



CONSOLIDATING

GOOD

RESULTS



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GENERAL

INFORMATION



77 STORES

329,033 M² SALES AREA

2 DISTRIBUTION CENTERS

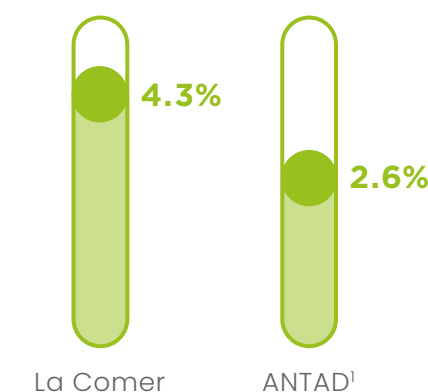
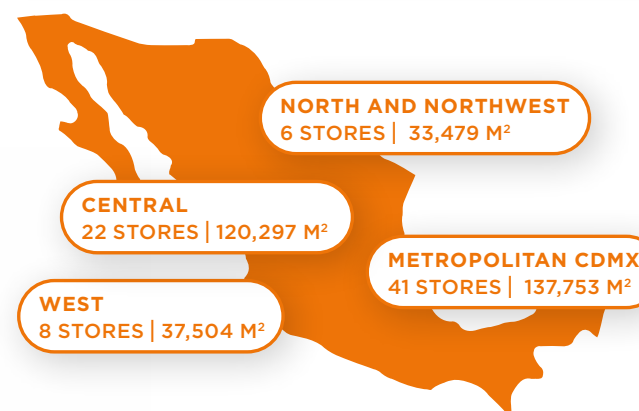
CEDIS VALLEJO
16,000 M²

382 RETAIL STORES

CEDIS OCCIDENTE
1,770 M²

GEOGRAPHIC DISTRIBUTION

SAME-STORE SALES



FINANCIAL HIGHLIGHTS²

	2021	2020	VARIATION
Net income	28,906	27,021	7.0%
Gross profit	8,050	7,382	9.0%
Gross margin	27.8%	27.3%	
Operating income	1,809	1,734	4.3%
Operating margin	6.3%	6.4%	
EBITDA	2,900	2,748	5.5%
EBITDA margin	10.0%	10.2%	
Net income	1,543	1,467	5.2%
Net margin	5.3%	5.4%	

¹ National Association of Supermarkets and Department Stores (Asociación Nacional de Tiendas de Autoservicio y Departamentales)
² Million Mexican pesos



OUR

FORMATS

77 STORES

329,033 M² SALES AREA



Supermarket with the largest sales area with departments of perishable products, groceries and general merchandise. Features specialty sections such as cafeteria and fresh juices.



33 STORES
35,000 PRODUCTS
218,331 M² SALES AREA



Gourmet supermarket with specialized areas for on-site consumption of Pintxos, Bar do Mar, and Italian food, in a magnificent atmosphere. Wine tasting and unique seasonal products. Premium, gourmet and organic products in all departments.



13 STORES
25,000 PRODUCTS
43,449 M² SALES AREA



Supermarket focused on the sale of high-quality perishables, groceries and a general household section. Features specialized cafeteria and fresh juice departments.



18 STORES
25,000 PRODUCTS
56,950 M² SALES AREA



Small supermarket for quick and convenient purchase of perishables and groceries.



13 STORES
15,000 PRODUCTS
10,303 M² SALES AREA



BASIC

PRINCIPLES

MEXICO

To ensure that our activities contribute to the progress of the country. We permanently strive to contribute to the social, environmental and economic development of our country.

OUR CUSTOMERS

To provide them with the best service and good quality merchandise at the best price. Our mission is to serve our customers with the best relation between price, quality, treatment and assortment. We are aware of the social function of representing our customers in the market; knowledge of their needs allows us to provide them with the products and services at the right time, place and in the right way.

OUR COLLABORATORS

To provide them with the benefits they expect from our company in an atmosphere of cordiality, harmony and development. We endeavor to provide integral development to our collaborators, which implies not only providing technical training, but everything that contributes to their professional and personal development.

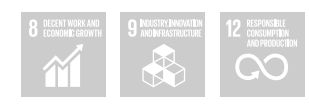
OUR SUPPLIERS

We offer and expect a relationship based on fairness, respect and honesty to ensure the best benefits for our customers. We seek to be an honest and respectful customer to our suppliers.

OUR SHAREHOLDERS

Provide adequate return, growth and security of their investment, in order to obtain real profits in accordance with the policies, goals and strategies set by our Board of Directors.

THE PHILOSOPHY THAT GOVERNS OUR DAILY WORK IS BASED UPON A SERIES OF PRINCIPLES THAT GUIDE OUR ACTIONS CONCERNING OUR DIFFERENT STAKEHOLDERS.



STRATEGY

Since the beginning of our company's operations, we have joined efforts and skills to overcome all the challenges the company has faced. We have been able to take advantage of the circumstances and with effort, talent, skills and attitude we have been able to consolidate each and every one of our stores. We have formed a unique company; one that makes a difference in the sector in which we operate.

We have dedicated to providing our customers with **the best shopping experience.** All our stores feature a superior image and environment, and provide basic and premium products, personalized service, specialized departments and a series of innovations where every detail has been taken care of to make shopping a memorable moment.

WE OFFER THE BEST SHOPPING EXPERIENCE BASED ON QUALITY, ATTENTION AND SERVICE



CONSOLIDATING

GOOD

RESULTS



+62 MILLION

CUSTOMERS IN 2021

FOCUS ON THE CUSTOMER

In order to provide our customers with the best shopping experience in the market, since the beginning we have kept a **differentiation strategy** that features higher quality, a pleasant environment, a wide variety of products, quick customer service and personalized service.

In addition to providing services and products with excellent quality at the best price, we continue to focus on our customers in order to provide them with the best shopping experience, a pleasant experience and leaving them highly satisfied and looking forward to coming back. Each store has a unique design to make shopping a great experience, featuring a variety of

services such as cafeteria, tortilla shop or even areas to have a snack, generating in our customers a state of relaxation and recreation.

We are constantly improving our ability to provide personalized attention, anticipate the needs of our customers, and respond to them in order to achieve their loyalty. Our collaborators are highly trained in guiding our customers through the best shopping experience and any customer may be assisted by our expert chefs, baristas, sommeliers and managers, through the different departments of the store.

OUR ESSENCE LIVES ON; WE HAVE NOT LOST OUR ORIGINAL SIMPLICITY AND WE CONTINUE TO STRIVE TO EXCEED OUR CUSTOMERS' EXPECTATIONS

Carlos González Nova
FOUNDER OF THE COMPANY



OUR CAMPAIGNS

Our famous *"Temporada Naranja"* (Orange Season) is the biggest and most important campaign we have during the year; through it we reinforce our commitment and positioning with our customers. Each of our departments and areas work hard to make the campaign a great success.

The campaign is always based on the customer; this year we implemented all the necessary actions to ensure offering seasonal promotions without compromising the security, comfort and atmosphere of the stores, the quality of our perishable products, the consistent supply of the basic food basket, product variety and, of course, the friendliness and service that characterizes us.

Our permanent campaign *"Miércoles de Plaza"* (Wednesday Plaza) was carried out with great success during the year. It is based on the offer of the best quality perishable products, and promotes mid-week shopping by providing our customers with a greater quantity and variety of fresh vegetables and fruits.





laComer

EN TU CASA



THE POSITIVE PROGRESS OF OUR SERVICE HAS GIVEN US CONFIDENCE TO VENTURE INTO A NEW PROJECT.

The *La Comer en Tu Casa* team has managed to consolidate all the initiatives implemented in the wake of the pandemic. Programs such as Pick Up, Express Delivery of prepared foods and pharmacy, or our "sanitized delivery", which uses cardboard boxes, continue. The home delivery service continues to focus on ensuring increasingly higher levels in metrics such as supply, timeliness and quality. The service levels we have achieved allowed us to launch in 2021 the *"Como te gusta, te llega"* campaign, showing our customers our commitment to providing the best home delivery service. Fortunately, all these efforts have been reflected in the high opinion that customers have of our service.

The e-commerce and Systems teams continue to search for the best technological tools to better serve our customers. Examples of these are the implementation of a cutting-edge platform for CRM and personalization with state-of-the-art technology, as well as the launch of our three Chatbots: *La Comer Responde*, *Fresko Coach* and *City Market Concierge*. Through these WhatsApp Chatbots, our customers can perform a variety of actions: from downloading the digital brochure and receiving promotions and offers, to placing pharmacy orders through Express Delivery.

lacomer.com.mx

AVERAGE CUSTOMER EVALUATION OF EXPERIENCE AT LACOMER.COM.MX

2020

★ ★ ★ ★ ☆

2021

★ ★ ★ ★ ☆

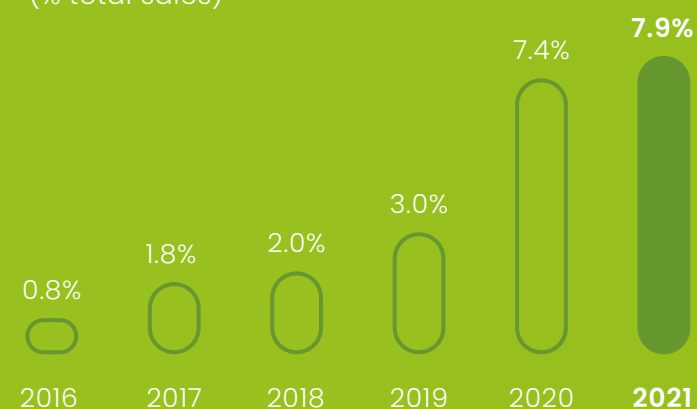




FIRST SIDE STORE

In the last quarter of 2021, adjacent to an existing store, we initiated the implementation of this new concept which has new spaces designed exclusively to serve online orders while taking advantage of synergies with the existing store. A few months after this opening, we are already seeing important operational advantages which we are very excited about, as they will increase our capacity to serve more customers with better operational standards.

LA COMER EN TU CASA (% total sales)



+5%

EXTRA SALES TO THE ONLINE PLATFORM

by strategic allies (last millers) who generate online orders and make purchases in our stores

QUALITY PROMISE

COMO TE GUSTA,

TE LLEGA



7.9%

 Participation

LA COMER EN TU CASA SALES

13%

 Share

TOTAL ONLINE SALES



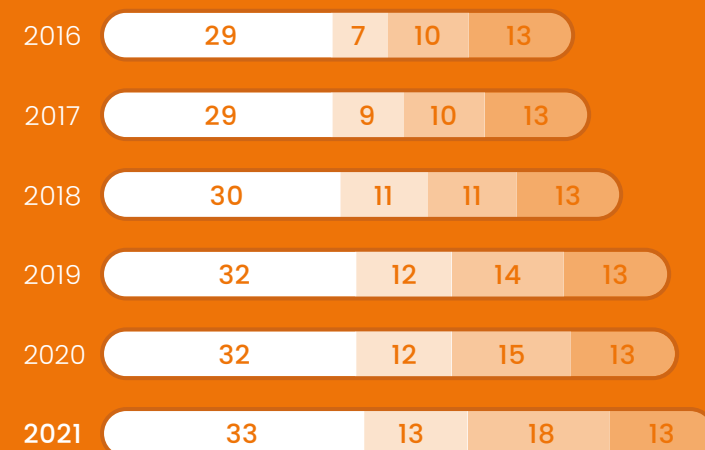
GROWTH

We are continuing with the growth of our store concept focused on a growing target market and located in various locations throughout the country, thereby increasing the company's geographic distribution.

