,295,135
Newgrange Platinum Services LTD	508,630	537,761
	\$ 9,082,778	\$ 7,832,896

For the year ended December 31, 2021, the Company made transactions with other related parties of \$26,268.

c) Remuneration of principal officers

Remuneration to the Company's principal officers and Board of Directors for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Short-term benefits	\$ 1,806,127	\$ 1,687,623
Termination benefits	104,512	74,885
Share-based payments	68,353	119,166
	\$ 1,978,992	\$ 1,881,674

13. OTHER ACCOUNTS PAYABLE

An analysis of other accounts payable as of December 31, 2022 and 2021, is as follows:

	2022	2021
Accrued liabilities and others ^(a)	\$ 22,715,812	\$ 20,972,039
Short - term leases (Note 9)	3,511,546	3,438,469
Contingencies (Note 14)	1,924,061	2,241,507
Deferred revenues ^(b)	1,557,776	1,492,490
Related parties (Note 12)	1,459,367	1,219,960
Dividends	187,491	170,717
	\$ 31,356,053	\$ 29,535,182

^(a) Accrued liabilities and others includes an effect due to Recent reforms to the Federal Labor Law in Mexico that have changed the provisions applicable to vacations, and now provides that workers with more than one year of service will enjoy an annual period of paid vacation, which in no case may be less than twelve working days and which will increase by two working days, up to twenty, for each subsequent year of service. Although the entry into force of this reform is January 1, 2023, it is concluded that obligation and the corresponding liability is already present at December 31, 2022 with an impact of \$263 million.

^(b) Includes Sam's club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.

14. COMMITMENTS AND CONTINGENCIES

a) Commitments

As of December 31, 2022, the Company has entered into agreements with suppliers for the acquisition of inventories, property and equipment, maintenance services, as well as renewable energy supply services, as shown below:

Year	Amount
2023	\$ 28,210,873
2024	\$ 4,401,323
2025	\$ 3,558,561
2026	\$ 2,972,941
2027	\$ 3,086,685
2028 and thereafter	\$ 18,184,391

The Company has lease commitments as explained in Note 9.

b) Contingencies

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$1,924,061 as of December 31, 2022, (\$2,241,507 in 2021) which is presented in other accounts payable. In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

15. LEASES AND OTHER LONG-TERM LIABILITIES

Leases and other long-term liabilities as of December 31, 2022 and 2021, includes:

	2022	2021
Long – term leases (Note 9)	\$ 66,327,036	\$ 61,252,909
Deferred rental income	3,389,703	3,702,241
Related parties (Note 12)	163,409	85,964
Others	7,906	19,152
	\$ 69,888,054	\$ 65,060,266

16. INCOME TAXES

The income tax provision includes taxes payable by **WALMEX**'s subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2022, companies in Mexico determined and paid their income tax under the general tax law.

An analysis of income taxes charged to the income statement for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Current income taxes:		
Mexico	\$ (15,312,910)	\$ (12,056,598)
Central America	(2,864,242)	(2,035,475)
Consolidated	(18,177,152)	(14,092,073)
Deferred income taxes:		
Mexico	3,845,902	514,918
Central America	(61,125)	419,579
Consolidated	3,784,777	934,497
	\$ (14,392,375)	\$ (13,157,576)

As of December 31, 2022 and 2021, the Company's effective tax rate is 22.7% and 23.0%, respectively. The difference between the statutory tax rate and Company's effective tax rate is mainly due to inflationary effects and other permanent items.

The income tax rates applicable to each country are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long term income taxes (assets and liabilities), as of December 31, 2022 and 2021, is as follows:

	2022	2021
Deferred tax assets:		
Other accounts payable	\$ 5,762,883	\$ 4,447,485
Leases and other long-term liabilities	4,949,842	4,891,049
Inventories	1,210,472	1,128,513
Tax losses carryforward froms subsidiaries	1,153,279	790,594
Labor obligations	937,896	788,563
Provisions for impairment of other receivable	89,585	174,169
Other ítems	-	153,856
	\$ 14,103,957	\$ 12,374,229
Deferred tax liabilities:		
Property and equipment	\$ 4,973,607	\$ 6,018,208
Prepaid expenses	259,237	254,024
Investment in subsidiaries and other ítems	136,755	1,161,739
Deferred income tax	\$ 5,369,599	\$ 7,433,971
Long – term income tax	1,118,025	982,221
Income taxes	\$ 6,487,624	\$ 8,416,192

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income.

