

[411000-AR] Datos generales - Reporte Anual

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



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Serie [Eje]	Acciones
Specification of the characteristics of outstanding securities [Abstract]	
Clase	Common
Serie	From the same series
Tipo	No-par value
Número de acciones	17,292,211,803
Bolsas donde están registrados	Bolsa Mexicana de Valores, OTCQX Market Tier
Clave de pizarra de mercado origen	WALMEX
Tipo de operación	
Observaciones	

Ticker:

WALMEX

The mention that the values of the issuer are registered:

Los títulos se encuentran inscritos en el Registro Nacional de Valores

Article 86 legend of the LMV:

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

Annual report CUE legend:

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

Period representing:

2025-01-01 to 2025-12-31

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Glossary of terms and definitions:

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

GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IMPI	Mexican Institute of Industrial Property
INAPAM	Instituto Nacional de las Personas Adultas Mayores
ISR	Income Tax
IT	Information Technology
KPI	Key performance indicator
LED	Light Emitting Diode
MVNO	Mobile Virtual Network Operator.
Net sales	Income from merchandise sales in our units
NGO	Non-governmental Organization
NIST	National Institute of Standards and Technology
NOM	Mexican Official Standards
NPS	Net Promoter Score, indicator to measure customers' loyalty
PACIC	Package Against Inflation and Scarcity
PAI	Walmart Comprehensive Assistance Program
Picker	Associate responsible to collect products requested by the customers
PM Particles	Particles with aerodynamic diameter less than 10 microns
Powered by Walmart	Powered or Influenced by Walmart
Price Clubs	Membership warehouse clubs focused on businesses and consumers who seeks the best possible prices
PROFECO	Consumer Protection Agency
Royalties	Revenue share or fixed amount of money paid to a copyright owner for approval to use it
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
Sellers	External sellers within the marketplace
SENASICA	National Service for Agrifood Health, Safety and Quality
SICA	Central American Integration System
SINGREM	National System for the Management of Packaging and Medicine Waste
SKU	Stock Keeping Unit, is the unique reference number of a product
SME	Small and medium-sized enterprises
SSA	Secretary of Health
Supermarkets	Self-service stores located in residential areas
T-MEC	Mexico-United States-Canada Agreement.
Total revenues	Net sales plus other income
USDA	United States Department of Agriculture
Walmart	Self-service stores providing the widest assortment of goods from groceries and perishables to apparel and general merchandise

Walmex	Ticker symbol for Wal-Mart de México S.A.B. de C.V.
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Executive Summary:

Walmart de México y Centroamérica is one of the most important retail chains in the region. As of December 31, 2025, it operates 4,265 units with operations in six countries (Costa Rica, El Salvador, Guatemala, Honduras, Mexico and Nicaragua), through self-service stores, warehouse membership clubs and omnichannel sales.

During 2025, Walmart de México y Centroamérica achieved the following results.

Financial Data					
	Million pesos				Growth
		2025		2024	(%)
RESULTS					
Net sales	Ps.	1,004,494	Ps.	951,642	5.6
Other income		7,104		6,865	3.5
Total income		1,011,598		958,507	5.5
Gross profit		245,198		231,473	5.9
General expenses		168,044		156,085	7.7
Operating income		78,494		77,359	1.5
EBITDA*		103,447		99,998	3.4
Income before income tax		68,877		68,931	-0.1
Income tax		18,986		15,104	25.7
Consolidated net income attributable to the parent	Ps.	49,891	Ps.	53,827	-7.3
FINANCIAL POSITION					
Cash and cash equivalents	Ps.	28,591	Ps.	36,514	-21.7
Inventories, net		107,451		110,695	-2.9
Other assets, net		58,571		54,962	6.6
Fixed assets, net		262,759		249,025	5.5
Goodwill		37,901		42,697	-11.2
Total assets	Ps.	495,273	Ps.	493,893	0.3
Suppliers		123,904		121,971	1.6
Other liabilities		135,789		139,047	-2.3
Equity		235,580		232,875	1.2
Total liabilities, equity and non-controlling interest	Ps.	495,273	Ps.	493,893	0.3

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

Business Priorities

Our purpose is based on three non-negotiable fundamentals that define how we execute and deliver on our promise to the customer:

1. Every Day Low Prices (EDLP)
2. Availability
3. eCommerce acceleration

These underpin our business model and guide every decision throughout the organization.

Our fundamentals reflect who we are and how we consistently and sustainably generate value: leading on price through our Everyday Low Prices philosophy, ensuring that products are available when and where the customer needs them, and accelerating our growth in eCommerce by leveraging a unique competitive advantage through omnichannel solutions. Together, these enable us to strengthen our core business, improve the customer experience, and expand our leadership position in the market.



Formats

We have various shopping formats catered to different needs, occasions, and preferences, looking to offer our customers distinct Value Propositions:

Focus by socioeconomic level

- **Bodegas & Discount stores:** basic general merchandise, food, and household items at the best and lowest prices on the market. These formats are focused on key consumer staples.
- **Sam's Club:** membership warehouse clubs focused on business and households. We seek to lead in price, volume, and an assortment of new and differentiated merchandise.
- **Walmart Supercenters:** widest assortment of goods at Every Day Low Prices.

Supermarkets: best quality in perishables at Every Day Low Prices through an agile and modern experience, focused on smart assortment and proximity to customers in strategic locations.

New Businesses: The Walmart Ecosystem

Our new businesses are part of an integrated value creation ecosystem designed to strengthen and amplify our retail core, preparing it for sustainable growth for the long term.

Business	What it is	What it does	Positive impact on our core business
Bait	Prepaid mobile and home internet service offering accessible and inclusive connectivity nationwide across all Walmart formats.	Bait drives greater frequency and digital engagement, generating more touchpoints with our customers and supporting their acquisition and purchases more efficiently.	Bait reached more than 26 million active users* in 2025. We have observed that these users spend, on average, 2.5 times more than customers who do not have Bait, reinforcing our belief that when we deliver clear and relevant value, such as connectivity at low prices, customers respond with greater engagement, loyalty, and trust.
Walmart Connect	Omnichannel retail media platform that provides advertisers with high reach, data driven online and offline advertising solutions.	Walmart Connect allows us to generate high-margin revenue that we reinvest in pricing and affordability for our customers, while helping our suppliers better reach their	Walmart Connect achieved solid year-over-year momentum, posting 17% revenue growth in Mexico to 4.4 billion pesos, while Central America added more than 550 million pesos in revenue. These results were significantly above the market's advertising growth, reflecting the strength of our retail media proposition, and how we can diversify

		audiences and more accurately measure the impact of their campaigns.	the core business's revenue streams.
Financial Solutions	Our financial solutions are a customer-centered platform integrating a digital bank account with Cash, credit, remittances and factoring.	Financial Solutions expand inclusive banking access, enabling customers to save money securely, pay, and transact seamlessly while benefiting from our eCommerce and physical touchpoints across our stores offering convenience few digital-only players can match, strengthening their personal and family goals.	It enables our customers to access the products they need through financial solutions aligned with their needs and budgets. By expanding financial inclusion, we empowered more customers to access digital credit for the first time, helping them participate more fully in our value proposition and shop seamlessly across all our store formats and platforms. By the end of 2025, disbursed credit grew by 130%
Health program	Integrated health program combining our broad network of clinics and pharmacies with remote medical assistance and additional health benefits.	Our Health program offers our customers affordable benefits and services related to prevent and improve their health and well-being.	We closed the year with 6.2 million programs sold, supported by our network of 568 clinics and 1,574 pharmacies, among other benefits. This reinforces our perception as a "one-stop shop" retailer, where customers can rely on our on-site, in-store, and digital health support options. These efforts resulted in a 23% program renewal rate during 2025.
<i>Beneficios</i>	Customer benefits and rewards program that offers savings, personalized experiences, and data driven perks based on shopping habits.	Our Beneficios program connects the entire Walmart new businesses through data that allows us to move faster and smarter. These insights help us make better decisions in merchandising, supply chain, and store	The data generated is already being used to improve price design and optimize catalog productivity at the item and store level. At the end of 2025, we connected with 49.6 million active customers* and are now able to identify more than 70% of our omnichannel sales, moving from anonymous transactions to more personalized and deeper relationships

		operations, allowing us to respond more quickly to changes in customer needs and operate with greater discipline.	with our customers and members.
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*Bait: Active users refer to users with at least one transaction in the last 6 months, including economic transactions (sales to distributors). Includes Home Broadband and MiFi lines.

*Beneficios: A valued customer who has provided their phone number at checkout (via POS and/or self-checkout, and eCommerce) at least once within the past 90 days.

- Beyond these numbers, what matters most is how new businesses strengthen the core.

Every Day Low Prices (EDLP)

Our ambition is clear: to run stores that help our customers in Mexico and Central America find low prices, quality and to our product catalog. We deliver this through Every Day Low Prices (EDLP), powered by scale, disciplined execution, and technology.

EDLP simplifies the shopping experience by reducing price uncertainty and building trust. At the same time, it streamlines our operations, unlocking efficiencies we can reinvest to further strengthen our price leadership. This philosophy remains foundational to Walmart globally, as well as to Walmart de México y Centroamérica locally. It is central to our long-term value creation.

We believe that every family deserves access to quality products and services at affordable prices. EDLP is one of Walmex’s three non-negotiables, alongside Availability and eCommerce acceleration. It should not be considered as a short-term or tactical initiative, but as a structural business strategy and a core pillar to deliver on our purpose to “help people save money and live better”.

Customer’s Trust and Leadership in Pricing

EDLP is not just about item-level pricing. It involves price stability and, more importantly, building a larger, higher-value shopping basket. When customers trust our prices, they complete more of their shopping with us.

At Walmart de México y Centroamérica, pricing leadership is part of our identity. It helps us fulfill our purpose and build trustworthy customer relationships. To serve them consistently, we must offer prices they can afford every day. This requires deepening our EDLP discipline by improving how we buy, distribute, plan, and source so that we can price more efficiently.

Our customers expect Walmart prices to be low, simple, and reliable, without requiring trade-offs or constant monitoring of promotions. Trust is built not only through price levels, but also through consistency and clarity over time. To reinforce this trust, EDLP is executed with a focus on simplicity, reducing unnecessary complexity in price architecture, communication, and in-store execution. A disciplined EDLP model ensures that customers can rely on Walmart prices every day, strengthening loyalty and visit frequency.

Pricing Strategies for Being Customers' Preferred Option

In 2025, we continued strengthening customers' perception of value in a highly price-sensitive environment. We did this through a more granular review of pricing metrics, the simplification of commercial processes, and a greater weight of base-priced items within promotional activities. These efforts led to campaigns that helped customers make informed decisions and feel confident that their budgets could go further in our stores.

Across our discount formats, hypermarkets, supermarkets, and clubs, we have maintained a unified commitment to Every Day Low Prices through format-specific campaigns. When prices are right and products are readily available on our shelves, we drive both our store and digital businesses, accelerating traffic, conversion, and basket size across channels. We seek to be our customers' preferred one-stop-shop option, where they can find everything they need at prices they can afford. Key promotional campaigns and savings programs made this possible throughout the year.

Mexico

In Mexico, our low-price strategy continued to resonate strongly with customers across formats. This year, we renewed our commitment to price stability by signing the extension of the Anti-Inflation and Scarcity Package (PACIC), keeping the basic basket at 910 pesos. This effort, combined with disciplined store operations and strong availability, translated into improved customer satisfaction and loyalty.

Among the most representative initiatives is *Morralla*, a permanent program offering thousands of products priced between 5 and 35 pesos. This program continued to demonstrate its relevance by easing economic pressure for families and expanding access to complete baskets at affordable prices.

- In 2025, Bodega Aurrera reinforced its leadership in digital engagement and brand building. The Interactive Advertising Bureau (IAB) recognized us as Best Brand of the Year in digital channel communication. Our *Morralla* campaign earned the award for Best Digital Campaign across industries, showcasing our ability to connect with customers through innovative, value-driven messaging. We were also ranked as the third best brand in Mexico for digital brand building, positioning Bodega Aurrera among the country's top digital leaders.

With Walmart Supercenter's *Los Básicos de tu Canasta*, and Sam's Club's member-value events, we consistently strengthened price perception and traffic. These commercial levers created a cohesive ecosystem where each format contributes to a shared value proposition, making low prices a universal and predictable customer expectation.

We also returned to the *Buen Fin* campaign after six years. Although the event fell short of our initial expectations, customer engagement remained strong. We recorded more than 76 million transactions across stores and clubs, over 180 million eCommerce visits, and November 17 marked the highest sales day in our history. These results offer clear lessons as we continue refining our execution and catalog for future events.

During *El Fin Irresistible*, commercial performance remained strong across formats, with Walmart Supercenter, Bodega Aurrera, and Sam's Club leading customer purchase intention throughout the event. *El Fin Irresistible* delivered operational improvements that support our continued commitment to excellence in service and execution.

Central America

In response to an inflationary environment and heightened spending sensitivity, we deployed the *Aquí sí te alcanza* campaign across Central America to reinforce price perception and support families' purchasing power. Built on the insight that many consumers feel they must visit multiple stores to stretch their budgets, the campaign clearly communicates that they can complete their entire shopping trip in one place with sustained, predictable low prices, without relying on temporary promotions. Strategically, this initiative aims to reduce purchase fragmentation, increase basket size, and gain share of wallet versus short-term promotional schemes.

NPS reached historic levels, driven by improvements in cleanliness, friendliness, checkout speed, availability, and price. Most of the operations teams' efforts were focused on the first three dimensions, while maintaining competitive price gaps and processes that ensured higher availability.

Progress in direct sourcing from local producers helped reduce volatility, increase the relevance of locally produced assortments, and support regional agricultural economies while maintaining competitive prices on key items.

Year after year, the company prioritized affordability in essential categories, using a combination of stable-price baskets, fixed-price assortments, and targeted seasonal offers to protect customers' purchasing power.

New businesses enabling EDLP – *Beneficios* Program

Over the past several years, our commercial campaigns have played a decisive role in sustaining our market position and strengthening customer and member preferences. In 2025, campaigns remained firmly centered on the customer, promoting direct savings solutions and consistently defending our position as the leader in low prices. The Customer Office, in close collaboration with Marketing, developed campaigns aligned with each format's purpose. They used insights from our *Beneficios* program and advanced analytics tools to make sure every customer's journey was personalized, meaningful, and seamless. This unlocked a more precise engagement with segments such as the *Bodega* customer, reinforcing the message that our formats help customers save money and live better.

Price Perception

We have seen a clear improvement in how customers perceive our price leadership, reinforcing that our efforts to keep prices low resonated in a highly value-conscious environment. This matters because stronger price perception translates into greater trust and loyalty, higher visit frequency, and a more resilient business through cycles, supporting both near-term performance and long-term resilience.

We reinforced our promise across formats and channels, prioritizing clarity and consistency. We want customers to know they can rely on the same great price whenever and however they shop.

- +30 basis points increase in price perception in Mexico.

- In Mexico, targeted investments in grocery, perishables, and general merchandise further strengthened relative price perception, even as we navigated cost pressures in logistics, labor, and energy. These decisions reflected our long-term view commitment of safeguarding customers' wallets.

In *Bodega*, which was the store format that led growth throughout 2025, our value proposition stood out even more in the current economic context. Bodega Aurrera has established itself as one of Mexico's most valuable brands, with more than 2,600 stores and an omnichannel experience that breaks down economic and social barriers for millions of families.

At Sam's, our value proposition was simplified and strengthened by reducing reliance on short-term promotions and reinforcing a clear focus on EDLP. This clarity allows members to shop with confidence, knowing they can count on having access to their favorite products throughout the year without having to wait for deals. Supported by simple financial schemes that encouraged higher ticket purchases and larger baskets, we improved affordability while maintaining price leadership. Together, this disciplined approach enhanced the member experience, drove loyalty, and reinforced Sam's ability to win at scale.

Rollbacks

Rollback programs are becoming a strategic complement to our Every Day Low Prices (EDLP) philosophy, enabling us to provide customers with meaningful, temporary price reductions while keeping our long-term value promise intact. Rollbacks allow us to lower prices on selected high demand items for defined periods, helping stimulate traffic, encourage more frequent visits, and reinforce our leadership in affordability. We offer customers savings across categories such as groceries, electronics, apparel, and home goods, both instore and online, while maintaining these items as part of our regular assortment rather than clearance inventory. By deploying rollbacks selectively, we can also manage inventory efficiently, test price elasticities, and stay agile in a highly competitive retail environment.

A critical lever of EDLP execution is pricing discipline, with a deliberate shift toward fewer price changes and longer price durations. This approach reduces operational complexity, improves store execution, and enhances customer confidence.

- In 2025, the number of price changes in stores was reduced by 15%.

Enabling price Investments – BAIT

Bait plays a key role in reinforcing our price investment strategy. As the second largest prepaid mobile operator in Mexico, reached 26.4 million active users and an expanded top-up network of 1.5 million points, with revenues growing faster than its customer base. In 2025, the business generated 11.5 billion pesos in revenues, up 60% year-on-year. The cash generation from Bait and other new businesses strengthens our price leadership, enabling continued investment in customer value, supporting a stronger price perception, and sustaining inventory improvements. This demonstrates the growing ability of our new businesses to support profitability.

Private Brands

We expanded and refined Private Brands to deliver compelling, consistent value across essential baskets and seasonal needs. Betting on Private Brands allows us to reduce intermediaries and stabilize costs. Our portfolio covers everything from pantry staples to Fresh and Health & Wellness categories and aims to anchor customers' trust while differentiating our assortment. This approach is fully aligned with Walmart's global playbook, where private label depth and direct sourcing reinforce the EDLP model.

Throughout the year, we strengthened the presence of Private Brands across all formats, boosting their penetration and positive perception thanks to their combination of quality, competitive pricing, and relevance to the everyday needs of families across the regions where we operate. Another priority was better understanding the similarities and differences among customer preferences in each format so we could serve our diverse customer base more effectively.

Our Private Brands portfolio was consolidated into three tiers:

- Good: very affordable products of acceptable quality, particularly relevant for *Bodega* formats.
- Better: Great Value and Aurrera, combining good quality with a clear price differential versus leading brands.
- Best: specialized segments aimed at delivering a more comprehensive experience.

We prioritized depth over proliferation, adding new items by expanding existing lines rather than creating new brands, and focusing on categories where customers could easily find the best price-to-quality alternatives to help them save. Consolidated supply also allowed us to respond to high demand across key categories. Notable examples included wellness products, from skincare to OTC (Over-The-Counter) vitamins and supplements, extensions in frozen foods (pizzas and ice cream), cold cuts, and snacks at low prices, as well as more efficiently packaged formats such as bagged milk and smaller ham presentations.

- Six Private Brands achieved the highest Net Promoter Score (NPS) levels in the market.

Mexico

We increased Private Brands penetration in both self-service and Sam's Club, resulting in significant savings compared to national brands without compromising quality, variety, or innovation. We broadened the

portfolio in high-impact categories (shelf-stable grocery, daily-consumption products, and fresh) and accelerated in value-added segments (home, apparel, and general merchandise).

By consolidating insights across the Customer Office, which analyzes purchasing patterns and preferences, we prioritized relevance, quality, and consistency over SKU growth. This approach was reinforced through an efficient shelf space allocation, competitive pricing proposals oriented to our customers' value, and a more reliable sourcing model supported by long-term supplier relations.

Penetration gains were particularly strong in Sam's Club and Bodega Aurrera Express, where members and customers continued to recognize the strength of our exclusive Private Brands offerings.

- In Mexico, penetration increased 70 bps, driven by targeted launches in strategic categories such as paper goods, water, and snacks. These initiatives improved price positioning, strengthened perceived quality, and addressed key market white spaces.
- 17.2% penetration of Private Brands in Mexico.

Central America

Private Brands gained relevance as an attractive savings alternative, supported by stronger in-store visibility, more frequent inclusion in commercial events, and innovation tailored to local preferences. Together, these developments contributed to better price perception and a more affordable basket for customers. Overall, Private Brands penetration expanded 70 basis points year-over-year.

A key driver was the continued expansion of Suli, our opening price-point brand, which connected effectively with consumers facing tighter household budgets during 2025. Despite market pressures, Suli continued to grow consistently and was recognized across the region for offering low prices with superior perceived quality. Furthermore, more than 90 innovations were launched, laying the foundation for future growth beyond the flagship brand.

Innovation remained a priority across the region. Six of the ten highest-rated private-label products in the region are part of our Private Brands portfolio.

- 19.5% penetration of Private Brands in Central America.

EDLC

Delivering Every Day Low Prices is only sustainable if it is supported by Every Day Low Costs across the business. We are transforming our cost structure through strategic productivity initiatives enabled by technology, including Electronic Shelf Labels, Smart Receiving (a re-engineered receiving process), and the automation of administrative activities such as cash management and store back-office operations.

A Virtuous Cycle

EDLP benefits both our operations and customers by reducing pricing complexity and promotional volatility, enabling steadier demand planning, fewer disruptions, and lower end-to-end costs across our supply chain and stores. This leads to precise forecasting and replenishment, better labor planning, and improved inventory management.

Maintaining SG&A growth in the high single digits in Mexico continues to fuel our ability to keep prices low despite wage inflation, energy costs, and continued investment in growth, while offsetting higher expenses in Central America through operational efficiencies. These efforts exemplify how the EDLP model positions us to Win in Discount. Having the best prices requires flawless execution that makes our promise tangible through availability, speed, and a seamless shopping experience in which we pass savings back to customers.

Operational Efficiencies

EDLP is strengthened by operational efficiencies that enable Every Day Low Costs (EDLC). Cost discipline continues to be a structural differentiator. In 2025, we simplified processes across the sales floor, supply chain, and last mile operations with a dual objective: increasing productivity and freeing up resources to continue investing in price.

Throughout the year, we accelerated global platform adoption (merchandising, pricing, inventory) and deployed data-driven tools in stores and distribution to raise availability and reduce unit costs. Examples include pricing workflow, predictive inventory models to right-size days-on-hand, and integrated traceability from store to eCommerce. These initiatives reduced manual work, errors, and waste, while strengthening our price gaps sustainably.

Enabling EDLC – Technology

Pricing tools and analytics allow us to make smarter, faster pricing decisions aligned to customer demand and the general market dynamics. The deployment of electronic shelf labels enhanced price accuracy across all Walmart and Walmart Express formats, reducing execution gaps and increasing associate productivity by cutting the time invested on manual price adjustments by 40%. This improvement has also elevated our customers' perception of in-store service, as teams can now focus on delivering an exceptional shopping experience. In stores, we also scaled automation, digitalization, and self-checkout solutions, reducing processing times, improving checkout experience, and increasing the proportion of transactions served through these channels. By leveraging advanced analytics and AI-enabled tools such as Scintilla, we are delivering better results for our customers.

Execution Excellence

Execution plays a central role in delivering low prices consistently. Our Net Promoter Scores (NPS) reached historically high levels, driven by sustained improvements in cleanliness, associates' attitude, checkout speed, and product availability. Operations teams remain focused on ensuring open checkouts during peak hours, well-trained associates, and reliable in-stock levels, reinforcing the link between low prices and a seamless shopping experience. By ensuring consistent shelf availability, clear communication of value, and a simplified

shopping experience, our stores are the most reliable destination for customers to complete a full basket at the best price.

Availability

Availability is one of our non-negotiables alongside Every Day Low Price (EDLP) and eCommerce acceleration. We cannot help customers save money if the product is not available when they need it. Availability depends on disciplined execution across the full value chain. It covers from supplier coordination and inventory planning, to distribution, replenishment, and shelf execution in stores. At its core, Availability is fundamental to our purpose: helping families save money and live better.

In 2025, availability and assortment remained a priority across all formats. We strengthened inventory positions, improved continuous replenishment, and raised freshness and quality in perishables, while adding differentiated products that improve relevance and support our value proposition. These customer-facing improvements were supported by a more modern supply chain, including automated nodes, advanced sorting, AI-supported route planning, and nighttime deliveries that improved first- and last-mile logistics.

Execution also improved through clearer priorities and better alignment across teams. As a result, operations became simpler, more reliable, and more consistent. If a product is not on the shelf or ready to ship, we are not delivering on our promise to customers. That is why availability is a critical enabler of our Every Day Low Price proposition.

From Supplier to Shelf: Making Availability Seamless

Availability begins long before merchandise reaches the shelf. It depends on strong supplier coordination, disciplined planning, and a shared commitment to execution. In 2025, we continued to optimize inventory efficiency through closer collaboration with suppliers, supported by category-focused planning and tighter inventory coordination.

Execution across this end-to-end process (supplier to distribution center to store) is what ultimately determines whether customers find what they need, where and when they need it.

Our Accelerated Strategy Planning approach deepened these partnerships and promoted greater transparency, stronger commitment, and better long-term alignment around shared goals. We also saw strong supplier engagement behind our EDLP agenda, with partners supporting the actions needed to improve availability while maintaining competitiveness.

Shared Value and Operational Efficiency

There are clear synergies between our supplier opportunity programs and our operational agenda. Through these programs, we improve supplier selection, onboarding, quality controls, training, and execution. By integrating suppliers into our way of working from the start, with clear terms, conditions, and operating standards, we make the relationship more efficient and scalable over time. This improves readiness, accelerates problem-solving, strengthens execution, and reduces costs in the long run. This approach also

creates closer contact with suppliers, improves understanding of their capabilities, and makes it easier to scale improvements across categories.

Enabling Availability – Financial Solutions

We operate a supplier-focused program designed to strengthen our supply chain by enabling partners to convert accounts receivable into immediate cash at competitive rates. This initiative supports suppliers' working capital needs, enhances liquidity across the value chain, and promotes operational continuity. By providing timely access to financing, we help our suppliers meet their commitments, optimize production cycles, and reinforce the resilience and efficiency of our supply network.

-7.1% Increase in factoring revenues in 2025.

->3,000 suppliers used factoring in 2025.

From a customer perspective, the complexity behind this system is invisible. What matters is a simple question: Is the product available how, where and when our customer wants it? whether at the shelf, curbside, or delivered to their home. Our role is to make that experience reliable and seamless.

Footprint and Availability Beyond the Store

Our physical expansion continued to support growth in 2025. During the year, we opened 186 stores in Mexico and Central America. This represented 212 thousand additional square meters of sales floor, equivalent to approximately 1,000 proximity-format stores.

This growing footprint is important not only because of the physical presence of our different formats, but also because it strengthens availability and convenience for customers. In 2025, for example, we expanded our reach to cities such as San Miguel de Allende and Valle de Bravo without needing to open new stores in those locations.

At the same time, availability is extending beyond the store through our distribution centers and last-mile capabilities. In 2025, we expanded our supply chain network with the opening of a new perishables distribution center in Costa Rica, the largest of its kind in the region. Our network is helping us serve customers more effectively, expand access to assortment, and support growth through an omnichannel model that reaches further than the four walls of the store.

While this progress is meaningful, we know it is still below the level of growth we aspire to achieve over the long term. We remain in a transition phase, but our focus is now on accelerating execution and scaling initiatives with measurable near-term impact so we can close that gap quickly.



- Presence in 770 cities in the region.
- 5 business formats, from *Bodega* & Discount stores to Hypermarkets, Supermarkets and clubs.

Optimizing Inventory to Power the Supply Chain

As part of this evolution, we made substantial progress in inventory efficiency. We reduced days of inventory on hand through better end-to-end coordination and initiatives that enhance store productivity. An AI-based inventory-health model now distinguishes healthy from unhealthy inventory, provides root-cause visibility to replenishment, merchandising, and sales teams, and dynamically adjusts healthy days of coverage. It also predicts overstock and understock levels, both in units and in monetary value, while optimizing safety-stock thresholds. This model serves as a single source of truth for the organization, incorporating Walmart Inc.'s best practices from the U.S. market.

We also continued modernizing inbound processes through Smart Receiving, a pilot currently underway in Distribution Centers that uses AI to identify high-risk items and reduce the time stores spend on manual cycle counts. Full deployment is planned for 2026, enabling more accurate and efficient product handling across the network.

To strengthen product availability, we implemented new DT (Total Availability) metrics that track performance across the entire supply chain. This measurement approach detects availability gaps from the moment product arrives, providing early signals of potential service failures and enhancing operational discipline.

Our logistics platform became more agile and automated as well. Advances in automation, artificial intelligence, route planning, and night-delivery capabilities reinforced both first- and last-mile operations, reducing shrink, theft, and distribution times and contributing to a more resilient and efficient supply chain.

Simplifying Availability Through End-to-End Discipline

To strengthen execution, we are simplifying and standardizing our availability model by connecting three core elements end-to-end:

1. Store Mapping and Space Productivity

We continue to improve the way we design and operate our stores, from aisle flow and fixture layout, to shelf organization and product placement. This work is helping us create stores that feel more organized, better stocked, and easier to shop, while also making replenishment more efficient for associates.

A key part of this effort is clearer store mapping, which allows us to define how much space each category should use and how inventory should be placed, moved, and replenished. We are moving from isolated improvements to a more integrated execution model, supported by Walmart U.S. best practices and focused on simplifying how teams operate every day.

In Walmart Supercenter, we advanced the in-store experience through the first phase of our image refresh and expanded the rollout of our Store of the Future concept. This model is designed to optimize space, expand selling area in fast-growing categories such as Pets, introduce new concepts, and improve store flow. While still in pilot phase, early results reinforce our confidence that this initiative can strengthen competitiveness in grocery and support profitable long-term growth.

2. Real-Time Inventory Visibility

We also continue to improve real-time inventory visibility, so teams know exactly where merchandise is (whether on the sales floor or the backroom). This stronger visibility is improving replenishment decisions, reducing friction in store operations, and making it easier to serve customers across both physical and digital channels.

3. On-Hand Management

Leveraging data to generate clear, actionable daily tasks that improve inventory accuracy and ensure products remain available for customers.

Enabling Availability with Data - *Beneficios*

As with all our new businesses, beyond the numbers, what matters most is how they strengthen the core. The data generated through our *Beneficios* program is already being leveraged to enhance price architecture and optimize catalog productivity at both the item and store level. By leveraging advanced analytics and Artificial Intelligence-enabled tools such as Scintilla, our platform that delivers actionable insights on key trends such as category penetration, purchase frequency and missions, decision drivers, and cross-promotion opportunities, we are improving the quality of our decision-making and delivering better outcomes for our customers.

This simplified, connected approach allows teams to focus on fundamentals and execute with greater consistency across formats and geographies.

Efficiency at the Core: Productivity Through Automation and Operational Discipline

In 2025, we simplified processes across stores, supply chain, and last mile operations with two clear objectives: improve productivity and free up resources to keep investing in price. Throughout the year, we

accelerated the adoption of global platforms across merchandising, pricing, and inventory, while deploying data-driven tools in stores and distribution centers to improve availability and reduce unit costs.

Associates now have clearer directions on what to replenish and when to do it. Shelves are better stocked across the store, and inventory accuracy continues to improve. It has also strengthened omnichannel operations, as pickers and last-mile partners can locate products more easily and follow more efficient routes, reducing friction and improving service levels.

- Automation has already delivered direct benefits in inventory days, which improved by 4.4 days vs. last year, while availability also improved.

The automation model is already delivering results in our flagship stores. It is expected to be fully implemented in Grocery and Consumables by the end of the first half of the year, with rollout in Hardlines beginning in the second half. Together with stronger store execution, these efforts contributed to a 130 basis-point improvement in Total Availability (comparing 4Q25 vs 3Q25), reflecting better discipline across inventory planning, replenishment, and store execution. Note that Total Availability is a stricter internal metric than our previous in-stock and OSCA measures, because it focuses on whether the product is actually on the shelf when the customer is there, and it started to be measured as of the third quarter of 2025.

At the same time, we are reducing complexity to enable better execution. In formats such as *Mi Bodega* and BAE, SKU rationalization reduced catalog size by up to 30%, concentrating space, labor, and working capital on the items customers rely on most. This simplification strengthens flow, improves availability, and enhances productivity. We are also strengthening modular and assortment processes with best practices learned from Walmart Inc in the United States and Canada. This international leverage allows us to scale proven capabilities, increase consistency across all formats, and accelerate learning by adopting what already works well in other markets.

- In formats such as *Mi Bodega* and BAE, SKU rationalization reduced catalog size by up to 30%

CASE STUDY: Sam's Club Mexico provides a clear example of what disciplined execution of fundamentals can deliver. By simplifying flow, strengthening supplier collaboration, and refocusing on Fresh, Fresh in-stock improved by nearly 900 basis points to approximately 95%. This improvement was supported by more frequent deliveries and better production planning. In parallel, Days on Hand improved by more than three days year over year, demonstrating that higher availability and stronger inventory productivity can be achieved simultaneously. This combination of better in-stock for members and improved working capital efficiency is the standard we are driving across Walmart de México y Centroamérica.

Inventory Management and Consistent Execution

Inventory management is about turning data into action. In 2025, we continued strengthening the capabilities that help associates keep shelves stocked, improve inventory accuracy, and raise execution consistency across formats.

Enabling Inventory - Technology

End-to-end traceability solutions and predictive inventory tools such as Merge One improved in-stock levels, reduced shrink and waste, and optimized replenishment across stores and eCommerce. These capabilities are improving efficiency at scale, lowering operating costs, and helping us reinvest productivity gains into competitive prices for customers every day. In perishables, the scaled rollout of digital tools such as the Fresh App, with adoption above 90% in participating stores, helped reduce shrink, improve rotation, and grow sales in sensitive categories such as fruits, vegetables, and meats. In parallel, pilots in distribution centers such as Cuautitlán and Villahermosa used AI to determine pallet unloading priority, improving product prioritization and helping reduce days of inventory.

Our focus remains on Total Availability, inventory days, rotation, and shrink. These metrics are helping us raise standards across the business and reinforce a more disciplined operating model. Better inventory visibility, clearer replenishment actions, and stronger operating routines are creating a more productive store environment and a more dependable shopping experience.

Operational discipline is reinforced by technology. Connected stores and connected shelves provide real-time visibility and shelf-level intelligence through sensors and vision systems. This effectively turns the shelf into a real-time operational and data asset, improving replenishment accuracy, reducing friction for associates, and strengthening execution across channels.

Through our Customer Office, we leverage extensive customer insights to refine assortment decisions and improve inventory effectiveness across formats. These insights guide store remodels and category enhancements, ensuring assortments are better aligned with demand, lifestyle trends, and health needs. By elevating key departments and strengthening Health and Wellness with a more specialized offering, we are improving in stock levels, inventory productivity, and the relevance of our shelves, driving a more efficient use of space and capital across the store network.

Project Phoenix

This project marked an important step forward in pharmacy operations in Mexico. By combining granular ZIP-code diagnostics with an expert distribution partner, we reduced excess low-rotation inventory while improving availability of the medications most demanded by customers. This improved margins and category competitiveness by addressing long-standing issues such as excess inventory in distribution centers, out-of-stocks in stores, and slow-moving inventory occupying space without generating value. We plan to expand the program from 41 to 240 pharmacies.

Perishables

In 2025, we intensified our efforts to bring fresh, varied, and quality products to customers across Mexico and Central America. We continued to strengthen this category with initiatives that improve the shopping experience while reinforcing freshness, flavor, and Every Day Low Prices.

In Mexico, we strengthened the fresh proposition of our *Bodega* and discount formats so customers can complete the full basket with quality perishables at affordable prices. In Walmart Supercenter and Walmart Express, we complemented this with more differentiated and trend-driven assortments, which supported

higher customer satisfaction and incremental sales in core fresh categories. This was made possible by stronger competitiveness in produce, meat, bakery, and dairy, supported by improved supply chain practices and stronger store operating standards.

At Sam's Club, these efforts were complemented by greater focus on fresh categories, innovation in snacks and star products, the elimination of redundant SKUs, and increased local sourcing, further supported through Global Marketplace to deliver greater relevance and value to members.

Quality Perception

We know that perishables from our bakery, fish, seafood, and meat departments are key to strengthening our customers' trust and making every visit worthwhile. Our focus remained on both Walmart Supercenter and Walmart Express, where our continuous efforts to upscale our perishables offering are showing positive results.

During 2025, we worked hand in hand with Global Sourcing to ensure a diverse and accessible mix of local and imported products throughout the year, improving our service and quality metrics. With this, we were able to add between 800 and 900 new items to our product portfolio, which we presented across wider, better-distributed exhibits to improve assortment perception.

- 800 to 900 new perishable items were added to our portfolio.

Key Supply Chain Programs:

Perishables Network

We will continue to streamline our perishables supply chain to better manage fresh produce and reduce third-party dependence. By building an efficient import and export network with reliable suppliers, we aim to improve product availability. Automation in logistics and a low-cost distribution across our network will further support our eCommerce growth.

Enabling Availability - Technology

End-to-end traceability solutions and predictive inventory tools like Merge One improve in stock levels, minimize shrink and waste, and optimize replenishment across stores and eCommerce. Together, these capabilities strengthen availability, lower operating costs, and drive efficiency at scale, allowing us to reinvest productivity gains into competitive prices for our customers, every day.

eCommerce Acceleration

We continue to evolve to meet the lifestyles of our customers across more than 770 cities, seamlessly integrating our physical stores, digital platforms, and supply chain into a robust omnichannel proposition. This transformation allows us to exceed expectations and uphold our promise of Every Day Low Prices.

eCommerce is a non-negotiable strategic pillar, fully integrated into our core business and powered by our physical footprint, giving us a structural advantage. We operate 4,265 stores and clubs, supported by an extensive distribution-center network that enables one of the most comprehensive last-mile networks in the region.

Reach and Expansion

eCommerce is a core driver of growth, working in tandem with our disciplined store-expansion strategy. While new store openings remain a critical lever to extend our physical presence, eCommerce allows us to go further, maximizing the value of our existing footprint by expanding catchment areas and reaching more households faster.

We reached a significant milestone during 2025: our largest expansion in square footage in the past decade. Our growing network of stores, clubs, and distribution centers across all formats and regions reflects both the trust our customers place in us and our commitment to serving every client in their preferred format and location. This expansion reinforces our market-leading coverage and strengthens accessibility for the communities we serve.

- We opened the first supermarket in Costa Rica in five years
- We celebrated the opening of store number 800 under the *Mi Bodega* format.
- Together, physical expansion and eCommerce enabled us to scale reach, accelerate growth, and enhance customer service across the region.



- We celebrated the opening of our 2,600th Bodega Aurrera store in Las Choapas, Veracruz, delivering on our mission to stay closer to customers and provide the best prices.
- In 2025, we were reaching around 75% of households in Mexico.

Supply Chain

Our supply chain continues to be a strategic pillar that reinforces our leadership and positions us among the largest last-mile networks in the region. Built on a robust and integrated logistics platform, it enables us to operate with exceptional reach and reliability across every region we serve. Our supply chain is one of the key

enablers of a trusted, secure, and accessible shopping experience across both physical stores and eCommerce. With a strong distribution network, supported by 4,265 stores and 33 Distribution Centers, we connect products with customers efficiently and in a timely manner. This solid foundation strengthens our omnichannel promise and ensures we consistently deliver speed, availability, and service excellence.

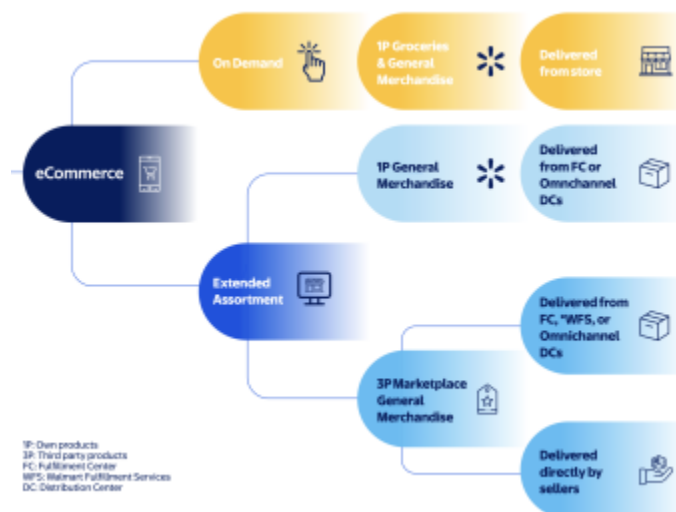


We are strengthening the future of our logistics network through the construction of two next-generation distribution centers in Tlaxcala and Bajío. These highly automated facilities, equipped with cutting-edge robotics and AI, will enhance efficiency, reduce delivery times, and expand our ability to serve hundreds of stores and clubs across the region, bringing faster and more reliable service to the families who depend on us.

eCommerce

eCommerce, alongside EDLP and Availability, is a company-wide priority. Throughout 2025, we continued accelerating our eCommerce capabilities to provide customers with a seamless, convenient, and increasingly personalized shopping experience. On Demand sits at the heart of this model, driving frequency, convenience, and loyalty by fully leveraging our stores and distribution centers. Marketplace represents our largest growth runway, fueled by On Demand traffic and expanded through Walmart U.S. capabilities, global technology platforms, proven operating models, and a scaled seller ecosystem, positioning us as a true one-stop shop for customers.

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



Mexico

In Mexico, eCommerce continues to scale at a healthy pace. In 2025, eCommerce GMV grew 17.1%, representing an 8.3% of total GMV, with net sales increasing 17.7%. Growth was driven by On-Demand performance of 22.1% and Marketplace expansion of 12.7%, reflecting strong customer adoption of fast, reliable fulfillment options and broader digital assortment. Service levels remain a key differentiator, with a high proportion of orders delivered same day or within two days, reinforcing frequency, loyalty and repeat usage.

- 17% GMV growth in Mexico.

Central America

In Central America, eCommerce is at an earlier stage of development but is scaling rapidly as we enable additional stores with omnichannel capabilities and the launching of our mobile app across the region. These efforts further integrate digital and physical touchpoints, making it easier for customers to shop however and wherever they choose. During 2025, eCommerce GMV in the region grew 42% year over year, significantly outpacing overall sales growth and increasing sales penetration by 40 basis points, highlighting the long-term opportunity to expand digital adoption across the region. This performance reflects increasing customer engagement, improved logistics capabilities, and the gradual integration of omnichannel tools across formats.

- A key milestone was the rollout of our mobile app, previously available only on the web, now deployed across multiple formats in Costa Rica, Guatemala, and additional markets.
- 42% GMV growth in Central America.

Across both regions, the strategy is consistent: leverage physical assets, distribution centers and stores to enable fast fulfillment, expand digital reach and improve customer experience, while maintaining strict

discipline on execution. As eCommerce penetration increases, it also strengthens the broader ecosystem, driving higher engagement, richer data and incremental value creation across channels.

Enabling eCommerce Growth – Financial Solutions

During the year, we strengthened our digital ecosystem by expanding access to credit for online purchases through Cashi, our digital bank account. Through a strategic integration with APLAZO, a leading Buy Now, Pay Later (BNPL) provider, we enabled customers to finance online purchases across our platforms without the need for a traditional credit card. This initiative addresses a structurally underpenetrated credit market in Mexico, supporting financial inclusion while enhancing affordability and flexibility for our customers.

With 1.5 million pre-approved credit lines, a fast and fully digital onboarding process, and transparent repayment terms, this solution primarily benefits customers with limited or no access to financial products. By broadening payment alternatives in eCommerce, we continue to remove barriers to online adoption, strengthen our value proposition, and help families better manage their spending, advancing our purpose of helping people save money and live better.

El Buen Fin

During our participation in *El Buen Fin* after a six-year absence, we delivered solid customer engagement despite results below initial expectations. Throughout the event, we recorded more than 76 million transactions across stores and clubs, over 180 million eCommerce visits, and achieved the highest single-day sales in Walmex's history on November 17. These results underscore the strength of our omnichannel platform and customer relevance.

Mexico

On Demand

Scaling reach, speed and reliability through our physical asset base.

On Demand is the core engine of our eCommerce business, designed to fully leverage Walmex's unmatched physical footprint and operational scale. Rather than operating as a standalone digital channel, On Demand extends our Every Day Low Price (EDLP) and availability promise to more households, with greater speed and convenience, while reinforcing customer trust across channels.

Our model is underpinned by a structural advantage that no pure-play competitor can replicate: more than 3,300 stores and clubs in Mexico, supported by a nationwide distribution network operating as omni-fulfillment hubs. This infrastructure enables one of the most extensive last-mile networks in the country, delivering clear advantages in geographic reach, order density, and cost-to-serve efficiency.

By fully integrating stores, supply chain, and technology, we serve customers from shelf to doorstep, transforming physical assets into scalable digital capabilities.

Making Shopping Easier Through Speed and Access

Customers consistently prioritize speed and access, and On Demand is designed to deliver both at scale. Today:

- 65% of On Demand orders are delivered the same day, and
- 98% are delivered within two days.

Reflecting strong execution across store operations, inventory accuracy, and last-mile fulfillment. These service levels reinforce convenience, frequency, and loyalty, while driving higher household penetration.

- On-Demand GMV grew 22% in 2025.

The 2025 results confirm that the priority is no longer just to “offer” the service, but to run it at world-class standards, with simultaneous improvements in volume, on-time performance, NPS and slot availability.

Crowdsourcing: Strengthening Fast Delivery at Scale

We expanded On Demand coverage across all formats by enhancing our capabilities, reaching new locations, increasing crowdsourcing availability, and meeting growing demand with faster, more reliable services. Speed remained a defining differentiator. The scale-up of crowdsourcing and the expansion of quick-commerce capabilities played a key role. Although average order value declined, order frequency doubled, resulting in higher monthly spending per customer. This delivery model now represents 29% of total deliveries in Mexico.

Mexico

Walmart Express and Walmart Supercenter also strengthened their omnichannel experience to be faster and more reliable through a unified platform, expanded slot availability, and a larger crowdsourcing network. These enhancements enabled the launch a 30-minute delivery pilot across 226 stores, complementing the existing Pronto 90-minute delivery option. Our accelerated 2026 plan aims to extend this capability to all Walmart Express and Supercenter locations.

Sam’s Club delivered standout On Demand performance, driven by the expansion of 90-minute Pronto orders and a meaningful increase in available delivery slots.

Central America

To strengthen delivery capacity, we partnered with a crowdsourcing provider that reached 10% of orders within three weeks of launch in Costa Rica and Guatemala. This model will soon expand to all urban Walmart stores across the region.

Extended Assortment

We focused on strengthening and growing our extended assortment by leveraging advanced technologies and proven strategies from other Walmart regions, ensuring that these enhancements deliver maximum value for our customers.

As our omnichannel capabilities evolved, we accelerated interconnectivity through One Hallway, a tool that allows customers to access millions of products online with ease and without friction. They can place orders that combine products available for immediate store-based delivery, and additional online-only products offered through our Extended Assortment, either via our own On Demand network or the Marketplace. Initiatives such as One Hallway represent structural changes in the way customers experience our digital ecosystem.

Marketplace: Expanding Choice, Scale and Long-Term Growth

Marketplace represents our largest long-term growth opportunity within eCommerce, significantly expanding assortment and customer choice while reinforcing our omnichannel value proposition. As On Demand drives frequency and traffic, Marketplace amplifies that demand by broadening access to categories and products beyond the limits of physical shelf space. This complementary dynamic positions Walmex as a true one-stop shop for Mexican households across channels and shopping missions.

Marketplace is not a standalone initiative. It is a core component of our integrated omnichannel strategy, designed to strengthen the retail core and accelerate sustainable growth at scale.

It operates as part of a self-reinforcing omnichannel flywheel: On Demand generates traffic, convenience and repeat engagement, which in turn feed Marketplace, boosting visibility and conversion across a broader assortment. Marketplace then enhances customer value by expanding choice and availability, reinforcing loyalty, and driving further traffic back into our digital platforms.

This flywheel increases frequency, basket size and engagement, while improving eCommerce economics through higher scale and operating leverage.

Our Marketplace continued strengthening its role within our extended assortment strategy, guided by our ambition to become the world's most trusted marketplace. While we prioritize a curated assortment over a crowded product portfolio, our focus remains on guaranteeing quality and responsible sourcing. Throughout the year, we advanced the global alignment of processes and safeguards that ensure a reliable, secure, and high-quality experience for our customers and sellers.

Additionally, we continued curating a high-quality cross-border assortment focused on product authenticity and provenance. Today, one in every ten Marketplace orders is cross-border, demonstrating strong customer demand for international products available in other Walmart markets and reinforcing the platform's role in expanding access to global offerings.

Central America

In Central America, we also made progress in On Demand adoption through local technology enhancements. This positioned us to launch a Marketplace pilot that now enables local suppliers to join the platform and

expand their reach while providing customers a broader assortment. Together, these initiatives reinforce our commitment to convenience, speed, and inclusive growth across Central America.

Leveraging Walmart's Global Capabilities

Marketplace benefits directly from Walmart's global scale and capabilities, including: Global technology platforms, Proven operating models, and a global seller ecosystem, including cross-border trade.

These capabilities allow us to scale faster and more efficiently than local competitors, while maintaining operational discipline. We are not building Marketplace from scratch; we are adapting and scaling solutions that already operate successfully across Walmart markets worldwide.

- 13% Marketplace GMV growth in Mexico in 2025.
- We are building a healthier Marketplace, expanding into new categories and onboarding sellers with stronger margin profiles, while leveraging cross-border opportunities that meet our return objectives.

Walmart Fulfillment Services as a Key Enabler

Walmart Fulfillment Services (WFS) is a critical enabler of Marketplace scale and service quality. WFS reinforces trust by delivering a more consistent experience across first-party and third-party assortment, while supporting sellers with simplified logistics and scalable infrastructure.

As we enter a new stage of transformation, WFS stands at the center of our ambition to deliver faster, more predictable and increasingly automated fulfillment experiences across the region.

A Scaled, High-Velocity Fulfillment Network

Throughout the year, our fulfillment network continued to expand its operational reach through strategically positioned nodes that improve delivery speed and inventory availability. These compact, agile facilities integrated directly into our logistics ecosystem, allow sellers to store products closer to customers, enabling significantly faster delivery times compared with traditional Marketplace models.

Automation remains a key accelerator of performance gains. Building on the advanced capabilities deployed in prior years, including robotics, automated sorting systems, and enhanced warehouse-management technologies, WFS continues integrating tools that streamline picking, reduce errors and increase throughput across high-volume locations. These solutions have proven essential to meet rising demand while maintaining optimal service levels and operational precision.

A Reliable Engine for Marketplace Growth

WFS has solidified its position as a key driver of Marketplace expansion by enabling sellers to scale efficiently, access broader customer bases, and benefit from Walmart's supply-chain strength. The service has historically supported a substantial share of Marketplace orders, reflecting sellers' preference for a fulfillment model that consistently reduces delivery times by half compared with non-WFS shipments.

As assortment continues to diversify and seller participation rises, WFS remains essential to sustaining the operational quality customers expect particularly as SKU volume and seller activity increase. The performance of the WFS fulfillment network continues to reinforce trust, drive conversion, and amplify the impact of our broader omnichannel initiatives.

Customer Experience at the Center

Customer satisfaction remains one of WFS's strongest indicators of success. By leveraging our logistics network, optimized delivery routes, and continuous automation investments, the service delivers a seamless experience that reduces friction and strengthens loyalty.

In 2025, WFS represented 37% of Marketplace orders, reflecting its growing influence and its role in improving delivery times and overall fulfillment quality. These improvements, paired with our efforts to integrate enhanced data-analytics and customer-insight models, guide our decision-making and help us anticipate evolving needs.

- 12% WFS growth in 2025.

1. By continuously expanding our technological foundation and strengthening collaboration across Marketplace operations, supply chain and technology teams, WFS is positioned to remain a cornerstone of Walmart's omnichannel ecosystem in 2025 and beyond.

Financial Value

2025 reaffirmed the resilience of our business and the strength of our core. While a softer-than expected consumption environment weighed on growth and we were not satisfied with the results, the underlying performance remained solid, supported by continued market share gains and disciplined execution across the business.

In 2026, we are accelerating the pace of execution of our 3 business priorities: EDLP, Availability and eCommerce acceleration.

In Mexico, we once again grew same store sales ahead of ANTAD, marking our twelfth consecutive year doing so. This reinforces our ability to continue gaining market share, as well as the long-term relevance of our formats that serve customers when they need us most. We also expanded margins while protecting our price leadership, continuing to invest in value for customers, and strengthening price perception. At the same time, we improved inventory levels.

Our strategy, anchored in strict financial discipline, continues to translate into consistent growth and attractive returns. Looking ahead, we will stay focused on the core that defines us. EDLP is our DNA and a commitment that guides every decision. To make that promise real, we will continue strengthening availability and execution so customers find what they need, when they need it. We will keep accelerating eCommerce by building on a competitive advantage that is hard to replicate: our network of stores and clubs. With this, we intend to reinforce the trust that customers and business partners put in us.

Performance

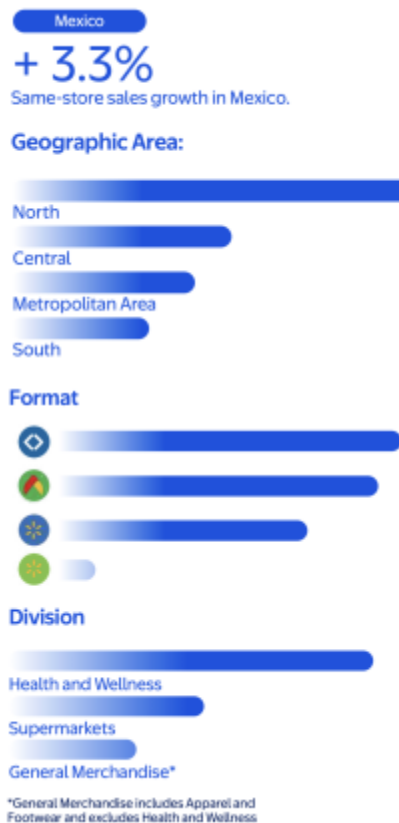
Upholding our market leadership with above-market same store sales growth

We are proud to reaffirm our leadership with a solid performance in 2025. We continued to consolidate our position as a benchmark in the sector. We maintained sustained growth, driven by our financial discipline, the strengthening of our core, and a value proposition focused on offering low prices to our customers in Mexico and Central America, despite a challenging macroeconomic environment.

Our strategic investments in technology and omnichannel expansion allowed us to grow in all formats, divisions, and regions in Mexico. We faced some issues in Costa Rica with a deflationary environment.

Growth by country, geographic area, format, and division

Same-store sales (SSS) growth





Mexico

In Mexico, our ability to adapt and focus on our customers' and members' needs allowed us to achieve a 3.3% same-store sales growth.

We experienced the most growth at the Northern region, followed by the Central, Metropolitan and South regions. Sam's Club and *Bodega* were the formats that presented the best growth levels, and while all merchandise divisions posted positive numbers, Health & Wellness and Food & Consumables were the divisions that showed the most significant growth.

We reached revenue of 836.4 billion pesos, which implied a 4.9% growth compared to the previous year. At year-end, the GMV (Gross Merchandise Value) of our eCommerce grew by 17.1% and represented 8.3% of the total GMV in Mexico.

- For the twelfth consecutive year, we have grown our same-stores sales above the formal market measured by ANTAD.



We reported a 10 basis point gross margin expansion to 24.2% of revenues, mainly supported by our new businesses contribution.

SG&A accounted for 16.3% of total revenues, a 30 basis points increase compared to 2024, driven by our continued strategic growth investments in new stores, enhanced digital capabilities, and a stronger value proposition for our associates and customers.

EBITDA was 87.3 billion pesos, representing a 2.5% increase compared to 2024, and a margin of 10.4%.

This year we opened 162 new stores, driven mainly by Bodega Aurrera Express, a format in which we launched more than 100 locations during the year. This expansion strengthened our presence across the country and made a meaningful contribution to sales growth and profitability, adding greater proximity to our customers.



Central America

In a year of progress amid a challenging environment, Central America faced more cautious consumption yet continued to strengthen its position through store expansion, and an enhanced omnichannel experience, deepening customer preference and translating into solid financial results for the region.

During the year, same-store sales grew 1.7%, with Honduras and El Salvador leading this growth, followed by Guatemala and Nicaragua, impacted by a slightly decrease in Costa Rica. This performance allowed us to reach total revenues of 175.2 billion pesos, which imply a 3.5% growth versus 2024. Turning around Costa Rica performance is key.

Our gross margin grew 10 basis points to 24.4% of total revenues, driven by the stronger contribution from Walmart Connect, supported by supply-chain and logistics efficiencies, which together offset price investments and customer value proposition initiatives. SG&A represented 18.0% of total revenues, a slight year on year increase of 4.4% as growth investments in eCommerce, store expansion and new businesses development were partially offset by operational efficiency initiatives implemented throughout the year. Operating income represented 6.5% of total revenues, a 1.2% growth compared to the previous year. EBITDA was 16.1 billion pesos, a 3.5% increase versus 2024, with a margin of 9.2% of total revenues.



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

Consolidated

At a consolidated level, our same-store sales grew 3.9% versus the previous year, reflecting the strength of our value proposition and our ability to continue gaining market share over time, even in challenging economic cycles.

