

## Quarterly Financial Information

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## [105000] Management commentary

### Management commentary [text block]

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2021 was undoubtedly another atypical year that required us to innovate and adapt fast to the environment and to our customers' changing needs, while keeping our associates safe. We're even more convinced that customers want us to bring our stores and e-commerce businesses together in a seamless way that makes shopping easier; and we believe we are uniquely positioned to deliver value through our physical and digital assets.

In Bodega, we offer same-day delivery from store to the most price-sensitive customers via Despensa a tu Casa at more than 220 stores, which during the quarter represented almost 10% of on-demand sales. We launched Walmart Pass and saw a ~2x increase in shopping frequency vs. non-users. We converted 75 stores into Walmart Express. We rolled-out Scan and Go to all clubs, and its penetration doubled since we first launched it.

We are going beyond retail to deliver our purpose to save people money and help them live better. Through Cashi and Bait, we are giving customers access to the digital economy and delighting them with new experiences.

Our strong core business is fueling the ecosystem, and at the same time, the new businesses we are creating drive customer engagement that strengthen the core business to grow and to be more resilient.

We are a growth company, and we will continue to accelerate growth investing behind our strategic plans.

For the 2nd consecutive year, we were included in the Dow Jones Sustainability MILA Pacific Index and we were recognized as one of the best places to work for our LGBTQ+ equality efforts by the Human Rights Campaign (HRC).

Our small supplier support program -Pequeño Productor- turned 10 years in 2021: we have trained more than 20,000 small enterprises and commercialized +59,000 tons of products.

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### Disclosure of nature of business [text block]

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Walmart de México y Centroamérica is one of the leader retail chains in the region.

As of December 31, 2021, it operates 3,620 units, throughout 6 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.

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## Disclosure of management's objectives and its strategies for meeting those objectives [text block]

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The objective of the Company is to double total sales in 10 years and to leverage operating expenses to reinvest in the business.

Sales growth will come from:

- Same store sales
- Sales from new stores
- eCommerce

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## Disclosure of entity's most significant resources, risks and relationships [text block]

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The Company is exposed to the effects of future events that could affect the purchasing power and/or buying habits of the population. These 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.

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.

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 has greatly increased. Mexican legal courts have changed their position favoring the authorities and ignoring violations of form and procedure.

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. There is considerable uncertainty regarding the extent to which COVID-19 will continue to spread (including additional outbreaks or spikes in the number of COVID-19 cases, future mutations or related strains of the virus in the areas in which we operate) and the scope and duration of measures to try to contain the virus, such as travel bans and restrictions, quarantines, government closures and other restrictions on the mobility of people.

Other uncertainty factors include, but are not limited to: the availability and prevalence of access to effective medical treatments and vaccines for COVID-19; the pace of economic recovery when the pandemic subsides; and the long-term impact of the COVID-19 pandemic on our business, including changing consumer behavior. 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.

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## Disclosure of results of operations and prospects [text block]

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

During the quarter, consolidated total revenue grew 9.5%: 9.1% in Mexico and 11.8% in Central America.

Topline growth accelerated quarter on quarter, reaching a consolidated two-year stacked growth of 15.5% on the fourth quarter.

For the full year 2021, revenue in Mexico grew 6.0% and 8.1% in Central America, resulting in a 4.9% consolidated growth.

On a constant currency basis, consolidated revenue growth was 6.3%.

MÉXICO

Same-store sales grew 7.8% during the quarter, reaching a double-digit two-year stack of 13.1%.

#### PERFORMANCE BY REGION:

The Southern and Northern regions continue to lead in same-store sales growth, followed by the Central and Metro regions.

#### PERFORMANCE BY FORMAT:

Sam's Club delivered the highest same-store sales growth, on the back of positive new member sign-ups and renewals trends. The team is focusing on offering great products and on working in a more digital way, to further improve members' experience.

Omnichannel continues to show momentum at Sam's: on the Socio Fest event, online sales reached 10% penetration, and contributed- almost 80% of growth. 1 out of every 5 members that shopped online were new to the platform.

Our strategy to Win in Discount is being well appreciated by customers. The combination of the lowest prices and efficient assortment, together with a low-cost operation, is translating into strong growth and market share gains. In 2021, we expanded Bodega's price gap by 80 bps, marking a record high. I am very proud of the team for this achievement, they are really making a difference for our most price sensitive customers.

With the intention of further improving experience and driving traffic to the stores, we are adjusting the Fresh departments' layout and results are encouraging: our customer experience index increased by 40 bps and sales growth in pilot stores is 340 bps higher.

Walmart delivered solid same-store sales growth. The team is executing omnichannel seasonal events seamlessly. During the "El Fin Irresistible" event, we reached record high sales for the format. We leveraged our store fleet to launch "delivery in hours", and we fulfilled more than 30% of General Merchandise orders from stores in a matter of hours.

We also saw strong growth in Juguetilandia, our seasonal toys offering, which delivered double-digit sales growth in December, despite the restrictions that many locations had due to the pandemic.

During the year, we converted 75 Superama stores into Walmart Express, and opened 4 new stores under this format. The transition period was challenging, shopping experience is not ideal when remodel works are undergoing, and this translated into softer sales. It is good to see that customers are appreciating the changes we made in pricing and shopping experience. We lowered prices on basic items and enabled features that allow customers to have a fast, convenient shopping trip, such as self-scanning stations and digital tools. Pickup has become even more popular than before the conversions, and we've seen an 11.6 pp increase in penetration.

We see that stores that were converted into Walmart Express during the first half of last year are showing a positive trend, and even surpassing the level of sales they had before the conversion, which is encouraging. We are monitoring very closely customer feedback to the new format and adapting as needed.

#### PERFORMANCE BY DIVISION:

Among merchandise divisions, Apparel, Food and Consumables delivered the highest growth.

We hosted our annual "El Fin Irresistible" event with an omnichannel scope and Home, Apparel and Fresh Grocery categories stood out for their strong growth. During 2021's event, customers gave us a higher Net Promoter Score, which is a great achievement given the large volumes we handle during the event.

We continue to make significant progress on driving price gap leadership, and we are helping customer afford basic basket items by offering the lowest prices. During 2021, we widened our price gap by 50 bps, despite the high level of inflation we are experiencing. Our Private Brands sales grew 13.5% and their sales penetration increased 90 bps.

## OMNICHANNEL

2021 was tough to predict in every aspect, even more on the eCommerce front, as we didn't know how customers would behave after the strong growth we tracked in 2020. We are very pleased with our results for the fourth quarter and the year. The team did a great job of implementing our long-term strategy while executing amid a changing environment.

During the quarter, eCommerce sales grew 24% and GMV 29%, which results in a 235% and 233% two-year stacked growth, respectively. eCommerce's contribution to sales growth was 1.2% and it represented 5.7% of Mexico sales.

For the full year 2021, eCommerce sales grew 36% and GMV 40%.

eCommerce now represents almost 5% of Mexico sales, which compares to 1.5% in 2019.

We are tailoring the omnichannel experience to the different customers we serve. According to Euromonitor 2021 data, we were able to win 190 bps of market share on the eCommerce space. This result indicates our customers are appreciating what we are doing.

It was a year of consolidation for on-demand. We are now offering the service in about 120 cities through more than 760 stores, covering almost 70% of our big-box formats.

One of the key strengths of our on-demand operation, is being able to deliver perishable items in just hours, maintaining their freshness and quality; this is made possible by our footprint: we have stores 10 minutes away of 88% of the population in top cities. To further improve customer experience, we started a program called "Picker del Campo" in 160 stores, to train our associates and equip them with the necessary tools to make better selection of Fresh items. So far, we've seen an increase in shopping frequency of 50 bps as a result of the program.

We extended our crowdsourcing model to +170 stores, and it is now available in all our formats, including Sam's where we are running a pilot test in 12 clubs. During the quarter, crowdsourcing represented +10% of Supercenter's and Walmart Express' on-demand sales.

Walmart Pass is progressing, daily subscriptions doubled quarter on quarter, and we continue to see an uplift in frequency and ticket in users when compared to non-users.

We are investing in technology to improve customers' experience. Last quarter we merged Bodega's on-demand and extended assortment platforms into one app and customers are liking the initiative, the App's user rating increased 40 bps.

Our focus remains on accelerating extended assortment. We more than doubled the number of sellers and tripled the number of SKUs vs. last year. We enabled almost 90 virtual stores with exclusive brands and items, and we moved forward with the cross-border trade operation, adding almost 1 million SKUs.

We are seeing the benefits of our investments on eCommerce. We delivered orders faster and increased the NPS during the holiday season, despite the high volumes we handled, and the complexity given the pandemic.

You can expect us to continue to make investments in this area to further improve customer experience and drive sales.

## PERFORMANCE VS. THE MARKET

During the quarter, we were able to surpass ANTAD's self-service and clubs' segment same-store sales growth by 80 bps. For the full year, our gap vs. the market's growth was 200 bps.

If we see performance on a two-year stack basis, our quarterly gap vs. ANTAD was 260 bps and for the year it was 360 bps.

With this result, we've been growing ahead of the market on every quarter for the last 7 years, with the exception of 1Q20 that we grew in line with ANTAD.

We are moving fast and innovating to transform the shopping experience and our customers are rewarding us with their preference.

## CENTRAL AMERICA

Note: The percentages of sales growth related to Central America are determined on a constant currency basis.

In Central America, all countries delivered same-store sales growth. Honduras was the country with the highest growth and Guatemala the lowest, yet still strong growth.

The biformato strategy is delivering good results. The changes we've made to the commercial offering in terms of catalogue, opening price points and price gap, are being well received by customers and we are seeing a positive trend in market share gains. Private brands are a very important element of our strategy: we were able to increase sales penetration by 200 bps this year.

We finished the roll-out of the new eCommerce platform to all countries, and for the year eCommerce sales represented 1.7% of Walmart and Supermarkets sales.

Last month we announced that, in line with our strategy and with the support of our Board of Directors, we are considering strategic alternatives for our operations in El Salvador, Honduras and Nicaragua.

While these operations are healthy businesses, with consistent, profitable performance, we are undertaking this process with the goal of finding ways to further support and accelerate our strategy and better position both Walmex and our business in El Salvador, Honduras and Nicaragua for long-term success. The alternatives we're exploring could include, among others, possible joint ventures, strategic partnerships or alliances, a sale, or other possible transactions. There is also possibility that no operation is done.

This process is just beginning, and we will share more details as we are able to.

## ECOSYSTEMS

Our ambition is to earn customer loyalty by offering the leading omni-driven ecosystem that creates sustainable profitable growth. Last year we made great progress on three of the verticals: Cashi, Bait and Walmart Connect.

We are building products and services with the customer at the center, that connect to our core business in a mutually reinforcing way.

Last December, we launched a pilot together with a third-party, to disburse credit via Cashi in almost 30 Walmart and Bodega stores. We are granting up to \$6,000 pesos credits so customers can shop for their favorite items and pay for them later. We're just getting started and results are encouraging. We will continue to test and learn from customers' response to fine tune the product.

Through Bait, we are providing low-cost connectivity services, including prepaid mobile and home internet, to unlock access to the digital economy.

We added over 900,000 new users during the fourth quarter, reaching 2.3 million users. We launched an out-of-store distribution channel to expand our reach and we will continue to focus on user acquisition going forward.

Walmart Connect grew the number of advertisers by about 50% and the number of campaigns by almost 80% during the year.

We want to become a leading media platform in Mexico by helping brands connect with our customers more often and more meaningfully, and we are uniquely positioned to achieve this goal.

#### ENABLERS

We are strengthening our logistics capabilities to reach customers faster and to increase productivity and efficiency.

In December, we opened the Santo Niño distribution center in Mexicali, which will reinforce our supply chain operations in the Northern region. The new DC has capacity to process over 5 million boxes per month and will supply 50 Walmart and Bodega Stores. With this new DC, we expanded our capacity to serve customers in an omnichannel way by 17%.

We also started the construction of a new omnichannel distribution center in Tlaxcala, which is expected to start operations in 2024. We are making a \$3 B pesos investment on the DC, of which ~20% will be allocated to technology and innovation. The new DC will create more than 1,200 direct jobs and 700 indirect jobs.

Our supply chain is a key enabler of the long-term strategy and serves as a great competitive advantage. You can expect us to continue investing aggressively on it as we grow our omnichannel business.