Year of expiration	Amount
2027	\$ 157,415
2028	978
2029	1,362,913
2030	4,156
2031	668,565
2032	1,650,235
	\$ 3,844,262

Changes in the assets and liabilities for long-term income taxes, net as of December 31, 2022 and 2021, is as follows:

	2022	2021
Balance as of beginning of the year	\$ 3,958,037	\$ 2,705,326
Income tax charged in the year	3,739,259	1,507,077
Excess of previous years	45,518	(572,580)
Other comprehensive income items	29,743	(85,795)
Long – term income taxes	(171,149)	382,433
Translation effect	14,925	21,576
Balance as of end of the year	\$ 7,616,333	\$ 3,958,037

17. EMPLOYEE BENEFITS

As of December 31, 2022 and 2021, an analysis of the Company’s assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2022	2021	2022	2021
Defined benefit obligations	\$ 2,057,057	\$ 1,916,026	\$ 1,422,429	\$ 1,618,477
Plan assets	(1,200,930)	(1,211,960)	-	-
Net projected liability	\$ 856,127	\$ 704,066	\$ 1,422,429	\$ 1,618,477

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2022 and 2021, are shown below:

	Seniority premiums		Retirement benefits	
	2022	2021	2022	2021
DBO at beginning of year	\$ 1,916,026	\$ 1,844,268	\$ 1,618,477	\$ 1,787,649
Net period cost charged to results:				
Labor cost from actual services	214,600	215,814	169,696	181,970
Interest cost on DBO	156,829	129,066	100,414	109,430
Other comprehensive income items	23,261	(85,233)	(65,804)	(172,581)
Benefits paid	(254,074)	(186,893)	(314,472)	(322,476)
Transfers	415	(996)		(266)
Translation effect	-	-	(85,882)	34,751
DBO at end of the year	\$ 2,057,057	\$ 1,916,026	\$ 1,422,429	\$ 1,618,477

Changes in the net present value of the plan assets (PA) as of December 31, 2022 and 2021, are shown below:

	Seniority premiums	
	2022	2021
PA at beginning of year	\$ (1,211,960)	\$ (1,046,954)
Return on plan assets	(109,764)	(82,538)
Other comprehensive income items	128,148	(5,350)
Plan contributions	(261,197)	(263,896)
Benefits paid	253,843	186,778
PA at the end of the year	(1,200,930)	(1,211,960)

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2022 and 2021, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2022 and 2021, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,154,692 and \$1,098,830, respectively.

The assumptions used in the actuarial valuations of Mexico and Central America are as follows:

	Mexico		Central America	
	2022	2021	2022	2021
Financial:				
Discount rate	9.52%	8.20%	4.6% - 13.2%	1.92% - 8.04%
Salary increase rate	5.25%	5.25%	3.5% - 6.3%	3.50% - 6.30%
Minimum salary increase rate	4.75%	4.75%	2.00%	2.00%
Inflation rate	4.00%	4.00%	0.70% - 4.70%	0.70% - 4.70%
Biometriccs:				
Mortality	IMSS 2009 ⁽¹⁾	IMSS 2009 ⁽¹⁾	RP - 2000 ⁽²⁾	RP - 2000 ⁽²⁾
Disability	21.04%	21.04%	4.5% - 15.40%	4.5% - 15.40%
Retirement age	65 años	65 años	50 - 65 años	50 - 65 años

⁽¹⁾ Mexican Social Security Institute experience for males and females

⁽²⁾ RP-2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador

A sensitivity analysis of the DBO as of December 31, 2022, is as follows:

	Amount
DBO December 31, 2022	\$ 3,479,486
DBO at discount rate + 1%	\$ 3,319,187
DBO at discount rate – 1%	\$ 3,806,570
Effects over DBO:	
Discount rate + 1%	\$ (267,511)
Discount rate – 1%	\$ 303,252

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

18. EQUITY

a) At an ordinary meeting held on April 7, 2022, the shareholders adopted the following resolutions:

- Approval of a cap of \$5,000,000 on the amount the Company would use in 2022 to repurchase its own shares. There was no repurchase of its own shares as of December 31, 2022.
- The shareholders declared an ordinary cash dividend of \$1.00 pesos per share, paid in two installments of \$0.50 each; the first one on November 24, 2022, and the second one on December 27, 2022; and an extraordinary dividend to be paid in cash at a rate of \$0.71 pesos per share in two installments: \$0.35 pesos per shares on November 24, 2022 and \$0.36 pesos per share on December 27, 2022.

b) At an ordinary meeting held on March 23, 2021, the shareholders adopted the following resolutions:

- Approval of a cap of \$5,000,000 on the amount the Company would use in 2021 to repurchase its own shares. There was no repurchase of its own shares as of December 31, 2021.
- The shareholders declared an ordinary cash dividend of \$0.90 pesos per share, paid in two installments of \$0.45 each; the first one on November 24, 2021, and the second one on December 28, 2021; and an extraordinary dividend to be paid in cash at a rate of \$0.73 pesos per share in two installments: \$0.36 pesos per shares on November 24, 2021 and \$0.37 pesos per share on December 28, 2021.

After the dividend declared is approved at the shareholders' meeting, the Company reduces retained earnings and recognizes the accounts payable in the consolidated statement of financial position.

As of December 31, 2022 and 2021, the decreed dividends are as follows:

	2022	2021
Dividends in cash decreed and paid		
Ordinary dividend \$1.00 per share (\$0.90 in 2021)	\$ 17,285,400	\$ 15,564,332
Extraordinary dividend \$0.71 per share (\$0.73 in 2021)	12,272,638	12,624,409
	\$ 29,558,038	\$ 28,188,741

c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company’s capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.

As of December 31, 2022 and 2021, an analysis of paid-in stock and the number of shares representing it is as follows:

Common stock	Amount
Fixed minimum capital	\$ 5,591,362
Variable capital	36,935,265
Subtotal	42,526,627
Inflation effects	2,941,801
Total	\$ 45,468,428
Number of freely subscribed common shares	17,461,402,631

d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

As of December 31, 2022 and 2021, the total balance of the tax accounts related to equity is \$73,463,886 and \$68,143,228, respectively, in conformity with the current tax laws.

e) The employee stock option plan fund consists of 175,184,709 WALMEX shares, which have been placed in a trust created for the plan.

The total compensation cost charged to Operating results during the year ended December 31, 2022 and 2021 was \$384,953 and \$354,257, respectively, which represented no cash outflow for the Company and it is included in the general expenses line in the consolidated comprehensive income statement.

Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance as of December 31, 2020	156,507,494	44.64
Granted	38,038,202	64.25
Exercised	(27,740,024)	41.20
Cancelled	(4,116,186)	53.96
Balance as of December 31, 2021	162,689,486	49.76
Granted	40,943,537	76.42
Exercised	(25,227,765)	45.00
Cancelled	(11,742,622)	55.39
Balance as of December 31, 2022	166,662,636	56.64
Shares available for option grant:		
December 31, 2022	8,522,073	
December 31, 2021	4,170,988	

As of December 31, 2022, the granted and exercisable shares under the stock option plan fund are 166,662,636 and 62,971,554 respectively.

19. OTHER DISCLOSURES OF REVENUE

a) The other revenue that forms part of the main activity of the Company as of December 31, 2022 and 2021 is as follows:

	2022	2021
Memberships	\$ 2,500,083	\$ 2,216,732
Rent	2,571,438	2,546,968
Sale of waste	943,799	846,716
Parking	93,670	81,291
Total	\$ 6,108,990	\$ 5,691,707

As of December 31, 2022, rental income includes investment properties of \$581,894 (\$479,092 in 2021).

b) The Company analyzes and manages its operation through its geographical location and business format.

An analysis of income from contracts with customers for the year ended December 31, 2022 and 2021 is as follows:

	2022	2021
Mexico:		
Self-service	61.3%	61.3%
Price Clubs	21.6%	21.4%
Central America:	17.1%	17.3%

Of **WALMEX**'s total net sales, approximately \$34.3 billion and \$29.4 billion relates to electronic commerce in Mexico for the years ended December 31, 2022 and 2021, respectively.