We reopened a Fresko store in the Mexico City Metropolitan Area, which had been closed since 2020 for a total remodeling. We opened a City Market in San Miguel de Allende, Guanajuato, which has been very well received by the inhabitants of that beautiful city. We opened two stores in the Fresko format, one in the state of Baja California Sur and another in the city of Monterrey, launching this format in both regions. We also opened a La Comer format store in Metepec, State of Mexico.

We will continue to grow and expand in the coming years, opening new stores in cities and regions where we will continue to be efficient, offering the best shopping experience and replicate the style where quality, attention and service continue to be part of our essence.

STORES



- La comer
- City Market
- Fresko
- Sumesa

IN 2021 WE SUCCESSFULLY OPENED FIVE STORES IN DIFFERENT REGIONS OF THE COUNTRY

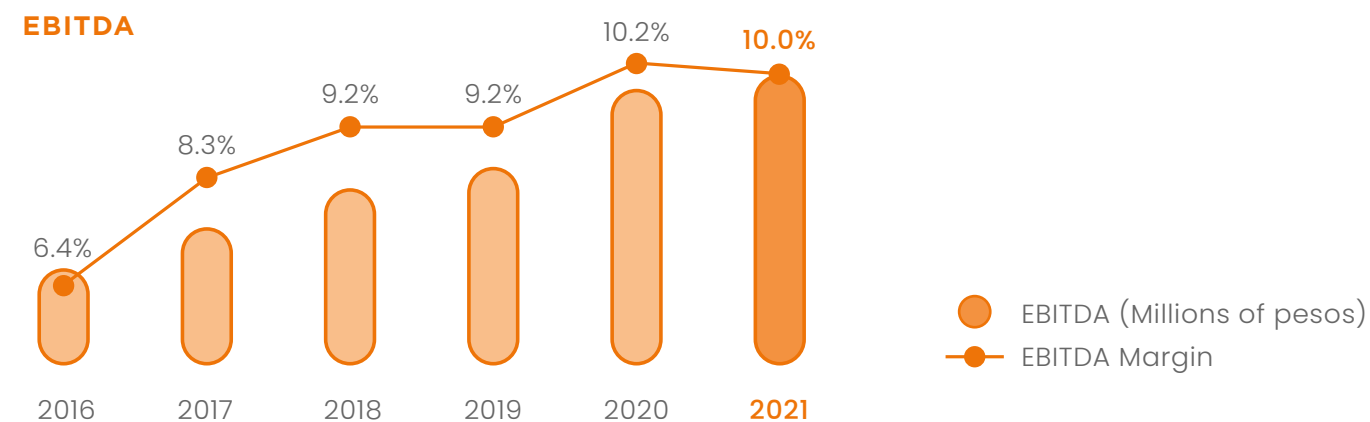
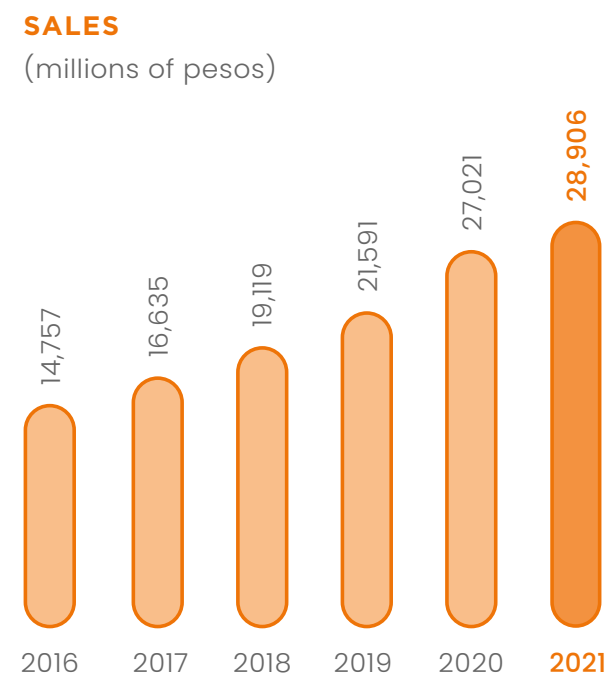


RESULTADOS

SINCE ITS INCEPTION, THE COMPANY HAS FOCUSED ITS FINANCIAL STRATEGY ON LONG-TERM PROFITABILITY

In 2021, we returned to creating shareholder value and contributed to the economic development of the areas where we operate by creating jobs, purchasing from local suppliers, and collaborating in social programs.

Part of our mission is to be the self-service chain that best serves the public with demanding tastes and high expectations, an approach that has also paid off with very favorable operations.



SINCE THE COMPANY BEGAN OPERATIONS, WE HAVE ACHIEVED EXCELLENT RESULTS





CORPORATE

GOVERNANCE

CORPORATE GOVERNANCE AND BOARD STRUCTURE

La Comer continued with the development of its Corporate Governance protocol through concrete actions for the year 2021, seeking to balance the needs of all its stakeholders, including its customers, suppliers, employees, investors, the communities in which it is present and the government at all levels. These actions were aimed at strengthening executive management, evaluating projects and operational and process improvements, as well as reinforcing information security, incorporating transparency and balance in activities.

The Company is aware of the opportunities and challenges faced in the global markets; therefore, all activities carried out require monitoring, control and ethical and sustainable transparency, which implies responsible, balanced, accountable and equitable decision making.

The management and administration of the Company, under the responsibility of the Board of Directors is supported by three Committees.

Their responsibilities and obligations are duly established in the specific statutes that have been developed for each one, and have been established in strict compliance with the Securities Market Law.

COMMITTEES CONSISTING

OF 3 INDEPENDENT DIRECTORS

APPOINTED BY THE BOARD OF

DIRECTORS AND RATIFIED BY

THE SHAREHOLDERS' MEETING

i) Audit Committee. Currently chaired by Manuel García Braña. This Committee has, among others, the following functions: i) to provide its opinion to the Board of Directors on the policies and criteria used in the preparation and issuance of financial information; ii) to verify that the necessary mechanisms are in place to ensure that the company complies with the different legal provisions to which it is subject; iii) to evaluate the performance of the external auditors and iv) to verify compliance with our Code of Ethics, by means of detailed information on non-compliance with the same, as well as statistics, special cases and actions taken.

The Committee reinforces best corporate practices by strengthening the Company's regulatory and normative compliance, through the Code of Ethics, for which it is supported by the Ethics Committee, which addresses critical concerns and their solution.

6 SESSIONS IN 2021

ii) Corporate Practices Committee. Chaired by Mr. Alberto G. Saavedra Olavarrieta. Among the functions of this Committee are to review and approve the compensation plans for executive personnel, as well as the performance evaluations of executives who are part of the senior management and review of the organizational structure of the group.

5 SESSIONS IN 2021



III) **Planning Committee.** Delegated body of the Board of Directors consists of some members of the Board, to determine the strategic planning of the Company. Its main functions are, among others, to review the Company's strategy approved by the Board; to validate the Company's investment and financing policies; to review and evaluate the annual budgets to the Board of Directors.

Committee activity reports are presented to the Board of Directors at least once a quarter.

The separation of the roles of the Chief Executive Officer and the Chairman of the Board of Directors continues, granting the latter the ability to exercise independent judgment on different corporate matters.

The Company laid the foundations for the necessary measures to help it comply with its regulatory obligations, through the development and implementation of a compliance management protocol to guide employees in their activities, as well as the Company's operations, complying at all times with applicable regulations and internal policies.

SPECIFIC ACTIONS RELATED TO THE CORPORATE GOVERNANCE PROTOCOL

The renewal of the Code of Ethics demanded that it be done in compliance with the regulatory requirements applicable to the group, so it was necessary to develop an electronic process of constant training and socialization. The Code of Ethics seeks to implement a culture of compliance, consolidating the Group's values and guiding principles, as well as the actions relevant to its stakeholders in order to:

- 1) Ensure responsible issuance and disclosure of information, as well as transparency in management.
- 2) Provide certainty and confidence to shareholders, investors and interested third parties regarding the honest and responsible conduct of the company's business.
- 3) To ensure ethical decision making and strict adherence to internal regulations and applicable laws and regulations.

In accordance with the foregoing, compliance policies have been developed to identify and prevent:

- Conflict of interest and related parties.
- Discrimination, labor and sexual harassment in the workplace.
- Transactions with resources of illicit origin
- Corruption and lack of regulatory compliance

The development of these policies in certain cases was carried out simultaneously with internal audits to determine areas of opportunity and corrective measures to be implemented, from a risk management approach.

In addition, we have begun to improve the system for handling complaints, so as to allow efficient, transparent and timely follow-up on them.

STRUCTURE OF THE BOARD OF DIRECTORS

The Company is managed by the Board of Directors, whose current Chairman is Mr. Carlos González Zabalegui. This governing body is composed of 10

directors (six equity directors, including one honorary director, one related director and three independent directors) and six alternate directors. All directors were appointed and ratified, as every year, at the Ordinary General Meeting, which in 2021 was held on April 14.

The Company maintains the policy of diversity of the Board members, considering equity in race, ethnicity, country of origin, nationality or cultural background. 30% of the members of the Board of Directors are independent directors, in compliance with the provisions of the Securities Market Law.

The Board of Directors is the legal representative of the Company and has the broadest powers and authority to carry out all operations inherent to the corporate purpose -except those expressly entrusted to the General Shareholders' Meeting- and has the functions, duties and powers established in the Securities Market Law in force in Mexico and any other applicable legal provision.





