

LA COMER, S.A.B. DE C.V. (BMV: LACOMER) ANNOUNCES TODAY ITS 4THQ21 RESULTS

Mexico City, February 23, 2022. La Comer, S.A.B. de C.V., hereafter La Comer (BMV: LACOMER), holding company that operates in the retail sector in Mexico through supermarkets offering groceries, perishables and pharmacy; announced today its 4thQ 2021 results.

Fourth Quarter 2021 Results

Highlights:

- ✓ Increase in total sales of 12.6% and same store sales growth of 7.6%
- ✓ Gross margin of 28.4%
- ✓ EBITDA margin of 8.5%

	4Q 2021				
	2021	%	2020	%	Var %
Net sales	7,756.4	100.0	6,890.2	100.0	12.6
Cost of sales	5,550.0	71.6	4,979.3	72.3	11.5
Gross profit	2,206.4	28.4	1,910.9	27.7	15.5
Operating expenses	1,820.2	23.5	1,539.2	22.3	18.3
Operating profit	386.2	5.0	371.7	5.4	3.9
EBITDA ¹	661.2	8.5	636.1	9.2	4.0
Operational cash flow ²	598.3	7.7	581.2	8.4	2.9
Net financial result	(9.1)	(0.1)	(33.9)	(0.5)	(73.2)
Taxes and other	(52.9)	(0.7)	58.9	0.9	-
Net Income	430.0	5.5	278.9	4.0	54.2
Same Store Sales (%)	7.6		16.3		
Clients (thousands)	16,736		14,762		13.4
Number of stores	77		72		6.9
Sales area (m ²)	329,033		308,862		6.5

In millions of Mexican pesos,

(1) EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortization.

(2) Operating Cash Flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.

Sales

Net sales for the quarter amounted \$7,756 million pesos, having an increase of 12.6% compared to the same period of 2020. Same store sales in the quarter grew 7.6%.

During the quarter, we participated in the "*Buen Fin*" campaign with very good results. Also, we continue with our weekly "*Miércoles de Plaza*" campaign, where we offer high-quality perishable products at preferential prices every Wednesday, being highly accepted by our customers.

All formats, regions and categories show increases in sales, but the La Comer format presented the best increases in same-store sales in the quarter.

By region, higher growth in same-store sales was observed in the Northwest region due to the recovery that has taken place in tourist areas. The stores in the West region continue as well, with favorable increases in sales.

Due to the confinement situation and the adaptations to the new measures and needs presented by the COVID-19 pandemic, our sales levels of our digital platform "*La Comer en tu Casa*" continue with significant levels, although slightly more moderate than those presented during the third quarter. During this quarter we opened our first "Side Store" in Mexico City. This new store, adjacent to an existing one, has new spaces designed to cater exclusively to online orders, but at the same time takes advantage of synergies with an existing store.

Gross Profit

Gross profit increased from \$1,911 million pesos in the fourth quarter of 2020 to \$2,206 million pesos in the fourth quarter of 2021; presenting an increase of 15.5%. The gross margin for the fourth quarter of 2021 was 28.4% compared to 27.7% in the same period of the previous year, presenting an increase of 72 basis points,

The improvement that has occurred in the margin is due to the recovery in the income of the Real Estate business, as well as a greater participation in sales in our prepared food and bakery departments, which during the same period last year showed a decrease in their activities. Other factors that supported this increase are improvements in logistics and waste control.

Operating profit and EBITDA

For the fourth quarter of 2021 there was an operating profit of \$386 million pesos, showing an increase of 3.9% compared to the same period of the previous year and presenting in the fourth quarter of 2021 an operating margin of 5.0%.

Some accounts with relevant increases in expenses were:

- Expenses in packaging, since we continue to substitute compostable packaging that are friendlier to the environment, as well as packaging for impeccable shipments from our La Comer en tu Casa platform.
- Advertising expenses
- Expenses that support the opening of new stores
- Electricity expenses
- Extraordinary payment to Tax Authorities (SAT)

The EBITDA margin for the fourth quarter 2021 was 8.5%. The EBITDA for the fourth quarter 2021 was \$661 million pesos, showing a growth against the fourth quarter of 2020 of 4.0%.

Net Financial Result and Income Tax

During the quarter there were lower financial products than those obtained during the same period last year, and lower foreign exchange earnings.