In Central America, the net sales related to electronic commerce are \$898 million and \$853 million for the years ended December 31, 2022 and 2021, respectively, and includes the sales made through home delivery platforms.

20. COST OF SALES AND GENERAL EXPENSES

Cost of sales and general expenses are presented in the consolidated statement of comprehensive income and mainly include the purchase of merchandise, personnel expenses, depreciation and amortization, rent, advertising, maintenance, utilities, royalties, and technical assistance.

21. FINANCIAL INCOME (EXPENSES)

An analysis of financial income (expenses) for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Financial income:		
Financial income	\$ 2,025,182	\$ 866,112
Currency exchange gain	961,132	789,624
Income on changes in fair value of derivatives	465,885	562,541
	\$ 3,452,199	\$ 2,218,277
Financial expenses:		
Interest on finance leases	\$ (7,049,835)	\$ (6,478,994)
Currency exchange los	(532,631)	(778,259)
Loss on changes in fair value of derivatives	(389,373)	(586,603)
Other financial income (expenses)	(125,418)	13,569
	\$ (8,097,257)	\$ (7,830,287)

Financial income primarily consists of interest earned on investments.

22. SEGMENT FINANCIAL INFORMATION

Segment financial information is prepared based on the information used by the CODM to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

Segment	Year ended December 31, 2022			
	Operating income	Financial expenses, net	Income before income taxes	
Mexico	\$ 59,236,007	\$ (4,004,968)	\$ 55,231,039	
Central America	8,775,610	(640,090)	8,135,520	
Consolidated	\$ 68,011,617	\$ (4,645,058)	\$ 63,366,559	

Segment	Year ended December 31, 2021			
	Operating income	Financial expenses, net	Income before income taxes	
Mexico	\$ 55 526,742	\$ (4,823,930)	\$ 50,702,812	
Central America	7,380,916	(788,080)	6,592,836	
Consolidated	\$ 62,907,658	\$ (5,612,010)	\$ 57,295,648	

Segment	Year ended December 31, 2022				
	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets		Current liabilities
Mexico	\$ 17,691,399	\$ 15,357,415	\$ 316,184,388	\$ 116,407,749	
Central America	3,612,340	4,001,790	67,010,279	21,278,005	
Goodwill	-	-	35,613,704	-	
Consolidated	\$ 21,303,739	\$ 19,359,205	\$ 418,808,371	\$ 137,685,754	

Segment	Year ended December 31, 2021				
	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets		Current liabilities
Mexico	\$ 17,650,154	\$ 14,144,339	\$ 278,742,447	\$ 109,278,330	
Central America	2,816,210	4,161,542	79,879,783	23,430,137	
Goodwill	-	-	35,767,241	-	
Consolidated	\$ 20,466,364	\$ 18,305,881	\$ 394,389,471	\$ 132,708,467	

An analysis of income from customer contracts is presented in note 19.

23. OTHER DISCLOSURES

- a) As of January 24, 2022, the Company informed its shareholders and the investing public at large that, as approved by its Board of Directors, it is considering strategic alternatives regarding its operations in El Salvador, Honduras and Nicaragua as it focuses efforts and capital on its core business and geographies. These alternatives could include, among others, possible joint ventures, strategic partnerships or alliances, a sale or other possible transactions.

The Company gives no assurance that the process will result in a transaction. **WALMEX** will inform its shareholders and the investing public at large as provided under applicable laws and regulations.

- b) Since April 24, 2021, approved laws related to subcontracting became effective. As of December 31, 2021, the Company has fully implemented said reforms and contemplates that it will continue to comply with them in the future.
- c) On November 23, 2020, **WALMEX** received a notification from the Federal Economic Competition Commission (COFECE), in connection to an ex officio investigation initiated in the wholesale supply and distribution of consumer goods, retail and related services market for an alleged commission of relative monopolistic practices. The Company has promptly responded to various information requirements and is awaiting review comments from the regulator. COFECE has extended the investigation stage and is currently in the last extension available to it, which ends in mid-2023.