BOARD OF

DIRECTORS

POSITION

Honorary President
 President
 Board Member and Vice Chairman
 Board Member
 Board Member
 Board Member
 Board Member
 Independent Director
 Independent Director
 Independent Director

PROPRIETARY DIRECTORS

Don Guillermo González Nova ¹
 Carlos González Zabalegui ¹
 Alejandro González Zabalegui ¹
 Luis Felipe González Zabalegui ¹
 Pablo José González Guerra ¹
 Antonino Benito González Guerra ¹
 Santiago García García ²
 José Ignacio Llano Gutiérrez ³
 Alberto G. Saavedra Olavarrieta ³
 Manuel García Braña ³

AUDIT COMMITTEE

Chairman	Manuel García Braña ³
Member	Alberto G. Saavedra Olavarrieta ³
Member	José Ignacio Llano Gutiérrez ³

CORPORATE PRACTICES COMMITTEE

Chairman	Alberto G. Saavedra Olavarrieta ³
Member	Manuel García Braña ³
Member	José Ignacio Llano Gutiérrez ³

ALTERNATE DIRECTORS

Gustavo González Fernández ¹
 Rodrigo Alvarez González ¹
 Sebastián González Oertel ¹
 Juan Pablo Alverde González ¹
 Nicolás González Oertel ¹
 Bernardo Aguado Ortiz ³

PLANNING COMMITTEE

Don Guillermo González Nova ¹
 Carlos González Zabalegui ¹
 Alejandro González Zabalegui ¹
 Luis Felipe González Zabalegui ¹
 Antonino Benito González Guerra ¹
 Pablo José González Guerra ¹

COMPANY SECRETARY

Rodolfo Jesús García Gómez de Parada

¹ Proprietary Director
² Related Director
³ Independent Director





LETTER FROM THE

CHAIRMAN OF THE BOARD

REPORT ON THE OPERATIONS AND ACTIVITIES IN WHICH THE BOARD OF DIRECTORS TOOK PART DURING FISCAL YEAR 2021

Mexico City, March 25, 2022

To the General Shareholders' Meeting of
PRESENT

Dear shareholders:

In accordance with Article 28 section IV paragraph e) of the Mexican Securities Market Law, we hereby report that during the period from January 1 to December 31, 2021, the Board of Directors held several meetings in which the powers contemplated in clause Twenty-Two of the bylaws of La Comer, S.A.B. de C.V. were exercised, in addition to the activities carried out by the different Committees that are part of the Board of Directors. The matters discussed in these meetings are recorded in the minutes approved by the Board of Directors, and were held on the following dates:

January 19, 2021	April 27, 2021
February 23, 2021	July 20, 2021
March 29, 2021	October 26, 2021

The following is our annual progress report and a review of the highlights of the year.

2021 continued with profound changes in the way we live and work. Throughout this period, we have shown a great capacity for adaptation, resilience, speed in decision making and implementation of actions. The hard work of our team not only allowed us to move forward, but also to capitalize on opportunities, make more efficient use of our technology and improve our operations. All of this resulted in the consolidation of the growth achieved and helped us to maintain the profitability of our operations.

Our differentiation-based business model has provided our customers with unparalleled shopping experiences in the marketplace, both in our physical

stores and in our online business, thereby increasingly satisfying their demands.

Since the onset of the COVID-19 pandemic, our priority has been to care for the health and safety of our people. Doing the right thing translated into the incorporation of strict measures that allowed us to take care of the health and lives of our employees and their families, our communities, our suppliers and our customers.

IT WAS A YEAR OF REPOSITIVE RESULTS IN ALL FORMATS THANKS TO THE COMPANY'S STRATEGY AND GOOD OPERATION.





During this extraordinary situation, sales growth continued to be higher than those reported by the National Association of Supermarkets and Department Stores (ANTAD), even considering the high base of comparison given the extraordinary growth that the Company had in 2020.

**WITH OUR UNIQUE FORMATS
AND OUR DIGITAL PLATFORM
"LA COMER EN TU CASA", LA COMER
HAS BEEN KNOWN FOR PROVIDING
ITS CUSTOMERS WITH THE BEST
AND SAFEST SHOPPING EXPERIENCE.**

We are pleased to report that during this year we opened five new stores, thus achieving a greater presence with new formats in different cities throughout the country. This year we opened a La Comer store in the State of Mexico, two Fresko format stores in the states of Nuevo Leon and Baja California Sur, and a City Market format store in the state of Guanajuato. We also completely remodeled a Fresko store in the State of Mexico and remodeled three stores in order to continue maintaining our stores with an impeccable image. As a result, in 2021 we once again created shareholder value and contributed to the economic development of the areas where we operate.

During this year, our digital platform "*La Comer en Tu Casa*" continued with extraordinary progress maintaining a high share of the company's sales and obtaining positive evaluations during the year. We continued to refine and improve our home delivery service to continue offering the excellent shopping experience to which our customers are accustomed, also on our digital platform.

Our "*Temporada Naranja*" (Orange Season) campaign, with special promotions during the summer season, was very successful this year, as we focused our attention on promotions to offer our customers the highest quality products. Our "*Miércoles de plaza*" campaign, where we offer the best fruits and vegetables in the middle of the week, continued to have a great acceptance among our customers.

In terms of business focus, we continue to aim for differentiation in all our operations, fostering the creativity and innovation that allows us to give that extra something to please and surprise our customers. We continue to position ourselves as a different kind of self-service company, offering the best shopping experience in the market based on quality, attention and service.

Within our corporate governance practices, we have active committees and have developed processes that seek to ensure benefits for everyone involved, always respecting the rights and interests of our different stakeholders.

Our Social Responsibility and Sustainability practices are an integral part of our being as a company. They are reflected in our principles and are established in our internal policies.

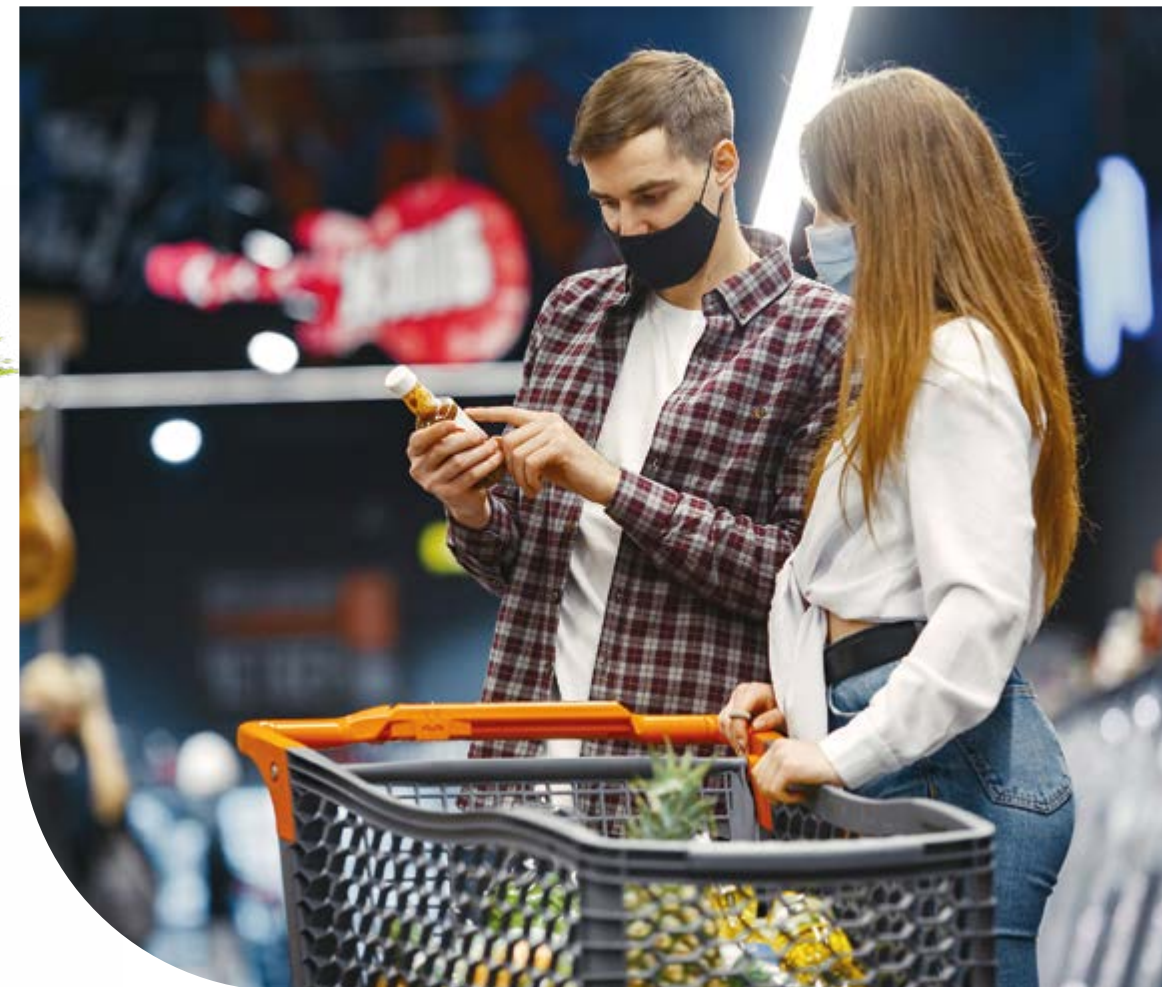
In 2021, we supported various non-profit foundations in the distribution of food, made some donations to charities, supported foundations for rural development, and participated in the "*Tienda Rosa*" campaign focused on helping women with cancer, among other social responsibility activities. We have also focused on making efficient use of natural, economic and social resources in accordance with our commitment to sustainability.

I would like to give special thanks to our customers for their preference; to our more than 14,500 collaborators who day after day make it possible for us to achieve our mission as a company; to our suppliers who collaborate as commercial and strategic allies; and to our shareholders who place their trust in our hands.

Finally, I would like to reiterate our commitment to all our stakeholders, to whom we owe ourselves as a company, for as we have established in our principles, the aim of our everyday work is contributing to their progress.

CARLOS GONZÁLEZ ZABALEGUI

Chairman of the Board of Directors
La Comer, S.A.B. de C.V.



SUSTAINABLE

COMPANY

STAKEHOLDERS

Our stakeholders are a fundamental element in our company's relationship with its business environment and are closely linked to its ability to achieve economic, social and environmental objectives.

SUSTAINABLE COMPANY:

1. Stakeholders

- Our customers
- Collaborators
- Suppliers
- Shareholders

2. Social Responsibility

3. Environment

MAIN MATERIAL ISSUES

Value the customer experience

Employment generation

Product quality, freshness and availability

Energy care and use

Waste management



CUSTOMERS

The pandemic, which we believed would be shorter, continued to modify the uses and behaviors of customers in our stores, so we continued to maintain and adapt actions to preserve their preference.

Customer behavior continued to show changes during 2021. Vaccination and customer reactions to cope and coexist with the pandemic forced us to modify our commercial practices throughout the year. Some data that positively confirm this adjustment are:

1. Customers showed an **increase in their frequency of visits** to our stores.
2. They **decreased their average purchase**.
3. We were able to consolidate the **3.7X growth** we had in **e-commerce in 2020**, increasing it by **13.7% during 2021**, confirming the great acceptance we have in this important sales channel.

This result confirms the appreciation of our philosophy of offering superior quality care and service and their confidence in our multiple safety and hygiene measures, which were not only maintained, but also adapted to the different peaks and valleys of the pandemic. This type of actions underpins our differentiation in the market.

+62 MILLIONS +5% vs 2020
CUSTOMERS IN 2021

Actions included sanitization protocols aimed at both customers and our collaborators. Among the most relevant are: sanitization of sales floors and workstations, masks and face masks for service personnel, healthy distance signage in all high-traffic areas, separators at checkouts to avoid contact at the time of payment, temperature measurement, antibacterial gel, staggered schedules, cleaning of carts and limited access, among others.

OUR GREATEST ADVANTAGE:

OUR ABILITY TO ADAPT

TO THE PANDEMIC

We implemented a permanent communication program in the different communication media available to us, including mass and digital media, regarding our protection actions. One of the main points of contact is our call center (01-800 3777333), where we receive and resolve the main comments and/or complaints. We have a protocol in place to deal with critical situations, whether it be problematic or opportune. The call center also offers the "La Comer en Tu Casa" delivery service to the customer's home.