#### NEW STORES AND PROJECTS

Despite the challenges to perform construction works during the pandemic, last year we increased our sales area by 140 thousand square meters. This is the largest expansion since 2014, which represents a +20% increase vs. the last 6 years average.

In Mexico, we opened 51 new stores in 4Q and 122 stores on the full year, almost twice the number of stores we opened in 2020. Contribution from new stores to consolidated sales growth was 1.3% for the year, in-line with the guidance we provided.

New stores are performing better than expected and we have maintained high sales by square meter ratio compared to the industry.

It is worth mentioning that all our new protos consider innovations on energy consumption and a specific design for associates and customers with disabilities, and for our omnichannel strategy.

We are innovating to provide new solutions for customers.

As some of you might remember, we started in Mexico a pilot test of 6 gas station operated by third parties with our own branding in Bodega, Walmart, and Sam's Club some years ago, as part of our customer value proposition extension.

Given the good results in terms of traffic and customer satisfaction we got, we decided to expand gas stations through a partnership with Gazpro, through which this third-party operator will invest and operate co-branded gas stations, under strict standards of operation and price.

We are currently testing a complement for the project, with small stores attached to the gas stations, to make it even more convenient for customers. So far, we have opened three gas station stores; one of them was built using used containers and is 90% powered by solar energy, showing our commitment to the goal of becoming a regenerative company.



Gazpro is in the process of obtaining the permits required to operate, we expect to enable more stations towards the end of 2022.

#### 4Q21 MEXICO RESULTS

During the quarter, total revenue grew 9.1%, driven by a 7.8% same-store sales growth.

Gross profit margin expanded by 30 bps reaching 23.2%, as we build new sources of income. Rental income, Walmart Connect and improved margin mix offset supply cost pressures and price investments.

SG&A grew 13.1%, as we continue to invest to position our company for the future.

We leveraged base expenses and invested to drive growth and talent.

Expenses related to remodels increased 4 bps, as we caught-up with some of the pending works from 2020, when we had limitations for construction due to the pandemic. In 2021, the number of stores we remodeled almost doubled vs. 2020.

Strategic investments related to growth initiatives represented 44 bps of the increase:

Our focus is on driving omnichannel: we increased our advertising efforts for El Fin Irresistible and other holiday events, as towards the end of the year competitive dynamics intensify. We invested in tech modernization, launching Bodega One App and migrating Superama app into Walmart Express. We also continue to invest to build an omnichannel structure at stores, DCs and home office. It is encouraging to see that our investments are paying off: GMV grew 29% during the quarter, on top of a 158% in 4Q20.

Another focus is talent: we are implementing our associates' value proposition. More than 5 million customers visit us every day at our stores, and they expect to be served in a seamless way. By training and equipping our associates with the right tools, investing in compensation and benefits, and empowering them to be more creative, we are improving customer experience, and this virtuous circle allows us to accelerate growth.

We are also accelerating new store growth: we opened 122 new stores in 2021, and more than 40% of them opened during the last quarter. New stores are performing much better than our internal plans and above their historic performance, which is remarkable.

Additionally, we had a one-time effect related to the creation of a provision for a doubtful account that represented 13 bps.

We know our strategy requires investment, so in parallel we are stepping up our efforts in expense management and productivity.

An example is how we are using technology to help our associates to be more productive and to serve customers better.

In 2021 we implemented self-checkout in 286 self-service stores, we finalized the roll-out of Scan and Go to all 165 Sam's Clubs, and we enabled the first self-checkout station in Mi Bodega Cholula, with great adoption. As of today, we have self-checkouts available in +370 stores, which represent +30% of the transactions.

Another example is how we are transforming our costs with a project we call Smart Spending. It is all about reinforcing our Every Day Low-Cost culture, now using technology and data analytics to move quicker and to be more effective.

Given the scale of our company, sometimes small changes result in important savings. For example, a change in our logistics fleet scheduling resulted in annualized savings of \$140M de pesos.

Altogether, in Mexico we identified about \$3.7 B pesos in savings, of which we executed \$1.0 B pesos in 2021. Between 2022 and 2023 we will execute the remaining savings.

Operating income increased 7.5% and EBITDA margin remained at a healthy 11.5%.

**In Mexico, revenues grew 9.1% and EBITDA margin was 11.5%**

Mexico 4Q results

(\$MXN Millions)	4Q21		4Q20		Var.
	\$	%	\$	%	%
Total revenues	177,636	100.0	162,777	100.0	9.1
Gross margin	41,129	23.2	37,315	22.9	10.2
General expenses	24,624	13.9	21,765	13.4	13.1
Earnings before other income, net	16,505	9.3	15,550	9.6	6.1
Other income, net	219	0.1	1	0.0	264.1x
Operating income	16,724	9.4	15,551	9.6	7.5
EBITDA	20,374	11.5	18,939	11.6	7.6

X = Times

#### 4Q21 CENTRAL AMERICA RESULTS

Note: The percentages of sales growth related to Central America are determined on a constant currency basis.

Total revenue growth reached 11.8% in the quarter.

We saw an 80-bps gross profit margin reduction, given the continued execution of our biformato strategy in the region. We are making adjustments to the commercial offering: increasing private brands penetration and investing in prices, which is translating into higher sales growth and market share gains.

SG&A represented 17.8% of revenue. We had a one-time effect related to the payment of royalties that I will explain next. Despite incurring additional advertising expenses given the dynamism in the markets as the economy on those countries recovers, and the investments we are doing in associates' compensation and benefits, we were able to leverage base operating expenses, given our focus on saving and simplifying the business.

The royalty payment agreement that our Central America business unit has with Walmart Inc. for the use of trademarks, technical assistance, technology developments and other solutions, serves as a competitive advantage in the market, and is based on sales and operating income performance.

2021 results were strong in the region, especially on the second half on the year, which led to an increase in the annual royalty payment of 44% vs. 2020. During the fourth quarter, we updated the amount with the annual results, which impacted SG&A by \$450M.

It is important to note that our existing agreement has not changed. For the full year 2021, consolidated royalties as percentage of total revenue remained relatively stable at 1%. We may see volatility in the quarterly royalty payments but on an annual basis we don't foresee major changes.

Operating income margin stood at 5.8% and EBITDA margin was 8.6%.

## Central America revenues grew 11.8%

Central America 4Q results

(\$MXN Millions)	4Q21		4Q20		Var. (%)	
	\$	%	\$	%	Peso terms	Constant currency basis
Total revenues	36,935	100.0	33,211	100.0	11.2	11.8
Gross margin	8,660	23.4	8,031	24.2	7.8	8.4
General expenses	6,569	17.8	5,788	17.4	13.5	14.1
Earnings before other income, net	2,091	5.7	2,243	6.8	(6.8)	(6.3)
Other income, net	41	0.1	80	0.2	(48.4)	(48.2)
Operating income	2,132	5.8	2,323	7.0	(8.2)	(7.7)
EBITDA	3,190	8.6	3,408	10.3	(6.4)	(5.9)

### 4Q21 AND FULL YEAR WALMEX CONSOLIDATED RESULTS

All in, consolidated total revenue posted a 9.5% growth, while gross margin increased 10 bps to 23.2%.

SG&A grew 13.2%, due to the investments in Mexico and the additional expenses we incurred in Central America.

As a result, operating income margin was 8.8% and EBITDA margin was 11.0%.

Net income stood at 6.2% of revenue.

Our full year 2021 results were solid. Consolidated total revenue grew 4.9% and 6.3% on a constant currency basis, and we were able to grow ahead of the market on both regions.

We invested in prices in Mexico and in Central America, and gross margin expanded by 20 bps to 23.3%.

SG&A grew 4.9%, driven primarily by strategic investments.

Operating income grew 9.5% and EBITDA grew 7.7%, reaching an 11.0% margin.

## Consolidated net income margin was 6.2%

Walmex Consolidated 4Q results

(\$MXN Millions)	4Q21		4Q20		Var.
	\$	%	\$	%	%
Total revenues	214,571	100.0	195,988	100.0	9.5
Gross margin	49,789	23.2	45,346	23.1	9.8
General expenses	31,193	14.5	27,553	14.1	13.2
Earnings before other income, net	18,596	8.7	17,793	9.1	4.5
Other income, net	260	0.1	81	0.0	2.2x
Operating income	18,856	8.8	17,874	9.1	5.5
EBITDA	23,564	11.0	22,347	11.4	5.4
Net income	13,254	6.2	12,603	6.4	5.2

X = Times

The shape of our P&L is evolving as we implement our strategy. New businesses, like Walmart Connect, are supporting gross profit dynamics, while we are seeing an increased cost of doing business in concepts such as salaries, in addition to the strategic investments we are making.

As we go through this investment phase, we will be disciplined in capital allocation to maintain our best in class returns.

### KEY MESSAGES

1. Our business is changing; we will continue to evolve to meet our customers' needs.
2. As we had already anticipated, we are going through an investment phase to accelerate growth, while maintaining our ROI.
3. Our financial strength gives us flexibility to balance short-term results and long-term plans.

## Financial position, liquidity and capital resources [text block]

2021 was a challenging year for investment given the uncertainty and changing conditions the pandemic brought, yet we remained committed to investing in the region in order to accelerate growth and to create shared value for all our stakeholders.

Throughout the year, we invested \$20.5 billion pesos in high return projects to strengthen our business, this represented a 22% increase vs. 2020.

Remodels represented 44%: we are enabling our stores with omnichannel capabilities and keeping them in good shape to improve shopping experience and to ensure the safety of our associates and customers.

New stores represented 23%; as you already heard, we opened 131 new stores during the year.

Investments in technology and eCommerce represented 16% of total, as we decided to accelerate strategic projects such as the rollout of antennas to improve the wireless network, the replacement of equipment and components to support new functionalities, back-office transformation and a new Data platform.

Nevertheless, overall CapEx exercise was 8% below the guidance, because we decided to move the implementation of some logistics projects to 2022.

Our cash position increased 20.0%, reaching \$42.8 billion pesos, driven by strong cash generation.

Inventories increased 17.5% to \$80.3 billion pesos, as we lapped lower inventories and traffic in 2020 due to COVID-related effects and to the opening of 55 new stores during the quarter.

Additionally, we are still experiencing supply chain disruptions, given the world-wide limitation of containers, so we decided to increase the stock in key categories, such as grocery, consumables and health and beauty, to ensure capacity.

During 2021, we were able to generate \$72.8 B pesos in cash and our working capital required \$3.1 B pesos due to the increase in inventories I just mentioned.

We returned \$28.2 B pesos in dividends and invested \$20.5 B pesos in high return projects aligned with our strategy.

We paid \$14.0 B pesos in taxes and ended the year with a cash position of \$42.8 B pesos, which represents a 20.0% increase vs. 2020.

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## Internal control [text block]

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For the Company, having the highest regulation standards and the proper control environment is fundamental to meet its objectives.

The existing internal controls are oriented towards guaranteeing safeguarding of assets, compliance with established policies, accurate recording of operations, reliable and timely financial data, prevention, identification and detection of fraud, as well as the fulfilment of laws and regulations.

We have an area devoted to Ethics and Regulatory Compliance, which is in charge of disseminating and promoting our policies on ethical behavior, corporate governance and strict compliance with any and all legal provisions to which we are subject to.

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## Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]

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- Total sales
  - Same store sales
  - Gross margin
  - Expenses
  - Operating income
  - EBITDA
  - Cash generation
  - ROI
  - Inventory
  - Financing
-

**[110000] General information about financial statements**

<b>Ticker:</b>	WALMEX
<b>Period covered by financial statements:</b>	2021-01-01 al 2021-12-31
<b>Date of end of reporting period:</b>	2021-12-31
<b>Name of reporting entity or other means of identification:</b>	Wal-Mart de México, S.A.B. de C.V.
<b>Description of presentation currency:</b>	MXN
<b>Level of rounding used in financial statements:</b>	THOUSANDS PESOS
<b>Consolidated:</b>	Yes
<b>Number of quarter:</b>	4D
<b>Type of issuer:</b>	ICS
<b>Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period:</b>	
<b>Description of nature of financial statements:</b>	

**Disclosure of general information about financial statements [text block]**

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).

**Name service provider external audit [text block]**

Mancera, S.C. a member practice of Ernst & Young Global Limited.