As a result, we generated a total of 1,011.6 billion pesos in consolidated revenues, a 5.5% growth versus the previous year. Our new openings contributed 1.7% to the total sales growth rate.

Our consolidated gross margin grew 10 basis points to 24.2% of total revenues, mainly driven by the contribution of our new businesses in both regions, and benefits across our supply chain. Despite the context of pressure on revenue growth, we stayed focused on what we can control and continued investing in price and growth while strengthening our value proposition.

SG&A represented 16.6% of consolidated revenues, a 7.7% growth, reflecting strategic investments in new store growth, eCommerce acceleration and technology.

Operating income represented 7.8% of total revenues, growing 1.5% versus last year. EBITDA totaled 103.4 billion pesos, which implies a 3.4% growth rate compared to 2024, reaching a 10.2% margin.

Our consolidated net income was 49.9 billion pesos, a 7.3% decrease compared to the previous year, impacted by a higher effective tax rate.

Our financial discipline has enabled us to deliver sustainable growth, preserve a solid financial position and continue generating attractive returns for our shareholders.



Sales Share by Business Format

Our multi-format strategy allows us to cater to our customers' different shopping habits, combining physical stores, digital platforms, and specialized services. From discount formats such as Bodega Aurrera to club model such as Sam's Club, each one plays a key role in our business model. This diversity allows us to adapt to specific lifestyles, preferences, and needs, consolidating our leadership in retail and transforming the shopping experience in Mexico and Central America.

48% Bodega and discount stores: Store formats that focus on customers looking to shop at the best prices. Through our Every Day Low Prices value proposition, we offer perishables, groceries, consumables, and general merchandise at the best prices in the market. All these products can be purchased On Demand and through our website, with same-day delivery and an Extended Assortment.

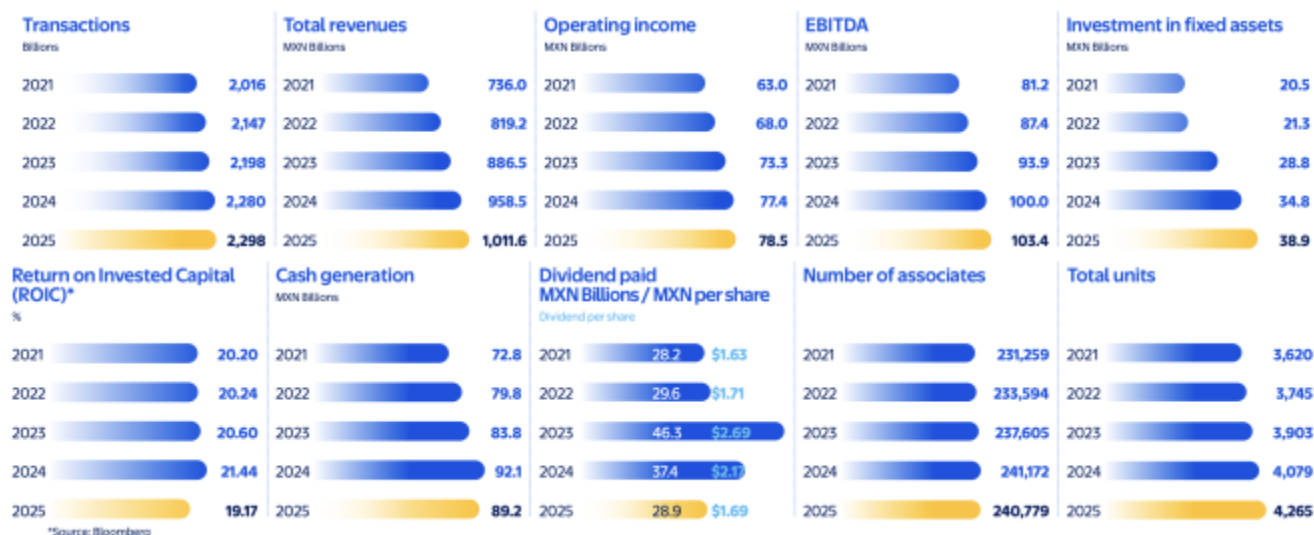
25% Hypermarkets: Our proposal is to offer an extensive product catalog (ranging from perishables, groceries, consumables, general merchandise, and apparel) through Every Day Low Prices. We offer an Extended Assortment on our website, complemented by our Marketplace, so that our customers have everything they need in one place. To offer a better experience, we enabled stores with omnichannel capabilities to offer On Demand service with delivery a few hours after the order is placed.

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

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

Key Figures

We have a solid and steadily growing cash flow generation.



Creating Value

In 2025, we continued to strengthen the way we generate financial value for our shareholders, underpinned by disciplined execution and a clear long-term vision. Shareholder confidence remains a central element of our strategy, and our capital allocation decisions are designed to support sustained value creation over time.

During the year, we paid a total of 28.9 billion pesos in dividends, consisting of an ordinary dividend of 1.30 pesos per share and an extraordinary dividend of 0.39 pesos per share. The ordinary dividend was paid in two installments of 0.65 pesos per share, on November 19 and December 17, 2025, while the extraordinary dividend was likewise paid in two installments: 0.19 pesos per share on November 19 and 0.20 pesos per share on December 17, 2025.

Our objective is to preserve an attractive and reliable cash return for shareholders, while maintaining the financial flexibility required to support strategic investments and the Company's long-term growth.

- 66.18 Maximum price 21th May, 2025
- 56.13 Close price 31th December, 2025

Investments

We continue to allocate strategic resources to strengthen our business, expand key capabilities, and prepare for future challenges. Our investments are focused on improving the shopping experience, boosting operational productivity, and strengthening our connection with our customers and members.

During 2025, we invested \$38.9 billion pesos in strategic projects that consolidate our long-term vision and ensure sustainable growth. These investments reflect our commitment to efficiency, innovation, and value creation in every part of our operations.

- **Remodels:** 39% of our investment, upgrading our existing stores and enabling them with omnichannel capabilities to offer a more complete and efficient shopping experience.
- **New store openings:** 29% of our investment, reflecting our commitment to growth and expansion in key regions.
- **Supply chain:** 24% of our investment, increasing our operational efficiency and optimizing our Distribution Centers to meet demand in a more agile manner.

eCommerce and technology: 8% of our investment, focusing on the digitalization of processes, store automation, and the improvement of our technological platforms to strengthen our omnichannel capabilities.



Income Statement and Balance Sheet

As of December 31, 2025.

Walmex consolidated results (MXN Billions)

	2025		2024		Var.
	\$	%	\$	%	%
Total revenues	1,011.6	100	958.5	100	5.5
Gross profit	245.2	24.2	231.5	24.1	5.9
General expenses	168.0	16.6	156.1	16.3	7.7
Other income, net	1.3	0.1	2.0	0.2	(32.0)
Operating income	78.5	7.8	77.4	8.1	1.5
EBITDA	103.4	10.2	100.0	10.4	3.4
Net income	49.9	4.9	53.8	5.6	(7.3)

Balance sheet (MXN Billions)



Shared Value

Creating long-term value that regenerates communities, empowers people, and sustains our planet.

Strategy

Our Shared Value approach is embedded in our strategy, focused on creating long-term value by addressing key stakeholder needs in innovative and effective ways.

We seek to create positive socioeconomic and environmental impact that contributes to the regeneration, health and well-being of people, communities, and the planet. This approach enables us to operate efficiently today while building a strong foundation for sustainable growth in the future.

Opportunity:

- Our People
- Supplier Opportunities

Community:

- Serving Communities
- Safer and Healthier Products

Ethics and Integrity:

- Ethics and Compliance
- Information Security
- Human Rights
- Risk Assessment
- Corporate Governance

Sustainability:

- Climate Resilience, Energy and Emissions
- Circular Economy
- Regeneration of Natural Resources

Shared Value approach

Integrating social and environmental solutions that create value for both our business and stakeholders is embedded in our DNA. Creating shared value drives us to generate positive socioeconomic and environmental impact, contributing to the regeneration, health, and well-being of people, communities, and the planet. This approach enables us to operate efficiently today while building a strong foundation for sustainable growth in the future.

We regularly conduct formal assessments of our environmental, social and governance (ESG) priorities, gathering insights on the most relevant issues for our business, stakeholders, and Walmart's capacity to create impact. These evaluations allow us to continuously review and adjust our priorities to ensure they reflect evolving expectations, current context and remain aligned with our business objectives.

We also analyze key business drivers and ESG factors to define outcomes aligned with our shared value approach. Based on these outcomes, we establish metrics to track progress.

Shared Value Strategy Performance		Region	
Opportunity	Executive positions held by women (% of total executive positions)	MX CAM	43.0% 41.8%
	Associates with disabilities (% of total associates)	MX CAM	3.6% 5.3%
	Purchases from Small farmers (<i>Pequeño Productor</i>) (% of total purchases accounted by F&V participating in the program)	MX	16.5%
	Purchases from SMEs farmers (<i>Tierra Fértil</i>) (% of total purchases accounted by F&V participating in the program)	CAM	67.7%
Community	Food and general merchandise retrieved by donation (% of total loss)	MX CAM	48.8% 32.1%
	Donations (Million MXN)	MX CAM	4,299 17.9
Sustainability	Zero Waste (% of waste diverted from landfill)	MX CAM	82.9% 73.7%
	Scope 1 & 2 emissions (% vs last year)	MX CAM	4.3% 13.2%
Ethics and Integrity	Associates' accidents (% of reduction vs baseline 2015)	MX CAM	-67.0% -66.2%
	Customers accidents (% of reduction vs baseline 2015)	MX CAM	-80.7% -67.6%
	Wastewater discharge (% of compliance)	MX CAM	97.5% 91.3%
	Apps in production with an approved SSP (% of total apps)	MX CAM	96%

ESG Management

ESG Governance Model

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

Walmart Inc. establishes the global Shared Value strategy and defines the objectives that guide our ambition to create long-term value for stakeholders. Recognizing that each country operates within unique contexts, we adapt these objectives to address regional needs. At Walmart de México y Centroamérica, we work to effectively respond to the specific characteristics of the communities where we operate, contributing to sustainable development and local well-being.

For 2025, we continued conducting quarterly audits of our Tier 1 ESG objectives through our Controllershship team. The progress is reviewed quarterly by the Audit Committee and at least once a year by the Executive Committee in Mexico, by the Executive Committee in Mexico and Central America composed of the company's senior leadership, oversee and guide the implementation of initiatives to achieve these objectives. Progress is then reported to the Board of Directors of Walmart de México y Centroamérica. This follow-up ensures efficient oversight and timely decision-making.



Accurate and reliable information is essential for data-driven decision-making and compliance with reporting requirements. To ensure this, we have implemented an ESG Governance Policy aligned with Walmart Inc.'s global ESG Policy. It guarantees adherence to the highest reporting principles by promoting transparency, clarity, and accessibility throughout the metric calculation process, while clearly defining the responsibilities of each area.

This approach allows us to align with major global agendas, including the Sustainable Development Goals (SDGs) and the United Nations Global Compact. In 2019, we identified our five priority SDGs through a

process involving the Executive Committee and industry studies at local, regional, and global levels. Since 2020, we have integrated a historical report to monitor and track our progress toward achieving these goals.

Opportunity

Supplier Opportunities

Helping customers save money and live better begins with delivering affordable, innovative, and high-quality products. By sourcing locally from a diverse network of suppliers, we not only strengthen local economies and create jobs but also open market opportunities for emerging businesses.

When suppliers succeed, local economies gain strength, and our supply chain becomes more resilient.

- 39,294 suppliers in the region. | 25,191 Mexico | 14,103 Central America
- 4,222 new suppliers. | 3,140 Mexico | 1,082 Central America

SUCCESS STORY: *Hecho en México* (Made in Mexico)

At Walmart Mexico, we joined the *Hecho en México* initiative led by the Ministry of Economy, reaffirming our commitment to the development of local suppliers and the promotion of national production and consumption. As part of this commitment, we implemented a signage campaign across our stores and clubs to highlight and promote Mexican products. More than 90.2%* of the products sold in our stores and clubs were made within the country.

*Calculation based on the methodology for products Made in Mexico issued by the Ministry of Economy on February 17, 2025:

https://www.dof.gob.mx/nota_detalle.php?codigo=5749333&fecha=17/02/2025#gsc.tab=0;84.4%

considering all product categories sold at Walmart Mexico.

Inclusive Supply Chain

We continue to strengthen and integrate our efforts to support both current and potential suppliers and sellers by reinforcing our training ecosystem and omnichannel access. Our goal is to help them identify the best business opportunities according to their stage of development. Through a comprehensive approach, we enable those who wish to join our supply chain to explore the different options within our omnichannel model and choose the one that best fits their level of maturity. With different programs and tools, we aim to foster their growth, create market opportunities that allow them to evolve their operations, meet customer expectations, and generate long-term value for their businesses.

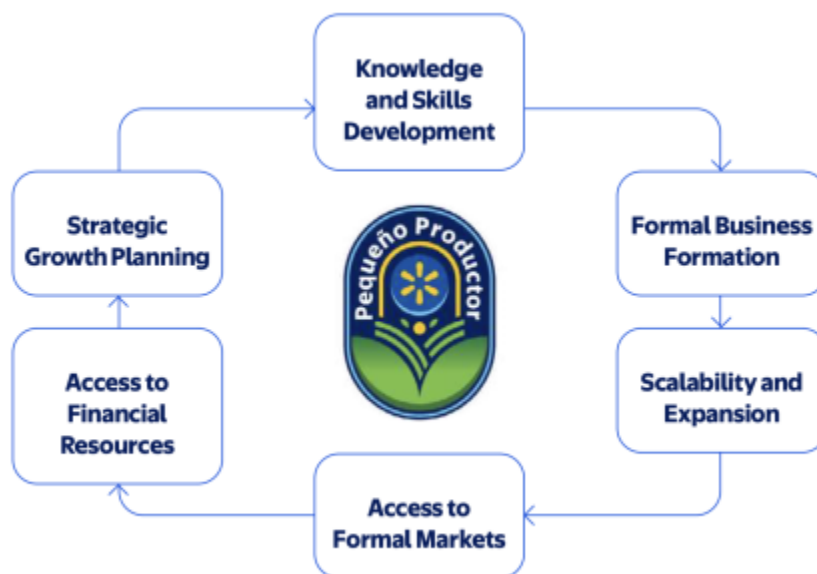
Market Access and Development Opportunities

We help current and potential suppliers access the formal market, whether through our physical stores and clubs, or via our eCommerce channels, including our Extended Assortment and our Marketplace. To support this, we provide tailored training programs covering production practices, financial planning, logistics, digital skills, sustainability, and commercial management. These programs enable aspiring suppliers not only to enter the market but also to manage growth successfully. Our approach emphasizes clear communication and practical support, with training adapted to regional realities to foster sustainable development and long-term value.

Pequeño Productor (Small Holder Farmer)

2025 OBJECTIVE: 16.5% purchases from *Pequeño Productor* of total purchases accounted by fruits and vegetables participating in the program.

This program is designed to combat rural poverty and foster social development in Mexico by creating opportunities for small holder farmers living below the poverty line. Through training and practical tools, the program helps farmers to access formal markets, boost productivity and income, reduce migration pressures, generate employment, and strengthen local economies.

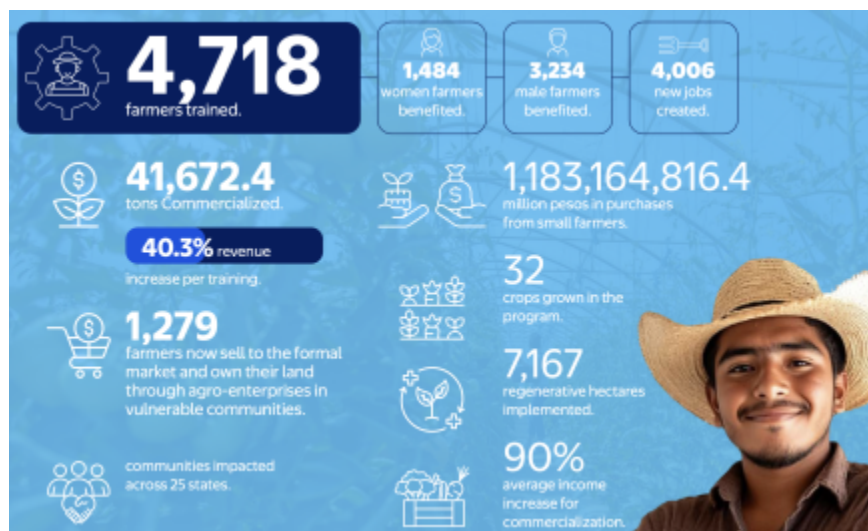


By removing barriers and fostering integration, the program aims to transform small holder farmers into agro-entrepreneurs and broaden their access to opportunities. This model brings together key elements that maximize impact, reach, and potential, ensuring sustainable growth and long-term development.

- Product demand-driven approach.
- Identification of diverse commercial channels to provide direct market access.

- Training to strengthen production practices and commercial skills.
- Integration of regenerative agricultural practices to boost productivity and protect natural resources.
- Guidance on quality and packaging standards.

By fostering local supply chains and creating inclusive economic opportunities, we aim to generate positive spillover effects that help strengthen communities. The program turns barriers into catalysts for growth and drives sustainable agricultural development across Mexico.



SUCCESS STORY: Small Farmer Diversification

Today at Walmart Mexico, a third of all tomatoes sold are sourced from one of 553 small holder farmers who own their land and have successfully risen above the poverty line in vulnerable communities across the State of Mexico, Hidalgo, Puebla, Oaxaca, and Tlaxcala. Through this collaborative effort, in 2025 they achieved a production of over 13,500 tons.

Similarly, a third of all avocados sold come from one of 883 small holder farmers, also landowners, who have transformed their reality in vulnerable communities in Jalisco, Morelos, Guerrero, Colima, Chiapas, Puebla, and the State of Mexico. In 2025, their efforts resulted in a production exceeding 8,800 tons. This impact reflects our commitment to productive inclusion, strengthening local economies, and creating sustainable opportunities for thousands of Mexican families.

Central America

Tierra Fértil (Fertile Soil)

Tierra Fértil aims to empower small and medium-sized agricultural farmers in Central America, helping them transform their operations into thriving agribusinesses. We promote their growth and development by strengthening production and commercial capabilities, while ensuring secure payments without intermediaries.

This program benefits our agricultural suppliers and enhances our value proposition to customers by guaranteeing the availability of high-quality local products at competitive prices.

Our team of engineers and agronomists plays a key role as in-house technical advisors, providing ongoing support to suppliers. Through regular farm visits, they offer guidance on critical topics such as regenerative farming practices, reducing agrochemical use, pest and disease control, soil management, and responsible resource utilization.

2025 OBJECTIVE: 67% purchases from *Tierra Fértil* of total purchases accounted by fruits and vegetables participating in the program.

In collaboration with the Guatemalan Exporters Association (AGEXPORT) we trained nearly 400 farmers to professionalize their agricultural practices and meet quality standards. This initiative not only enhances productivity and sustainability but also facilitates their integration into our sourcing network, creating long-term economic opportunities for local communities.



SUCCESS STORY: Enhancing Local Production

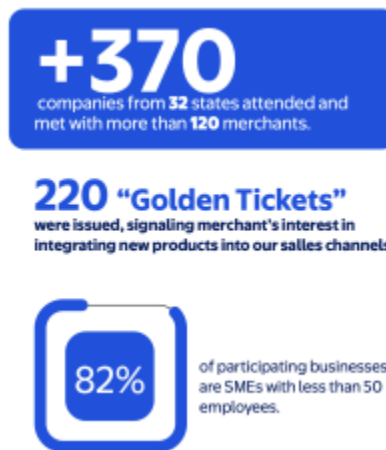
Through our *Tierra Fértil* program, we strengthened our shared value strategy by supporting Willians López, a long-standing escarole farmer in Honduras who has supplied us for more than 20 years. In 2025, we facilitated the construction of a 4,000 square meter mesh greenhouse to enhance sustainable production of escarole and lettuce, increasing supply capacity while reducing climate-related risks and chemical use through semi-hydroponic farming. With the new mesh house, he will be able to ensure delivery of 500 additional boxes, reaching a total of 2,000 units. This initiative benefitted more than 30 direct and over 150 indirect workers in the Azacualpa region and ensured high-quality, sustainable products for our customers.

México

Walmart Mexico Growth Summit

We held the third edition of the Walmart Mexico Growth Summit in May, an open call for companies of all sizes to join our supplier network, gaining access to millions of customers through our stores and clubs, as well as our eCommerce channels, including our Extended Assortment and Marketplace. This program creates a unique opportunity for businesses to connect directly with our merchandising team.

During the event, we hosted seven learning sessions focused on essential topics such as barcodes, supply chain fundamentals, logistics, and how our ecosystem works, providing a clear understanding of our company.



SUCCESS STORY: *Flor de la Paz*: Organic Tea with a Cause

Flor de la Paz is a Mexican company dedicated to producing organic teas while supporting vulnerable communities. Our partnership began in 2014 through the *Pequeño Productor* program, which we strengthened after the 2023 Mexico Growth Summit. As a result of their participation in this event, the company expanded its assortment and increased the number of products available in our stores. Their experience exemplifies what a successful supplier journey looks like at Walmart: growing through multiple programs and sales channels and evolving from a small supplier into a brand with greater reach and stronger impact.

SUCCESS STORY: *Limpieza y Frescura*

LiF is a Mexican company that produces a chewable mouth brush made from biodegradable plastic. Their product entered our shelves after the 2024 Mexico Growth Summit, starting with a pilot in 60 stores. Customer response to this product was outstanding, and LiF quickly scaled up. Today, their products are available in more than 1,300 stores across all our formats, and the company is expanding into new categories. Their growth has been remarkable: in just one year, LiF's sales increased more than fivefold. This demonstrates how an innovative product, combined with the right support and market access, can scale rapidly and reach customers nationwide.

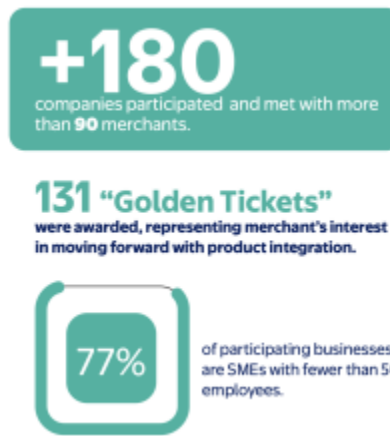
Central America

Walmart Central America Growth Summit

In July, we held the first edition of the Walmart Central America Growth Summit. The event was created to strengthen our commercial relationships with companies across the region, and it brought together businesses from all five countries where we operate: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

Over the course of the event, we hosted seven learning sessions covering key topics such as barcodes, the Walmart ecosystem, logistics, and supply chain fundamentals. These sessions were designed to give potential suppliers a clear understanding of how to work with us and to prepare them for successful integration.

The summit also welcomed the President of Guatemala, Bernardo Arévalo de León, who underscored the importance of the event for the region's economic development.

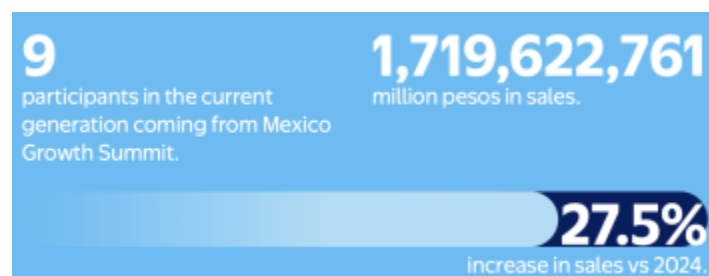


Adopta una Pyme (Adopt an SME)

Since its launch in 2014, the *Adopta una Pyme* business acceleration program has supported micro, small, and medium-sized enterprises in our supply chain. This program focuses on strengthening participants' strategic vision and operational capabilities, helping them better position their products across our stores, clubs, and eCommerce channels, which serve a broad customer base each day.

- In 2025, the eleventh generation of the program graduated, with the participation of 55 SMEs.

Throughout the program, we offer a comprehensive learning path that spans a wide range of topics from logistics, strategy, operational and compliance requirements to a deeper understanding of our ecosystem and best practices.



SUCCESS STORY: *Hecho a Mano* – Tradition with Purpose

More than 20 years ago in Cuernavaca, Mexico, *Hecho a Mano* was founded with a clear mission: to combine tradition, quality, and social impact. Guided by its women’s empowerment philosophy, *Manos de Mujer Mexicana* (Mexican Women’s Hands), 99% of its workforce is integrated by women who are key providers for their families and change-makers in their communities. Known for its artisanal cookies made without additives or preservatives, *Hecho a Mano* blends authentic flavor with efficient production and scalability.

In 2022, the company joined Walmart through the *Adopta una Pyme* program, integrating into our value chain with unique products and a strong social focus. Since then, growth has been remarkable: from 168 stores in 2022 to over 400 stores in 2025, across Walmart Express and Supercenter formats, while diversifying its portfolio. Driving innovation, *Hecho a Mano* also introduced *jalapeño* and *chipotle* savory cookies, a first in the market. This illustrates how *Adopta una Pyme* not only accelerates local supplier growth but also strengthens supply chain resilience and creates meaningful social value.

Central America

Una Mano para Crecer (A Helping Hand to Grow)

This program is designed to foster the growth and development of small and medium-sized manufacturing companies in Central America. By providing customers with high-quality, locally sourced products, we strengthen our value proposition while driving economic activity and improving quality of life in the communities where we operate.



SUCCESS STORY: Fall In Beauty

In Guatemala, the vibrant passion for colors and textures comes to life through Fall In Beauty—a company dedicated to creating unique pieces with an unwavering commitment to quality and community development. At the heart of this story is Begoña Leal, a visionary entrepreneur who transformed her love for fabrics into opportunities for women and families. At just 21 years old, Begoña assumed leadership of her family’s business and reimaged her father’s company into what is now Fall In Beauty. Through determination and vision, she turned a personal passion into a thriving enterprise.

With the support of Walmart’s *Una Mano para Crecer* program, Fall In Beauty has achieved exponential growth. This partnership enabled the brand to place its products across multiple formats such as *Despensa Familiar*, *Maxi Despensa*, *Paiz*, and *Walmart Supercenter*.

Today, Fall In Beauty stands out not only for its exceptional quality and innovation but also for its strong social commitment. The company positively impacts the lives of 16 employees, 14 of whom are women, many of them single mothers who have found in this initiative a meaningful opportunity for growth and stability.

***Crece con Walmart* (Grow with Walmart)**

As part of our omnichannel strategy, our Mexican Marketplace has become a key platform for small and medium-sized businesses to expand their reach and bring their products closer to families across the country. To support this growth, we have *Crece con Walmart*, a training program designed to strengthen the business and digital capabilities of Mexican micro, small, and medium-sized enterprises and accelerate their integration into our Marketplace.

By 2025, the program had more than 500 active users with access to over 30 self-paced learning modules on the platform. This year, we also introduced live learning sessions, to help participants to reinforce and deepen their knowledge.

OUR GOAL: Train 30 thousand MSMEs by 2029.

- We expanded our learning offerings through the Supplier Academy. This comprehensive platform is designed to help current and potential suppliers, as well as Marketplace sellers, strengthen their business and digital capabilities. The Supplier Academy provides training on essential business fundamentals and offers in-depth content on understanding our various sales channels and how the Walmart Marketplace operates. By providing participants with these skills, we aim to ensure they are fully prepared for success in our evolving omnichannel business.

Export Opportunities

Access to global markets represents a major milestone for any supplier. To support this, we identify and develop regional suppliers, creating opportunities for them to participate in international markets. This approach enhances their capabilities and opens new paths for growth. Through our global sourcing teams, international Marketplace, and export-focused events such as the Walmart Global Growth Summit, we connect suppliers with omnichannel opportunities that help scale their reach and growth potential in line with their future objectives.

Mexico and Central America play a key role in this strategy. Today, more than 90.2%* of the products sold in Walmart Mexico stores are made, grown, or assembled in the country. The region provides a wide range of goods from fresh produce and packaged foods to electronics, apparel, and general merchandise, helping diversify our sourcing base and strengthen supply chain resilience.

*Calculation based on the methodology for products Made in Mexico issued by the Ministry of Economy on February 17, 2025:

https://www.dof.gob.mx/nota_detalle.php?codigo=5749333&fecha=17/02/2025#gsc.tab=0;84.4% considering all product categories sold at Walmart Mexico.

Community

With a strong sense of responsibility and genuine closeness, we strive to be a valuable neighbor, actively contributing to the development and well-being of the communities where we operate. We support local communities by providing access to a reliable and cost effective ecosystem that enables growth, development, and progress, while ensuring that the products and services we offer safeguard our customers' health and safety.

- Serving Communities
- Healthier and Safer Products

Serving Communities

Our purpose is clear: to help families in Mexico and Central America save time and money to live better. We build trust within our communities by understanding their needs and offering accessible, affordable solutions that positively influence their wellbeing. We work continuously with local organizations and partners to understand the realities of the communities where we operate, enabling us to co-create solutions that generate meaningful and lasting impact.

Serve Local Communities

We focus on addressing poverty and malnutrition by leveraging our infrastructure, collective reach, and expertise. Our efforts include donating food and essential products, supporting volunteer initiatives, and strengthening local economies by partnering with small farmers and suppliers, providing them access to formal markets and training. Our commitment to quick and effective disaster response in neighboring communities remains a fundamental component of this support strategy.

Consolidated

Mexico and Central America



Food Security

- We recovered food and general merchandise suitable for donation
 - Mexico
 - 32.1% Central America

Although the regions where we operate produce enough food to meet demand, we continue to face two interconnected challenges: food waste and food insecurity. While many families lack consistent access to nutritious food, large quantities are still lost along the way. At Walmart de México y Centroamérica, we are committed to helping close this gap. Through our logistics network, we can move products quickly and support efforts to ensure more food is in the hands of the people who need it most.

Partnerships with Food Banks

Mexico

We work every day to reduce food waste across all our stores, clubs, and distribution centers. This commitment has positioned us as the leading donor to food banks in Mexico, redirecting food and general merchandise that, while no longer suitable for sale, remain safe for human consumption. Through these efforts, we help provide essential nutritional support to people with limited resources.

This year, we developed and implemented a comprehensive model to further reduce waste across our supply chain. This model enables greater product utilization through targeted solutions at different stages of the chain and for various types of products. As a result, we have delivered food to more than 1.5 million people through Food Banks and Civil Society Organizations in the communities where we operate.

Additionally, the model has allowed us to identify improvement opportunities and optimize end-to-end processes, enhancing efficiency across the entire chain and strengthening collaboration with suppliers to develop scalable solutions.

Central America

We are co-founders of the five leading food banks in the region, which enables us to channel support directly to the people who need it most.

In 2025, we strengthened our food donation processes by implementing a new donations manual to guide stores and volunteers through each step of the recovery and donation workflow. The manual was incorporated into training sessions and used during food bank activities to ensure consistent practices across the region. We also worked to combat hunger and reduce food waste by recovering food suitable for donation from stores, plants, and distribution centers. In 2025, we donated 6,657 tons of products, including fruits and vegetables, as well as expanded categories such as pet food, dairy, frozen foods, eggs, cheese, sausages, pizzas, and precooked items.

Additionally, we made a donation to the Food Banks of Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica to strengthen their capacity to recover perishable products through the purchase of refrigerated trucks, equipment, and the construction of a cold room to better preserve perishable goods.

- Walmart El Salvador received the *Sello Aliado por la Alimentación* (Allied for Food Seal) award in recognition of its efforts to integrate sustainable practices into its business model, strengthening food security and supporting the well-being of families living in vulnerable conditions. The award was presented by the *Asociación Civil de Alimentos Solidarios*, which operates the Food Bank program in El Salvador. The recognition took place during the closing event of the *Unidos Alimentamos* campaign, held in observance of World Food Day. As part of this initiative, Walmart contributed with a \$232,700 pesos food donation.

Development of Productive Capacities

Recovering productive activity in rural areas, starting from subsistence-level production, is essential to achieving agricultural and food sustainability. In Mexico, we continue to advance self-sustaining food security models in rural communities facing extreme poverty by developing integrated production systems that include gardens, small farms, rainwater-harvesting infrastructure, sanitation solutions, and eco-efficient stoves. Through targeted training, communities strengthen land management and improve productivity, enabling the 1.6 million people reached to increase their disposable income by 272% after just one year of implementation.

Small Farmer Development

The *Pequeño Productor* and *Tierra Fértil* programs are designed to expand opportunities for agricultural farmers by helping them access formal markets and overcome the barriers that limit their participation. Through comprehensive training in areas such as sales, production, post-harvest management, logistics, business administration and regenerative agricultural practices, we support producers in strengthening both

their technical and commercial capabilities. Together, these efforts create new avenues for growth, strengthen local economies, and empower producers to develop sustainable, resilient agribusinesses.

Natural Disaster Support

- In 2025, we responded to 8 natural disasters, benefiting 57,707 people.

We strengthened our commitment to disaster response by partnering with companies, civil society organizations, and government institutions to deliver humanitarian aid where it is needed most. By working hand in hand with our associates, customers, and communities, we amplify our impact and ensure that support reaches people quickly and effectively.

Mexico

Thanks to our infrastructure, the operational capacity of the Mexican Red Cross, and our humanitarian aid revolving fund, we are able to deliver assistance to affected communities in Mexico within the first 24 hours of a natural disaster. We leverage our logistics network, access to our supply chain, financial contributions, and the support of our Continuity of Operations Center, which operates 24/7 to coordinate rapid response efforts during emergency situations.

During 2025 in Mexico, we responded to 6 emergencies, including those that impacted communities in Hidalgo, Puebla, San Luis Potosí, and Veracruz following the torrential rains and river overflows in October. Through coordinated efforts, we delivered food and hygiene supplies, providing 1,834,631.49 million pesos of aid to 54,305 people affected by these events.

Central America

In Guatemala, we donated food packages to the Food Bank to support 350 families (approximately 2,100 people) affected by the series of earthquakes that struck Santa María de Jesús, Sacatepéquez, in July of this year.

In Honduras, we provided food and hygiene products to the Secretary of State in the Office of Risk Management and National Contingencies (COPECO) to support families impacted by heavy rains in October 2025. These storms caused significant damage, affecting more than 35,000 people. Our donations, which totaled more than 4,000 kilos, were delivered through our distribution center in Tegucigalpa. They included staple foods such as cereal, pasta, rice, beans, soups, cooking oil, juice, water, and flour, along with hygiene items like paper towels, diapers, and detergents.

Volunteering

Our volunteering model enables our associates to support meaningful community improvement projects. As part of our strong commitment to creating shared value, in 2025 we carried out initiatives ranging from supporting vulnerable groups to leading reforestation campaigns, cleaning public spaces, and providing maintenance for parks and schools, among others. Each volunteer activity not only delivered tangible

improvements but also opened new pathways to positively impact communities. With every hour invested, our associates build meaningful connections and experiences that strengthen their sense of commitment and belonging, an impact made possible by the dedication and human quality they bring to every effort.

- Across the region, we carried out 1,582 volunteer activities, in which 28,494 associates participated.

SUCCESS STORY: *Haz Magia*

With the participation of our associates across Mexico and Central America, we delivered toys to children in communities near our stores, clubs, and offices through the *Haz Magia* program. Throughout the day, we organized a variety of activities and recreational events that created moments of joy and connection, culminating in the most exciting part of the celebration: the delivery of toys to the children. *Haz Magia* benefited 8,005 children in 2025.

Safer and Healthier Products

We are committed to creating value for communities by giving them access to affordable, safe, healthy, and good quality products.

Customer needs are always evolving as they search for products that support their health and daily life. Supply chain transparency is imperative as they become increasingly interested in understanding where the items they buy come from and how they are made. New regulations and standards have also reinforced the need for safer and healthier products, leading to reformulations that have helped us offer better options that meet customers' expectations.

Product Development and Reformulation

Our development and reformulation processes are designed to align with evolving customer preferences while ensuring that we meet all regulatory requirements. They are the foundation for long-term improvements, reinforcing our commitment to delivering safer and healthier choices to our customers.

We work every day to make the necessary reformulations in our Private Brands products in Mexico, achieving:

- Organic products in different categories, particularly in perishables and baby food .
- Lactose-free products.
- Gluten-free products.
- Natural products free of hormones, antibiotics, and/or steroids.
- Differentiated everyday foods with added vitamins and minerals that are accessible to lower-income populations.

NOM 051 – Continued efforts

In 2025, as part of our commitment to regulatory compliance and consumer health, we conducted a comprehensive review of product labels and reformulated various items to make them simpler, safer, and healthier in compliance with NOM 051. These included the following key activities:

- **Identification of Dietary Warning Seals:** we designed and implemented a specialized tool to determine which dietary warning seals were necessary for each product. This assessment was based on the nutritional tables and ingredient lists of all items.
- **Review of Branding, Packaging, and Marketing Artwork:** for both existing products and new launches, we thoroughly reviewed all branding, packaging, and marketing materials. This process considered all applicable regulatory criteria to guarantee transparency and ensure the accuracy of the declared information.
- **Ongoing In-Store Monitoring:** we conducted continuous monitoring in stores to verify compliance and maintain the highest standards of product information for our customers.

SUCCESS STORY:

As part of our commitment to offering healthier products across our Private Brands, we launched a comprehensive effort to reduce, and ultimately eliminate, the use of High-Fructose Corn Syrup. We began by identifying all items in our current portfolio that contain this ingredient. In parallel, we collaborated with our business partners to evaluate viable replacement options, establishing a medium-term plan to reformulate existing products without compromising quality, taste, or functionality, ensuring a responsible transition toward safer and healthier formulations.

- In Mexico, all Private Brands products are made without partially hydrogenated fats and oils, significantly reducing or eliminating trans fats from the final product.

Genetically Modified Organisms

Mexico's General Law on Adequate and Sustainable Food requires companies to identify products that contain Genetically Modified Organisms (GMOs). In Central America, the Central American Technical Regulation (CATR) sets labeling rules for prepackaged foods. We recognize that new regulations may be introduced, and because we prioritize customer health and safety, we remain committed to transparency regarding GMO-derived ingredients. With our business partners, we identify which products contain ingredients that come directly from GMOs. These will be communicated in accordance with the requirements set forth in the Law.

Risk factor's:

The risks described herein could have a material and adverse effect on our business, our business results, our financial standing and liquidity. They are not the only risks we face. Our business operations could also be

affected by additional factors that apply to all the companies operating in Mexico and around the world, in addition to risks yet unknown that may arise and affect our operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

estate prices and construction/development costs. If we are kept from opening new units in our different formats, our financial performance, growth in net sales, and our operating income could be adversely affected.

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

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

We may be unable to continue to identify suitable acquisition candidates at acceptable prices and may not be successful in completing the acquisition of any such candidate identified. Although we ultimately believe we will be able to successfully integrate any newly acquired operations into our existing operations, no certainty exists that future acquisitions or alliances will be successfully integrated into our operations or can be successfully integrated in a reasonable time. Our failure to identify appropriate candidates for acquisition or alliances or to integrate effectively future acquisitions and alliances into our existing operations could adversely affect our growth and our future financial performance.

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

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

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

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

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

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

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

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

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

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

Changes in government regulations.

The Company is exposed to the changes in different laws and regulations in Mexico, which, after becoming effective, could affect the Company's operating results, such as an impact on sales, expenses for payroll

indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities has greatly increased.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Recent events.

During 2025, the international environment was characterized by high geopolitical volatility, associated with the persistence of systemic-scale conflicts, particularly the war in Ukraine and the crises in the Middle East, as well as by an acceleration of global trade fragmentation. The recurrent use of tariffs, investment controls and industrial policies with a protectionist bias reinforced the strategic relevance of resilient supply chains, productive regionalization and geopolitical risk management in key sectors.

In the United States, the political landscape following the presidential elections introduced higher levels of uncertainty in the bilateral relationship with Mexico. Throughout the year, signals of a more restrictive trade agenda were identified, reflected in recurring tariff threats and increased scrutiny of commitments under the USMCA, whose formal review is expected in 2026. This context increased market caution and heightened perceived risks to investment and business confidence.

At the domestic level, 2025 represented the first full year of President Claudia Sheinbaum’s administration, marked by a combination of continuity in public policy guidelines and relevant institutional adjustments, which has generated greater regulatory complexity for the private sector.

Other values:

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

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

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

Significant changes to the rights of securities registered:

This element does not apply to Walmex.

Use of proceeds, if any.:

This element does not apply to Walmex.

Public documents:

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

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

Moreover, copies of this report can be provided via:

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History and development of the issuer:

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

- The Ministry of Finance and Public Credit grants the Company the authorization for the incorporation of Banco Wal-Mart de México Adelante, S.A.
- 2007 Walmart Bank begins operations.
 - 2009 Approval of the acquisition of 100% of Walmart Centroamérica's operation, the leading retailer in the region in Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.
 - 2010 On February 15, the acquisition of Walmart Centroamérica was completed, changing the commercial brand name to Walmart de México y Centroamérica.
 - 2011 First Walmart Supercenter in Central America (Honduras).
 - 2013 Walmart.com.mx launches.
 - 2014 Sale of the restaurant division (Vips).
 - 2015 Sale of Banco Wal-Mart de México Adelante, S.A.
 - 2018 Cashi Más que Efectivo launches.
 - 2017 Sale of apparel stores (Suburbia).
 - 2019 "Agile Transformation" implementation.
 - 2020 Walmart Express begins operations.
BAIT (Bodega Aurrera Internet y Telefonía) launches.
 - 2021 Walmart Pass launches.
Relaunch of Walmart Connect. Formerly Walmart Media Group.
 - 2022 Health membership pilot launches.
Inauguration of the first six regenerative stores.
 - 2023 On April 10, the acquisition of Fintech Trafalgar Digital, S.A. de C.V. an Electronic Payment Funds Institution (IFPE) was completed, a company that has authorization from the National Banking and Securities Commission (CNBV) to operate as an IFPE.
On that same date, the change of company name to Cartera Digital Walmart, S.A. de C.V. Institution of Electronic Payment Funds (Digital Wallet), was formalized. As well as the change of its bylaws and appointment of officials.
 - 2024 Launching Walmart Benefits and Bodega Aurrera Benefits.
Launching of the Scintilla tool (formerly Walmart Luminate).
 - 2025 Implementation of One Hallway in Walmart Supercenter and Walmart Express, among other global platforms.

Corporate Headquarters

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 walmex.mx

Total Investment in Fixed assets	2025	2024	2023
Investment (billion pesos)	Ps. 39.0	Ps. 34.8	Ps. 28.8
Openings (number of units)	186	180	162

Business Overview:

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

As of December 31, 2025, it operated 4,265 units, throughout six countries (Costa Rica, Guatemala, Honduras, El Salvador, México, and Nicaragua), including self-service stores, membership clubs and omnichannel sales.

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

Sales growth will come from:

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

Main activity:

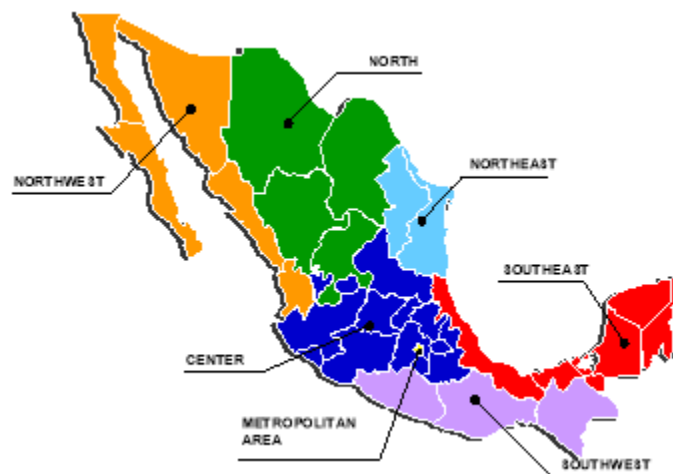
As of December 31, 2025, Walmart de México y Centroamérica operates 4,265 units, including self-service stores and warehouse membership clubs located in 770 cities in the six countries where we have presence.

Format	Value Proposition	Income Levels	Units
Bodegas & discount stores	Price	C, D, E	3,509
Hypermarkets	Assortment & price	B, C, D	377
Supermarkets	Quality, convenience & service	A, B, C	203
Clubs	Price leader, volume, new	A, B, C, Business	176

	& unique merchandise		
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In Mexico is present in 611 cities throughout the country.

Presence by geographical region (Units)								
	Total	Metropolitan	Center	Northeast	Southeast	Northwest	North	Southwest
Bodega Aurrera	2,698	518	1,001	437	262	191	154	135
Walmart	338	71	110	35	33	43	32	14
Sam's Club	176	35	52	15	23	21	17	13
Walmart Express	104	55	36	3	9	0	0	1
TOTAL	3,316	679	1,199	490	327	255	203	163



In Central America is present in 159 cities throughout the country.

Presence in Central America by country (Units)						
	Total	Costa Rica	Guatemala	El Salvador	Nicaragua	Honduras

Bodegas and Discount Stores	811	292	243	79	95	102
Supermarkets	99	38	27	17	9	8
Walmart	39	15	12	6	2	4
TOTAL	949	345	282	102	106	114



Cyclical Performance

The demand for goods and services increases significantly during the last few months of each year as result of the holiday season. In 2025, the fourth quarter represented 28.0% of the year's total revenues.

Revenues by Quarter		
	2025 Total revenues (million pesos)	Contribution (%)
1 st Quarter	Ps. 240,975	23.8
2 nd Quarter	246,254	24.3
3 rd Quarter	241,520	23.9
4 th Quarter	282,849	28.0
TOTAL	Ps. 1,011,598	100

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

Distribution channels:

21 distribution centers in Mexico

City	Name	Servicio
Mexico City	Cuautitlán	Dry goods / Meat plant
	San Martín Obispo (2)	Dry goods / Perishables
	Santa Bárbara	Dry goods
	Chalco (2)	Dry goods / Perishables
	Fulfillment Center	eCommerce
Monterrey	Dry	Dry goods
	Perishables	Perishables / Meat Plant
	Fulfillment Center	eCommerce
Guadalajara	Dry	Dry goods
	Perishables	Perishables
	Fulfillment Center	eCommerce
Villahermosa	Dry	Dry goods
	Perishables	Perishables
	Fresh	Fresh
Culiacán	Dry	Dry goods
	Perishables	Perishables
Mérida	Mérida	Omnichannel
Chihuahua	Chihuahua	Omnichannel
Mexicali	Santo Niño	Omnichannel

12 distribution centers in Central America

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

Patents, licenses, trademarks and other contracts:

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

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

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

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

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

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

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

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

Main customers:

Our main customer is the public in general. Throughout 2025, we had generated around 2.3 billion transactions in Mexico and Central America.

Applicable law and tax situation:

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

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

Regarding tax situation in Mexico, the issuer is registered as a taxpayer with the Tax Administration Service of the Ministry of Finance and Public Credit and, since 2019 to date, the company is taxed within the general

regime of law, complying with all provisions that regulate the tax aspects related to the development of issuer's business.

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

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

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

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

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

Human Resources:

Opportunity – Our talent

We focus on creating meaningful jobs, fostering a culture of belonging, and supporting associate development to drive growth. At the same time, we create opportunities for our suppliers to reach new customers, expand their businesses, create jobs within their communities, and thrive alongside us.

- Our People
- Supplier Opportunities

Our People

Our purpose of helping people save money and live better takes shape through our associates, who make a difference for our customers every day. We strive to make the retail industry one of opportunity, where everyone, regardless of their starting point, can build the skills and gain the experience needed to advance their careers.

A team composed of individuals coming from varied backgrounds and perspectives sparks innovative ideas and approaches. Each associate contributes with unique qualities and expertise that translate into customer-centric solutions. That is why we prioritize leveraging their talent as a strategic enabler of our business strategy. This year, under our People-Led Tech-Empowered approach, we have strengthened a culture where agility, technology, and AI enhance our leadership and continuous innovation.





Value Proposition for Associates

Associate Value Proposition

For Walmart de México y Centroamérica to be the best place to shop, we also need it to be the best place to work. That's why we place our associates at the center of our decisions and proactively listen to what they need and value. Their feedback helps us improve our value proposition, aligning it with what matters most: stability, growth, belonging, and well-being. People choose us because they see it as a global company that offers wholesome careers. Once onboard, the factors that drive their engagement are our culture, benefits, and ongoing learning opportunities.

Associate Benefits

Our benefits strategy is designed to attract, motivate, and retain talent by offering a competitive benefits package. We care for the holistic well-being of our associates through a framework built on four key pillars: Family, Financial, Health, and Emotional.

In 2025, we continued to advance our **Membresía Más** program in México and **Comprehensive Assistance Program (PAI)** in Central America. Both provide free access to a variety of third-party services, including specialized medical, nutritional, emotional, legal, financial, and veterinary assistance. This benefit is also extended to our associates' direct family members, benefiting more than 20,400 people in Mexico and 2,001 in Central America.

1. Family

We support work-life balance through programs and initiatives that promote a healthier integration between personal and professional life. Benefits include extended maternity and paternity leave, special leave, personal days, funeral assistance for associates, spouses, and children, optional insurance for home, car, and pets, among others. During 2025, 41,476 total associates were benefited.

"There is no way to fully express my gratitude to Walmart. Thanks to the extended maternity leave, I've had the opportunity to enjoy wonderful moments with my family. Being with my baby for almost five months has been incredible. Thank you so much, Walmart." – Walmart associate.

2. Financial

We provide tools that help associates strengthen their financial capacity and make better decisions for their family's well-being, as well as their own. These benefits include associate discounts, subsidies, disaster relief support, savings funds, grocery vouchers, and Sam's Club memberships, among others. Some of our core programs include:

- **Caja de Ahorro:** this voluntary savings system allows associates in Mexico to save between 5% and 25% of their gross salary, with payroll deductions, obtaining attractive returns on their contributions.
- **Electronic Voucher and Associates Discount:** in 2025, we successfully transitioned the Electronic Voucher and Associate Discount to their digital versions through Cashi, our financial app. As a result, more than 94.5% of our office associates in Mexico now actively use Cashi on their mobile devices to access these benefits, making a significant step forward in our digital transformation.
- **Sam's Club Digital Associate Membership:** all associates in Mexico, regardless of role or contract type, receive a complimentary Sam's Club Digital Associate Membership, granting access to exclusive offers and benefits that support their families' well-being.

- 169,569 total associates benefited.

SUCCESS STORY: Savings Fund

This year, we successfully completed a milestone in our financial benefit programs; the first cycle of distributions in our associates' savings funds in Mexico. In July, more than 197,000 associates received deposits resulting from a joint effort that combined individual contributions, company support, and investment returns. We achieved a 95% satisfaction rate that led to requests to increase the contribution payout percentage in coming years.

"It has been a great support in helping me and my family save money. It gave me greater financial peace of mind to purchase everything needed for the back-to-school season."- Walmart associate.

3. Health

We are committed to ensuring that our associates and their families have access to high-quality, affordable healthcare. In addition, we promote physical well-being by offering life insurance to all associates, medical insurance, medical checkups for executive associates, and on-site medical offices at stores, distribution centers, and offices.

- **Medical Insurance⁽¹⁾:** in Mexico, we have extended coverage to include services such as bariatric surgeries and free coverage for any of our associates' children over 25 years old with disabilities.
- **Support for family development:** as part of our expanded health insurance policy in Mexico, we now offer two new coverages: one for oocyte cryopreservation (egg freezing), and another that includes expenses related to fertility treatments, infertility procedures, and assisted reproduction for associates and their spouses. We introduced this benefit in 2024 to support our associates' overall well-being and have since celebrated the birth of **six babies** thanks to this initiative.

- 66,177 total associates benefited.

4. Emotional

Emotional and mental health challenges, such as anxiety, stress, and depression, are among the most common conditions people face today. At our company, we prioritize the emotional well-being of our associates and their families by offering free, 24/7 counseling services, along with access to educational tools. In 2025, 109,973⁽²⁾ associates were benefited.

As part of our commitment, we organized 33 Preventive Health Fairs for the Well-being of our associates in Mexico and Central America, designed to promote physical, emotional, and financial health. These fairs offered a wide range of services provided by third parties, including medical check-ups, vaccinations, anti-stress massages, eye exams, psychological care, and nutritional counseling. Thanks to these Preventive Health Fairs, we were able to identify health conditions such as hypertension, diabetes, and kidney failure in associates who were previously unaware of their diagnoses. This early detection has been crucial in encouraging timely medical follow-up and improving their quality of life.

- More than 11,129 associates attended these fairs in Mexico and 924 in Central America.

Talent Attraction

In 2025, we accelerated the evolution of our Centralized Recruitment and Talent Attraction strategy, reinforcing our commitment to attracting, identifying, and hiring the best talent. We consolidated a strategy that not only responds to high operational demand but also positions Walmart de México y Centroamérica as a People-Led Tech-Powered company.

Enablers – Technology

We are now using artificial intelligence to speed up hiring processes and find specific profiles in Mexico and Central America. A new app helps match candidates based on their skills, enabling recruiters to focus on those with the highest potential. The tool is also being enhanced to predict turnover. Although it is still in its early development stages, it is already contributing to faster and more efficient hiring decisions.

We enhanced key processes, reducing hiring times by 9.4% and improving the experience for candidates and associates. Using a flexible platform that allows us to build custom business tools without heavy coding, we support daily operations. This solution gives teams better visibility and control over candidate tracking and KPIs, ensuring quality and measurable impact. We also added automated tools to streamline technical evaluations, enabling faster and more accurate skill assessments.

We were included in the Best Place to Code ranking, which recognizes leading companies in the technology industry as top workplaces for building a professional career in software and technology. This achievement reflects our effort to project our brand's image as modern and digital. We used platforms and collaborated with influencers to reach key talent segments.

We also launched R3K, a digital character designed to engage tech talent on social media. Serving as our brand ambassador, R3K promotes our employer identity with an innovative and approachable image, helping strengthen Walmart Global Tech’s position and attract talent through cultural and digital strategies. Its name reflects its core identity: “R” for Retail, representing our global impact in redefining retail technology; “3” for the three pillars of Walmart’s tech strategy—digitization, automation, and simplification; and “K” for Knowledge, underscoring the expertise that powers the code shaping the customer experience we aim to deliver.

To communicate our value proposition, we created tailored content, including AI-generated videos. These efforts led to a 84% increase in followers, likes, and interactions on social media, converting engagement into 979,972 active candidates. Overall, our digital strategy reached 204,394 potential candidates and boosted brand visibility by 590.37 millions, helping position Walmart de México y Centroamérica as a leading employer in the region.

SUCCESS STORY: Mass Hiring in DCs

We transformed our mass hiring process for distribution centers in Mexico by transitioning to a fully digital model that helps us find candidates based on their skills and experience, while staying true to our commitment to equal opportunity and non-discrimination. Additionally, we internalized the recruitment process at four distribution centers, reducing costs and shortening hiring times by 27%. This shift was supported by digital tools, end-to-end process analysis, and a better understanding of operational needs.

- 11,515 total new jobs generated.

Development and Training

At Walmart de México y Centroamérica, we believe growth means constant renewal—and that includes how we support learning and development opportunities for our associates. We encourage all associates, regardless of their role, experience, or skill level, to embrace continuous learning, adaptability, and curiosity. To support their growth, we have built an internal learning ecosystem that empowers them to develop professionally and build successful careers.

Leadership Development programs

We view leadership as a key driver of change and shaping our culture. In 2025, we launched Walmart International’s global leadership program suite across Mexico and Central America, delivering 5 leadership programs and engaging 14,815 associates. The goal is to develop leaders who can inspire, connect, and make an impact at every level. The rollout was tailored to meet the specific needs of our associates.

- **Leadership Academy:** it is designed to support leaders at different stages of their development. We strengthen essential skills aligned with our behaviors, developing our associates in key areas such as effective feedback, high-performance team building and service-based leadership. This initiative was launched for associates in central offices in Mexico and will expand to Central America as part of our regional commitment to strengthening leadership across our workforce.

- **Manager Academy:** a five-day immersive program for associates in stores and distribution centers, it is focused on culture and leadership and has trained 33 generations, reaching 843 store, club, and distribution center managers. So far, this program has been implemented in Mexico, Costa Rica, and Nicaragua. The program reached a satisfaction level of 99.3%, showing its impact on manager development.

“Managers Academy was an immersive experience that strengthened my skills as a manager at Walmart. I connected with colleagues from multiple store formats, building valuable friendships, and worked hand-in-hand with a great mentor. The hands-on learning and collaborative environment made the course a transformative and motivating experience for my growth.”

- Walmart associate.

- **License to Lead:** started in Costa Rica, this program is designed for assistant managers in stores and distribution centers, helping them build key leadership skills and prepare them to take on full management roles. It facilitates a smooth transition into greater responsibility and reflects our commitment to cultivate strong leaders from within.