A total of 585,000 calls and/or e-mails (lacomer@callcentermexico.com.mx) were received by the call center. Of these, a scant 3% were complaints; 40% were customer service and comments, and the remaining 57% were to request the "La Comer en Tu Casa" service.

The strengthening of our digital platform during 2021 allowed us not only to consolidate our sales progress, but also to increase our preference against other home delivery platforms available in the market.

Our sites had a total of 21.4 million visits, of which 94% were to the e-commerce site and 6% to our informational sites. We remained focused on "La Comer en Tu Casa" so our customers would find a digital platform both on the web and on the App, in accordance with the high expectations they demand from this service. It is important to mention that we managed to maintain a conversion rate of visitors to the site into actual buyers, one of the most relevant in the Mexican market.

585 THOUSAND

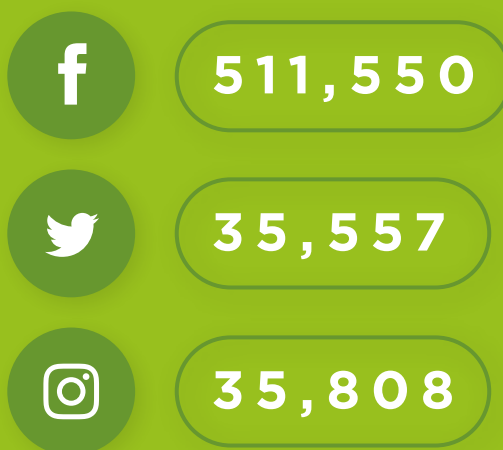
CALLS AND/OR E-MAILS

21.4 MILLION

VISITS TO OUR WEBSITES



LA COMER 2021 FOLLOWERS



Our followers on Facebook, Twitter, Instagram and YouTube are not only growing, but significantly show engagement well above market averages. On all these platforms we post relevant information about our commercial programs and customers interact by commenting or forwarding the information to their contacts. Posting topics include suggestions on a variety of subjects about the services and products we offer. These networks were more relevant during the pandemic, as we used them to communicate all safety, sanitation, cleaning and other programs derived from the exceptional conditions we faced this year.

OUR SOCIAL NETWORKS

CONTINUE TO BE

AN IMPORTANT POINT OF CONTACT

WITH OUR CUSTOMERS



1,435,000

MONEDEROS NARANJAS



During 2021, the *"Monedero Naranja"* program continued its consolidation, increasing the loyalty of our most relevant customers reaching 1,435,000 monederos and surpassing the high levels of usage among customers who have been affiliated since its launch, indicating a strengthening of customer loyalty across all of our formats.

Overall, we launched three collections of exclusive items that were very well received by customers, maximizing our *"Monedero Naranja"* program during the year. The program retains its physical and digital platforms, achieving penetration among young customers who lean toward the virtual world.

We remain focused on safeguarding our customers' data; in 2021 we continued to strengthen our platforms, procedures and measures previously created to guarantee the protection and confidentiality of our customers' data, especially with regard to the *"Monedero Naranja"* loyalty program. We remain in compliance with the provisions of the Federal Law for the Protection of Personal Data in Possession of Private Parties.

Our privacy notice can be consulted at:

<https://vasalsuperoalacomer.com/comer/aviso-de-privacidad>



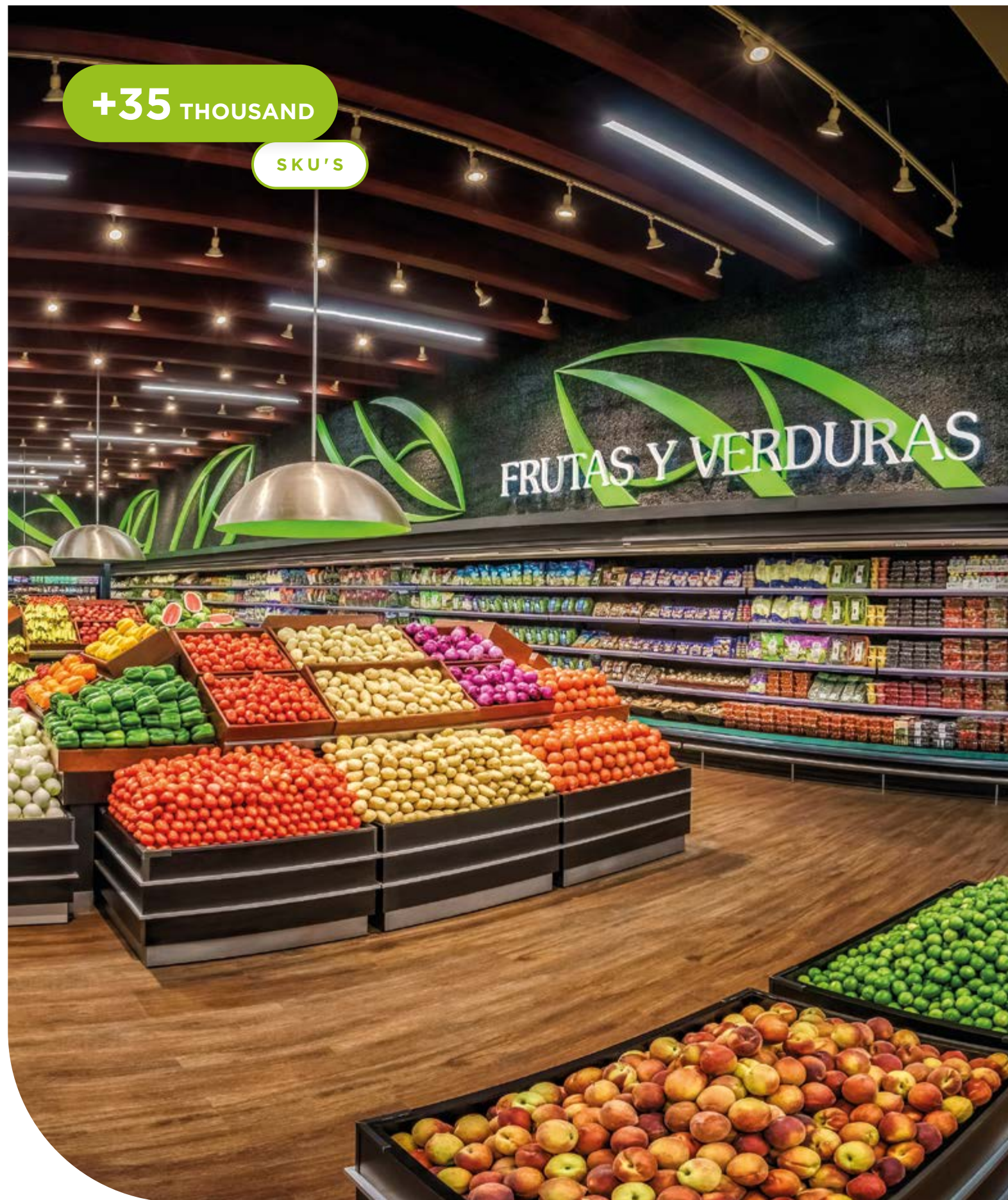
In 2021 we had our *"Temporada Naranja"* campaign which, as in previous years, supported our customers with the full force of our offers and promotions. We provided promotional opportunities for all items, categories or product lines, while ensuring that the validity of the offers was extended to avoid overcrowding.

In the case of *"Miércoles de Plaza"*, we maintained the concept launched the previous year and focused on the quality of perishables that has characterized La Comer for many years. The results of this campaign continue to drive the company's growth.

CUSTOMER SATISFACTION

As we do every year, we once again conducted a customer satisfaction survey. The information is statistically valid by geographic area, city and store. It is focused on all the dimensions related to this topic, such as: basic (quality, variety, price and freshness), practicality and convenience (cleanliness, proximity, friendliness, speed of payment) and physical (facilities, ambience and shopping experience). Based on the results, we carry out actions and changes to improve every day in aspects where we have points of opportunity and continue offering our customers the best service.

THE COMPANY'S THREE PROMOTIONAL PILLARS: *"MIÉRCOLES DE PLAZA"*, *"TEMPORADA NARANJA"* AND *"MONEDERO NARANJA"* SUPPORTED THE COMPANY'S GOOD RESULTS IN 2021.



SUPPLIERS AND LOGISTICS

One of the greatest strengths of our value chain has been the excellent relationship we have maintained with our suppliers. They have been a key factor in the achievement of the Company's good results, as the extraordinary relationships we maintain have led to positive conditions for both parties.

Our centralized supply chain has become a strength thanks to our reliable and flexible distribution processes, subject to continuous improvement and supported by state-of-the-art digital technology that integrates us efficiently and timely with our pool of more than 2,000 suppliers and their more than 35,000 SKUs.

95%
WERE DOMESTIC
SUPPLIERS IN 2021

Currently our logistics network consists of two Distribution Centers. One is located in Mexico City and the second in Guadalajara, both with multi-temperature facilities.

We operate with a broad base of suppliers of various sizes, so there is no dependence on any one supplier in terms of products, nor do we identify any supplier as critical. Several of our suppliers have certifications such as NSF, ASC for seafood products, TIF meat products and "SAGARPA organic" certifications for organic and free-range products. In 2021, 1.5% of our products were organic in various categories, providing our customers with the best quality.

80% OF OUR PRODUCTS
ARE DISTRIBUTED FROM OUR
2 DISTRIBUTION CENTERS **IN 2021**

We are in permanent communication with our suppliers through our website [Provecomer.com](https://provecomer.com), allowing us to respond to requests, information on invoices, procedures, transactions, forums and complaints, forums and complaints.

Each year we incorporate modifications to our Logistics Management System, improving receipt, assortment, shipping and inventory processes with very positive operating and efficiency results, such as increased quality of service to stores, increased productivity of operating and transportation personnel, greater profitability due to lower expenses and an increase in installed capacity. We currently have sufficient capacity to service between 90 and 95 stores.



We have developed practices for distribution in state-of-the-art facilities, equipment and systems that allow us to be in circumstances of efficiency and competitiveness. In addition, we have processes supported by IT platforms that provide accurate and timely data and enable the coordinated execution of all participants (commercial department, supplier and store distribution centers) in the end-to-end supply chain process. In addition, our operational processes for receiving, merchandise classification and order preparation incorporate state-of-the-art practices and technology such as picking with voice terminals, RFID and systematized control.

The merchandise shipping and transportation process is supported by an internally developed system that allows a "Guaranteed Delivery" to stores; that is, it monitors the critical aspects during loading, transport and delivery of merchandise (merchandise, times, temperature, etc.) so that the stores can carry out a "Blind Receipt".

One of our strengths is to base our work on process monitoring and continuous improvement, allowing us to respond to growth and contribute to the Company's good results.

This year we attended to 121 commercial sales strategies including our **"Temporada Naranja"** (Orange Season), delivering merchandise to our stores on time for displays, in addition to replenishing the product that is sold every day in our stores.

Executing logistics strategies with our suppliers has allowed us to save costs in the supply chain and to increase the installed capacity of the Distribution Center; this year we increased the volume of boxes produced under these schemes by 50% versus the previous year.

