

## Soriana reports second quarter 2022 results

- Total income of \$41.735 billion pesos in the quarter
- Same-Store Sales of 6.4% and 6.6% in the total income
- 26.5% reduction in debt net and 22% in debt balance in the last 12 months
- 12.6% increase in Net Income

**Monterrey, N.L. July 22nd, 2022.-** Organización Soriana, S.A.B. de C.V. (Soriana) reports financial results for the second quarter of 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 \$41.735 billion pesos, which represents an increase of 6.6% vs 2Q21. This increment was mainly supported by the opening of six units in the last twelve months, and due to a good performance in general of our stores across the country, especially standing out the Soriana Super store format and City Club. Also, by a recovery in the Real State revenues thanks to a higher traffic to our stores. Same-Store-Sales was 6.4% in this quarter.

**Gross Profit** had an increase of 40bps as a percentage over sales in comparison with 2Q21, with a 21.7% margin equal to \$9.063 billion pesos, which represents an increase of 8.7% vs. 2Q21. In the same way as the income, this line was supported by the increase in Real State revenues, and to a recovery in the product shrinkage management.

The **operating expenses** reached \$6.026 billion pesos, this is 14.4% over sales, and a 10.3% increase vs. 2Q21, where around 63% of this increment was due to personnel costs like employment benefits and a higher workforce base for the stores in order to reinforce customer service. On the other hand, there was a higher average cost of the company's energy mix, a bigger expenditure in advertising campaigns, maintenance and equipment replacements, as well of other variable expenses related to the increment in sales.

As a result of the above mentioned, 2Q22 closed with an **EBITDA**<sup>(1)</sup> of \$3.062 billion pesos, which equals to 7.3% margin showing a contraction of 10bps and an increase of 6.0% vs. 2Q21 results.

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

Regarding the **financial items**, net financial cost closed at \$584 million pesos, showing a decrease of 2.9% vs. 2Q21 and a percentage of 1.4% above income.

Finally, **net income** reached \$1,174 million pesos, equivalent to 2.8% as a percentage of sales, and represents an increase of 34.7% vs. 2Q21.

## Debt Behavior

As of the closing of 2Q22, the Company has a total debt of \$13.022 billion pesos, this represents a decrease over the same period of last year of \$3.671 billion pesos equivalent to 22%. Likewise, there was a reduction of 26.5% in debt net.

## Operational Information

Below is a comparative table of the number of units in operation by store format at the close of the 2Q22.

Store Format	Units		Sales Floor Area	
	2Q22	2Q21	2Q22	Var vs 2Q22
Hiper	369	367	2,652,824	0.5%
Super	127	125	259,424	2.4%
Mercado	163	163	710,408	0.0%
Express	105	105	141,813	0.0%
City Club	36	34	287,659	5.7%
<b>Total</b>	<b>800</b>	<b>794</b>	<b>4,052,128</b>	<b>0.9%</b>
Sodimac	10	7	98,648	28.80%

\* 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

103 institutions across the country were supported in this quarter, reaching \$10.4 billion pesos, thanks to the support given by our clients in stores to our contribution program. Among the institutions are: 32 national Red Cross delegations, which reached \$2.7 billion pesos, a Rotary Club in the city of Reynosa, Autismo un Mundo Contigo, Fundación Comunitaria del Bajío, APAC, House of Friendship for Children with Cancer, Probosque Chapultepec, Fundación Dibujando un Mañana, Fundación Becar, Children's Hospital of the Californias, Fundación Lazos, Fundación Proempleo, Unidos ProDown, among others.

We continue giving support to the children, feeding and community in the states of Veracruz, Yucatán, Puebla, and Chiapas, where we have supported 32 communities, 4,368 people, through the donation of material in order to paint and seal classrooms and restore their restrooms, where we seek to impulse the community development through school infrastructure projects, life conditions improvements and an economical growth within those communities.

To support the education development of the Mexican children, Soriana Fundación introduced "Tu Súper con Causa" Campaign, a strategic alliance with P&G and a collaboration with "Fondo Unido México", a non-profit institution with international presence that creates health, education and financial stability programs in order to support less favored communities.