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**Name of the partner signing opinion [text block]**

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C.P.C Carlos Carrillo Contreras

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**Type of opinion on the financial statements [text block]**

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Unmodified (without exception)

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**Date of opinion on the financial statements [text block]**

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February 16, 2022

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**Date assembly in which the financial statements were approved [text block]**



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The consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020, were approved by the Company's management and Board of Directors on February 16, 2022 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.

The Shareholders meeting will be held on April 7, 2022.

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### Follow-up of analysis [text block]

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Actinver – Jerónimo Cobián

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HSBC – Felipe Cassimiro

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Punto Casa de Bolsa - Cristina Morales

Santander – Alan Alanis

Scotiabank - Rodrigo Echagaray

UBS – Rodrigo Alcántara

Vector Casa de Bolsa – Marcela Muñoz

**[210000] Statement of financial position, current/non-current**

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
<b>Statement of financial position [abstract]</b>		
<b>Assets [abstract]</b>		
<b>Current assets [abstract]</b>		
Cash and cash equivalents	42,816,535,000	35,670,360,000
Trade and other current receivables	14,482,852,000	15,453,300,000
Current tax assets, current	2,344,386,000	1,540,454,000
Other current financial assets	0	0
Current inventories	80,316,969,000	68,360,474,000
Current biological assets	0	0
Other current non-financial assets	856,849,000	700,350,000
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	140,817,591,000	121,724,938,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Total current assets	140,817,591,000	121,724,938,000
<b>Non-current assets [abstract]</b>		
Trade and other non-current receivables	0	0
Current tax assets, non-current	699,104,000	622,310,000
Non-current inventories	0	0
Non-current biological assets	0	0
Other non-current financial assets	1,522,546,000	1,421,255,000
Investments accounted for using equity method	0	0
Investments in subsidiaries, joint ventures and associates	0	0
Property, plant and equipment	140,496,598,000	134,828,617,000
Investment property	5,583,846,000	6,305,920,000
Right-of-use assets that do not meet definition of investment property	54,137,508,000	50,319,784,000
Goodwill	35,767,241,000	34,997,380,000
Intangible assets other than goodwill	2,990,808,000	2,554,636,000
Deferred tax assets	12,374,229,000	9,108,261,000
Other non-current non-financial assets	0	0
Total non-current assets	253,571,880,000	240,158,163,000
Total assets	394,389,471,000	361,883,101,000
<b>Equity and liabilities [abstract]</b>		
<b>Liabilities [abstract]</b>		
<b>Current liabilities [abstract]</b>		
Trade and other current payables	123,931,559,000	114,753,063,000
Current tax liabilities, current	3,096,932,000	2,656,232,000
Other current financial liabilities	0	0
Current lease liabilities	3,438,469,000	3,216,799,000
Other current non-financial liabilities	0	0
<b>Current provisions [abstract]</b>		
Current provisions for employee benefits	0	0
Other current provisions	2,241,507,000	2,443,823,000
Total current provisions	2,241,507,000	2,443,823,000
Total current liabilities other than liabilities included in disposal groups classified as held for sale	132,708,467,000	123,069,917,000
Liabilities included in disposal groups classified as held for sale	0	0
Total current liabilities	132,708,467,000	123,069,917,000
<b>Non-current liabilities [abstract]</b>		
Trade and other non-current payables	3,788,205,000	4,172,623,000
Current tax liabilities, non-current	0	0

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
Other non-current financial liabilities	0	0
Non-current lease liabilities	61,252,909,000	56,521,412,000
Other non-current non-financial liabilities	19,152,000	12,558,000
<b>Non-current provisions [abstract]</b>		
Non-current provisions for employee benefits	2,322,543,000	2,584,963,000
Other non-current provisions	0	0
Total non-current provisions	2,322,543,000	2,584,963,000
Deferred tax liabilities	8,416,192,000	6,402,935,000
Total non-current liabilities	75,799,001,000	69,694,491,000
Total liabilities	208,507,468,000	192,764,408,000
<b>Equity [abstract]</b>		
Issued capital	45,468,428,000	45,468,428,000
Share premium	(1,686,831,000)	(2,122,649,000)
Treasury shares	0	0
Retained earnings	127,310,877,000	111,361,546,000
Other reserves	14,789,529,000	14,411,368,000
Total equity attributable to owners of parent	185,882,003,000	169,118,693,000
Non-controlling interests	0	0
Total equity	185,882,003,000	169,118,693,000
Total equity and liabilities	394,389,471,000	361,883,101,000

## [310000] Statement of comprehensive income, profit or loss, by function of expense

Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31	Quarter Current Year 2021-10-01 - 2021- 12-31	Quarter Previous Year 2020-10-01 - 2020- 12-31
<b>Profit or loss [abstract]</b>				
<b>Profit (loss) [abstract]</b>				
Revenue	736,044,023,000	701,734,164,000	214,571,431,000	195,988,319,000
Cost of sales	564,204,300,000	539,694,249,000	164,782,445,000	150,642,218,000
Gross profit	171,839,723,000	162,039,915,000	49,788,986,000	45,346,101,000
Distribution costs	0	0	0	0
Administrative expenses	110,181,077,000	105,041,809,000	31,192,891,000	27,552,772,000
Other income	2,142,255,000	1,069,547,000	533,230,000	252,013,000
Other expense	893,243,000	620,372,000	273,262,000	170,757,000
Profit (loss) from operating activities	62,907,658,000	57,447,281,000	18,856,063,000	17,874,585,000
Finance income	2,218,277,000	3,512,917,000	1,034,265,000	889,033,000
Finance costs	7,830,287,000	11,496,111,000	2,418,292,000	2,080,504,000
Share of profit (loss) of associates and joint ventures accounted for using equity method	0	0	0	0
Profit (loss) before tax	57,295,648,000	49,464,087,000	17,472,036,000	16,683,114,000
Tax income (expense)	13,157,576,000	16,029,226,000	4,217,544,000	4,080,064,000
Profit (loss) from continuing operations	44,138,072,000	33,434,861,000	13,254,492,000	12,603,050,000
Profit (loss) from discontinued operations	0	0	0	0
Profit (loss)	44,138,072,000	33,434,861,000	13,254,492,000	12,603,050,000
<b>Profit (loss), attributable to [abstract]</b>				
Profit (loss), attributable to owners of parent	44,138,072,000	33,434,861,000	13,254,492,000	12,603,050,000
Profit (loss), attributable to non-controlling interests	0	0	0	0
Earnings per share [text block]				
<b>Earnings per share [abstract]</b>				
<b>Earnings per share [line items]</b>				
<b>Basic earnings per share [abstract]</b>				
Basic earnings (loss) per share from continuing operations	2.53	1.92	0.76	0.72
Basic earnings (loss) per share from discontinued operations	0	0	0	0
Total basic earnings (loss) per share	2.53	1.92	0.76	0.72
<b>Diluted earnings per share [abstract]</b>				
Diluted earnings (loss) per share from continuing operations	2.53	1.92	0.76	0.72
Diluted earnings (loss) per share from discontinued operations	0	0	0	0
Total diluted earnings (loss) per share	2.53	1.92	0.76	0.72

## [410000] Statement of comprehensive income, OCI components presented net of tax

Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31	Quarter Current Year 2021-10-01 - 2021- 12-31	Quarter Previous Year 2020-10-01 - 2020- 12-31
<b>Statement of comprehensive income [abstract]</b>				
Profit (loss)	44,138,072,000	33,434,861,000	13,254,492,000	12,603,050,000
<b>Other comprehensive income [abstract]</b>				
<b>Components of other comprehensive income that will not be reclassified to profit or loss, net of tax [abstract]</b>				
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on revaluation	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	193,834,000	(423,816,000)	(302,502,000)	(423,816,000)
Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	193,834,000	(423,816,000)	(302,502,000)	(423,816,000)
<b>Components of other comprehensive income that will be reclassified to profit or loss, net of tax [abstract]</b>				
<b>Exchange differences on translation [abstract]</b>				
Gains (losses) on exchange differences on translation, net of tax	184,327,000	(305,573,000)	(1,436,044,000)	(10,503,496,000)
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	184,327,000	(305,573,000)	(1,436,044,000)	(10,503,496,000)
<b>Available-for-sale financial assets [abstract]</b>				
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	0	0	0	0
Reclassification adjustments on available-for-sale financial assets, net of tax	0	0	0	0
Other comprehensive income, net of tax, available-for-sale financial assets	0	0	0	0
<b>Cash flow hedges [abstract]</b>				
Gains (losses) on cash flow hedges, net of tax	0	0	0	0
Reclassification adjustments on cash flow hedges, net of tax	0	0	0	0
Amounts removed from equity and included in carrying amount of non-financial asset (liability) whose acquisition or incurrence was hedged highly probable forecast transaction, net of tax	0	0	0	0
Other comprehensive income, net of tax, cash flow hedges	0	0	0	0
<b>Hedges of net investment in foreign operations [abstract]</b>				
Gains (losses) on hedges of net investments in foreign operations, net of tax	0	0	0	0
Reclassification adjustments on hedges of net investments in foreign operations, net of tax	0	0	0	0
Other comprehensive income, net of tax, hedges of net investments in foreign operations	0	0	0	0
<b>Change in value of time value of options [abstract]</b>				

Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31	Quarter Current Year 2021-10-01 - 2021- 12-31	Quarter Previous Year 2020-10-01 - 2020- 12-31
Gains (losses) on change in value of time value of options, net of tax	0	0	0	0
Reclassification adjustments on change in value of time value of options, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of time value of options	0	0	0	0
<b>Change in value of forward elements of forward contracts [abstract]</b>				
Gains (losses) on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Reclassification adjustments on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of forward elements of forward contracts	0	0	0	0
<b>Change in value of foreign currency basis spreads [abstract]</b>				
Gains (losses) on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Reclassification adjustments on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of foreign currency basis spreads	0	0	0	0
<b>Financial assets measured at fair value through other comprehensive income [abstract]</b>				
Gains (losses) on financial assets measured at fair value through other comprehensive income, net of tax	0	0	0	0
Reclassification adjustments on financial assets measured at fair value through other comprehensive income, net of tax	0	0	0	0
Amounts removed from equity and adjusted against fair value of financial assets on reclassification out of fair value through other comprehensive income measurement category, net of tax	0	0	0	0
Other comprehensive income, net of tax, financial assets measured at fair value through other comprehensive income	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will be reclassified to profit or loss, net of tax	184,327,000	(305,573,000)	(1,436,044,000)	(10,503,496,000)
Total other comprehensive income	378,161,000	(729,389,000)	(1,738,546,000)	(10,927,312,000)
Total comprehensive income	44,516,233,000	32,705,472,000	11,515,946,000	1,675,738,000
<b>Comprehensive income attributable to [abstract]</b>				
Comprehensive income, attributable to owners of parent	44,516,233,000	32,705,472,000	11,515,946,000	1,675,738,000
Comprehensive income, attributable to non-controlling interests	0	0	0	0