This year we also continued to increase the number of boxes produced and shipped, and we improved the time of arrival at our stores, optimizing processes and unifying the DC operation, and ensuring that our personnel are aligned with the production objective from the beginning of the shift until its conclusion.

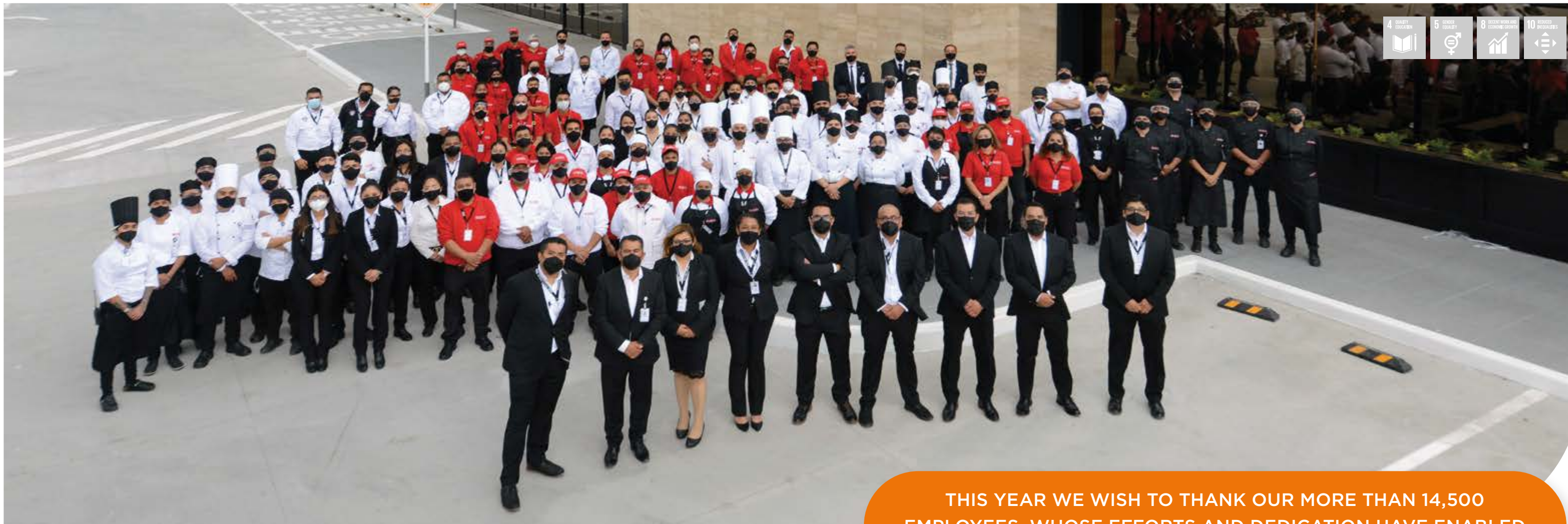
We are ready to comply with changes in regulations requested by our Federal Government (union schemes, waybills, etc.), even performing production tests with our transportation providers to keep the operation running smoothly.

In 2022 we will begin the project and construction of our third Distribution Center in the north of the country, one that will provide us with competitive strengths in our supply chain.

As we do every year, our operation is submitted for external evaluation –subject to a confidentiality agreement– by expert logistics companies in order to harness market trends that will help us improve our operation.

WITHOUT NEGLECTING STORE SERVICE, WE IMPROVED THE ACCURACY WITH WHICH OUR STORES ARE SUPPLIED, ACHIEVING A 99.96% ACCURACY RATE IN OUR ASSORTMENTS





THIS YEAR WE WISH TO THANK OUR MORE THAN 14,500 EMPLOYEES, WHOSE EFFORTS AND DEDICATION HAVE ENABLED THE COMPANY TO CONTINUE TO CONSOLIDATE POSITIVE RESULTS.

COLLABORATORS

- OUR EMPLOYEES ARE VALUED
- AND RECOGNIZED, INCREASING
- THEIR MOTIVATION AND PRODUCTIVITY,
- REDUCING ABSENTEEISM AND
- REWARDING THEIR EFFORTS

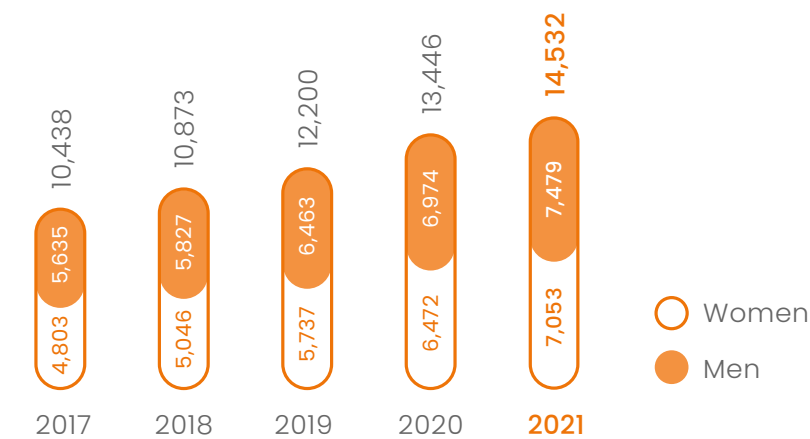
In 2021, La Comer's strength was its people. It is through its employees that the Group continues to grow and consolidate positive results. We continue with initiatives to help ensure that our people achieve real opportunities for growth, creating a strong culture based on values and making it a priority to foster a better quality of life.

We strive for the well-being and quality of life of our employees through programs that promote work-life balance, professional, cultural and economic develop-

ment, and health care. In addition, we encourage safe behavior in our work environments through campaigns and continuous training.

La Comer values the diverse experiences, perspectives and backgrounds of our people and we aim to create an open and inclusive work environment for all employees. We are committed to encouraging a variety of approaches to overcoming challenges, solving problems, making decisions and seizing opportunities.

NUMBER OF EMPLOYEES





Continuing with the prevention precautions that the pandemic demands, this year we achieved a high two-dose vaccination rate among our personnel, we have a 24-hour medical service for the detection and accurate follow-up of COVID-19 cases and other illnesses, we sanitized personnel areas, we reinforced communication with screens and videos 24 hours a day, we scheduled weekly COVID-19 tests to detect and stop possible spread among our personnel and to comply with the requirements of the Federal Government.

We seek to reduce the stress generated by both the pandemic and the work routine, so we implemented active breaks on a daily basis for all operational and administrative personnel.

TRAINING AND DEVELOPMENT

WE FIRMLY BELIEVE THAT TRAINING IS A WELL-REMUNERATED INVESTMENT IN OUR EMPLOYEES

The good results that the company has presented are helped by the excellent execution and work of our collaborators. Through constant training, they provide personalized, careful and expert attention, offering our customers a very pleasant shopping experience.

Likewise, the company is committed to improvement; therefore, we have created a strategy that allows our collaborators to achieve sustained growth in knowledge, skills and the necessary attitudes to achieve the objectives set, from induction and operational initiation to strategic programs.

During 2021, we made the following efforts to ensure the proper training of our employees.

New employees received training designed to ensure compliance with policies related to customer service, accident prevention and operating procedures, investing a total of **661,284 training hours.**

12,283 employees received online training courses on the CLIMSS portal to provide theoretical and practical elements to help employees understand what the **COVID-19** coronavirus is and how to limit its spread and contagion, investing a total of **479,037 training hours.**

30 management-level employees attended the **management skills** improvement program at the ICAMI training center, investing a total of **10,560 training hours.**



90%

OF OUR EMPLOYEES RECEIVED SOME TYPE OF TRAINING DURING THE YEAR



49%
WOMEN

51%
MEN

338 employees are part of the training programs for managers and assistant managers in training and function; they participated in sessions with specialists in operational and human resources issues, investing a total of 23,912 training hours.

71 employees from the purchasing areas received training in virtual sessions to encourage their creativity in innovation in the processes they execute, investing a total of 3,261 training hours.

12,727 employees acquired knowledge of organizational culture with information security issues and the company's values, investing a total of 82,966 training hours.

The objectives of the training are: to develop managerial competencies, to obtain a global vision of the company, of the processes and activities that contribute significantly to the generation of value, and to develop a global vision of the company, of the processes and activities that contribute significantly to the generation of value, acquire the ability to analyze problems and opportunities to make effective and timely decisions and to balance harmony and synergy between work and family.

HEALTH, SAFETY AND HYGIENE

Our internal work regulations are based on the regulations established by the Ministry of Labor and Social Welfare and comply with the provisions of the Protection Law. In accordance with the guidelines of the program development guide, during 2021 we carried out internal Civil Protection programs in each of La Comer's stores, in order to establish preventive mitigation and relief actions in establishments aimed at safeguarding the physical integrity of employees, visitors, suppliers and people who attend our facilities. In addition, we have safety and hygiene projects in place, and our workplaces are in good condition to carry out our functions efficiently and safely.

In addition, the company promotes talks and workshops on various health topics to inform and educate our employees. For example, we actively participate in the breast cancer program; likewise, each year we focus on various diseases, their causes and consequences, and we hold various forums for awareness and prevention.

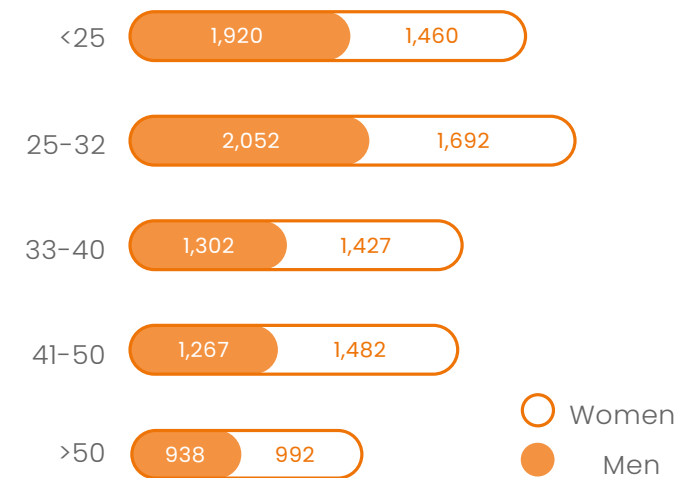
EQUAL OPPORTUNITY

La Comer's staff is made up of people of different ages, beliefs, nationalities, professions and abilities. We are a company that does not practice gender distinction from the first moment of the publication of vacancies in recruitment pages. No distinctions are made on the basis of race, age, gender, marital status, religion, political affiliation, nationality, physical or social condition, among others.

Oversight of our equal opportunity policy is carried out through the Corporate Audit area and is included in the Company's Code of Ethics.

WE ARE COMMITTED TO OFFERING EQUAL EMPLOYMENT OPPORTUNITIES, CONSIDERING PEOPLE'S CAPABILITIES, COMPLYING WITH LABOR LAWS AND REGULATIONS, AND CARRYING OUT FAIR LABOR PRACTICES

EMPLOYEES BY AGE





EMPLOYMENT AND QUALITY OF LIFE

Our collaborators are treated with dignity and paid fairly and equitably. In addition to the benefits provided by law, we grant our employees extra benefits such as discounts at different times of the year, various forms of savings, life insurance, annual bonuses, etc. The objective is to improve their well-being, as well as to offer tools to promote savings, insurance for better protection, discounts to help with their economy, among other benefits.