Training

At Walmart de México y Centroamérica, training is a key part of how we grow and adapt. In 2025, we rolled out a full learning plan that includes both specialized programs and broad initiatives for all associates in Mexico and Central America. Each course is tailored to real team needs, focusing on the development of technical, digital, and operational skills.

In 2025, we launched a pilot learning module on the me@campus app for office associates in Mexico. Today, nearly one-third of all courses are available in a mobile-friendly format, allowing associates to complete their training directly through the app. This represented a key step toward a more accessible, modern, and talent-driven learning experience.

Enablers - Technology

At Walmart de México y Centroamérica, we believe that real change starts with people. That is why, as a People-Led Tech-Empowered company, throughout 2025 we drove a deep transformation based on the development of digital skills, the adoption of artificial intelligence, and new technologies. We launched cross-functional training programs for all our associates in Mexico and Central America, focused on the use of artificial intelligence and technological tools. Through hands-on training and labs, we strengthened the digital mindset and empowered our teams to create AI agents.

Thanks to the adoption of Copilot and the integration of other technological platforms, we have enhanced our operational excellence. We now have 2,500 active licenses across different areas of the organization. We launched a pilot in more than 30 stores, enabling store managers to save over 4 hours per week on average. We introduced five artificial intelligence agents to optimize key processes across various areas of the organization. One example is Jarvis, a digital solution designed to help store managers make faster and more effective decisions. Its main goal is to control shrinkage and improve customer experience through proactive actions.

Training for office associates:

Mexico

- **People Business Partners Excellence Ops and Supply Chain:** focused on data-driven decision-making, process improvement, and cultural transformation for operations and supply chain roles.
- **Omni Merchant Academy:** in-person training on negotiation and omni category assortment, aligned with global standards to strengthen commercial capabilities.
- **Mastering Strategic Design Thinking:** associates applied design thinking to real business challenges, developing practical and scalable solutions.

In-store training:

Mexico

- **Fresh Institute:** offers in-person leadership training and hands-on learning to improve how fresh products are handled, following the 70-20-10 model, it has contributed to reducing waste, improving freshness, and increasing sales.
- **Augmented reality tool for Perishables:** introduced to support associates working with perishable goods, this tool provides real-time product information to enhance performance and reduce waste.
- **Electronic Workshops:** delivered both in-person and online for electronics associates, these workshops prepared teams for Hot Sale and strengthened service, innovation, and commercial strategy resulting in improved NPS and increased sales.

- **Superfunctional Checkout School:** a hands-on academy for cashiers featuring simulators and training on technical, operational, and cultural topics. It has helped increase engagement, improve NPS, and boost efficiency.

Central America

- ***Yo Soy Extraordinario:*** Designed to strengthen leadership skills among store managers, helping them lead with confidence and manage processes more effectively.

Training for associates in DCs:

Mexico

- **Mixed Training Strategy – Supply Chain:** a total of 139 in-person and online courses were implemented to support Supply Chain teams. These programs focused on safety, efficiency, proper use of personal protective equipment, and multifunctional skills, combining microlearning with hands-on practice.
- **Everest Program:** targeted at managers, senior managers, and directors, this program focused on advanced leadership, the implementation of AI in logistics, and fostering a culture of innovation.
- **Field Training Labs:** immersive learning spaces were created to train associates in key field roles such as receiving, picking, and sorter handling. These labs accelerated learning and supported process standardization.

Walmart Education

Walmart Education is a transformative program that promotes our associates' academic and professional growth. It is built on three pillars: scholarships for high school and university certification, personalized support to complete primary and secondary education, and educational partnerships that provide flexible access to academic programs for associates and their families. 2,503 associates received scholarships in Mexico and 116 in Central America. This program is a living example of how the company's purpose translates into actions that transform lives.

- 2,619 scholarships awarded in 2025.

Talent Management

At Walmart de México y Centroamérica, we continue to evolve how we support talent development. In 2025, we embraced more hands-on learning experiences designed to build critical skills such as innovation, leadership, and digital transformation. We introduced new tools and programs that empower associates to take charge of their growth and career paths. Our goal is simple: to provide meaningful opportunities for people to grow, define their journey, and contribute to our shared success.

One of our key initiatives was launching a communication campaign to promote Individual Development Plans (IDPs). These plans provide each associate with a clear roadmap to build skills and achieve career goals.

They encourage self-driven growth, help identify strengths and areas for improvement, and keep associates motivated and prepared for future challenges.

In 2025, one-on-one mentoring and mentoring circles continued to play a key role in building community, accelerating learning, and sharing knowledge. Leaders and subject matter experts supported associates in their growth by offering guidance, encouraging development, and preparing them for new opportunities within the company.

Internal Opportunities for Growth

We continued to strengthen internal mobility by promoting the growth of associates across the organization. Through enhanced digital tools and talent development strategies, we support career advancement, optimize internal talent management, and reinforce our commitment to building long-term careers at Walmart de México y Centroamérica.



- *Jóvenes Construyendo el Futuro*: in collaboration with the Mexican government, we launched the first wave of this program in 23 stores with the goal of offering job trainings to unemployed youth aged 18 to 29. A total of 85 participants joined.

SUCCESS STORY: Do it Agile, Do it Walmart (*Hazlo Ágil, Hazlo Walmart*)

- **Agility and innovation have guided our transformation.** It is built on key pillars: a strong focus on customers and associates, improving end-to-end processes, making data-driven decisions every day, and embracing agility as our way of working. In 2025, teams from Technology, Category Strategy & eCommerce, Financial Solutions, Customer Office, and People developed new organizational structures and ways of working, incorporating new processes and technologies. This resulted in more agile and efficient operations, better team alignment, and faster responses to business needs. By aligning new ways of working with people, technology, and culture, we supported sustainable growth and maintained our position as leaders in retail transformation.

^[1] Available to level 7 associates and above, their spouses, common-law spouses, children and stepchildren under 25 years of age.

^[2] In 2025, the People team launched an Emotional well-being course, resulting in an increased number of associates benefiting from the program.

Environmental performance:

Sustainability

We strive to have a positive impact that safeguards biodiversity, protects ecosystems and improves collective well-being. We focus on strengthening the resilience of our operations and supply chains to drive innovation and continue building trust with our stakeholders. To do so, we have continued to work on our three priorities:

- Climate Resilience, Energy and Emissions
- Circular Economy
- Regeneration of Natural Resources

Goals and Progress

Climate Change	Zero emissions in our operations by 2040 5.3% increase in Scope 1 and 2 emissions vs 2024 • 4.3% increase vs 2024 in Mexico • 13.2% increase vs 2024 in Central America		Power 100% of our operations with renewable energy by 2035^[1]. 55.0% estimated percentage of our electricity needs supplied by renewable sources • 51.6% in Mexico • 77.9% in Central America
Circular Economy	“Zero waste” to landfill and incineration in our operations in Mexico by 2025^[2]. 82.9% of waste materials diverted from landfill and incineration in	100% of Private Brands packaging recyclable, reusable, or industrially compostable by 2025^[3] 73.4% of our packaging is recyclable, reusable or industrially compostable in Mexico and 59.3% in Central America. 20% Private Brands plastic packaging	Reduce operational food loss and waste 50% by 2030 (vs 2016 baseline) 68.3% food loss and waste reduction in Mexico and 32.1% in

	Mexico.	made from post-consumer recycled content by 2025^s 12.1% of our plastic packaging made from post-consumer recycled content in Mexico and 5.3% in Central America.	Central America.
Natural Capital	100% of palm oil in Private Brands products sourced with no deforestation or conversion by 2025^s 35.8% of palm oil is certified as sustainable in Mexico and 61.1% in Central America. 100% of Private Brands products made of pulp, paper, and timber sourced deforestation-free and conversion-free by 2025^s 100% of pulp, paper and timber is sustainably sourced in Mexico and XX% in Central America.	By 2025, our fresh, frozen, farmed and wild-caught seafood suppliers will source from fisheries that are third-party certified as sustainable, actively working toward certification or engaged in a fishery improvement project (FIP) or Aquaculture Improvement Project (AIP)^s 78.4% of fresh and frozen fish and seafood are certified as sustainable in Mexico and 75.2% in Central America.	

Climate Resilience, Energy and Emissions

In an evolving global landscape marked by increasing climate volatility, we are reinforcing our capacity to adapt and thrive. Our approach integrates climate resilience into decision-making, infrastructure planning, and risk management, ensuring long-term value creation. By fostering innovation, enhancing resource efficiency, and collaborating across our value chain, we aim to build adaptive systems that can withstand environmental disruptions.

Emissions

Our emissions reduction strategy focuses on achieving zero operational emissions, including those generated by refrigerants, stationary fuels, and electricity. Additionally, we are committed to engaging suppliers and other stakeholders to reduce emissions throughout our value chain. This is a key expectation from our stakeholders and plays a critical role in mitigating transition risks, such as efficiency regulations, carbon pricing mechanisms, and shifts toward low-emission technologies.

Having a strong governance framework ensures we generate reliable performance insights and effectively track our decarbonization progress, reinforcing our commitment to monitor and advance mitigation actions aligned with our climate goals.

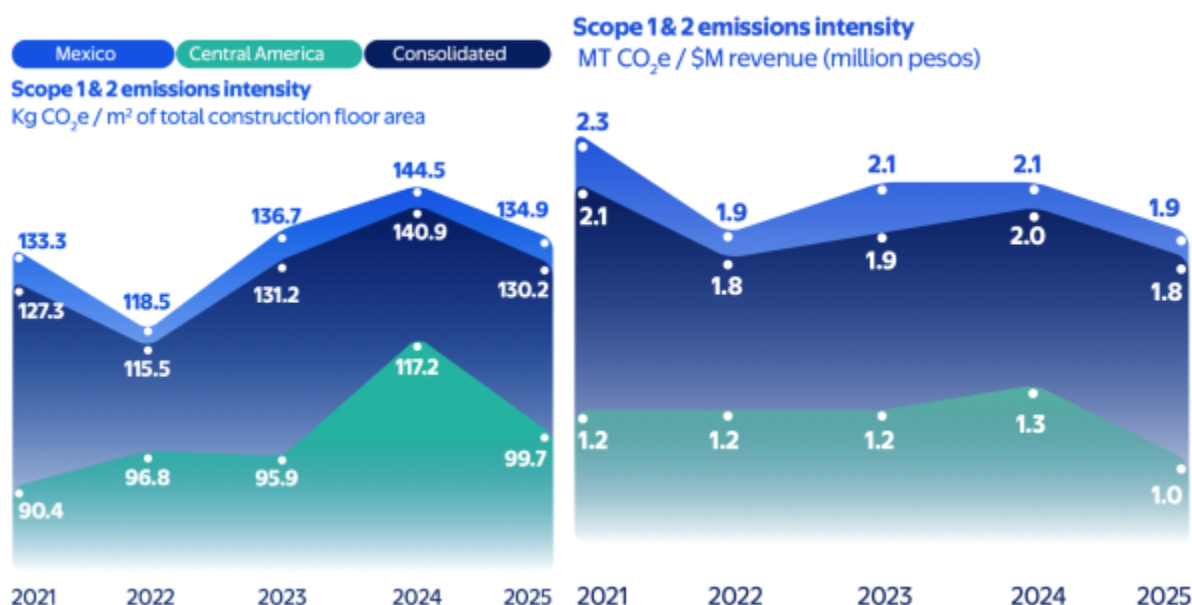
As we continue working toward our goal of Zero Emissions in our operations by 2040, progress will not be linear and will depend both on our initiatives and on external factors beyond our control. These include public

policies related to energy, available physical infrastructure, and technological innovation, such as low Global Warming Potential (GWP) refrigeration solutions or low-carbon transportation solutions for trucks.

Emissions Intensity

In Mexico, in 2025, our emission intensity was impacted by the reduction of renewable energy supply through our legacy power-purchasing agreements (PPA). In Central America there was a reduction in Scope 1 and 2 emissions intensity compared to 2024, driven primarily by a 20% increase in onsite solar generation capacity, which provided approximately 6.7 GWh of 100% renewable energy annually. In addition, refrigerant recharge volumes resulting from leaks in refrigeration systems decreased by approximately 20%, due to enhanced administrative controls of maintenance suppliers.

We will continue working to reduce emissions, explore additional alternatives to increase our renewable energy sourcing and consumption, and report on our progress.



Emissions from our operations by Scope and source

Mexico and Central America (kt CO₂e)

	2021	2022	2023	2024	2025
Scope 1 & 2	1,566	1,457	1,694	1,873	1,774
Scope 1	-	-	-	-	-
Refrigerants	1,020	901	905	971	848
Stationary and mobile fuels	126	139	155	167	167
Scope 2	-	-	-	-	-
Electricity	421	417	589	735	759

Scope 1 Emissions

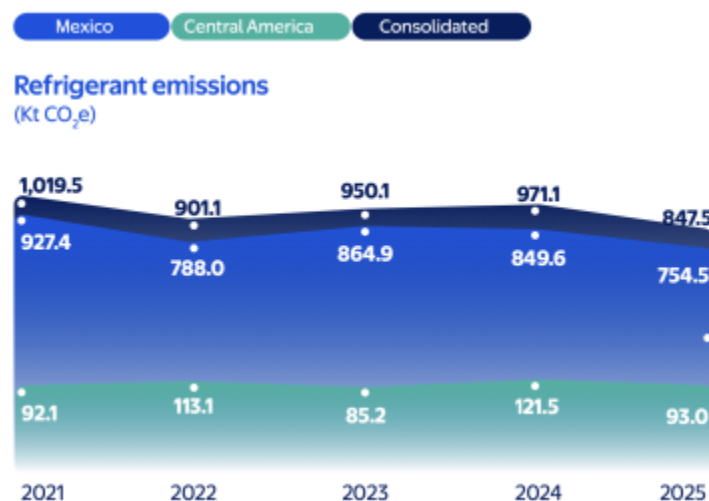
Scope 1 emissions include refrigerant leaks, stationary fossil fuel use, and gasoline used for company-owned utility vehicles which have the greatest potential for transformation and positive impact in our operations. Our reduction strategy focuses on two key efforts:

- Transitioning to refrigerants with lower environmental impact.
- Reducing or replacing fuels with renewable energy sources.

1. Refrigerants⁽¹⁾

To safely deliver frozen food to millions of customers who rely on the freshness and availability of our products, our units' refrigeration and air conditioning systems run on refrigerants. To mitigate their environmental impact, we are gradually phasing out high GWP options like R-404 and transitioning to lower GWP alternatives such as R-448A, R-449A in new and remodeled units. These systems have the potential to reduce Greenhouse Gas (GHG) emissions by up to 68% compared to conventional systems. We are also testing new technologies such as A2L and CO2. These have the potential to reduce emissions by 97% and 100%, respectively, compared to conventional gases.

In Mexico, throughout 2025, we intensified our efforts to reduce refrigerant leaks through rigorous preventive maintenance and timely replacement of parts and materials. We also conducted awareness campaigns to ensure associates handle equipment properly. In Central America, we enhanced our leak detection process through maintenance, enabling faster and more effective responses to refrigerant leaks in our cooling and air conditioning systems. Stores with the highest leak rates were prioritized for investment and corrective actions. As a result, we achieved a 12.7% reduction in fugitive emissions from refrigeration compared with 2024.



2. Stationery and Transportation Fuels

We use different fuel sources as part of our operations. Diesel is used in our emergency power plants during outages and for their monthly maintenance services. Liquified Propane gas and natural gas are used in store operations such as rotisserie and bakery areas, while gasoline powers company-owned utility vehicles.

In 2025, these fuels contributed 1% of our total Scope 1 emissions. Although their impact is limited, we continue to strengthen our adaptive capacity and transition toward a diversified supply of clean and reliable energy sources.

Scope 2 Emissions

To continue advancing our efforts to reduce Scope 2 emissions, we are focused on increasing the share of renewable energy we procure while implementing energy efficiency initiatives across our operations. This is critical to reducing our reliance on non-renewable electricity.

1. Renewable Energy

Achieving our renewable energy goals largely depends on securing sufficient supply and capacity. Therefore, we are implementing a range of strategies, including:

Onsite renewable energy generation: In 2025, we installed solar panels in 126 stores in Mexico, reaching a total installed capacity of 62 MWp across 431 total sites. These panels generated 40.6 GWh, equivalent to 1.6% of our total electricity supply.

In Central America, we also continued implementing solar panels across our stores and distribution centers, adding 41 new sites in 2025* and reaching a total of 177 locations throughout the region. Our solar energy systems generated 27.9 GWh during the year, equivalent to 7.2% of our total electricity supply.

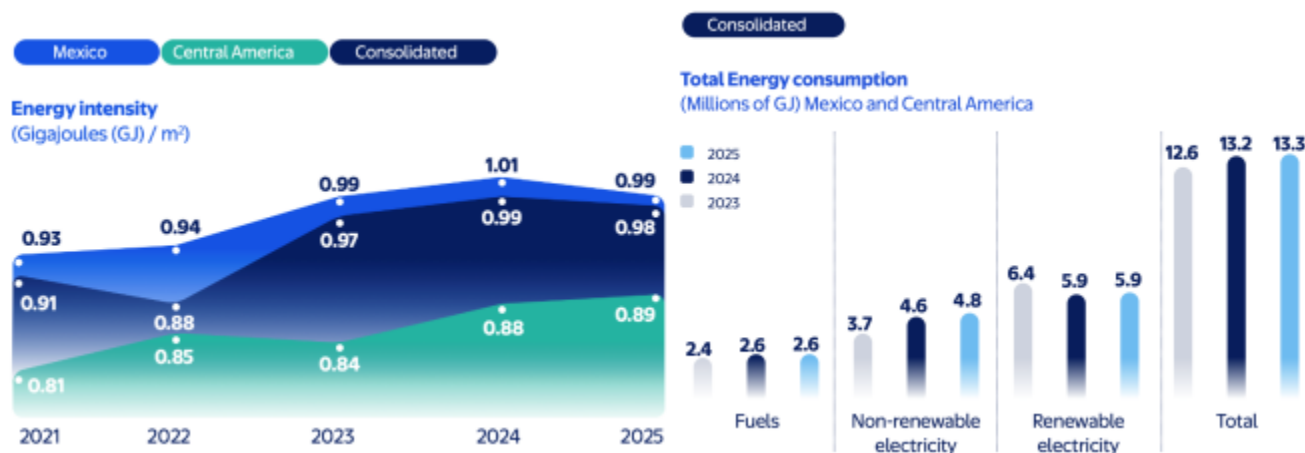
Renewable energy sourcing from external sources: With our PPAs we have long sourced renewable energy from six wind farms and two hydroelectric plants in Mexico. The expiration of one of those contracts in 2025 and the gradual expiration of the remaining ones through 2036 will have an impact on our renewable electricity supply. However, we are exploring strategies to increase renewable energy consumption, in compliance with applicable laws and regulations.

2. Energy Efficiency

Energy efficiency remains a priority as our energy grows due to store openings, automation, and electrification. We design and remodel facilities with efficient lighting, HVAC (Heating, Ventilation and Air Conditioning), and refrigeration systems. In Mexico, we have 270 real-time energy submetering systems, enabling data-driven decisions and operational improvements.

Our in-store automation and control system connects HVAC, lighting, refrigeration, and other critical equipment into an integrated and intelligent solution that adjusts their operation according to each store's needs, maintaining high efficiency levels. This monitoring service performs detailed, real-time adjustments to further reduce energy consumption, provides ongoing technical support, and delivers valuable insights for preventive maintenance routines. Additionally, we installed LED lighting in all new, and remodel stores, achieving energy reductions of between 30% and 50%.

In Costa Rica and Guatemala, all open refrigerated cases were fitted with Aerofoil systems. These aerodynamic profiles delivered annual electricity savings by improving airflow and reducing cold air loss, leading to greater temperature stability, keeping products fresh while reducing wear on equipment. We continue with the rollout of this system in Honduras, El Salvador, and Nicaragua.



*As of the end of the reporting period, 36 of the 41 sites reported in Central America are currently generation energy

Scope 3 Emissions

Scope 3 emissions represent indirect greenhouse gas emissions that occur outside our direct operations, across the value chain. For a retailer, these include upstream activities such as raw material extraction, supplier production, and transportation, as well as downstream activities like product use and end-of-life treatment.

Reducing Scope 3 emissions requires transforming energy, materials, transportation, and food systems through coordinated efforts across the public and private sectors, as well as civil society, to drive systemic change and minimize climate impacts. Estimating these emissions is challenging due to the broad scope and complexity of supply chains spanning tens of thousands of suppliers and hundreds of thousands of products.

We estimate and contribute to our Scope 3 emissions through two complementary approaches, Scope 3 footprint and Project Gigaton:

Scope 3 footprint

In the retail sector, Scope 3 emissions are largely driven by the procurement of products for sale, the way customers use these products throughout their lifecycle, and their end-of-life disposal, as well as from capital goods. However, these categories have not been included in this year's emissions calculations. We acknowledge their relevance and are actively working to incorporate them into future reporting cycles.

Currently, our Scope 3 inventory covers emissions associated with outsourced transportation fleets that support our logistics operations, including business travel. It also includes emissions generated from our associates' commuting across all transportation modes.

Transport

We remain committed to advancing sustainable mobility across our operations, whether through fleet electrification or the adoption of lower emission fuels in the third party fleets that serve our network. Each year, we gain a deeper understanding of the areas and activities where we can strengthen our approach, which has guided the development of the following key lines of action:

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

In Mexico and Central America, we continued to deploy route and load optimization programs—such as backhaul and reverse logistics—that help reduce empty trips across both our fleet and our suppliers' fleets. Through these efforts, we moved 1.6 billion boxes in 2025 under our truckload optimization program.

We also continued to rely on intermodal rail transport between our distribution centers. This alternative emits fewer greenhouse gases, helps reduce urban pollution, and alleviates traffic congestion, all while improving fuel efficiency.

We will continue strengthening strategic partnerships with key stakeholders, including local and national governments, as well as our suppliers, to promote sustainable mobility initiatives and further reduce our carbon footprint.

Consolidated			
Supply chain efficiency			
Mexico and Central America			
	Backhaul	Reverse logistics	Total
Km not traveled	28,681,094	25,569,698	54,250,792
tCO ₂ eq avoided*	37,688	27,875	65,563
Trips avoided	257,203	187,601	444,804
Liters of fuel avoided	13,317,484	9,849,757	23,167,241

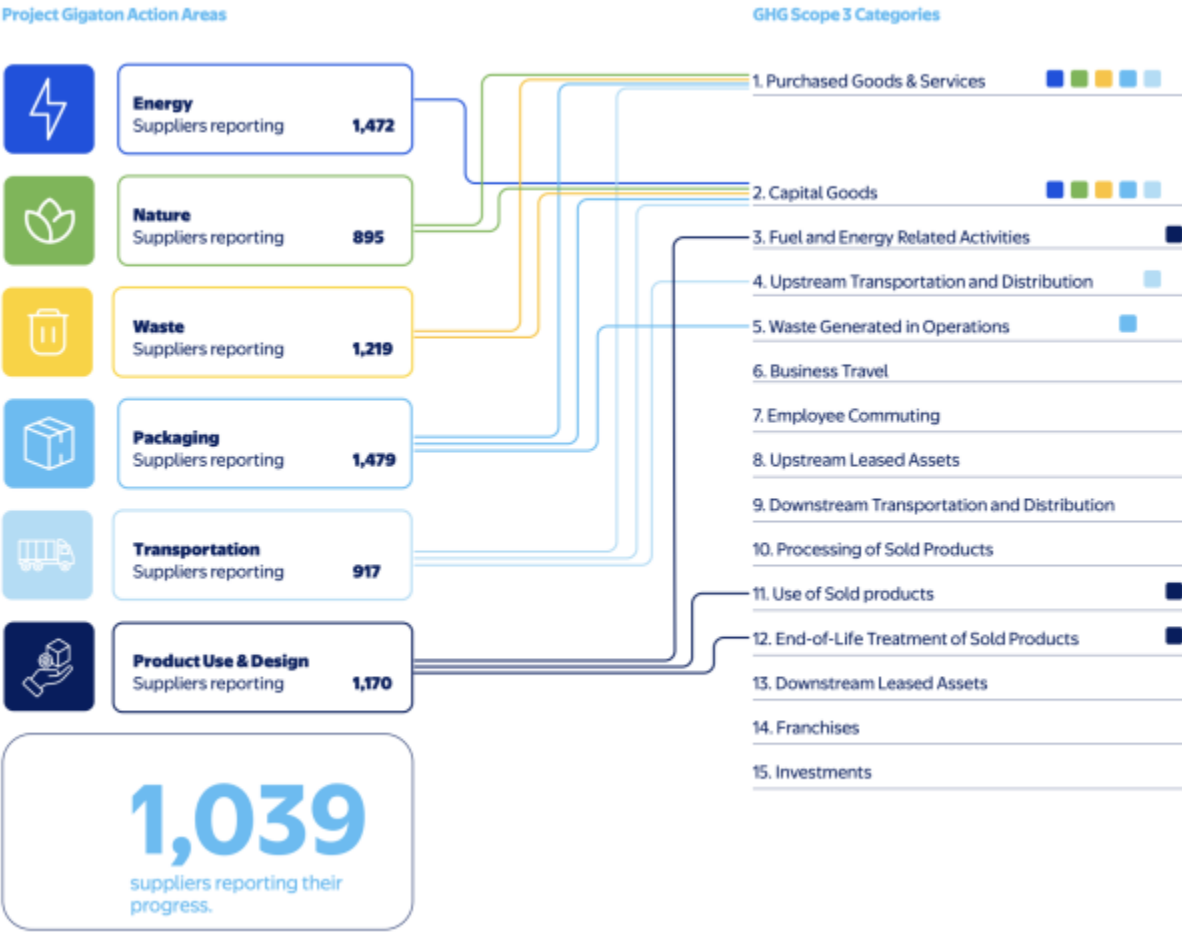
*Avoided distance traveled is calculated based on the optimization of return routes through inverse logistics and backhaul schemes. By utilizing return trips to transport by-products or materials, additional trips are avoided that would otherwise have required a dedicated collection journey from the store to the distribution center or consolidation point.

Project Gigaton

Although emissions associated with the production and use of products are beyond our direct control, we have engaged our suppliers in efforts to reduce emissions and enhance our product value chains’ resilience through Project Gigaton.

In 2016, Walmart Inc. launched Project Gigaton, setting an ambitious global goal to reduce, avoid, or sequester over 1 billion metric tons of emissions across global value chains by 2030. While the original target has been met, we continue to collaborate with suppliers under the Project Gigaton framework to accelerate emissions reductions that benefit customers, suppliers, producers, and communities.

This year, we had the participation of 1,039 suppliers in Mexico and Central America.



Circular Economy

We continue to strengthen our commitment to a circular economy by designing operations that minimize waste, extend the lifecycle of materials, and promote responsible consumption. In 2025, our efforts focused on four strategic areas: zero waste, sustainable packaging, reducing food waste, and encouraging customers to recycle. These initiatives are part of a broader vision to reduce environmental impact, optimize resource use, and contribute to a regenerative business model that creates long-term value for our customers, suppliers, and communities.

Waste Management in Operations

At Walmart de México y Centroamérica, we recognize the importance of responsible waste and materials management. We focused on preventing and minimizing waste generation across all processes, while ensuring that materials are recovered and reintegrated into new value chains whenever possible.

Zero Waste

Our commitment is to divert more than 90% of operational waste —both inorganic and organic— from landfills and incineration, following the Zero Waste International Alliance methodology. Although we made significant progress in 2025, we did not reach our zero-waste goal, which requires diverting over 90% of waste from landfills. We diverted 81% of our total waste from landfills and incineration, reflecting consistent year-over-year improvement. Structural challenges such as business growth, logistic complexity, limited local waste management infrastructure, and gaps in recycling and organic waste processing technologies prevented us from reaching our desired target. Nonetheless, we continue to play an active role in strengthening national waste management infrastructure and capabilities.

- In August 2025, Walmart de México y Centroamérica signed a Memorandum of Understanding with Mexico's Ministry of Environment and Natural Resources (SEMARNAT) to co-develop the country's first *Polo de Desarrollo de Economía Circular para el Bienestar* (PODECIBI) and the first Circular Economy Park. Through this alliance, we aim to channel organic waste and recyclable materials from our distribution centers into the park's value-chain infrastructure, diverting materials from landfills and transforming them into new raw materials. This initiative, aligned with our Zero Waste goal, reinforces our commitment to advancing circular-economy practices and collaborating with public partners to drive material recovery, resource efficiency, and climate resilience in Mexico.

Inorganic Waste Management

At Walmart de México y Centroamérica, we handle a variety of materials throughout our operations, with most inorganic waste coming from secondary packaging used for product transportation and storage. To ensure proper management, we continue to strengthen the strategies, processes, and tools implemented in our stores, clubs, and distribution centers, enabling more efficient handling, segregation, and recovery of materials throughout our supply chain. We maintained the following initiatives in Mexico and Central America:

- **Recycling by-products:** materials that can be recycled and reintegrated into new production processes—such as cardboard, stretch film, and various plastics—are sent to authorized suppliers for proper treatment.

Consolidated

349,054 tons of cardboard were sent for recycling and reintegrated into new production processes.

- **Reusable plastic containers:** we use containers made from recycled plastic to transport fruits, vegetables, and other products. These containers are returned to our distribution centers for washing and reuse, effectively eliminating the need for disposable packaging.

Consolidated

47.7 million washes of reusable plastic containers (RCPs) in our washing facilities in stores. This allowed these to be put back into circulation in good conditions, avoiding the consumption of single-use disposable containers.

- **Reusable Wooden Pallets:** we use wooden pallets for product distribution. These can be returned to our distribution centers for reuse. Damaged ones are either repaired or sent back to suppliers, who reintegrate them into other production processes.

Consolidated

225,701 tons of wood were recovered through pallet repair and reuse programs.

Organic Waste Management

We are committed to reducing food waste across every stage of our operations. Given the scale of our food handling, preparation, and sales processes, some organic waste is unavoidable, ranging from used cooking oil to products that lose commercial viability in stores. To address this responsibly, we have developed programs in partnership with authorized recyclers to recover and repurpose these materials. Our strategies focus on prevention and donation, as well as the transformation of organic waste into valuable resources ensuring that materials are reintegrated into productive cycles rather than ending up in landfills.

Our main initiatives included:

- **Organic by-product Recycling:** we send organic waste—including fruits, vegetables, bread sweepings, meat, dairy products, used oil, and more—to authorized suppliers for recycling. These materials are transformed into valuable resources such as compost, fertilizer, animal feed, or biofuels.
- **Food Bank Donations:** through our units and distribution centers, we collaborate daily with the Mexican Food Bank Network and five regional food banks in Central America. Our goal is to redirect products that are unsuitable for sale—due to packaging damage or approaching expiration dates— but safe for consumption, to these institutions.
- **Customer Value Proposition:** customers can buy bakery and produce items close to expiration at reduced prices.
- **Initiatives with associates:** through the AsCanasta program, in Mexico and Costa Rica associates can purchase products nearing expiration at 90% discount, reducing waste and supporting affordability. The remaining 10% is used to finance academic scholarships for associates and hearing aids. This initiative is complemented by our AsPan and AsFrut programs, which allow associates to benefit from bread and fruit withdrawn from points of sale due to upcoming expiration dates. These products still retain their quality and nutritional value, helping us reduce food waste.

Zero Waste Results



996,562
tons of waste generated.

274,935 tons
of waste avoided through pallet restoration programs and plastic containers reuse initiatives.

66,952 tons
of organic waste diverted from landfill through initiatives such as animal feed, biofuel, fertilizer, composting, and other.

387,900 tons
of cardboard, plastics, metals, and other inorganic materials recovered and reintegrated into the value chain through recycling programs.

60,468 tons
of food and general merchandise donated to food banks and NGOs.

81%
progress toward our Zero Waste goal.

Circularity in Our Products

Every product we offer is an opportunity to strengthen collaboration with our suppliers, driving circular practices in product design and packaging to reduce waste and extend their lifecycle.

Packaging and Materials

We are working to ensure that our Private Brands products' packaging and materials used in our operations are recyclable, reusable, or industrially compostable, incorporates post-consumer recycled (PCR) materials, and promotes the adoption of optimized circular designs that use only the necessary materials.



During 2025, we made progress in incorporating sustainable attributes in Private Brands' packaging, including:

- Bodega Aurrera cat litter with 30% PCR
- Great Value reusable spice grinders
- Member's Mark pizza box, 100% recyclable and made from 100% recycled cardboard
- Member's Mark multi-purpose degreaser 5L with 30% PCR
- Great Value Quinoa packaging transitioned from flexible multi-material to a mono-material polypropylene (PP) bag

In Mexico, we continued implementing a label for Private Brands products, with the purpose of promoting the recycling of packaging. This label informs customers of the components used in each package, providing information on their materials and clear instructions for recycling.

SUCCESS STORY: Suli Tomato Sauce

In Central America, we implemented the first monomaterial polyethylene doypack packaging for tomato-based sauces in our Suli product— without impacting product cost or the customer experience. This represented a milestone in the local industry, as we were able to drive change through a joint effort to source, produce, and implement materials at competitive prices that benefit both suppliers and buyers. This aligns with Walmart's environmental commitments and our consumers' expectations.

Actions with Customers

We invite our customers to join us in our commitment to environmental stewardship. Every action matters, and their involvement plays a vital role in building a more sustainable future. We have expanded programs focused on reducing, reusing, and recycling waste. By participating in these initiatives, customers help us minimize environmental impact at every stage of the waste lifecycle—from its origin to final disposal.

Post-consumption Programs

Building a circular economy requires collective action. In 2025, we strengthened our post-consumer programs to empower customers with accessible, reliable recycling solutions and to foster everyday habits that reduce environmental impact.

Our flagship program, *Reciclamanía Evolucionaria*, expanded its reach by operating 41 recycling centers, including 3 in our Distribution Centers, across 11 states. These centers recovered over 334.9 tons of materials including cardboard, paper, PET, aluminum, glass, multilayer packaging, and electronics. More than 51,682 customers and partners participated, demonstrating that recycling can be as simple as a routine shopping trip.

History and Evolution of *Reciclamanía Evolucionaria*

- 2019: We launched *Reciclamanía* with two temporary events. With the participation of more than 1,800 customers, we were able to collect 3.7 tons of waste.
- 2020: We installed 12 permanent recycling centers located in 6 states, recovering 21.8 tons of waste.
- 2021: We strengthened the operation of the 12 permanent recycling centers, collecting more than 109 tons of waste.
- 2022: We opened 10 new centers for our customers, totaling 22 active centers in 12 Mexican states, through which we collected 157.2 tons.
- 2023: We installed 9 recycling centers, closing the year with 31 active centers.
- 2024: We had 35 active centers in 10 states of the country. We accomplished the collection of 326,791.9 kg of waste and the participation of 49,351 customers and members.
- 2025: We have 4 centers across 11 states. We recovered 334.9 tons of materials for recycling.

With strong commercial partnerships, the collaboration of state and local governments, and active participation from over 51,682 customers and members, *Reciclamanía Evolucionaria* has become a benchmark for multi-sector collaboration, making recycling part of everyday life and strengthening a recycling culture and infrastructure within the communities where we operate.

In 2025, together with our business partners and state government allies, we opened 7 new centers, expanding our network thanks to the support and commitment of Barcel, Bimbo, Heineken, Mondelez, Oreo, Nestlé, Gamesa, Sabritas, Diageo, Hi-Cone, Great Value, Member's Mark, Garnier, Herdez, PepsiCo, Whirlpool, SC Johnson, Tetra Pak, Bio Baby, and Listerine. These partnerships and our communities' growing engagement have enabled *Reciclamanía Evolucionaria* to continue expanding its positive impact.

As part of this expansion, we celebrated the official launch of *Reciclamani'a Evolucion*a 2025–2026 at Walmart Universidad in Mexico City, an event that reaffirmed our shared commitment to advancing circularity in Mexico.

This launch brought together local government representatives, brand partners, and operational allies to recognize the collective results achieved since 2019: 38 active centers across 10 states, more than 145,000 participants, and over 1,000 tons of materials recovered. With wide media coverage and strong multi-sector participation, the event positioned *Reciclamani'a Evolucion*a as one of the country's leading community-driven recycling initiatives. Through these joint efforts and continued community engagement, *Reciclamani'a Evolucion*a continues to amplify its positive environmental and social impact across Mexico.

We also focused on certain specialized post-consumer programs that attend various types of recyclable waste:

- **Expired medicine:** in partnership with SINGREM, we ensured the safe collection and disposal of expired medicines.
?In 2025, we recovered 42,845 kg, preventing them from contaminating water bodies and the environment.
- **Coffee capsules:** in collaboration with Nespresso and Nescafé Dolce Gusto, we set up collection points in stores and corporate offices.
?In 2025, we collected 8,042 kg, recycled under certified circular models.
- **Reciclar para Ganar:** in collaboration with Grupo Alen, we continue to promote plastic recycling in communities in Nuevo León.
?In 2025, we recovered 84,753 kg, equivalent to more than 2.1 million bottles.
- **Árbol por Árbol:** together with the Mexico City Ministry of the Environment, we promoted the responsible disposal of natural Christmas trees.
?In 2025, we collected 71,325 kg of trees, which were transformed into compost to nourish urban parks and gardens.
- **Puntos Verdes Central America:** In 2025, we operated 27 recycling stations across the region, recovering over 168.9 tons of post-consumer waste including PET, cardboard, paper, tetrapak, aluminum, glass, and electronics. These stations offer communities a convenient and trustworthy way to recycle.

Regeneration of Natural Resources

Many of the products we sell, ranging from produce and seafood to textiles and personal care, are sourced from nature or rely on nature-derived ingredients. Communities also depend on natural ecosystems or vital services such as climate regulation, fresh water, flood protection, soil health, pollination, and energy. However, these landscapes and seascapes are increasingly under pressure from land conversion, climate change, and pollution. Stakeholders, including governments, customers, communities, and shareholders,

expect us to operate in ways that contribute to positive outcomes for nature, helping reverse environmental degradation and safeguard essential resources for the future.

We recognize the importance of collaboration across supply chains and the need to foster innovative solutions that reduce environmental impact, support ecosystem balance, and conserve natural resources. To address these challenges, we have identified key strategic areas that guide our actions:

- Sustainable sourcing
- Water footprint

Sustainable Sourcing

Sustainable sourcing creates value for both business and society. It strengthens and streamlines supply chains, enhances product quality and availability, reduces risks, and unlocks opportunities for growth within communities.

Raw Materials

At Walmart de México y Centroamérica, we promote responsible production of deforestation-free products and supply chain transparency, with a focus on priority raw materials. We foster collaboration among producers, traders, manufacturers, retailers, and suppliers to help prevent forest and ocean degradation. Through responsible practices, we aim to ensure the traceability, quality, and continuity of the products we offer, while fostering local economic development, inclusion, and the adoption of environmental and social standards that drive long-term sustainable growth.

Palm oil		Beef	Soy
México 35.8% 35.5% Mass Balance + DCF verification 0.3% Segregated/identity preserved Centroamérica 61.1% 60.9% Mass Balance + DCF verification 0.2% Segregated/identity preserved Our goal is for 100% of palm oil in Private Brand products sourced with no deforestation or conversion by 2025^[5]. We ensure the traceability of this raw material through recognized certifications such as the Roundtable on Sustainable Palm Oil (RSPO).		We aspire to source 100% of beef (fresh, chilled, frozen, and processed corned beef products) for Private Brands and national brand products originating from Priority Regions ^[6] as deforestation-free and conversion-free (DCF) by 2025.	We aspire to have Private Brand products containing soy originating from Priority Regions ⁸ source as deforestation-free and conversion-free (DCF) by 2025.
Pulp, paper, and timber		Sustainable fishing	
Our goal is for 100% of Private Brand products		Our goal is that by 2025, our suppliers of fresh, frozen,	

made of pulp, paper, and timber sourced deforestation-free and conversion-free by 2025. Our suppliers are encouraged to comply with recognized certifications such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) and Sustainable Forestry Initiative (SFI) or guarantee the use of materials with recycled content. Sustainable pulp, paper, and timber:		farmed, and wild-caught seafood will source from fisheries that are third-party certified as sustainable, actively working towards certification, or engaged in a Fishery Improvement Project (FIP) or Aquaculture Improvement Project (AIP).^[7] Suppliers are encouraged to comply with recognized standards such as Best Aquaculture Practices (BAP) or Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), or be supported by an FIP or AIP. In addition, by 2025, in Mexico, all canned and pouched light and white tuna suppliers will source from fisheries that are third-party certified as sustainable, actively working toward certification, or engaged in a fishery improvement project (FIP). Sustainable fish and seafood:	
Mexico: 98.7	Central America: 99.6%	Mexico: 78.4%	Central America: 75.2%

Water Footprint

Water is a vital resource for our operations and communities. At Walmart de México y Centroamérica, we continue to implement technologies and infrastructure improvements to reduce our water footprint. Our efforts are focused on wastewater treatment, reuse, and water consumption reduction. During this year we were able to manage our water consumption throughout the company by reducing extraction from natural sources. This was possible thanks to the reuse of treated water and the optimization of our monitoring systems.

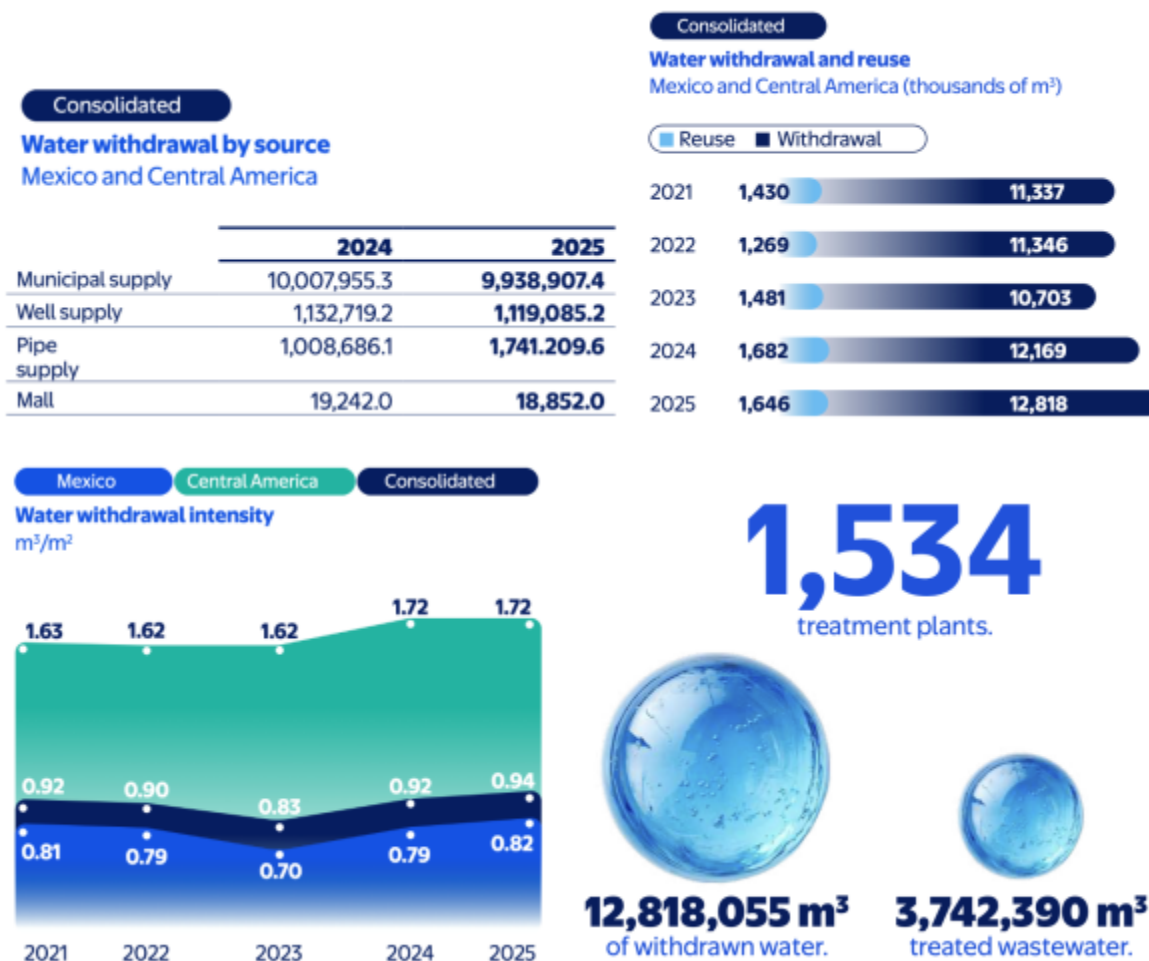
Mexico

In 2025, we strengthened our water sustainability efforts by installing 25 wastewater treatment systems and optimizing the operation of 37 existing systems, enabling a treated-water reuse rate of 78% in auxiliary services. Additionally, we are implementing leak-detection programs that contributed to reducing our overall water footprint.

Central America

In Costa Rica, we strengthened our commitment to water stewardship by launching a pilot project at Walmart Supercenter Heredia Oeste to recover and treat rainwater for internal use. The system allows the store to reuse water in cleaning, restrooms, and external maintenance. The project was developed with technical and

operational teams, ensuring compliance with environmental regulations and safety standards. The rainwater system is expected to reduce consumption by approximately 100 m3 per month, representing a 30% decrease in the store's overall usage.



^[1] As used herein, “renewable sources of energy” means renewable sources of electricity and is not intended to cover other energy sources. This includes generation from active renewable and low-carbon projects. It considers the combined contribution of power generated from on-site and off-site projects as well as renewable energy generation feeding into the grids where our sites are located. The electricity procured from our renewable energy projects and the most recent grid fuel mix information (MX 18.7%, CRC = 89.5%, GUA = 65.6%, HON = 52.0%, NIC = 62.5%, SLV = 90.7%) obtained from the International Energy Agency for the regions where we operate.

^[2] As used herein, Walmart has adopted the “Zero Waste” definition and business principles from Zero Waste International Alliance (ZWIA) -including achievement of 90% or more diversion of all discarded resources from landfills, incinerators and the environment. Our Zero Waste goal and reporting scope includes waste materials and products generated in Walmart’s owned facilities and its operations (e.g., stores, clubs, DCs).

^[3] The progress calculations are based on the information reported by our suppliers.

^[4] In 2025, fugitive emissions from refrigeration were calculated using the most recent emission factors, based on the GWPs provided in the updated Sixth Assessment Report (AR6) from the IPCC. This change was applied retrospectively to previous years.

^[5] Sustainably sourced palm oil is defined as RSPO-certified as Segregated or Identity Preserved, as well as Mass Balance with Deforestation and Conversion-Free verification (including compliance with NDPE (No Deforestation, No Peat, No Exploitation) IRF (Implementation Reporting Framework) 'Delivering' criteria or geo-monitoring). Previously, sustainably sourced palm oil included RSPO-certified Segregated, Identity Preserved, and Mass Balance (without additional Deforestation and Conversion-Free verification).

^[6] Priority Regions: Such as the Brazilian Amazon and Cerrado, and the Gran Chaco in Argentina and Paraguay.

^[7] Sustainable seafood must now meet standards such as Best Aquaculture Practices (BAP) with a minimum of 2-star certification, Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), or equivalent certifications, or be supported by a Fishery Improvement Project (FIP)

Market Information:

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

In Mexico competition consists of:

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

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

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

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

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

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

Corporate structure:

Wal-Mart de México, S.A.B. de C.V., is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose tax address is located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of **WALMEX** is Walmart, Inc., a U.S. corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 71.20% in the Company.

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

Group	Line of business
Nueva Wal Mart	Operation in 2025 of 2,698 Bodega Aurrera discount stores, 338 Walmart hypermarkets, 104 Walmart Express supermarkets, 176 Sam's Club membership self-service wholesale stores and eCommerce websites. In addition of providing advertising services with Walmart Connect. A health program to provide health services, in addition of a benefits digital program, among others.
Industria de Alimentos Wal Mart, S. de R.L. de C.V.	Its main activity is the purchase, sale, trading, manufacturing, packaging, packing, storage, distribution and commercialization, on its own account and/or on behalf of third parties, on a wholesale or retail basis, of products in the food category, including but not limited to meats, preserves and processed foods.
Other businesses	Provision of mobile internet connectivity services and the sale of prepaid airtime top-ups (BAIT); advertising space services (Walmart Connect); financial services through a digital wallet (Cashi).
Importing Companies	Import of goods for sale.
Real estate	Property developments and management of real estate companies.
Corporate companies	Rendering of professional not-for-profit services to the community at large and shareholding.
Walmart Central America	Operation of 636 Despensa Familiar and Palí discount stores, 99 Paiz, La Despensa de Don Juan, La Unión and Más x Menos supermarkets, 175 Bodegas, Maxi Bodega and Maxi Palí, and 39 Walmart hypermarkets in 2025. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

Walmart Inc.

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

At the end of its fiscal year, dated January 31, 2026, Walmart Inc. reported the operation of 10,955 commercial units throughout 19 countries, which are located in the United States, Mexico, Costa Rica, Guatemala, El Salvador, Nicaragua, Honduras, Africa, Canada, Chile, China and India, and on eCommerce

websites. Sales for Walmart Inc. during the last fiscal year amounted to 713.2 billion dollars, an increase of 4.7% over the similar prior year period.

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

Description of key assets:

As of December 31, 2025, the assets of the company are mainly comprised of its cash and cash equivalents (28.6 billion pesos), inventories (107.5 billion pesos) and fixed assets such as real estate, stores, distribution centers, right-of-use asset and equipment (262.8 billion pesos). We must point out that cash represents 5.8% of our assets.

Some of the units are owned and others are leased.

Fixed assets are formed by business units, as described:

Description by business format

Format	Description	Units	Sales area (square feet)
Mexico			
Bodega Aurrera	Discount stores	2,698	35,557,673
Walmart	Hypermarkets	338	26,173,341
Sam's Club	Membership warehouse clubs	176	13,733,059
Walmart Express	Supermarkets	104	1,778,370
Central America			
Despensa Familiar, Palí	Discount stores	636	2,828,885
Paiz, La Despensa de Don Juan, La Unión, MásxMenos	Supermarkets	99	1,466,249
Walmart	Hypermarkets	39	2,128,822
MaxiDespensa, MaxiPalí	Warehouses stores	175	2,816,958

Judicial, administrative or arbitration proceedings:

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$1,231,863 and \$5,756,396 as of December 31, 2025, (\$1,679,816 and \$7,029,242 in 2024) which is presented in other accounts payable and in other long-term liabilities, respectively. In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

**Figures in thousand pesos MXN.*

Capital shares:

As of December 31, 2025, 2024 and 2023, nominal capital stock, for accounting purposes, was as follows:

Common Stock			
Thousand pesos			
	2025	2024	2023
Fixed	Ps. 5,591,362	Ps. 5,591,362	Ps. 5,591,362
Variable	36,523,207	36,898,537	36,898,537
Subtotal	42,114,569	42,489,899	42,489,899
Inflation effects	2,913,297	2,939,261	2,939,261
Total	Ps. 45,027,866	Ps.45,429,160	Ps.45,429,160

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

Stock Structure			
Number of shares			
Series	2025	2024	2023
Single series			
Free subscription, common shares	17,292,211,803	17,446,322,177	17,446,322,177

During the year ended as of December 31, 2025, 154,110,374 shares of WALMEX were acquired; such repurchase implied reduce the capital for accounting purposes, as is shown in the Consolidated statements of changes in equity. During the year ended as of December 31, 2024, there was no repurchase of its own shares.

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

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

At December 31, 2025, 2024 and 2023, the Company has Fx-forward contracts with a term of no more than four months recorded in other accounts payable, which are shown below:

	2025	2024	2023
Current contracts	281	304	258
Notional amount (USD million)	US \$252	US \$260	US \$234
Fair value (MXN million)	(\$89)	\$85	(\$131)

**The figures presented reflect the accounting treatment of treasury shares acquired by the Company and do not imply any modification to the share capital from a legal standpoint.*

Dividends:

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

Dividend paid per share (pesos)	
2022	1.71
2023	2.69
2024	2.17
2025	1.69

As a result of 2025's dividend payment, 28.9 billion pesos were paid in cash. The Company intends to continue paying yearly dividends, the amount of which will depend upon growth opportunities, the economic situation, and the competitive environment, among other factors.

[424000-N] Información financiera

Concept	Previous period MXN 2025-01-01 - 2025-12-31	Previous Annual Period MXN 2024-01-01 - 2024-12-31	Annual Previous Previous Period MXN 2023-01-01 - 2023-12-31
Revenue	1,011,597,884.0	958,507,491.0	886,523,205.0
Income (loss) Gross	245,197,895.0	231,473,218.0	210,558,344.0
Profit (loss) from operating activities	78,493,750.0	77,358,988.0	73,275,983.0
Profit (loss)	49,890,741.0	53,827,384.0	51,589,989.0
Profit (loss) per share	2.87	3.09	2.96
Acquisition of property and equipment	38,981,955.0	34,763,789.0	28,792,178.0
Depreciation and operating amortization	24,953,131.0	22,639,474.0	20,577,439.0
Total assets	495,273,263.0	493,893,065.0	436,546,616.0
Total non-current liabilities	89,976,490.0	90,223,852.0	81,242,066.0
Accounts receivable turnover	38.0	38.6	38.6
Accounts payable turnover	6.2	6.0	5.9
Inventory turnover	7.1	6.6	7.1
Total equity	235,580,061.0	232,875,469.0	199,086,037.0
Cash dividends declared per share	1.69	2.17	2.69

Selected financial information disclosure:

Financial Summary (Million pesos)

	2025	2024	2023	2022	2021
Mexico GDP (Growth,%)	0.8	1.3	3.1	3.1	5.0
Mexico Annual Inflation (%)	3.7	4.2	4.7	7.8	7.4
Depreciation (Annual,%)	(13.8)	22.5	(12.7)	(5.6)	2.9
Average Exchange Rate	18.1	18.3	17.7	20.1	20.3
Year-end Exchange Rate	18.0	20.6	17.0	19.5	20.5
Mexico Average Interest Rate (28 Day Cetes,%)	8.2	10.7	11.1	7.7	4.4
RESULTS					
NET SALES	1,004,494	951,642	880,122	815,060	730,352
% of growth total units	5.6	8.1	8.2	11.3	4.8
% of growth comp units	3.9	6.6	6.8	10.1	3.6
OTHER INCOME	7,104	6,865	6,401	6,109	5,692
% of growth	3.5	7.2	4.8	7.3	13.3
TOTAL REVENUES	1,011,598	958,507	886,523	819,169	736,044
% of growth	5.5	8.1	8.2	11.3	4.9
GROSS PROFIT	245,198	231,473	210,558	191,398	171,840
% of profit margin	24.2	24.1	23.8	23.4	23.3
GENERAL EXPENSES	168,044	156,085	136,747	124,694	110,181
% of total revenues	16.6	16.3	15.4	15.2	15.0
OPERATING INCOME	78,494	77,359	73,276	68,011	62,908
% of total revenues	7.8	8.1	8.3	8.3	8.5
% of growth	1.5	5.6	7.7	8.1	9.5
EBITDA	103,447	99,998	93,853	87,370	81,214
% of total revenues	10.2	10.4	10.6	10.7	11.0
FINANCIAL INCOME (EXPENSES), NET	9,617	8,428	4,669	4,645	5,612
INCOME BEFORE INCOME TAX	68,877	68,931	68,607	63,366	57,296
INCOME TAX	18,986	15,104	17,017	14,392	13,158
DISCONTINUED OPERATIONS	-	-	-	-	-
CONSOLIDATED NET INCOME ATTRIBUTABLE TO THE PARENT	49,891	53,827	51,590	48,974	44,138
% of growth vs. last year	(7.3)	4.3	5.3	11.0	32.0
FINANCIAL POSITION					
CASH	28,591	36,514	40,669	47,427	42,817
INVENTORIES	107,451	110,695	95,088	89,462	80,317
OTHER ASSETS	58,571	54,962	43,887	37,671	35,269
FIXED ASSETS	262,759	249,025	222,606	208,634	200,219
GOODWILL	37,901	42,697	34,297	35,614	35,767
TOTAL ASSETS	495,273	493,893	436,547	418,808	394,389
					34,989
SUPPLIERS	123,904	121,971	114,430	98,956	96,638
OTHER LIABILITIES	135,789	139,047	123,031	117,384	111,869
EQUITY	235,580	232,875	199,086	202,468	185,882
NON-CONTROLLING INTEREST	-	-	-	-	-
TOTAL LIABILITIES, EQUITY AND NON-CONTROLLING INTEREST	495,273	493,893	436,547	418,808	394,389

	2025	2024	2023	2022	2021
NUMBER OF UNITS MEXICO					
Bodega Aurrera	2,698	2,553	2,419	2,292	2,198
Walmart	338	327	316	303	294
Sam's Club	176	173	170	167	165
Superama	0	0	0	0	14
Walmart Express	104	101	102	101	85
Suburbia	-	-	-	-	-
Medimart Pharmacies	-	-	-	-	-
Vips Restaurants	-	-	-	-	-
TOTAL	3,316	3,154	3,007	2,863	2,756
NUMBER OF UNITS CENTRAL AMERICA					
Discount Stores	636	618	595	583	572
Supermarkets	99	98	98	98	98
Bodegas	175	172	167	165	158
Walmarts	39	37	36	36	36
Clubs	-	-	-	-	-
TOTAL	949	925	896	882	864
Banco Walmart					
Bank branches	-	-	-	-	-
OTHER INFORMATION AT THE END OF THE YEAR					
Number of Associates	240,779	241,172	237,605	233,594	231,259
Share Price (pesos)	56.13	54.89	71.57	68.59	76.09
Number of Outstanding Shares (millions)	17,292	17,446	17,446	17,461	17,461
Market Value	970,600	957,611	1,248,610	1,197,650	1,328,607
Earnings per Share (pesos)	2.873	3.085	2.955	2.805	2.528
Payment of Dividends	28,923	37,399	46,349	29,558	28,189
Number of Shares Repurchased (millions)	154	-	15	-	-
Investment in Shares Repurchasing Operations	8,800	-	988	-	-

1 Results from Banco Walmart and its sale presented under Discontinued Operations.
2 Suburbia's and Banco Walmart' sales and results are presented under Discontinued Operations.
3 Suburbia's results are presented under Discontinued Operations. Financial position displays reclassifications in presentation, in order to be
4 Suburbia's associates not included.
5 Information with adjustments, derived from the Income Standard that applies as of 2018.
6 Information with adjustments, derived from the Leasing Standard that is applied as of 2019.
NA = Non Applicable.

