

Soriana reports first quarter 2022 results

- Total income of \$37.408 billion pesos in the quarter
- Same-Store Sales of 7.2% and 7.7% in the total income
- 33.6% reduction in debt net and 30.5% in debt balance in the last 12 months

Monterrey, N.L. April 27th, 2022.- Organización Soriana, S.A.B. de C.V. (Soriana) reports financial results for the first 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 \$37.408 billion pesos in the first quarter, which represents an increase of 7.7% vs 1Q21. This increment was mainly supported by the opening of four 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 7.2% in this quarter.

Gross Profit stayed flat as a percentage over sales in comparison with 1Q21, with a 22.2% margin equal to \$8.290 billion pesos, which represents an increase of 7.3% vs. 1Q21. 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 that avoided the negative effect that we had in the comparative vs. 1Q21 due to the extraordinary income carried out in that period, which reduced 30 bps to the gross margin.

The **operating expenses** line showed a contraction of 20bps vs. 1Q21, this is 14.7% over sales, reaching \$5.514 billion pesos and a 6.4% increase vs. 1Q21, where around 50% 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, 1Q22 closed with an **EBITDA**⁽¹⁾ of \$2.879 billion pesos, which equals to 7.7% margin showing a contraction of 40bps and an increase of 1.9% vs. 1Q21 results.

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

Regarding the **financial items**, net financial cost closed at \$520 million pesos, showing a decrease of 8.3% vs. 1Q21 and a percentage of 1.4% above income.

Finally, **net income** reached \$937 million pesos, equivalent to 2.5% as a percentage of sales.

Debt Behavior

As of the closing of 1Q22, the Company has a total debt of \$15.317 billion pesos this represents a decrease over the same period of last year of \$6.732 billion pesos equivalent to 30.5%. Likewise, there was a reduction of 33.6% 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 1Q22.

Store Format	Units		Sales Floor Area	
	1Q22	1Q21	1Q22	% Incr.
Hipermercados	368	367	2,645,568	0.3%
Soriana Súper	127	125	259,424	2.4%
Soriana Mercado	163	163	711,110	-
Soriana Express	105	105	141,813	-
City Club	35	34	279,474	2.7%
Total	798	794	4,037,389	0.5%
Sodimac	9	6	94,674	43.9%

* 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

- In January we concluded "Donando se alegran los corazones", a donation Campaign, which started in December along with the institution CEMEFI and *Fundación Manuel Arango*. We invited our clients through our cashiers to help post pandemic affected families, focusing the resources in food. Through this campaign, we reached more than \$12.8 million pesos, where \$8.5 million pesos were donated through our cashiers.
- In March we also concluded our campaign "Música por el cambio 2021" (music for change 2021), which is related to the power that music has and seeks to stimulate the development and education of children and teenagers in a situation of

vulnerability, therefore, we supported musical education projects of institutions that work with them. We had an alliance with “Fundación Dibujando un Mañana” (drawing a tomorrow Foundation) where we were aiming for the same goal, where 4,324 children and teenagers were benefitted with a social investment of \$4 million pesos.

- On the World Oral Health Day, Soriana Fundación and Oral B joined forces to improve the oral health of less favored children, in order to encourage a better culture within this habit. We elaborated 1,500 oral health kits that were given in the state of Oaxaca. Through the campaign “Por un México con Salud Bucal” (for a Mexico with Oral Health) we strengthen our commitment with the objectives of sustainable development, focusing on Health and Wellness, Reduction of inequalities and Alliances to achieve these goals.

b) Soriana Universidad

- We continue supporting academically our collaborators through the **Soriana Universidad** program. In this first quarter, we started with the registration of **1,467 new students** in the program “**Education in Family**” in order to acquire the elementary and secondary school grades, and “**High-School Online**”. Through these concepts we are looking to help our collaborators to complete their academic development and to strength their abilities.

c) Environment

- Committed to the environmental care, we use renewable energy that allow us to achieve better electricity rates, hence 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 4 stores, and in April we continue with the installation of this system in the states we mentioned.

c) Best Business Practices

- We keep improving and investing in our Soriana App and web page in order to facilitate the shopping experience for our clients, with an easier search-selection process to guarantee a faster, flexible and friendly experience. Likewise, we have added microsites in our web page to help and lead the clients through key categories in order to offer them a range of products according to their needs and habits. In this quarter, there was a growth of 18% vs. 1Q21 in the digital business including platforms. Derived from these changes and improvements in the shopping

experience, there was an increase of 30% in the online purchases in the quarter vs. 1Q21.

e) Rankings and Recognitions

- Organización Soriana was included as one of the five retail Mexican companies of the top 250 from the study made by Deloitte "World Power of Retail Business 2022", reaching the 151st place after considering the Company's income from FY2020, period that concluded on June 30th 2021, and also the implemented actions to drive and prioritize a sustainable agenda, as it is the reduction of emissions and garbage, the implementation of a circular economy, and investments in programs and initiatives related to diversity, equality and inclusion.