We maintain internal communication mechanisms to facilitate the exchange of information at all levels. We have a policy of respecting vacation and rest periods, working days and schedules, and we ensure that we provide adequate working conditions for our employees. In addition, we seek to minimize employee turnover and provide an appropriate work environment, increase quality of life, combat absenteeism and promote a sense of belonging, as well as preserve physical and mental health in a preventive manner.

Regarding Human Rights, we act in accordance with the Universal Declaration of Human Rights, recognizing the dignity of individuals, and respecting their freedom and privacy in accordance with applicable laws.

We are aware of the importance of maintaining an environment policy of values and principles, which is reflected in an appropriate behavior by our investors, directors, managers, suppliers, contractors and collaborators. The complaint system is available to the general public 24 hours a day, every day of the year and the information for reporting can be found in the company's Code of Ethics. (https://lacomerfinanzas.com.mx/gobierno_corporativo/codigo-de-etica/).

We continued to publish our internal magazine "Esencia", an institutional publication that develops topics related to the company in order to keep all our employees informed of the most important events.

In addition, we continued with our "Éntrale" program (<http://entrale.org.mx>), which focuses on the inclusion of employees with disabilities who, from the beginning, have become a very important part of our workforce.



AT LA COMER WE PLAY AN ACTIVE ROLE IN IMPROVING THE QUALITY OF WORKING LIFE OF OUR EMPLOYEES, RECOGNIZING THE HUMAN SIDE OF WORK, RESPECTING THEIR RIGHTS AND OFFERING ADEQUATE WORKING CONDITIONS.



CODE OF ETHICS



SOCIAL RESPONSIBILITY

Our company is firmly committed to the impact that its decisions and activities have on society and the environment, through transparent and ethical behavior.

In 2021, together with **Un Kilo de Ayuda** (UKA), we implemented several initiatives in favor of Early Childhood Development (ECD) for children through the promotion of various products.

+1,000 NEW JOBS

IN 2021 | +8% VS 2020

+\$400 THOUSAND

PESOS COLLECTED FROM THE SALE OF UKA PRODUCTS

This increase was due both to the growth from the openings we made during the year, as well as the extra staff hired to support the positions of vulnerable people. During this period, when due to confinement and restrictions many jobs have been lost in the country, job creation is a key element by which societies can overcome the crisis and achieve development and social inclusion. During the year we continued to provide some benefits to our most vulnerable employees, as well as to volunteer packers during the sanitary contingency.

For the 13th consecutive year, Grupo La Comer carried out its awareness and detection campaign for breast cancer, one of the most common disease among women in our country. As in previous years, our slogan was: **La Comer is the Tienda Rosa** (Pink Store).

We continued to support the local tenants of our shopping centers with considerations for temporary suspensions of essential activities that affected their sales, negotiating with them so that they could face the difficult situation of total or temporary closures of their businesses.

Each October, we carry out a series of activities such as offering a wide variety of "pink edition" items in combination with some of our suppliers and we illuminate the facades of several of our stores in pink.

In addition, we provided our SME suppliers with financing at preferential rates, in order to continue supporting their operations and maintaining the good relationship we have had with them since the beginning of the company's operations.

In conjunction with FUCAM, we conducted free mastography studies in a large number of our stores, and for the second consecutive year, City Market Monterrey, together with Cruz Rosa, the private charity association that provides comprehensive support to low-income women going through the cancer process, facilitated the mastography tests that this organization carries out during October in the municipalities surrounding this city.

As a result of the campaign in terms of contributions, our exclusive brands Farmacom, Golden Hills, Gourmet, Organic and Diabetes Products, as well as the Fruit and Vegetable Department, donated part of their sales to these two associations.

+\$2.5 MILLION

OF PESOS CONTRIBUTED TO BREAST CANCER ASSOCIATIONS

Through Fundación Mexicana para el Desarrollo Rural, A.C., we have aimed to contribute to the integral development of low-income farming families living in corn-producing communities through educational projects that contribute to improving their quality of life. Through this program, we seek to boost crop productivity through applicable methodologies to influence the social transformation of the countryside.

+\$3 MILLION

OF PESOS DONATED IN SUPPORT OF THE "EDUCAMPO" PROGRAM

As part of our permanent effort to support vulnerable communities, in conjunction with the organization Banco de Alimentos México and other institutions, La Comer delivered bread, fruits and vegetables in optimal conditions for consumption during the year.

DONATIONS TO THE FOOD BANK

Institution	Total number of donor stores	Total kg of donated bread, fruit and vegetables in 2021
Banco de Alimentos de México	61	1,307,227

DONATIONS TO OTHER INSTITUTIONS

Institution	Total number of donor stores	Total kg of donated bread, fruit and vegetables in 2021
Caritas Baja California Sur A.C.	4	12,556
Red de Asociaciones Altruistas de Puerto Vallarta y Bahía de Banderas A.C.	2	56,614
Fundación Nutrición y Vida A.C.	2	35,164
Banco de Alimentos Caritas Monterrey A.B.P.	2	9,787
Un Granito de Arena A.C.	1	13,306
Hogar Gonzálo Cosío Ducoing I. A. P.	1	6,881
Fundación Estancia Sagrado Corazón de Jesús	1	9,985
Voluntarias Vicentinas Albergue La Esperanza I.A.P.	1	13,839
Patronato San Vicente de Valle I.A.P.	1	5,092



1.8 MILLION

OF BENEFICIARIES

Delivering perishable food (bread, fruits and vegetables) to families, communities and institutions in need and supporting the improvement of nutrition in Mexico.



ENVIRONMENT

La Comer complies with the applicable regulatory obligations regarding environmental impact during the development of all its business activities, from the search, design and construction of new units, to their operation. Controls are implemented to comply with obligations, non-hazardous and hazardous waste generation, wastewater quality, and air emissions. In 2021, the company did not obtain significant fines for non-compliance.

SUSTAINABLE PACKAGING

During the year we continued with the program to replace plastic bags with sustainable packaging, seeking to ensure that they are produced in a responsible manner, designed to be efficient and safe throughout their life cycle, that they meet market criteria for good performance, and that once used, they are recycled efficiently. We have been selecting sustainable packaging materials, adapting them to the needs of our products without

sacrificing the quality and good presentation of each type of product.

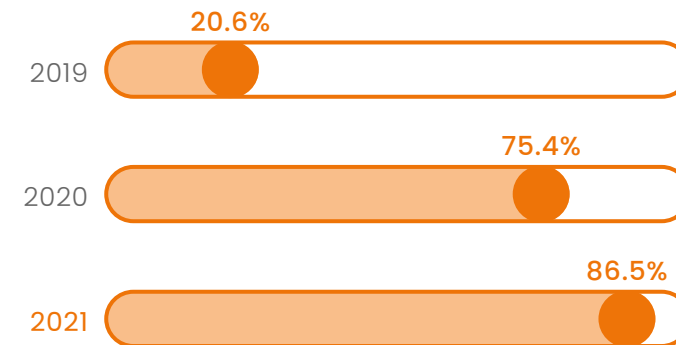
We have evolved hand in hand with new market needs and trends, and in the last two years, due to the worldwide Coronavirus pandemic, it has become a strategic element that has helped to maximize product protection, hygiene and safety.

**WE REMAIN COMMITTED TO THE
ELIMINATION OF SINGLE-USE
PLASTIC BY SWITCHING TO PET
PACKAGING IN ORDER TO MAKE A
POSITIVE IMPACT ON THE ENVIRONMENT**



In 2021, approximately 86% of our packaging was fully sustainable and we expect next year to advance in special cardboard packaging projects for our Fine Pastries, as well as windowed cardboard packaging for our Tortilleria and Bakery departments.

USE OF ENVIRONMENTALLY FRIENDLY PACKAGING



We continue to refine the take-out packaging for our La Comer en tu Casa service, in order to offer a high-quality service with environmentally friendly packaging.

In addition to continuing with compostable trays, Kraft paper and cardboard boxes, in 2021 we incorporated environmentally friendly and resistant materials to maintain the quality of our products. During the year we added compostable straws, wooden stirring sticks, trays and all the domes were changed from plastic to PET, as they are recyclable and recycled. We changed the composition of the fruit and vegetable bags in some stores, endorsing them with an external laboratory that verified them as "sustainable packaging". We are continuing our search for fully compostable roll bags and hope to have them included in all our stores next year. We also continue to promote the use of reusable bags among our customers.

PAPER COLLECTION

We continue to collect our cardboard and polyethylene waste so that, together with the company Biopapel, the paper can be reused without destroying the forests.

+7,146 TONS

OF CARDBOARD AND 470 TONS OF POLYETHYLENE COLLECTED DURING 2021

EFFICIENT USE OF WATER AND ENERGY RESOURCES

At La Comer we seek to optimize resources and thus promote our responsible business philosophy, by encouraging water and energy saving programs, making use of new energy technologies to generate economic, social and environmental benefits.

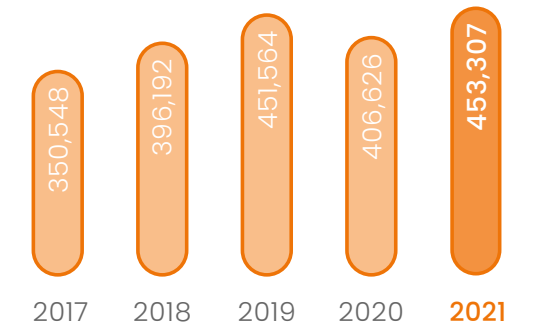
WATER

453,307 M³

TOTAL WATER CONSUMPTION IN STORES AND OFFICES; 0.15% OF SALES

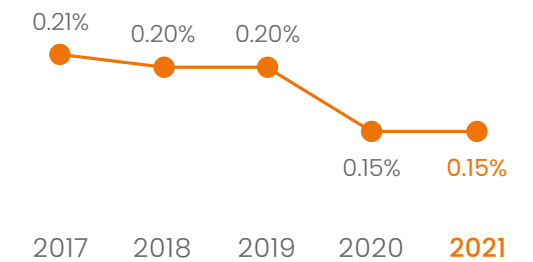
WATER CONSUMPTION

(m³)



EXPENSES / SALES

(%)



22 of our stores have a water treatment plant which allows the elimination of contaminants and reuse of this resource. All our treatment plants deliver water of a quality that complies with NOM-003- Semarnat-1997, which requires specific parameters for reuse in irrigation, cleaning of areas and toilets.

We have rainwater collection systems in several stores which are used for reuse for irrigation.

The company's activities do not involve significant water consumption. However, we promote water culture as a set of values, attitudes, customs and habits that are transmitted to each of our employees, suppliers and customers to create a responsible awareness about the rational use of water. This is done through measurements, campaigns, and informative posters, among other means.

ELECTRICAL ENERGY

Part of La Comer's commitment to the environment is to supply our stores with electricity through clean, renewable and sustainable energy sources. All energy generated is for the exclusive use of the company.