During the quarter there was tax positive effect of \$53 million pesos due to the adjustment made against the provisions estimated in the first quarters of the year.

Given these effects, the net profit for the quarter was \$430 million pesos, presenting an increase against the fourth quarter of 2020 of 54.2%.

As of December 2021 Results

Highlights:

- ✓ Total sales growth of 7.0% and same stores sales of 4.3%
- ✓ 27.8% Gross margin
- ✓ 10.0% EBITDA margin

	As of December 31, 2021				
	2021	%	2020	%	Var %
Net sales	28,906.3	100.0	27,020.6	100.0	7.0
Cost of sales	20,856.6	72.2	19,638.4	72.7	6.2
Gross profit	8,049.7	27.8	7,382.2	27.3	9.0
Operating expenses	6,241.2	21.6	5,648.4	20.9	10.5
Operating profit	1,808.5	6.3	1,733.8	6.4	4.3
EBITDA¹	2,900.3	10.0	2,747.7	10.2	5.6
Operational cash flow ²	2,659.7	9.2	2,528.6	9.4	5.2
Net financial result	(23.4)	(0.1)	14.8	0.1	(258.1)
Taxes and other	242.0	0.8	281.3	1.0	(14.0)
Net Income	1,543.1	5.3	1,467.3	5.4	5.2
Same Store Sales (%)	4.3		18.8		
Clients (thousands)	62,859		60,079		4.6
Inventory days ratio	68		59		13.9
Supplier days ratio	71		65		9.5
Number of stores	77		72		6.9
Sales area (m ²)	329,033		308,862		6.5

In millions of Mexican pesos,

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(2) Operating Cash Flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.

Net Sales

In cumulative terms, total sales amounted to \$28,906 million pesos, presenting an increase of 7.0% compared to the previous year. Same store sales for the year increased by 4.3%.

Our La Comer format presented the highest increases in same-store sales in the year, helped by the good execution of our promotional campaigns that are carried out during the year mainly in this format. Likewise, our Fresko format presented positive increases.

All regions showed growth in same-store sales. The Northwest region had the highest growth in the year. Additionally, the stores in the Western region continue to show significant increases.

By product category, we can highlight that during the year, there were greater increases in the perishable category, as well as a strong recovery in the prepared food and bakery areas.

Gross profit

The gross profit presented a margin of 27.8% as a percentage of sales, presenting an increase of 52 basis points against the previous year. During 2021, the gross profit of \$8,050 million pesos, presented an increase with respect to the previous year of 9.0%.

We continued during the year with logistical efficiencies within our distribution centers. Additionally, we have had a recovery in the mix of products in which the participation of prepared foods and bakery has increased, which in general have a higher margin, as well as a recovery in real estate income.

Operating income and EBITDA

Operating profit for the year was \$1,809 million pesos, which presented an increase of 4.3% against the previous year and presenting a margin of 6.3% against a margin of 6.4%. During the year, the expenses that had higher increases were biodegradable packaging, advertisement and expenses for the opening of new stores.

In 2021, the EBITDA margin was 10.0% generating a flow of \$ 2,900 million pesos, growing 5.6% against the EBITDA of 2020.

The Operating Flow (EBITDA less the flow from rent payments), was for the year 2021 of \$2,660 million pesos, presenting an increase of 5.2% compared to the previous year of \$2,529 million pesos. The operating flow margin for 2021 was 9.2%, the same as for the previous year.

Financial income

Within this concept, the company presented an expense in the result of financing of \$23 million pesos, due to \$113 million pesos for financial products, interest on leases of \$155 million pesos and the difference, due to foreign exchange movements.

Taxes & Net profit

During this period, an income tax of \$242 million pesos was reported.

Net income for the year was \$1,543 million pesos compared to \$1,467 million for the previous year.

Working Capital

The company presented at the end of 2021 a cash balance of \$2,536 million pesos, presenting a decrease of \$505 million pesos against the cash balance as of December 2020, used mainly in the investment of projects that opened during the year. Levels for inventories were \$3,918 million pesos and for suppliers \$4,115 million pesos. Inventory turnover as of December 2021 was of 68 days, and a turnover of 71 days for suppliers, having a 3 day difference.