Thanks to this alliance, Soriana Fundación sustains its vision by strengthening the actions that have an impact in the ODS: Quality Education and the Goal 17, as well as alliances to achieve our goals. This will help Mexican children to have an opportunity to improve their physical and mental abilities through activities taught in toy libraries and psycho-pedagogical spaces. Besides, it reiterates our commitment with Mexican children.

## **b) Soriana Universidad**

In April, we welcomed 1,211 new students in the Education in Family and High-School Online programs.

Through Soriana Universidad we want to be a complementary part of academic training and development of abilities of our co-workers.

## **c) Environment**

Committed to the environmental care, in this 2Q22 we continue with the substitution project of fluorescent luminaires using LED technology, by adding this technology to 87 stores, being now 449 stores in total, in order to offer our customers a better shopping experience. We have also achieved a 57% in savings of energy in each store.

In June, the RENE (National Emissions Registry) was presented in time and form to SEMARNAT (Ministry of the Environment and Natural Resources), a federal regulation that requires the companies that exceed the 25,000 tCO<sub>2</sub>e per year to report their emissions of Greenhouse Gases (GHG) annually. The carbon footprint in 2021 for Soriana was 846,400.91 tons of CO<sub>2</sub>e, with a decrease of 6.66% compared to last year. The indirect emissions caused by the purchase of electrical energy that comes from fossil sources have been decreasing and it only represents 31% of the GHG emissions thanks to the great improvement that the Company has in the

renewal energy supply. The rest correspond to the direct emissions related to the consumption of fuels and refrigerant gases.

Committed to the environmental care, we are looking to increase the use of renewal energy supply in our stores. This year, we are working in the installation of photovoltaic systems in stores located in the states of Querétaro, Guanajuato, Aguascalientes, San Luis Potosí and Zacatecas, which we estimate an annual generation of 4,500,000 kWh. At the close of this quarter, we added this system in 5 stores, and currently, we are in the process of interconnection Agreement with distribution networks to start with this system in the upcoming months.

### **e) Rankings and Recognitions**

Thanks to its equality, equity, and diversity culture, regulated by a Labor Equality and Non-discrimination Policy, Organización Soriana was included in the ranking “30 Most Inclusive Companies from Mexico” by Empresas Verdes magazine. Also, this editorial placed the Company in 7<sup>th</sup> place in “18 Companies with Further Advances in the ODS 2021”, after analyzing the projects and strategies on human rights, work, environment, anti-corruption, and sustainability. Inside the special edition of “500 Companies vs Corruption” of Expansion Magazine, Soriana took the 52<sup>nd</sup> place thanks to the Anti-Corruption Policy, its accessibility of information and monitoring, complaint, and sanction systems.

