

## Soriana announces 4Q and full year 2022 Financial Results

- Total Income of \$45.289 billion pesos in the 4Q and a total of \$166.013 billion pesos in 2022.
- 5.8% growth in the Total Income in the 4Q and 6.9% in the year.
- 5.6% increase in cash net profit in the quarter and cumulative of 6.4%.
- Net Debt reduction of 55.9% in the last 12 months.
- Opening of 4 Soriana stores and 3 Sodimac stores during 2022.

**Monterrey, N.L. February 23<sup>rd</sup>, 2023.-** Organización Soriana, S.A.B. de C.V. (Soriana) reports financial results for the fourth quarter and full year 2022. The figures in this report are provided on a nominal basis and in accordance with the International Financial Reporting Standards ("IFRS").

### Operational Performance

The Company's **Total Income** reached \$45.289 billion pesos, which represents an increase of 5.8% vs 4Q21. This increment was mainly supported by the opening of two units in the quarter, as well as for a recovery in the Real State revenues due to a higher occupancy rate, and also, due to a good performance in general in the self-service store formats, especially in the Soriana Super store format. Same-Store-Sales was 5.0% in this 4Q22 and 6.3% for 2022. Regarding the annual income reached to \$166.0 billion pesos, representing 6.9% growth as compared to 2021.

**Gross Profit** had an expansion of 10 bps in comparison with 4Q21, reaching \$10.433 billion pesos, which was equal to 23.0% margin and represents an increase of 6.5% vs. 4Q21. Cumulative Gross Profit reached \$36.682 billion pesos, equal to a 22.1% margin, and an expansion of 20bps vs. 2021.

The **operating expenses** line showed an 8.5% growth vs. 4Q21, this is 14.1% over sales, reaching \$6.398 billion pesos, which represents 30 bps expansion vs. 4Q21. This increase was primarily due to personnel costs, a higher expenditure in advertising campaigns, and a higher average cost of the company's energy mix. In this way, at the annual level, operating expenses closed with an increase of 8.7% vs. 2021, representing 14.6% over sales.

As a result of the above mentioned, 4Q22 closed with an **EBITDA<sup>(1)</sup>** of \$4.055 billion pesos, which is equal to 9.0% margin showing a contraction of 20bps and an increase of 2.7% vs. 4Q21 results. In cumulative term, EBITDA margin closed the year in 7.6%, and an increase of 3.1%.

(1) EBITDA is defined as an operating income before depreciation and amortization.

Regarding the financial items, **net financial cost** of the quarter closed in \$389 million pesos, showing a 25.1% decrease vs. 4Q21, mainly supported by a higher financial product and to a gain in exchange rate. The annual net financial cost amounted to \$1.999 billion pesos an increase of 2.5% against 2021 result.

Finally, **Net Income** reached \$1.970 billion pesos, which is equal to 4.4% as a percentage of sales which implies an increase of 13.8% vs. 4Q21. In cumulative terms, closed in \$5.050 billion pesos, this represents 3.0% over sales, an expansion of 20 bps and an increase of 16.1% against 2021 result.

### Debt Behavior

At the end of 2022, the Company has a **Total Debt** of \$12.904 billion pesos; this represents a decrease of 18.6% or \$2.948 billion pesos compared to the year-end balance of 2021. Likewise, debt net had a reduction of 55.9%.

### Operational Information

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

Format	Units		Sales-Floor Area (sqm)	
	2022	2021	2022	Var vs 2021
<b>Hiper</b>	369	368	2,651,548	0.3%
<b>Super</b>	127	127	259,424	0.0%
<b>Mercado</b>	163	163	711,101	0.1%
<b>Express</b>	105	105	141,813	0.0%
<b>City Club</b>	37	35	295,538	5.7%
<b>Total</b>	<b>801</b>	<b>798</b>	<b>4,059,423</b>	<b>0.6%</b>
<b>Sodimac</b>	12	9	114,735	21.2%

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

## Social Responsibilities Activities

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

### a) Soriana Fundación

During 2022, Soriana Fundación made a social investment of \$117.3 million pesos to support the social objectives of 382 institutions along the country. We could change the life conditions of 463,493 benefitted people. This support was mainly given to Children, Feeding and Community.