Investment projects

- In June, one store in format La Comer in Metepec State of Mexico was opened, generating 361 formal and indirect jobs.
- In August, a store was re-inaugurated in Huixquilucan, State of Mexico, completely rebuilt to change it to the Fresko format. This business unit generates 260 formal and indirect jobs.
- Also, in August, we inaugurated the first store in the City Market format in San Miguel de Allende, Guanajuato. This business unit generates 540 formal and indirect jobs.
- In November, the Fresko San Lucas store was opened in the state of Baja California Sur, generating 280 formal and indirect jobs.
- In December, we inaugurated our second store in the state of Nuevo León, by opening a store in the Fresko format, generating 260 formal and indirect jobs

Installed capacity 4Q2021

The company, as for the fourth quarter 2021, has 77 stores that operate in four different formats: City Market, Fresko, La Comer and Sumesa.

The installed capacity was as follows:

	Stores	Sq.mts.
La Comer	33	218,331
Sumesa	13	10,303
City Market	13	43,449
Fresko	18	56,950
	77	329,033

Sustainability and Social Responsibility

As a socially responsible company, La Comer has been taking care of both its human capital as well as its customers and suppliers during this time. The company continues to support the Un Kilo de Ayuda foundations; and the Mexican Foundation for Rural Development.

Until May of this year, we continued to provide compensation support to older adults who carried out their work as volunteer packers, since as of June they have begun to incorporate into their activities, with all the pertinent prevention measures.

Research and analyst coverage

In compliance with Mexican Stock Exchange internal regulation, article 4.033.01 - VIII (maintenance requirements), La Comer informs that the following institutions provide coverage to Equity securities of the company:

- BBVA Bancomer (Miguel Ulloa)
- Grupo Bursátil Mexicano (Luis Rodrigo Willard)
- Itaú BBA (Joaquín Ley)
- Scotiabank Inverlat (Rodrigo Echagaray)
- Punto Casa de Bolsa (Cristina Morales)
- Barclays (Benjamin M. Theurer)
- J.P. Morgan (Ulises Argote)
- Grupo Financiero Actinver (Jerónimo Cobián)
- Nau Securities LTD (Pedro Baptista)
- Vector Casa de Bolsa (Marcela Muñoz)

Sincerely,

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LA COMER, S.A.B. DE C.V.
QUARTER INCOME STATEMENT
(In thousands Mexican pesos as of December 31, 2021)

	4Q2021	%	4Q2020	%	Var.
Net sales	7,756,387	100.0%	6,890,177	100.0%	12.6%
Cost of sales	5,550,032	71.6%	4,979,326	72.3%	11.5%
Gross profit	2,206,355	28.4%	1,910,851	27.7%	15.5%
Selling expenses	1,537,011	19.8%	1,297,869	18.8%	18.4%
Administrative expenses	257,263	3.3%	252,623	3.7%	1.8%
Other income	40,817	0.5%	17,108	0.2%	138.6%
Other expenses	66,713	0.9%	5,733	0.1%	1063.7%
Operating profit	386,185	5.0%	371,734	5.4%	3.9%
Financial income	42,406	0.5%	40,303	0.6%	5.2%
Financial expenses	51,534	0.7%	74,228	1.1%	-30.6%
Earnings before tax & profit sharing	377,057	4.9%	337,809	4.9%	11.6%
Income tax	(52,904)	-0.7%	58,949	0.9%	-189.7%
Net income	429,961	5.5%	278,860	4.0%	54.2%
Depreciation & amortization	275,025	3.5%	264,325	3.8%	4.0%
EBITDA	661,210	8.5%	636,059	9.2%	4.0%
Operational Cash flow	598,301	7.7%	581,253	8.4%	2.9%

**LA COMER, S.A.B. DE C.V.
INCOME STATEMENT**

(In thousands Mexican pesos as of December 31, 2021)

	2021	%	2020	%	Var.
Net Sales	28,906,304	100.0%	27,020,615	100.0%	7.0%
Cost of sales	20,856,566	72.2%	19,638,362	72.7%	6.2%
Gross profit	8,049,738	27.85%	7,382,253	27.32%	9.0%
Operating expenses	5,337,258	18.5%	4,802,352	17.8%	11.1%
Administrative expenses	911,013	3.2%	848,106	3.1%	7.4%
Other income	83,014	0.3%	41,238	0.2%	101.3%
Other expenses	75,946	0.3%	39,230	0.1%	93.6%
Operating profit	1,808,535	6.3%	1,733,803	6.4%	4.3%
Financial income	159,436	0.6%	227,950	0.8%	-30.1%
Financial expenses	182,882	0.6%	213,170	0.8%	-14.2%
Earnings before tax & profit sharing	1,785,089	6.2%	1,748,583	6.5%	2.1%
Income tax	242,021	0.8%	281,316	1.0%	-14.0%
Net income	1,543,068	5.3%	1,467,267	5.4%	5.2%
Depreciation & amortization	1,091,795	3.8%	1,013,941	3.8%	7.7%
EBITDA	2,900,330	10.0%	2,747,744	10.2%	5.6%
Operating Cash Flow	2,659,658	9.2%	2,528,593	9.4%	5.2%