**[520000] Statement of cash flows, indirect method**

Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31
<b>Statement of cash flows [abstract]</b>		
<b>Cash flows from (used in) operating activities [abstract]</b>		
Profit (loss)	44,138,072,000	33,434,861,000
<b>Adjustments to reconcile profit (loss) [abstract]</b>		
+ Discontinued operations	0	0
+ Adjustments for income tax expense	13,157,576,000	16,029,226,000
+ (-) Adjustments for finance costs	5,676,178,000	5,518,458,000
+ Adjustments for depreciation and amortisation expense	18,305,881,000	17,939,624,000
+ Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	168,296,000	12,078,000
+ Adjustments for provisions	553,537,000	585,943,000
+ (-) Adjustments for unrealised foreign exchange losses (gains)	(27,773,000)	(615,274,000)
+ Adjustments for share-based payments	354,257,000	386,922,000
+ (-) Adjustments for fair value losses (gains)	0	0
- Adjustments for undistributed profits of associates	0	0
+ (-) Adjustments for losses (gains) on disposal of non-current assets	184,758,000	(70,392,000)
	0	0
+ (-) Adjustments for decrease (increase) in inventories	(11,906,229,000)	(562,523,000)
+ (-) Adjustments for decrease (increase) in trade accounts receivable	1,921,818,000	(2,711,141,000)
+ (-) Adjustments for decrease (increase) in other operating receivables	(224,786,000)	706,083,000
+ (-) Adjustments for increase (decrease) in trade accounts payable	4,221,167,000	4,938,201,000
+ (-) Adjustments for increase (decrease) in other operating payables	2,318,004,000	1,972,826,000
+ Other adjustments for non-cash items	0	0
+ Other adjustments for which cash effects are investing or financing cash flow	0	0
+ Straight-line rent adjustment	0	0
+ Amortization of lease fees	0	0
+ Setting property values	0	0
+ (-) Other adjustments to reconcile profit (loss)	0	0
+ (-) Total adjustments to reconcile profit (loss)	34,702,684,000	44,130,031,000
Net cash flows from (used in) operations	78,840,756,000	77,564,892,000
- Dividends paid	0	0
	0	0
- Interest paid	0	0
+ Interest received	0	0
+ (-) Income taxes refund (paid)	13,959,161,000	16,191,826,000
+ (-) Other inflows (outflows) of cash	0	0
Net cash flows from (used in) operating activities	64,881,595,000	61,373,066,000
<b>Cash flows from (used in) investing activities [abstract]</b>		
+ Cash flows from losing control of subsidiaries or other businesses	0	0
- Cash flows used in obtaining control of subsidiaries or other businesses	0	0
+ Other cash receipts from sales of equity or debt instruments of other entities	0	0
- Other cash payments to acquire equity or debt instruments of other entities	0	0
+ Other cash receipts from sales of interests in joint ventures	0	0
- Other cash payments to acquire interests in joint ventures	0	0
+ Proceeds from sales of property, plant and equipment	388,548,000	397,872,000
- Purchase of property, plant and equipment	20,466,364,000	16,728,102,000
+ Proceeds from sales of intangible assets	0	0
- Purchase of intangible assets	0	0
+ Proceeds from sales of other long-term assets	0	0
- Purchase of other long-term assets	0	0



Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31
+ Proceeds from government grants	0	0
- Cash advances and loans made to other parties	0	0
+ Cash receipts from repayment of advances and loans made to other parties	0	0
- Cash payments for futures contracts, forward contracts, option contracts and swap contracts	0	0
+ Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	0	0
+ Dividends received	0	0
- Interest paid	0	0
+ Interest received	866,112,000	986,291,000
	0	0
+ (-) Other inflows (outflows) of cash	81,561,000	(1,184,945,000)
Net cash flows from (used in) investing activities	(19,130,143,000)	(16,528,884,000)
<b>Cash flows from (used in) financing activities [abstract]</b>		
+ Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
- Payments from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
+ Proceeds from issuing shares	0	0
+ Proceeds from issuing other equity instruments	0	0
- Payments to acquire or redeem entity's shares	0	0
- Payments of other equity instruments	0	0
+ Proceeds from borrowings	0	0
- Repayments of borrowings	0	0
- Payments of finance lease liabilities	0	0
- Payments of lease liabilities	9,243,975,000	8,675,223,000
+ Proceeds from government grants	0	0
- Dividends paid	28,188,741,000	30,933,523,000
- Interest paid	63,296,000	94,861,000
+ (-) Income taxes refund (paid)	0	0
+ (-) Other inflows (outflows) of cash	0	0
Net cash flows from (used in) financing activities	(37,496,012,000)	(39,703,607,000)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	8,255,440,000	5,140,575,000
<b>Effect of exchange rate changes on cash and cash equivalents [abstract]</b>		
Effect of exchange rate changes on cash and cash equivalents	(1,109,265,000)	(327,305,000)
Net increase (decrease) in cash and cash equivalents	7,146,175,000	4,813,270,000
Cash and cash equivalents at beginning of period	35,670,360,000	30,857,090,000
Cash and cash equivalents at end of period	42,816,535,000	35,670,360,000

[610000] Statement of changes in equity - Accumulated Current

Sheet 1 of 3	Components of equity [axis]								
	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	45,468,428,000	(2,122,649,000)	0	111,361,546,000	0	15,704,032,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	44,138,072,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	184,327,000	0	0	0
Total comprehensive income	0	0	0	44,138,072,000	0	184,327,000	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	28,188,741,000	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	435,818,000	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	435,818,000	0	15,949,331,000	0	184,327,000	0	0	0
Equity at end of period	45,468,428,000	(1,686,831,000)	0	127,310,877,000	0	15,888,359,000	0	0	0

Sheet 2 of 3	Components of equity [axis]								
	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on financial assets measured at fair value through other comprehensive income [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	0	(1,292,664,000)	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	193,834,000	0	0	0
Total comprehensive income	0	0	0	0	0	193,834,000	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	0	193,834,000	0	0	0
Equity at end of period	0	0	0	0	0	(1,098,830,000)	0	0	0

Sheet 3 of 3	Components of equity [axis]							
	Reserve for catastrophe [member]	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]								
Equity at beginning of period	0	0	0	0	14,411,368,000	169,118,693,000	0	169,118,693,000
Changes in equity [abstract]								
Comprehensive income [abstract]								
Profit (loss)	0	0	0	0	0	44,138,072,000	0	44,138,072,000
Other comprehensive income	0	0	0	0	378,161,000	378,161,000	0	378,161,000
Total comprehensive income	0	0	0	0	378,161,000	44,516,233,000	0	44,516,233,000
Issue of equity	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	28,188,741,000	0	28,188,741,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	435,818,000	0	435,818,000
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	378,161,000	16,763,310,000	0	16,763,310,000
Equity at end of period	0	0	0	0	14,789,529,000	185,882,003,000	0	185,882,003,000

[610000] Statement of changes in equity - Accumulated Previous

Sheet 1 of 3	Components of equity [axis]								
	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	45,468,428,000	(1,324,626,000)	0	108,860,208,000	0	16,009,605,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	33,434,861,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	(305,573,000)	0	0	0
Total comprehensive income	0	0	0	33,434,861,000	0	(305,573,000)	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	30,933,523,000	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	(798,023,000)	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	(798,023,000)	0	2,501,338,000	0	(305,573,000)	0	0	0
Equity at end of period	45,468,428,000	(2,122,649,000)	0	111,361,546,000	0	15,704,032,000	0	0	0

Sheet 2 of 3	Components of equity [axis]								
	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on financial assets measured at fair value through other comprehensive income [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	0	(868,848,000)	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0		0	0	0	0	0	0
Other comprehensive income	0	0		0	0	(423,816,000)	0	0	0
Total comprehensive income	0	0	0	0	0	(423,816,000)	0	0	0
Issue of equity	0	0		0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0		0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0		0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0		0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0		0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0		0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0		0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0		0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0		0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0		0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0		0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0		0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	0	(423,816,000)	0	0	0
Equity at end of period	0	0	0	0	0	(1,292,664,000)	0	0	0

Sheet 3 of 3	Components of equity [axis]							
	Reserve for catastrophe [member]	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]								
Equity at beginning of period	0	0	0	0	15,140,757,000	168,144,767,000	0	168,144,767,000
Changes in equity [abstract]								
Comprehensive income [abstract]								
Profit (loss)	0	0	0	0	0	33,434,861,000	0	33,434,861,000
Other comprehensive income	0	0	0	0	(729,389,000)	(729,389,000)	0	(729,389,000)
Total comprehensive income	0	0	0	0	(729,389,000)	32,705,472,000	0	32,705,472,000
Issue of equity	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	30,933,523,000	0	30,933,523,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	(798,023,000)	0	(798,023,000)
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	(729,389,000)	973,926,000	0	973,926,000
Equity at end of period	0	0	0	0	14,411,368,000	169,118,693,000	0	169,118,693,000

**[700000] Informative data about the Statement of financial position**

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
<b>Informative data of the Statement of Financial Position [abstract]</b>		
Capital stock (nominal)	42,526,627,000	42,526,627,000
Restatement of capital stock	2,941,801,000	2,941,801,000
Plan assets for pensions and seniority premiums	1,211,960,000	1,046,954,000
Number of executives	196	190
Number of employees	231,063	231,081
Number of workers	0	0
Outstanding shares	17,461,402,631	17,461,402,631
Repurchased shares	0	0
Restricted cash	225,643,000	188,487,000
Guaranteed debt of associated companies	0	0



**[700002] Informative data about the Income statement**

Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31	Quarter Current Year 2021-10-01 - 2021- 12-31	Quarter Previous Year 2020-10-01 - 2020- 12-31
<b>Informative data of the Income Statement [abstract]</b>				
Operating depreciation and amortization	18,305,881,000	17,939,624,000	4,707,952,000	4,471,935,000

**[700003] Informative data - Income statement for 12 months**

Concept	Current Year 2021-01-01 - 2021- 12-31	Previous Year 2020-01-01 - 2020- 12-31
<b>Informative data - Income Statement for 12 months [abstract]</b>		
Revenue	736,044,023,000	701,734,164,000
Profit (loss) from operating activities	62,907,658,000	57,447,281,000
Profit (loss)	44,138,072,000	33,434,861,000
Profit (loss), attributable to owners of parent	44,138,072,000	33,434,861,000
Operating depreciation and amortization	18,305,881,000	17,939,624,000

[800001] Breakdown of credits

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]												
					Domestic currency [member]						Foreign currency [member]						
					Time interval [axis]						Time interval [axis]						
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	
Banks [abstract]																	
Foreign trade																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Banks - secured																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Commercial banks																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Other banks																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Total banks																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Stock market [abstract]																	
Listed on stock exchange - unsecured																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Listed on stock exchange - secured																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Private placements - unsecured																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Private placements - secured																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Total listed on stock exchanges and private placements																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Other current and non-current liabilities with cost [abstract]																	
Other current and non-current liabilities with cost																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Total other current and non-current liabilities with cost																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Suppliers [abstract]																	
Suppliers																	
SELF SERVICES SUPPLIERS B1	NO	2022-02-15	2022-02-15		74,662,143,000												
SELF SERVICES SUPPLIERS B2	SI	2022-02-15	2022-02-15								21,975,741,000						
TOTAL					74,662,143,000	0	0	0	0	0	21,975,741,000	0	0	0	0	0	
Total suppliers																	
TOTAL					74,662,143,000	0	0	0	0	0	21,975,741,000	0	0	0	0	0	
Other current and non-current liabilities [abstract]																	
Other current and non-current liabilities																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	
Total other current and non-current liabilities																	
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0	

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
Total credits																
TOTAL					74,662,143,000	0	0	0	0	0	21,975,741,000	0	0	0	0	0

[800003] Annex - Monetary foreign currency position

	Currencies [axis]				
	Dollars [member]	Dollar equivalent in pesos [member]	Other currencies equivalent in dollars [member]	Other currencies equivalent in pesos [member]	Total pesos [member]
Foreign currency position [abstract]					
Monetary assets [abstract]					
Current monetary assets	325,182,000	6,654,063,000	1,034,979,000	21,178,363,000	27,832,426,000
Non-current monetary assets	0	0	0	0	0
Total monetary assets	325,182,000	6,654,063,000	1,034,979,000	21,178,363,000	27,832,426,000
Liabilities position [abstract]					
Current liabilities	755,412,000	15,464,093,000	680,711,000	13,929,113,000	29,393,206,000
Non-current liabilities	107,968,000	2,209,299,000	445,834,000	9,122,867,000	11,332,166,000
Total liabilities	863,380,000	17,673,392,000	1,126,545,000	23,051,980,000	40,725,372,000
Net monetary assets (liabilities)	(538,198,000)	(11,019,329,000)	(91,566,000)	(1,873,617,000)	(12,892,946,000)

[800005] Annex - Distribution of income by product

	Income type [axis]			
	National income [member]	Export income [member]	Income of subsidiaries abroad [member]	Total income [member]
SALES				
SALES	603,834,665,000	0	126,517,651,000	730,352,316,000
LEASE				
LEASE	2,311,346,000	0	235,622,000	2,546,968,000
OTHER REVENUES				
OTHER REVENUES	3,077,665,000	0	67,074,000	3,144,739,000
TOTAL	609,223,676,000	0	126,820,347,000	736,044,023,000

## [800007] Annex - Financial derivate instruments

**Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading**  
**[text block]**

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Wal-Mart de México, S.A.B. de C.V., ("WALMEX" or "the Company") disclosure, concerning the use of derivative financial instruments (IFD, per its acronym in Spanish), in compliance with Mexican National Banking and Securities Commission (CNBV, per its acronym in Spanish) regulations so that investors have information regarding the significance of derivatives in the Company's financial position and results, and can fully assess the inherent risks.