Therefore, 46.7% of this investment was addressed to Feeding, where we could benefit 255,848 people with food poverty. In second term, Children that represented 34.3% of this investment, helping 37,227 children in residential facilities, also to their education and health. And lastly, 19.0% of the investment was directed to the Community, in order to create better conditions for a good development in our country.

On October 19<sup>th</sup> we commemorated the National Breast Cancer Awareness Day. Soriana Fundación supported initiatives related to the treatment of this disease, reaching \$1.3 million pesos thanks to our clients' contributions and donations.

In November, we concluded the sixth intervention of our project 'Da Luz y Bienestar', where we provided solar panels and ecotechnologies to rural communities that do not have access to electric energy, which also supports school classrooms with sustainable energy, ecologic stoves, and firm floors for their homes. During the same month, we started our donation campaign to support **Fundación Teletón**. Thanks to the participation of our clients and collaborators of Soriana, we reached a collect of \$10.5 million pesos, helping children attended in different rehabilitation centers.

Like every year, we carried out our program 'Esferas de la Esperanza', were 39,500 of our collaborators, we could bring a smile to thousand of children and elderly people in all the country.

### b) Soriana Universidad

Likewise, in the month of November, 787 high-school students had their final certification exam with the support of Soriana Universidad, which is the last step of their 4 months of preparation. Also, in December, we had 60 new students registered for the undergraduate education program. In this way, we continue supporting the education of our collaborators by being a complementary part of their academic formation and development of their abilities.

### **c) Environment**

Committed to the environmental care, in 2022 we continue with the substitution project of fluorescent luminaires using LED technology, by adding this technology to 338 stores, to offer our customers a better shopping experience. We have also achieved 55% in savings of energy in each store regarding our previous consumption. This way, we have concluded the implementation of lamp renewal to a high efficiency lighting devices in all our stores.

Likewise, we started the transition of LP Gas to Natural Gas in areas where we have access to this fuel. We could reduce CO2 emissions and also decrease in 50% the expenses. Also, in this 4Q we changed the production equipment to natural gas in preparation food areas of five stores.

### **d) Rankings and Recognitions**

In 2022, Organización Soriana was considered as one of the 30 most valuable brands of Mexico by Kantar BrandZ. Regarding sustainability, Soriana took 6<sup>th</sup> place from 21 and 7<sup>th</sup> place from 30 in the special editions of 'Philanthropic Foundations and Companies' and 'Sustainable Companies 2022' from *Empresas Verdes* magazine, thanks to our measures in benefit of the environment and community. Likewise, in this 4Q Soriana took 55<sup>th</sup> place in the ranking '100 Most Important Companies' from *Mundo Ejecutivo* magazine.

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

Millions pesos

	<b>Fourth Quarter</b>				
	<b>4Q2022</b>	<b>%</b>	<b>4Q2021</b>	<b>%</b>	<b>Var. %</b>
Net Sales	45,289	100	42,814	100	5.8
Cost of Sales	34,856	77.0	33,015	77.1	5.6
<b>Gross Income</b>	<b>10,433</b>	<b>23.0</b>	<b>9,800</b>	<b>22.9</b>	<b>6.5</b>
Operating Expenses	6,398	14.1	5,897	13.8	8.5
<b>Income before other expenses, net</b>	<b>4,034</b>	<b>8.9</b>	<b>3,903</b>	<b>9.1</b>	<b>3.4</b>
Other Income and (Expenses), Net	21	0.1	44	0.1	(53.7)
<b>EBITDA</b>	<b>4,055</b>	<b>9.0</b>	<b>3,947</b>	<b>9.2</b>	<b>2.7</b>
Depreciation and Amortization	821	1.8	799	1.9	2.8
<b>Operating Income</b>	<b>3,234</b>	<b>7.1</b>	<b>3,148</b>	<b>7.4</b>	<b>2.7</b>
Interest Income (Expenses), Net	(677)	(1.5)	(581)	(1.4)	16.5
Foreign Exchange Gain (Losses)	259	0.6	70	0.2	268.5
Utility (Loss) Exchange	29	0.1	(9)	(0.0)	(429.3)
<b>Comprehensive Financing Income</b>	<b>(389)</b>	<b>(0.9)</b>	<b>(519)</b>	<b>(1.2)</b>	<b>(25.1)</b>
Minority Interest	(137)	(0.3)	(82)	(0.2)	68.1
<b>Earnings Before Tax &amp; Profit Sharing</b>	<b>2,708</b>	<b>6.0</b>	<b>2,548</b>	<b>6.0</b>	<b>6.3</b>
Tax Provision	738	1.6	816	1.9	(9.6)
<b>Net Income</b>	<b>1,970</b>	<b>4.4</b>	<b>1,731</b>	<b>4.0</b>	<b>13.8</b>
Controlling interest	1,965	4.3	1,725	4.0	13.9
Non-controlling interest	5	0.0	6	0.0	(15.5)
<b>Cash Net Profit</b>	<b>2,448</b>	<b>5.4</b>	<b>2,318</b>	<b>5.4</b>	<b>5.6</b>