ACQUISITIONS OF PROPERTY AND EQUIPMENT	38,982	34,763	28,792	21,304	20,466
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Selected quarterly financial information:

This element does not apply to **WALMEX**, as the Company considers that all relevant information related to 4Q25 has already been released to the market.

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

This element does not apply to **WALMEX**

Financial information by business line:

As of December 31, 2025, Mexico had 3,316 operating units, representing 77,242,442 square feet of sales floor. Central America had 949 operating units, representing 9,240,914 square feet of sales floor.

Shares in net sales by business format in Mexico

	2025	2024	2023	2022
Bodega Aurrera	40%	41%	41%	41%
Walmart	25%	25%	25%	26%
Sam's Club	24%	24%	25%	24%
Walmart Express	3%	3%	3%	3%
eCommerce	7%	6%	6%	6%
Bait	1%	1%	-	-
Net sales (million pesos)	Ps. 829,718	Ps. 791,122	Ps. 736,465	Ps. 673,658

Shares in sales by business in Central America

	2025	2024	2023	2022
Costa Rica	43%	43%	43%	39%
Guatemala	24%	24%	24%	25%
El Salvador	11%	11%	11%	13%
Honduras	11%	12%	12%	12%
Nicaragua	11%	10%	10%	11%
Net sales (million pesos)	Ps. 174,776	Ps. 160,520	Ps. 143,657	Ps. 139,402

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

Breakdown of units by geographical region in Mexico

	2025	2024	2023
Metropolitan Area	20.5%	21.1%	21.8%
Center	36.2%	36.5%	36.3%
Northeast	14.8%	14.6%	14.5%
Southeast	9.9%	9.5%	9.1%
Northwest	7.7%	7.3%	7.2%
North	6.1%	6.1%	6.1%
Southwest	4.9%	5.0%	5.0%
Total Units	3,316	3,154	3,007

Breakdown of units by geographical region in Central America

	2025	2024	2023
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Guatemala	29.7%	29.4%	29.5%
Costa Rica	36.4%	36.0%	35.0%
El Salvador	10.7%	11.0%	11.4%
Nicaragua	11.2%	11.2%	11.4%
Honduras	12.0%	12.3%	12.7%
Total Units	949	925	896

As of December 31, 2025, the installed capacity for the company by geographical region is as follow:

Breakdown of units by geographical region in Mexico		
	Units	Self-service + Clubs
Metropolitan Area	679	20.9%
Center	1,199	33.8%
Northeast	490	9.8%
Southeast	327	10.7%
Northwest	255	10.8%
North	203	8.2%
Southwest	163	5.9%
Total	3,316	77,242,442
		<i>square feet</i>

Breakdown of units by geographical region in Central America		
	Units	Self-service
Guatemala	282	30.2%
Costa Rica	345	37.2%
El Salvador	102	12.5%
Nicaragua	106	8.4%
Honduras	114	11.8%
Total	949	9,240,914
		<i>square feet</i>

Relevant credit report:

The Company does not have credits with financial institutions.

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

As we close the year, we want to begin, as always, by thanking our associates both in Mexico and Central America. Their commitment, discipline and focus on execution allow us to serve our customers every day, in the way they want and when they want.

We are operating in a macroeconomic environment that remains complex, with pressure on consumption and costs. At this time, we are focused on what we can control and on executing the fundamentals well. This discipline is what has consistently allowed Walmex to emerge stronger from previous cycles, and we believe the same will happen on this occasion.

That said, let us be clear: we are not satisfied with the results. They are not good enough. We know we can and must do better, and that conviction is what is driving the actions we are taking today.

We believe that what matters most is the execution of the fundamentals of our business. And as we close the year, we are fully focused on three major non-negotiable priorities that guide every decision we make across the organization: Every Day Low Prices, product availability and the acceleration of eCommerce.

At the end of the day, our three non-negotiables reflect our purpose in action. When we execute Every Day Low Prices correctly, keep products available, and make shopping more convenient through eCommerce, we are directly helping customers save money and live better.

We have aligned our teams around these three priorities and have already begun to see encouraging signs of improvement. We are not waiting for the market to recover, we are acting now with urgency.

We will briefly share some of the execution improvements we are making to the strategy behind each of these priorities.

Starting with Every Day Low Prices, we are refining our pricing strategy to reinforce our EDLP philosophy. This includes advancing toward a more predictable and consistent price architecture, such as extending the duration of rollbacks and improving price stability in key categories.

The objective is to reinforce trust, simplify the shopping experience, and ensure customers clearly identify Walmart as the place where they can find Every Day Low Prices.

EDLP is not only about item-level pricing; it also implies price stability and, importantly, building a larger and higher-value shopping basket. When customers trust our prices, they consolidate a greater share of their purchases with us.

These changes are already beginning to be reflected in a 30-basis-point improvement in Price Perception in Mexico, compared to last year, positioning us to continue delivering solid market share gains versus the market.

Turning now to product availability. By connecting the store map, real-time inventory visibility, and inventory management, we are enabling our teams to execute with significantly greater precision and productivity.

We are leveraging the experience of our new COO, Paul, who joined us from Walmart U.S., to scale proven automation and operational disciplines. These capabilities, adapted to our local context, are helping us drive more consistent execution and higher productivity in our stores.

These efforts, together with better operational execution and closer coordination among teams, are part of the levers behind the 130-basis-point improvement in Total Availability when comparing 4Q25 with 3Q25.

It is important to note that Total Availability measures whether the product is actually on the shelf when the customer is there, not just somewhere in the store or in the backroom. This raises the bar for how we manage and execute availability.

An effective pricing strategy and strong product availability are not independent levers. When prices are right and products are on the shelves, we drive both our stores and our digital business, accelerating traffic, conversion and basket size across channels, which brings us to our third non-negotiable: the acceleration of eCommerce.

We have been making adjustments primarily in three areas: improving speed by increasing same-day delivery penetration; improving In-Full by strengthening execution; and expanding our reach.

With respect to the latter, we are expanding home delivery coverage from each store to reach more households, not only through the opening of new stores, but even more importantly, by expanding the coverage area of our existing store network. To give you an example, during the year we were able to reach San Miguel de Allende and Valle de Bravo, among other cities, without the need to open new stores in those locations.

Operation results:

2025 results

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

For the full year, consolidated revenues grew 5.5% and 4.6% excluding foreign exchange effects:

4.9% in Mexico and 3.5% in Central America.

Mexico

In Mexico, same-store sales grew 3.3% for the year. It is important to highlight that we continued to grow same-store sales well above ANTAD by 190 basis points for the full year, achieving twelve consecutive years with a positive differential, which reflects the strength of our value proposition.

Despite having grown well above the market as measured by ANTAD, we believe we can do even better as we continue advancing on our priorities; therefore, we expect growth to accelerate in 2026.

For the full year 2025, eCommerce GMV grew 17%. While this represents continued progress, we know this is still not the level of growth we aspire to over the long term. We are in a transition phase, but the focus is now on accelerating execution and implementing initiatives with measurable short-term impact, in order to close the gap soon.

Initiatives such as One Hallway represent structural changes in the way customers experience our digital platforms. In the United States, they went through a similar transition, in which the benefits became visible only after an initial adjustment period. From this point forward, we expect gradual improvements in conversion, catalog visibility and customer experience.

Our ecosystem continues to strengthen the core retail business. On the one hand, Bait reached more than 26 million active users. We have observed that these users spend, on average, 2.5 times more than customers who do not use Bait, reinforcing our conviction that when we deliver clear and relevant value, such as low-priced connectivity, customers respond with higher engagement, loyalty and trust.

As with all of our new businesses, beyond the numbers, what matters most is how they strengthen the core. The data generated through our Benefits program is already being used to improve price design and optimize catalog productivity at the item and store level. By leveraging advanced analytics and Artificial Intelligence-enabled tools, such as Scintilla, we are improving the quality of our decisions and delivering better outcomes for our customers.

Central America

In 2025, Central America reported same-store sales growth of 1.7%, with Honduras and El Salvador showing the strongest performance.

Growth was impacted by Costa Rica, which is going through a period of deflation in the food and beverages sector, along with weak household consumption and increased competitive intensity.

We are increasing investments in price and refining our in-store execution to drive traffic and ticket size.

eCommerce grew 42%, while sales penetration increased by 40 basis points versus last year. During the year, we launched crowdsourcing across all urban supermarkets in Costa Rica and Guatemala.

In the region, Walmart Connect showed strong momentum, generating more than 550 million pesos in revenue for the year, driven primarily by the digital segment, which more than tripled its performance from a small base.

New Stores

Physical expansion also continues to contribute to growth. During the year, we opened 186 stores in Mexico and Central America, representing an acceleration versus last year and a record year since 2013. In terms of square meters, this represented 212 thousand additional square meters of selling space, equivalent to approximately 1,000 proximity format stores.

Taking a step back and looking at the year as a whole, what gives us strong confidence is how the organization is responding internally. We are very pleased with how our teams are adapting, strengthening execution and embracing this stage of renewed focus on the fundamentals.

We are also confident in the way we are leveraging best practices and automation initiatives from other Walmart markets and adapting them to our local context to reinforce execution across our three non-negotiables and to elevate business productivity.

Looking ahead, economic growth should accelerate and we are confident about the path forward. What gives us confidence is that we know what needs to be done and we have clear priorities; however, we need to accelerate the speed at which we are moving. This leadership team has a very clear focus and we are executing with urgency on the levers we know create value.

2024 results

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

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

Mexico

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

Performance by format

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

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

Winning in Discount

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

Our efforts in the transformation of Walmart Express continue to bear fruit, as our customers are appreciating our initiatives in terms of improvements in customer experience, assortment and perishables. We had a great season in Bakery with over 1 million of our premium bakery products sold after the changes we have made throughout the year with the return of our premium bakers. The penetration of Private Brands continues to improve. In 2024, penetration increased +50 basis points compared to the previous year. Our private brands have been and will continue to be a priority for us in the coming years, offering prices that customers can afford, so they can expect their share to increase consistently. To conclude, we continue to work on efficiencies throughout the organization and reviewing each process. We have been sharing with you every year some of the results. During 2024, we implemented the "Smart Receiving" program internally from our Distribution Centers to Stores and Clubs, as well as with Direct Store Delivery suppliers, with benefits in more supplier deliveries, faster availability on the sales floor for customers, better inventory rotations and overall productivity improvement.

Omnichannel

Our customers are valuing the convenience of online shopping, and we are continually refining our digital offerings and assortment to meet their constantly evolving needs. For the full year, eCommerce GMV also grew 20% and accounted for 7.4% of total GMV. On Demand as main driver was benefited throughout the year thanks to "Despensa a tu Casa" from Bodega, which has proven to be a success with the highest growth rate among formats. Supercenter and Walmart Express also doubled their growth rate compared to 2023 thanks to faster deliveries through increased availability of same-day delivery slots and "Pronto" deliveries in up to 90 minutes. For Extended Assortment, we have been improving delivery times for Marketplace with the goal of delivering products faster to our customers, thanks in part to Walmart Fulfillment Services. During

2024, we had our "El Fin Irresistible" event, our biggest seasonal event of the year that took place from November 7 to 20. We had more than 170 million eCommerce visits throughout the event. Particularly November 18 was the day with the highest sales in the company's history! Historical figures during the event were widespread across all our formats. "Despensa a tu Casa" from Bodega had a 72% growth against last year, while our two Walmart formats had a record service level during the event and Sam's Club reached a record number of memberships. In addition to the technological transformation in which we have been and will continue to work on the implementation of Walmart's Global Platforms; we are also focusing on digitizing and simplifying some key processes along the way, such as in-store picking, guide generation, our pickers app, among others; which helps us reduce times and improve store productivity, delivery times and overall customer experience.

Ecosystem

Bait, our telecommunications business, has reached 18.3 million active users. We are thrilled at how this business continues to bolster our omnichannel strategy by enhancing frequency while escalating both sales and profits quarter by quarter. As for Financial Solutions, during the "El Fin Irresistible" event, Cashi was the most downloaded financial application in Mexico. We persist in testing Cashi's open-loop banking solutions in our pilot with friends & family. Our highly profitable advertising business, Walmart Connect, recorded a 26% increase in annual revenue. Throughout 2024, we have continued to roll out our in-store digital initiatives, such as the expansion of advertising space through TV Screens in over 200 Bodegas and the digital Totems in 80% of our Supercenters, equipped with a camera to measure audience interaction, a valuable metric for our advertisers. Lastly, our "Walmart y Bodega Aurrera Beneficios" program is gaining significant traction. By the end of 2024, we reached a sizeable 46 million reachable customers. The program's penetration already accounts for about a third of total transactions, enabling us to better understand our customers in ways we previously couldn't. This is assisting us in better knowing our customers and their shopping missions, leading to improved communication to meet their needs. We are looking forward to sharing additional insights about what we are learning from these customers soon. We are still developing the capabilities to unlock the full potential of the program.

Performance Vs. Market

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

Central America

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

New Stores

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

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

2023 results

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

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

Mexico

In 2023, as a result of our strategy, investments in pricing, and listening to our customers, we managed to outperform the formal market measured by ANTAD by 60 basis points, this being the tenth consecutive year achieving a positive differential vs ANTAD figures. This speaks to the consistency and discipline of our execution over the past decade, coupled with the work and effort that our associates put in every day.

Performance by Format

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

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

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

Winning at Discount

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

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

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

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

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

Omnichannel

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

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

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

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

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

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

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

Ecosystem

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

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

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

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

Performance Vs. Market

We will continue listening to the needs of our customers, acting quickly, and innovating to constantly improve our value proposition and transform the shopping experience to maintain the trust of our customers.

In 2023, thanks to our strategy and investments in price, we managed to outperform the formal market measured by ANTAD by 60 basis points. This marks the tenth consecutive year of success and demonstrates our consistency and discipline in execution, backed by the effort of our associates.

Central America

Our focus on serving customers, through price and catalog, contributed to a growth in sales at equal units above the inflation of the region. The growth was affected by political demonstrations in October in Guatemala and deflationary pressure in Costa Rica, which were partially offset by volume growth in all markets.

The omnichannel momentum continues, gradually launching in Bodegas in Costa Rica while advancing with the implementation in Guatemala that started during the third quarter of 2023. Total eCommerce sales had a positive double-digit growth.

We are working to gradually build an ecosystem that should bring more opportunities in the future.

New Stores

The contribution of new stores to the growth of consolidated sales was 1.5% for the entire year.

Our Bodega formats led in terms of openings and we have also resumed our store growth plan in Guatemala.

In 2023 we opened 162 stores, which represents a record figure since 2013. We plan to accelerate this even more in the coming years. We continue to see space to open new stores and we are pleased with the results of these new openings.

Financial position, liquidity and capital resources:

2025 Balance

During the year, we generated 89.2 billion pesos in cash from operations, reflecting the strength of our core business. Working capital represented a net benefit of approximately 2.4 billion pesos, driven by inventory improvements. We continue to see additional opportunities to improve inventory over the coming years, supported by increased process automation.

CAPEX investments totaled 39 billion pesos, focused on high-return projects, including store openings, supply chain, technology and digital capabilities. These investments were slightly below what we shared at Walmex Day, mainly due to timing shifts in store investments and some delays in technology projects.

We returned 37.7 billion pesos to our shareholders through dividends and share repurchases. We closed the year with a cash position of 28.6 billion pesos, maintaining a solid and flexible balance sheet that supports both growth and shareholder returns.

We would also like to share that we are currently working on our capital return proposal for 2026, which will include dividends and share repurchases, with the objective of finding the best way to return value to shareholders in a disciplined and sustainable manner.

2024 Balance

Cash decreased by 10.2% compared to the same period in 2023.

Inventories experienced a growth of 16.4%, surpassing sales growth, due to an increase in inventory to improve in-stock levels at the beginning of 2025 and lower sales in certain categories. We are prioritizing the improvement of our inventory days for 2025, reinforcing our capital discipline in this area.

And finally, accounts payable grew approximately in line with sales, reporting a growth of 6.6% compared to the previous year.

Over the past twelve months, we generated \$92.1 billion pesos in cash. We invested \$34.8 billion pesos in CAPEX on high-return projects to accelerate growth, above the market and in line with the guidance provided at our Walmex Day.

We returned \$37.4 billion pesos to our shareholders in the form of dividends; our working capital for the period required \$8.3 billion pesos, due to the increase in inventories mentioned earlier, and we paid \$16.4 billion pesos in taxes.

In summary, our cash position ended the year at \$36.5 billion pesos.

We will continue to create value for our shareholders.

2023 Balance

In 2023, we have stepped up significantly our Capex execution investing 28.8 billion pesos in high return projects, above our guidance, due to opportunities to accelerate our organic expansion, reflecting our commitment to accelerate our growth story.

We paid almost 20 billion pesos in taxes and our associate share plan required over 4 billion pesos. We started operating our share buyback program repurchasing shares worth close to 1 billion pesos.

In 2023, we generated 83.8 billion pesos in cash and 9.9 billion pesos through working capital, the latter helping us to improve capital efficiency.

We returned 46.3 billion pesos to our shareholders as dividends, 57% more compared to last year, due to the special one-off dividend paid in April.

With all this, we ended the year with a cash position of \$40.7 billion pesos.

Our strategy translates into value creation for shareholders with improved returns on investment.

Internal control:

Having the highest regulation compliance standards and an appropriate control system is fundamental to achieving the objectives established by Walmart de México y Centroamérica.

The company's internal control assures:

- Assets safety.
- Compliance with the law and established policies.
- Proper operations registry.
- Reliable and timely information.
- Prevention, identification and detection of frauds.

The control of our operation is supported in several administrative systems in order to comply with fiscal regulatory requirements and obtain detailed information.

Our control processes are dynamic, continuously adapting to the changes in our environment:

1. Policies and Procedures.
 - Restrictive regulatory environment.
2. Accounting Control.
 - Account catalog.
 - Accounting guidelines and allocation of Balance accounts.
 - Monthly conciliations and exception reports.
3. Segregation of Duties.

As a public corporation, Walmart de México y Centroamérica operates with the Corporate Best Practices:

- Ethics Code.
- Board of Directors integrated in terms for Securities Market Law.
- Audit and Corporate Practices Committee.
- Financial transparency and communication of relevant information.

- Open-door policy; any associate can inform irregularities to higher hierarchy levels.
 - Internal Control reviews of the main accounts of P&L and Balance Sheet under US GAAP, in accordance with the Sarbanes-Oxley Law.
 - Internal reviews to the Financial Controls of P&L and Balance Sheet accounts that are relevant to the provisions of the FCPA (Foreign Corrupt Practices Act) provisions of the United States of America.
-

Estimates, critical accounting provisions or reserves:

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
 - Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.
-

[427000-N] Administración

External auditors of the administration:

The Consolidated Financial Statements for the company and its subsidiaries as of December 31 of each year have been audited by Mancera, S.C., a member of Ernst & Young Global since 1998, and there were no adverse comments for any of the periods audited. Approval of the Independent Auditor is the sole domain of the Board of Directors for **WALMEX**, after receiving the opinion of the Audit Committee. The fees paid in 2025 to the Independent Auditor amounted to 37.2 million pesos for auditing and other services rendered.

Transactions with related parties:

There are operations conducted with Walmart Inc., and other related parties. These consist of the purchasing of merchandise and the payment of services and royalties, which are performed under market conditions.

Related party balances

At December 31, 2025, 2024 and 2023, the consolidated statement of financial position includes the following balances with related parties:

	December 31, 2025	December 31, 2024	December 31, 2023
Accounts payable:			
C.M.A. – U.S.A., L.L.C.	Ps. 1,207,719	Ps. 1,147,599	Ps. 801,317
WMGS Commercial Services Limited	31,190	47,931	28,257
	<u>Ps. 1,238,909</u>	<u>Ps. 1,195,530</u>	<u>Ps. 829,574</u>
Other short-term accounts payable:			
Walmart Inc.	Ps. 1,429,436	Ps. 1,754,150	Ps. 1,331,668
WMGS Commercial Services Limited	Ps. 62,115	Ps. 69,888	Ps. 52,797
Newgrange Platinum Services LTD	Ps. -	Ps. 3,126	Ps. 37,742
	<u>Ps. 1,491,551</u>	<u>Ps. 1,827,164</u>	<u>Ps. 1,422,207</u>
Other long-term accounts payable:			
Walmart Inc.	Ps. 38,889	Ps. 65,462	Ps. 133,834

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable; therefore, for the years ended December 31, 2024 and 2023, there were no expenses related to the uncollectibility of balances with related parties.

Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Walmart Inc. (previously with Newgrange Platinum Service, LTD, until August 31, 2024) that are payable monthly.
- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam's.

The terms of the related party transactions are consistent with those of an arm's length transaction.

The Company had the following transactions with related parties during the years ended December 31, 2025, 2024 and 2023:

	December 31, 2025	December 31, 2024	December 31, 2023
Purchases and commissions related to the import of goods for sale:			
C.M.A. – U.S.A., L.L.C.	Ps. 6,689,729	Ps. 6,071,824	Ps. 5,406,569
WMGS Commercial Services Limited	830,129	853,559	874,819
	<u>Ps. 7,519,858</u>	<u>Ps. 6,925,383</u>	<u>Ps. 6,281,388</u>
Costs and expenses related to technical assistance, services and royalties:			
Walmart Inc.	Ps. 11,523,698	Ps. 10,142,075	Ps. 9,245,998
Newgrange Platinum Service, LTD	-	471,530	551,659
	<u>Ps. 11,523,698</u>	<u>Ps. 10,613,605</u>	<u>Ps. 9,797,657</u>

Remuneration of principal officers

Remuneration to the Company's principal officers and Board of Directors for the years ended December 31, 2025, 2024 and 2023 is as follows:

	December 31, 2025	December 31, 2024	December 31, 2023
Short-term benefits	Ps. 1,778,176	Ps. 2,062,959	Ps. 2,022,879
Termination benefits	237,896	118,701	82,857
Share-based payments	20,380	23,315	92,303
	<u>Ps. 2,036,452</u>	<u>Ps. 2,204,975</u>	<u>Ps. 2,198,039</u>

Administrators and shareholders:

Our company is built on the foundations of integrity and the highest standards of ethics, thus always guaranteeing strict adherence to the legislation in force in all the countries where we operate.

Board of Directors

Members at December 31, 2025.

	<i>Member since</i>
Chairman of the Board	
Guilherme Loureiro	2016
Directors	
María Teresa Arnal*	2022
Cristian Barrientos Pozo	2025
Elizabeth Kwo*	2022
Eric Pérez-Grovas*	2018
Karthik Raghupathy	2022
Viridiana Ríos*	2024
Venessa Yates	2024
Gillian Larkins	2025
Rachel Brand	2025
Jorge Mora*	2025

**Independent Directors*

Makeup and Frequency:

- It is comprised solely by statutory members.
- The officers of the Company and its subsidiaries are limited to executive presidency and general direction positions only.
- Members are appointed each year by the Ordinary Shareholders' Assembly or are ratified when they were previously appointed on an interim basis by the Board of Directors.
- The Board of Directors meets a minimum of four times a year. During 2025, they held eight meetings. The average meeting attendance was 98.8%.
- Independent Directors must constitute a minimum of 25% of total members. As of December 31, 2025, 45.5% of all directors are independent.
- The average tenure of the members of the Board is 3.6 years*.
- Minority shareholders, whose shares represent a minimum of 10% of owners' equity, have the right to appoint and remove a member of the Board of Directors. Their appointment may only be removed when the other members of the Board of Directors are revoked. At the close of 2025, 28.6% of the company shares are traded among the investor public.
- 6 of the members are women, i.e. 54.5%
- 5 of the members are independent, i.e. 45.5%

**This calculation includes all members of the Board of Directors who performed their duties during 2025. For directors who ceased to hold office during 2025, but before December 31, their tenure was calculated from their appointment date through the date on which they left their positions. This adjustment ensures that the average accurately reflects the actual periods of service of all directors.*

Other practices:

- The Board evaluates the performance of each director.
- Independent Directors are experienced in the core business and strategic areas of the company
- The Board has access to independent consultants
- The Chairman of the Board does not act as Secretary and does not preside Audit and Corporate Practices Committee.

Primary responsibilities

- Appoint the President and CEO of the company.
- Act as adviser/ consultant for company top management.
- Work with Top Management to develop overall strategies for the company and its subsidiaries
- Oversee management and operation of the company and its subsidiaries.
- Approve information and communication policies regarding shareholders and the market.
- Ensure that overall strategy is in line with the company principles on ESG

The Board of Directors receives the support of two committees for its duties; said committees are charged with in-depth analysis of matters related to its field of expertise and offer recommendations to the Board so it may study the information and make the best decision, creating value for our shareholders and stakeholders.

Note: On April 20, 2026, the Walmex Shareholders' Meeting: (i) accepted the resignations of Guilherme Loureiro from his positions as proprietary director and Chairman of the Board of Directors, and of Karthik Raghupathy, Ernesto Cervera and Ignacio Caride from their positions as proprietary directors; and (ii) ratified the appointment of Kyle Kinnard as proprietary director, who was also appointed by the Board of Directors as its Chairman, and of Cristian Barrientos as proprietary director.

Audit and Corporate Practices Committees

As of December 31, 2025, these Committees had three statutory Directors, all of them independent.

Members at December 31, 2025.

Chairman

Jorge Mora*

Members

Eric Pérez-Grovas*

Elizabeth Kwo*

*Independent Directors.

Note: Jorge Mora was appointed Chairman of the Audit and Corporate Practices Committees by resolution of the General Shareholders' Meeting held on July 8, 2025, with effect as of November 1, 2025. Ernesto Cervera held such position through October 31, 2025.

Primary responsibilities

- Voicing opinions on the hiring of the Independent Auditor for the Company and establishing fees.
- Ensuring the existence of a proper internal control scheme for the Company that meets any and all applicable accounting and legal provisions, and reviewing Company transactions with related parties.
- Reviewing the financial statements and ensuring they are a true and accurate reflection of the financial situation for the Company. They also have a set procedure for receiving, retaining, and responding to claims concerning accounting practices and controls, and any audit issues. Moreover, said committees have the necessary resources for, and are authorized to retain the services of counsel and/or any other outside adviser needed to perform their duties.
- Reducing the risk of conducting operations such that could affect Company worth or could result in the granting of favored conditions to any one group of shareholders.
- Approving policies for the use of properties pertaining to the net worth of the Company.
- Authorizing transactions with related parties.
- Serving as support for the Board of Directors in producing reports on accounting practices.

- Holding private meetings and receiving periodic reports from Internal Audit, Legal, Compliance, and Ethics.
- Calling Shareholders to meetings and ensuring that the order of business includes all points deemed necessary.

Principal requisites and practices:

- Ensure independent auditors do not provide consultancy services for the Company.
- All members are independent directors, experts in finance, auditing, systems, economics and private equity.
- Ensure that the partner from the independent auditing firm that renders the opinion on the financial statements is periodically rotated.

Compensation and Succession Planning Committee

As of December 31, 2025, the committee was made up of three directors.

Composition as of December 31, 2025.

Members:

Guilherme Loureiro (President)

Viridiana Ríos *

María Teresa Arnal *

*Independent Directors.

Main responsibilities

- Support the Board of Directors in the performance of its responsibilities related to the compensation and succession planning of relevant executives and associates.
- Recommend the form or amount of compensation for relevant executives, as well as the development of succession plans for senior executives and key directors.
- Annual review and recommend to the Board of Directors the corporate objectives and goals, and evaluate their performance.
- Annual review and recommend to the Board of Directors, in collaboration with the CEO, the compensation for company executives.
- Have the general responsibility of reviewing the compensation and benefits structure applicable to the company's associates.

Note: Viridiana Ríos was appointed as a member of the Compensation and Succession Planning Committee at the Board of Directors meeting held on October 28, 2025, with effect as of November 1, 2025. Ernesto Cervera held such position through October 31, 2025.

Walmart de México Foundation Board of Trustees

The Walmart Foundation Board of Trustees is comprised of 11 executive members, six of whom are independent directors, and meets four times a year.

The Walmart de México Foundation is committed to providing support to the community, contributing significantly to local development through the implementation of high-impact programs.

Trustees at December 31, 2025

- Juan Carlos Alarcón
- Cristian Barrientos Pozo
- Roberto Delgado
- Jorge Familiar*
- Paulo Garcia
- Julie Gherki
- Kathleen McLaughlin
- Marinela Servitje*
- Javier Treviño
- José Luis Torres*
- Adriana Velázquez

*Independent trustees

Senior Officers as of April 17, 2026

CRISTIAN BARRIENTOS POZO <i>President and Chief Executive Officer (CEO)</i> <i>27 years of experience in the Company</i>	
JUAN CARLOS AJA <i>Vice President, Merchandising Food</i> <i>30 years of experience in the Company</i>	JUAN CARLOS ALARCÓN <i>Senior Vice President, People Mexico-CAM</i> <i>13 years of experience in the Company</i>
EDMUNDO DELGADO <i>Vice President Operations W2</i> <i>27 years of experience in the Company</i>	ALEXANDRE VIANA FRANCA <i>Vice President Controllership Mexico-CAM</i> <i>1 years of experience in the Company</i>
PEDRO MARTIN PATIÑO GONSENHEIM <i>Vice Presidente, People Partner Operations</i> <i>18 years of experience in the Company</i>	LUIS ALFREDO VIDAL MELO <i>Vice President People CAM</i> <i>4 years of experience in the Company</i>

FRANCIA PRISCILA DEL CARMEN ALARCON Vice President, Taxes 7 years of experience in the Company	MILTON BRANDT Vice President, Finance CAM 8 years of experience in the Company
GUILLERMO EMILIO BARRETO AREAS Senior Vice President, Finance Planning & Operations 4 years of experience in the Company	JOSE ANGEL GALLEGOS VILLASEÑOR Vice president, Sam's Club Operations 21 years of experience in the Company
JOSE ANGEL SANCHEZ VILLALOBOS Vice President, Merchandising Officer Perishables 20 years of experience in the Company	NAYELLI GUTIERREZ ARISTA Vice President, Audit Mexico and Central America 9 years of experience in the Company
JAVIER ANDRADE Senior Vice President, General Merchandise Officer 26 years of experience in the Company	PAULO JORGE DA ENCARNACAO CALADO GARCIA Senior Vice President, Chief Financial Officer Mexico and Central America 5 years of experience in the Company
MICHELLE BENAVIDES UGARTECHEA Senior Vice president, Legal and Prevention Mx-CAM 1 year of experience in the Company	GERARDO ARTURO ADAME LEGORRETA Vice President, Walmart Connect And Data Ventures 4 years of experience in the Company
MARIANA REBECA GONZALEZ GARCIA Vice President, Merchandising Entertainment And Seasons Mexico 18 years of experience in the Company	PRATHIBHA RAJASHEKHAR Senior Vice President, Sam's Club Operations 15 years of experience in the Company
PAUL RANDALL LEWELLEN Senior Vice President, Operations and Omnichannel 1 year of experience in the Company	TOMAS ANDRES DURANDEAU LABARCA Senior Vice President, Bodega Aurrera 4 years of experience in the Company
SANDRO NORBERTO DO NASCIMENTO Vice President, Supply Chain 3 years of experience in the Company	DANILO PAFFI MONTEIRO Vice President, Technology Mexico and CAM 3 years of experience in the Company
JAVIER TREVIÑO CANTU Senior Vice President, Coporate Affairs Mex CAM 4 years of experience in the Company	BEATRIZ NÚÑEZ Senior Vice President, Growth 8 years of experience in the Company
MICHELLE AIDA MC AULIFFE Senior Vice President, Merchandising Officer General Merchandise 1 year of experience in the Company	YVONNE ALEJANDRA PACZKA Vice President, People Transformation And Office Experience 8 years of experience in the Company
IGNACIO ANDRES BALADRON CORREA Vice President, Merchandising CAM 26 years of experience in the Company	CRISTINA RONSKI Senior Vice President and General Manager, Central America 7 years of experience in the Company
TODD RAY STARBUCK Vice President, Supply Chain Transform 2 years of experience in the Company	JAIME LUIS HERNANDEZ PALACIOS Vice president, Operations CAM 18 years of experience in the Company
MARIANA ALEJANDRA FONSECA MEDINA Vice President, Customer's Office 1 year of experience in the Company	ADRIANA VELÁZQUEZ Vice President, Ethics, Compliance and Legal Mexico 14 years of experience in the Company
GASTÓN WAINSTEIN Senior Vice President, Supply Chain and Real Estate Development	JUAN MANUEL EUGENI Vice President, Operations Bodega Aurrera Mexico

25 years of experience in the Company	18 years of experience in the Company
EDUARDO VILLARREAL HOLGUERA	
Vice President, Operations W2	
11 years of experience in the Company	

No Board members or Executives (Secretary and Prosecretary) are related to each other. No Director or Executive has significant holdings in the Company, either as individuals or as a group, above 1%.

The total payment made from the Company to its Directors and main Executives during the year ended December 31, 2025 amounted to \$2,036 million pesos. The payment made by the Company to the totality of its personnel, including its main Executives but excluding its Directors, consists of a fixed part and a variable component, represented by a bonus for results, whose amount depends on accomplishing the goals stated in the Business Plan for the year in question.

As of December 31, 2025, the employee stock option plan fund is comprised of **WALMEX** shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant Restricted Stock Units (RSUs) and Performance Equity Units (PEUs) to the company's executives, based on the provisions established in the Securities Market Law and applicable regulations, and based on **WALMEX** Corporate Bylaws.

As of December 31, 2025, the employee stock option plan fund consisted of 195,461,706 **WALMEX** shares, which have been placed in a trust created for the plan. As of December 31, 2025, the granted and exercisable shares under the stock option plan fund are 159,765,157 and 124,101,903 respectively.

During the period from January 1 to December 31, 2024, a total of 1,974,428 shares were assigned, and 15,273,636 shares were exercised. The Company purchased the stock necessary for this plan through the Mexican Stock Exchange. The stock holdings in the Personnel Stock Option Plan Fund represent only 1.1% of outstanding shares as of December 31, 2025.

Intersalt, S. de R.L. de C.V. is the majority shareholder of Wal-Mart de México, S.A.B. de C.V., and beneficiary of more than 10% of the Company's capital stock; its equity interests as of December 31, 2025 amount to 71.20% of the representative shares of the outstanding shares, making it a shareholder which executes control and significant influence in the Company. The remaining shares are distributed as follows:

Stock situation as of December 31, 2025		
	Million shares	%
Intersalt, S. de R.L. de C.V.	12,312	71.2
Personnel stock option plan fund	195	1.1
Market	4,784	27.7
Subtotal –Outstanding shares-	17,292	100
Treasury shares*	154	
Total	17,446	

** Note: During the year ended December 31, 2025, 154,110,374 WALMEX shares were acquired; such share repurchase implied a reduction in capital for accounting purposes, as shown in the consolidated statement of changes in equity. During the year ended December 31, 2024, no treasury share repurchases were made.*

In turn, a subsidiary of Walmart Inc. is the majority partner of Intersalt, S. de R.L. de C.V. Walmart Inc. is a U.S. Corporation listed in the New York Stock Exchange; its ticker symbol is WMT.

It is important to indicate there are neither Board Members nor Senior Officers of the Company in possession of individual shareholdings over 1%.

Company Counselors[Abstract]

Independent [Member]

Mora Capdevila Jorge Andrés			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
SI	SI	NO	
Others			
NO			
Designation			
Designation date			
2025-08-07			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
He was appointed as a Director at the Shareholders' Meeting held on July 8, 2025			

Arnal Machado María Teresa Altagracia			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		SI
Others			
NO			
Designation			
Designation date			
2022-10-20			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
She was appointed as Interim Director at the Board of Directors meeting held on 20/10/2022 and was subsequently ratified at the Shareholders' Meeting held on 30/03/2023.			

Pérez Grovas Aréchiga Eric			
Gender		Directorship Type	

Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
SI	SI	NO	
Others			
NO			
Designation			
Designation date			
2018-03-22			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Rios Contreras Viridiana			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		SI
Others			
NO			
Designation			
Designation date			
2024-04-30			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Kwo Elizabeth			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
SI	SI	NO	
Others			
NO			
Designation			
Designation date			
2022-10-20			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
She was appointed as Interim Director at the Board of Directors meeting held on 20/10/2022 and was subsequently ratified at the Shareholders' Meeting held on 30/03/2023.			

Patrimonial [Member]

Brand Rachel			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2025-10-04			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding

Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			

Larkins Gillian			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2025-08-07			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
Her appointment as Director was approved at the Ordinary General Shareholders' Meeting held on 08/07/2025.			

Related [Member]

De Souza Macedo Loureiro Guilherme			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		SI
Others			
NO			
Designation			
Designation date			
2016-03-31			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Anual	Presidente	No aplica	No aplica
Additional Information (Administrator)			
His resignation as Director and Chairman of the Board of Directors was accepted at the Shareholders' Meeting held on 20/04/2026, with effect as of 31/03/2026.			

Yates Venessa			
Gender		Directorship Type	
Mujer		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date			
2024-10-23			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
Annual	Consejero	No aplica	No aplica
Additional Information (Administrator)			
She was appointed as Interim Director at the Board of Directors meeting held on 23/10/2024 and was subsequently ratified at the Shareholders' Meeting held on 10/04/2025.			

Barrientos Pozo Cristian		
Gender		Directorship Type
Hombre		Propietario
Participate in committees		
Audit	Corporate Practices	Evaluation and Compensation

NO	NO	NO
Others		
NO		
Designation		
Designation date		
2025-01-08		
Period for which they were elected	Position	Time worked in the Issuer
Annual	Consejero	No aplica
Shareholding		
No aplica		
Additional Information (Administrator)		
He was appointed as Interim Director at the Board of Directors meeting held on 01/08/2025 and was subsequently ratified at the Shareholders' Meeting held on 20/04/2026.		

Raghupathy Karthik		
Gender		Directorship Type
Hombre		Propietario
Participate in committees		
Audit	Corporate Practices	Evaluation and Compensation
NO	NO	NO
Others		
NO		
Designation		
Designation date		
2022-07-04		
Period for which they were elected	Position	Time worked in the Issuer
Annual	Consejero	No aplica
Shareholding		
No aplica		
Additional Information (Administrator)		
His resignation as Director was accepted at the Shareholders' Meeting held on 20/04/2026, with effect as of 12/02/2026.		

Relevant directors [Member]

Barrientos Pozo Cristian		
Gender		Directorship Type
Hombre		Propietario
Participate in committees		
Audit	Corporate Practices	Evaluation and Compensation
NO	NO	NO
Others		
NO		
Designation		
Designation date	Assembly Type	
2025-01-08		
Period for which they were elected	Position	Time worked in the Issuer
No aplica	President and Chief Executive Officer	27
Shareholding		
No aplica		
Additional Information (Administrator)		

Benavides Ugartechea Michelle		
Gender		Directorship Type
Mujer		Propietario
Participate in committees		
Audit	Corporate Practices	Evaluation and Compensation
NO	NO	NO
Others		
NO		
Designation		
Designation date	Assembly Type	
2025-09-15		
Period for which they were elected	Position	Time worked in the Issuer
No aplica	Senior Vice President Legal	1
Shareholding		
No aplica		
Additional Information (Administrator)		

Da Encarnacao Garcia Paulo Jorge			
Gender		Directorship Type	
Hombre		Propietario	
Participate in committees			
Audit	Corporate Practices		Evaluation and Compensation
NO	NO		NO
Others			
NO			
Designation			
Designation date		Assembly Type	
2021-02-08			
Period for which they were elected	Position	Time worked in the Issuer	Shareholding
No aplica	Senior Vice President and Chief Financial Officer	5	No aplica
Additional Information (Administrator)			

Total percentage of men as relevant directors: 67

Total percentage of women as relevant directors: 33

Total percentage of men as counselors: 45

Total percentage of women as counselors: 55

Has a policy or program of labor inclusion: Yes

Description of the policy or program of labor inclusion

Culture and Belonging

Our culture is built on four core values: respecting the individual, striving for excellence, acting with integrity, and serving our customers and members. These values shape who we are and guide our actions, fostering an environment where associates, customers, partners, and suppliers feel recognized, supported, and connected.

Our Culture

This year, our cultural initiatives centered on strengthening Walmart Pride, reinforcing our core values, amplifying recognition, and elevating the Associate Voice through initiatives such as:

- **Cultural Fundamentals:** we reinforced our purpose, values, and business philosophy through initiatives like the Sam Walton Academy and the launch of a culture website for Mexico and Central America. We also created immersive experiences during the Year Beginning Meeting, where leaders engaged with the legacy of our founder.
- **Recognition:** We celebrated the dedication and career journeys of our associates through in-person events like Blue Carpet, where we honored those who have made a lasting impact on the company and in the lives of customers and partners. This event highlighted the pride and belonging of associates who have been at Walmart for more than 35 years.

Belonging

Belonging at Walmart de México y Centroamérica means being part of something greater. We create spaces where every voice matters, making our company a place where everyone can thrive. Together, we form a community that celebrates our differences, takes pride in who we are, and remains committed to one another.

Throughout the year, we supported initiatives that foster belonging and strengthen our culture — including Women’s Month, Pride Month, the Belonging Summit, Pink Month, and Mexican Sign Language courses. We hosted our second Belonging Summit in Mexico and Central America, bringing together leaders and associates to reflect, share, and strengthen a culture where everyone feels they belong. The summit reaffirmed our commitment to ensuring that every individual feels seen, supported, and connected, while fostering engagement and collaboration across the organization.

These efforts help create safe, inclusive spaces where everyone feels seen and valued. Additionally, we allocated 118 resources to Critical Needs programs, offering functional support for associates with disabilities and ensuring everyone has the tools they need to thrive.

At Walmart de México y Centroamérica, we know every associate plays a key role in bringing our culture and sense of belonging to life every day. That’s why our vision is to keep building safe spaces for everyone, where every story, every achievement reminds us that we’re stronger together.

We also have policies that strongly support our culture of belonging:

- Code of Conduct
- Equal Pay Policy
- Global Harassment and Discrimination Prevention Policy

SUCCESS STORY: Proud of Being Walmart

For this event, our leaders shared meaningful messages and celebrated inspiring success stories regarding belonging at our company. With the support of our Field VPs, we also launched *Mi Tienda Spark*—a space created to honor the pride of being part of Walmart. It features branded merchandise and items that reflect our identity, and every purchase serves a purpose; proceeds go toward functional support programs and scholarships for associates with disabilities, strengthening our sense of community.

Pay Equity

Walmart is committed to fair pay for associates in all markets where we operate, and has processes, tools, and systems in place to help ensure bias-free compensation for offers, movement, and promotions within the organization. We conduct pay equity analyses annually and calculate adjusted and unadjusted pay gaps for Walmart de México y Centroamérica.

- **Adjusted pay gap:** the adjusted pay gap measures whether associates performing the same work—accounting for job relevant factors like position, experience and location - are paid fairly relative to one another, regardless of protected status. Our most recent adjusted pay gap analyses indicates that female associates are paid \$0.99 MXN for every \$1 MXN earned by male associates.

- Unadjusted pay gap:** While we believe that the adjusted pay gap is the most meaningful measure for determining pay equity, we also report on the unadjusted pay gap, which indicates median pay differences without adjusting for factors like position, level and experience (reflecting relative representation in higher- or lower-paying roles). Our most recent unadjusted pay gap analyses shows that female associates are paid 99.74% of the pay for male associates.

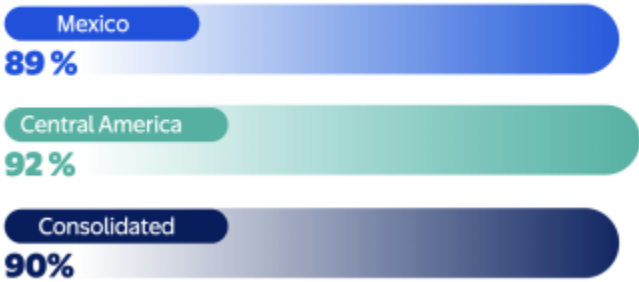
Engagement Survey

Through our *Walmart te Escucha* campaign, we have maintained open feedback channels to drive continuous improvement. We transitioned our key surveys — including the Engagement Survey, Feedback Your Leader, and Workplace Environment Diagnostic — to the Qualtrics platform. With the support of AI tools, we can now analyze comments more deeply and transform insights into meaningful actions that enhance the associate experience.

Engagement survey participation



Engagement index



Company shareholders [Abstract]

Beneficial shareholders of more than 10% [Member]

N/A N/A Intersalt, S. de R.L. de C.V.	
Shareholding	71.2
Additional Information (Shareholders)	

Shareholders with influence [Member]

N/A N/A Intersalt, S. de R.L. de C.V.	
Shareholding	71.2
Additional Information (Shareholders)	

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Shareholders exercising control [Member]

N/A N/A Intersalt, S. de R.L. de C.V.	
Shareholding	71.2
Additional Information (Shareholders)	

Association and other agreements:

WAL-MART DE MÉXICO, S.A.B. DE C.V. BYLAWS

CHAPTER ONE NAME, ADDRESS, PURPOSE, AND TERM

ONE. The name of the corporation is WAL-MART DE MÉXICO. This name shall always be followed by the words SOCIEDAD ANÓNIMA BURSÁTIL DE CAPITAL VARIABLE, or its abbreviation S.A.B. DE C.V. The corporation may use the word “Wal-Mart” as part of its name pursuant to a license agreement with Wal-Mart Stores, Inc. (the “Permanent Shareholder”) or a corporation related to it. If the Permanent Shareholder ceases to be, directly or indirectly, the majority shareholder of the corporation, it shall immediately call for a general extraordinary shareholders’ meeting to change its name, within sixty (60) calendar days, to any other not including the word “Wal-Mart” or any confusingly similar words.

TWO. The legal domicile for the corporation shall be in Mexico City, but representations or branch offices may be established or conventional domiciles may be stipulated in anywhere within the United Mexican States or abroad.

THREE. The purpose of the corporation is:

Notwithstanding, the general capacity of the Company referred to in this article and article 4 (fourth) of the General Corporations Law, as well as the authority of the general meeting of shareholders or the Board of Directors to recognize and ratify any acts carried out by the Company other than those listed below, the purpose of the Company is:

1. To promote, incorporate, organize, exploit and take interest in the capital and equity, directly or indirectly by any legal means, shares, participations, certificates of participation or representative interests of the capital or assets of all kinds of commercial, civil companies, associations, trusts, industrial, commercial, service companies or of any other nature, or entities of any kind, both national and foreign, from their incorporation or at a later time, as well as sell, assign, transfer, negotiate, encumber or otherwise dispose of or pledge said shares, participations, participation certificates or interests.
2. To acquire, issue and offer securities to the public, in accordance with the applicable provisions, and to repurchase shares in accordance with the terms of the Securities Market Law and those provisions derived therefrom.
3. Carry out operations and negotiate with all types of securities, as well as forwards.

4. To obtain, purchase, register, have in possession, use, prove use, license, sublicense and dispose of any time of franchises, patents, trademarks, trade names, copyright, as well as any type of intellectual or industrial property.

Activities in pursuit of its Purpose:

Likewise, and notwithstanding the generality of the provisions of the second paragraph of article 4th of the current General Corporations Law, which is hereby reproduced as if it were inserted, and as a consequence of what is there established, the company may carry out all those businesses, acts, contracts, agreements, agreements, declarations, procedures, records, lists, processes and/or procedures, in the broadest sense of said terms, both public and private, that are necessary and/or convenient for the achievement of its corporate purpose, as it was delimited in this Third Clause, whether they are of a commercial, civil, administrative, criminal, labor, fiscal or any other nature, regardless of their form, provided that they are not prohibited or restricted by law, and in those cases in which prior government authorization is required, provided that the same has been obtained, including without limitation:

I. Obtain and grant financing, by any means; issue bonds, debentures, stock certificates and/or any other type of debt and/or credit titles and/or securities, with or without guarantee.

II. To assume any obligations on its own behalf or on behalf of third parties, no limited to mortgages, pledges, trusts or by any other figure; as well as becoming a joint and several obligor, guarantor and/or guarantor of third parties, whether they are related or not;

III. Underwrite, accept, endorse, guarantee and/or in any way negotiate any credit instruments and/or securities.

IV. To acquire and purchase (even by donation) any movable property and real estate; lease, sublease, and obtain or grant its possession, use and enjoyment by any form, including grant rights for the use and disposal of, and in general, the exploitation of, any movable property or real estate, including loan agreements.

V. Obtain, acquire, possess, use and dispose of all kinds of records, listings, concessions, permits, licenses and authorizations, as well as modify, update, take notes and/or cancel any of said records and/or listings regarding any securities issued by the Company in one or more stock exchanges institutions, either in Mexico or abroad, and if applicable, deposit them in any institutions for the deposit of securities in Mexico or abroad;

VI. Participate directly or indirectly, individually or as part of a consortium, in all kinds of contests and/or public or private biddings, whether national or international, as well as in bidding by restricted invitation or direct award and/ or contracts called by entities of the federal or local public administration, whether centralized or parastatal, decentralized organizations, powers of the union, federal, local or municipal authorities, companies with a majority state participation, productive state companies, organizations constitutionally autonomous and, in general, any government bodies, national or foreign, regardless of the form and/or proportion of said participation, including without limitation acting directly or indirectly as the bidder or successful bidder, even in the form of the consortium or through its participation in any pre-existing vehicle or created expressly for said purpose, subcontractor, integrator, common representative;

VII. To maintain insurance policies with domestic or foreign insurance companies;

VIII. Hire any third parties, either individuals or companies, national or foreign, as necessary and/or convenient for the development and/or achievement of the purpose of the company.

FOUR. The term of the corporation shall be ninety-nine years beginning on the eighth day of March, in the year nineteen hundred and ninety-three.

CHAPTER TWO

CAPITAL STOCK AND SHARES

FIVE. (a) The capital of the corporation is variable.

(b) The minimum fixed capital amounts to \$5'591,362,245.00 (five billion, five hundred and ninety-one million, three hundred and sixty two thousand, two hundred and forty-five Mexican pesos).

(c) The authorized maximum variable capital amounts to \$100,000,000,000.00 (One hundred billion pesos, lawful currency of the United Mexican States).

(d) The capital, minimum, or fixed or variable, shall be represented by shares of the same series, registered, common or ordinary, without par value, of free subscription, representing one hundred percent (100%) of the voting shares, which may be subscribed or acquired by individuals or entities, domestic or foreign.

(e) The capital stock shall be represented by a minimum of 3,000,000,000 (three billion) and a maximum of 100,000,000,000 (one hundred billion). The Board of Directors may increase or decrease the number of shares outstanding, provided that it is within the minimum and maximum amounts provided for in this paragraph.

(f) Given that the corporation is a publicly-traded corporation (sociedad anónima bursátil) governed by the Securities Market Law, and that the right of withdrawal in accordance with the last paragraph of Article fifty (50) of the Securities Market Law is not applicable to said corporations, it is agreed that there shall be no distinction between the shares representing the fixed capital and those representing the variable capital; therefore, shareholders shall have a proportional interest in the shares of the fixed and variable capital. The corporation shall indicate in the stock certificate or provisional stock certificates the amount of its minimum fixed.

(g) The capital may be increased by further contributions of the shareholders or by the admission of new shareholders and in the events referred to in Article one hundred sixteen (116) of the General Corporations Law, and decreases of the capital by reimbursement to shareholders, to absorb losses and the repurchase of shares.

(h) Increases and, if applicable, decreases of the capital stock shall be approved by the general ordinary or extraordinary shareholders' meeting, as applicable, in any case, with the notarization of the relevant minutes, except when said increases or decreases result from the repurchase of the shares of the corporation.

(i) Any increase and decrease of capital resulting from one or more of the following events, except when modifying the minimum fixed capital or the maximum authorized variable capital, shall not require the approval of the meeting and may be declared by the Board of Directors: (i) capitalization of stockholders' equity items; (ii) a decrease in the capital stock to absorb losses; or (iii) increases or reductions resulting from the repurchase of shares. In the event of (i) and (ii) above, the number of shares outstanding shall not vary, given that shares have no par value.

(j) On an annual basis, at the general annual ordinary meeting, the Board of Directors shall inform the meeting: (i) the number of shares repurchased by the corporation and whether said shares have been made outstanding or their cancellation is applicable; (ii) the amount of the capital, within the minimum and maximum authorized; (iii) the number of shares outstanding at the close of the previous year; and (iv) the use given to the powers granted by this Article. This obligation is separate from the reporting obligations of the corporation.

(k) The corporation may repurchase shares in accordance with the terms of the Securities Market Law and the provisions derived therefrom, out of the capital stock and, if applicable, a fund created with net profits, called fund for the repurchase of shares.

(l) Corporations in which Wal-Mart de México, S.A.B. de C.V., is the majority shareholder shall not invest, directly or indirectly, in shares of the same, [nor of any other corporation that is a majority shareholder of Wal-Mart de México, S.A.B. de C.V.], except in the event where the shares are purchased to comply with stock options granted or that may be granted to the employees of said corporations, provided that the shares owned by them do not exceed twenty-five percent of the total shares of the corporation.

(m) The corporation may issue shares to be subscribed by the investing public, provided that it complies with the following: (i) the general extraordinary shareholders' meeting approves the maximum amount of the capital increase and the terms under which the relevant shares shall be issued; (ii) the subscription of shares is made in a public offering, after registration with the National Registry of Securities, in compliance with the provisions of the Securities Market Law and the general provisions derived therefrom; (iii) the amount of capital being subscribed and paid is disclosed by the corporation when it discloses the authorized capital stock represented by the issued and unsubscribed shares; and (iv) the preferential subscription right referred to in Article one hundred thirty two (132) of the General Corporations Law shall not be applicable with respect to capital increases made by public offering.

SIX.

1. All the shares into which the capital stock is divided are registered, indivisible, and with no par value. Shares confer rights on the holders and make them liable to those obligations corresponding to common stock. The corporation, directly and/or through an institution for the deposit of securities or a credit institution acting as registration agents in the name and on behalf of the corporation, shall keep a shareholders' registry in accordance with Article one hundred twenty-eight (128) of the General Corporations Law, in which the subscriptions, acquisitions or transfers of shares representing the capital stock shall be recorded, stating the name of the subscriber and the acquirer. Any person acquiring one or more shares shall assume the sellers' rights and obligations with respect to the corporation. Ownership of one or more shares means the acceptance by a holder of the provisions of the bylaws of the corporation, the amendments or modifications hereto and the resolutions adopted by the general shareholders' meetings and the Board of Directors, regardless of the rights provided for herein.

The corporation shall only acknowledge as shareholder the persons registered as such in the shareholders' registry book maintained by the corporation directly and/or through an institution for the deposit of securities or a credit institution acting as registration agents in the name and on behalf of the corporation. However, with respect to shares intended to be outstanding among the investing public, the indication of this circumstance and of the institution for the deposit of securities in which the stock certificate or certificates representing said shares shall suffice for registration, and, in such case, the corporation shall also acknowledge as shareholders the persons that evidence such capacity with the certificates issued by the relevant institute for the deposit of securities, together with the list of holders of the relevant shares, prepared by whom appears as depositor of said certificates.

2. Shares shall be represented by printed certificates. Provisional stock certificates may be issued until final stock certificates are printed.