WALMEX has adopted the use of IFD to hedge foreign exchange rates, with the sole purpose of hedging against fluctuations in the exchange rate. The Company seeks to mitigate exchange rate fluctuation risk in "foreign currency - accounts payable" related to goods imported for resale. Hedging is only executed based on the supporting documentation of these account payable commitments. This process is subjected to the Company's policy, which limits the amount and use of IFD, and provides specific requirements for purchase and payment.

The IFD authorized by our "Exposure to foreign currency exchange rate risk-reduction" policy is the FX-Forward. The FX-Forward contract is a specific agreement between WALMEX and the counterparty. That is why it is traded on the "over the counter" or OTC market through an ISDA contract (International Swap Dealers Association).

The Company only uses IFD with solvent financial institutions with solid credit capacity, and that are licensed and regulated to perform this kind of operation in the market. WALMEX's finance committee authorizes all counterparties based on credit quality ratings determined by international rating agencies, in order to reduce the risk of non-compliance and to ensure that the market value of open positions does not exceed the Company's maximum exposure and credit limits, the volume of operations executed with each authorized counterparty is permanently monitored.

FX-Forward are contracted for the purpose of economic hedging. The Company has not applied hedge accounting to these agreements and the fluctuations in "fair value" of these instruments are recognized directly to P&L during the corresponding period, as a financial income/expense.

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**General description about valuation techniques, standing out the instruments valued at cost or fair value, just like methods and valuation techniques [text block]**

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The calculation agent or IFD valuation are counterparties which, have held the respective operations. In addition, the Company through its valuations SAP Treasury platform performs its independent valuations, which are compared monthly with those reported by the counterparties. The IFD concluded with counterparties do not provide collateral or margin calls. They also do not have negotiated credit lines for the operation of the IFD.

In the calculation of the fair value for FX-Forward, standard valuation methodologies are used as well as widely accepted market variables that are endorsed internationally. The fair value is defined as the present value of the difference between the value of the underlying forward and value agreed at contract initiation, multiplied by the number of units of the underlying. These estimates are reviewed and approved by the Treasury department, which verifies the reasonableness of the results in relation to the valuations provided by authorized counterparties.

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### **Management discussion about intern and extern sources of liquidity that could be used for attending requirements related to financial derivate instruments [text block]**

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The Company's operations provide resources to meet its IFD contract requirements. The Company also has various lines of credit that could be used, if needed, to meet its IFD obligations.

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### **Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]**

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As of December 31, 2021, the Company has not identified significant changes in the risk exposure previously identified. These include possible contingencies and events known or expected by the Administration.

The Company has identified the following main risks within its IFD portfolio:

a. Market risk: The Company is exposed to market risks related to variations in currency exchange rates resulting from changes in economic conditions at the local and international level, tax and monetary policies, liquidity, political events, disasters, etc. As a result, one of the primary objectives of the Company's IFD policy is to mitigate foreign exchange risk through the purchase of FX-Forward in order to protect the Company against exchange rate fluctuation in "foreign currency-accounts payable" and related to goods imports for resale. The Company does not authorize the purchase of IFD instruments for the purpose of speculation.

b. Liquidity risk: Resources available to manage hedge operations are generated by the Company's operations.

c. Counterparty Credit risk: Credit risk related to IFD is mitigated and monitored through the established approval procedures to select the counterparty financial institutions. The Treasury department regularly monitors and updates (annually or more frequently if necessary), the required credit quality assessment and ratings of financial institution counterparties. In addition, the Company has established limits to the amount of IFDs that can be executed with approved counterparties in order to further mitigate risk.



d. Operational Risk. WALMEX's Board of Directors specifically authorized the strategy for the use of IFD and the Finance Committee approved the related policy. The policy regarding the use of IFD describes: the objective, the allowed derivative instruments, the limits and the control mechanisms required to ensure that derivative transactions are properly conducted. All this, in order to manage and minimize market, liquidity, credit and operational risk. The level of risk tolerance defined for the FX-Forward transactions is periodically reviewed by the Finance Committee, however, compliance with the established parameters is reviewed monthly in order to detect opportunities and, when appropriate, propose action plans.

Execution and compliance with the approved strategy is regularly monitored internally by the Treasury and Accounting departments. The results of that monitoring as well as identifications of inherent risks are periodically reported to the Treasury Vice-president and, if necessary, to the Board of Directors.

Additionally, the Treasury director is responsible for continuous monitoring and reporting to Treasury Vice-president of any events that may affect current IFD operations. In this case, the Treasury director is also responsible to propose to the Finance Committee actions to mitigate any events that may put the Company's results at risk.

The Company is also subject to periodic reviews of its IFD transactions by internal and external auditors who evaluate established processes and controls and the proper application thereof. The internal and external auditors also evaluate accounting records and the effect of IFD in the income statement and / or balance sheet accounts.

### Quantitative information for disclosure [text block]

As of December 31, 2021, Fx-Forward contracts have a term of no more than four months, which are shown below:

	Number of Contracts	Notional amount Million (Dollar)	Equivalent in Million (Pesos)
New contracts current quarter	403	\$ 277	\$ 5,823
Maturity current quarter	445	\$ 365	\$ 7,437
Open contracts current quarter	284	\$ 192	\$ 4,069

The change in fair value during the three-months period ended December 31, 2021 that was recognized for such contracts, amounts to MXN \$210 million, net and it is presented in the finance income (cost) line items in the consolidated income (expense) of comprehensive results.

The fair value of these instruments represents less than 3% of total consolidated sales for the quarter or 2% of the assets. Therefore, the potential risk from the Company's use of these instruments is not significant.

Additionally, as of December 31, 2021, there are no instances of non-compliance with IFD contracts, nor are there any margin calls or collateral required for any contracts. A summary of the outstanding IFD is as follows:

## Summary of derivative Financial Instruments

Type: Forwards	Purpose: Economic	Position: Long					
Current quarter	Counterpart 1	Counterpart 2	Counterpart 3	Counterpart 4	Counterpart 5	Total	
Underlying value asset USD/MXN	\$20,4826						
National amount (million pesos)	\$ 994	\$ 1,895	\$ 1,312	\$ 69	\$ -	\$ 4,069	
Fair Value	-\$ 30	-\$ 42	-\$ 33	\$ 1	\$ -	-\$ 106	
Settlements USD Next 12 months						\$ 4,069	
Previous quarter	Counterpart 1	Counterpart 2	Counterpart 3	Counterpart 4	Counterpart 5	Total	
Underlying value asset USD/MXN	\$20,5135						
National amount (million pesos)	\$ 976	\$ 2,537	\$ 1,089	\$ 1,063	\$ -	\$ 5,664	
Fair Value	\$ 16	\$ 41	\$ 29	\$ 20	\$ -	\$ 105	
Settlements USD Next 12 months						\$ 5,664	

## Market risk

Concerning the sensitivity analysis of market risks to which the Company is exposed, the currency exchange rate of the Mexican peso against the US dollar would not leave a material impact as demonstrated in the table below.

## Scenarios of charges in currency exchange rate

	Remote	Possible	Probable	Remote	Possible	Probable
	-50%	-25%	-5%	50%	25%	5%
Exchange rate	20.4626	10.2313	15.3470	19.4395	30.6939	25.5783
Sensitivity Scenario (million pesos)	-1,967.66	-983.83	-196.77	1,967.66	983.83	196.77

## Liquidity and credit risk

The Company does not have liquidity risk from its IFD as of December 31, 2021.

The Company manages credit risk related to its portfolio of derivatives transactions by engaging only with recognized and creditworthy counterparties. As of December 31, 2021, counterparty credit risk is immaterial.

**[800100] Notes - Subclassifications of assets, liabilities and equities**

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
<b>Subclassifications of assets, liabilities and equities [abstract]</b>		
<b>Cash and cash equivalents [abstract]</b>		
<b>Cash [abstract]</b>		
Cash on hand	467,961,000	396,722,000
Balances with banks	34,659,787,000	26,180,465,000
Total cash	35,127,748,000	26,577,187,000
<b>Cash equivalents [abstract]</b>		
Short-term deposits, classified as cash equivalents	0	0
Short-term investments, classified as cash equivalents	7,688,787,000	9,093,173,000
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	7,688,787,000	9,093,173,000
Other cash and cash equivalents	0	0
Total cash and cash equivalents	42,816,535,000	35,670,360,000
<b>Trade and other current receivables [abstract]</b>		
Current trade receivables	1,373,560,000	1,572,657,000
Current receivables due from related parties	0	33,543,000
<b>Current prepayments [abstract]</b>		
Current advances to suppliers	0	0
Current prepaid expenses	0	0
Total current prepayments	0	0
Current receivables from taxes other than income tax	10,025,501,000	10,829,622,000
Current value added tax receivables	10,025,501,000	10,829,622,000
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	3,083,791,000	3,017,478,000
Total trade and other current receivables	14,482,852,000	15,453,300,000
<b>Classes of current inventories [abstract]</b>		
<b>Current raw materials and current production supplies [abstract]</b>		
Current raw materials	0	0
Current production supplies	0	0
Total current raw materials and current production supplies	0	0
Current merchandise	80,316,969,000	68,360,474,000
Current work in progress	0	0
Current finished goods	0	0
Current spare parts	0	0
Property intended for sale in ordinary course of business	0	0
Other current inventories	0	0
Total current inventories	80,316,969,000	68,360,474,000
<b>Non-current assets or disposal groups classified as held for sale or as held for distribution to owners [abstract]</b>		
Non-current assets or disposal groups classified as held for sale	0	0
Non-current assets or disposal groups classified as held for distribution to owners	0	0
Total non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
<b>Trade and other non-current receivables [abstract]</b>		
Non-current trade receivables	0	0
Non-current receivables due from related parties	0	0
Non-current prepayments	0	0
Non-current lease prepayments	0	0
Non-current receivables from taxes other than income tax	0	0
Non-current value added tax receivables	0	0

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
Non-current receivables from sale of properties	0	0
Non-current receivables from rental of properties	0	0
Revenue for billing	0	0
Other non-current receivables	0	0
Total trade and other non-current receivables	0	0
<b>Investments in subsidiaries, joint ventures and associates [abstract]</b>		
Investments in subsidiaries	0	0
Investments in joint ventures	0	0
Investments in associates	0	0
Total investments in subsidiaries, joint ventures and associates	0	0
<b>Property, plant and equipment [abstract]</b>		
<b>Land and buildings [abstract]</b>		
Land	32,479,569,000	31,693,080,000
Buildings	66,833,477,000	64,516,281,000
Total land and buildings	99,313,046,000	96,209,361,000
Machinery	0	0
<b>Vehicles [abstract]</b>		
Ships	0	0
Aircraft	0	0
Motor vehicles	518,721,000	539,124,000
Total vehicles	518,721,000	539,124,000
Fixtures and fittings	0	0
Office equipment	34,659,797,000	33,441,059,000
Tangible exploration and evaluation assets	0	0
Mining assets	0	0
Oil and gas assets	0	0
Construction in progress	6,005,034,000	4,639,073,000
Construction prepayments	0	0
Other property, plant and equipment	0	0
Total property, plant and equipment	140,496,598,000	134,828,617,000
<b>Investment property [abstract]</b>		
Investment property completed	5,583,846,000	6,305,920,000
Investment property under construction or development	0	0
Investment property prepayments	0	0
Total investment property	5,583,846,000	6,305,920,000
<b>Intangible assets and goodwill [abstract]</b>		
<b>Intangible assets other than goodwill [abstract]</b>		
Brand names	733,879,000	812,691,000
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	2,256,929,000	1,741,945,000
Licences and franchises	0	0
Copyrights, patents and other industrial property rights, service and operating rights	0	0
Recipes, formulae, models, designs and prototypes	0	0
Intangible assets under development	0	0
Other intangible assets	0	0
Total intangible assets other than goodwill	2,990,808,000	2,554,636,000
Goodwill	35,767,241,000	34,997,380,000
Total intangible assets and goodwill	38,758,049,000	37,552,016,000
<b>Trade and other current payables [abstract]</b>		
Current trade payables	96,637,884,000	92,356,297,000
Current payables to related parties	1,220,365,000	1,343,502,000
<b>Accruals and deferred income classified as current [abstract]</b>		