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

Millions pesos

	<b>Accumulated</b>				
	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>Var. %</b>
Net Sales	166,013	100	155,246	100	6.9
Cost of Sales	129,330	77.9	121,273	78.1	6.6
<b>Gross Income</b>	<b>36,682</b>	<b>22.1</b>	<b>33,973</b>	<b>21.9</b>	<b>8.0</b>
Operating Expenses	24,249	14.6	22,302	14.4	8.7
<b>Income before other expenses, net</b>	<b>12,433</b>	<b>7.5</b>	<b>11,672</b>	<b>7.5</b>	<b>6.5</b>
Other Income and Expenses, Net	196	0.1	582	0.4	(66.3)
<b>EBITDA</b>	<b>12,629</b>	<b>7.6</b>	<b>12,253</b>	<b>7.9</b>	<b>3.1</b>
Depreciation and Amortization	3,240	2.0	3,116	2.0	4.0
<b>Operating Income</b>	<b>9,389</b>	<b>5.7</b>	<b>9,137</b>	<b>5.9</b>	<b>2.8</b>
Interest Income (Expenses), Net	(2,489)	(1.5)	(2,334)	(1.5)	6.6
Foreign Exchange Gain (Losses)	485	0.3	436	0.3	11.1
Utility (Loss) Exchange	4	0.0	(53)	(0.0)	(108.3)
<b>Comprehensive Financing Income</b>	<b>(1,999)</b>	<b>(1.2)</b>	<b>(1,951)</b>	<b>(1.3)</b>	<b>2.5</b>
Minority Interest	(303)	(0.2)	(333)	(0.2)	(8.8)
<b>Earnings Before Tax &amp; Profit Sharing</b>	<b>7,086</b>	<b>4.3</b>	<b>6,854</b>	<b>4.4</b>	<b>3.4</b>
Tax Provision	2,036	1.2	2,504	1.6	(18.7)
<b>Net Income</b>	<b>5,050</b>	<b>3.0</b>	<b>4,349</b>	<b>2.8</b>	<b>16.1</b>
Controlling interest	5,023	3.0	4,331	2.8	16.0
Non-controlling interest	26	0.0	18	0.0	48.1
<b>Cash Net Profit</b>	<b>7,422</b>	<b>4.5</b>	<b>6,978</b>	<b>4.5</b>	<b>6.4</b>