3. The provisional and final stock certificates representing the capital stock shall be consecutively numbered and shall represent one or more shares. Stock certificates shall contain the items listed in Article one hundred and twenty-five (125) of the General Corporations Law. Articles five (5), six (6) and twenty-five (25) herein shall be transcribed verbatim thereon. Stock certificates shall have two written or facsimile signatures of either the Chairman or the Chief Executive Officer, if a board member, or the secretary or alternate secretary of the Board of Directors, or the signatures of two members of the Board as appointed by the Board for said

purpose. Stock certificates may have coupons attached and be duly numbered. Stock certificates or provisional stock certificates may be exchanged for others of different denominations, provided that new or provisional stock certificates represent the same number of shares as those given in exchange. Should the certificates or provisional certificates be lost, stolen or destroyed, they may be replaced pursuant to the provisions of Title One, Chapter One, Section Two of the General Law of Negotiable Instruments and Credit Transactions, with expenses for said replacement to be covered by the owner of the relevant certificates.

CHAPTER THREE

GENERAL SHAREHOLDERS' MEETING

SEVEN.

1. The supreme authority of the corporation is the General Shareholder' Meeting, which shall hold either ordinary or extraordinary meetings.

2. The ordinary shareholders' meeting shall meet:

I. To deal with the report referred to in Article one hundred seventy two (172) of the General Corporations Law with respect to the immediately preceding fiscal year of the corporation and the companies controlled by the corporation, as well as the other reports that, pursuant to Article twenty-eight (28), section IV of the Securities Market Law, must be submitted by the Board of Directors of the corporation. Said report shall state the main positions held by each director, indicating which director are independent and which are not.

II. If required, to designate the amount of capital stock that may be used to the repurchase of shares as well as the stockholders' equity maximum amount, with the only limitation being that the sum of the funds that may be allocated for said purpose shall under no circumstances exceed the aggregate balance for net income for the corporation.

III. To appoint and remove the Chairman of the Audit Committee as well as the Chairman of the Corporate Practices Committee.

IV. The general ordinary shareholders' meeting, in addition to the provisions of the General Corporations Law, shall meet to discuss and, if applicable, approve the transactions intended to be executed by the corporation or the entities controlled by it, during one fiscal year, when the transaction represents twenty percent (20%) or more of the consolidated assets of the corporation based on the figures corresponding to the close of the immediately preceding quarter, regardless of the manner in which such transactions are executed, either simultaneously or successively, but that due to their characteristics may be deemed a single transaction. The shareholders of voting shares, including limited or restrictive voting shares in accordance with Article forty-seven (47) of the Securities Market Law, may vote at such meetings.

V. Any other matter not expressly reserved by law or these bylaws to the General Extraordinary Shareholders' Meeting.

3. General ordinary meetings may be held at any time but must meet at least once each year within four months after the close of the fiscal year.

4. General Ordinary Meetings shall be deemed legally convened upon first call if at least half of the shares in the capital stock are represented thereat and resolutions shall be valid when taken by a majority of votes of those present at said meetings. If the meeting cannot be held on the date designated thereto, a second call shall be stating said circumstance. Meetings held upon second call shall be deemed legally convened with any number of shares represented thereat and its resolutions shall be valid if taken by a majority vote of those present thereat.

5. General Extraordinary Meetings shall be called to deal with the matters listed in Article one hundred and eighty-two (182) of the General Corporations Law:

- I. Extension of the term of the corporation;
- II. Advanced dissolution of the corporation;
- III. Increase or reduction of the Capital Stock;
- IV. Changes to the corporation's purpose;
- V. Change of the corporation's nationality;
- VI. Transformation of the corporation;
- VII. Merger and spin-off of the corporation;
- VIII. Issuance of preferred stock;
- IX. Amortization by the corporation of its own shares, issuance of preferred stock (acciones de goce);
- X. Issuance of bonds; and
- XI. Any other change to the bylaws.

General Extraordinary Shareholder's Meetings shall be deemed legally convened, upon first call, if at least seventy-five percent (75%) of shares are represented thereat and their resolutions shall be valid if approved by the shareholders representing at least half of said shares. Upon second or subsequent call, the General Extraordinary Shareholder's Meetings shall be deemed legally convened when at least fifty percent (50%) of shares are present. Resolutions shall only be valid if approved by the shareholders representing at least fifty percent of the capital stock.

EIGHT. General Shareholders' Meetings shall be held pursuant to the following rules:

1. Meetings shall be held at the corporate domicile, except in the event of force majeure, and shall be called by the Board of Directors through the Electronic System for Publications of Corporations. Calls shall be published at least fifteen calendar days prior to the meeting, except in the event provided for in Article Seven, section two, subsection II hereof, which term shall be of at least five calendar days prior to the meeting. Call shall include the date, time and place for the meeting, the Agenda, and shall be signed by whom makes said call. During said term, the books and documents related to the items on the Agenda of the Meeting shall be made available at corporate offices to the shareholders for consultation and, if applicable, shall include the financial statements with exhibits.
2. No call shall be necessary if attendees to the meeting represent all issued shares and if a meeting is adjourned for any reason and is to continue on a different date and time. In both cases, this circumstance shall be noted in the relevant minutes.
3. Shareholders may be represented at the meetings by the person or persons appointed through proxy letters granted in accordance with the terms of the applicable law in the forms made available by the corporation in accordance with section III of Article forty-nine (49) of the Securities Market Law. The corporation shall make available to the intermediaries of the securities market that evidence having the representation of the shareholders of the corporation, for the term referred to in Article one hundred seventy-three (173) of the General Corporations Law, forms of proxy letters prepared by the corporation, in order for said intermediaries to provide the forms in a timely manner to those represented by them. Proxy letters shall clearly indicate the name of the corporation and the respective agenda and shall provide space for the instructions of the grantor for the exercise of the proxy. The secretary of the Board of Directors of the corporation shall be required to make sure the provisions of this Article have been complied with and inform so to the shareholders' meeting, which shall be stated in the respective minutes. Members of the Board of Directors shall not represent the shareholders at any meeting.

4. To attend the meetings, the shareholders shall be registered in the shareholders' registry maintained by the corporation (directly or through an institution for the deposit of securities and the lists of depositors evidencing participation of said shareholder) or by a credit institution acting as registration agent in the name and on behalf of the corporation, obtaining, within the period of time indicated in the respective call, from the secretary of the Board of Directors the admission ticket to attend the meeting, which shall be requested to the secretary of the Board of Directors no later than two (2) days prior to the date set for the meeting.
5. Before calling the meeting to order, the officer presiding over shall appoint one or more recount clerks, who shall verify the number of shares represented and shall make a list of the attendees, stating the number of shares each represents.
6. After quorum is established, the Chairman shall declare the meeting convened and shall proceed to go over the items on the Agenda, presiding over any agreements and debates.
7. The meeting shall be presided over the Chairman of the Board of Directors and should he be absent, the person elected by the meeting. The secretary of the Board of Directors shall act as secretary of the meeting. If absent, the person elected by the meeting shall act as secretary.
8. The Secretary shall draft the minutes of each meeting and shall create a file therefor. The file shall contain the following:
 - a) A copy of the call that was published, should it be the case.
 - b) The attendance list of the owners of stock.
 - c) Proxy letters or the extract of the document used to evidence capacity certified by the secretary or recount clerk.
 - d) A copy of the meeting's minutes.
 - e) All reports, opinions and other documents submitted during the meeting.
 - f) Certification by the secretary that provisions in paragraph III of Article forty-nine (49) of the Securities Market Law have been complied with.
9. If for any reason a legally called meeting is not convened, a document stating said circumstance and the reasons thereof shall be drafted and a file shall be created in connection with paragraph eight above.
10. Resolutions taken by the general meetings are legally binding for all shareholders, including dissident and absent shareholders, shall be final and without further recourse. The Board of Directors is thereby authorized to adopt resolutions, issue orders and take actions or enter into agreement necessary for the execution of any approved resolutions.
11. Shareholders holding twenty percent (20%) or more of the capital stock may judicially oppose to the decisions adopted by the meeting.
12. Shareholders holding ten percent (10%) or more of the corporation's capital stock shall be entitled to request the adjournment, for one time only, for three calendar days and without any further call, the voting of any matter with respect to which they are not sufficiently informed.
13. If there is no quorum at a general ordinary or extraordinary shareholders' meeting, duly called, the call shall be republished with the same requirements and the same time periods as set forth in paragraph one of this Article. The meeting upon second or subsequent call shall be held provided that the number of shares set forth in Article Seven hereof for these types of meetings is always represented.
14. Without being gathered at a meeting, shareholders may adopt resolutions with the unanimous vote of the shareholders representing all the voting shares in the applicable matters, as the case may be, which resolutions shall be as valid as if adopted by the general shareholders' meeting, respectively, provided that such

resolutions are confirmed in writing and entered into the applicable minutes book with the signature of the secretary of the Board of Directors.

CHAPTER FOUR MANAGEMENT OF THE CORPORATION

NINE. Management of the corporation shall be entrusted to a Board of Directors and a Chief Executive Officer. The Board shall consist of the number of directors determined by the general ordinary shareholders' meeting, and they shall be no more than twenty-one, at least twenty-five percent of which shall be independent directors. Also, for each director, an alternate may be appointed. The alternate of an independent director shall also be independent. Unless otherwise agreed by the general ordinary shareholders' meeting, the majority of the directors and alternates shall be citizens and residents of any jurisdiction that does not cause the corporation or the securities issued by it, be object of a registry, authorization, registration or any other similar act in a jurisdiction different from the United Mexican States only by virtue of the citizenship or residency of its directors.

Independent directors shall mean the persons that, in the judgment of the general ordinary shareholders' meeting, have the necessary experience, ability and reputation, and considering that they will be able to perform their duties free of any possible conflicts of interests or influenced by personal, economic or other interests. The general shareholders' meeting appointing or ratifying the members of the Board of Directors or, if applicable, the meeting at which said appointments or ratifications are informed, shall determine the independent capacity of the directors. Notwithstanding the foregoing, in no event the persons referred to in sections I through V of Article twenty-six (26) of the Securities Market Law may be appointed or act as independent shareholders. Independent directors that during office cease to be deemed independent shall inform so to the Board of Directors no later than the following meeting of the said body.

TEN. The Board of Directors shall be in charge of Corporate affairs and shall execute the transactions, acts and agreements related to the corporate purpose, with the exception of those expressly reserved by law of these bylaws to the general ordinary or extraordinary shareholders' meetings. Said Board shall represent the corporation before any administrative and judicial authorities, with general powers for acts of ownership and administration and for lawsuits and collections, without limitation, in accordance with Article two thousand five hundred and fifty-four (2554) of the Civil Code for the Federal District. It shall also be authorized to exercise the powers that according to law require special clause, including, but not limited to, the following:

- a) To take the actions strictly pertaining to ownership matters such as, to sell, mortgage or otherwise dispose of or encumber, as well as to lease or pledge, the corporation's assets and property.
- b) To borrow money, issue bonds, purchase in installments and execute credit transactions without any limitation whatsoever, including the execution and acceptance of any type of negotiable instruments and become joint obligor on behalf of the corporation.
- c) In general, to direct, manage and control the corporate affairs and the administration of all its properties, overseeing compliance of any type of agreements and contracts in order to comply with the corporate purposes.
- d) To prepare, approve and submit to the shareholders the annual financial statements as required by law, and recommend and propose to the shareholders the resolutions deemed appropriate in connection with the income, profits and losses.

- e) To suggest plans and standards to be followed by the corporation, specifically with regards to the purchase, sale, lease, lien, mortgage and transfer of any type of movable properties or real estate, rights and concessions, franchises, incurrence of loans, and any other material management acts and concerns.
- f) To appoint and remove, freely, proxies and other corporation's officials and employees, to grant them powers and modify their authority, but always setting the limits set forth in Article Seventeen, set their compensation and determine the personal guaranty to be provided to secure the faithful performance of their duties and approve the external auditor of the corporation, with the prior recommendation from the Audit Committee.
- g) To establish and close branches and agency offices of the corporation.
- h) With limitations set forth in Article Seventeen, to delegate, in whole or in part, powers to any person or individual, or group of persons, managers or other official or proxy, as well as to grant general or special powers, legal mandates or administrative authorities for any period of time, and to delegate to any person, whether member or not of the Board of Directors, the power to grant or revoke general and special powers, and to take any other action required to be completed.
- i) To issue and exchange shares when it does not involve changes to the capital stock in accordance with the provisions of Article Five.
- j) The non-delegable power to resolve the purchasing of shares representing the capital stock of the corporation, through the stock exchange, at the current market price, chargeable to stockholders' equity and, the capital stock, if applicable; and its later offering among the investing public.
- k) The non-delegable power of the Board to approve transactions outside the ordinary course of business and intended to be executed by the corporation and its shareholders with persons who are members of the corporation's management, or with whom said persons have equity ties, or if applicable, blood ties or ties to the second degree, the spouse or common law spouse, and those transactions representing more than one percent of corporate assets; the purchase or sale of five percent or more of assets and the granting of guarantees in amounts exceeding five percent of assets.
- l) After having first received an opinion from the Audit and Corporate Practices Committees, to decide on and approve those transactions that the corporation or its subsidiaries wish to execute with related parties or that compromise the corporation's estate.
- m) To appoint among its members or alternates the members for the Audit and Corporate Practices Committees, provided that said Committees may act as one if they comply with the provisions of Articles forty-one (41), forty-two (42) and forty-three (43) of the Securities Market Law.
- n) All others conferred by the Mexican laws and these bylaws that are not expressly reserved to the shareholders.
- o) Create other Committees, internal or external, that are required for the effective performance of its obligations, and determine its integration and operation.

ELEVEN.

1. The members of the Board of Directors shall be appointed as set forth in Article Nine and shall hold office for the time period determined by the meeting, until such time as replacements have been elected and take office. Notwithstanding, a duly called shareholders' meeting may revoke the appointment of one or more Directors.

The Board of Directors may appoint provisional directors pursuant to and for the purposes set forth in Article twenty-four (24) of the Securities Market Law.

2. Unless otherwise required by the general ordinary shareholders' meeting, members of the Board of Directors are not required to guarantee any liability that could be incurred in the performance of their duties.
3. Directors shall be appointed with the majority vote of the shares entitled to vote at the general ordinary shareholders' meeting.
4. The minority shareholders representing at least ten percent (10%) of the capital stock, represented by shares subscribed by the corporation, shall be entitled to:
 - a) Appoint and remove a member of the Board of Directors. Such appointment may only be revoked when the other members of the Board of Directors are also removed, in which case, removed members shall not be appointed as such for a period of 12 months immediately following the date of removal.
 - b) Request the Chairman of the Board of Directors or the Chairman of the Audit and Corporate Practices Committees, at any time, to call for a general shareholders' meeting.
5. If upon holding elections of Directors as set forth in paragraph three of this Article, a minority shareholder or group of minority shareholders exercise the right granted by paragraph four above to appoint a director and its alternate for a fiscal year or a portion thereof, at any shareholders' meeting, said minority shareholder or group of minority shareholders may not vote during the appointment of the remaining directors for the same fiscal year or portion thereof.

TWELVE.

1. Meetings of the Board of Director shall be held at the corporate domicile, in the branch offices or agencies that have been established anywhere within the United Mexican States or abroad as determined by the Board. Meetings may also be held in person or with access through electronic or telecommunications means. Resolutions taken in lieu of a board meeting, unanimously, shall be as valid as if taken by a meeting of the Board. In this case, resolutions may be taken regardless of the location of each Board member, or the means used for communication. Said resolutions shall be confirmed in writing, entered in the Board meeting's minutes' book and duly signed by the chairman and secretary or alternate secretary.
2. Meetings of the Board of Directors may be held at any time whenever called by the chairman, the secretary, the alternate secretary, the Audit and Corporate Practices Committees or twenty-five percent (25%) of the directors, in writing or otherwise, at least three (3) calendar days prior to the meeting, specifying the time, date, place and Agenda.
The Board of Directors shall meet at least four times each year.
3. Board members may waive in writing the need for a call to a meeting. If a director is present, it shall be deemed it has waived the call. No prior call is required for meetings included in the schedule approved by the Board. For other cases, any call made three (3) calendar days prior to the meeting shall suffice.
4. Except for cases outlined below in this same paragraph regarding the existence of quorum for any Board of Directors' meeting, attendance of at least half plus one directors or alternates is required. Resolutions on all matters reserved for the Board and listed on the Agenda shall be approved with the affirmative vote of at least half plus one of directors or alternates. To deal with and validly adopt resolutions on any of the matters listed below, the attendance of the chairman of the Board of Directors and at least half of the directors or alternate directors is required. Resolutions shall be adopted with the affirmative vote of the chairman of the Board of Directors and at least half of the directors or alternate directors. These matters are:
 - a) Any purchase or acquisition, through any means, sale or disposal of any title to property of the fixed assets of corporation or any permanent investment exceeding twenty-five percent of stockholders' equity pursuant to the most recent financial statements approved by the shareholders.

- b) Incur debts maturing beyond twelve months and in an amount exceeding twenty-five percent of the stockholders' equity pursuant to the most recent document of financial information approved by the shareholders.
 - c) Grant bonds, pledges, mortgages and other guaranties of any kind in excess of twenty-five percent (25%) of the stockholders' equity pursuant to the most recent financial statements approved by the shareholders.
 - d) The appointment or removal of the Chairman of the Board of Directors and the Chief Executive Officer of the corporation, as well as the granting or revoking of their respective powers, in which case, neither the attendance nor the vote of the active chairman shall be required.
5. Minutes shall be drafted of any meetings of the Board of Directors. Said minutes shall be recorded in the Minutes book and signed by the Chairman and Secretary or Alternate Secretary of the Board.
6. For the provision of their services, directors shall receive the compensation set by the general shareholders' meeting, in addition to any travel expenses incurred in conducting the operations of the corporation, as well as those incurred for traveling to and from the place where the meeting is held.
- The persons that have an employee relation with the Permanent Shareholder and its subsidiaries, including this corporation, that occupy a position of director, alternate director, secretary or alternate secretary, shall have no right to receive emoluments for its services, but only to the reimbursement of their traveling expenses.
7. Board members are in responsible for the resolutions adopted with respect to the matters referred to in section k) of Article Ten above, with the exception of the provisions of Article one hundred and fifty-nine (159) of the General Corporations Law and the events listed in Articles forty (40) of the Securities Market Law.
8. Members of the Board of Directors and the Chief Executive Officer shall meet the duties of care and loyalty as set forth in Articles thirty (30), thirty-one (31), thirty-two (32), thirty-four (34), and thirty-five (35) of the Securities Market Law, and shall refrain from engaging in conducts that may be deemed illicit deeds or actions pursuant to Article thirty-six (36) of the Securities Market Law.
9. The corporation shall indemnify and hold harmless the members of the Board of Directors with respect to any liability incurred to third parties in the performance of their duties and it shall pay the amount of said indemnification for any damages caused to third parties, the corporation or the entities it controls or in which it has significant influence, except with respect to acts that are intentionally malicious, in bad faith or illegal. In addition, the corporation may take out in favor of the members of the Board of Directors insurance, bonds or guaranties covering the amount of the indemnification for any damages caused in the performance of their duties to the corporation or the entities it controls or in which it has significant influence, except with respect to acts that are intentionally malicious, in bad faith or illegal.

CHAPTER FIVE

OFFICIALS AND PERMANENT SHAREHOLDER

THIRTEEN. Once the Board of Directors is duly formed, in its first meeting, it shall appoint among its members a Chairman. Also, a secretary and an alternate secretary may be appointed, none of which are required to be a Board member.

FOURTEEN.- The duties and obligations for the Chairman of the Board are:

- I. Preside over general shareholders' meetings and comply with its resolutions when no special executor is appointed.

- II. Call for Board of Director meetings, preside over meetings and comply with its resolutions when no special executor is appointed.
- III. Sign the minutes of shareholders' and Board meetings presided over by him, as well as the copies of said documents when issued upon request of the interested parties.
- IV. Supervise the strict compliance with these bylaws, the interior regulations of the corporation and any agreements approved by the Board and the Committees.
- V. Submit to the Shareholders on an annual basis a detailed report on the state of affairs of the corporation.
- VI. Any others granted or imposed by the Board of Directors.

FIFTEEN. The corporation is a subsidiary of, and is controlled by, the Permanent Shareholder, who has expressed to the corporation its intention to become the owner of at least the majority of the voting shares and the capital stock of the corporation. The Audit and Corporate Practices Committee, solely comprised of independent directors, has determined that it is in the best interests of the corporation and its shareholders, without any distinction, to become a member of the business group lead by the Permanent Shareholder. Therefore, the corporation, after obtaining the favorable opinion of its Audit and Corporate Practices Committee and that of its Board of Directors, in both cases solely through the directors that are independent, may adopt policies and procedures with respect to the consistency, reporting, information, compliance, regulation, organization and other that are consistent with those adopted by the Permanent Shareholder, provided that said policies and procedures are consistent with and do not contravene Mexican law.

SIXTEEN.- The powers and duties of the secretary and alternate secretary of the Board of Directors are:

1. To act as such at the Shareholders' and Board meetings, and to draft any minutes thereof and sign them together with the Chairman of the Board.
2. To keep the Shareholders' and Board meetings' minutes books, as well as the Shareholders' and Capital Variations Registry Books.
3. To issue, upon request, copies of the minutes recorded in said books, and documentation relating to the corporation, as well as to sign certificates and communications in compliance with the law applicable to publicly-traded corporations (sociedades anónimas bursátiles).
4. Formalize any resolutions adopted by the Board of Directors and Shareholders' meetings, and those resolutions that under the applicable law are required to be formalized.

SEVENTEEN. The Board of Directors may freely appoint and remove the Chief Executive Officer and other senior executive officers, who may or may not be shareholders, and who shall have the obligations, powers and compensation allocated by the Board of Directors and those stated by Law; and shall secure the performance of their duties in the same manner as the directors. The powers granted to said Chief Executive Officer as well as to any other official employed by the corporation or its subsidiaries shall always require the prior approval by the Board with respect to the matters listed in Article Twelve, paragraph four hereof. The positions of directors and Chief Executive Officer shall be compatible and may be held by the same person, in which case the aforementioned guarantee shall only be provided once.

The Chief Executive Officer shall perform the duties of management, administrative and execution of the business of the corporation and the legal entities controlled by the corporation, as well as those activities described in Articles forty-four (44), forty-five (45), forty-six (46) and those applicable under the Securities Market Law.

EIGHTEEN. The Chief Executive Officer, or in his absence, the Board, may freely appoint and remove one or more managers, assistant managers and agents of the corporation, and who may or may not be shareholders,

and may designate their powers, duties and compensation, with clear indication given of the scope of their rights and duties to be exercised and performed in the businesses and locations determined by the Board.

CHAPTER SIX SURVEILLANCE OF THE CORPORATION

NINETEEN. Surveillance of the corporation shall be the responsibility of the Board of Directors, through the Audit and Corporate Practices Committees, which shall consist of at least three independent directors. The person conducting the external audit of the corporation shall also perform the surveillance activities. The members of the Audit and Corporate Practices Committees shall be annually appointed by the Board of Directors and shall perform the duties set forth in Articles forty-two (42) and forty-three (43) of the Securities Market Law and shall hold their positions for one year or until replacements have been appointed and take office.

CHAPTER SEVEN PROFITS AND RESERVE FUND

TWENTY. At the close of each fiscal year, the financial statements of the corporation and its subsidiaries shall be prepared, on a consolidated basis, based on the principles set forth in the Securities Market Law and the general provisions derived therefrom, pursuant to the accounting principles issued or acknowledged by the National Banking and Securities Commission and pursuant to the provisions of Article one hundred four (104) of the Securities Market Law. Said financial statements shall be completed within three months following the close of the fiscal year and shall be submitted to the general shareholders' meeting for approval. The following distribution shall be made of the net profits resulting from the financial statements approved by the shareholders' meeting:

- a) At least five percent is to be set aside to establish the reserve fund in accordance with the provisions of Article twenty (20) of the General Corporations Law, until said fund amounts to twenty percent (20%) of the historic capital stock. Said amounts are also to be used to create any other funds approved by the general meeting, including, without limitation, a fund for the repurchase of shares.
- b) The remaining profits shall be used as agreed by the general ordinary shareholders' meeting. As instructed by the shareholders' meeting, the Board of Directors may pay at any time dividends on profits earned pursuant to financial statements approved by the shareholders. Any dividends declared and not collected by the shareholders within a period of five (5) years shall be deemed waived in favor of the corporation.
- c) When so agreed by the general extraordinary shareholders' meeting, the corporation may proceed to redeem shares with distributable income pursuant to the rules set forth in the General Corporations Law.

CHAPTER EIGHT DISSOLUTION AND LIQUIDATION

TWENTY-ONE. The corporation shall be dissolved upon expiration of the term referred to in Article Four, unless said term is extended prior to its expiration by agreement of the general extraordinary shareholders' meeting or prior to said expiration for any of the reasons outlined in Article two hundred and twenty-nine (229) of the General Corporations Law.

TWENTY-TWO. Upon completion of the dissolution process of the corporation by the shareholders' meeting, one or two liquidators shall be appointed, who shall proceed to liquidate the corporation and distribute any proceeds among the shareholders in the direct proportion to the number of shares held by each shareholder. Said liquidators shall be granted full powers to liquidate the corporation and may, therefore, collect any amounts due to the corporation and pay any amounts owed by it. Also, liquidators shall initiate any suits and proceedings and pursue them to completion with full powers pursuant to Articles two thousand five hundred and fifty-four (2554) and two thousand five hundred and eighty-seven (2587) of the Civil Code for the Federal District. Liquidators are also authorized to cancel mortgages and other liens; settle disputes and sell properties or securities of any nature. With regards to any powers and obligations not specifically set forth in these bylaws, liquidators shall have those conferred by Articles two hundred and forty-two (242) and others in accordance with the General Corporations Law.

TWENTY-THREE. Shareholders shall be responsible for the corporation losses only to the extent of the value of their respective subscribed and unpaid shares.

TWENTY-FOUR. Founding partners as such do not reserve any special interest in the profits.

CHAPTER NINE GENERAL PROVISIONS

TWENTY-FIVE. Any foreigner who upon the incorporation or at a later time acquires any interests or shares in the corporation shall, therefore, be deemed a Mexican national with respect to said interests or shares and it shall be understood that said foreigner agrees not to claim the protection of his government, under penalty, in case of failure to comply with this agreement, of forfeiting such interests or shares to the Mexican nation.

TWENTY-SIX. Fiscal years for the corporation shall run from January first through December thirty-first of each year.

TWENTY-SEVEN. For the purpose of canceling registration of the shares with the Registry, pursuant to the terms of Article one hundred eight (108), section II of the Securities Market Law, the corporation shall be exempted from making the public offering provided for in said legal provision; provided that the corporation proves to the National Banking and Securities Commission that the shareholders, representing at least ninety-five percent (95%) of the capital stock of the corporation, have given their consent by agreement of the meeting that the amount for the shares to be offered to the investing public is less than three hundred thousand (300,000) investment units and creates a the trust referred to in the last paragraph of section II of said Article one hundred eight (108) and notifies the cancellation and creation of the trust through the means provided in the Securities Markey Law.

TWENTY-EIGHT. The provisions of the Securities Market Law and the General Corporations Law shall apply to any matters not expressly provided for in these bylaws.

TWENTY-NINE. Any interpretation of any of the provisions of these bylaws shall be made pursuant to the laws applicable in the United Mexican States, including the provisions of the Securities Market Law, the general provisions issued by the National Banking and Securities Commission, the General Corporations Law and the other sources referred to in Article five (5) of the Securities Market Law. In case of interpretation or any dispute thereof, the federal courts sitting in the corporate domicile of the corporation shall be competent.

Additional information Administrators and shareholders

This element does not apply to **WALMEX**.

[429000-N] Mercado de capitales

Shareholding structure:

Walmart de México y Centroamérica stock trades in the Mexican Stock Exchange under the **WALMEX** ticker symbol.

Stock structure As of December 31, 2025 Millions of Shares			
Series		Number of Shares	%
Single	Free subscription, with voting rights	17,292	100

The company has a sponsored ADR program on its single series shares. The depositary bank is The Bank of New York.

Behavior of the share:

Relevant Stock Indicators					
	2021	2022	2023	2024	2025
Maximum Price	78.78	81.92	75.96	72.88	66.18
Minimum Price	57.22	65.84	59.51	51.89	50.94
Closing Price	76.09	68.59	71.57	71.69	56.13
Volume (millions)	3,615.7	3,612.9	3,723.0	5,229.1	6,183.1

Relevant Stock Indicators 2025				
	QUARTER			
	1 ST	2 ND	3 RD	4 TH
Maximum Price	58.49	66.18	62.75	63.58
Minimum Price	52.77	55.66	50.94	54.63
Closing Price	56.36	62.15	56.57	56.13
Volume (millions)	1,736.2	1,345.0	1,793.6	1,308.3

Relevant Stock Indicators 2024				
	QUARTER			
	1 ST	2 ND	3 RD	4 TH

Maximum Price	72.88	69.00	68.02	61.54
Minimum Price	65.50	59.94	58.13	51.89
Closing Price	67.00	62.26	59.17	54.89
Volume (millions)	1,024.7	1,296.6	1,407.3	1,500.5

Relevant stock indicators (october 2025 - march 2026)						
	OCT	NOV	DIC	ENE	FEB	MAR
Maximum Price	62.57	63.58	61.20	58.89	59.06	58.20
Minimum Price	54.63	60.60	55.74	55.46	55.42	55.35
Closing Price	61.42	61.99	56.13	55.46	55.74	58.20
Volume (millions)	621.7	288.2	398.5	526.3	400.1	550.8

Name of each market maker

This element does not apply to WALMEX.

Identification of the values

This element does not apply to WALMEX.

Effective beginning, extension or renewal

This element does not apply to WALMEX.

Description of the services provided

This element does not apply to **WALMEX**.

Overview of the impact of the performance

This element does not apply to **WALMEX**.



PEOPLE IN CHARGE

"The undersigned hereby solemnly swear that, in the performance of our respective duties, we prepared the information relative to the issuer contained in the annual report herein and to the best of our knowledge said information reasonably reflects the situation of the aforementioned issuer. In addition, we hereby swear that we have no knowledge of the omission or falsification of material information contained in said annual report or that it contains any information that could mislead the investors and cause them to make erroneous judgments."

(Signed)

Cristian Barrientos Pozo
*President and Chief Executive
Officer*

(Signed)

Paulo Garcia
*Senior Vice President and Chief
Financial Officer*

(Signed)

Michelle Benavides
*Senior Vice President Legal
and Prevention*

Mexico City, April 29, 2026

Mexico City, April 29, 2026

Statement by the external Auditor

The undersigned states, under protest of truth, that the consolidated financial statements contained in this annual report of Wal-Mart de México, S.A.B. de C.V. for the year ended December 31, 2025, were issued on February 18, 2026, in accordance with the International Auditing Standards.

Likewise, it states that it has read this annual report and based on its reading and within the scope of the audit work carried out, it is not aware of relevant errors or inconsistencies in the information included and whose source comes from the stated audited consolidated financial statements in the preceding paragraph, nor of information that has been omitted or falsified in this annual report or that it contains information that could mislead investors.

However, the undersigned was not hired, and did not carry out additional procedures in order to express his opinion with respect to the other information contained in the annual report that does not come from the consolidated financial statements ruled by him.

Attentively,
Mancera, S.C.
A member of Ernst & Young Global Limited

(Signed)

C.P.C. Ernestina Hernández López

Mexico City, April 29, 2026

Statement by the external Auditor

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A member of Ernst & Young Global Limited

(Signed)

C.P.C. José Refugio Vázquez González

[432000-N] Anexos

Financial Statements (Audited):



Nombre y cargo de personas responsables (PDF)



PEOPLE IN CHARGE

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(Signed)

Cristian Barrientos Pozo
*President and Chief Executive
Officer*

(Signed)

Paulo Garcia
*Senior Vice President and Chief
Financial Officer*

(Signed)

Michelle Benavides
*Senior Vice President Legal
and Prevention*

Mexico City, April 29, 2026

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Attentively,
Mancera, S.C.
A member of Ernst & Young Global Limited

(Signed)

C.P.C. José Refugio Vázquez González

Estados financieros (Dictaminados) por los últimos tres ejercicios y
opiniones del comité de auditoría o informes del comisario por los
últimos tres ejercicios

Report of Independent Auditors

To the Shareholders of
Wal-Mart de México, S.A.B. de C.V.
Opinion

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as of December 31, 2025, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for audit opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the International Code of Ethics for Accounting Professionals (included the of the International Ethics Standards) (“Code of Ethics of IESBA”) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the “Code of Ethics of the Mexican Institute of Public Accountants” (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment assessment of Goodwill

Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of goodwill, because the determination of the recovery value is complex, it involves a high degree of judgment from the Company’s management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2025.



Our Business

Business Priorities

Financial Value

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Notes 3, and 11 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of goodwill.

How we responded to the key audit matter

We analyze the assumptions and hypotheses used by the Company’s management for the identification and grouping of the goodwill in each cash-generating unit (CGU). We evaluated the financial projections of future cash flows used by the Company’s management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions. We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company’s Management in its impairment analysis according to International Accounting Standard (“IAS”) 36, Impairment of assets. We independently recalculated the arithmetic calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company’s management on its goodwill, and we evaluated the competence, technical capabilities and objectivity of the management’s external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of the goodwill of the accompanying consolidated financial statements as of December 31, 2025.

Other information

The Company is responsible for the other information. The other information comprises the Annual Sustainability Report in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, the information included in the Annual Report submitted to the National Banking and Securities Commission (“CNBV”), and the annual report presented to the Company’s shareholders, but does not include the consolidated financial statements or our related audit report. We expect to obtain the other information after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Reports submitted to the Commission and the Stakeholders’, if we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company’s shareholders, we are required to report that fact to governance and to describe the matter in our statement on the Annual Report required by the Commission.

Responsibilities of Management and of those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company’s governance is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the responsible of Company's governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is who signs it.

Mancera, S.C.

A Member Practice of Ernst & Young Global Limited



C.P.C. Ernestina Hernández López

Mexico City February 18 2026



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Consolidated Statements of Comprehensive Income

(Amounts in thousands of Mexican pesos)

	FOR THE YEARS ENDED DECEMBER 31,	
	2025	2024
Net sales	\$ 1,004,494,234	\$ 951,642,597
Other revenues (Note 19)	7,103,650	6,864,894
Total revenues	1,011,597,884	958,507,491
Cost of sales (Note 20)	(766,399,989)	(727,034,273)
Gross profit	245,197,895	231,473,218
General expenses (Note 20)	(168,044,492)	(156,085,246)
Income before other income and expenses	77,153,403	75,387,972
Other income	2,393,802	2,784,127
Other expenses	(1,053,455)	(813,111)
Operating income	78,493,750	77,358,988
Financial income (Note 21)	1,847,595	3,672,831
Financial expenses (Note 21)	(11,464,697)	(12,100,332)
Income before income taxes	68,876,648	68,931,487
Income taxes (Note 16)	(18,985,907)	(15,104,103)
Consolidated net income	\$ 49,890,741	\$ 53,827,384
Other comprehensive income items:		
Items that do not reclassify to profit or loss of the year:		
Actuarial results on employee benefits, net of income taxes	\$ (325,270)	\$ (451,592)
Items that may be reclassified subsequently to profit or loss:		
Cumulative translation adjustment	(10,232,480)	16,620,054
Other comprehensive income (loss)	(10,557,750)	16,168,462
Comprehensive income	\$ 39,332,991	\$ 69,995,846
Basic earnings per share (in pesos)	\$ 2.873	\$ 3.085

The accompanying notes are an integral part of these financial statements.



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WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position

(Amounts in thousands of Mexican pesos)

	DECEMBER 31,	
	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents (Note 5)	\$ 28,591,153	\$ 36,513,582
Accounts receivable, net (Note 6)	26,634,850	24,862,289
Inventories, net (Note 7)	107,450,921	110,694,942
Prepaid expenses and other assets	1,432,523	1,326,455
Total current assets	164,109,447	173,397,268
Non-current assets:		
Property and equipment, net (Note 8)	195,080,344	180,715,011
Right-of-use assets (Note 9)	63,545,003	63,958,072
Investment properties, net (Note 10)	4,133,976	4,351,732
Intangible assets, net (Note 11)	42,646,550	47,393,126
Deferred tax assets (Note 16)	23,189,157	21,678,914
Other non-current assets	2,568,786	2,398,942
Total assets	\$ 495,273,263	\$ 493,893,065
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 123,903,939	\$ 121,971,233
Short-term lease liability	5,186,942	4,735,116
Other accounts payable (Note 13)	38,820,282	39,899,960
Income taxes payable	1,805,549	4,187,435
Total current liabilities	169,716,712	170,793,744

	DECEMBER 31,	
	2025	2024
Long-term liabilities:		
Leases and other long-term liabilities (Note 15)	83,988,302	84,844,691
Income tax liabilities (Note 16)	2,364,599	2,381,292
Employee benefits (Note 17)	3,623,589	2,997,869
Total liabilities	259,693,202	261,017,596
Equity (Note 18)		
Capital stock	45,027,866	45,429,160
Retained earnings	180,017,034	167,447,963
Other comprehensive income items	14,702,423	25,260,173
Premium on sale of shares	6,230,963	5,906,487
Employee stock option plan fund	(10,398,225)	(11,168,314)
Total equity	235,580,061	232,875,469
Total liabilities and equity	\$ 495,273,263	\$ 493,893,065

The accompanying notes are an integral part of these financial statements.



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Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024 (Note 18)
(Amounts in thousands of Mexican pesos)

	RETAINED EARNINGS						
	CAPITAL STOCK	LEGAL RESERVE	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME ITEMS	PREMIUM ON SALES OF SHARES	EMPLOYEE STOCK OPTION PLAN FUND	TOTAL EQUITY
Balance at December 31, 2023	\$ 45,429,160	\$ 9,104,745	\$ 141,915,286	\$ 9,091,711	\$ 5,640,011	\$ (12,094,876)	199,086,037
Movements in employee stock option plan fund					266,476	926,562	1,193,038
Dividends declared			(37,399,452)				(37,399,452)
Comprehensive income			53,827,384	16,168,462			69,995,846
Balance at December 31, 2024	45,429,160	9,104,745	158,343,218	25,260,173	5,906,487	(11,168,314)	232,875,469
Movements in employee stock option plan fund					324,476	770,089	1,094,565
Repurchase of shares	(401,294)		(8,398,694)				(8,799,988)
Dividends declared			(28,922,976)				(28,922,976)
Comprehensive income			49,890,741	(10,557,750)			39,332,991
Balance at December 31, 2025	\$ 45,027,866	\$ 9,104,745	\$ 170,912,289	\$ 14,702,423	\$ 6,230,963	\$ (10,398,225)	235,580,061

The accompanying notes are an integral part of these financial statements.



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Consolidated Statements of Cash Flows

(Amounts in thousands of Mexican pesos)

	FOR THE YEARS ENDED DECEMBER 31,	
	2025	2024
Operating activities		
Income before income taxes	\$ 68,876,648	\$ 68,931,487
Items related to investing activities:		
Depreciation and amortization	24,953,131	22,639,474
Loss from disposal of property and equipment and impairment	223,564	(402,757)
Stock option compensation expenses	304,661	493,766
Interest earned (Note 21)	(1,327,640)	(2,657,187)
Items related to financing activities:		
Interest on lease liabilities (Note 9)	9,115,155	8,593,484
Unrealized, exchange rate fluctuation	857,863	(62,852)
Provision of labor obligations (Note 17)	1,031,707	574,290
Interest accrued	263,182	42,902
Cash flow from operating activities	104,298,271	98,152,607
Variances in:		
Accounts receivable	(1,642,439)	(173,566)
Inventories	1,249,411	(12,543,798)
Prepaid expenses and other assets	(406,351)	(826,096)
Accounts payable	4,755,799	3,057,479
Other accounts payable	(1,571,215)	2,121,813
Income tax paid	(23,574,671)	(16,397,777)
Employee benefits	(671,057)	(755,127)
Net cash flow from operating activities	82,437,748	72,635,535

The accompanying notes are an integral part of these financial statements.

	FOR THE YEARS ENDED DECEMBER 31,	
	2025	2024
Investing activities		
Long-lived assets with defined useful lives	(38,981,955)	(34,763,789)
Interest collected (Note 21)	1,327,640	2,657,187
Proceeds from sale of property and equipment	544,462	872,570
Employee stock option plan fund	789,904	699,272
Net cash flow used in investing activities	(36,319,949)	(30,534,760)
Financing activities		
Dividends paid (Note 18)	(28,922,976)	(37,399,452)
Repurchase of shares	(8,799,988)	—
Interest paid	(263,182)	(42,902)
Payment of leases liability (Note 10)	(13,285,498)	(12,355,100)
Net cash flow used in investing activities	(51,271,644)	(49,797,454)
Effect of changes in the value of cash	(2,768,584)	3,541,276
Decrease in cash and cash equivalents	(7,922,429)	(4,155,403)
Cash and cash equivalents at beginning of year	36,513,582	40,668,985
Cash and cash equivalents at end of year	\$ 28,591,153	\$ 36,513,582
Non-cash transactions:		
Additions of right of use assets	\$ 2,771,976	\$ 1,821,479
Right of use assets remeasurements	\$ 4,067,065	\$ 4,651,885



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Notes to Consolidated Financial Statements

At December 31, 2025 and 2024
(Amounts in thousands of Mexican pesos, except where otherwise indicated)

1. Description of the business

Wal-Mart de Mexico, S.A.B. de C.V. (WALMEX, “the Company” or “the Group”) is a Mexican company incorporated under the laws of Mexico and listed on the Mexican Stock Exchange, whose headquarters are located at Nextengo #78, Santa Cruz Acayucan, 02770, in Mexico City. The principal shareholder of WALMEX is Walmart, Inc., a U.S. Corporation, through Intersalt, S. de R.L. de C.V., a Mexican company that holds equity interest of 71.20% in the Company.

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

GROUP	ACTIVIDAD
Nueva Walmart	Operation in 2025 of 2,698 Bodega Aurrerá discount stores, 338 Walmart hypermarkets, 104 Walmart Express supermarkets and 176 Sam’s Club memberships self-service wholesale stores.
Other businesses	Provide mobile internet connectivity services and sale of airtime recharges (BAIT); advertising services (Walmart Connect); financial services through digital wallet (Cashi).
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Corporate companies	Not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2025 of 636 discount stores (<i>Despensa Familiar</i> and <i>Palí</i>), 99 supermarkets (<i>Paiz</i> , <i>La Despensa de Don Juan</i> , <i>La Unión</i> and <i>Mas x Menos</i>), 175 Bodegas (<i>Maxi Bodegas</i> and <i>Maxi Palí</i>), and 39 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

2. Nuevos Pronunciamientos

Amendments to IAS 21, Effects of Changes in Foreign Exchange Rates: Lack of exchangeability.

In August 2023, the IASB published ‘Lack of Exchangeability (Amendments to IAS 21), that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The document also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The entity applied the amendments for annual reporting periods beginning on or after January 1st, 2025. Earlier application is permitted.

The Company’s Management believes that the adoption of this standard has no financial impact on the consolidated financial statements.



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IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2, Climate-related Disclosures

The objective of these IFRS is to require entities to disclose information on sustainability-related risks and opportunities, as well as climate-related risks and opportunities that may reasonably affect the entity’s cash flows, and/or its access to financing over the short, medium or long term, information that must be useful to user of financial information.

IFRS S1 and IFRS 2 are effective for annual reporting periods beginning on or after January 1st, 2024, however, according to the guidelines that the National Banking and Securities Commission has issued for this compliance, their initial effective application will be as of the fiscal years beginning on January 1, 2025.

The Company’s Management presents the disclosures in a separate document from the consolidated financial statements, in accordance with the guidelines issued for that purpose by the National Banking and Securities Commission.

IFRs issued but not yet effective.

IFRs 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, focusing on changes in the presentation and disclosure in the income statement, and introduces some limited changes in the statement of financial position, changes in equity and cash flows. IFRS 18 will replace IAS 1, however, many of the principles included in IAS 1 are maintained in IFRS 18. The main changes introduced in IFRS 18 refer to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it could change what an entity reports as its “operating result”.

IFRS 18 will apply to reporting periods starting from January 1, 2027, and must be applied retrospectively; early application is permitted, which must be disclosed.

The Company’s management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments.

On May 30, 2024 the International Accounting Standards Board (IASB) issued Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments. The amendments:

- Clarify that a financial liability is derecognized on the “settlement date”. The amendments also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) linked features and other similar contingent features.
- Clarify the treatment of non-recourse assets and contractually linked instruments.
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG/linked) and equity instruments classified at fair value through other comprehensive income (FVTOCI).

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements introduced by the amendments will be applied retrospectively with adjustment to retained earnings. Prior periods are not required to be restated.

The Company’s Management is analyzing the impact of this standard on the consolidated financial statements.

Annual Improvements to IFRS Accounting Standards

On July 2024, the IASB published “Annual Improvements to IFRS Accounting Standards — Volume 11”. It contains amendments to five standards as result of the IASB’s annual improvements project, addressed to clarify and/or improve the general understanding of it:

The pronouncement comprises amendments to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures (include improvements to implementation guidance)
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IAS 7 Statement of Cash Flows



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The amendments do not include transition requirements, other than that an entity is required to apply the amendment to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

The Company’s Management is analyzing the potential impact of this standard on the consolidated financial statements.

3. Information of material accounting policies

A summary of the material accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2024.

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the IASB, and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).5.

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company’s foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company’s foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.

The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.

WALMEX has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period.

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

Reclassifications

During the preparation of the financial statements as of December 31, 2025, certain reclassifications were made to the balances corresponding to the 2024 fiscal year. The main objective of these modifications was to ensure that the figures presented are comparable between both years, allowing for a more accurate and transparent interpretation of the financial information.

	RECLASSIFIED		PREVIOUS
Other accounts payable	\$	39,899,960	\$ 42,694,405
Leases and other long-term liabilities (Note 15)	\$	84,844,691	\$ 82,050,246



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b) Consolidation

The accompanying consolidated financial statements include the financial statements of WALMEX, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by WALMEX, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee)
- Exposure to, or rights to, variable returns from its participation in the investee
- The ability to use its power over the investee to affect its returns

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investee Cargill Protein S. de R.L. de C.V., according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in this entity. Net Loss for the consolidated year considers a remaining attributable to the results of the investee of \$(5,572) in 2025 and \$(74,648) in 2024; and the statement of financial position as of December 31, 2025 and 2024, contains a remaining attributable of the investee of \$(73,946) y \$(68,375), respectively.

c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. **Financial assets.** These assets are classified in one of the following categories, as required; financial assets at fair value through profit or loss, accounts receivable and investments held to maturity. The Company's financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.

- II. **Financial liabilities.** These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1.** Quoted prices for identical instruments in active markets;
- Level 2.** Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and
- Level 3.** Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company's financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously.

d) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.

Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.



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e) Derivative financial instruments

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, WALMEX manages only Fx-forwards as derivative financial instruments.

f) Accounts receivable and provision for impairment of other accounts receivable

WALMEX recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 “Financial Instruments”, recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

g) Inventories

Inventories are valued using the retail method, except for merchandise for Sam’s Clubs, e-Commerce, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

h) Prepaid expenses

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i) Property and equipment

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

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

BUILDINGS, FACILITIES AND LEASEHOLD IMPROVEMENTS:			
Constructions and structures	2.5 %	a	5.0 %
Facilities and adaptations	5.0 %	a	12.5 %
Construction finishes	10.0 %	a	25.0 %
Furniture and equipment	5.0 %	a	33.3 %
Computer equipment	12.5 %	a	33.3 %
Transportation equipment	10.0 %	a	33.3 %

Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

j) Investment properties

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.



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Depreciation of investment properties is computed on a straight-line basis at the following annual rates:

BUILDINGS, FACILITIES AND LEASEHOLD IMPROVEMENTS:			
Constructions and structures	2.5 %	a	5.0 %
Facilities and adaptations	5.0 %	a	12.5 %
Construction finishes	10.0 %	a	25.0 %

k) Leases

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

WALMEX as a Lessee

WALMEX recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of WALMEX.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if WALMEX changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The impairment in the value of this type of assets is recognized by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.



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n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America and Cartera Digital 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) and Cartera Digital Walmart as a minimum cash generating unit.

Goodwill is tested for impairment annually. WALMEX engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

o) Liabilities and provisions

Accounts payable correspond to obligations assumed with suppliers for the acquisition of goods necessary for the Company's operation, the payment of which remains pending at the end of the period. These obligations are recorded at the time the Company obtains control over the goods received.

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

p) Income taxes

Current and Deferred Income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where WALMEX has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.

Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by WALMEX and it is probable that the temporary differences will not reverse in the near future.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.



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Uncertain Tax Positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where WALMEX operates will accept the tax position under current tax laws

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates. All of the above, taking as a starting point the legal-fiscal analysis of each particular case.

q) Employee benefits

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, WALMEX’s employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country’s respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage, in addition, WALMEX pays a retirement compensation based on years of service and position of each associate, as long as they have been in service for more than 5 years at the date of retirement. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

WALMEX recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.

r) Equity

Legal reserve:

As of December 31, 2025 and 2024, the Company’s legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders’ equity directly.

Employee stock option plan fund and stock option compensation:

The employee stock option plan fund is comprised of WALMEX shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.

The shares subject to the plan are assigned, taking as a reference the average price of the share of the last five business days prior to the date of eligibility.

The current policy has two grant plans to executives; the first one grants restricted shares stock options and the second one grants restricted shares based on the company’s performance (the last one is offered only to certain executive levels).

In the plan to grant restricted shares, the right to receive them is released in one third for each year, and the corresponding to the restricted stock plan subject to the company’s performance, the term for its release is at the end of 3 years from the date of assignment.

The amount of restricted shares plan subject to the Company performances considers certain metrics that are evaluated against the performance of the year following the allocation, and which may cause the original allocation to be decreased or increased, ranging from 0% to 212.5%.

According to the previous policies until 2023 (date of the last allocation) there was a stock option plan granted to executives. Until 2017, the right to exercise the option to purchase the shares was released in five years in equal parts, from 2018 to 2021 such right was released in 4 years, 50% in year 2 and the remaining 50% in year 4, and the rights of the 2022 and 2023 allocations are released 33% in year one, 33% in year 2 and 34% per year 3. The term to exercise the rights is 10 years from the date of allocation.



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The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.

s) Revenue recognition

Revenue from merchandise sales, including online sales (“e-Commerce”) is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when “control” of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Commissions from extended warranties, service collection fees, and third party airtime sales are recognized on a net basis within the sales line item in the consolidated statement of comprehensive income at the moment the related service is rendered.

Revenues from BAIT’s airtime sales are recognized within the sales line item in the consolidated statement of comprehensive income when the service is provided.

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.

Revenue from the sale of scrap and parking lots is recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

t) Basic earnings per share

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

As of December 31, 2025, there was no effect on earnings per share, which represents the remaining attributable to the results of the investees; as of December 31, 2024, the effect was of \$0.004 pesos per share.

u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company’s performance. Segment information is presented based on the geographical zones in which the Company operates.

v) Foreign currency transactions

WALMEX foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

4. Risk management

a) General risk factors

The Company is exposed to facts or events that could affect the purchasing power and/or buying habits of the population. These facts or events may be economic, political or social in nature and some of the most important are described below:

- I. Changes in exchange rates.** Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population’s purchasing power, which could ultimately adversely affect the Company’s sales, in particular due to the purchase of imported goods. Likewise, the revaluation of the exchange rate may mean that individuals receiving remittances from abroad obtain less domestic currency, which may also adversely affect the Company’s sale



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II. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company’s market share at risk. Other factors affecting the Company’s market share could be the business expansion of its competitors and the possible entrance of new players into the market. Likewise, the new activities carried out by the Company that it did not carry out before - BAIiT, Connect, Cashi, to mention a few - face very strong competition from participants that have a greater share than the Company in those market segments.

III. Inflation. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company’s customers and the demand for its products and services, as well as employment and salaries and in the prices of the goods and services supplied by the Company. Although the Company always seeks to keep costs low in order to offer low prices, there are circumstances in which it is not possible to defer price increases, even though the Company always seeks to do so.

IV. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company’s operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities and other regulatory authorities has increased considerably. This includes risks related to the negotiations of a Bilateral Advance Pricing Agreement (BAPA) that was approved in 2026, as disclosed in Note 24.

V. Others events. Political changes, climatic phenomena and geopolitical tensions, have caused disruptions in the markets, prices of many products and price increases or shortages of many products and disruptions, delays, and cost increases in the international supply logistics chain.

These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance. As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.

b) Financial risk factors

The Company’s activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.

Exchange Rate Risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar (“USD”).

As of December 31, 2025 the exchange rate used to translate assets and liabilities denominated in US dollars was \$18.00 per dollar (\$20.65 in 2024).

Considering the net monetary position in dollars at December 31, 2025, 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 \$267,549.

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

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 “Information of material accounting policies – Financial assets and liabilities and fair value measurement”).

As of December 31, 2025 and 2024, Fx-Forward contracts have a term of no more than four months, which are shown below:

		2025		2024
Current contracts		281		304
Notional amount (millions of USD)	US\$	252	US\$	260
Notional amount (millions of Mexican pesos)	MXN\$	4,640	MXN\$	5,327
Fair value, net (millions of pesos)	MXN\$	(89)	MXN\$	85

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.



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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 2025 between 2.75% and 9.98%. As of December, 31, 2025, the financial income amounted to \$1,327,640 (\$2,657,187 in 2024).

Considering the highly liquid instruments as of December 31, 2025, 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 \$64,214.

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 31,2025, the available and unused credit and overdraft lines amounted \$71,427 (\$48,524 in 2024) million pesos (of which \$10,053 (\$13,980 in 2024) million pesos corresponding to pre-approved lines of credit and \$61,374 (\$34,544 in 2024) million pesos to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.

5. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2025, amounted to \$28,591,153 (\$36,513,582 in 2024). As of December 31, 2025 and 2024 the Company has no restricted cash.

6. Accounts receivable

An analysis of accounts receivable as of December 31, 2025 and 2024, is as follows:

	2025	2024
Income tax, VAT, IEPS pending to recover	\$ 16,702,692	\$ 16,033,404
Vouchers issuers and trade receivables	3,745,559	3,152,462
Vendor Allowances	2,019,236	2,343,000
Insurance	592,784	307,452
Rents	367,567	386,070
Others accounts receivable	3,807,678	3,224,104
Allowance for impairment of other receivables ⁽¹⁾	(600,666)	(584,203)
	\$ 26,634,850	\$ 24,862,289

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

(1) Includes \$224 million of allowance for impairment of other receivables corresponding to ATM's services supplier.

7. Inventories

An analysis of inventories as of December 31, 2025 and 2024, is as follows:

	2025	2024
Merchandise for sale	\$ 101,700,601	\$ 103,786,230
Desarrollo Agro-Industrial	1,729,948	1,978,509
Obsolete inventory reserve	(255,566)	(183,164)
	103,174,983	105,581,575
Merchandise in transit	4,275,938	5,113,367
	\$ 107,450,921	\$ 110,694,942

As of December 31, 2025 and 2024, the effect of inventory impairment is \$2,763,040 and \$2,321,018, respectively, which was included in cost of sales in the consolidated comprehensive income statement.



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8. Property and equipment

An analysis of property and equipment as of December 31, 2025 and 2024, is as follows:

	DECEMBER 31, 2023	ADDITIONS	DISPOSALS	TRANSFERS	TRANSLATIONS EFFECT	DECEMBER 31, 2024	ADDITIONS	DISPOSALS	TRANSFERS	TRANSLATIONS EFFECT	DECEMBER 31, 2025
Cost:											
Land	\$ 32,586,550	\$ 79,763	\$ (80,889)	\$ 248,004	\$ 1,526,451	\$ 34,359,879	\$ 11,404	\$ (86,978)	\$ 77,651	\$ (926,878)	\$ 33,435,078
Buildings	83,714,527	2,727,066	(542,793)	5,018,185	4,555,586	95,472,571	2,813,601	(885,965)	1,147,906	(2,970,619)	95,577,494
Facilities and leasehold improvements	66,209,415	408,745	(491,019)	7,832,916	1,894,848	75,854,905	—	(865,099)	13,156,407	(1,429,594)	86,716,619
Furniture and equipment	89,544,429	6,961,626	(6,470,701)	7,885,507	4,848,051	102,768,912	7,709,766	(3,559,432)	7,668,917	(3,505,870)	111,082,293
Subtotal	272,054,921	10,177,200	(7,585,402)	20,984,612	12,824,936	308,456,267	10,534,771	(5,397,474)	22,050,881	(8,832,961)	326,811,484
Accumulated depreciation:											
Buildings	(40,405,387)	(3,228,455)	697,511	(87,868)	(1,564,970)	(44,589,169)	(3,444,386)	809,910	398,125	1,062,992	(45,762,528)
Facilities and leasehold improvements	(33,314,878)	(3,673,342)	383,937	(74,202)	(1,104,830)	(37,783,315)	(4,197,643)	704,309	(515,454)	792,141	(40,999,962)
Furniture and equipment	(49,737,445)	(8,947,869)	5,899,226	1,042	(2,732,695)	(55,517,741)	(9,932,635)	3,218,648	8,671	2,021,676	(60,201,381)
Subtotal	(123,457,71)	(15,849,666)	6,980,674	(161,028)	(5,402,495)	(137,890,225)	(17,574,664)	4,732,867	(108,658)	3,876,809	(146,963,871)
Construction in progress	7,530,265	23,185,101	17,956	(20,654,858)	70,505	10,148,969	27,312,581	(87,161)	(22,245,174)	103,516	15,232,731
Total	\$ 156,127,476	\$ 17,512,635	\$ (586,772)	\$ 168,726	\$ 7,492,946	\$ 180,715,011	\$ 20,272,688	\$ (751,768)	\$ (302,951)	\$ (4,852,636)	\$ 195,080,344

Depreciation expense for the years ended December 31, 2025 and 2024, was \$17,236,694 and \$15,538,291, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$337,970 and \$311,375, respectively.