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

Millions pesos

	<b>Second Quarter</b>				
	<b>2Q2022</b>	<b>%</b>	<b>2Q2021</b>	<b>%</b>	<b>Var. %</b>
Net Sales	41,735	100	39,133	100	6.6
Cost of Sales	32,672	78.3	30,794	78.7	6.1
<b>Gross Income</b>	<b>9,063</b>	<b>21.7</b>	<b>8,339</b>	<b>21.3</b>	<b>8.7</b>
Operating Expenses	6,026	14.4	5,463	14.0	10.3
<b>Income before other expenses, net</b>	<b>3,037</b>	<b>7.3</b>	<b>2,876</b>	<b>7.4</b>	<b>5.6</b>
Other Income and (Expenses), Net	25	0.1	12	0.0	114.8
<b>EBITDA</b>	<b>3,062</b>	<b>7.3</b>	<b>2,888</b>	<b>7.4</b>	<b>6.0</b>
Depreciation and Amortization	797	1.9	770	2.0	3.5
<b>Operating Income</b>	<b>2,265</b>	<b>5.4</b>	<b>2,118</b>	<b>5.4</b>	<b>7.0</b>
Interest Income (Expenses), Net	(604)	(1.5)	(588)	(1.5)	2.7
Foreign Exchange Gain (Losses)	34	0.1	38	0.1	(9.2)
Utility (Loss) Exchange	(15)	(0.0)	(52)	(0.1)	(71.2)
<b>Comprehensive Financing Income</b>	<b>(584)</b>	<b>(1.4)</b>	<b>(602)</b>	<b>(1.5)</b>	<b>(2.9)</b>
Minority Interest	(69)	(0.2)	(80)	(0.2)	(13.1)
<b>Earnings Before Tax &amp; Profit Sharing</b>	<b>1,611</b>	<b>3.9</b>	<b>1,436</b>	<b>3.7</b>	<b>12.2</b>
Tax Provision	437	1.1	564	1.4	(22.6)
<b>Net Income</b>	<b>1,174</b>	<b>2.8</b>	<b>872</b>	<b>2.2</b>	<b>34.7</b>
Controlling interest	1,168	2.8	867	2.2	34.8
Non-controlling interest	6	0.0	5	0.0	19.7
<b>Cash Net Profit</b>	<b>1,820</b>	<b>4.4</b>	<b>1,616</b>	<b>4.1</b>	<b>12.6</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	79,143	100	73,882	100	7.1
Cost of Sales	61,790	78.1	57,818	78.3	6.9
<b>Gross Income</b>	<b>17,353</b>	<b>21.9</b>	<b>16,064</b>	<b>21.7</b>	<b>8.0</b>
Operating Expenses	11,540	14.6	10,647	14.4	8.4
<b>Income before other expenses, net</b>	<b>5,813</b>	<b>7.4</b>	<b>5,417</b>	<b>7.3</b>	<b>7.3</b>
Other Income and Expenses, Net	128	0.2	297	0.4	(57.1)
<b>EBITDA</b>	<b>5,941</b>	<b>7.5</b>	<b>5,714</b>	<b>7.7</b>	<b>4.0</b>
Depreciation and Amortization	1,605	2.0	1,540	2.1	4.2
<b>Operating Income</b>	<b>4,336</b>	<b>5.5</b>	<b>4,174</b>	<b>5.7</b>	<b>3.9</b>
Interest Income (Expenses), Net	(1,186)	(1.5)	(1,191)	(1.6)	(0.4)
Foreign Exchange Gain (Losses)	95	0.1	87	0.1	9.0
Utility (Loss) Exchange	(14)	(0.0)	(66)	(0.1)	(78.5)
<b>Comprehensive Financing Income</b>	<b>(1,105)</b>	<b>(1.4)</b>	<b>(1,169)</b>	<b>(1.6)</b>	<b>(5.5)</b>
Minority Interest	(134)	(0.2)	(166)	(0.2)	(19.1)
<b>Earnings Before Tax &amp; Profit Sharing</b>	<b>3,097</b>	<b>3.9</b>	<b>2,839</b>	<b>3.8</b>	<b>9.1</b>
Tax Provision	985	1.3	1,006	1.4	(2.1)
<b>Net Income</b>	<b>2,112</b>	<b>2.7</b>	<b>1,832</b>	<b>2.5</b>	<b>15.2</b>
Controlling interest	2,098	2.7	1,824	2.5	15.0
Non-controlling interest	13	0.0	8	0.0	60.6
<b>Cash Net Profit</b>	<b>3,531</b>	<b>4.5</b>	<b>3,305</b>	<b>4.5</b>	<b>6.9</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	5,379	3.8	6,292	4.4	(14.5)
Trade	704	0.5	776	0.5	(9.3)
Other Accounts Receivable	4,620	3.3	6,388	4.5	(27.7)
Inventories	32,133	22.7	29,361	20.7	9.4
Other Current Assets	393	0.3	470	0.3	(16.4)
Assets classified as held for sale	0	0.0	760	0.5	(100.0)
<b>Total Current Asset</b>	<b>43,229</b>	<b>30.5</b>	<b>44,048</b>	<b>31.1</b>	<b>(1.9)</b>
Property, Equipment and Use Rights, Net	73,380	51.8	73,980	52.3	(0.8)
Intangible Assets	20,477	14.5	20,375	14.4	0.5
Deferred taxes	544	0.4	319	0.2	70.5
Other Assets	3,927	2.8	2,804	2.0	40.0
<b>Total Assets</b>	<b>141,557</b>	<b>100</b>	<b>141,527</b>	<b>100</b>	<b>0.0</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Suppliers	28,580	20.2	27,309	19.3	4.7
Short Term Debt	0	0.0	5,620	4.0	(100.0)
Other Accounts Payable	2,232	1.6	3,411	2.4	(34.6)
Short Term Lease Liabilities	535	0.4	527	0.4	1.6
Other Liabilities without cost	1,219	0.9	2,880	2.0	(57.7)
<b>Total Current Liabilities</b>	<b>32,566</b>	<b>23.0</b>	<b>39,747</b>	<b>28.1</b>	<b>(18.1)</b>
Deferred Taxes	10,637	7.5	10,908	7.7	(2.5)
Long Term Debt	13,022	9.2	11,072	7.8	17.6
Long Term Lease Liabilities	9,912	7.0	9,448	6.7	4.9
Other Liabilities	2,481	1.8	1,974	1.4	25.7
<b>Total Long Term Liabilities</b>	<b>36,051</b>	<b>25.5</b>	<b>33,402</b>	<b>23.6</b>	<b>7.9</b>
<b>Total Liabilities</b>	<b>68,617</b>	<b>48.5</b>	<b>73,149</b>	<b>51.7</b>	<b>(6.2)</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	1,171	0.8	(0.0)
Premium on Sales of Shares	977	0.7	977	0.7	0.0
Repurchase Fund of Shares	537	0.4	550	0.4	(2.5)
Other Capital Accounts	-587	(0.4)	-552	(0.4)	6.3
Accumulated Earnings	70,760	50.0	66,149	46.7	7.0
<b>Total Stockholders' Equity</b>	<b>72,940</b>	<b>51.5</b>	<b>68,378</b>	<b>48.3</b>	<b>6.7</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>141,557</b>	<b>100</b>	<b>141,527</b>	<b>100</b>	<b>0.0</b>