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

Millions pesos

	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>Var. %</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	10,280	7.1	9,901	6.9	3.8
Trade	821	0.6	1,041	0.7	(21.1)
Other Accounts Receivable	4,731	3.3	5,566	3.9	(15.0)
Inventories	29,685	20.4	28,465	19.9	4.3
Other Current Assets	222	0.2	77	0.1	187.2
Assets classified as held for sale	0	0.0	759	0.5	(100.0)
<b>Total Current Asset</b>	<b>45,738</b>	<b>31.5</b>	<b>45,809</b>	<b>32.0</b>	<b>(0.2)</b>
Property, Equipment and Use Rights, Net	74,287	51.1	72,389	50.6	2.6
Intangible Assets	20,671	14.2	20,457	14.3	1.0
Deferred taxes	801	0.6	544	0.4	47.1
Other Assets	3,748	2.6	3,859	2.7	(2.9)
<b>Total Assets</b>	<b>145,245</b>	<b>100</b>	<b>143,059</b>	<b>100</b>	<b>1.5</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Suppliers	28,981	20.0	29,072	20.3	(0.3)
Short Term Debt	2,700	1.9	2,475	1.7	9.1
Other Accounts Payable	2,115	1.5	2,047	1.4	3.3
Short Term Lease Liabilities	578	0.4	483	0.3	19.6
Other Liabilities without cost	1,862	1.3	2,486	1.7	(25.1)
<b>Total Current Liabilities</b>	<b>36,236</b>	<b>24.9</b>	<b>36,563</b>	<b>25.6</b>	<b>(0.9)</b>
Deferred Taxes	10,380	7.1	10,841	7.6	(4.3)
Long Term Debt	10,204	7.0	13,377	9.4	(23.7)
Long Term Lease Liabilities	9,800	6.7	9,323	6.5	5.1
Other Liabilities	2,734	1.9	2,128	1.5	28.5
<b>Total Long Term Liabilities</b>	<b>33,117</b>	<b>22.8</b>	<b>35,669</b>	<b>24.9</b>	<b>(7.2)</b>
<b>Total Liabilities</b>	<b>69,354</b>	<b>47.7</b>	<b>72,232</b>	<b>50.5</b>	<b>(4.0)</b>
<b>Stockholders' Equity</b>					
Paid-In Capital Stock	83	0.1	83	0.1	0.0
Restatement of Paid-In Capital Stock	1,170	0.8	1,170	0.8	0.0
Premium on Sales of Shares	977	0.7	977	0.7	0.0
Repurchase Fund of Shares	537	0.4	537	0.4	0.0
Other Capital Accounts	(573)	(0.4)	(606)	(0.4)	(5.5)
Accumulated Earnings	73,698	50.7	68,666	48.0	7.3
<b>Total Stockholders' Equity</b>	<b>75,892</b>	<b>52.3</b>	<b>70,827</b>	<b>49.5</b>	<b>7.2</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>145,245</b>	<b>100</b>	<b>143,059</b>	<b>100</b>	<b>1.5</b>

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

Millions pesos

	<b>2022</b>	<b>2021</b>	<b>Var. %</b>
<b><u>OPERATING ACTIVITIES</u></b>			
<b>Income before Income Tax</b>	<b>7,086</b>	<b>6,854</b>	<b>3.4</b>
<b><u>Adjustments by:</u></b>			
Depreciation & Amortization	3,240	3,116	4.0
Sales of property and equipment	(38)	(1)	( * )
Participation in the Results of Associates and Joint Ventures	303	333	(8.8)
Income from deconsolidation of subsidiaries	0	(56)	(100.0)
Labor cost	145	149	(2.5)
Interest accrued in favor	(326)	(253)	29.1
Interest accrued in charge	2,489	2,334	6.6
Others	(181)	(207)	(12.4)
<b>Sum</b>	<b>12,718</b>	<b>12,269</b>	<b>3.7</b>
Clients	370	(243)	(252.0)
Inventories	(1,108)	(745)	48.8
Suppliers	(56)	2,806	(102.0)
Payable and receivable accounts	1,023	653	56.6
Income Tax Paid	(3,071)	(2,847)	7.9
<b>Net cash flow from operating activities</b>	<b>9,876</b>	<b>11,894</b>	<b>(17.0)</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Acquisitions of property and equipment	(3,554)	(1,666)	113.4
Sale of Fixed Assets	126	93	35.8
Contribution of share capital in joint ventures	(676)	(883)	(23.4)
Reduction of share capital in associate	0	13	(100.0)
Interest charged	326	253	29.1
Others	(2)	5	(140.7)
<b>Net Cash flow from investing activities</b>	<b>(3,780)</b>	<b>(2,185)</b>	<b>73.0</b>
<b>Cash receivable from financing activities</b>	<b>6,096</b>	<b>9,709</b>	<b>(37.2)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Financing Obtained	27,100	34,850	(22.2)
Financing Repaid	(29,875)	(38,471)	(22.3)
Interest Paid	(2,377)	(2,247)	5.8
Finance lease liability	(564)	(554)	1.8
Dividends paid	0	(1,000)	(100.0)
Share buyback	0	(14)	(100.0)
<b>Net cash flow from financing activities</b>	<b>(5,717)</b>	<b>(7,435)</b>	<b>(23.1)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>380</b>	<b>2,273</b>	<b>(83.3)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>9,901</b>	<b>7,627</b>	<b>29.8</b>
<b>Cash and cash equivalents at end period</b>	<b>10,280</b>	<b>9,901</b>	<b>3.8</b>