Property and equipment impairment was recognized in the statement of income in general expenses; for the years ended December 31, 2025 and 2024, was \$70,292 and \$112,551, respectively, and is presented in the disposals column.



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9. Leases

WALMEX has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

WALMEX sub-leases some of its investment properties. The right of use assets balance is as follows:

	DECEMBER 31, 2023	ADDITIONS	DISPOSALS MODIFICATIONS AND UPDATES	TRANSFERS	TRANSLATIONS EFFECT	DECEMBER 31, 2024	ADDITIONS	DISPOSALS MODIFICATIONS AND UPDATES	TRANSFERS	TRANSLATIONS EFFECT	DECEMBER 31, 2025
Cost:											
Property	\$ 78,205,297	\$ 1,524,332	\$ 4,250,901	—	\$ 2,679,941	\$ 86,660,471	\$ 2,055,113	\$ 3,967,302	—	\$ (1,899,793)	\$ 90,783,093
Furniture and equipment	5,144,685	297,147	(105,094)	(367,253)	17,581	4,987,066	716,863	(5,631)	(291,169)	(11,280)	5,395,849
Subtotal	83,349,982	1,821,479	4,145,807	(367,253)	2,697,522	91,647,537	2,771,976	3,961,671	(291,169)	(1,911,073)	96,178,942
Accumulated depreciation:											
Property	(20,954,301)	(4,682,237)	402,174	—	(948,218)	(26,182,582)	(4,989,277)	42,368	—	737,876	(30,391,615)
Furniture and equipment	(912,010)	(850,447)	106,954	158,663	(10,043)	(1,506,883)	(868,580)	2,958	121,815	8,366	(2,242,324)
Subtotal	(21,866,311)	(5,532,684)	509,128	158,663	(958,261)	(27,689,465)	(5,857,857)	45,326	121,815	746,242	(32,633,939)
Total	\$ 61,483,671	\$ (3,711,205)	\$ 4,654,935	\$ (208,590)	\$ 1,739,261	\$ 63,958,072	\$ (3,085,881)	\$ 4,006,997	\$ (169,354)	\$ (1,164,831)	\$ 63,545,003



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An analysis of the lease liabilities is as follows:

YEAR	DECEMBER 31, 2025	
2026	\$	12,029,209
2027		11,842,057
2028		11,479,247
2029		11,131,044
2030		10,520,662
2031 and thereafter		125,578,469
Nominal lease payments		182,580,688
Contract update effects		(101,732,541)
Lease liabilities - net	\$	80,848,147

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.

Below is a detailed reconciliation between the lease liability balances recorded as of December 31, 2024 and December 31, 2025:

	2025	2024
Balance at the beginning of the year	\$ 79,729,903	\$ 75,253,796
(-) Interest payments	(747,242)	(711,483)
(-) Principal payments	(4,123,847)	(4,198,979)
(+) New leases	2,779,031	1,815,029
(+/-) Lease Modifications/Adjustments	4,720,641	5,255,291
(+/-) Conversion effect	(1,510,339)	2,316,249
Ending balance	\$ 80,848,147	\$ 79,729,903

The amounts recognized in the consolidated statements of income for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Depreciation expense for the right of use assets, by type of asset:		
Property	\$ 4,989,277	\$ 4,682,237
Equipment	\$ 868,580	\$ 850,447
Interest on lease liabilities	\$ 9,115,155	\$ 8,593,484
Expenses related to short-term leases	\$ 536,804	\$ 236,121
Expenses related to leases of low-value assets	\$ 69,995	\$ 63,326
Variable lease payments (not included in the measurement of lease liabilities)	\$ 4,058,002	\$ 4,109,228
Sub-lease revenue	\$ (1,744,505)	\$ (1,436,650)

Amounts recognized in consolidated statement of cash flows as well as non-cash transactions, for the years ended December 31, 2025 and 2024, are as follow:

	2025	2024
Rent payments – principal	\$ 4,170,343	\$ 3,761,616
Rent payments – interest	\$ 9,115,155	\$ 8,593,484
Additions of right of use assets	\$ 2,771,976	\$ 1,821,479
Modifications and updates	\$ 4,067,065	\$ 4,651,885



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10. Investment properties

An analysis of investment properties as of December 31, 2025 and 2024 is as follows:

	DICIEMBRE 31, 2023		ADICIONES	MODIFICACIONES Y BAJAS ACTUALIZACIONES		TRASPASOS	DICIEMBRE 31, 2024		ADICIONES	MODIFICACIONES Y BAJAS ACTUALIZACIONES		TRASPASOS	DICIEMBRE 31, 2025									
Land	\$	2,503,735	\$	—	\$	(18,612)	\$	—	\$	(18,948)	\$	—	\$	4,480	\$	2,485,877						
Buildings		5,290,384		783		(555,722)		10,142		(95,299)		4,650,288		1,632		(54,295)		(18,051)		11,472		4,591,046
Facilities and improvements		1,000,600		—		(214,688)		—		—		785,912		—		(108,737)		—		—		677,175
Subtotal		8,794,719		783		(789,022)		10,142		(80,077)		7,936,545		1,632		(181,980)		(18,051)		15,952		7,754,098
Accumulated depreciation		(3,799,404)		(212,106)		409,021		(8,289)		25,965		(3,584,813)		(166,370)		131,061		—		—		(3,620,122)
Total	\$	4,995,315	\$	(211,323)	\$	(380,001)	\$	1,853	\$	(54,112)	\$	4,351,732	\$	(164,738)	\$	(50,919)	\$	(18,051)	\$	15,952	\$	4,133,976

December expense for the years ended December 31, 2025 and 2024, was \$166,370 y \$212,106, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2025 and 2024, 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 (Caprate). On the other hand, the capitalization rates used for the year ended December 31, 2025 and 2024, was 10.0% and 9.0%, respectively. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company's Management determined that there is no impairment in the investment properties as of December 31, 2025 and 2024. The estimated fair value of the investment properties as of December 31, 2025 and 2024 is \$5,503,703 and \$6,060,227, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.



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11.Intangible assets

An analysis of intangible assets as of December 31, 2025 and 2024 is as follows:

	DECEMBER 31, 2023	ADDITIONS	DISPOSALS	TRANSFERS	TRANSLATION EFFECT	DECEMBER 31, 2024	ADDITIONS	DISPOSALS	TRANSFERS	TRANSLATION EFFECT	DECEMBER 31, 2025
Goodwill	\$ 34,296,811	\$ —	\$ —	\$ —	8,400,093	\$ 42,696,904	\$ —	\$ —	\$ —	(4,795,459)	\$ 37,901,445
Trademarks	720,715	—	—	—	172,470	893,185	—	—	—	(103,736)	789,449
Licenses and software	6,533,596	1,400,705	(870,497)	92,885	249,007	7,405,696	1,132,971	(49,000)	446,126	(181,594)	8,754,199
Subtotal	7,254,311	1,400,705	(870,497)	92,885	421,477	8,298,881	1,132,971	(49,000)	446,126	(285,330)	9,543,648
Accumulated amortization	(3,214,902)	(1,045,018)	856,711	1,090	(200,540)	(3,602,659)	(1,354,240)	38,480	10,227	109,649	(4,798,543)
Subtotal	4,039,409	355,687	(13,786)	93,975	220,937	4,696,222	(221,269)	(10,520)	456,353	(175,681)	4,745,105
Total	\$ 38,336,220	\$ 355,687	\$ (13,786)	\$ 93,975	8,621,030	\$ 47,393,126	\$ (221,269)	\$ (10,520)	\$ 456,353	\$ (4,971,140)	\$ 42,646,550

Trademarks represent the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, *Despensa Familiar*, *Maxi Bodega*, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2025 and 2024, were \$1,354,240 and \$1,045,018, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of Goodwill as of December 31, 2025 and 2024. 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 0.9% to 4.0% (1.7% to 4.9% in 2024) in nominal terms, which correspond to the estimated average inflation for each CGU.
- As December 31, 2025, appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which varies in a range from 7.7% to 13.4% (7.5% to 13.20% in 2024) determined according to the associated risks for each CGU.

12. Related parties

a) Related party balances

As of December 31, 2025 and 2024, the consolidated statement of financial position includes the following balances with related parties:

	2025	2024
Accounts payable:		
C.M.A. – U.S.A., L.L.C.	\$ 1,207,719	\$ 1,147,599
WMGS Commercial Services Limited	31,190	47,931
	\$ 1,238,909	\$ 1,195,530
Other short-term accounts payable (Note 13):		
Walmart Inc.	\$ 1,429,436	\$ 1,754,150
WMGS Commercial Services Limited	62,115	69,888
Newgrange Platinum Services LTD	—	3,126
Other long-term accounts payable:	\$ 1,491,551	\$ 1,827,164
Walmart, Inc. (Note 15)	\$ 38,889	\$ 65,462



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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, 2025 and 2024, there were no uncollectible related party balances.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc., that are payable monthly.
- Administrative and process services with Walmart Inc. (before with Newgrange Platinum Service, LTD until August 31, 2024) that are payable monthly.
- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam's.

WALMEX had the following transactions with related parties during the years ended December 31, 2025 and 2024, respectively:

	2025	2024
Purchases and commissions related to the import of Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 6,689,729	\$ 6,071,824
WMGS Commercial Services Limited	830,129	853,559
	<u>\$ 7,519,858</u>	<u>\$ 6,925,383</u>
Costs and expenses related to technical assistance, service and royalties:		
Walmart Inc.	\$ 11,523,698	\$ 10,142,075
Newgrange Platinum Services LTD	—	471,530
	<u>\$ 11,523,698</u>	<u>\$ 10,613,605</u>

c) Remuneration of principal officers

Remuneration to the Company's principal officers and Board of Directors for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Short-term benefits	\$ 1,778,176	\$ 2,062,959
Termination benefits	237,896	118,701
Share-based payments	20,380	23,315
	<u>\$ 2,036,452</u>	<u>\$ 2,204,975</u>

Short-term benefits include remuneration to the Board of Directors of \$8,996 in 2025 and \$7,328 in 2024.

13. Other accounts payable

An analysis of other accounts payable as of December, 2025 and 2024, is as follows:

	2025	2024
Internal consumption provision	\$ 11,215,619	\$ 6,961,710
Other provisions	9,338,101	11,627,755
Payroll provisions	7,846,948	9,462,841
Taxes and contributions	5,259,452	6,000,768
Deferred revenues (a)	2,185,073	2,105,749
Related parties (Note 12)	1,491,551	1,827,164
Contingencies (Note 14)	1,231,863	1,679,816
Dividends	251,675	234,157
	<u>\$ 38,820,282</u>	<u>\$ 39,899,960</u>

(a) Includes Sam's club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.



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14. Commitments and contingencies

a) Commitments

As of December 31, 2025, 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:

AÑO	AMOUNT
2026	\$ 35,619,262
2027	\$ 3,020,254
2028	\$ 3,946,782
2029	\$ 1,479,808
2030	\$ 1,186,289
2031 and thereafter	\$ 2,220,620

The Company has lease commitments as explained in Note 9.

b) Contingencies

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$1,231,863 and \$5,756,396 as of December 31, 2025, (\$1,679,816 and \$7,029,242 in 2024) which is presented in other accounts payable and other long-term liabilities, respectively.

In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

15. Leases and Other long term liabilities

Lease and other long-term liabilities as of December 31, 2025 and 2024, includes:

	2025	2024
Long-term leases (Note 9)	\$ 75,661,205	\$ 74,994,788
Long-term income tax	6,072,263	7,246,603
Deferred rental incomes	2,202,768	2,524,430
Related parties (Note 12)	38,889	65,462
Others	13,177	13,408
	<u>\$ 83,988,302</u>	<u>\$ 84,844,691</u>

16. Income taxes

The income tax provision includes taxes payable by WALMEX's subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2025, companies in Mexico determined and paid their income tax under the general tax law.

An analysis of income taxes charged to the income statement for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Current income taxes:		
Mexico	\$ (16,829,594)	\$ (21,255,608)
Central America	(3,423,198)	(2,887,024)
Consolidated	(20,252,792)	(24,142,632)
Deferred income taxes:		
Mexico	1,002,774	9,190,298
Central America	264,111	(151,769)
Consolidated	1,266,885	9,038,529
	<u>\$ (18,985,907)</u>	<u>\$ (15,104,103)</u>



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The following is a reconciliation between Mexico’s statutory tax rate and the effective income tax rate on pre-tax income from continuing operations:

	2025	2024
Statutory tax rate in Mexico	30%	30%
Bilateral Advanced Pricing Agreement	(6.8)	(7.3)
Inflationary effects	(1.0)	(2.1)
Non-deductible expenses	3.0	1.7
Dividends	1.1	1.3
Income tax adjustments	0.9	(1.5)
Other permanent items	0.3	0.2
Effective tax rate	27.5%	21.9%

The income tax rates applicable to each country are shown below:

	TASA
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long-term deferred income taxes (assets and liabilities), as of December 31, 2025 and 2024:

	2025	2024
Provision for impairment of other receivable	\$ 172,949	\$ 176,558
Inventories	1,448,053	1,143,110
Prepaid expenses	(312,287)	(650,679)
Property and equipment	6,378,516	2,541,474
Other accounts payable	7,927,323	10,050,816
Leases and other long-term liabilities	4,710,303	5,862,538
Labor obligations	1,129,284	1,076,129
Tax losses carryforward from subsidiaries	161,412	386,930
Long-term income tax	(790,995)	(1,289,254)
Deferred tax, net	\$ 20,824,558	\$ 19,297,622

	2025	2024
Balance of Consolidated financial position:		
Deferred tax assets	\$ 23,189,157	\$ 21,678,914
Deferred tax liabilities	(2,364,599)	(2,381,292)
Deferred tax, net	\$ 20,824,558	\$ 19,297,622

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income:

YEAR OF EXPIRATION	AMOUNT
2028	\$ 316
2030	259
2031	224,789
2032	23,317
2033	44,215
2024	76,734
2035	168,411
	\$ 538,041

Changes in the deferred tax assets and liabilities, net as of December 31, 2025 and 2024 is as follows:

	2025	2024
Balances as of beginning of the year	\$ 19,297,622	\$ 9,696,295
Deferred income tax charged in the year	590,486	2,650,835
Long-term income taxes	498,259	284,244
Other comprehensive income tax by labor obligations	124,711	185,875
Effect by the reviewing of property and equipment tax value	—	5,862,989
Excess of previous years	283,915	502,591
Translation effect	29,565	114,793
Balance as of end of the year	\$ 20,824,558	\$ 19,297,622



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17. Employee benefits

As of December 31, 2025 and 2024, an analysis of the Company’s assets and liabilities for seniority premiums and retirement benefits is as follows:

	SENIORITY PREMIUMS		RETIREMENT BENEFITS	
	2025	2024	2025	2024
Defined benefit obligations	\$ 2,932,590	\$ 2,539,135	\$ 2,038,340	\$ 1,752,190
Plan assets	(1,347,341)	(1,293,456)	—	—
Net projected liability	\$ 1,585,249	\$ 1,245,679	\$ 2,038,340	\$ 1,752,190

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2025 and 2024, are shown below:

	SENIORITY PREMIUMS		RETIREMENT BENEFITS	
	2025	2024	2025	2024
DBO at beginning of year	\$ 2,539,135	\$ 2,196,654	\$ 1,752,190	\$ 1,444,745
Net period cost charged to results:				
Labor cost from actual services	178,670	143,672	431,932	193,082
Interest cost on DBO	261,565	198,015	288,932	150,126
Labor cost from previous services	—	71	—	4
Other actuarial items	(54)	—	(12)	—
Other comprehensive income items	291,199	309,993	116,223	185,521
Benefits paid	(337,925)	(309,270)	(360,946)	(435,417)
Translation effect	—	—	(189,979)	214,129
DBO at end of the year	\$ 2,932,590	\$ 2,539,135	\$ 2,038,340	\$ 1,752,190

Changes in the net present value of the plan assets (PA) as of December 31, 2025 and 2024, are shown below:

	SENIORITY PREMIUMS	
	2025	2024
PA at beginning of year	\$ (1,293,456)	\$ (1,314,289)
Return on plan assets	(129,392)	(110,680)
Others items	20	—
Other comprehensive income items	47,673	141,953
Plan contributions	(310,111)	(319,606)
Benefits paid	337,925	309,166
PA at the end of the year	\$ (1,347,341)	\$ (1,293,456)

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2025 and 2024, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2025 and 2024, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$2,176,226 and \$1,850,956, respectively.

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

	MEXICO		CENTRAL AMERICA	
	2025	2024	2025	2024
Financial:				
Discount rate	8.80 %	10.60 %	4.61 % - 8.62 %	4.45 % - 11.01 %
Salary increase rate	5.25 %	5.25 %	3.00 % - 6.70 %	3.00 % - 6.70 %
Minimum salary increase rate	11.50 %	4.75 %	4% - 6.5%	2.0 %
Inflations rate	4.00 %	4.00 %	0.70% - 3.60%	0.70% - 4.20%
Biometrics:				
Mortality	IMSS 2015 ⁽¹⁾	IMSS 2009 ⁽¹⁾	RP - 2000	RP - 2000 (2)
Disability	2.1 %	2.1%	Disability study table 1985	Disability study table 1985
Retirement age	65 años	65 años	55 -65 años	50 - 65 años

(1) Mexican Social Security Institute experience for males and females
(2) RP – 2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador



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A sensitivity analysis of the DBO as of December 31, 2025, is as follows.

	AMOUNT	
DBO at discount rate + 1%	\$	5,254,339
DBO December 31, 2025	\$	4,970,930
DBO at discount rate – 1%	\$	4,684,811
Effects over DBO		
Discount rate + 1%	\$	(286,119)
Discount rate – 1%	\$	283,409

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

18. Equity

- a) At an ordinary meeting held on April 10, 2025, the shareholders adopted the following resolutions:
- 1. Approval of a cap of \$8,800,000 on the amount the Company would use in 2025 to repurchase its own shares.
 - 2. The shareholders declared an ordinary cash dividend of \$1.30 pesos per share, which will be paid in two installments of \$0.65 pesos per share each, the first on November 19, 2025 and the second on December 17, 2025; and an extraordinary cash dividend of \$0.39 pesos per share that will be paid in two installments of \$0.19 pesos per share on November 19, 2025 and \$0.20 pesos per share on December 17, 2025.
- b) At an ordinary meeting held on April 30, 2024, the shareholders adopted the following resolutions:
- 1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2024 to repurchase its own shares.
 - 2. The shareholders declared an ordinary cash dividend of \$1.18 pesos per share, paid in two installments of \$0.59 each, the first one on November 12, 2024 and the second one on December 10, 2024; and an extraordinary dividend to be paid in cash at a rate of \$0.99 pesos per share in two installments: \$0.49 pesos per share on November 12, 2024 and \$0.50 pesos per share on December 10, 2024.

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, 2025 and 2024, the decreed dividends are as follows:

	2025	2024
Dividends in cash decreed and paid:		
Ordinary dividend \$1.30 per share (\$1.18 in 2024)	\$ 22,248,487	\$ 20,337,028
Extraordinary dividend \$0.39 per share (\$0.99 in 2024)	6,674,489	17,062,424
	<u>\$ 28,922,976</u>	<u>\$ 37,399,452</u>

c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company’s capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.

As of December 31, 2025 and 2024, an analysis of paid-in stock and the number of shares representing it is as follows:

COMMON STOCK	AMOUNT
Fixed minimum capital	\$ 5,591,362
Variable capital	36,523,207
Subtotal	42,114,569
Inflation effects	2,913,297
Total	<u>\$ 45,027,866</u>
Number of freely subscribed common shares	<u>17,292,211,803</u>

During the year ended as of December 31, 2025, 154,110,374 shares of WALMEX were acquired; such repurchase implied reduce the capital as is shown in the Consolidated statements of changes in equity. During the year ended as of December 31, 2024, there was no repurchase of its own shares.



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d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

As of December 31, 2025 and 2024, the amount of the tax accounts related to stockholders' equity, by CUCA amounts to \$83,076,378 and \$80,119,952, respectively, and by CUFIN \$34,882,248, as of December 31, 2025, as of December 31, 2024 there was no balance of CUFIN, in accordance with the current tax provisions.

Likewise, the Mexican subsidiaries have CUFIN balances that can be used for the distribution of dividends to WALMEX; such dividends, once received, will form part of WALMEX's individual CUFIN balance, which will be available to distribute dividends to its shareholders.

e) As of December 31, 2025, the employee stock option plan fund consists of 195,461,706 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, 2025 and 2024 was \$304,661 and \$493,766, 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, 2023	179,091,763	61.48
Granted	30,349,610	68.48
Exercised	(14,619,946)	47.83
Cancelled	(10,812,468)	62.50
Balance as of December 31, 2024	184,008,959	63.66
Granted	1,974,428	68.48
Exercised	(15,273,636)	51.69
Cancelled	(10,944,594)	69.22
Balance as of December 31, 2025	159,765,157	

Shares available for option grant:

December 31, 2025	35,696,549
December 31, 2024	26,726,383

As of December 31, 2025, the granted and exercisable shares under the stock option plan fund are 159,765,157 of which 124,101,903 are available to exercise.

19. Other disclosures of revenue

a) The other revenue that forms part of the main activity of the Company as of December 31, 2025 and 2024 is as follows:

	2025	2024
Memberships	\$ 3,203,494	\$ 2,988,907
Rents	2,998,011	2,789,098
Sale of scrap	794,178	982,995
Parking	107,967	103,894
Total	\$ 7,103,650	\$ 6,864,894

As of December 31, 2025, rental income includes investment properties of \$849,747 (\$738,968 in 2024).

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, 2025 and 2024 is as follows:

	2025	2024
Mexico		
Self-service	61.0 %	61.2 %
Price Clubs	21.6 %	21.9 %
Central America	17.4 %	16.9 %

Of WALMEX's total net sales, approximately \$57.0 billion and \$48.4 billion relates to electronic commerce in Mexico for the years ended December 31, 2025 and 2024, respectively.

In Central America, the net sales related to electronic commerce are \$2.6 billion and \$1.9 billion for the years ended December 31, 2025 and 2024, respectively, and includes the sales made through home delivery platforms.



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20. Cost of sales and general expenses

Cost of sales and general expenses presented in the consolidated statement of comprehensive income are integrated as follow:

	2025	2024
Cost of sales:		
Cost of goods sold	\$ (718,458,557)	\$ (685,985,226)
Logistic cost	(10,561,110)	(9,610,114)
Packaging cost	(6,430,672)	(6,042,458)
Warehousing cost	(6,220,777)	(5,858,169)
Depreciation and amortization	(1,138,522)	(1,107,992)
Other costs	(23,590,351)	(18,430,314)
	<u>\$ (766,399,989)</u>	<u>\$ (727,034,273)</u>
General expenses:		
Employee compensation and benefits	\$ (76,455,304)	\$ (71,752,862)
Depreciation and amortization	(23,814,609)	(21,531,482)
Contracted services	(14,249,767)	(13,428,584)
Property and equipment expense	(12,073,350)	(11,555,937)
Utilities	(11,388,690)	(10,979,551)
Advertising	(7,550,983)	(6,928,259)
Commissions	(6,737,065)	(6,504,099)
Other expenses	(15,774,724)	(13,404,472)
	<u>\$ (168,044,492)</u>	<u>\$ (156,085,246)</u>

21. Financial income (expenses)

An analysis of financial income (expenses) for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Financial income:		
Financial income	\$ 1,327,640	\$ 2,657,187
Currency exchange gain	299,627	434,355
Income on changes in fair value of derivatives	220,328	581,289
	<u>\$ 1,847,595</u>	<u>\$ 3,672,831</u>
Financial expenses:		
Interest in Finance leases	\$ (9,115,155)	\$ (8,593,484)
Currency exchange loss	(378,040)	(1,172,770)
Loss on changes in fair value of derivatives	(393,685)	(366,137)
Other financial expenses	(1,577,817)	(1,967,941)
	<u>\$ (11,464,697)</u>	<u>\$ (12,100,332)</u>

Financial income primarily consists of interest earned in investments.



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22. Segment financial information

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

YEARS ENDED DECEMBER 31, 2025				
SEGMENT		OPERATING INCOME	FINANCIAL EXPENSES, NET	INCOME BEFORE INCOME TAXES
Mexico	\$	67,054,341	\$ (8,524,382)	\$ 58,529,959
Central America		11,439,409	(1,092,720)	10,346,689
Consolidated	\$	78,493,750	\$ (9,617,102)	\$ 68,876,648

YEARS ENDED DECEMBER 31, 2024				
SEGMENT		OPERATING INCOME	FINANCIAL EXPENSES, NET	INCOME BEFORE INCOME TAXES
Mexico	\$	66,574,281	\$ (7,474,423)	\$ 59,099,858
Central America		10,784,707	(953,078)	9,831,629
Consolidated	\$	77,358,988	\$ (8,427,501)	\$ 68,931,487

	YEARS ENDED DECEMBER 31, 2025				
SEGMENT		PURCHASE OF LONG TERM DEFINITE- LIVED ASSETS	DEPRECIATION AND AMORTIZATION	TOTAL ASSETS	CURRENT LIABILITIES
Mexico	\$	33,291,269	\$ 20,277,563	\$ 381,747,650	\$ 145,464,612
Central America		5,690,686	4,675,568	75,624,168	24,252,100
Goodwill		—	—	37,901,445	—
Consolidated	\$	38,981,955	\$ 24,953,131	\$ 495,273,263	\$ 169,716,712

	YEARS ENDED DECEMBER 31, 2024				
SEGMENT		PURCHASE OF LONG TERM DEFINITE- LIVED ASSETS	DEPRECIATION AND AMORTIZATION	TOTAL ASSETS	CURRENT LIABILITIES
Mexico	\$	29,219,848	\$ 18,601,857	\$ 363,070,453	\$ 140,945,329
Central America		5,543,941	4,037,617	88,125,708	29,848,415
Goodwill		—	—	42,696,904	—
Consolidated	\$	34,763,789	\$ 22,639,474	\$ 493,893,065	\$ 170,793,744

An analysis of income from customer contracts is presented in Note 19.

23. Other disclosures

On December 12, 2024, COFECE concluded that the WALMEX subsidiary had engaged in a single relative monopolistic practice in relation to the use of certain contributions with its suppliers. In said resolution, COFECE imposed a sanction on the WALMEX subsidiary for \$93.4 million pesos (~US\$5 million) and imposed certain measures that WALMEX is implementing withing the timelines required by COFECE´s resolution.

COFECE recognizes that Walmex can continue negotiating contributions with its suppliers except for two specific contributions out of the four originally investigated.

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

24. Subsequent Events

In February 2026, the tax authorities of Mexico and the United States ratified the BAPA, confirming the terms, conditions, and calculation methodology applicable to the transactions covered by this agreement. These terms will remain in force in accordance with the approval granted, for the period from 2023 to 2029.

25. Approval of the financial statements

The consolidated financial statements and accompanying notes for the years ended December 31, 2025 and 2024, were approved by the Company's management and Board of Directors on February 18, 2026 and are subject to approval by the General Shareholders meeting. Subsequent events are considered through this date.



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Annual report of the audit and Corporate Governance Committees

Board of Directors
Wal-Mart de México S.A.B. de C.V.

Dear Directors:

In compliance with Article 43 of the Securities Market Law (Ley del Mercado de Valores, the “LMV”) and the internal regulations of the Committees I chair, as approved by the Board of Directors of Wal-Mart de México, S.A.B. de C.V. (together with its subsidiaries, the “Company”), we hereby inform you of the activities carried out during the fiscal year ended December 31, 2025.

In carrying out our work, in addition to the provisions of the LMV, we have taken into consideration the recommendations set forth in the Code of Corporate Governance Principles and Best Practices issued by the Coordinating Business Council, the Company’s Code of Conduct, the Internal Regulations of the Mexican Stock Exchange, and the general provisions derived from the LMV.

In order to comply with our oversight process, during 2025 the Audit and Corporate Governance Committees held regular quarterly meetings to review the overall situation regarding matters of material importance in the financial, accounting, legal, operational and ethical areas of the Company. This process was complemented by our participation, throughout the year, in meetings with the Company’s Chief Executive Officer and the Finance and Legal areas, as well as by the reports and information provided by the Company’s principal officers, highlighting the following:

1. Audit Matters:

- a) The status of the Company’s internal control system, and being informed in detail of the programs and progress of both the internal and external audit work.
- b) The main aspects requiring improvement, and the follow-up to the preventive and corrective measures implemented by management. Accordingly, it is our opinion that the effectiveness required for the Company to operate within an appropriate control environment is being met.
- c) The performance of the independent auditors, who are responsible for issuing an opinion on the reasonableness of the Company’s Financial Statements and their compliance with International Financial Reporting Standards. In this regard, we consider that the partners of Mancera, S.C. (a member firm of EY Global) meet the necessary professional quality requirements. Additionally, and prior to the commencement of their services, we evaluated the requirements for intellectual and economic independence of action, and therefore recommended the ratification of their appointment to examine and issue the report on the Company’s Financial Statements. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2025, the Company engaged such firm to provide certain services other than the external audit of Financial Statements, which, due to their nature and scope, did not impair the independence of the external auditor nor have an impact on the Financial Statements. Such services were duly authorized by the competent corporate bodies and timely reported to the National Banking and Securities Commission.



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- d) The Company’s quarterly and annual Financial Statements, and, at the appropriate time, we recommended their approval by the Board of Directors for their subsequent publication.
- e) The accounting policies approved and applied during the fiscal year ended December 31, 2025.
- f) The follow-up to all relevant observations made by shareholders, Directors, relevant officers, employees, and, in general, by any other third party, regarding accounting, internal controls, and matters related to internal or external audit.
- g) The follow-up to the resolutions adopted by the shareholders’ meetings and by the Company’s Board of Directors.
- h) The legal contingencies to which the Company is exposed, which are recognized in the Financial Statements based on their probability of occurrence.
- i) Progress made in the area of cybersecurity
- j) The enterprise risk management process implemented by the Company.
- k) Lastly, the status of the Company with respect to Ethics and Compliance, and the measures adopted by the Company to strengthen these areas.

II. Corporate Governance Matters:

- a) The processes for evaluating the performance of relevant officers, which, pursuant to authority delegated by the Company’s Board of Directors, are overseen by the Compensation and Succession Planning Committee.
- b) Related party transactions, if any, entered into during the fiscal year ended December 31, 2025, including a description of the characteristics of significant transactions and their corresponding transfer pricing studies, the relevant concepts of which are disclosed in the corresponding note to the Financial Statements.

- c) Pursuant to authority delegated by the Company’s Board of Directors, the Compensation and Succession Planning Committee recommended to the Board of Directors the approval of the comprehensive compensation packages of the Chief Executive Officer and relevant officers.
- d) The Board of Directors did not grant any waivers to any Director, relevant officer, or person with managerial authority of those referred to in Article 28, Section III, subsection f) of the LMV.
- e) The transfer pricing studies for Mexico and Central America for 2025, reporting that all transactions were carried out within the parameters established in such studies.

Based on the work performed and on the opinion of the external auditors, it is our opinion that the accounting and reporting policies and criteria followed by the Company are adequate and sufficient and have been applied on a consistent basis. Accordingly, the information presented by the Chief Executive Officer reasonably reflects the Company’s financial position and results of operations.

Based on the foregoing, it is recommended that the Company’s Board of Directors submit for approval by the annual ordinary general shareholders’ meeting the financial statements of Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the fiscal year ended December 31, 2025.

Sincerely,

Jorge Mora Capdevila
Jorge Mora
Audit and Corporate Governance Committees

Mexico City, February 26, 2026.



Report of independent auditors

To the Shareholders of Wal-Mart de México, S.A.B. de C.V.

Opinion

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as of December 31, 2024, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for audit opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the International Code of Ethics for Accounting Professionals (included the of the International Ethics Standards) (“Code of Ethics of IESBA”) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the “Code of Ethics of the Mexican Institute of Public Accountants” (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment assessment of Goodwill

Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of goodwill, because the determination of the recovery value is complex, it involves a high degree of judgment from the Company’s management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2024.



Notes 3, and 12 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of goodwill.

How we responded to the key audit matter

We evaluated the design and tested the effectiveness of significant controls with respect to the impairment analysis process for the goodwill as of December 31, 2024.

We analyze the assumptions and hypotheses used by the Company's management for the identification and grouping of the goodwill in each cash-generating unit (CGU).

We evaluated the financial projections of future cash flows used by the Company's management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions. We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company's Management in its impairment analysis according to International Accounting Standard ("IAS") 36, Impairment of assets. We independently recalculated the arithmetic calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company's management on its goodwill, and we evaluated the competence, technical capabilities and objectivity of the management's external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of the goodwill of the accompanying consolidated financial statements as of December 31, 2024.

Other information

The Company is responsible of the other information. The other information comprises the financial information presented in the Annual Report by the Company submitted to the National Banking and Securities Commission (the Commission) and in the annual report submitted but is not included the consolidated financial statements in our auditors' report. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other

information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report submitted to the Commission and the Stakeholders', if we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company's shareholders, we are required to report that fact to governance and to describe the matter in our statement on the Annual Report required by the Commission.

Responsibilities of Management and of those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's governance is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the responsible of Company's governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is who signs it.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

C.P.C. José Refugio Vázquez González

Mexico City
February 13, 2025

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of comprehensive income

(Amounts in thousands of Mexican pesos)

	For the years ended December 31,	
	2024	2023
Net sales	\$ 951,642,597	\$ 880,121,761
Other revenues (Note 20)	6,864,894	6,401,444
Total revenues	958,507,491	886,523,205
Cost of sales (Note 21)	(727,034,273)	(675,964,861)
Gross profit	231,473,218	210,558,344
General expenses (Note 21)	(156,085,246)	(136,746,969)
Income before other income and expenses	75,387,972	73,811,375
Other income	2,784,127	1,539,395
Other expenses	(813,111)	(2,074,787)
Operating income	77,358,988	73,275,983
Financial income (Note 22)	3,672,831	4,230,598
Financial expenses (Note 22)	(12,100,332)	(8,899,844)
Income before income taxes	68,931,487	68,606,737
Income taxes (Note 17)	(15,104,103)	(17,016,748)
Consolidated net income	\$ 53,827,384	\$ 51,589,989

Other comprehensive income items:

Items that do not reclassify to profit or loss of the year:

Actuarial results on employee benefits, net of income taxes

Items that may be reclassified subsequently to profit or loss:

Cumulative translation adjustment

Other comprehensive income (loss)

Comprehensive income

Basic earnings per share (in pesos)

For the years ended December 31,	
2024	2023
\$ (451,592)	\$ (244,672)
16,620,054	(3,736,149)
16,168,462	(3,980,821)
\$ 69,995,846	\$ 47,609,168
\$ 3.085	\$ 2.955

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of financial position

(Amounts in thousands of Mexican pesos)

	December 31,			December 31,	
	2024	2023		2024	2023
Assets			Liabilities and equity		
Current Assets:			Current liabilities:		
Cash and cash equivalents (Note 6)	\$ 36,513,582	\$ 40,668,985	Accounts payable	\$ 121,971,233	\$ 114,430,006
Accounts receivable, net (Note 7)	24,862,289	22,960,095	Short-term lease liability	4,735,116	4,312,123
Inventories, net (Note 8)	110,694,942	95,088,332	Other accounts payable (Note 14)	42,694,405	36,262,347
Prepaid expenses and other assets	1,326,455	1,024,900	Income taxes payable	4,187,435	1,214,037
Total current assets	173,397,268	159,742,312	Total current liabilities	173,588,189	156,218,513
Non-current assets:			Long-term liabilities:		
Property and equipment, net (Note 9)	180,715,011	156,127,476	Leases and other long-term liabilities (Note 16)	82,050,246	74,433,405
Right-of-use assets (Note 10)	63,958,072	61,483,671	Income tax liabilities (Note 17)	2,381,292	4,481,551
Investment properties, net (Note 11)	4,351,732	4,995,315	Employee benefits (Note 18)	2,997,869	2,327,110
Intangible assets, net (Note 12)	47,393,126	38,336,220	Total liabilities	261,017,596	237,460,579
Deferred tax assets (Note 17)	21,678,914	14,177,846			
Other non-current assets	2,398,942	1,683,776	Equity (Note 19)		
Total assets	\$ 493,893,065	\$ 436,546,616	Capital stock	45,429,160	45,429,160
			Retained earnings	167,447,963	151,020,031
			Other comprehensive income items	25,260,173	9,091,711
			Premium on sale of shares	5,906,487	5,640,011
			Employee stock option plan fund	(11,168,314)	(12,094,876)
			Total equity	232,875,469	199,086,037
			Total liabilities and equity	\$ 493,893,065	\$ 436,546,616

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of changes in equity

For the years ended December 31, 2024 and 2023 (Note 19)
(Amounts in thousands of Mexican pesos)

	Retained earnings						
	Capital stock	Legal Reserve	Retained earnings	Other comprehensive income items	Premium on sales of shares	Employee stock option plan fund	Total equity
Balance at December 31, 2022	\$ 45,468,428	\$ 9,104,745	\$ 137,622,278	\$ 13,072,532	\$ 5,289,992	\$ (8,089,592)	\$ 202,468,383
Movements in employee stock option plan fund					350,019	(4,005,284)	(3,655,265)
Repurchase of shares	(39,268)		(948,374)				(987,642)
Dividends declared			(46,348,607)				(46,348,607)
Comprehensive income			51,589,989	(3,980,821)			47,609,168
Balance at December 31, 2023	45,429,160	9,104,745	141,915,286	9,091,711	5,640,011	(12,094,876)	199,086,037
Movements in employee stock option plan fund					266,476	926,562	1,193,038
Dividends declared			(37,399,452)				(37,399,452)
Comprehensive income			53,827,384	16,168,462			69,995,846
Balance at December 31, 2024	\$ 45,429,160	\$ 9,104,745	\$ 158,343,218	\$ 25,260,173	\$ 5,906,487	\$ (11,168,314)	\$ 232,875,469

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of cash flows

(Amounts in thousands of Mexican pesos)

	For the years ended December 31,			For the years ended December 31,	
	2024	2023		2024	2023
Operating activities					
Income before income taxes	\$ 68,931,487	\$ 68,606,737			
Items related to investing activities:					
Depreciation and amortization	22,639,474	20,577,439			
Loss from disposal of property and equipment and impairment	(402,757)	465,022			
Stock option compensation expenses	493,766	478,401			
Interest earned (Note 22)	(2,657,187)	(3,021,084)			
Items related to financing activities:					
Interest on lease liabilities (Note 10)	8,593,484	7,836,519			
Unrealized, exchange rate fluctuation	(62,852)	355,889			
Provision of labor obligations (Note 18)	574,290	453,754			
Interest accrued	42,902	62,201			
Cash flow from operating activities	98,152,607	95,814,878			
Variances in:					
Accounts receivable	(173,566)	(6,191,597)			
Inventories	(12,543,798)	(6,601,890)			
Prepaid expenses and other assets	(826,096)	766,359			
Accounts payable	3,057,479	16,708,363			
Other accounts payable	2,121,813	5,166,658			
Income tax paid	(16,397,777)	(19,949,533)			
Employee benefits	(755,127)	(591,655)			
Net cash flow from operating activities	72,635,535	85,121,583			
Investing activities					
Long-lived assets with defined useful lives	(34,763,789)	(28,792,178)			
Interest collected (Note 22)	2,657,187	3,021,084			
Proceeds from sale of property and equipment	872,570	312,968			
Employee stock option plan fund	699,272	(4,133,666)			
Business acquisition (Note 4)	-	(169,800)			
Net cash flow used in investing activities	(30,534,760)	(29,761,592)			
Financing activities					
Dividends paid (Note 19)	(37,399,452)	(46,348,607)			
Repurchase of shares	-	(987,642)			
Interest paid	(42,902)	(62,201)			
Payment of leases liability (Note 10)	(12,355,100)	(11,153,474)			
Net cash flow used in investing activities	(49,797,454)	(58,551,924)			
Effect of changes in the value of cash	3,541,276	(3,566,273)			
Decrease in cash and cash equivalents	(4,155,403)	(6,758,206)			
Cash and cash equivalents at beginning of year	40,668,985	47,427,191			
Cash and cash equivalents at end of year	\$ 36,513,582	\$ 40,668,985			
Non-cash transactions:					
Additions of right of use assets	\$ 1,821,479	\$ 6,196,845			
Right of use assets remeasurements	\$ 4,651,885	\$ 3,141,926			

The accompanying notes are an integral part of these financial statements.

WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to consolidated financial statements

At December 31, 2024 and 2023

(Amounts in thousands of Mexican pesos, except where otherwise indicated)

1. Description of the business

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

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

Group	Actividad
Nueva Walmart	Operation in 2024 of 2,553 Bodega Aurrera discount stores, 327 Walmart hypermarkets, 101 Walmart Express supermarkets and 173 Sam’s Club memberships self-service wholesale stores.
Other businesses	Provide mobile internet connectivity services and sale of airtime recharges (BAIT); advertising services (Walmart Connect); financial services through digital wallet (Cashi).
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Corporate companies	Not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2024 of 618 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Mas x Menos), 172 Bodegas (Maxi Bodegas and Maxi Palí), and 37 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

2. New accounting pronouncements

Amendments to IFRS 16, Lease liability in a sale and leaseback transaction

This amendment requires a lessee-seller to subsequently measure the liabilities for a lease that arises from a sale and leaseback transaction so that it does not recognize any amount of profit or loss related to the right of use that retains.

The new requirements introduced by the amendment do not prevent a lessee-seller from recognizing in income any profit or loss related to the partial or total termination of a lease.

Although it had previously been proposed that a lessee-seller initially measures the right-of-use asset and lease liability arising from a return lease using the present value of expected lease payments at the inception date, the final amendments do not eliminate specific measurement requirements for lease liabilities that arise from a return lease.

This amendment is effective for annual periods beginning on or after January 1st, 2024.

The Company’s management considers that adoption of this standard has no have material impact on the consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

On May 25, 2023, the IASB issued these amendments that were initiated as a result of the December 2020 agenda decision by the IFRS Interpretations Committee.



The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions.
- The carrying amounts of supplier finance arrangement financial liabilities at the beginning and end of the reporting period and the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.
- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities.

The amendments is effective for annual reporting periods beginning on or after January 1st, 2024.

The Company's management considers that adoption of this standard did not have material impact on the consolidated financial statements.

IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information

In June 2023 the International Sustainability Standards Board (ISSB) issued IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information”. The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- The governance processes, controls and procedures the entity uses to identify, assess, prioritize, monitor, manage and oversee sustainability-related risks and opportunities.
- The entity's strategy for managing sustainability-related risks and opportunities.
- The entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 is effective for annual reporting periods beginning on or after January 1st, 2024, with earlier adoption permitted if IFRS S2, “Climate-related Disclosures” is also applied; however, in accordance with the guidelines that the National Banking and Securities Commission has issued for this compliance, its effective application will be for annual reporting periods beginning on or after January 1, 2025 to present information in 2026.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS S2, Climate-related Disclosures

In June 2023, the ISSB issued IFRS S2, “Climate-related Disclosures”.

IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, and/or its access to financing over the short, medium or long term (collectively referred to as ‘climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects’). IFRS S2 applies to:

- a) climate-related risks to which the entity is exposed, which are:
 - i. climate-related physical risks; and
 - ii. climate-related transition risks; and
- b) climate-related opportunities available to the entity.

IFRS S2 is effective for annual reporting periods beginning on or after January 1, 2024, with earlier adoption permitted as long as IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information” is also applied; however, in accordance with the guidelines that the National Banking and Securities Commission has issued for this compliance, its effective application will be for annual reporting periods beginning on or after January 1, 2025 to present information in 2026.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS issued but not yet effective.

Annual Improvements to IFRS Accounting Standards

On July 2024, the IASB published “Annual Improvements to IFRS Accounting Standards – Volume 11”. It contains amendments to five standards as result of the IASB's annual improvements project, addressed to clarify and/or improve the general understanding of it:



The pronouncement comprises amendments to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 7 Financial Instruments: Disclosures (include improvements to implementation guidance)
IFRS 9 Financial Instruments
IFRS 10 Consolidated Financial Statements
IAS 7 Statement of Cash Flows

The amendments do not include transition requirements, other than that an entity is required to apply the amendment to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IAS 21, Effects of Changes in Foreign Exchange Rates: Lack of exchangeability.

In August 2023, the IASB published 'Lack of Exchangeability (Amendments to IAS 21), that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2025. Earlier application is permitted.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments.

On May 30, 2024 the International Accounting Standards Board (IASB) issued Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments. The amendments:

- Clarify that a financial liability is derecognized on the “settlement date”. The amendments also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG) linked features and other similar contingent features.
- Clarify the treatment of non-recourse assets and contractually linked instruments.
- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG/linked) and equity instruments classified at fair value through other comprehensive income (FVTOCI).

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements introduced by the amendments will be applied retrospectively with adjustment to retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS 18, Presentation and disclosure in financial statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, focusing on changes in the presentation and disclosure in the income statement, and introduces some limited changes in the statement of financial position, changes in equity and cash flows. IFRS 18 will replace IAS 1, however, many of the principles included in IAS 1 are maintained in IFRS 18. The main changes introduced in IFRS 18 refer to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.



IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it could change what an entity reports as its "operating result".

IFRS 18 will apply to reporting periods starting from January 1, 2027, and must be applied retrospectively; early application is permitted, which must be disclosed. The Company's Management is analyzing the possible impacts of this adoption.

The Company's management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS 19, Subsidiaries without public accountability: Disclosures

On May 9, 2024, The IASB issued IFRS 19, Subsidiaries without public accountability: Disclosures, which allows eligible entities to elect to apply IFRS 19's reduced disclosures requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.

The application of the standard is optional for eligible entities:

- entities that do not have public accountability; and
- entities that have an ultimate or intermediate parent that produce consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity applying IFRS 19 is required to disclose that fact as a part of its general IFRS accounting standards compliance statement.

The standard will become effective for reporting periods beginning on or after January 1st, 2027, with early application permitted. In the first year of applying IFRS 19, the entity is required to disclose comparative information for current year amounts as required by IFRS 19, unless IFRS 19 or another IFRS accounting standard permit or require otherwise.

The Company's management considers that adoption of this standard has no have impact on the consolidated financial statements.

3. Information of material accounting policies

A summary of the material accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2023.

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the IASB, and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company's foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.

The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.



WALMEX has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period. The Mexican peso is the Company's functional and Reporting currency.

b) Consolidation

The accompanying consolidated financial statements include the financial statements of WALMEX, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by WALMEX, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee)
- Exposure to, or rights to, variable returns from its participation in the investee
- The ability to use its power over the investee to affect its returns

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investee Cargill Protein S. de R.L. de C.V., according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in this entity. Net (loss) income for the consolidated year considers a remaining attributable to the results of the investee of \$(74,648) in 2024 and \$61,008 in 2023; and the statement of financial position as of December 31, 2024 and 2023, contains a remaining attributable of the investee of \$(68,375) y \$6,273, respectively.

c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. Financial assets. These assets are classified in one of the following categories, as required; financial assets at fair value through profit or loss, accounts receivable and investments held to maturity. The Company's financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.
- II. Financial liabilities. These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

Level 1. Quoted prices for identical instruments in active markets;

Level 2. Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and

Level 3. Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company's financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously*.

d) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.

Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.

e) Derivative financial instruments

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, the Company manages only Fx-forwards as derivative financial instruments.

f) Accounts receivable and provision for impairment of other accounts receivable

WALMEX recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 "Financial Instruments", recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

g) Inventories

Inventories are valued using the retail method, except for merchandise for Sam's Clubs, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the weighted average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

h) Prepaid expenses

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i) Property and equipment

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

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5 %	a	5.0 %
Facilities and adaptations	5.0 %	a	12.5 %
Construction finishes	10.0 %	a	25.0 %
Furniture and equipment	5.0 %	a	33.3 %
Computer equipment	12.5 %	a	33.3 %
Transportation equipment	10.0 %	a	33.3 %

Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

j) Investment properties

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.

Depreciation of investment properties is computed on a straight-line basis at the following annual rates:

Buildings, facilities and leasehold improvements:

Constructions and structures	2.5 %	a	5.0 %
Facilities and adaptations	5.0 %	a	12.5 %
Construction finishes	10.0 %	a	25.0 %

k) Leases

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

WALMEX as a lessee

WALMEX recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of WALMEX.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if WALMEX changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The impairment in the value of this type of assets is recognized by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.

The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.



n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America and Cartera Digital (see Note 4) at the acquisition date and is not subject to amortization.

Goodwill was assigned applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is tested for impairment annually. The Company engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

o) Liabilities and provisions

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

p) Income taxes

Current and deferred income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where WALMEX has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.

Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by WALMEX and it is probable that the temporary differences will not reverse in the near future.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.

Uncertain tax positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where WALMEX operates will accept the tax position under current tax laws.

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates. All of the above, taking as a starting point the legal-fiscal analysis of each particular case.



q) Employee benefits

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, WALMEX's employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country's respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage, in addition, WALMEX pays a retirement compensation based on years of service and position of each associate, as long as they have been in service for more than 5 years at the date of retirement. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

WALMEX recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.

r) Equity

Legal reserve:

As of December 31, 2024 and 2023, the Company's legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders' equity directly.

Employee stock option plan fund and stock option compensation:

The employee stock option plan fund is comprised of WALMEX shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.

The shares subject to the plan are assigned, taking as a reference the weighted average price of the purchase and sale transactions in the secondary market of such shares.

The current policy has two grant plans to executives; the first one grants stock options and the second one grants restricted shares (the last one is offered only to certain executive levels).

In the plan to grant restricted shares, the right to receive them is released in one third for each year, and the corresponding to the restricted stock plan subject to the company's performance, the term for its release is at the end of 3 years from the date of assignment.

The amount of restricted shares plan subject to the Company performances considers certain metrics that are evaluated against the performance of the year following the allocation, and which may cause the original allocation to be decreased or increased, ranging from 0% to 212.5%.

According to the previous policies until 2023 (date of the last allocation) there was a stock option plan granted to executives. Until 2017, the right to exercise the option to purchase the shares was released in five years in equal parts, from 2018 to 2021 such right was released in 4 years, 50% in year 2 and the remaining 50% in year 4, and the rights of the 2022 and 2023 allocations are released 33% in year one, 33% in year 2 and 34% per year 3. The term to exercise the rights is 10 years from the date of allocation.

The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.



s) Revenue recognition

Revenue from merchandise sales, including online sales ("e-Commerce") is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when "control" of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Extended warranties, service commissions and cell phone airtime are recognized net in the net sales line in the consolidated statement of comprehensive income at time the service is provided.

Sam's Club membership income is deferred over the twelve-month term of the membership and presented in the other revenue line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered with third parties and presented in the other revenue line in the consolidated statement of comprehensive income.

Revenues from the sale of waste and parking lots are recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

t) Basic earnings per share

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

The effect on earnings per share, which represents the remaining attributable to the results of the investees in 2024 and 2023 is of \$0.004 and \$0.003 pesos per share, respectively.

u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company's performance. Segment information is presented based on the geographical zones in which the Company operates.

v) Foreign currency transactions

The Company's foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

4. Business acquisition

On April 10, 2023, the Company acquired 100% of shares of Trafalgar Digital, S.A. de C.V., Institución de Fondos de Pago Electrónico, date on which WALMEX acquired the assets and assumed the liabilities of said company. Likewise, on that date, it was formalized the change in its corporate name to Cartera Digital Walmart, S.A. de C.V., Institución de Fondos de Pago Electrónico(Cartera Digital) , as well as the change of its bylaws and the appointment of officials. The operation was settled with the Company's own resources for an amount of \$176,744 (USD\$9.8M).

The Company acquired qualified as business acquisition; and was recognized accounting according to the methodology indicated in IFRS 3, "Business Combinations". For such purpose, the Company determined the fair values of the net assets acquired, considering the valuation rules of this IFRS.

As part of determination and subsequent recognition of the fair value of the net assets acquired, an intangible assets mainly was identified related to the authorization granted by the National Banking and Securities Commission (CNBV per its acronym in Spanish) to Trafalgar Digital, S.A. de C.V. (now Cartera Digital) to operates as IFPE (Institución de Fondos de Pago Electrónico per its acronym in Spanish), recognizing the fair value of such intangible asset as part of net assets acquired.

The cash flow by business acquisition, presented in the Consolidated Statements of Cash Flows by the year ended December 31, 2023, was determined considering the total consideration payment net of cash and cash equivalents that the Company received from acquired Company on April 10, 2023.

5. Risk management

a) General risk factors

The Company is exposed to facts or events that could affect the purchasing power and/or buying habits of the population. These facts or events may be economic, political or social in nature and some of the most important are described below:

- I. **Changes in exchange rates.** Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population's purchasing power, which could ultimately adversely affect the Company's sales, in particular due to the purchase of imported goods. Likewise, the revaluation of the exchange rate may mean that individuals receiving remittances from abroad obtain less domestic currency, which may also adversely affect the Company's sales.

- II. **Competition.** The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company's market share at risk. Other factors affecting the Company's market share could be the business expansion of its competitors and the possible entrance of new players into the market. Likewise, the new activities carried out by the Company that it did not carry out before - BAiT, Connect, Cashi, to mention a few - face very strong competition from participants that have a greater participation than the Company in those market segments.
- III. **Inflation.** A significant increase in inflation rates could have a direct effect on the purchasing power of the Company's customers and the demand for its products and services, as well as employment and salaries and in the prices of the goods and services supplied by the Company. Although the Company always seeks to keep costs low in order to offer low prices, there are circumstances in which it is not possible to defer price increases, even though the Company always seeks to do so.
- IV. **Changes in government regulations.** The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company's operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities and other regulatory authorities has increased considerably. This includes risks related to the renegotiation of tax agreements between the tax authorities, such as the Bilateral Advance Pricing Agreement (BAPA), and related impacts on significant contracts that the Company has in place (as disclosed in Note 13). Ongoing tax discussions may result in a renegotiation of agreements between companies, which could have an impact on the royalties and fees we pay to Walmart Inc. A change in royalties could have a material adverse impact on our net operating expenses and profits.
- V. **Certain events.** Political changes, climatic phenomena and geopolitical tensions, have caused disruptions in the markets, prices of many products and price increases or shortages of many products and disruptions, delays, and cost increases in the international supply logistics chain.

These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance. As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.

b) Financial risk factors

The Company's activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.

Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar ("USD").

As of December 31, the exchange rate used to translate assets and liabilities denominated in US dollars was \$20.65 per dollar (\$16.97 in 2023).

Considering the net monetary position in dollars at December 31, 2024, if there was an increase or decrease in the exchange rate of the US dollar against the Mexican peso of 5%, there would be a favorable or unfavorable effect on the financial income (expenses) and equity of the Company of \$224,750.

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

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 "Information of material accounting policies – Financial assets and liabilities and fair value measurement").

As of December 31, 2024 and 2023, Fx-Forward contracts have a term of no more than four months, which are shown below:

	2024		2023	
Current contracts		304		258
Notional amount (millions of USD)	US\$	260	US\$	234
Notional amount (millions of Mexican pesos)	MXN\$	5,327	MXN\$	4,129.06
Fair value, net (millions of pesos)	MXN\$	84.57	MXN\$	(130.58)

Each Fx-forwards operation contracted with the banking institutions is agreed by means of a confirmation letter and consists in the exchange in kind of currencies with the same counterpart that occurs simultaneously at the settlement date agreed in the confirmation letter.

Interest rate risk:

The Company has temporary investments in government paper which generate financial income. By reducing the interest rate, the financial income of the Company also decreases. The interest rate of these investments fluctuated during the year 2024 between 2.86% and 11.31%. As of December, 31, 2024, the financial income amounted to \$2,657,187 (\$3,021,084 in 2023).