WALMEX is confident that its actions have always adhered to applicable legislation, and that its participation in the Mexican market has always resulted in lower prices for the consumer, particularly benefiting lower-income Mexican families, and in remote areas of the country that have not been served by others, which we will demonstrate before the corresponding authorities and in the appropriate forums, in which we will exercise our rights.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements and accompanying notes for the years ended December 31, 2022 and 2021, were approved by the Company's management and Board of Directors on February 15, 2023 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.

Report of The Audit and Corporate Governance Committees

WAL- MART DE MÉXICO, S.A.B. DE C.V. ANNUAL REPORT

Board of Directors Wal-Mart de México S.A.B. de C.V.

Dear Directors,

In compliance with article 43 of the Securities Market Law (“LMV”) and the Rules of Procedure of the Committees, duly approved by the Board of Directors for Wal-Mart de México, S.A.B. of C.V. (which together with its subsidiaries hereinafter is the “Company”), we hereby inform you of the activities undertaken during the reporting period ending on December 31st, 2022.

Throughout the work conducted, in addition to that stipulated under the LMV, we have abided by that contained under the Code of Best Corporate Governance, issued by the Coordinating Business Council; the Code of Ethics of the Company; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

To comply with our oversight process, the Audit and Corporate Governance Committees held quarterly regular meetings and one extraordinary meeting during 2022, to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and enhancing our participation throughout the year in meetings with the CEO, CFO and General Counsel of the Company, as well as the reports rendered by the principal officers of the Company, highlighting the following:

We were kept informed by the management of the Company, with no observations made from our side, on the following:

I. Audit matters:

- a) We analyze the status of the internal control system and were informed in detail of the programs and development of internal and external audits.
- b) We reviewed the main aspects requiring improvement and followed-up on the preventive and corrective measures implemented by the management of the Company. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.
- c) We evaluated the performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company Financial Statements and their adherence to International Financial Information Standards. Hence, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to provide their audit services, the Audit Committee evaluated the independence requirements of intellectual and economic action necessary, therefore we recommended to the Board to ratify EY’s appointment as external auditors to examine and issue the report on the Financial Statements of the Company. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2022, no services other than the external audit of Financial Statements were retained by EY.
- d) We reviewed the Company’s quarterly and annual Financial Statements and recommended their approval by the Board of Directors for its publication.
- e) We were informed of the accounting policies approved and applied during the fiscal year ended on December 31st 2022.

Report of The Audit and Corporate Governance Committees

- f) Follow-up was also given to all relevant observations made by the shareholders, Directors, relevant officers and employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.
- g) Follow-up to agreements made by the Shareholders in the General Meeting and by the Directors of the Company.
- h) We were informed on the legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- i) We were informed about the progress regarding cybersecurity matters.
- j) We were informed on the progress of the Enterprise Risk Management (ERM) established by the Company.
- k) Lastly, we were informed periodically on Ethics and Compliance matters and the measures adopted by the Company to reinforce those aspects.

II. Corporate Governance affairs:

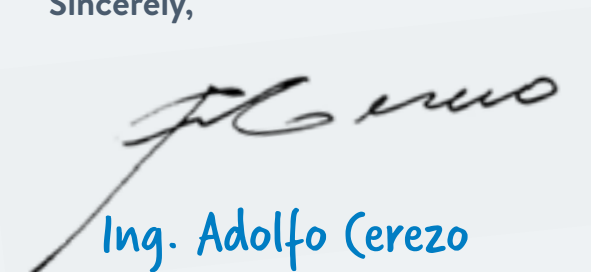
- a) Performance evaluation processes for relevant officers.
- b) The transactions with related parties, during the reporting period, that may had occurred during the annual period ending December 31st, 2022, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.

- c) Emolument packages or total compensation of the CEO and relevant officers, as well as the new metrics to define the Long-Term Incentive for executives.
- d) The Board of Directors granted no permission whatsoever to any Director, relevant officer, or anyone with a position of decision maker, as indicated under article 28, section III, paragraph f) of the LMV.
- e) The results of the transfer pricing study 2022 for Mexico and Central America, informing that all its operations were made accordingly.

Based on the work completed and the opinion issued by independent auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company's financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors submit to the General Annual Shareholders Assembly, for their approval, the Financial Statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2022.

Sincerely,



Chair Audit and Corporate Governance Committees.

Mexico City February 15th, 2023.