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
Deferred income classified as current	1,492,490,000	1,458,114,000
Rent deferred income classified as current	311,006,000	320,043,000
Accruals classified as current	11,250,335,000	8,882,741,000
Short-term employee benefits accruals	0	0
Total accruals and deferred income classified as current	12,742,825,000	10,340,855,000
Current payables on social security and taxes other than income tax	2,510,181,000	1,300,344,000
Current value added tax payables	2,510,181,000	1,300,344,000
Current retention payables	231,695,000	286,409,000
Other current payables	10,588,609,000	9,125,656,000
Total trade and other current payables	123,931,559,000	114,753,063,000
<b>Other current financial liabilities [abstract]</b>		
Bank loans current	0	0
Stock market loans current	0	0
Other current liabilities at cost	0	0
Other current liabilities no cost	0	0
Other current financial liabilities	0	0
Total Other current financial liabilities	0	0
<b>Trade and other non-current payables [abstract]</b>		
Non-current trade payables	0	0
Non-current payables to related parties	85,964,000	0
<b>Accruals and deferred income classified as non-current [abstract]</b>		
Deferred income classified as non-current	3,702,241,000	4,172,623,000
Rent deferred income classified as non-current	3,702,241,000	4,172,623,000
Accruals classified as non-current	0	0
Total accruals and deferred income classified as non-current	3,702,241,000	4,172,623,000
Non-current payables on social security and taxes other than income tax	0	0
Non-current value added tax payables	0	0
Non-current retention payables	0	0
Other non-current payables	0	0
Total trade and other non-current payables	3,788,205,000	4,172,623,000
<b>Other non-current financial liabilities [abstract]</b>		
Bank loans non-current	0	0
Stock market loans non-current	0	0
Other non-current liabilities at cost	0	0
Other non-current liabilities no cost	0	0
Other non-current financial liabilities	0	0
Total Other non-current financial liabilities	0	0
<b>Other provisions [abstract]</b>		
Other non-current provisions	0	0
Other current provisions	2,241,507,000	2,443,823,000
Total other provisions	2,241,507,000	2,443,823,000
<b>Other reserves [abstract]</b>		
Revaluation surplus	0	0
Reserve of exchange differences on translation	15,888,359,000	15,704,032,000
Reserve of cash flow hedges	0	0
Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	0	0
Reserve of change in value of time value of options	0	0
Reserve of change in value of forward elements of forward contracts	0	0
Reserve of change in value of foreign currency basis spreads	0	0
Reserve of gains and losses on financial assets measured at fair value through other comprehensive income	0	0
Reserve of gains and losses on remeasuring available-for-sale financial assets	0	0
Reserve of share-based payments	0	0
Reserve of remeasurements of defined benefit plans	(1,098,830,000)	(1,292,664,000)

Concept	Close Current Quarter 2021-12-31	Close Previous Exercise 2020-12-31
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale	0	0
Reserve of gains and losses from investments in equity instruments	0	0
Reserve of change in fair value of financial liability attributable to change in credit risk of liability	0	0
Reserve for catastrophe	0	0
Reserve for equalisation	0	0
Reserve of discretionary participation features	0	0
Reserve of equity component of convertible instruments	0	0
Capital redemption reserve	0	0
Merger reserve	0	0
Statutory reserve	0	0
Other comprehensive income	0	0
Total other reserves	14,789,529,000	14,411,368,000
<b>Net assets (liabilities) [abstract]</b>		
Assets	394,389,471,000	361,883,101,000
Liabilities	208,507,468,000	192,764,408,000
Net assets (liabilities)	185,882,003,000	169,118,693,000
<b>Net current assets (liabilities) [abstract]</b>		
Current assets	140,817,591,000	121,724,938,000
Current liabilities	132,708,467,000	123,069,917,000
Net current assets (liabilities)	8,109,124,000	(1,344,979,000)

**[800200] Notes - Analysis of income and expense**

Concept	Accumulated Current Year 2021-01-01 - 2021- 12-31	Accumulated Previous Year 2020-01-01 - 2020- 12-31	Quarter Current Year 2021-10-01 - 2021- 12-31	Quarter Previous Year 2020-10-01 - 2020- 12-31
<b>Analysis of income and expense [abstract]</b>				
<b>Revenue [abstract]</b>				
Revenue from rendering of services	0	0	0	0
Revenue from sale of goods	730,352,316,000	696,710,854,000	213,063,251,000	194,724,435,000
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	2,546,968,000	2,032,467,000	647,375,000	553,866,000
Revenue from construction contracts	0	0	0	0
Other revenue	3,144,739,000	2,990,843,000	860,805,000	710,018,000
Total revenue	736,044,023,000	701,734,164,000	214,571,431,000	195,988,319,000
<b>Finance income [abstract]</b>				
Interest income	866,112,000	986,291,000	312,572,000	234,432,000
Net gain on foreign exchange	789,624,000	1,514,149,000	518,426,000	542,502,000
Gains on change in fair value of derivatives	562,541,000	1,012,477,000	203,267,000	112,099,000
Gain on change in fair value of financial instruments	0	0	0	0
Other finance income	0	0	0	0
Total finance income	2,218,277,000	3,512,917,000	1,034,265,000	889,033,000
<b>Finance costs [abstract]</b>				
Interest expense	0	0	0	0
Net loss on foreign exchange	778,259,000	1,256,758,000	296,126,000	93,660,000
Losses on change in fair value of derivatives	586,603,000	1,038,764,000	413,884,000	266,621,000
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	6,465,425,000	9,200,589,000	1,708,282,000	1,720,223,000
Total finance costs	7,830,287,000	11,496,111,000	2,418,292,000	2,080,504,000
<b>Tax income (expense)</b>				
Current tax	14,092,073,000	17,466,309,000	4,352,620,000	6,198,842,000
Deferred tax	(934,497,000)	(1,437,083,000)	(135,076,000)	(2,118,778,000)
Total tax income (expense)	13,157,576,000	16,029,226,000	4,217,544,000	4,080,064,000

**[800500] Notes - List of notes****Disclosure of notes and other explanatory information [text block]****A. Consolidated financial statements**

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).

**B. Transactions, relevant events and others disclosure**

a) 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.

b) On November 23, 2020, WALMEX received a notification from the Federal Economic Competition Commission (COFECCE), 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 attended the request of information and is awaiting review comments by the regulator.

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.

**C. 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 1 January 2021 (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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform, Phase 2**

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address issues arising during interest rate benchmark reform, including the replacement with an alternative nearly risk-free interest rate (RFR).

Phase 2 modifications provide the following temporary exceptions:

By changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), the exceptions have the effect that the changes, which are necessary as a direct consequence of the IBOR reform, and which are considered economically equivalent, they will not have an immediate effect on the income statement.

The hedge accounting exceptions will allow most IAS 39 or IFRS 9 hedging relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness may need to be recorded.



Affected entities need to disclose information about the nature and extent of risks to which they are exposed due to IBOR reform, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates. and how you manage that transition.

The amendments are not expected to have a material impact on the Company's consolidated financial statements.

#### Amendments to IFRS 16, "Covid-19 Related Rent Concessions"

On May 28, 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical solution, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. The lessee that chooses this option must recognize any change in the lease payments that result from the concession of rent related to COVID-19 in the same way in which it would recognize the change in accordance with IFRS 16, if said change would not constitute a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the COVID-19 pandemic continues, on March 31, 2021, the IASB extended the application period of the practical expedient until June 30, 2022. This amendment had no significant impact on the consolidated financial statements of the Company.

#### 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.

The amendments are not expected to have a material impact on the Company's consolidated financial statements.

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 on current practice and whether existing loan agreements may require renegotiation.

#### Reference to the Conceptual Framework – 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

#### 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.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

#### 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

IFRS annual improvements 2018-2020 applicable since 2020

IFRS 1, "First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter"

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.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

IFRS 9, "Financial Instruments – Fees in the '10 per cent' 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 is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

Amendments to 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, 2022, and early adoption is permitted. This amendment does not have a significant impact on the Company's consolidated financial statements.

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.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The Company's management estimates that these modifications will not have a significant impact on the consolidated financial statements.

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## Disclosure of accounting judgements and estimates [text block]

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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.

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## Disclosure of auditors' remuneration [text block]

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The fees approved for the audit of financial statements and other services as of December 31, 2021 amounted to \$27.5 million pesos.

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### Disclosure of authorisation of financial statements [text block]

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The consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020, were approved by the Company's management and Board of Directors on February 16, 2022 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.

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### Disclosure of basis of consolidation [text block]

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The basis for consolidation is described in the "Description of accounting policy for Subsidiaries".

The Company consolidates in its financial statements the balances and operations of the investees Cargill Protein S. de R.L. de C.V. and Cargill Protein Servicios 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 these entities. Net income for the consolidated year considers a remaining attributable to the results of the investees of \$(66,136) in 2021 and \$(39,343) in 2020; and the statement of financial position as of December 31, 2021 and 2020, contains a remaining attributable to the minority interest of the investees of \$(118,276) and \$(52,139), respectively.

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### Disclosure of basis of preparation of financial statements [text block]

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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.

In the notes to consolidated financial statements, the amounts are expressed in thousands of Mexican pesos, except where otherwise is indicated.

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### Disclosure of cash and cash equivalents [text block]

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The balances for this concept are presented in the Cash and Cash Equivalents section in [800100] Notes - Subclassifications of assets, liabilities and equities.

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### Disclosure of cash flow statement [text block]

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In the "other inflows (outflows) of cash corresponding to cash flows from (used in) investing activities" item it is presented the input and output of resources related to employee stock option plan fund-net of \$81,561 in 2021 and \$(1,184,945) in 2020.

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### Disclosure of commitments [text block]

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#### a. Commitments

As of December 31, 2021, 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
2022	\$ 30,146,142
2023	\$ 3,291,682

2024	\$ 3,354,316
2025	\$ 2,867,713
2026	\$ 2,979,480
2027 and thereafter	\$ 17,662,958

The Company has lease commitments as explained in section "Disclosure of leases".

#### 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 \$2,241,507 as of December 31, 2021, (\$2,443,823 in 2020) 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.

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### Disclosure of deferred income [text block]

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The Company has deferred income classified as current, for layaway merchandise, unearned membership fees and rents (mainly related with the Vips and Suburbia business sale). This information is presented in accruals and deferred income classified as current section in [800100] Notes - Subclassifications of assets, liabilities and equity.

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### Disclosure of deferred taxes [text block]

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An analysis of the effects of the long-term income taxes (assets and liabilities), as of December 31, 2021 and 2020, is as follows:

	2021	2020
Deferred tax assets:		
Leases and other long-term liabilities	\$ 4,891,049	\$ 3,193,277
Other accounts payable	4,447,485	2,795,104
Inventories	1,128,513	893,041
Labor obligations	788,563	860,356
Tax losses carryforward froms subsidiaries	790,594	1,075,277
Provisions for impairment of other receivable	174,169	127,346
Other items	153,856	163,860
	<u>\$ 12,374,229</u>	<u>\$ 9,108,261</u>
Deferred tax liabilities:		
Property and equipment	\$ 6,018,208	\$ 4,727,787
Prepaid expenses	254,024	293,405
Investment in subsidiaries and other items	1,161,739	33,550
Deferred income tax	<u>7,433,971</u>	<u>5,054,742</u>

Long – term income tax	982,221	1,348,193
Income taxes	<u>\$ 8,416,192</u>	<u>\$ 6,402,935</u>

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	\$ 218,532
2028	908
2029	1,502,790
2030	452,519
2031	460,563
	<u>\$ 2,635,312</u>

Changes in the assets and liabilities for long-term income taxes, net as of December 31, 2021 and 2020, is as follows:

	2021	2020
Balance as of beginning of the year	\$ 2,705,326	\$ 1,166,998
Income tax charged in the year	1,507,077	1,691,467
Excess of previous years	(572,580)	( 254,384)
Other comprehensive income items	(85,795)	171,100
Long – term income taxes	382,433	( 95,584)
Translation effect	21,576	25,729
Balance as of end of the year	<u>\$ 3,958,037</u>	<u>\$ 2,705,326</u>

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## Disclosure of depreciation and amortisation expense [text block]

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The balances for this concept are presented in [700002] Informative data about the income statement.

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## Disclosure of derivative financial instruments [text block]

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Such information is presented in [800007] Annex – Financial derivate instruments.



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.