Considering the highly liquid instruments as of December 31, 2024, if there was an increase or decrease in the interest rate of 0.50%, there would be a favorable or unfavorable effect on the financial income of the Company of \$20,609.

Liquidity risk:

The Company is subject to liquidity risks to meet its payment obligations to suppliers, payment of taxes, acquisitions of fixed assets and other working capital requirements, which are settled through the cash flow generated in the operation. For this reason, in order to avoid the breach of its obligations, the Company has available lines of credit and overdraft with different Banks. As of December 31,2023, the available and unused credit and overdraft lines amounted \$48,524 (\$47,414 in 2023) million pesos (of which \$13,980 (\$13,715 in 2023) million pesos corresponding to pre-approved lines of credit and \$34,544 (\$33,699 in 2023) million pesos to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.

6. Cash and cash equivalents

An analysis of cash and cash equivalents as of December 31, 2024 and 2023, is as follow:

	2024	2023
Cash and cash in bank	\$ 36,513,582	\$ 35,743,572
Highly marketable investments	-	4,925,413
	<u>\$ 36,513,582</u>	<u>\$ 40,668,985</u>

As of December 31, 2024 and 2023 has no restricted cash.

7. Accounts receivable

An analysis of accounts receivable as of December 31, 2024 and 2023, is as follows:

	2024	2023
Income tax, VAT, IEPS pending to recover	\$ 16,033,404	\$ 15,991,944
Vouchers issuers and trade receivables	3,448,091	3,948,981
Other accounts receivable	5,964,997	3,523,170
Allowance for impairment of other receivables ^(*)	(584,203)	(504,000)
	<u>\$ 24,862,289</u>	<u>\$ 22,960,095</u>

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

(*) Includes \$224 million of allowance for impairment of other receivables corresponding to ATM's services supplier.

8. Inventories

An analysis of inventories as of December 31, 2024 and 2023, is as follows:

	2024	2023
Merchandise for sale	\$ 103,603,066	\$ 88,839,145
Desarrollo Agro-Industrial	1,978,509	1,480,082
	<u>105,581,575</u>	<u>90,319,227</u>
Merchandise in transit	5,113,367	4,769,105
	<u>\$ 110,694,942</u>	<u>\$ 95,088,332</u>

As of December 31, 2024 and 2023, the effect of inventory impairment is \$2,321,018 and \$1,823,228, respectively, which was included in cost of sales in the consolidated comprehensive income statement.



9. Property and equipment

An analysis of property and equipment as of December 31, 2024 and 2023, is as follows:

Table with 12 columns: Category, December 31, 2022, Additions, Disposals, Transfers, Translations effect, December 31, 2023, Additions, Disposals, Transfers, Translations effect, December 31, 2024. Rows include Cost (Land, Buildings, Facilities and leasehold improvements, Furniture and equipment, Subtotal), Accumulated depreciation (Buildings, Facilities and leasehold improvements, Furniture and equipment, Subtotal, Construction in progress, Total).

Depreciation expense for the years ended December 31, 2024 and 2023, was \$15,538,291 and \$13,963,678, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$311,375 and \$303,228, respectively.

Property and equipment impairment for the years ended December 31, 2024 and 2023, was \$112,551 and \$56,321, respectively, and is presented in the disposals column.

10. Leases

WALMEX has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

WALMEX sub-leases some of its investment properties. The right of use assets balance is as follows:

	December 31, 2022		Disposals Modifications and updates		Transfers		Translations effect		December 31, 2023		Disposals Modifications and updates		Transfers		Translations effect		December 31, 2024					
Cost:																						
Property	\$	73,597,922	\$	2,366,976	\$	2,832,416	\$	1,981	\$	(593,998)	\$	78,205,297	\$	1,524,332	\$	4,250,901	\$	—	\$	2,679,941	\$	86,660,471
Furniture and equipment		2,372,333		3,829,869		(791,654)		(268,622)		2,759		5,144,685		297,147		(105,094)		(367,253)		17,581		4,987,066
Subtotal		75,970,255		6,196,845		2,040,762		(266,641)		(591,239)		83,349,982		1,821,479		4,145,807		(367,253)		2,697,522		91,647,537
Accumulated depreciation:																						
Property		(17,190,080)		(4,426,590)		262,946		7		399,416		(20,954,301)		(4,682,237)		402,174		—		(948,218)		(26,182,582)
Furniture and equipment		(1,158,756)		(683,684)		786,248		134,308		9,874		(912,010)		(850,447)		106,954		158,663		(10,043)		(1,506,883)
Subtotal		(18,348,836)		(5,110,274)		1,049,194		134,315		409,290		(21,866,311)		(5,532,684)		509,128		158,663		(958,261)		(27,689,465)
Total	\$	57,621,419	\$	1,086,571	\$	3,089,956	\$	(132,326)	\$	(181,949)	\$	61,483,671	\$	(3,711,205)	\$	4,654,935	\$	(208,590)	\$	1,739,261	\$	63,958,072



An analysis of the lease liabilities is as follows:

Year	December 31, 2024
2025	\$ 12,742,149
2026	12,359,427
2027	12,014,164
2028	11,048,825
2029	10,321,626
2030 and thereafter	126,439,339
Nominal lease payments	184,925,530
Contract update effects	(105,195,626)
Lease liabilities - net	\$ 79,729,904

The Company analyzes its services agreements that do not have the legal form of a lease to determine if the supplier transfers the use of an asset to WALMEX. After this analysis, WALMEX has determined that there are no material service agreements that must be classified as a lease.

The amounts recognized in the consolidated statements of income for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Depreciation expense for the right of use assets, by type of asset:		
Property	\$ 4,682,237	\$ 4,426,590
Equipment	\$ 850,447	\$ 683,684
Interest on lease liabilities	\$ 8,593,484	\$ 7,836,519
Expenses related to short-term leases	\$ 236,121	\$ 146,527
Expenses related to leases of low-value assets	\$ 63,326	\$ 58,795
Variable lease payments (not included in the measurement of lease liabilities)	\$ 4,109,228	\$ 4,154,750
Sub-lease revenue	\$ (1,436,650)	\$ (1,556,729)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2024 and 2023, are as follow:

	2024	2023
Rent payments – principal	\$ 3,761,616	\$ 3,316,955
Rent payments – interest	\$ 8,593,484	\$ 7,836,519
Additions of right of use assets	\$ 1,821,479	\$ 6,196,845
Modifications and updates	\$ 4,651,885	\$ 3,141,926



11. Investment properties

An analysis of investment properties as of December 31, 2024 and 2023 is as follows:

	December 31, 2022					December 31, 2023					December 31, 2024				
		Additions	Disposals	Modifications and updates	Transfers		Additions	Disposals	Modifications and updates	Transfers		Additions	Disposals	Modifications and updates	Transfers
Land	\$ 2,673,164	\$ -	\$ -	\$ -	\$ (169,429)	\$ 2,503,735	\$ -	\$ (18,612)	\$ -	\$ 15,222	\$ 2,500,345				
Buildings	5,545,473	1,651	(367,215)	142,587	(32,112)	5,290,384	783	(555,722)	10,142	(95,299)	4,650,288				
Facilities and improvements	1,128,037	-	(121,694)	-	(5,743)	1,000,600	-	(214,688)	-	-	785,912				
Subtotal	9,346,674	1,651	(488,909)	142,587	(207,284)	8,794,719	783	(789,022)	10,142	(80,077)	7,936,545				
Accumulated depreciation	(3,866,569)	(269,540)	384,983	(48,278)	-	(3,799,404)	(212,106)	409,021	(8,289)	25,965	(3,584,813)				
Total	\$ 5,480,105	\$ (267,889)	\$ (103,926)	\$ 94,309	\$ (207,284)	\$ 4,995,315	\$ (211,323)	\$ (380,001)	\$ 1,853	\$ (54,112)	\$ 4,351,732				

December expense for the years ended December 31, 2024 and 2023, was \$212,106 y \$269,540, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2024 and 2023, the fair values of the properties are based on Management's valuations. To calculate the value of a commercial property, the rental approach was used, applying the corresponding gross rent multiplier (GRM). The Company determines the estimated fair value based on its annual rental income before expenses, divided by the capitalization rate used in the real estate sector (Cap rate). On the other hand, the capitalization rates used for the year ended December 31, 2024 and 2023, was 9.0% in both years. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company's Management determined that there is no impairment in the investment properties as of December 31, 2024 and 2023. The estimated fair value of the investment properties as of December 31, 2024 and 2023 is \$6,060,227 and \$6,439,028, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.



12.Intangible assets

An analysis of intangible assets as of December 31, 2024 and 2023 is as follows:

	December 31, 2022					December 31, 2023					December 31, 2024				
		Additions	Disposals	Transfers	Translation effect		Additions	Disposals	Transfers	Translation effect		Additions	Disposals	Transfers	Translation effect
Goodwill	\$ 35,613,704	\$ 125,854	\$ -	\$ -	\$ (1,442,747)	\$ 34,296,811	\$ -	\$ -	\$ -	\$ 8,400,093	\$ 42,696,904				
Trademarks	772,499	-	-	-	(51,784)	720,715	-	-	-	172,470	893,185				
Licenses and software	5,171,640	1,213,400	(11,794)	227,306	(66,956)	6,533,596	1,400,705	(870,497)	92,885	249,007	7,405,696				
Subtotal	5,944,139	1,213,400	(11,794)	227,306	(118,740)	7,254,311	1,400,705	(870,497)	92,885	421,477	8,298,881				
Accumulated amortization	(2,339,469)	(930,719)	4,838	(715)	51,163	(3,214,902)	(1,045,018)	856,711	1,090	(200,540)	(3,602,659)				
Subtotal	3,604,670	282,681	(6,956)	226,591	(67,577)	4,039,409	355,687	(13,786)	93,975	220,937	4,696,222				
Total	\$ 39,218,374	\$ 408,535	\$ (6,956)	\$ 226,591	\$ (1,510,324)	\$ 38,336,220	\$ 355,687	\$ (13,786)	\$ 93,975	\$ 8,621,030	\$ 47,393,126				

Trademarks represents the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, Despensa Familiar, Maxi Bodega, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2024 and 2023, were \$1,045,018 and \$930,719, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of the Goodwill as of December 31, 2024 and 2023. The assumptions used in the goodwill impairment test are:

- Net book value of long-lived assets with a defined and indefinite life.
- Projection period of financial and operational assumptions (Revenues, EBITDA, Working Capital and Capex) of 5 years for each cash-generating unit (CGU).
- Estimate of the terminal value in perpetuity based on the latest estimated flow, considering a growth between 1.7% and 4.9% (2.1% and 5.7% in 2023) in nominal terms, which correspond to the estimated average inflation for each CGU.
- Appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which vary in a range from 7.5% to 13.20% (8.1% to 13.40% in 2023) determined according to the associated risks for each CGU.



13. Related parties

a) Related party balances

As of December 31, 2024 and 2023, the consolidated statement of financial position includes the following balances with related parties:

	2024	2023
Accounts payable:		
C.M.A. – U.S.A., L.L.C.	\$ 1,147,599	\$ 801,317
WMGS Commercial Services Limited	47,931	28,257
	<u>\$ 1,195,530</u>	<u>\$ 829,574</u>
Other short-term accounts payable:		
Walmart Inc.	\$ 1,754,150	\$ 1,331,668
WMGS Commercial Services Limited	69,888	52,797
Newgrange Platinum Services LTD	3,126	37,742
	<u>\$ 1,827,164</u>	<u>\$ 1,422,207</u>
Other long-term accounts payable:		
Walmart, Inc. (Note 16)	\$ 65,462	\$ 133,834

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2024 and 2023, there were no uncollectible related party balances.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Walmart Inc. (before with Newgrange Platinum Service, LTD until August 31, 2024) that are payable monthly.

- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam’s.

The Company had the following transactions with related parties during the years ended December 31, 2024 and 2023, respectively:

	2024	2023
Purchases and commissions related to the import of Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 6,071,824	\$ 5,406,569
WMGS Commercial Services Limited	853,559	874,819
	<u>\$ 6,925,383</u>	<u>\$ 6,281,388</u>
Costs and expenses related to technical assistance, service and royalties:		
Walmart Inc.	\$ 10,142,075	\$ 9,245,998
Newgrange Platinum Services LTD	471,530	551,659
	<u>\$ 10,613,605</u>	<u>\$ 9,797,657</u>

c) Remuneration of principal officers

Remuneration to the Company’s principal officers and Board of Directors for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Short-term benefits	\$ 2,062,959	\$ 2,022,879
Termination benefits	118,701	82,857
Share-based payments	23,315	92,303
	<u>\$ 2,204,975</u>	<u>\$ 2,198,039</u>

14. Other accounts payable

An analysis of other accounts payable as of December, 2024 and 2023, is as follows:

	2024	2023
Accrued liabilities and others	\$ 34,053,074	\$ 30,855,484
Contingencies (Note 15)	4,474,261	1,977,808
Deferred revenues ^(a)	2,105,749	1,789,263
Related parties (Note 13)	1,827,164	1,422,207
Dividends	234,157	217,585
	<u>\$ 42,694,405</u>	<u>\$ 36,262,347</u>

(a) Includes Sam’s club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.

15. Commitments and contingencies

a) Commitments

As of December 31, 2024, the Company has entered into agreements with suppliers for the acquisition of inventories, property and equipment, maintenance services, as well as renewable energy supply services, as shown below:

Year	Amount
2025	\$ 37,297,269
2026	\$ 3,363,685
2027	\$ 3,008,364
2028	\$ 2,286,871
2029	\$ 1,442,693
2030 and thereafter	\$ 3,244,317

The Company has lease commitments as explained in Note 10.

b) Contingencies

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$4,474,261 as of December 31, 2024, (\$1,977,808 in 2023) which is presented in other accounts payable.

In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

16. Leases and Other long term liabilities

Lease and other long-term liabilities as of December 31, 2024 and 2023, includes:

	2024	2023
Pasivos por arrendamiento a largo plazo (Nota 10)	\$ 74,994,788	\$ 70,941,673
Impuesto sobre la renta a largo plazo	4,452,158	459,778
Ingreso diferido por rentas	2,524,430	2,891,014
Partes relacionadas (Nota 13)	65,462	133,834
Otros	13,408	7,106
	<u>\$ 82,050,246</u>	<u>\$ 74,433,405</u>

17. Income taxes

The income tax provision includes taxes payable by WALMEX's subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2024, companies in Mexico determined and paid their income tax under the general tax law.



An analysis of income taxes charged to the income statement for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Current income taxes:		
Mexico	\$ (21,255,608)	\$ (14,607,290)
Central America	(2,887,024)	(3,774,817)
Consolidated	(24,142,632)	(18,382,107)
Deferred income taxes:		
Mexico	9,190,298	1,312,188
Central America	(151,769)	53,171
Consolidated	9,038,529	1,365,359
	\$ (15,104,103)	\$ (17,016,748)

The following is a reconciliation between Mexico’s statutory tax rate and the effective income tax rate on pre-tax income from continuing operations:

	2024	2023
Statutory tax rate in Mexico	30.00%	30.00%
Bilateral Advanced Pricing Agreement	(7.3)	(6.9)
Inflationary effects	(1.8)	(1.8)
Revenues taxed at a different tax rate	(0.3)	(0.2)
Non-deductible expenses	1.2	0.8
Dividends	1.3	0.8
Other permanent items	(1.2)	2.1
Effective tax rate	21.9%	24.8%

The income tax rates applicable to each country are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long term income taxes (assets and liabilities), as of December 31, 2024 and 2023:

	2024	2023
Provision for impairment of other receivable	\$ 176,558	\$ 139,534
Inventories	1,143,110	1,134,805
Prepaid expenses	(650,679)	(451,805)
Property and equipment	2,541,474	(3,099,171)
Other accounts payable	10,050,816	6,541,803
Leases and other long-term liabilities	5,862,538	5,082,644
Labor obligations	1,076,129	679,298
Tax losses carryforward from subsidiaries	386,930	599,762
Long-term income tax	(1,289,254)	(930,575)
Deferred tax, net	\$ 19,297,622	\$ 9,696,295
Balance of Consolidated financial position:		
Deferred tax assets	\$ 21,678,914	\$ 14,177,846
Deferred tax liabilities	(2,381,292)	(4,481,551)
Deferred tax, net	\$ 19,297,622	\$ 9,696,295



During the 2024 fiscal year, the Administration conducted an analysis of the useful lives and fiscal values of the Real Estate and equipment category used for the calculation of deferred income tax; as a result, the following effects were recognized: an increase in deferred tax assets by \$5,862,989, an increase in current tax liabilities by \$5,868,870, resulting in a net impact on results of \$5,881, which is not material in the context of the consolidated financial statements taken as a whole.

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income:

Year of expiration	Amount
2028	\$ 324
2030	675
2031	410,309
2032	546,839
2033	205,719
2034	125,899
	<u>\$ 1,289,765</u>

Changes in the deferred tax assets and liabilities, net as of December 31, 2024 and 2023 is as follows:

	2024	2023
Balances as of beginning of the year	\$ 9,696,295	\$ 7,616,333
Deferred income tax charged in the year	2,650,835	1,449,026
Long-term income taxes	284,244	559,797
Other comprehensive income tax by labor obligations	185,875	105,141
Effect by the reviewing of property and equipment tax value	5,862,989	-
Excess of previous years	502,591	(83,667)
Business acquisition effect	-	(15,690)
Translation effect	114,793	65,355
Balance as of end of the year	<u>\$ 19,297,622</u>	<u>\$ 9,696,295</u>

18. Employee benefits

As of December 31, 2024 and 2023, an analysis of the Company’s assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2024	2023	2024	2023
Defined benefit obligations	\$ 2,539,135	\$ 2,196,654	\$ 1,752,190	\$ 1,444,745
Plan assets	(1,293,456)	(1,314,289)	-	-
Net projected liability	<u>\$ 1,245,679</u>	<u>\$ 882,365</u>	<u>\$ 1,752,190</u>	<u>\$ 1,444,745</u>

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2024 and 2023, are shown below:

	Seniority premiums		Retirement benefits	
	2024	2023	2024	2023
DBO at beginning of year	\$ 2,196,654	\$ 2,057,057	\$ 1,444,745	\$ 1,422,429
Net period cost charged to results:				
Labor cost from actual services	143,672	230,479	193,082	200,130
Interest cost on DBO	198,015	193,267	150,126	101,067
Labor cost from previous services	71	-	4	-
Other actuarial items	-	(290,592)	-	131,176
Other comprehensive income items	309,993	302,519	185,521	33,332
Benefits paid	(309,270)	(296,076)	(435,417)	(280,031)
Translation effect	-	-	214,129	(163,358)
DBO at end of the year	<u>\$ 2,539,135</u>	<u>\$ 2,196,654</u>	<u>\$ 1,752,190</u>	<u>\$ 1,444,745</u>

Changes in the net present value of the plan assets (PA) as of December 31, 2024 and 2023, are shown below:

	Seniority premiums	
	2024	2023
PA at beginning of year	\$ (1,314,289)	\$ (1,200,930)
Return on plan assets	(110,680)	(111,773)
Other comprehensive income items	141,953	13,962
Plan contributions	(319,606)	(311,211)
Benefits paid	309,166	295,663
PA at the end of the year	<u>\$ (1,293,456)</u>	<u>\$ (1,314,289)</u>

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2024 and 2023, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2024 and 2023, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,850,956 and \$1,399,364, respectively.

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

	Mexico		Central America	
	2024	2023	2024	2023
Financial:				
Discount rate	10.60 %	9.90 %	4.45 % - 11.01 %	5.41% - 11.28%
Salary increase rate	5.25 %	5.25 %	3.00 % - 6.70 %	3.5% - 6.3%
Minimum salary increase rate	4.75 %	4.75 %	2.0 %	2.0 %
Inflations rate	4.00 %	4.00 %	0.70% - 4.20%	0.70% - 4.20%
Biometrics:				
Mortality	IMSS 2009 ^(*)	IMSS 2009 ^(*)	RP - 2000 ^(**)	RP - 2000 ^(**)
Disability	2.1%	2.1 %	Disability study table 1985	Disability study table 1985
Retirement age	65 years	65 years	50 - 65 years	50 – 60 years

^(*) Mexican Social Security Institute experience for males and females
^(**) RP – 2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador

A sensitivity analysis of the DBO as of December 31, 2024, is as follows.

	Amount
DBO December 31, 2024	\$ 4,291,325
DBO at discount rate + 1%	\$ 4,378,003
DBO at discount rate – 1%	\$ 4,691,989
Effects over DBO	\$
Discount rate + 1%	\$ (225,268)
Discount rate – 1%	\$ 243,379

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

19. Equity

a) At an ordinary meeting held on April 30, 2024, the shareholders adopted the following resolutions:

1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2024 to repurchase its own shares.
2. The shareholders declared an ordinary cash dividend of \$1.18 pesos per share, paid in two installments of \$0.59 each, the first one on November 12, 2024 and the second one on December 10, 2024; and an extraordinary dividend to be paid in cash at a rate of \$0.99 pesos per share in two installments: \$0.49 pesos per share on November 12, 2024 and \$0.50 pesos per share on December 10, 2024.

b) At an ordinary meeting held on March 30, 2023, the shareholders adopted the following resolutions:

1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2023 to repurchase its own shares.



2. The shareholders declared an ordinary cash dividend of \$1.12 pesos per share, paid in two installments of \$0.56 each, the first one on November 29, 2023 and the second one on December 6, 2023; and an extraordinary dividend to be paid in cash at a rate of \$1.57 pesos per share in three installments: \$0.75 pesos per share on April 11, 2023, \$0.41 pesos per share on November 29, 2023 and \$0.41 pesos per share on December 6, 2023.

After the dividend declared is approved at the shareholders’ meeting, the Company reduces retained earnings and recognizes the accounts payable in the consolidated statement of financial position.

As of December 31, 2024 and 2023, the decreed dividends are as follows:

	2024	2023
Dividends in cash decreed and paid:		
Ordinary dividend \$1.18 per share (\$1.12 in 2023)	\$ 20,337,028	\$ 19,285,428
Extraordinary dividend \$0.99 per share (\$1.57 in 2023)	17,062,424	27,063,179
	<u>\$ 37,399,452</u>	<u>\$ 46,348,607</u>

c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company’s capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.

As of December 31, 2024 and 2023, an analysis of paid-in stock and the number of shares representing it is as follows:

Common stock	Amount
Fixed minimum capital	\$ 5,591,362
Variable capital	36,898,537
Subtotal	<u>42,489,899</u>
Inflation effects	2,939,261
Total	<u>\$ 45,429,160</u>
Number of freely subscribed common shares	<u>17,446,322,177</u>

During the year ended as of December 31, 2024, there was there was no repurchase of its own shares. During the year ended as of December 31, 2023, 15,080,454 shares of WALMEX were acquired; such repurchase implied reduce the capital as is shown in the Consolidated statements of changes in equity.

d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

As of December 31, 2024 and 2023, the amount of the tax accounts related to stockholders' equity, by CUCA amounts to \$80,119,952 and \$76,883,170, respectively, and by CUFIN \$106,554, as of December 31, 2023 in accordance with the current tax provisions.

Likewise, the Mexican subsidiaries have CUFIN balances that can be used for the distribution of dividends to WALMEX; such dividends, once received, will form part of WALMEX's individual CUFIN balance, which will be available to distribute dividends to its shareholders.

e) As of December 31, 2024, the employee stock option plan fund consists of 210,735,342 WALMEX shares, which have been placed in a trust created for the plan.

The total compensation cost charged to Operating results during the year ended December 31, 2024 and 2023 was \$493,766 and \$478,401, respectively, which represented no cash outflow for the Company and it is included in the general expenses line in the consolidated comprehensive income statement.



Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance as of December, 31, 2022	166,662,636	56.64
Granted	47,706,383	71.54
Exercised	(24,209,421)	47.96
Cancelled	(11,067,835)	65.00
Balance as of December 31, 2023	179,091,763	61.48
Granted	30,349,610	68.48
Exercised	(14,619,946)	47.83
Cancelled	(10,812,468)	62.50
Balance as of December 31, 2024	184,008,959	63.66

Shares available for option grant:

December 31, 2024	26,726,383
December 31, 2023	46,263,525

As of December 31, 2024, the granted and exercisable shares under the stock option plan fund are 184,008,959 of which 98,980,228 are available to exercise.

20. Other disclosures of revenue

a) The other revenue that forms part of the main activity of the Company as of December 31, 2024 and 2023 is as follows:

	2024	2023
Memberships	\$ 2,988,907	\$ 2,773,213
Rents	2,789,098	2,746,171
Sale of waste	982,995	783,384
Parking	103,894	98,676
Total	\$ 6,864,894	\$ 6,401,444

As of December 31, 2024, rental income includes investment properties of \$738,968 (\$632,294 in 2023).

b) The Company analyzes and manages its operation through its geographical location and business format.

An analysis of income from contracts with customers for the year ended December 31, 2024 and 2023 is as follows:

	2024	2023
Mexico		
Self-service	61.2 %	61.7 %
Price Clubs	21.9 %	22.0 %
Central America	16.9 %	16.3 %

Of WALMEX’s total net sales, approximately \$48.4 billion and \$40.5 billion relates to electronic commerce in Mexico for the years ended December 31, 2024 and 2023, respectively.

In Central America, the net sales related to electronic commerce are \$1.9 billion and \$1.1 billion for the years ended December 31, 2024 and 2023, respectively, and includes the sales made through home delivery platforms.

21. Cost of sales and general expenses

Cost of sales and general expenses are presented in the consolidated statement of comprehensive income and mainly include the purchase of merchandise, personnel expenses, depreciation and amortization, rent, advertising, maintenance, utilities, royalties, and technical assistance.



22. Financial income (expenses)

An analysis of financial income (expenses) for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Financial income:		
Financial income	\$ 2,657,187	\$ 3,021,084
Currency exchange gain	434,355	879,535
Income on changes in fair value of derivatives	581,289	329,979
	<u>\$ 3,672,831</u>	<u>\$ 4,230,598</u>
Financial expenses:		
Interest on Finance leases	\$ (8,593,484)	\$ (7,836,519)
Currency exchange loss	(1,172,770)	(595,851)
Loss on changes in fair value of derivatives	(366,137)	(430,874)
Other financial expenses	(1,967,941)	(36,600)
	<u>\$ (12,100,332)</u>	<u>\$ (8,899,844)</u>

Financial income primarily consists of interest earned on investments.

23. Segment financial information

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

Years ended December 31, 2024			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 66,574,281	\$ (7,474,423)	\$ 59,099,858
Central America	10,784,707	(953,078)	9,831,629
Consolidated	<u>\$ 77,358,988</u>	<u>\$ (8,427,501)</u>	<u>\$ 68,931,487</u>

Years ended December 31, 2023			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 63,957,761	\$ (4,230,666)	\$ 59,727,095
Central America	9,318,222	(438,580)	8,879,642
Consolidated	<u>\$ 73,275,983</u>	<u>\$ (4,669,246)</u>	<u>\$ 68,606,737</u>

Years ended December 31, 2024				
Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 29,219,848	\$ 18,601,857	\$ 363,070,453	\$ 143,620,253
Central America	5,543,941	4,037,617	88,125,708	29,967,936
Goodwill	-	-	42,696,904	-
Consolidated	<u>\$ 34,763,789</u>	<u>\$ 22,639,474</u>	<u>\$ 493,893,065</u>	<u>\$ 173,588,189</u>



Years ended December 31, 2023					
Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities	
Mexico	\$ 24,896,088	\$ 16,792,478	\$ 334,509,599	\$ 132,465,119	
Central America	3,896,090	3,784,961	67,740,206	23,753,394	
Goodwill	-	-	34,296,811	-	
Consolidated	\$ 28,792,178	\$ 20,577,439	\$ 436,546,616	\$ 156,218,513	

An analysis of income from customer contracts is presented in Note 20.

24. Other disclosures

- a) As of December 31, 2023, As we have reviewed our operations in Central America, we believe that these businesses are all financially strong, are well placed to serve their customers and communities, and continue to have significant growth potential which is best realized under continued Walmex ownership.
- b) On November 23, 2020, WALMEX received a notification from the Federal Economic Competition Commission (COFECE), that it has initiated an ex officio investigation in the supply and distribution market to the wholesale of consumer goods, retail marketing of these and related services for the alleged commission of relative monopolistic practices. WALMEX responded to four requests for information, beginning on November 23, 2020 and ending on June 2023.

On June 21, 2023, COFECE published the notice through which it formally concluded the investigation stage.

On October 6, 2023, COFECE notified WALMEX that COFECE’s Investigative Authority had recommended the initiation administrative process followed in the form of trial against WALMEX’s main Mexican operating subsidiary. On December 14, 2023, WALMEX timely submitted its defense arguments and offered its evidence with COFECE.

On August 27, 2024, WALMEX timely submitted its closing arguments with COFECE and on September 30th, we had an oral hearing with the commissioners of COFECE which at that point in time had not pronounced on the matter.

On December 12, 2024, COFECE concluded that the WALMEX subsidiary had engaged in a single relative monopolistic practice in relation to the use of certain contributions with its suppliers. In said resolution, COFECE imposed a sanction on the WALMEX subsidiary for \$93.4 million pesos (~US\$5 million) and imposed certain measures that WALMEX is implementing withing the timelines required by COFECE’s resolution.

COFECE recognizes that Walmex can continue negotiating contributions with its suppliers except for two specific contributions out of the four originally investigated.

On January 6th 2025, WALMEX challenged the COFECE resolution through an indirect amparo, filed before Specialized Federal Courts. Until the amparo lawsuit is resolved, WALMEX’s subsidiary will continue to work collaboratively with its suppliers to ensure business continuity, in compliance with COFECE’s ruling.

25. Approval of the financial statements

The consolidated financial statements and accompanying notes for the years ended December 31, 2024 and 2023, were approved by the Company’s management and Board of Directors on February 13, 2025 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.

Report of the Audit and Corporate Governance

Board of Directors
Wal-Mart de México S.A.B. de C.V.

Board of Directors:

In compliance with article 43 of the Securities Market Law (“LMV”) and the Rules of Procedure of the Committees, duly approved by the Board of Directors for Wal-Mart de México, S.A.B. of C.V. (which together with its subsidiaries hereinafter is the “Company”), we hereby inform you of the activities undertaken during the reporting period ending on December 31st, 2024.

Throughout the work conducted, in addition to that stipulated under the LMV, we have abided by that contained under the Code of Best Corporate Governance, issued by the Coordinating Business Council; the Code of Ethics of the Company; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

To comply with our oversight process, the Audit and Corporate Governance Committees held quarterly regular meetings during 2024, to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and enhancing our participation throughout the year in meetings with the CEO, CFO and General Counsel of the Company, as well as the reports rendered by the principal officers of the Company, highlighting the following:

I. Audit matters:

- a) The status of the internal control system being informed in detail of the programs and development of internal and external audits.
- b) The main aspects requiring improvement and followed-up on the preventive and corrective measures implemented by the management of the Company. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.

- c) The performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company’s Financial Statements and their adherence to International Financial Information Standards. Hence, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to provide their audit services, the Audit Committee evaluated the necessary requirements for intellectual and economic independence of action, therefore we recommended to the Board to ratify EY’s appointment as external auditors to examine and issue the report on the Financial Statements of the Company. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2024, no services other than the external audit of Financial Statements were retained by this firm.
- d) The Company’s quarterly and annual Financial Statements and recommended, at the appropriate time, their approval by the Board of Directors for its publication.
- e) The accounting policies approved and applied during the fiscal year ended on December 31st 2024.
- f) The follow-up on all relevant observations made by the shareholders, Directors, relevant officers and employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.
- g) The follow-up on the agreements made by the Shareholders in the General Meeting and by the board of directors of the Company.
- h) The legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- i) The progress regarding cybersecurity matters.
- j) The progress of the Enterprise Risk Management (ERM) established by the Company.



- k) Lastly, the status of the Company in terms of Ethics and Compliance matters and the measures adopted by the Company to reinforce these aspects.

II. Corporate Governance affairs:

- a) Performance evaluation processes for relevant officers, which, with powers delegated by the board of directors of the Company, oversees the Compensation and Succession Planning Committee.
- b) The transactions with related parties, during the reporting period, that may have occurred during the annual period ending December 31st, 2024, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.
- c) With powers delegated by the board of directors of the Company, the Compensation and Succession Planning Committee approved the emolument packages or total compensation of the CEO and relevant officers, as well as the new metrics to define the Long-Term Incentive for executives.
- d) The Board of Directors granted no permission whatsoever to any Director, relevant officer, or anyone with a position of decision maker, as indicated under article 28, section III, paragraph f) of the LMV.
- e) The results of the transfer pricing study 2024 for Mexico and Central America, informing that all its operations were made accordingly.

Based on the work completed and the opinion issued by independent auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company's financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors submits to the General Annual Shareholders Meeting, for their approval, the Financial Statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2024.

Sincerely,

Ernesto Cervera
Chair
Audit and Corporate Governance Committees.

Mexico City, February 13th, 2025.



REPORT OF INDEPENDENT AUDITORS

To the Shareholders of Wal-Mart de México, S.A.B. de C.V.

OPINION

We have audited the accompanying consolidated financial statements of Wal-Mart de México, S.A.B. de C.V. and subsidiaries (hereinafter “the Company”), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wal-Mart de México, S.A.B. de C.V. and subsidiaries as of December 31, 2023, and their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR AUDIT OPINION

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent from Wal-Mart de México, S.A.B. de C.V. within the meaning of the International Code of Ethics for Accounting Professionals (included the of the International Ethics Standards) (“Code of Ethics of IESBA”) and the ethical requirements applicable to our audit of the consolidated financial statements in Mexico established by the “Code of Ethics of the Mexican Institute of Public Accountants” (IMCP, Spanish acronym) and have fulfilled our other responsibilities under those relevant ethical requirements and the Code of Ethics of the IESBA.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



IMPAIRMENT ASSESSMENT OF PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLES

Description and why it was considered a key audit matter

We have considered as a key audit matter the impairment analysis of property and equipment, right of use assets and intangibles, because the determination of the recovery value is complex, it involves a high degree of judgment from the Company’s management and requires significant judgments and assumptions to be made that are affected by future conditions, such as profitability and economic conditions, discount rates, operating margins, the weighted average cost of capital, capitalization rate and others, which are sensitive and are affected by economic changes and market conditions, among other factors. Additionally, the calculation of the recoverable value carries the risk that the future cash flows used in its determination differ from expectations, or that the results are different from the originally estimated values. In addition, the balances of long-lived assets subject to the determination of the recovery value for impairment tests are significant as of December 31, 2023.

Notes 3, 9, 10 and 12 of the accompanying consolidated financial statements include the disclosures on the impairment assessment of property and equipment, right-of-use assets and intangibles.

How we responded to the key audit matter

We evaluated the design and tested the effectiveness of significant controls with respect to the impairment analysis process for long-lived assets as of December 31, 2023.

We analyze the assumptions and hypotheses used by the Company’s management for the identification and grouping of long-lived assets in each cash-generating unit (CGU).

We evaluated the financial projections of future cash flows used by the Company’s management in the impairment analysis of each CGU that we consider within our scope, verifying the information with which said projections were prepared and analyzing their

consistency with historical trends and future business plans. We evaluated the composition of the CGUs and the assets subject to impairment analysis assigned within each CGU. We analyzed the key assumptions, considering the sensitivity of those assumptions. We involved our valuation specialists to assist us in evaluating the reasonableness of the key assumptions and the methodology used by the Company’s Management in its impairment analysis according to International Accounting Standard (“IAS”) 36, Impairment of assets. We independently recalculated the arithmetic calculations of the valuation models used and analyzed the uniformity of the definition of CGU applied by the Company.

We obtained evidence from the impairment study prepared by the Company’s management on its long-lived assets, and we evaluated the competence, technical capabilities and objectivity of the management’s external valuation specialist.

We also evaluated the adequacy of the disclosures related to the identification and determination of the recoverable value of property and equipment, right-of-use assets and intangibles of the accompanying consolidated financial statements as of December 31, 2023.

OTHER INFORMATION

The Company is responsible of the other information. The other information comprises the financial information presented in the Annual Report by the Company submitted to the National Banking and Securities Commission (the Commission) and in the annual report submitted but is not included the consolidated financial statements in our auditors’ report. We expect to obtain the other information after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report submitted to the Commission and the Stakeholders', if we conclude that there is a material misstatement of the other information contained in the Annual Report filed with the Commission and/or in the annual report submitted to the Company's shareholders, we are required to report that fact to governance and to describe the matter in our statement on the Annual Report required by the Commission.

RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's governance is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Company’s governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company’s governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the responsible of Company’s governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor’s report is who signs it.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

Jose Vazquez

Mexico City
February 14, 2024



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
(Amounts in thousands of Mexican pesos)

	For the years ended December 31	
	2023	2022
Net sales	\$ 880,121,761	\$ 813,060,445
Other revenues (Note 20)	6,401,444	6,108,990
Total revenues	886,523,205	819,169,435
Cost of sales	(675,964,861)	(627,771,101)
Gross profit	210,558,344	191,398,334
General expenses (Note 21)	(136,746,969)	(124,693,340)
Income before other income and expenses	73,811,375	66,704,994
Other income	1,539,395	2,029,722
Other expenses	(2,074,787)	(723,099)
Operating income	73,275,983	68,011,617
Financial income (Note 22)	4,230,598	3,452,199
Financial expenses (Note 22)	(8,899,844)	(8,097,257)
Income before income taxes	68,606,737	63,366,559
Income taxes (Note 17)	(17,016,748)	(14,392,375)
Consolidated net income	\$ 51,589,989	\$ 48,974,184

Other comprehensive income items

Items that do not reclassify to profit
or loss of the year

Actuarial results on employee benefits,
net of income taxes

Items that may be reclassified subsequently
to profit or loss:

Cumulative translation
adjustment

Other comprehensive income (loss)

Comprehensive income

Basic earnings per share (in pesos)

	For the years ended December 31	
	2023	2022
	\$ (244,672)	\$ (55,862)
	(3,736,149)	(1,661,135)
	(3,980,821)	(1,716,997)
	\$ 47,609,168	\$ 47,257,187
	\$ 2.955	\$ 2.805

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position
(Amounts in thousands of Mexican pesos)

	December 31,	
	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents (Note 6)	\$ 40,668,985	\$ 47,427,191
Accounts receivable, net (Note 7)	22,960,095	16,719,308
Inventories, net (Note 8)	95,088,332	89,461,735
Prepaid expenses and other assets	1,024,900	924,796
Total current assets	159,742,312	154,533,030
Non-current assets:		
Property and equipment, net (Note 9)	156,127,476	145,533,306
Right-of-use assets (Note 10)	61,483,671	57,621,419
Investment properties, net (Note 11)	4,995,315	5,480,105
Intangible assets, net (Note 12)	38,336,220	39,218,374
Deferred tax assets (Note 17)	14,177,846	14,103,957
Other non-current assets	1,683,776	2,318,180
Total assets	\$ 436,546,616	\$ 418,808,371

	December 31,	
	2023	2022
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 114,430,006	\$ 98,956,251
Short-term lease liability	4,312,123	3,511,546
Other accounts payable (Note 14)	36,262,347	31,356,053
Income taxes payable	1,214,037	3,861,904
Total current liabilities	156,218,513	137,685,754
Long-term liabilities:		
Leases and other long-term liabilities (Note 16)	74,433,405	69,888,054
Income tax liabilities (Note 17)	4,481,551	6,487,624
Employee benefits (Note 18)	2,327,110	2,278,556
Total liabilities	237,460,579	216,339,988
Equity (Note 19)		
Capital stock	45,429,160	45,468,428
Retained earnings	151,020,031	146,727,023
Other comprehensive income items	9,091,711	13,072,532
Premium on sale of shares	5,640,011	5,289,992
Employee stock option plan fund	(12,094,876)	(8,089,592)
Total equity	199,086,037	202,468,383
Total liabilities and equity	\$ 436,546,616	\$ 418,808,371

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022
(Amounts in thousands of Mexican pesos)

	Retained earnings						
	Capital stock	Legal Reserve	Retained earnings	Other comprehensive income items	Premium on sale of shares	Employee stock option plan fund	Total equity
Balance at December 31, 2021	\$ 45,468,428	\$ 9,104,745	\$ 118,206,132	\$ 14,789,529	\$ 4,908,573	\$ (6,595,404)	\$ 185,882,003
Movements in employee stock option plan fund					381,419	(1,494,188)	(1,112,769)
Dividends declared			(29,558,038)				(29,558,038)
Comprehensive income			48,974,184	(1,716,997)			47,257,187
Balance at December 31, 2022	45,468,428	9,104,745	137,622,278	13,072,532	5,289,992	(8,089,592)	202,468,383
Movements in employee stock option plan fund					350,019	(4,005,284)	(3,655,265)
Repurchase of shares	(39,268)		(948,374)				(987,642)
Dividends declared			(46,348,607)				(46,348,607)
Comprehensive income			51,589,989	(3,980,821)			47,609,168
Balance at December 31, 2023	\$ 45,429,160	\$ 9,104,745	\$ 141,915,286	\$ 9,091,711	\$ 5,640,011	\$ (12,094,876)	\$ 199,086,037

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Amounts in thousands of Mexican pesos)

	For the years ended December 31,	
	2023	2022
Operating activities		
Income before income taxes	\$ 68,606,737	\$ 63,366,559
Items related to investing activities:		
Depreciation and amortization	20,577,439	19,359,205
Loss from disposal of property and equipment and impairment	465,022	117,761
Stock option compensation expenses	478,401	384,953
Interest earned	(3,021,084)	(2,025,182)
Items related to financing activities:		
Interest on lease liabilities	7,836,519	7,049,835
Unrealized, exchange rate fluctuation	355,889	(998,965)
Provision of labor obligations	453,754	531,774
Interest accrued	62,201	44,053
Cash flow from operating activities	95,814,878	87,829,993
Variances in:		
Accounts receivable	(6,191,597)	(155,262)
Inventories	(6,601,890)	(9,425,547)
Prepaid expenses and other assets	766,359	82,478
Accounts payable	16,708,363	(432,441)
Other accounts payable	5,166,658	3,268,202
Income tax paid	(19,949,533)	(16,122,086)
Employee benefits	(591,655)	(575,914)
Net cash flow from operating activities	85,121,583	64,469,423

	For the years ended December 31,	
	2023	2022
Investing activities		
Long-lived assets with defined useful lives	(28,792,178)	(21,303,739)
Interest collected	3,021,084	2,025,182
Proceeds from sale of property and equipment	312,968	459,402
Employee stock option plan fund	(4,133,666)	(1,497,722)
Business acquisition (Note 4)	(169,800)	-
Net cash flow used in investing activities	(29,761,592)	(20,316,877)
Financing activities		
Dividends paid	(46,348,607)	(29,558,038)
Repurchase of shares	(987,642)	-
Interest paid	(62,201)	(44,053)
Payment of leases liability	(11,153,474)	(10,039,198)
Net cash flow used in investing activities	(58,551,924)	(39,641,289)
Effect of changes in the value of cash	(3,566,273)	99,399
Net (decrease) increase in cash and cash equivalents	(6,758,206)	4,610,656
Cash and cash equivalents at beginning of year	47,427,191	42,816,535
Cash and cash equivalents at end of year	\$ 40,668,985	\$ 47,427,191
Non-cash transactions:		
Additions of right of use assets	\$ 6,196,845	\$ 2,591,724
Right of use assets remeasurements	\$ 3,141,926	\$ 5,920,509

The accompanying notes are an integral part of these financial statements.



WAL-MART DE MÉXICO, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

At December 31, 2023 and 2022

(Amounts in thousands of Mexican pesos, except where otherwise indicated)

1. DESCRIPTION OF THE BUSINESS

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

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

Group	Activity
Nueva Walmart	Operation in 2023 of 2,419 Bodega Aurrerá discount stores, 316 Walmart hypermarkets, 102 Walmart Express supermarkets and 170 Sam’s Club memberships self-service wholesale stores.
Other businesses	Provide mobile internet connectivity services and sale of airtime recharges (BAIT); advertising services (Walmart Connect); financial services through digital wallet (Cashi).
Import companies	Import of goods for resale.
Real estate	Property developments and management of real estate companies.
Corporate companies	Not-for-profit services to the community at large, as well as shareholding.
Walmart Central America	Operation in 2023 of 595 discount stores (Despensa Familiar and Palí), 98 supermarkets (Paiz, La Despensa de Don Juan, La Unión and Mas x Menos), 167 Bodegas (Maxi Bodegas and Maxi Palí), and 36 Walmart hypermarkets. These stores are located in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador.

2. NEW ACCOUNTING PRONOUNCEMENTS

IFRS 17, “Insurance Contracts”

This IFRS will replace IFRS 4 that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

IFRS 17 is effective for reporting periods beginning on or after January 1st, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company’s management estimates that the adoption of this standard has no impact on the consolidated financial statements.

Amendments to IAS 1, “Classification of Liabilities as Current or Non-current”

In January 2020, the International Accounting Standards Board (IASB) issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- Changes in criteria to classify a liability as current or non-current
- Considerations about substantial right to defer the liability settlement
- Settlement definition and possibility of settling liabilities in cash, other economic resources, or entity’s equity instruments
- New disclosures by liabilities deferrals



Classification as current or non-current liability will not be affected by the probability that the entity exercises or not its deferral right.

The amendments are effective for annual reporting periods beginning on or after January 1st, 2023 and must be applied retrospectively. The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.

IAS 12 – “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments to IAS 12 “Income Taxes” require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

The amendment is effective for annual periods beginning on or after January 1st, 2023. The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.

Amendments to IAS 8, Accounting policies, changes in accounting and errors estimations – Definition of accounting estimate

On February 2021, IASB issued amendments to IAS 8 that introduce a new definition of “accounting estimate”. The change that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they are not the result of correcting an error from prior periods. The previous definition of a change in accounting estimate specified that changes in accounting estimates may be the result of new information; therefore, such changes are not bug fixes. The IASB retained this consideration in the definition.

The amendments to IAS 8 are applicable for annual periods beginning on or after January 1st, 2023. The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.

IAS 1, “Presentation of financial statements” – Materiality in accounting policy disclosures.

In February 2021, the IASB issued amendments to IAS 1 “Presentation of Financial Statements”, which provide guidance and examples to help entities when applying materiality judgments to accounting policy disclosures. The IASB also issued amendments to the IFRS 2 Practice Statement to support the amendments in IAS 1 by explaining and exemplifying the application of the “four-step process” to accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1st, 2023. Because the amendments to the IFRS 2 Practice Statement provide non-mandatory guidance on applying the definition of materiality to accounting information, the IASB concluded that transition requirements and an effective date for these amendments were not necessary.

The Company’s management considers that adoption of this standard has no material impact on the consolidated financial statements.



Amendments to IAS 12: International Tax Reform—Pillar Two Model Rules.

In December 2021, the Organization for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing, legislation on this.

In response to the introduction of Pillar Two, the IASB issued amendments to IAS 12, “Taxes on Profits.” These modifications introduce a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and some disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1st 2023, but not for any interim periods ending on or before December 31, 2023.

As of December 31, 2023, the Company has reviewed the detail of its corporate structure in light of the introduction of the Pillar Two rules and it was concluded that the effective tax rate in each jurisdiction where **WALMEX** operates is above the 15% which is the minimum rate to not be subject to the rules of Pillar Two. At this time, none of the jurisdictions where **WALMEX** operates have enacted or substantially enacted Pillar Two rules. Since Pillar Two legislation was not effective at the reporting date, the group has no related tax exposure. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

IFRS issued but not yet effective

Amendments to IFRS 16, Lease liability in a sale and leaseback transaction

This amendment requires a lessee-seller to subsequently measure the liabilities for a lease that arises from a sale and leaseback transaction so that it does not recognize any amount of profit or loss related to the right of use that retains.

The new requirements introduced by the amendment do not prevent a lessee-seller from recognizing in income any profit or loss related to the partial or total termination of a lease.

Although it had previously been proposed that a lessee-seller initially measures the right-of-use asset and lease liability arising from a return lease using the present value of expected lease payments at the inception date, the final amendments do not eliminate specific measurement requirements for lease liabilities that arise from a return lease.

This amendment will be effective for annual periods beginning on or after January 1st, 2024, and early adoption of this amendment is permitted.

The Company’s management considers that adoption of this standard will not have material impact on the consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

On May 25, 2023, the IASB issued these amendments that were initiated as a result of the December 2020 agenda decision by the IFRS Interpretations Committee.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions.
- The carrying amounts of supplier finance arrangement financial liabilities at the beginning and end of the reporting period and the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.
- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities.

The amendments will be effective for annual reporting periods beginning on or after January 1st, 2024. Early adoption is permitted but will need to be disclosed.



The Company’s management considers that adoption of this standard will not have material impact on the consolidated financial statements.

IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information

In June 2023 the International Sustainability Standards Board (ISSB) issued IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information”. The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports.

IFRS S1 sets out the requirements for disclosing information about an entity’s sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- The governance processes, controls and procedures the entity uses to identify, assess, prioritize, monitor, manage and oversee sustainability-related risks and opportunities.
- The entity’s strategy for managing sustainability-related risks and opportunities.
- The entity’s performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 is effective for annual reporting periods beginning on or after January 1st, 2024 with earlier adoption permitted as long as IFRS S2, “Climate-related Disclosures” is also applied.

The Company’s management is analyzing the possible impact that this standard will have on the consolidated financial statements.

IFRS S2, Climate-related Disclosures

In June 2023, the International Sustainability Standards Board (ISSB) issued IFRS S2, “Climate-related Disclosures”.

IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, and/or its access to

financing over the short, medium or long term (collectively referred to as ‘climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects’). IFRS S2 applies to:

- a) Climate-related risks to which the entity is exposed, which are:
 - i. climate-related physical risks; and
 - ii. climate-related transition risks; and
- b) Climate-related opportunities available to the entity.

IFRS S2 is effective for annual reporting periods beginning on or after January 1st 2024 with earlier adoption permitted as long as IFRS S1, “General Requirements for Disclosure of Sustainability-related Financial Information” is also applied.

The Company’s management is analyzing the possible impact that this standard will have on the consolidated financial statements.

Amendments to IAS 21, Effects of Changes in Foreign Exchange Rates: Lack of exchangeability.

In August 2023, the IASB published ‘Lack of Exchangeability (Amendments to IAS 21), that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

The entity applies the amendments for annual reporting periods beginning on or after January 1st, 2025. Earlier application is permitted.



3. INFORMATION OF MATERIAL ACCOUNTING POLICIES

A summary of the material accounting policies is described below. These policies have been applied consistently with those applied in the year ended December 31, 2022.

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), including those issued previously by the former Standard Interpretations Committee (SIC).

The consolidated statements of comprehensive income were prepared based on the function of its components, which allows disclosure of cost of sales separately from other costs, operating and administrative expenses, with both expenses recognized in the statement of income at the time they are incurred.

Prior to the consolidation process, the financial statements of the Company's foreign subsidiaries are prepared under IFRS and translated to Mexican pesos using the average exchange rate for the consolidated statement of comprehensive income and the year-end exchange rate for the consolidated statement of financial position.

The cumulative translation adjustment is the effect of translating the financial statements of the Company's foreign subsidiaries into Mexican pesos. This effect is recognized in equity as part of other comprehensive income items.

The statement of cash flows is prepared using the indirect method.

The preparation of consolidated financial statements requires the use of accounting estimates and assumptions based on historical experience and other factors and therefore, the actual results may differ from estimates. The estimates and assumptions are reviewed periodically and mainly include the following:

- Accounting estimates for impairment of accounts receivable, inventory, property and equipment, right of use assets, investment properties, goodwill and the successful probability of legal and tax contingencies.
- Assumptions such as discount rates used to determine leases liabilities; annually, the Company reviews the useful lives for property and equipment and intangible assets with definite lives; determination of the recoverable value involving significant judgments such as future cash flows, the discount rate and the interest rate; labor obligation present value factors determined through actuarial valuations using economic assumptions, such as discount rate, inflation rate, salary increase rate and minimum salary increase rate; and fair value of derivative financial instruments and investment properties.

WALMEX has sufficient resources to continue operating as a going concern. The accompanying consolidated financial statements have been prepared on a going-concern basis and on a historical-cost basis, except for financial assets and liabilities and derivative financial instruments, which are fair valued as of the end of each period. The Mexican peso is the Company's functional and Reporting currency.

b) Consolidation

The accompanying consolidated financial statements include the financial statements of **WALMEX**, entities in which the Company was deemed the primary beneficiary and those of its Mexican and foreign subsidiaries or investee in which has control, which are grouped as described in Note 1, and prepared considering the same accounting period.

Subsidiaries or investees are consolidated from the date on which control is assumed by **WALMEX**, and until such control is lost. The results of subsidiaries or investee acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of sale, as appropriate.



Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e. the existing rights that give it the current ability to conduct the relevant activities of the investee),
- Exposure to, or rights to, variable returns from its participation in the investee
- The ability to use its power over the investee to affect its returns

Transactions and related party balances are eliminated in the consolidation.

The Company consolidates in its financial statements the balances and operations of the investee Cargill Protein S. de R.L. de C.V., according to the agreement established with them to provide services for meat processing, through which the Company obtains control solely and exclusively from the accounting point of view and applying accounting principles but not legal ones, through the right to variable returns for its participation in this entity. Net income for the consolidated year considers a remaining attributable to the results of the investee of \$61,008 in 2023 and \$63,541 in 2022; and the statement of financial position as of December 31, 2023 and 2022, contains a remaining attributable of the investee of \$6,273 and \$(54,735), respectively.

c) Financial assets and liabilities and fair value measurement

The Company determines the classification of financial assets and liabilities at initial recognition as described below:

- I. I. Financial assets. These assets are classified in one of the following categories, as required: financial assets at fair value through profit or loss, accounts receivable and investments held to maturity. The Company’s financial assets primarily consist of cash and cash equivalents, trade receivables and other accounts receivable which are initially recognized at fair value. Fair value of an asset is the price in which such asset would be sold in an ordinary transaction with third parties, capable of participating in the transaction.
- II. I. Financial liabilities. These liabilities are classified in accounts payable, other accounts payable and lease liabilities; these liabilities are initially recognized at fair value and subsequently valued to amortized cost using the effective interest rate method. The

liabilities from derivatives are recognized initially and subsequently at fair value. Fair value of a liability is the amount that would be paid to transfer the responsibility to a new creditor in an ordinary transaction among those parties.

Assets and liabilities carried at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are as follows:

- Level 1.** Quoted prices for identical instruments in active markets;
- Level 2.** Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable, and
- Level 3.** Unobservable data inputs, for which the Company develops its own assumptions and valuations.

Subsequent measurement of the Company’s financial assets and liabilities is determined based on their classification.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle them for the net amount, or to realize the assets and settle liabilities simultaneously.

d) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits, credit and debit card transfer transactions that process in less than 7 days, and highly liquid investments with maturities of less than 90 days, plus accrued interest. Cash is stated at fair value.



Cash that is restricted and cannot be exchanged or used to settle a liability for a minimum period of twelve months is presented in a separate line item in the statement of financial position and is excluded from cash and cash equivalents in the cash flow statement.

e) Derivative financial instruments

The Company has entered into currency hedging through Over the Counter (OTC) currency forward transactions (Fx-forwards) to mitigate the effects caused by variability in the exchange rate of foreign currency on its accounts payable related to import goods for sale. The maximum length of these contracts is six months.

Derivatives are initially recognized at fair value at the date the derivative contract is subscribed and subsequently revalued at fair value at the end of the reporting period. The resulting gain or loss is recognized immediately as a part of the financial income (expense) line in the consolidated statement of comprehensive income.

In accordance with our standards of corporate governance, the Company manages only Fx-forwards as derivative financial instruments.

f) Accounts receivable and provision for impairment of other accounts receivable

WALMEX recognizes the impairment of its receivables by applying the simplified approach allowed by IFRS 9 “Financial Instruments”, recognizing the expected credit losses as of the creation of the account receivable. These assets are grouped according to the characteristics of credit risk and the days past due, with the expected loss provision for each risk group determined based on the historical credit loss and experience of the Company, adjusted for specific factors for debtors and effects in the economic environment.

g) Inventories

Inventories are valued using the retail method, except for merchandise for Sam’s Clubs, distribution centers, Agro-Industrial development (grains, edibles and meat) and perishable division, which are stated using the weighted average cost method. These methods are consistent with those applied in the prior year. Inventories, including obsolete, slow-moving

and defective items or items in poor condition, are stated at the lower of cost or net realizable value.