129 MILLION KWH

**TOTAL STORES
ELECTRICITY CONSUMPTION**

STORES USING SUSTAINABLE ENERGY



17: wind energy



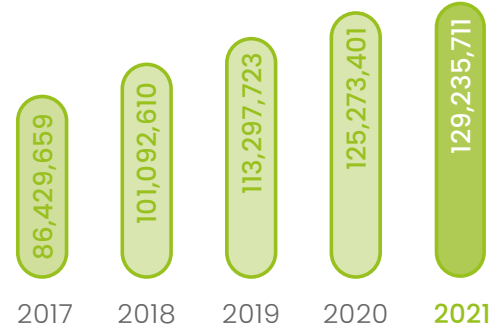
30: combined cycle



3: solar panels

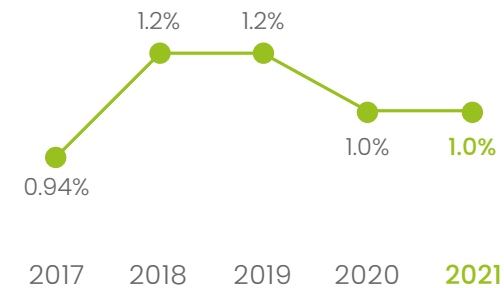
ENERGY CONSUMPTION

(kWh)



EXPENSE / SALES

(%)



By 2022 we plan to supply our stores with up to 70% of our total electricity consumption from sustainable energy sources.

In addition to the company's sustainable systems, we continue to strictly control our energy use. We have more energy-efficient products, we use natural lighting whenever possible, as some stores have skylights, we use energy-efficient lighting in most cases, and we make appropriate use of air conditioning systems.

USE OF CHEMICAL PRODUCTS

Environmental awareness and care is part of La Comer's social and environmental commitment; one of the keys to this is the conservation of our environment and the opportunity to do our bit to care for and preserve our planet; this is reflected in the use of environmentally friendly cleaning chemicals in the perishable and food areas.

The use of this type of products adds great value for employees and customers, due to the use of quality and environmentally friendly products. Biodegradable products are present in our daily life and are part of our working life.

As part of this commitment, we work with fumigators that have the Bayer Distinctive, helping to reduce the environmental impact through the use of chemical fumigation products endorsed by the WHO, CICOPLAFEST, COFEPRIS, EPA, FCA and USDA in each of our stores.

48%

**OF ELECTRICITY
CONSUMPTION CAME FROM
RENEWABLE SOURCES**

SUSTENTABILIDAD EN EL TRABAJO

Use sólo los productos químicos de limpieza autorizados, incluido el uso de las diluciones y concentraciones indicadas por los proveedores de químicos.

Mantén apagados los equipos eléctricos que no estén utilizando, o al retiro de la jornada laboral.

Evita tirar residuos a los fregos y comederos, coloca una rejilla o un colector, así no se tapan la red de drenaje.

Separa y deposita en los contenedores apropiados todos los residuos orgánicos e inorgánicos que generes.

Aprovecha la capacidad de los empaques, y ten en cuenta la rotunda del cliente.

Repara las fugas de agua, evita su desperdicio.

No utilices los empaques para uso personal.

Para hidratar, usa una botella con tapa o un vaso de plástico, diligentemente higienizada y colocada en una sección reciclable.

¡MANTÉN TU LUGAR DE TRABAJO ORDENADO Y LIMPIO!





WASTE MANAGEMENT

The company's main waste products are: tallow, bone and sweepings. We are committed to responsibly managing the waste produced in our stores; most of it is sorted to facilitate its reuse and help reduce waste. Separation takes place within containers for organic, inorganic, cardboard, plastic, burnt oil, tallow and bone waste. We are aware that recycling has significant benefits, but it is more important to reduce the use of materials such as plastics, as these materials are a major cause of pollution of the planet.

In general, waste is collected by authorized companies, and we must verify that the necessary state permits have been obtained for this activity. Due to the type of commercial activity we carry out, we do not generate hazardous waste and we have no record of affecting water bodies due to waste disposal.

RECOVERY OF BURNED OIL AND OTHER ORGANIC WASTE

One of our goals is to recover, as much as possible, organic waste, minimizing its environmental impact and allowing it to be reincorporated into the environmental cycle. Working together with some service providers, as in previous years, we were able to collect oil at all our stores.

The purpose of this program is to collect burned oil generated by the food, fish, sausage and bakery departments. The burned oil is stored in 20-liter drums and 200-liter containers with lids and rims. After collection, the product undergoes a heating process and is then decanted and sent in pipes to the energy, soap and animal feed industries.

Furthermore, we have collected in most of our stores the tallow and bone that is generated in the meat department for later use in the animal feed industry.

13,480 LITERS

OF BURNED OIL RECOVERED FOR RECYCLING

REFRIGERANTS

In 2021, we continued our refrigeration equipment upgrade program to introduce high-tech refrigerators in our stores with more environmentally friendly systems using less electricity and refrigerants.

EMISSIONS

For now, the company does not measure emissions. However, we know that a significant percentage of our carbon footprint originates in our stores. Air conditioning, ventilation, cooking (e.g. bakery) and refrigeration are the main drivers of energy consumption, and therefore carbon emissions. La Comer is constantly improving and maintaining all stores, distribution centers and offices to optimize the performance of everything that generates emissions and waste.



CHIEF EXECUTIVE OFFICER'S REPORT

Mexico City, March 25, 2022

To the General Shareholders' Meeting
La Comer, S.A.B. de C.V.

PRESENTE

Dear Members
of the Board of Directors::

In compliance with the provisions of Article 44, Section XI of the Mexican Securities Market Law and Article 172 of the General Law of Commercial Companies, I hereby submit for your approval this report on the performance of La Comer, S.A.B. de C.V. during the year ended December 31, 2021. The report includes an explanation of the relevant events that occurred during the year, points out the highlights of the period, and refers to the most important ongoing projects and the main policies of my administration.

In the last two years we have experienced events that have put our solidarity and fortitude to the test. In 2021, we have become stronger, not only because of the advances in vaccination against COVID-19 which show promise for controlling the pandemic and helping to reestablish social and economic life, but also because we have managed to be a resilient organization, thus keeping the doors open for collaborators and customers who are part of La Comer. A joint effort that has met the standards of quality and service that characterize us, but mainly that has given us the opportunity to preserve and create jobs.

Our strategy was based on furthering our differentiated service, with safety measures and indications from the health authorities, and with operating and hygiene guidelines to receive our customers who returned in person to make their purchases. Moreover,

we continued to provide the best service in our digital platform *"La Comer en tu Casa"* so that our customers could make their purchases in a comfortable, safe and effective way.

The Mexican economy had limited growth during 2021, and was unable to recover from the downturn caused by the pandemic during 2020. By the end of 2021, Mexico's Gross Domestic Product (GDP) presented an increase in real terms of 4.8% with respect to the previous year and an annual inflation of 7.36%. Within the whole economic environment and still with the effects of the global pandemic, the commerce sector showed a good performance. Regarding consumption in the national retail sector and based on data from the National Association of Self-Service and Department Stores (ANTAD), there was an increase in same-store sales of 2.6% for the self-service sector in 2021.

This year the company reported a 4.3% increase in same-store sales, surpassing ANTAD's figure and continuing with positive increases due to our excellent customer service, a complete supply in all our stores, and an unbeatable service from our digital platform *"La Comer en Tu Casa"*. We have continued to maintain a strategy of differentiation by offering the best shopping experience in the market based on: quality, attention and service, despite the circumstances

FINANCIAL

SECTION



of the pandemic. Our employees have the necessary training to be able to provide an excellent service, offering specialized advice to the customer for a more profitable shopping experience. We have maintained an unbeatable supply of basic products, high-end products, imported products and novelties with excellent quality and clear differentiation.

This year we regained the momentum of our expansion plan and opened five new stores: La Comer Tecnológico in Metepec, City Market San Miguel de Allende, Fresko San Lucas, Fresko Esfera in Monterrey and the total remodeling of Fresko La Herradura in Mexico City. With these openings we have generated more than 1,700 direct and indirect jobs. In order to provide the innovations and services that shape our image, we remodeled La Comer Pozuelos in Guanajuato and La Comer Zaragoza in Querétaro. At the end of the year, to strengthen our online sales, we ventured into a new project, with a "Side Store" (adjacent to an existing store) to reinforce our sales on the *La Comer en tu Casa* platform and obtain significant operational advantages. CAPEX investment in 2021 amounted to approximately \$2,524 million pesos, an amount allocated mainly to carry out the openings and remodeling.

In terms of operating results for 2021, total sales reached \$28,906 million pesos, with a 7.0% increase in sales compared to 2020. Thus, in 2021, we consolidated the high sales levels we experienced during 2020. During the year, we continued to offer high safety and hygiene controls in all our operations; but we also reinforced our differentiation strategy in order to retain new customers who have tried our stores; we paid close attention to product assortment, and we endeavored to maximize our customers' shopping experience.

We carried out our *"Temporada Naranja"*, (Orange Season) promotional campaign, based on offering promotions on products from different departments and rotating them throughout the promotional season with great acceptance by our customers. We continued successfully with our *"Miércoles de plaza"* campaign, offering the best quality and selection of perishable products.

The sales of our digital platform *"La Comer en tu Casa"* continue with important sales levels, showing to be a quality and trustworthy service for our customers. The participation of our online sales platform was 7.9% of the company's total sales.

Our gross profit margin was 27.8%; gross profit increased 9.0% with respect to 2020. This expansion was partially due to the growth in participation of some high margin sections such as bakery and prepared foods, which during 2020 were affected in their sales by the pandemic. Some operating expenses that increased during the year were: packaging, to preserve food hygiene; opening and advertising expenses in support of new store openings; and electric power.

EBITDA margin for the year as a percentage of sales was 10.0%, generating an annual EBITDA of \$2.9 billion pesos.

In 2021 we carried on with various Social Responsibility and Sustainability practices. We supported our vulnerable employees with a gradual return to their jobs throughout the year. We continued with campaigns to support SMEs, and negotiated mutually beneficial situations with our tenants. We continued with social aid programs, *"Un kilo de ayuda"*, the *"Tienda Rosa"* campaign to help women with cancer, and we made donations to various charities.





AT THE END OF 2021, CASH REACHED

\$2,536 MILLION PESOS

With respect to sustainability, we developed several actions and measures in our stores to use resources in an environmentally friendly manner. We have continued to switch to more environmentally friendly packaging. Measures were taken to collect waste products, paper and cardboard for recycling or reuse, among other actions.

I want to recognize all our employees for their dedication, attention, service and teamwork; without them we would have never achieved the excellent results we obtained in the face of the emergency. I would

like to express my most heartfelt thanks to each and every one of them for having positioned us this year as the best self-service chain in the country.

With the progress achieved and the positioning and differentiation of the company, we have created the best foundation to continue on the path of consolidation and growth. We expect to continue opening more stores in the coming years in order to replicate our shopping experience.

Finally, I hereby submit to your consideration the Consolidated Financial Statements of La Comer, S.A.B. de C.V., attached to this report. They have been prepared by the Administration and Finance Department and subsequently authorized by the Audit Committee of

this same Board of Directors; if approved, they may be subsequently presented to the General Shareholders' Meeting of the Company.