### Disclosure of dividends [text block]

a) At an ordinary meeting held on March 23, 2021, the shareholders adopted the following resolutions:

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.

b) At an ordinary meeting held on March 24, 2020, the shareholders adopted the following resolutions:

The shareholders declared an ordinary cash dividend of \$0.87 pesos per share, paid in three installments; the first one of \$0.27 pesos per share on June 24, and two of \$0.30 pesos per share the dates November 25, and December 16, 2020; and an extraordinary dividend to be paid in cash at a rate of \$0.92 pesos per share in two installments: \$0.45 pesos per share on November 25, 2020 and \$0.47 pesos per share on December 16, 2020.

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, 2021 and 2020, the decreed dividends are as follows:

	2021	2020
Dividends in cash decreed and paid		
Ordinary dividend \$0.90 per share (\$0.87 in 2020)	\$ 15,564,332	\$ 15,033,906
Extraordinary dividend \$0.73 per share (\$0.92 in 2020)	12,624,409	15,899,617
	<u>\$ 28,188,741</u>	<u>\$ 30,933,523</u>

### Disclosure of earnings per share [text block]

This information is presented in basic earnings per share and diluted earnings per share items in [310000] Statement of comprehensive income, profit or loss, by function of expense.

## Disclosure of effect of changes in foreign exchange rates [text block]

As of December 31, 2021, the exchange rates used to translate the foreign currency denominated assets and liabilities into Mexican pesos, are as follows:

Country	Currency	Close exchange rate with respect to peso	
Costa Rica	Colon	C	31.533139
Guatemala	Quetzal	Q	0.377230
Honduras	Lempira	L	1.188622
Nicaragua	Cordoba	C\$	1.735899
El Salvador	US Dolar	US\$	0.048870

As of December 31, 2021, the exchange rate used to translate assets and liabilities denominated in USD was \$20.46.

## Disclosure of employee benefits [text block]

As of December 31, 2021 and 2020, an analysis of the Company's assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2021	2020	2021	2020
Defined benefit obligations	\$ 1,916,026	\$ 1,844,268	\$ 1,618,477	\$ 1,787,649
Plan assets	(1,211,960)	(1,046,954)	-	-
Net projected liability	\$ 704,066	\$ 797,314	\$ 1,618,477	\$ 1,787,649

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2021 and 2020, are shown below:

	Seniority premiums		Retirement benefits	
	2021	2020	2021	2020
DBO at beginning of year	\$ 1,844,268	\$ 1,489,633	\$ 1,787,649	\$ 1,528,323

Net period cost charged to results:				
Labor cost from actual services	215,814	194,426	181,970	210,392
Interest cost on DBO	129,066	110,799	109,430	149,141
Other comprehensive income items	( 85,233)	192,933	(172,581)	357,993
Benefits paid	( 186,893)	( 143,523)	(322,476)	( 505,133)
Transfers	( 996)	-	(266)	-
Translation effect	-	-	34,751	46,933
DBO at end of the year	<u>\$ 1,916,026</u>	<u>\$ 1,844,268</u>	<u>\$ 1,618,477</u>	<u>\$ 1,787,649</u>

Changes in the net present value of the plan assets (PA) as of December 31, 2021 and 2020, are shown below:

	Seniority premiums	
	2021	2020
PA at beginning of year	\$ ( 1,046,954)	\$ ( 929,670)
Return on plan assets	( 82,538)	( 77,456)
Other comprehensive income items	( 5,350)	43,990
Plan contributions	(263,896)	( 227,229)
Benefits paid	186,778	143,411
PA at the end of the year	<u>\$ ( 1,211,960)</u>	<u>\$ ( 1,046,954)</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. (See Description of accounting policy for fair value measurements).

As of December 31, 2021 and 2020, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2021 and 2020, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,098,830 and \$1,292,664, respectively.

The assumptions used in the actuarial valuations of Mexico and Central America are as follows:

	Mexico		Central America	
	2021	2020	2021	2020
Financial:				
Discount rate	8.20%	7.00%	1.92% - 8.04%	1.35% - 8.79%
Salary increase rate	5.25%	5.25%	3.50% - 6.30%	3.50% - 6.30%
Minimum salary increase rate	4.75%	4.50%	2.00%	2.00%
Inflation rate	4.00%	4.00%	0.70% - 4.70%	0.50% - 4.70%
Biometriccs:				
Mortality	IMSS 2009 <sup>(1)</sup>	IMSS 2009 <sup>(1)</sup>	RP - 2000 <sup>(2)</sup>	RP - 2000 <sup>(2)</sup>
Disability	21.04%	21.04%	4.5% - 15.40%	4.5% - 15.40%
Retirement age	65 years	65 years	50 - 65 years	50 - 65 years

<sup>(1)</sup> Mexican Social Security Institute experience for males and females

<sup>(2)</sup> RP - 2000 for Costa Rica, Guatemala, Honduras, Nicaragua y El Salvador

A sensitivity analysis of the DBO as of December 31, 2021, is as follows:

	Amount
DBO December 31, 2021	\$ 3,534,503
DBO at discount rate + 1%	\$ 3,353,365
DBO at discount rate – 1%	\$ 3,901,876
Effects over DBO:	
Discount rate + 1%	\$ (297,878)
Discount rate – 1%	\$ 340,230

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.

## Disclosure of entity's operating segments [text block]

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, 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	<u>\$ 62,907,658</u>	<u>\$ (5,612,010)</u>	<u>\$ 57,295,648</u>
Segment	Year ended December 31, 2020		
	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 50,088,473	\$ (6,943,394)	\$ 43,145,079
Central America	7,358,808	(1,039,800)	6,319,008
Consolidated	<u>\$ 57,447,281</u>	<u>\$ (7,983,194)</u>	<u>\$ 49,464,087</u>
	Year ended December 31, 2021		
	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets
Mexico	\$ 17,650,154	\$ 14,144,339	\$ 278,742,447
Central America	2,816,210	4,161,542	79,879,783
Goodwill	-	-	35,767,241
Consolidated	<u>\$ 20,466,364</u>	<u>\$ 18,305,881</u>	<u>\$ 394,389,471</u>
	Current liabilities		
Mexico	\$ 109,278,330		
Central America	23,430,137		
Goodwill	-		
Consolidated	<u>\$ 132,708,467</u>		

	Year ended December 31, 2020			
	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 13,396,116	\$ 13,502,523	\$ 254,187,765	\$ 101,306,858
Central America	3,331,986	4,437,101	72,697,956	21,763,059
Goodwill	-	-	34,997,380	-
Consolidated	<u>\$ 16,728,102</u>	<u>\$ 17,939,624</u>	<u>\$ 361,883,101</u>	<u>\$ 123,069,917</u>

See note "Disclosures of revenues", for the analysis of revenue by customers contracts.

### Disclosure of expenses by nature [text block]

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. Additionally, as of December 31, 2020 it included the payment to Mexican tax authorities (SAT) of \$1,813 million of non-deductible expenses, to conclude substantial fiscal matters, made on May, 2020.

### Disclosure of fair value measurement [text block]

See Description of accounting policy for fair value measurements in [800600] Notes - List of accounting policies.

### Disclosure of finance cost [text block]

Other finance cost item includes interest on finance leases, and other minor expenses; the balances for this concept are presented in the finance costs section in [800200] Notes – Analysis of income and expense. As of December 31, 2020 other financial income (expenses) include mainly the payment to Mexican tax authorities (SAT) of \$2,406 million to conclude substantial fiscal matters, made on May, 2020.

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### Disclosure of finance income [text block]

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The balances for this concept are presented in Finance Income section in [800200] Notes – Analysis of income and expense.

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### Disclosure of financial instruments at fair value through profit or loss [text block]

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Such information is presented in [800007] Annex – Financial Derivate instruments.

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### Disclosure of financial risk management [text block]

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#### A. General risk factors:

See “Disclosure of entity's most significant resources, risks and relationships”.

#### 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, 2021, the exchange rate used to translate assets and liabilities denominated in US dollars was \$20.46 per dollar (\$19.90 in 2020).

Considering the net monetary position in dollars as of December 31, 2021, 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 \$128,247.

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 Description of accounting policy for fair value measurements).

#### 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 2021 between 1.20% and 5.24%. As of December 31, 2021 the financial income amounted to \$866,112 (\$986,291 in 2020).

Considering the highly liquid instruments as of December 31, 2021, 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 \$130,458.

#### 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, 2021, the available and unused credit and overdraft lines amounted \$51,255 (\$41,001 in 2020) million (these include \$17,931 (\$13,222 in 2020) million corresponding to pre-approved lines of credit and \$33,324 (\$27,229 in 2020) million to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.

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## Disclosure of general information about financial statements [text block]

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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).

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## Disclosure of going concern [text block]

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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.

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### Disclosure of impairment of assets [text block]

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The balances for this concept are presented in Adjustments to reconcile profit (loss) section in [520000] Statement of Cash Flows, indirect method.

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### Disclosure of income tax [text block]

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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. As of December 31, 2021, companies in Mexico determined and paid their income tax under the general tax law.

Income taxes recorded on the income statement are presented in tax income section in [800200] Notes – Analysis of income and expense.

As of December 31, 2021 and 2020, the Company's effective tax rate is 23.0% and 32.4%, respectively. The difference between the statutory tax rate and Company's effective tax rate is mainly due to inflationary effects and other permanent items. As of December 31, 2020, permanent items include \$3,856 of taxes paid on May 2020 to the Mexican tax authorities (SAT) to conclude substantial fiscal matters.

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%



## Disclosure of information about employees [text block]

Such information is presented in the section [700000] Informative data about the Statement of financial position.

## Disclosure of information about key management personnel [text block]

Remuneration to the Company's principal officers and Board of Directors for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Short-term benefits	\$ 1,687,623	\$ 1,352,873
Termination benefits	74,885	41,588
Share-based payments	119,166	149,400
	<u>\$ 1,881,674</u>	<u>\$ 1,543,861</u>

## Disclosure of intangible assets and goodwill [text block]

An analysis of intangible assets at December 31, 2021 and 2020, is as follows:

	2021	2020
Balance as of beginning of the year	\$ 37,552,016	\$ 37,083,590
Additions	735,444	805,175
Disposals	( 98,493)	( 8,804)
Amortization	( 593,522)	( 476,293)
Transfers	387,603	269,715
Currency translation and other effects <sup>(1)</sup>	775,001	( 121,367)
Balance as of end of the year	<u>\$ 38,758,049</u>	<u>\$ 37,552,016</u>

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 2.2% and 4.2% 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 8.1% to 10.8% determined according to the associated risks for each CGU.

- The effect of the contingency caused by the COVID-19 pandemic did not have a significant impact on the growth of cash flows.

<sup>(iv)</sup> 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.

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, 2021 and 2020.

## Disclosure of inventories [text block]

An analysis of inventories as of December 31, 2021 and 2020, is as follows:

	2021	2020
Merchandise for sale	\$ 74,466,819	\$ 64,648,896
Agro-industrial development	1,315,037	842,787
	75,781,856	65,491,683
Merchandise in transit	4,535,113	2,868,791
	<u>\$ 80,316,969</u>	<u>\$ 68,360,474</u>

As of December 31, 2021 and 2020, the effect of inventory impairment is \$1,294,599 and \$1,351,173, respectively, which was included in cost of sales in the consolidated comprehensive income statement.

## Disclosure of investment property [text block]

An analysis of investment properties as of December 31, 2021 and 2020 is as follows:

	2021	2020
Balance as of beginning of the year	\$ 6,305,920	\$ 6,644,218
Additions	78,778	14,595
Modifications and updates	14,946	132,507
Disposals	( 507,044)	( 125,957)

Depreciation	( 308,754)	( 358,985)
Transfers	-	( 458)
Balance as of end of the year	<u>\$ 5,583,846</u>	<u>\$ 6,305,920</u>

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, 2021 and 2020, 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). Annual rental income before expenses for the year ended December 31, 2020 was reduced by 24% from the previous year mainly due to the contingency caused by the COVID-19 pandemic; On the other hand, the capitalization rates used for the year ended December 31, 2021 and 2020, 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, 2021 and 2020. The estimated fair value of the investment properties as of December 31, 2021 and 2020 is \$5,911,220 and \$7,011,501, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.