Freight and buying allowances are capitalized in inventory and are recognized in the cost of sales based on the turnover of the inventories that gave rise to them.

h) Prepaid expenses

Prepaid expenses are recorded at cost and recognized as current assets in the consolidated statement of financial position as of the date the prepayments are made. Once the goods or services related to the prepayments are received, they should be charged to the income statement or capitalized in the corresponding asset line when there is certainty that the acquired goods will generate future economic benefits.

i) Property and equipment

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

Depreciation of property and equipment is computed by the straight-line method at the following annual rates:

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	to	5.0%
Facilities and adaptations	5.0%	to	12.5%
Construction finishes	10.0%	to	25.0%
Furniture and equipment	5.0%	to	33.3%
Computer equipment	12.5%	to	33.3%
Transportation equipment	10.0%	to	33.3%



Construction in progress mostly consists of investments made by the Company, mainly for the construction of new stores and improvements; they are recognized at cost, and once complete, the Company reclassifies them to property and the depreciation begins.

j) Investment properties

Investment properties consist of land, buildings and constructions and facilities in properties that are leased to others and are maintained to obtain economic benefits through the collection of rent. Investment properties are measured initially at cost. After initial recognition, they continue to be valued at cost less depreciation and accumulated losses due to impairment.

Depreciation of investment properties is computed on a straight-line basis at the following annual rates

Buildings, facilities and leasehold improvements:			
Constructions and structures	2.5%	a	5.0%
Facilities and adaptations	5.0%	a	12.5%
Construction finishes	10.0%	a	25.0%

k) Leases

The Company assesses whether a contract is or contains a lease at inception date of the contract. This assessment involves the exercises of judgement about whether it implies the use of a specific asset, or if the Company obtains substantially all the economics benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

WALMEX as a lessee

WALMEX recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental interest rate of WALMEX.

After initial recognition, the lease liability is measured at amortized cost using the effective interest method. These liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if WALMEX changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WALMEX as a lessor

The Company obtains rental income from investment properties. Fixed and variable rental income is recognized when accrued and such revenue is presented as a part of other revenues line within the consolidated statement of comprehensive income.

l) Impairment of long term definite useful life assets

The long-term definite useful life assets are subject to impairment tests only when there is objective evidence of impairment.

The impairment in the value of this type of assets is recognized by applying the expected present value technique to determine value in use, considering each store as the minimum cash-generating unit.



The present value technique requires detailed budget calculations, which are prepared separately for each cash-generating unit where the assets are located. These budgets generally cover 5 years and, in case of a longer period, an expected growth rate is applied.

Impairment losses are recognized in the consolidated statement of comprehensive income as a part of other expenses.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased by the reviewed estimate of the recoverable amount, not exceeding the carrying amount that would have been determined if no impairment loss had been recognized in prior years. The reversal of an impairment loss is recognized immediately in the comprehensive income statement.

m) Intangible assets

Intangible assets are recognized when they have the following characteristics: they are identifiable, they give rise to future economic benefits and the Company has control over such benefits.

Intangible assets are valued at the lower of acquisition cost or fair value at the acquisition date and are classified based on their useful lives, which may be definite or indefinite. Indefinite-lived assets are not amortized; however, they are subject to annual impairment tests. Definite lived assets are amortized using the straight-line method at rates between 7.7% and 33.3%.

n) Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of Walmart Central America and Cartera Digital (see Note 4) at the acquisition date and is not subject to amortization.

Goodwill was assigned applying the perpetuity value technique to determine the goodwill's value in use, considering each Central American country (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) as a minimum cash generating unit.

Goodwill is tested for impairment annually. The Company engages the services of an independent expert to test its goodwill for impairment. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of value of money over time and the specific risks affecting such assets.

Future cash flows consider the business plan and projections used by management in its decision making for the following five years.

Goodwill is translated at the closing exchange rate and such translation is recognized in other comprehensive income.

o) Liabilities and provisions

Accrued liabilities represent current obligations (legal or assumed) for past events where outflow of economic resources is possible and can be reasonably estimated. Reimbursements are recognized net of any related obligation when it is certain that the reimbursement will be obtained. Provision expenses are presented in the consolidated statement of comprehensive income net of any corresponding reimbursements.

p) Income taxes

Current and deferred income

Income taxes are classified as current and deferred and are recognized in the consolidated statement of comprehensive income in the year they are expensed or accrued, except when they come from items directly recognized in other comprehensive income, in which case, the corresponding taxes are recognized in equity.

Current income taxes are determined based on the tax laws approved in the countries where **WALMEX** has operations and are the result of applying the applicable tax rates at the date of the consolidated financial statements on the taxable profits of each entity of the Group. Current income taxes are presented as a current liability/asset net of prepayments made during the year.



Deferred income taxes result from applying the applicable enacted or substantively enacted income tax rate at the reporting date to all temporary differences between the financial reporting and tax values of assets and liabilities in the consolidated balance sheet. Deferred tax assets are only recognized when it is probable that sufficient taxable profit will be available against which the deductions for temporary differences can be taken. The deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred assets to be used. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred income tax on temporary differences arising from investments in subsidiaries is recognized, unless the period of reversal of temporary differences is controlled by **WALMEX** and it is probable that the temporary differences will not reverse in the near future.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to offset tax assets and liabilities and deferred tax assets and liabilities relating to income taxes that pertain to the same authority.

Uncertain tax positions

The Company reviews its criteria for the recognition and measurement of income taxes when there are uncertain tax positions. Uncertain tax positions are those tax positions where there is uncertainty about whether the competent tax authority of each of the countries where **WALMEX** operates will accept the tax position under current tax laws.

If the Company concludes that a particular tax treatment is likely to be accepted, it determines the taxable profit (tax loss), tax basis, unused tax losses, unused tax credits, or tax rates consistent with the tax treatment included in its tax return. If the Company concludes that a particular tax treatment is unlikely to be accepted, the entity uses the most probable amount or expected value of the tax treatment that the authority would

accept when determining the tax profit (tax loss), tax basis, non-tax losses used, unused tax credits or tax rates.

q) Employee benefits

Employees in Mexico are entitled to a seniority premium in accordance with the Mexican Federal Labor Law. Also, **WALMEX**'s employees in each of the six countries are entitled to termination benefits to be paid in accordance to each country's respective labor laws. These employee benefits are recognized as expense during the years in which services are rendered, based on actuarial computations performed by independent experts using the projected unit credit method.

In Mexico, the seniority premium is granted to employees who retire from the Company with a minimum of 15 years of seniority. The amount paid to the associate is equivalent to 12 days for each year worked, without exceeding the amount for each day of twice the minimum wage, in addition, **WALMEX** pays a retirement compensation based on years of service and position of each associate, as long as they have been in service for more than 5 years at the date of retirement. The Company has set up a defined benefits trust fund to cover seniority premiums accruing to employees. Employees make no contributions to this fund.

In Central America, the termination benefits for associates are paid when required in case of unjustified dismissal or death, in accordance with the Labor Law of each country where the Company operates. The benefits range from 20 days to one month of salary for each year of uninterrupted service.

All other payments to which employees or their beneficiaries are entitled in the event of involuntary retirement or death are expensed as incurred, in accordance with federal labor laws of each country.

WALMEX recognizes the actuarial gains and losses as they accrue directly in the consolidated statement of comprehensive income, and in the statement of changes in equity.



r) Equity

Legal reserve:

As of December 31, 2022, the Company’s legal reserve amounts to \$9,104,745, which represents 20% of its capital stock, which under the Mexican Corporations Act is the maximum level the balance of the reserve can reach.

Dividends:

The Company recognizes a liability to pay dividends when these are decreed and are approved through a shareholders meeting. The corresponding accrual is recognized as a decrease in the stockholders’ equity directly.

Employee stock option plan fund and stock option compensation:

The employee stock option plan fund is comprised of **WALMEX** shares which are acquired in the secondary market and are presented at acquisition cost. The plan is designed to grant stock options to executives of the companies of the Group, as approved by the Mexican National Banking and Securities Commission.

The shares subject to the plan are assigned, taking as a reference the weighted average price of the purchase and sale transactions in the secondary market of such shares.

The current policy has two grant plans to executives; the first one grants stock options and the second one grants restricted shares (the last one is offered only to certain executive levels).

In the stock option plan, the vesting period for a third portion of the granted options is one year, and on the other hand under the restricted share plan these are granted within a 3 year-period since assignment. The right to exercise the options is 10 years since assignment date or 60 days after the executive leaves the Company, such term may be extended in certain circumstances when non-competition obligations are assumed by the executive that exits the Company, without exceeding 10 years from the assignment date.

Regards of the restricted shares plan, the amount was subject to compliance with certain metrics that are evaluated against the performance of the year following the allocation, and which may cause the original allocation to be decreased or increased, ranging from 0% to 212.5%.

According to the previous policies, until 2017 the executives may exercise their option to acquire shares in equal parts over five years. And from 2018 to2021 the executives may exercise their option to acquire shares in 4 years, 50% in year 2 and the other 50% in the year 4.

The compensation cost of stock options is recognized in general expenses in the consolidated statement of comprehensive income at fair value.

Premium on sale of shares:

The premium on sale of shares represents the difference between the cost of shares and the value at which such shares were sold, net of the corresponding income tax.

s) Revenue recognition

Revenue from merchandise sales, including online sales (“e-Commerce”) is recognized in the consolidated statement of comprehensive income at the time the obligation is satisfied (when “control” of the goods has been transferred to the customer). Revenue from services is recognized at the time the service is provided.

Extended warranties, service commissions and cell phone airtime are recognized net in the net sales line in the consolidated statement of comprehensive income at time the service is provided.

Sam’s Club membership income is deferred over the twelve-month term of the membership and presented in the other revenue line in the consolidated statement of comprehensive income.

Rental income is recognized as it accrues over the terms of the lease agreements entered with third parties and presented in the other revenue line in the consolidated statement of comprehensive income.



Revenues from the sale of waste and parking lots are recognized in other revenue line at the time the property is transferred upon delivery of the goods or at the time the services are provided.

t) Basic earnings per share

Basic earnings per share is the result of dividing the net income of the year attributable to the controlling interest by the weighted average number of outstanding shares. Diluted earnings per share are the same as basic earnings per share since there is currently no potentially dilutive common stock.

The effect on earnings per share, which represents the remaining attributable to the results of the investees in 2023 and 2022 is of \$0.003 and \$0.004 pesos per share, respectively.

u) Operating segments

Segment financial information is prepared based on the information used by the Chief Operating Decision Maker (CODM) to make business decisions and assess the Company’s performance. Segment information is presented based on the geographical zones in which the Company operates.

v) Foreign currency transactions

The Company’s foreign currency denominated assets and liabilities are translated to the functional currency at the prevailing exchange rate at the date of the consolidated statement of financial position. Exchange differences are recognized in the consolidated statement of comprehensive income in the financial income (expenses) lines.

4. BUSINESS ACQUISITION

On April 10, 2023, the Company acquired 100% of shares of Trafalgar Digital, S.A. de C.V., Institución de Fondos de Pago Electrónico, date on which **WALMEX** acquired the assets and assumed the liabilities of said company. Likewise, on that date, it was formalized the change in its corporate name to Cartera Digital Walmart, S.A. de C.V., Institución de

Fondos de Pago Electrónico(Cartera Digital) , as well as the change of its bylaws and the appointment of officials. The operation was settled with the Company’s own resources for an amount of \$176,744 (USD\$9.8M).

The Company acquired qualified as business acquisition; and was recognized accounting according to the methodology indicated in IFRS 3, “Business Combinations”. For such purpose, the Company determined the fair values of the net assets acquired, considering the valuation rules of this IFRS.

As part of determination and subsequent recognition of the fair value of the net assets acquired, an intangible assets mainly was identified related to the authorization granted by the National Banking and Securities Commission (CNBV per its acronym in Spanish) to Trafalgar Digital, S.A. de C.V. (now Cartera Digital) to operates as IFPE (Institución de Fondos de Pago Electrónico per its acronym in Spanish), recognizing the fair value of such intangible asset as part of net assets acquired.

On April 10, 2023, the amount of goodwill, as well as the net assets acquired are shown below:

Total consideration paid		\$ 176,744	
	Balance as of April 10, 2023	PPA Adjustments	Adjusted balances as of April 10, 2023
Assets	\$ 19,194	\$ 52,300	\$ 71,494
Liabilities	\$ 4,914		\$ 4,914
Net assets acquired			66,580
Subtotal			\$ 110,164
Deferred taxes liability			15,690
Goodwill recognized			\$ 125,854

The cash flow by business acquisition, presented in the Consolidated Statements of Cash Flows, was determined considering the total consideration payment net of cash and cash equivalents that the Company received from acquired Company on April 10.



In order to provide a broader view of the Operating performance of the acquired Company, the effect on results that would have had if the acquisition had taken place from January 1, 2023 is presented below:

	Year ended December 31, 2023		
	Consolidated	Cartera Digital	%
General expenses	\$ (136,746,969)	\$ (37,621)	0.03%
Operating income	\$ 73,811,375	\$ (37,621)	(0.05)%
Income before income taxes	\$ 68,606,737	\$ (37,621)	(0.05)%
Consolidated net income	\$ 51,589,989	\$ (23,378)	(0.05)%

5. RISK MANAGEMENT

a) General risk factors

The Company is exposed to facts or events that could affect the purchasing power and/or buying habits of the population. These facts or events may be economic, political or social in nature and some of the most important are described below:

- I. Changes in exchange rates. Exchange rate fluctuations tend to put upward pressure on inflation and reduce the population’s purchasing power, which could ultimately adversely affect the Company’s sales, in particular due to the purchase of imported goods. Likewise, the revaluation of the exchange rate may mean that individuals receiving remittances from abroad obtain less domestic currency, which may also adversely affect the Company’s sales.
- II. Competition. The retail sector has become very competitive in recent years, which has led to the need for all the players in the market to constantly look for ways to set themselves apart from the competition. This puts the Company’s market share at risk. Other factors affecting the Company’s market share could be the business

expansion of its competitors and the possible entrance of new competitors into the market. Likewise, the new activities carried out by the Company that it did not carry out before - BAiT, Connect, Cashi, to mention a few - face very strong competition from participants that have a greater participation than the Company in those market segments.

- III. Inflation. A significant increase in inflation rates could have a direct effect on the purchasing power of the Company’s customers and the demand for its products and services, as well as employment and salaries and in the prices of the goods and services supplied by the Company. Although the Company always seeks to keep costs low in order to offer low prices, there are circumstances in which it is not possible to defer price increases, even though the Company always seeks to do so.
- IV. Changes in government regulations. The Company is exposed to the changes in different laws and regulations, which, after becoming effective, could affect the Company’s operating results, such as an impact on sales, expenses for payroll indirect taxes and changes in applicable rates. Currently, the level of scrutiny and discretion by the tax authorities and other regulatory authorities has increased considerably.
- V. Certain events. International events involving Ukraine and Israel, together with the effects of the pandemic, have caused disruptions in the markets, prices of many products and price increases or shortages of many products and disruptions, delays, and cost increases in the international supply logistics chain.

These risks and their impacts are difficult to predict and could adversely affect our operations and our financial performance. As of the date of this report, the financial effect of the combination of these events has not had a significant adverse impact on the financial statements taken as a whole.

b) Financial risk factors

The Company’s activities are exposed to various financial risks such as exchange rate, interest rate and liquidity risk. The Company manages those risks that impede or endanger its financial objectives, seeking to minimize potential negative effects through different strategies.



Exchange rate risk:

The Company operates with foreign companies and therefore is exposed to the risk of exchange rate operations with foreign currencies, particularly the US dollar (“USD”).

As of December 31, 2023, the exchange rate used to translate assets and liabilities denominated in US dollars was \$16.97 per dollar (\$19.50 in 2022).

Considering the net monetary position in dollars at December 31, 2023, if there was an increase or decrease in the exchange rate of the US dollar against the Mexican peso of 5%, there would be a favorable or unfavorable effect on the financial income (expenses) and equity of the Company of \$253,462.

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

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on the fair value hierarchy level 2. (See Note 3 “Information of material accounting policies – Financial assets and liabilities and fair value measurement”).

As of December 31, 2023 and 2022, Fx-Forward contracts have a term of no more than four months, which are shown below:

	2023		2022	
Current contracts		258		271
Notional amount (millions of USD)	US\$	234	US\$	177
Notional amount (millions of Mexican pesos)	MXN\$	4,129.06	MXN\$	3,517.82
Fair value, net (millions of pesos)	MXN\$	(130.58)	MXN\$	(29.74)

Each Fx-forwards operation contracted with the banking institutions is agreed by means of a confirmation letter and consists in the exchange in kind of currencies with the same counterpart that occurs simultaneously at the settlement date agreed in the confirmation letter.

Interest rate risk:

The Company has temporary investments in government paper which generate financial income. By reducing the interest rate, the financial income of the Company also decreases. The interest rate of these investments fluctuated during the year 2023 between 2.38% and 11.12%. As of December 31, 2023 the financial income amounted to \$3,021,084 (\$2,025,182 in 2022).

Considering the highly liquid instruments as of December 31, 2023, if there was an increase or decrease in the interest rate of 0.50%, there would be a favorable or unfavorable effect on the financial income of the Company of \$114,807.

Liquidity risk:

The Company is subject to liquidity risks to meet its payment obligations to suppliers, payment of taxes, acquisitions of fixed assets and other working capital requirements, which are settled through the cash flow generated in the operation. For this reason, in order to avoid the breach of its obligations, the Company has available lines of credit and overdraft with different Banks. As of December 31,2023, the available and unused credit and overdraft lines amounted \$47,414 (\$52,623 en 2022) million pesos (of which \$13,715 (\$18,664 in 2022) corresponding to pre-approved lines of credit and \$33,699 (\$33,959 in 2022) million to contracted lines of credit) that give, if necessary, additional liquidity to that generated by the operating activities.



6. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents as of December 31, 2023 and 2022, is as follow:

	2023	2022
Cash and cash in bank	\$ 35,743,572	\$ 36,008,176
Highly marketable investments	4,925,413	11,419,015
	<u>\$ 40,668,985</u>	<u>\$ 47,427,191</u>

As of December 31, 2023, the Company has no restricted cash, \$199,612 at December 31, 2022 and it is presented in the consolidated statement of financial position in the other non-current assets item.

7. ACCOUNTS RECEIVABLE

An analysis of accounts receivable as of December 31, 2023 and 2022, is as follows:

	2023	2022
Income tax, VAT, IEPS pending to recover	\$ 15,991,944	\$ 12,418,965
Vouchers issuers and trade receivables ⁽¹⁾	3,948,981	2,036,744
Other accounts receivable	3,523,170	2,805,813
Allowance for impairment of other receivables ⁽²⁾	(504,000)	(542,214)
	<u>\$ 22,960,095</u>	<u>\$ 16,719,308</u>

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

⁽¹⁾ Includes vendor allowance to be collected as a consequence of the new reform issued in 2023 by the Supreme Court of Justice in which it is stated that civil compensation is not a method of payment of Value Added Tax (VAT), for which the Company ceased to offset accounts receivable and payable with vendors.

⁽²⁾ Includes \$224 million of allowance for impairment of other receivables corresponding to ATM’s services supplier.

8. INVENTORIES

An analysis of inventories as of December 31, 2023 and 2022, is as follows:

	2023	2022
Merchandise for sale	\$ 88,839,145	\$ 83,883,622
Agro-industrial development	1,480,082	1,435,803
	<u>90,319,227</u>	<u>85,319,425</u>
Merchandise in transit	4,769,105	4,142,310
	<u>\$ 95,088,332</u>	<u>\$ 89,461,735</u>

As of December 31, 2023 and 2022, the effect of inventory impairment is \$1,823,228 and \$1,513,303, respectively, which was included in cost of sales in the consolidated comprehensive income statement.



9. PROPERTY AND EQUIPMENT

An analysis of property and equipment as of December 31, 2023 and 2022, is as follows:

	December 31, 2021	Additions	Disposals	Transfers	Translations effect	December 31, 2022	Additions	Disposals	Transfers	Translation effect	December 31, 2023
Cost:											
Land	\$ 32,479,569	\$ 112,523	\$ (105,879)	\$ (61,666)	\$ (37,608)	\$ 32,386,939	\$ 57,450	\$ (20,620)	\$ 464,782	\$ (302,001)	\$ 32,586,550
Buildings	76,203,276	1,270,383	(1,310,664)	2,680,526	(261,839)	78,581,682	2,269,574	(1,150,734)	5,120,326	(1,106,321)	83,714,527
Facilities and leasehold improvements	56,369,859	273,909	(699,060)	5,530,861	(346,161)	61,129,408	441,106	(1,015,868)	6,492,763	(837,994)	66,209,415
Furniture and equipment	77,764,822	4,747,696	(4,274,538)	4,868,126	(596,371)	82,509,735	6,572,325	(3,432,992)	5,571,390	(1,676,029)	89,544,429
Subtotal	242,817,526	6,404,511	(6,390,141)	13,017,847	(1,241,979)	254,607,764	9,340,455	(5,620,214)	17,649,261	(3,922,345)	272,054,921
Accumulated depreciation:											
Buildings	(37,156,657)	(2,996,120)	1,114,985	195,722	109,102	(38,732,968)	(3,008,180)	883,212	6,898	445,651	(40,405,387)
Facilities and leasehold improvements	(28,583,001)	(3,083,156)	553,720	(270,638)	197,545	(31,185,530)	(3,245,045)	785,196	(161,290)	491,791	(33,314,878)
Furniture and equipment	(42,586,304)	(7,726,188)	4,159,797	15,819	348,570	(45,788,306)	(8,013,681)	3,106,123	(16,796)	975,215	(49,737,445)
Subtotal	(108,325,962)	(13,805,464)	5,828,502	(59,097)	655,217	(115,706,804)	(14,266,906)	4,774,531	(171,188)	1,912,657	(123,457,710)
Construction in progress	6,005,034	13,648,144	(10,363)	(13,058,638)	48,169	6,632,346	18,288,972	(22,896)	(17,350,807)	(17,350)	7,530,265
Total	\$ 140,496,598	\$ 6,247,191	\$ (572,002)	\$ (99,888)	\$ (538,593)	\$ 145,533,306	\$ 13,362,521	\$ (868,579)	\$ 127,266	\$ (2,027,038)	\$ 156,127,476

Depreciation expense for the years ended December 31, 2023 and 2022, was \$13,963,678 y \$13,491,000, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income. The depreciation included in cost of sales was \$303,228 and \$314,464, respectively.

Property and equipment impairment for the years ended December 31, 2023 and 2022, was \$56,321 and \$49,005, respectively, and is presented in the disposals column.



10. LEASES

WALMEX has executed property lease agreements. Leases are usually contracted for a period of 15 years. Some leases include a unilateral renewal option for an additional period. The Company evaluates at the beginning of the lease if it is reasonably certain that it will exercise said renewal option.

In addition, the Company has also entered into finance leases for the rental of residual water treatment plants with lease terms of 10 years with purchase option at the end of the agreement; as well as other equipment leases with terms of 3 to 5 years.

WALMEX sub-leases some of its investment properties.

The right of use assets balance is as follows:

	December 31, 2021	Additions	Disposals Modifications and updates	Transfers	Translations effect	December 31, 2022	Additions	Disposals, Modifications and updates	Transfers	Translations effect	December 31, 2023
Cost:											
Property	\$ 66,011,324	\$ 2,343,220	\$ 5,660,844	\$ 3,026	\$ (420,492)	\$ 73,597,922	\$ 2,366,976	\$ 2,832,416	\$ 1,981	\$ (593,998)	\$ 78,205,297
Furniture and equipment	2,697,790	248,504	(289,792)	(282,432)	(1,737)	2,372,333	3,829,869	(791,654)	(268,622)	2,759	5,144,685
Subtotal	68,709,114	2,591,724	5,371,052	(279,406)	(422,229)	75,970,255	6,196,845	2,040,762	(266,641)	(591,239)	83,349,982
Accumulated depreciation											
Property	(13,519,152)	(4,042,270)	204,112	560	166,670	(17,190,080)	(4,426,590)	262,946	7	399,416	(20,954,301)
Furniture and equipment	(1,052,454)	(540,565)	288,551	141,957	3,755	(1,158,756)	(683,684)	786,248	134,308	9,874	(912,010)
Subtotal	(14,571,606)	(4,582,835)	492,663	142,517	170,425	(18,348,836)	(5,110,274)	1,049,194	134,315	409,290	(21,866,311)
Total	\$ 54,137,508	\$ (1,991,111)	\$ 5,863,715	\$ (136,889)	\$ (251,804)	\$ 57,621,419	\$ 1,086,571	\$ 3,089,956	\$ (132,326)	\$ (181,949)	\$ 61,483,671



An analysis of the lease liabilities is as follows:

Year	December 31, 2023
2024	\$ 11,492,238
2025	11,212,772
2026	10,845,005
2027	10,506,446
2028	9,581,577
2029 and thereafter	113,958,730
Nominal lease payments	167,596,768
Contract update effects	(92,342,972)
Lease liabilities - net	\$ 75,253,796

The Company analyzes its services agreements that do not have the legal form of a lease to determine if the supplier transfers the use of an asset to **WALMEX**. After this analysis, **WALMEX** has determined that there are no material service agreements that must be classified as a lease.

The amounts recognized in the consolidated statements of income for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
Depreciation expense for the right of use assets, by type of asset:		
Property	\$ 4,426,590	\$ 4,042,270
Equipment	\$ 683,684	\$ 540,565
Interest on lease liabilities	\$ 7,836,519	\$ 7,049,835
Expenses related to short-term leases	\$ 146,527	\$ 194,342
Expenses related to leases of low-value assets	\$ 58,795	\$ 56,045
Variable lease payments (not included in the measurement of lease liabilities)	\$ 4,154,750	\$ 4,860,779
Sub-lease revenue	\$ (1,556,729)	\$ (1,439,050)

Amounts recognized in consolidated statement of cash flows as well as non-cash transaction, for the years ended December 31, 2023 and 2022, are as follow:

	2023	2022
Rent payments – principal	\$ 3,316,955	\$ 2,989,363
Rent payments – interest	\$ 7,836,519	\$ 7,049,835
Additions of right of use assets	\$ 6,196,845	\$ 2,591,724
Modifications and updates	\$ 3,141,926	\$ 5,920,509



11. INVESTMENT PROPERTIES

An analysis of investment properties as of December 31, 2023 and 2022 is as follows:

	December 31, 2021	Additions	Disposals	Modifications and updates	Transfers	December 31, 2022	Additions	Disposals	Modifications and updates	Transfers	December 31, 2023
Land	\$ 2,569,611	\$ -	\$ -	\$ -	\$ 103,553	\$ 2,673,164	\$ -	\$ -	\$ -	\$ (169,429)	\$ 2,503,735
Buildings	5,416,222	-	(78,909)	116,933	91,227	5,545,473	1,651	(367,215)	142,587	(32,112)	5,290,384
Facilities and improvements	1,135,775	-	(11,101)	-	3,363	1,128,037	-	(121,694)	-	(5,743)	1,000,600
Subtotal	9,121,608	-	(90,010)	116,933	198,143	9,346,674	1,651	(488,909)	142,587	(207,284)	8,794,719
Accumulated depreciation	(3,537,762)	(285,878)	31,775	-	(74,704)	(3,866,569)	(269,540)	384,983	(48,278)	-	(3,799,404)
Total	\$ 5,583,846	\$ (285,878)	\$ (58,235)	\$ 116,933	\$ 123,439	\$ 5,480,105	\$ (267,889)	\$ (103,926)	\$ 94,309	\$ (207,284)	\$ 4,995,315

Depreciation expense for the years ended December 31, 2023 and 2022, was \$269,540 y \$285,878, respectively, and is included in the general expenses line in the consolidated statement of comprehensive income.

The investment properties of the Company consist of commercial properties located in Mexico. The administration determined that the investment properties are grouped according to the nature, characteristics and main client of each property.

As of December 31, 2023 and 2022, the fair values of the properties are based on Management’s valuations. To calculate the value of a commercial property, the rental approach was used, applying the corresponding gross rent multiplier (GRM). The Company determines the estimated fair value based on its annual rental income before expenses,

divided by the capitalization rate used in the real estate sector (Cap rate). On the other hand, the capitalization rates used for the year ended December 31, 2023 and 2022, was 9.0% and 8.5%, respectively. Effects on annual income and the update of the capitalization rate were considered in the calculation of the estimated fair value.

The Company’s Management determined that there is no impairment in the investment properties as of December 31, 2023 and 2022. The estimated fair value of the investment properties as of December 31, 2023 and 2022 is \$6,439,028 and \$6,701,368, respectively. The Company compares the estimated fair value and the net book value to determine if there are impairment.



12. INTANGIBLE ASSETS

An analysis of intangible assets as of December 31, 2023 and 2022 is as follows:

	December 31, 2021	Additions	Disposals	Transfers	Translations effect and others	December 31, 2022	Additions	Disposals	Transfers	Translations effect	December 31, 2023
Goodwill	\$ 35,767,241	\$ -	\$ -	-	\$ (153,537)	\$ 35,613,704	\$ 125,854	\$ -	-	\$ (1,442,747)	\$ 34,296,811
Trademarks	788,785	-	-	-	(16,286)	772,499	-	-	-	(51,784)	720,715
Licenses and software	4,762,536	1,254,606	(959,543)	123,230	(9,189)	5,171,640	1,213,400	(11,794)	227,306	(66,956)	6,533,596
Subtotal	5,551,321	1,254,606	(959,543)	123,230	(25,475)	5,944,139	1,213,400	(11,794)	227,306	(118,740)	7,254,311
Accumulated amortization	(2,560,513)	(685,028)	906,297	(7,989)	7,764	(2,339,469)	(930,719)	4,838	(715)	51,163	(3,214,902)
Subtotal	2,990,808	569,578	(53,246)	115,241	(17,711)	3,604,670	282,681	(6,956)	226,591	(67,577)	4,039,409
Total	\$ 38,758,049	\$ 569,578	\$ (53,246)	\$ 115,241	\$ (171,248)	\$ 39,218,374	\$ 408,535	\$ (6,956)	\$ 226,591	\$ (1,510,324)	\$ 38,336,220

Trademarks represents the trademarks acquired at the time of the acquisition of Walmart Central America, including Pali, Despensa Familiar, Maxi Bodega, among others. Trademarks are translated at the year-end-exchange rate and the corresponding effect is recognized as a component of other comprehensive income.

Licenses, software and customer amortization expense for the years ended December 31, 2023 and 2022, were \$930,719 and \$685,028, respectively, and is included in the general expenses line of the consolidated statement of comprehensive income.

As a result of its impairment testing, the Company concluded that there was no impairment in the value of the Goodwill as of December 31, 2023 and 2022. The assumptions used in the goodwill impairment test are:

- Net book value of long-lived assets with a defined and indefinite life.

- Projection period of financial and operational assumptions (Revenues, EBITDA, Working Capital and Capex) of 5 years for each cash-generating unit (CGU).
- Estimate of the terminal value in perpetuity based on the latest estimated flow, considering a growth between 2.1% and 5.7% (3.3% and 6.1% in 2022) in nominal terms, which correspond to the estimated average inflation for each CGU.
- Appropriate discount rate, based on the weighted average cost of capital (WACC) methodology, which vary in a range from 8.1% to 13.40% (9.7% to 12.6% in 2022) determined according to the associated risks for each CGU.



13. RELATED PARTIES

a) Related party balances

As of December 31, 2023 and 2022, the consolidated statement of financial position includes the following balances with related parties:

	2023	2022
Accounts payable:		
C.M.A. – U.S.A., L.L.C	\$ 801,317	\$ 612,659
WMGS Commercial Services Limited	28,257	-
	<u>\$ 829,574</u>	<u>\$ 612,659</u>
Other short-term accounts payable:		
Walmart Inc.	\$ 1,331,668	\$ 1,302,994
WMGS Commercial Services Limited	52,797	134,956
Newgrange Platinum Services LTD	37,742	21,417
	<u>\$ 1,422,207</u>	<u>\$ 1,459,367</u>
Other long-term accounts payable:		
Walmart, Inc. (Note 16)	\$ 133,834	\$ 163,409

Balances with related parties consist of current accounts that bear no interest, are payable in cash and have no guarantees. Balances with related parties are considered recoverable and consequently, for the years ended December 31, 2023 and 2022, there were no uncollectible related party balances.

b) Related party transactions

WALMEX has entered into the following open-ended agreements with related parties:

- Imports of goods for resale, which are interest-free and payable monthly with CMA USA LLC.
- Commissions for procurement services to WMGS Commercial Services Limited that are payable on a recurring basis.
- Technical assistance and services with Walmart, Inc. that are payable monthly.
- Administrative and process services with Newgrange Platinum Service, LTD, that are payable monthly.
- Royalties for trademark use and Know-How with Walmart, Inc., payable quarterly based on a percentage of sales of the retail businesses and Sam’s.

The terms of the related party transactions are consistent with those of an arm’s length transaction.

The Company had the following transactions with related parties during the years ended December 31, 2023 and 2022, respectively:

	2023	2022
Purchases and commissions related to the import of Good for resale:		
C.M.A. – U.S.A., L.L.C.	\$ 5,406,569	\$ 4,822,933
WMGS Commercial Services Limited	874,819	887,463
	<u>\$ 6,281,388</u>	<u>\$ 5,710,396</u>
Costs and expenses related to technical assistance, services and royalties:		
Walmart Inc.	\$ 9,245,998	\$ 8,574,148
Newgrange Platinum Services LTD	551,659	508,630
	<u>\$ 9,797,657</u>	<u>\$ 9,082,778</u>



c) Remuneration of principal officers

Remuneration to the Company’s principal officers and Board of Directors for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Short-term benefits	\$ 2,022,879	\$ 1,806,127
Termination benefits	82,857	104,512
Share-based payments	92,303	68,353
	<u>\$ 2,198,039</u>	<u>\$ 1,978,992</u>

14. OTHER ACCOUNTS PAYABLE

An analysis of other accounts payable as of December 31, 2023 and 2022, is as follows:

	2023	2022
Accrued liabilities and others (a)	\$ 30,855,484	\$ 26,227,358
Contingencies (Note 15)	1,977,808	1,924,061
Deferred revenues (b)	1,789,263	1,557,776
Related parties (Note 13)	1,422,207	1,459,367
Dividends	217,585	187,491
	<u>\$ 36,262,347</u>	<u>\$ 31,356,053</u>

- (a) Accrued liabilities and others includes an effect due to reforms to the Federal Labor Law in Mexico that have changed the provisions applicable to vacations, and now provides that workers with more than one year of service will enjoy an annual period of paid vacation, which in no case may be less than twelve working days and which will increase by two working days, up to twenty, for each subsequent year of service. Although the entry into force of this reform is January 1, 2023, it concluded that obligation and the corresponding liability was presented at December 31, 2022 with an impact of \$263 million
- (b) Includes Sam’s club memberships, unredeemed gift cards and deferred income for rentals related to the sale of Vips and Suburbia.

15. COMMITMENTS AND CONTINGENCIES

a) Commitments

As of December 31, 2023, the Company has entered into agreements with suppliers for the acquisition of inventories, property and equipment, maintenance services, as well as renewable energy supply services, as shown below:

Year	Amount
2024	\$ 31,887,892
2025	\$ 5,091,546
2026	\$ 3,332,244
2027	\$ 3,370,866
2028	\$ 3,439,657
2029 and thereafter	\$ 19,991,434

The Company has lease commitments as explained in Note 10.



b) Contingencies

The Company is subject to several lawsuits and contingencies for legal proceedings (labor, civil, commercial and administrative proceedings) and tax proceedings. The Company has recognized a provision of \$1,977,808 as of December 31, 2023, (\$1,924,061 in 2022) which is presented in other accounts payable.

In the opinion of the Company, none of the legal proceedings are significant either individually or as a whole.

16. LEASES AND OTHER LONG-TERM LIABILITIES

Lease and other long-term liabilities as of December 31, 2023 and 2022, includes:

	2023	2022
Long-term leases (Note 10)	\$ 70,941,673	\$ 66,327,036
Deferred rental incomes	3,350,792	3,389,703
Related parties (Note 13)	133,834	163,409
Others	7,106	7,906
	\$ 74,433,405	\$ 69,888,054

17. INCOME TAXES

The income tax provision includes taxes payable by **WALMEX**'s subsidiaries in Mexico and abroad, determined in accordance with the tax laws in force in each country. On December 31, 2023, companies in Mexico determined and paid their income tax under the general tax law.

An analysis of income taxes charged to the income statement for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Current income taxes:		
México	\$ (14,607,290)	\$ (15,312,910)
Central America	(3,774,817)	(2,864,242)
Consolidated	(18,382,107)	(18,177,152)
Deferred income taxes:		
México	1,312,188	3,845,902
Central America	53,171	(61,125)
Consolidated	1,365,359	3,784,777
	\$ (17,016,748)	\$ (14,392,375)

As of December 31, 2023 and 2022, the Company's effective tax rate is 24.8% and 22.7%, respectively. The difference between the statutory tax rate and Company's effective tax rate is mainly due to inflationary effects and other permanent items.



The income tax rates applicable to each country are shown below:

	Rate
Mexico	30%
Costa Rica	30%
Guatemala	25%
Honduras	30%
Nicaragua	30%
El Salvador	30%

An analysis of the effects of the long term income taxes (assets and liabilities), as of December 31, 2023 and 2022, is as follows:

	2023	2022
Deferred tax assets:		
Other accounts payable	\$ 6,541,803	\$ 5,762,883
Leases and other long-term liabilities	5,082,644	4,949,842
Inventories	1,134,805	1,210,472
Labor obligations	679,298	937,896
Tax losses carryforward from subsidiaries	599,762	1,153,279
Provision for impairment of other receivable	139,534	89,585
	\$ 14,177,846	\$ 14,103,957
Deferred tax liabilities:		
Property and equipment	\$ 3,099,171	\$ 4,973,607
Prepaid expenses	451,805	259,237
Investment in subsidiaries and other items	-	136,755
Deferred income tax	\$ 3,550,976	\$ 5,369,599
Long-term income tax	930,575	1,118,025
Income taxes	\$ 4,481,551	\$ 6,487,624

The deferred income tax asset derived from tax losses not amortized is recognized to the extent that the related tax benefit through future taxable profits is probable.

The Company has the following tax losses from subsidiaries that may be carried forward against future taxable income:

Year of expiration	Amount
2027	\$ 65,817
2028	309
2029	14,564
2030	609
2031	413,614
2032	1,158,807
2033	345,484
	\$ 1,999,204

Changes in the assets and liabilities for long-term income taxes, net as of December 31, 2023 and 2022, is as follows:

	2023	2022
Balances as of beginning of the year	\$ 7,616,333	\$ 3,958,037
Income tax charged in the year	1,449,026	3,739,259
Long-term income taxes	559,797	(171,149)
Other comprehensive income tax by labor obligations	105,141	29,743
Excess of previous years	(83,667)	45,518
Business acquisition effect (Note 4)	(15,690)	-
Translation effect	65,355	14,925
Balance as of end of the year	\$ 9,696,295	\$ 7,616,333



18. EMPLOYEE BENEFITS

As of December 31, 2023 and 2022, an analysis of the Company’s assets and liabilities for seniority premiums and retirement benefits is as follows:

	Seniority premiums		Retirement benefits	
	2023	2022	2023	2022
Defined benefit obligations	\$ 2,196,654	\$ 2,057,057	\$ 1,444,745	\$ 1,422,429
Plan assets	(1,314,289)	(1,200,930)	-	-
Net projected liability	\$ 882,365	\$ 856,127	\$ 1,444,745	\$ 1,422,429

Changes in the net present value of the defined benefit obligations (DBO) as of December 31, 2023 and 2022, are shown below:

	Seniority premiums		Retirement benefits	
	2023	2022	2023	2022
DBO at beginning of year	\$ 2,057,057	\$ 1,916,026	\$ 1,422,429	\$ 1,618,477
Net period cost charged to results:				
Labor cost from actual services	230,479	214,600	200,130	169,696
Interest cost on DBO	193,267	156,829	101,067	100,414
Other actuarial items	(290,592)	-	131,176	-
Other comprehensive income items	302,519	23,261	33,332	(65,804)
Benefits paid	(296,076)	(254,074)	(280,031)	(314,472)
Transfers	-	415	-	-
Translation effect	-	-	(163,358)	(85,882)
DBO at end of the year	\$ 2,196,654	\$ 2,057,057	\$ 1,444,745	\$ 1,422,429

Changes in the net present value of the plan assets (PA) as of December 31, 2023 and 2022, are shown below:

	Seniority premiums	
	2023	2022
PA at beginning of year	\$ (1,200,930)	\$ (1,211,960)
Return on plan assets	(111,773)	(109,764)
Other comprehensive income items	13,962	128,148
Plan contributions	(311,211)	(261,197)
Benefits paid	295,663	253,843
PA at the end of the year	\$ (1,314,289)	\$ (1,200,930)

The valuation techniques used by the Company to determine and disclose the fair value of its financial instruments are based on a level 1 hierarchy.

As of December 31, 2023 and 2022, the plan assets have been invested through the trust mostly in money market instruments. As of December 31, 2023 and 2022, actuarial gains/losses from labor obligations, net of taxes are recognized as a component of other comprehensive income in the amount of \$1,399,364 and \$1,154,692, respectively.



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

	Mexico		Central America	
	2023	2022	2023	2022
Financial:				
Discount rate	9.90%	9.52%	5.41% - 11.28%	4.6% - 13.2%
Salary increase rate	5.25%	5.25%	3.5% - 6.3%	3.5% - 6.3%
Minimum salary increase rate	4.75%	4.75%	2.0%	2.00%
Inflation rate	4.00%	4.00%	0.70% - 4.20%	0.70% - 4.70%
Biometrics:				
Mortality	IMSS 2009 ⁽¹⁾	IMSS 2009 ⁽¹⁾	RP - 2000 ⁽²⁾ Disability study table 1985	RP - 2000 ⁽²⁾ Disability study table 1985
Disability	2.1%	2.1%		
Retirement age	65 años	65 años	50 – 60 años	50 - 65 años

⁽¹⁾ Mexican Social Security Institute experience for males and females
⁽²⁾ RP-2000 for Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador

A sensitivity analysis of the DBO as of December 31, 2023, is as follows.

	Amount
DBO December 31, 2023	\$ 3,641,399
DBO at discount rate + 1%	\$ 3,568,368
DBO at discount rate – 1%	\$ 3,849,089
Effects over DBO:	
Discount rate + 1%	\$ (174,781)
Discount rate – 1%	\$ 187,601

The discount rate in Mexico is determined using the curve of government bonds issued by the Federal Government known as M Bonds. In Central America, the discount rate is determined using the curve of government bonds of United States of America plus the risk of each country.

19. EQUITY

a) At an ordinary meeting held on March 30, 2023, the shareholders adopted the following resolutions:

- 1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2023 to repurchase its own shares.
- 2. The shareholders declared an ordinary cash dividend of \$1.12 pesos per share, paid in two installments of \$0.56 each, the first one on November 29, 2023 and the second one on December 6, 2023; and an extraordinary dividend to be paid in cash at a rate of \$1.57 pesos per share in three installments: \$0.75 pesos per share on April 11, 2023, \$0.41 pesos per share on November 29, 2023 and \$0.41 pesos per share on December 6, 2023.

b) At an ordinary meeting held on April 7, 2022, the shareholders adopted the following resolutions:

- 1. Approval of a cap of \$5,000,000 on the amount the Company would use in 2022 to repurchase its own shares. There was no repurchase of its own shares as of December 31, 2022.
- 2. The shareholders declared an ordinary cash dividend of \$1.00 pesos per share, paid in two installments of \$0.50 each; the first one on November 24, 2022, and the second one on December 27, 2022; and an extraordinary dividend to be paid in cash at a rate of \$0.71 pesos per share in two installments: \$0.35 pesos per shares on November 24, 2022 and \$0.36 pesos per share on December 27, 2022.



After the dividend declared is approved at the shareholders’ meeting, the Company reduces retained earnings and recognizes the accounts payable in the consolidated statement of financial position.

As of December 31, 2023 and 2022, the decreed dividends are as follows:

	2023	2022
Dividends in cash decreed and paid		
Ordinary dividend \$1.12 per share (\$1.00 in 2022)	\$ 19,285,428	\$ 17,285,400
Extraordinary dividend \$1.57 per share (\$0.71 in 2022)	27,063,179	12,272,638
	<u>\$ 46,348,607</u>	<u>\$ 29,558,038</u>

c) Capital stock is represented by one series of nominative, common or ordinary registered shares with no par value that can be freely subscribed. The Company’s capital stock must be represented by a minimum of three billion shares and a maximum of one hundred billion shares.

As of December 31, 2023 and 2022, an analysis of paid-in stock and the number of shares representing it is as follows:

Common stock	2023	2022
Fixed mínimum capital	\$ 5,591,362	\$ 5,591,362
Variable capital	36,898,537	36,935,265
Subtotal	42,489,899	42,526,627
Inflation effects	2,939,261	2,941,801
Total	<u>\$ 45,429,160</u>	<u>\$ 45,468,428</u>
Number of freely subscribed common shares	<u>17,446,322,177</u>	<u>17,461,402,631</u>

During the year ended as of December 31, 2023, 15,080,454 shares of **WALMEX** were acquired; such repurchase implied reduce the capital as is shown in the Consolidated statements of changes in equity.

d) Distributed earnings and capital reductions that exceed the net taxed profits account (CUFIN per its acronym in Spanish) and restated contributed capital account (CUCA per its acronym in Spanish) balances, are subject to income tax, in conformity with Articles 10 and 78 of the Mexican Income Tax Law.

As of December 31, 2023 and 2022, the total balance of the tax accounts related to equity is \$76,989,724 and \$73,463,886, respectively, in conformity with the current tax laws.

e) The employee stock option plan fund consists of 225,355,288 **WALMEX** shares, which have been placed in a trust created for the plan.

The total compensation cost charged to Operating results during the year ended December 31, 2023 and 2022 was \$478,401 and \$384,953, respectively, which represented no cash outflow for the Company and it is included in the general expenses line in the consolidated comprehensive income statement.



Changes in the stock option plan are as follows:

	Number of shares	Weighted average price per share (pesos)
Balance as of December, 31, 2021	162,689,486	49.76
Granted	40,943,537	76.42
Exercised	(25,227,765)	45.00
Cancelled	(11,742,622)	55.39
Balance as of December 31, 2022	166,662,636	56.64
Granted	47,706,383	71.54
Exercised	(24,209,421)	47.96
Cancelled	(11,067,835)	65.00
Balance as of December 31, 2023	179,091,763	61.48
Shares available for option grant:		
December 31, 2023	46,263,525	
December 31, 2022	8,522,073	

As of December 31, 2023, the granted and exercisable shares under the stock option plan fund are 179,091,763 of which 78,728,817 are available to exercise.

20. OTHER DISCLOSURES OF REVENUE

a) The other revenue that forms part of the main activity of the Company as of December 31, 2023 and 2022 is as follows:

	2023	2022
Memberships	\$ 2,773,213	\$ 2,500,083
Rents	2,746,171	2,571,438
Sale of waste	783,384	943,799
Parking	98,676	93,670
Total	\$ 6,401,444	\$ 6,108,990

As of December 31, 2023, rental income includes investment properties of \$632,294 (\$581,894 in 2022).

b) The Company analyzes and manages its operation through its geographical location and business format.

An analysis of income from contracts with customers for the year ended December 31, 2023 and 2022 is as follows:

	2023	2022
Mexico:		
Self-service	61.70%	61.3%
Price Clubs	22.0%	21.6%
Central America	16.3%	17.1%

Of WALMEX’s total net sales, approximately \$40.5 billion and \$34.3 billion relates to electronic commerce in Mexico for the years ended December 31, 2023 and 2022, respectively.



In Central America, the net sales related to electronic commerce are \$1.1 billion and \$853 million for the years ended December 31, 2023 and 2022, respectively, and includes the sales made through home delivery platforms.

21. COST OF SALES AND GENERAL EXPENSES

Cost of sales and general expenses are presented in the consolidated statement of comprehensive income and mainly include the purchase of merchandise, personnel expenses, depreciation and amortization, rent, advertising, maintenance, utilities, royalties, and technical assistance.

22. FINANCIAL INCOME (EXPENSES)

An analysis of financial income (expenses) for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Financial income		
Financial income	\$ 3,021,084	\$ 2,025,182
Currency exchange gain	879,535	961,132
Income on changes in fair value of derivatives	329,979	465,885
	<u>\$ 4,230,598</u>	<u>\$ 3,452,199</u>
Financial expenses:		
Interest on Finance leases	\$ (7,836,519)	\$ (7,049,835)
Currency exchange loss	(595,851)	(532,631)
Loss on chages in fair value of derivatives	(430,874)	(389,373)
Other financial expenses	(36,600)	(125,418)
	<u>\$ (8,899,844)</u>	<u>\$ (8,097,257)</u>

Financial income primarily consists of interest earned on investments.

23. SEGMENT FINANCIAL INFORMATION

Segment financial information is prepared based on the information used by the CODM to make business decisions.

An analysis of financial information by operating segments and geographical zones is as follows:

Year ended December 31, 2023			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 63,957,761	\$ (4,230,666)	\$ 59,727,095
Central America	9,318,222	(438,580)	8,879,642
Consolidated	<u>\$ 73,275,983</u>	<u>\$ (4,669,246)</u>	<u>\$ 68,606,737</u>

Year ended December 31, 2022			
Segment	Operating income	Financial expenses, net	Income before income taxes
Mexico	\$ 59,236,007	\$ (4,004,968)	\$ 55,231,039
Central America	8,775,610	(640,090)	8,135,520
Consolidated	<u>\$ 68,011,617</u>	<u>\$ (4,645,058)</u>	<u>\$ 63,366,559</u>



Year ended December 31, 2023

Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 24,896,088	\$ 16,792,478	\$ 334,509,599	\$ 132,465,119
Central America	3,896,090	3,784,961	67,740,206	23,753,394
Goodwill	-	-	34,296,811	-
Consolidated	\$ 28,792,178	\$ 20,577,439	\$ 436,546,616	\$ 156,218,513

Year ended December 31, 2022

Segment	Purchase of long term definite-lived assets	Depreciation and amortization	Total assets	Current liabilities
Mexico	\$ 17,691,399	\$ 15,357,415	\$ 316,184,388	\$ 116,407,749
Central America	3,612,340	4,001,790	67,010,279	21,278,005
Goodwill	-	-	35,613,704	-
Consolidated	\$ 21,303,739	\$ 19,359,205	\$ 418,808,371	\$ 137,685,754

An analysis of income from customer contracts is presented in Note 20.

24. OTHER DISCLOSURES

- a) As a result of the continued negotiations with the fiscal authorities of a country where we operate in Central America, in 2023 the Company reached an agreement regarding tax issues to cover all past tax liabilities by making a payment of \$1,108M, and also the Company got written confirmations of the taxes that will apply going forward. While we believe we had strong legal grounds to uphold our positions, we concluded that the substantial reduction on the amounts claimed and the certainty for the future were the best decision for **WALMEX**.
- b) As of January 24, 2022, the Company informed its shareholders and the investing public at large that, as approved by its Board of Directors, it is considering strategic alternatives regarding its operations in El Salvador, Honduras and Nicaragua as it focuses efforts and capital on its core business and geographies. These alternatives could include, among others, possible joint ventures, strategic partnerships or alliances, a sale or other possible transactions.

The Company gives no assurance that the process will result in a transaction. **WALMEX** will inform its shareholders and the investing public at large as provided under applicable laws and regulations.

- c) On November 23, 2020, **WALMEX** received a notification from the Federal Economic Competition Commission (COFECE), that it has initiated an ex officio investigation in the supply and distribution market to the wholesale of consumer goods, retail marketing of these and related services for the alleged commission of relative monopolistic practices. **WALMEX** responded to four requests for information, beginning on November 23, 2020 and ending on June 2023.

On June 21, 2023, COFECE published the notice through which it formally concluded the investigation stage.

On October 6, 2023, COFECE notified **WALMEX** that COFECE’s Investigative Authority had recommended the initiation administrative process followed in the form of trial against **WALMEX**’s main Mexican operating subsidiary. On December 14, 2023, **WALMEX** timely submitted its defense arguments and



offered its evidence with COFECE. A resolution in this administrative stage is expected during the second half of 2024. This is the first opportunity for **WALMEX** to defend itself against the Investigative Authority allegations.

WALMEX is confident that its actions have adhered to the applicable legislation, and that its participation in the Mexican market has resulted in lower prices for consumers, particularly benefiting Mexican families with the lowest incomes, and in remote areas of the country that have not been attended by others, which we will demonstrate in the corresponding instances and in the appropriate forums, in which we will exercise our rights.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements and accompanying notes for the years ended December 31,2023 and 2022, were approved by the Company’s management and Board of Directors on February 14, 2024 and are subject to approval by the Shareholders meeting. Subsequent events are considered through this date.



REPORT OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEES

WAL- MART DE MÉXICO, S.A.B. DE C.V. ANNUAL REPORT

**Board of Directors Wal-Mart de
México S.A.B. de C.V.**

DEAR DIRECTORS:

In compliance with article 43 of the Securities Market Law (“LMV”) and the Rules of Procedure of the Committees, duly approved by the Board of Directors for Wal-Mart de México, S.A.B. of C.V. (which together with its subsidiaries hereinafter is the “Company”), we hereby inform you of the activities undertaken during the reporting period ending on December 31st, 2023.

Throughout the work conducted, in addition to that stipulated under the LMV, we have abided by that contained under the Code of Best Corporate Governance, issued by the Coordinating Business Council; the Code of Ethics of the Company; the General Internal Regulation of the Mexican Stock Exchange; and the general provisions stemming from the LMV.

To comply with our oversight process, the Audit and Corporate Governance Committees held quarterly regular meetings during 2023, to analyze the overall situation regarding matters of material importance in the fields of finance, accounting, legal, operations and ethics for the Company, and enhancing our participation throughout the year in meetings with the CEO, CFO and General Counsel of the Company, as well as the reports rendered by the principal officers of the Company, highlighting the following:

I. Audit matters:

- a) The status of the internal control system and were informed in detail of the programs and development of internal and external audits.
- b) The main aspects requiring improvement and followed-up on the preventive and corrective measures implemented by the management of the Company. Therefore, it is our opinion that the effectiveness required for the Company to function with an appropriate level of control is being accomplished.
- c) The performance of the independent auditors, who are responsible for issuing an opinion on the reasonability of the Company’s Financial Statements and their adherence to International Financial Information Standards. Hence, we consider that the partners at Mancera, S.C. (a member of EY Global) comply with all necessary requirements regarding the professional quality. Additionally, and prior to provide their audit services, the Audit Committee evaluated the necessary requirements for intellectual and economic independence of action, therefore we recommended to the Board to ratify EY’s appointment as external auditors to examine and issue the report on the Financial Statements of the Company. Likewise, we approved the amount of the fees corresponding to the external audit services. During 2023, no services other than the external audit of Financial Statements were retained by this firm.
- d) The Company’s quarterly and annual Financial Statements and recommended, at the appropriate time, their approval by the Board of Directors for its publication.



- e) The accounting policies approved and applied during the fiscal year ended on December 31st 2023.
- f) The follow-up to all relevant observations made by the shareholders, Directors, relevant officers and employees of the Company, and in general from any other third party, regarding accounting, internal controls and issues related to internal or external audit matters.
- g) The follow-up to agreements made by the Shareholders in the General Meeting and by the board of directors of the Company.
- h) The legal contingencies to which the Company is exposed, and which are recognized in the financial statements as per the probability of occurring.
- i) The progress regarding cybersecurity matters.
- j) The progress of the Enterprise Risk Management (ERM) established by the Company.
- k) Lastly, on Ethics and Compliance matters and the measures adopted by the Company to reinforce those aspects.

II. Corporate Governance affairs:

- a) Performance evaluation processes for relevant officers.
- b) The transactions with related parties, during the reporting period, that may had occurred during the annual period ending December 31st, 2023, with an itemized description of the characteristics of significant transactions and their corresponding transfer pricing studies. Those items are mentioned in the corresponding note of the Financial Statements.
- c) Emolument packages or total compensation of the CEO and relevant officers, as well as the new metrics to define the Long-Term Incentive for executives.

- d) The Board of Directors granted no permission whatsoever to any Director, relevant officer, or anyone with a position of decision maker, as indicated under article 28, section III, paragraph f) of the LMV.
- e) The results of the transfer pricing study 2023 for Mexico and Central America, informing that all its operations were made accordingly.

Based on the work completed and the opinion issued by independent auditors, we feel that the accounting and information policies and criteria followed by the Company are suitable and sufficient and that they have been consistently applied; as a result, the information presented by the CEO is a reasonable reflection of the Company’s financial situation and results.

Due to all the aforementioned, we recommend that the Board of Directors submits to the General Annual Shareholders Meeting, for their approval, the Financial Statements for Wal-Mart de México, S.A.B. de C.V. and its subsidiaries for the period ending December 31st 2023.

Sincerely,

Ernesto Cervera
Presidente /Chair
Audit and Corporate Governance Committees.

Mexico City, February 14th, 2024.