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

Millions pesos

	First Quarter				
	1Q2022	%	1Q2021	%	Var. %
Net Sales	37,408	100	34,749	100	7.7
Cost of Sales	29,118	77.8	27,024	77.8	7.7
Gross Income	8,290	22.2	7,725	22.2	7.3
Operating Expenses	5,514	14.7	5,184	14.9	6.4
Income before other expenses, net	2,776	7.4	2,541	7.3	9.3
Other Income and (Expenses), Net	103	0.3	286	0.8	(64.0)
EBITDA	2,879	7.7	2,827	8.1	1.9
Depreciation and Amortization	808	2.2	770	2.2	4.9
Operating Income	2,071	5.5	2,056	5.9	0.7
Interest Income (Expenses), Net	(582)	(1.6)	(603)	(1.7)	(3.5)
Foreign Exchange Gain (Losses)	61	0.2	50	0.1	22.8
Utility (Loss) Exchange	1	0.0	(14)	(0.0)	(105.7)
Comprehensive Financing Income	(520)	(1.4)	(567)	(1.6)	(8.3)
Minority Interest	(65)	(0.2)	(86)	(0.3)	(24.6)
Earnings Before Tax & Profit Sharing	1,486	4.0	1,403	4.0	5.9
Tax Provision	549	1.5	442	1.3	24.1
Net Income	937	2.5	960	2.8	(2.4)
Controlling interest	930	2.5	958	2.8	(2.8)
Non-controlling interest	7	0.0	3	0.0	134.7
Cash Net Profit	1,711	4.6	1,689	4.9	1.3

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

Millions pesos

	2022	%	2021	%	Var. %
ASSETS					
Current Assets					
Cash and Cash Equivalents	3,064	2.3	3,593	2.6	(14.7)
Trade	798	0.6	1,077	0.8	(25.9)
Other Accounts Receivable	4,780	3.5	7,261	5.2	(34.2)
Inventories	28,375	21.0	27,452	19.8	3.4
Other Current Assets	384	0.3	441	0.3	(13.0)
Assets classified as held for sale	759	0.6	748	0.5	1.4
Total Current Asset	38,159	28.2	40,572	29.3	(5.9)
Property, Equipment and Use Rights, Net	72,417	53.5	74,509	53.7	(2.8)
Intangible Assets	20,471	15.1	20,373	14.7	0.5
Deferred taxes	544	0.4	319	0.2	70.5
Other Assets	3,789	2.8	2,906	2.1	30.4
Total Assets	135,381	100	138,680	100	(2.4)
LIABILITIES					
Current Liabilities					
Suppliers	21,806	16.1	19,938	14.4	9.4
Short Term Debt	2,038	1.5	7,621	5.5	(73.3)
Other Accounts Payable	2,096	1.5	2,077	1.5	0.9
Short Term Lease Liabilities	481	0.4	543	0.4	(11.5)
Other Liabilities without cost	995	0.7	3,094	2.2	(67.8)
Total Current Liabilities	27,415	20.3	33,272	24.0	(17.6)
Deferred Taxes	10,769	8.0	11,009	7.9	(2.2)
Long Term Debt	13,279	9.8	14,428	10.4	(8.0)
Long Term Lease Liabilities	9,694	7.2	9,534	6.9	1.7
Other Liabilities	2,464	1.8	1,933	1.4	27.5
Total Long Term Liabilities	36,207	26.7	36,904	26.6	(1.9)
Total Liabilities	63,622	47.0	70,176	50.6	(9.3)
Stockholders' Equity					
Paid-In Capital Stock	83	0.1	83	0.1	(0.0)
Restatement of Paid-In Capital Stock	1,170	0.9	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	-592	(0.4)	-554	(0.4)	7.0
Accumulated Earnings	69,586	51.4	66,277	47.8	5.0
Total Stockholders' Equity	71,759	53.0	68,504	49.4	4.8
Total Liabilities and Stockholders' Equity	135,381	100	138,680	100	(2.4)

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>
<u>OPERATING ACTIVITIES</u>			
Income before Income Tax	1,486	1,403	5.9
<u>Adjustments by:</u>			
Depreciation & Amortization	808	770	4.9
Sales of property and equipment	(5)	(0)	1,736
Participation in the Results of Associates and Joint Ventures	65	86	(24.6)
Labor cost	36	38	(5.2)
Interest accrued in favor	(81)	(59)	37.6
Interest accrued in charge	582	603	(3.5)
Others	(1)	19	(106.6)
Sum	2,889	2,860	1.0
Clients	243	(243)	(199.8)
Inventories	90	279	(67.7)
Suppliers	(7,235)	(6,328)	14.3
Payable and receivable accounts	81	(687)	(111.7)
Income Tax Paid	(1,283)	(1,129)	13.6
Net cash flow from operating activities	(5,214)	(5,247)	(0.6)
<u>INVESTING ACTIVITIES</u>			
Acquisitions of property and equipment	(384)	(320)	20.1
Sale of Fixed Assets	66	42	56.8
Contribution of share capital in joint ventures	(250)	(398)	(37.2)
Reduction of share capital in associate	0	13	*
Interest charged	81	59	37.6
Others	(4)	(28)	(85.8)
Net Cash flow from investing activities	(491)	(631)	(22.3)
Cash receivable from financing activities	(5,705)	(5,878)	(3.0)
<u>FINANCING ACTIVITIES</u>			
Financing Obtained	600	8,300	(92.8)
Financing Repaid	(1,037)	(5,737)	(81.9)
Interest Paid	(554)	(582)	(4.7)
Finance lease liability	(141)	(137)	2.9
Net cash flow from financing activities	(1,132)	1,844	(161.4)
Net increase (decrease) in cash and cash equivalents	(6,837)	(4,034)	69.5
Cash and cash equivalents at beginning of period	9,901	7,627	29.8
Cash and cash equivalents at end period	3,064	3,593	(14.7)