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### Disclosure of issued capital [text block]

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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, 2021 and 2020, an analysis of paid-in stock and the number of shares representing it is as follows:

Valid Coupon	Numbers of shares			Common Stock		
	Fixed Portion	Variable Portion	Free subscription	Fixed Portion	Variable Portion	Total
88	2,295,809,324	15,165,593,307	17,461,402,631	\$5,591,362	\$36,935,265	\$42,526,627

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### Disclosure of leases [text block]

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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 balances as of December 31, 2021 and 2020 is as follows:

	2021	2020
Balance as of beginning of the year	\$ 50,319,784	\$ 49,675,185
Additions of right of use assets	2,515,770	1,819,675
Disposals, modifications and updates	5,391,518	2,571,150
Depreciation	( 4,124,327)	( 3,893,398)
Transfers	( 164,454)	( 137,074)
Translation effect	199,217	284,246
Balance as of end of the year	<u>\$ 54,137,508</u>	<u>\$ 50,319,784</u>

As of December 31, 2021, the balance of the right of use assets of properties amounted \$52,492,171 (\$48,671,340 in 2020), and furniture and equipment amounted \$1,645,337 (\$1,648,444 in 2020).

An analysis of the lease liabilities is as follows:

Year	December 31, 2021
2022	\$ 9,178,557
2023	8,667,495
2024	8,336,234
2025	8,080,953
2026	7,834,908
2027 and thereafter	105,960,150
Nominal lease payments	148,058,297
Net present value adjustment	(83,366,919)
Lease liabilities - net	<u>\$ 64,691,378</u>

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, 2021 and 2020, are as follows:

	2021	2020
Depreciation expense for the right of use assets, by type:		
Property	\$ 3,630,535	\$ 3,514,541
Equipment	\$ 493,792	\$ 378,857
Interest on lease liabilities	\$ 6,478,994	\$ 6,409,888
Expenses related to short-term leases	\$ 181,653	\$ 379,211

Expenses related to leases of low-value assets	\$ 37,840	\$ 13,853
Variable lease payments (not included in the measurement of lease liabilities)	\$ 3,782,845	\$ 3,291,749
Sub lease revenue	\$ (1,225,533)	\$ (471,070)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2021 and 2020, are as follow:

	2021	2020
Rent payments – principal	\$ 2,764,981	\$ 2,265,335
Rent payments – interest	\$ 6,478,994	\$ 6,409,888
Additions of right of use assets	\$ 2,515,770	\$ 1,819,675
Modifications and updates	\$ 5,412,193	\$ 2,853,228

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### Disclosure of other current assets [text block]

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This item mainly includes prepaid advertising, property tax and insurance. Such balances are presented in [210000] Statement of financial position, current/non current.

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### Disclosure of other non-current assets [text block]

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This item mainly includes guarantee deposits and long-term investments; such information is presented in other non-current financial assets item in [210000] Statement of financial position, current / non-current.

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### Disclosure of other operating income (expense) [text block]

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Other Income balance includes a correction of an excess of goodwill impairment amount determined in 2012 and 2014 and allocated to Honduras' cash generating unit by \$574 million. Such income is not part of the core operations of the Company.

## Disclosure of prepayments and other assets [text block]

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.

## Disclosure of property, plant and equipment [text block]

An analysis of property, plant and equipment on December 31, 2021 and 2020, is as follows:

	2021	2020
Balance as of beginning of the year	\$ 134,828,617	\$ 132,119,505
Additions	19,652,142	15,908,332
Disposals	( 610,511)	( 293,442)
Depreciation	( 13,279,278)	( 13,210,948)
Transfers	( 241,327)	( 132,183)
Translation effect	146,955	437,353
Balance as of end of the year	\$ 140,496,598	\$ 134,828,617

## Disclosure of related party [text block]

### a) Related party balances

As of December 31, 2021 and 2020, the consolidated statement of financial position includes the following balances with related parties:

	2021	2020
Accounts receivable, net: Walmart Inc.	\$ -	\$ 33,543

Accounts payable:		
C.M.A. – U.S.A., L.L.C.	\$ 691,981	\$ 795,111
Swiss Asia Minor GmbH	-	152,934
WMGS Commercial Services Limited	223,700	-
	<u>\$ 915,681</u>	<u>\$ 948,045</u>
Other short-term accounts payable:		
Walmart Inc.	\$ 1,160,011	\$ 1,088,239
Newgrange Platinum Services LTD	59,949	228,591
	<u>\$ 1,219,960</u>	<u>\$ 1,316,830</u>
Other long-term accounts payable:		
Walmart Inc	<u>\$ 85,964</u>	<u>\$ -</u>

Additionally, as of December 31, 2021 and 2020, the company has other accounts payable with others related parties of \$405 y \$26,672, respectively.

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, 2021 and 2020, 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.
- Purchase commissions with Swiss Asia Minor GmbH (until June 30, 2021), and WMGS Commercial Services Limited (as from July 1st, 2021) that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and Operating services with Newgrange Platinum Service, LTD, that are payable monthly.
- Royalties for trademark use 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, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Purchases and commissions related to the import f Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 4,369,447	\$ 4,361,302
Swiss Asia Minor GmbH	72,085	278,351
WMGS Commercial Services Limited	222,341	-
	<u>\$ 4,663,873</u>	<u>\$ 4,639,653</u>
Costs and expenses related to technical assistance, services and royalties:		
Walmart Inc.	\$ 7,295,135	\$ 6,438,839
Newgrange Platinum Services LTD	537,761	417,956
	<u>\$ 7,832,896</u>	<u>\$ 6,856,795</u>

For the years ended December 31, 2021 and 2020, the Company made transactions with other related parties of \$26,268 y \$178,727, respectively.

### Disclosure of reserves within equity [text block]

As of December 31, 2021, 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.

### Disclosure of revenue [text block]

a) The other revenue that forms part of the main activity of the Company as of December 31, 2021 and 2020 is as follows:

	2021	2020
Memberships	\$ 2,216,732	\$ 1,991,653
Rent	2,546,968	2,032,467
Sale of waste	846,716	641,578
Bank bonuses	-	278,415
Parking	81,291	79,197
Total	<u>\$ 5,691,707</u>	<u>\$ 5,023,310</u>

As of December 31, 2021, rental income includes \$479,092 (\$541,698 in 2020) from investment properties.

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, 2021 and 2020 is as follows:

	2021	2020
Mexico:		
Self service	61.3%	61.0%
Price Clubs	21.4%	20.8%
Central America:	17.3%	18.2%

Of WALMEX's total net sales, approximately \$29.4 billion and \$21.6 billion relates to electronic commerce in Mexico for the years ended December 31, 2021 and 2020, respectively.



In Central America, the net sales related to electronic commerce are \$853 million and \$962 million for the years ended December 31, 2021 and 2020, respectively, and includes the sales made through home delivery platforms.

## Disclosure of share capital, reserves and other equity interest [text block]

a) In the Ordinary Meeting held on March 23, 2021 and March 24, 2020, the shareholders approved a cap of \$5,000,000 on the amount the Company would use in 2021 and 2020 to repurchase its own shares. As of December 31, 2021 and 2020, there is no owned shares in Treasury.

b) 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, 2021 and 2020, the total balance of the tax accounts related to equity is \$68,143,228 and \$63,746,299, respectively, in conformity with the current tax laws.

## Disclosure of share-based payment arrangements [text block]

The employee stock option plan fund consists of 166,860,474 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, 2021 and 2020 was \$354,257 and \$386,922, 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, 2019	158,548,465	41.87
Granted	33,132,414	55.41
Exercised	( 23,651,790)	38.59
Cancelled	( 11,521,595)	47.21
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	<u>162,689,486</u>	49.76
Shares available for option grant:		
December 31, 2021	<u>4,170,988</u>	
December 31, 2020	<u>21,882,987</u>	

As of December 31, 2021, the granted and exercisable shares under the stock option plan fund are 162,689,486 and 58,517,725 respectively.

Since the predefined formats do not include specific account lines for premium on sale of shares and employees' stock plan fund, these are presented in the premium in issuance of shares line of the statements of financial position and of changes in equity.

The details are show below:

	2021	2020
Employees' stock plan fund	\$ ( 6,595,404)	\$ ( 6,666,394)
Premium on sale of shares	<u>4,908,573</u>	<u>4,543,745</u>
	<u>\$ ( 1,686,831)</u>	<u>\$ ( 2,122,649)</u>

The premium on sale of shares represents the difference between the cost of the shares and the value at which they were sold, after deducting the income tax.

## Disclosure of subsidiaries [text block]

WALMEX holds 100% of equity interest in the following groups of companies in Mexico and Central America:

Grupo	Actividad
Nueva Walmart	Operation of 2,198 Bodega Aurrerá discount stores, 294 Walmart hypermarkets, 14 Superama supermarkets, 85 Walmart Express supermarkets and 165 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	Rendering of professional services to Group companies until June 30, 2021; and not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation of 572 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Más x Menos), 158 Bodegas (Maxi Bodega and Maxi Palí); and 36 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

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### Disclosure of significant accounting policies [text block]

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A summary of the significant accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2020.

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### Disclosure of tax receivables and payables [text block]

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The balances of those concepts are presented in the lines of taxes to recover and to pay at a long term of [210000] Statement of financial position, current / non-current.

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### Disclosure of trade and other payables [text block]

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The balances for these items are presented in the suppliers and other accounts payable section of [800100] Notes - Subclassifications of assets, liabilities and stockholders' equity.

Other current accounts payable includes dividends payable for \$170,717 as of December 31, 2021 (\$154,752 in 2020).

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### Disclosure of trade and other receivables [text block]

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Those balances are presented in trade and other receivables sections in [800100] Notes - Subclassifications of assets, liabilities and equities.

Average aging to collect the accounts receivable to customers is 30 to 90 days.



## [800600] Notes - List of accounting policies

### Disclosure of significant accounting policies [text block]

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A summary of the significant accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2020.

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### Description of accounting policy for construction in progress [text block]

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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.

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### Description of accounting policy for deferred income tax [text block]

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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.

## Description of accounting policy for depreciation expense [text block]

Depreciation of property, plant and equipment as well as investment properties is computed on a 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%

## Description of accounting policy for derivative financial instruments [text block]

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.

## Description of accounting policy for determining components of cash and cash equivalents [text block]

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.

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### Description of accounting policy for dividends [text block]

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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.

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### Description of accounting policy for earnings per share [text block]

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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 2021 and 2020 is of \$0.004 and \$0.002 pesos per share, respectively.

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### Description of accounting policy for employee benefits [text block]

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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.

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### Description of accounting policy for expenses [text block]

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Expenses are recognized in the income statement when they are incurred.

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### Description of accounting policy for fair value measurement [text block]

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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.

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### Description of accounting policy for financial assets [text block]

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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.

Assets are recorded at fair value and are measured using the fair value hierarchy, as mentioned in the accounting policy for fair value measurement.

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.

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### Description of accounting policy for financial liabilities [text block]

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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.

Liabilities are recorded at fair value and are measured using the fair value hierarchy, as mentioned in the accounting policy for fair value measurement.

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.

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### Description of accounting policy for foreign currency translation [text block]

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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.

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## Description of accounting policy for functional currency [text block]

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The Mexican peso is the Company's functional and Reporting currency.

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## Description of accounting policy for goodwill [text block]

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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.

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## Description of accounting policy for impairment of assets [text block]

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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.

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### Description of accounting policy for income tax [text block]

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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.

#### 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.

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### Description of accounting policy for intangible assets and goodwill [text block]

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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%.

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## Description of accounting policy for investment property [text block]

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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.

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## Description of accounting policy for leases [text block]

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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.

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### Description of accounting policy for measuring inventories [text block]

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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.

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### Description of accounting policy for property, plant and equipment [text block]

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Property and equipment are recorded at acquisition cost and are presented net of accumulated depreciation.

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### Description of accounting policy for provisions [text block]

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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.

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### Description of accounting policy for recognition of revenue [text block]

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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.

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### Description of accounting policy for segment reporting [text block]

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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.

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### Description of accounting policy for share-based payment transactions [text block]

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Employee stock option plan funds 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 four years in two equal parts: 50% in two years and the remaining 50% by the end of the fourth year. 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.

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## Description of accounting policy for subsidiaries [text block]

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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.

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### Description of accounting policy for trade and other receivables [text block]

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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.

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### Description of other accounting policies relevant to understanding of financial statements [text block]

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As of December 31, 2021, the Company has no other relevant policies to understand the consolidated financial statements.



## [813000] Notes - Interim financial reporting

Dividends paid, ordinary shares:	28,188,741,000
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Dividends paid, other shares:	0
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Dividends paid, ordinary shares per share:	1.63
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Dividends paid, other shares per share:	0
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