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

	<u>2022</u>	<u>2021</u>	<u>Var. %</u>
<b><u>OPERATING ACTIVITIES</u></b>			
Income before Income Tax	3,097	2,839	9.1
<b><u>Adjustments by:</u></b>			
Depreciation & Amortization	1,605	1,540	4.2
Sales of property and equipment	(5)	(0)	1,736
Participation in the Results of Associates and Joint Ventures	134	166	(19.1)
Labor cost	73	77	(5.2)
Interest accrued in favor	(154)	(110)	40.1
Interest accrued in charge	1,186	1,191	(0.4)
Others	55	5	1,018.8
<b>Sum</b>	<b>5,990</b>	<b>5,707</b>	<b>5.0</b>
Clients	337	57	489.6
Inventories	(3,556)	(1,641)	116.7
Suppliers	(483)	1,075	(144.9)
Payable and receivable accounts	667	189	253.2
Income Tax Paid	(1,996)	(1,788)	11.7
<b>Net cash flow from operating activities</b>	<b>959</b>	<b>3,599</b>	<b>(73.4)</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Acquisitions of property and equipment	(1,102)	(549)	100.5
Sale of Fixed Assets	66	42	56.8
Contribution of share capital in joint ventures	(400)	(448)	(10.7)
Reduction of share capital in associate	0	13	*
Interest charged	154	110	40.1
Others	(14)	2	(770.8)
<b>Net Cash flow from investing activities</b>	<b>(1,296)</b>	<b>(830)</b>	<b>56.1</b>
<b>Cash receivable from financing activities</b>	<b>(338)</b>	<b>2,769</b>	<b>(112.2)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Financing Obtained	8,200	13,900	(41.0)
Financing Repaid	(10,975)	(16,576)	(33.8)
Interest Paid	(1,130)	(1,148)	(1.6)
Finance lease liability	(280)	(281)	(0.3)
<b>Net cash flow from financing activities</b>	<b>(4,184)</b>	<b>(4,104)</b>	<b>2.0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,522)</b>	<b>(1,335)</b>	<b>238.7</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>5,379</b>	<b>6,292</b>	<b>(14.5)</b>