LA COMER, S.A.B. DE C.V.
BALANCE SHEET

(In thousands Mexican pesos as of December 31, 2021)

	2021	2020
Current Assets		
Cash and Temporary investments	2,535,787	3,040,366
Clients (net account receivables)	1,141,520	960,963
Recoverable taxes	24,725	16,252
Inventories	3,918,307	3,238,989
Other assets	109,819	110,293
Current assets other than non-current assets	7,730,158	7,366,863
Assets held for sale	17,039	17,039
Total Current Assets	7,747,197	7,383,902
Property, plant and equipment (Net)	16,396,281	14,739,721
Property and leasehold improvements	623,016	625,069
Assets by right of use	1,420,805	1,296,365
Intangible assets other than goodwill	6,277,998	6,277,998
Deferred tax assets	202,549	182,363
Other non-current non-financial assets	329,195	418,497
Total noncurrent assets	25,249,844	23,540,013
Total Assets	32,997,041	30,923,915
Trade payables	5,027,921	4,299,959
Taxes payable	389,282	213,364
Short-term lease liabilities	69,092	64,643
Total current provisions	365,743	337,072
Current Liabilities	5,852,038	4,915,038
Long-term lease liabilities	1,456,135	1,295,134
Provisions for employee long term benefits	188,244	143,218
Deferred tax liabilities	68,135	426,854
Total long-term liabilities	1,712,514	1,865,206
Total Liabilities	7,564,552	6,780,244
Capital Stock	1,966,662	1,966,662
Share issuance	264,724	264,724
Total Earned Capital	21,514,668	20,152,650
Other comprehensive income	1,686,435	1,759,635
Total controlling interest	25,432,489	24,143,671
Stock Holders' Equity	25,432,489	24,143,671
Total liabilities and stockholders' equity	32,997,041	30,923,915

LA COMER, S.A.B. DE C.V.
CASH FLOW STATEMENT

(In thousands Mexican pesos as of December 31, 2021)

Operation Activities	2021	2020
Earnings (Loss) net	1,543,068	1,467,267
Adjustments to reconcile earnings	2021	2020
Taxes payable	242,021	281,316
Financial income & expense	41,712	14,206
Depreciation and amortization expenses	1,091,795	1,013,941
Provisions	32,289	24,209
Income from disposal of current assets	2,730	6,507
Decrease (increase) in inventories	(679,318)	20,920
Decrease of clients	(2,194)	22,940
Increases in other receivables arising from operating activities	(186,835)	(228,907)
Increase (decrease) on suppliers	575,675	310,893
Increase (decrease) in other accounts payable	250,837	210,089
Total adjustments to reconcile profit	1,368,712	1,676,114
Net cash flows used in operations	2,911,780	3,143,381
Taxes on profits (paid)	501,712	41,631
Resources provided by operation activities	2,410,068	3,101,750
Cash Flows from Investment Activities	2021	2020
Amounts from the sale of property, plant and equipment	2,929	9,163
Purchases of property, plant and equipment	2,523,842	2,046,455
Long-term purchases of other equipment	20,517	1,248
Interests income	113,064	136,390
Net cash flow from investment activities	(2,428,366)	(1,902,150)
Cash flows from (used) in financing activities	2021	2020
Payments for acquiring or redeeming the entity's shares	45,868	(100,654)
Payments of lease liabilities	79,682	68,120
Dividends paid	205,955	432,584
Interest paid	154,776	150,596
Net cash flows from (used) in financing activities	(486,281)	(550,646)
Cash flow from investing activities	(504,579)	648,954
Financing activities	2021	2020
Increase/decrease in cash and temporary investments	(504,579)	648,954
Cash and temporary investments at beginning of year	3,040,366	2,391,412
Cash and temporary investments at the end of year	2,535,787	3,040,366