SANTIAGO GARCÍA GARCÍA

Chief Executive Officer
La Comer, S.A.B. de C.V.





OPINION OF THE BOARD OF DIRECTORS

REGARDING THE 2021 CEO REPORT

Mexico City March 25, 2022

To the General Shareholders' Meeting
La Comer, S.A.B. de C.V.

PRESENTE

Dear shareholders:

In compliance with the provisions of Article 28, Section IV, paragraph c) of the Mexican Securities Market Law and the Twenty-second clause of the bylaws of La Comer, S.A.B. de C.V. (the "Company"). (the "Company"), it is hereby stated for the record that the Board of Directors, on this date, agreed to issue this opinion, whereby it **APPROVES** the report of the Chief Executive Officer and the financial statements of the Company for the fiscal year ended December 31, 2021, to be presented to the General Ordinary Shareholders' Meeting to be held on April 27, 2022, together with the external auditor's report.

In order to reach the aforementioned conclusion, the directors relied, among other elements, on the favorable opinion of the external auditor, as well as on the comments made by the Audit Committee, which is part of the Board of Directors, in which it is expressed that the accounting and information policies and criteria followed by the Company are adequate and sufficient, and it is considered that they have been consistently applied in the preparation of the information presented by the Chief Executive Officer.

Therefore, the Board of Directors is of the opinion that the information presented by the Chief Executive Officer with respect to the aforementioned fiscal year, fairly reflects the financial position of the Company and its subsidiaries, as well as the results of their operations.

CARLOS GONZÁLEZ ZABALEGUI

Chairman of the Board of Directors
La Comer, S.A.B. de C.V.

BOARD OF DIRECTORS' REPORT

IN TERMS OF ARTICLE 172, SECTION B) OF THE GENERAL BUSINESS CORPORATIONS ACT

Mexico City March 25, 2022

To the General
Shareholders' Meeting

PRESENTE

Dear shareholders:

Pursuant to Article 28, Section IV, paragraph e) of the Mexican Securities Market Law, this document describes the principal accounting and reporting policies and criteria used in the preparation of the financial information of La Comer, S.A.B. de C.V. (the "Company") for the year ended December 31, 2021, as required by Article 172, paragraph b) of the Mexican Corporate Law. (the "Company"), for the year ended December 31, 2021, as required by Article 172, paragraph b) of the General Corporations Law.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In accordance with the General provisions applicable to issuers of securities and other participants in the securities market, published on March 19, 2003 and its amendments until February 16, 2021, by the National Banking and Securities Commission (CNBV), the Company is required to prepare its financial statements using IFRS issued by the IASB and its interpretations.

The consolidated financial statements have been prepared on the historical cost basis, except for cash equivalents and employee benefit plan assets, which are measured at fair value.

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. Areas involving a higher degree of judgment or complexity or areas in which assumptions and estimates are significant to the consolidated financial statements.

ONGOING BUSINESS

The Company operates primarily on cash flow from sales operations at its stores, as well as from the arrangement of certain supplier credits. Management has a reasonable expectation that the Company has sufficient resources to continue operating as a going concern for the foreseeable future. The Company considers the going concern basis in preparing its consolidated financial statements.





The following is a description of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements, which have been applied consistently throughout the period presented, unless otherwise indicated. ut the period presented, unless otherwise indicated.

2.1 CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to use its power over the entity to influence the amount of the returns.

Transactions eliminated in consolidation

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries are adjusted to comply with the Company's accounting policies.

Consolidation was performed by including the financial statements of all subsidiaries.

Loss of control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in income. If the Company retains any interest in the former subsidiary, it is measured at fair value at the date control is lost.

2.2 SEGMENT INFORMATION

Segment information is presented in a manner consistent with internal reporting provided to the chief operating decision maker (CODM), the Executive Officers, who are responsible for making operating decisions, authorizing capital expenditures and evaluating returns on capital expenditures. For the year ended December 31, 2021 and 2020, the Company operates a single business segment that includes self-service stores, corporate operations and the real estate business. Resources are allocated considering the importance of the Company's operations, strategies and returns established by management.

2.3 FOREIGN CURRENCY TRANSACTIONS

a. Functional and presentation currency

The items included in the financial statements of each of the Company's subsidiaries are expressed in the currency of the primary economic environment in which each entity operates, i.e., its functional currency. The currency in which the consolidated financial statements of the Company are presented is the Mexican peso, which is, in turn, the functional currency of the Company and all its subsidiaries, and is also used to comply with its legal, tax and stock exchange obligations.

b. Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the date of the transaction. Gains and losses from exchange rate fluctuations resulting either from the settlement of such transactions or from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the

statement of income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Gains and losses from exchange rate fluctuations related to loans, cash and cash equivalents are presented in the statement of income under financial income (cost).

2.4 CASH AND CASH EQUIVALENTS

In the consolidated statement of financial position, cash and cash equivalents include cash on hand, bank deposits in checking accounts, bank deposits in foreign currency and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within current liabilities in the statement of financial position. Cash is stated at nominal value and cash equivalents are valued at fair value; fluctuations in their value are recognized in income for the year.

Cash equivalents are mainly represented by demand or very short-term investments, as well as investments in highly liquid government securities with very short-term maturities. Bank deposits include the amount of bank card vouchers pending to be deposited by the banking institutions to the Company. Recovery of voucher amounts generally does not exceed 1 day.

2.5 ACCOUNTS RECEIVABLE FROM CUSTOMERS

Accounts receivable from customers are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less allowance for losses. The Company's accounts receivable comprise: i) accounts receivable from entities issuing food vouchers; ii) rents receivable for the lease of commercial premises and promotional spaces to third parties, and iii) other accounts receivable, all of which are short-term.

2.6 2.6 FINANCIAL ASSETS

2.6.1 Classification

The Company classifies its financial assets in the following measurement categories:

- Those that are subsequently measured at fair value (either through other comprehensive income, or through profit or loss), and.
- Those measured at amortized cost.

The classification depends on the Company's business model for the management of financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable decision at initial recognition to record the investment at fair value through other comprehensive income (OCI).

2.6.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell

the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

2.6.3 Measurement

Upon initial recognition, financial assets are measured at fair value plus, in the case of a financial asset that is not at fair value through profit or loss (FV-ROE), transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are recorded in profit or loss.

Financial assets are not reclassified after initial recognition, except if the Company changes its business model to one for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

The subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories according to which the Company classifies its financial assets:

- **Amortized cost:** assets held for the collection of contractual cash flows when such cash flows represent only payments of principal and interest are measured at amortized cost. Income received from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of income.





- **FV-ORI:** assets held for collection of contractual cash flows and for the sale of financial assets, where the cash flows from the assets represent only payments of principal and interest, are measured at fair value through other comprehensive income (FV-ORI). Movements in the carrying value are recognized through ORI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in ORI is reclassified from equity to income and recognized in other gains/ -losses.

Interest income on these financial assets is included in interest income using the effective interest rate method. Exchange gains and losses are presented in other gains/(losses) and impairment charges are presented as a separate line item in the statement of income

- **FV-ORI:** assets that do not meet the amortized cost or FV-ORI criteria are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented on a net basis in other gains/losses in the period in which it arises.

• **Financial assets** – Business model assessment
The Company evaluates the objective of the business model in which a financial asset is held at portfolio level as this best reflects the manner in which the business is managed and information is provided to management.

The Company maintains a financial asset at portfolio level until the maturity of the asset.

In accordance with the management of these assets, they are held until the end of the contractual cash flows

- **Financial assets** – Assessment of whether the contractual cash flows are only principal and interest payments

For purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. Interest' is defined as the consideration for the time value of money for the credit risk associated with the principal amount outstanding for a specified period of time and for other basic risks and borrowing costs (e.g, liquidity risk and administrative costs), as well as a profit margin.

In assessing whether contractual cash flows are only payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether a financial asset contains a contractual condition that could change the timing or amount of the contractual cash flows in a manner that would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that could adjust the contractual coupon, including variable rate features;
- prepayment and extension features, and
- terms that limit the Company's entitlement to cash flows from specific assets (e.g, non-recourse features).

The cash flows the Company receives from the financial assets it holds, usually accounts receivable, customers and related parties, are comprised of principal and interest payments. Through the analyses performed, no characteristics have been identified in these financial assets that would contravene this fact.



Financial liabilities

Financial liabilities are classified measured at amortized cost or at fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign currency translation gains and losses are recognized in income. Any gain or loss on derecognition is also recognized in income.

Suppliers and other accounts payable

The balances of suppliers and other accounts payable represent liabilities for goods and services rendered to the Company before the end of the year that have not been paid. The amounts are unsecured. Suppliers and other accounts payable are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

As of December 31, 2021, and 2020, the balance of accounts payable consists mainly of sundry creditors and deferred income, the latter generated by the Company's loyalty programs.

2.6.4 OFFSETTING

A financial asset and a financial liability shall be offset, so that their net amount is presented in the statement of financial position, when the Company has the legally enforceable right to offset the recognized amounts and intends to settle the net amount, or to realize the asset and settle the liability simultaneously.

2.6.5 IMPAIRMENT OF FINANCIAL ASSETS

The Company's principal source of income is the sale of products in its stores, which are collected immediately by means of cash, bank cards and vouchers or coupons. The Company's accounts receivable consist primarily of amounts receivable from voucher and coupon issuers, as well as rent receivable from the lease of commercial premises and promotional space to third parties. The Company's experience shows that the collection of vouchers and coupons does not usually present problems; however, the collection of accounts receivable for the lease of premises does.

The Company evaluates, on a prospective basis, the expected credit losses associated with its debt instruments at amortized cost and VR-ORI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For accounts receivable, the Company applies the simplified approach permitted by IFRS 9, which requires that expected losses over the life of the instrument be recognized from the initial recognition of the accounts receivable.

2.7 ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE AND RECOVERABLE

The Company classifies as other accounts receivable travel allowances pending verification and other items as accounts receivable and taxes receivable. If the collection rights or the recovery of these amounts will be realized within 12 months after year-end, they are classified as current assets, otherwise they are included in non-current assets.

2.8 DERIVATIVE FINANCIAL INSTRUMENTS

The Company does not carry out transactions with derivative financial instruments.

2.9 INVENTORIES

Merchandise inventory is determined using the retail method. Under the retail method, inventory

is separated into merchandise departments with similar characteristics and valued at selling price. From this value, inventories are determined at their cost price net of discounts, applying specific cost factors for each merchandise department. The cost factors represent the average cost of each department based on the initial inventory and purchases for the period. The percentage applied considers the portion of inventories that have been marked below their original selling price. The methodology used by the Company in the application of the retail method is consistent for all periods presented. Inventory valued in this manner approximates its cost and does not exceed its net realizable value. Inventory is recorded at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business less the estimated costs to make the sale.

At CCF, physical inventories are taken monthly for perishable products and semi-annually for non-perishable products, and inventory records are adjusted to the results of the physical inventory.

The Company records the necessary estimates to recognize inventory write-downs due to shrinkage and other causes that indicate that the utilization or realization of inventory items will be less than the recorded value.

Distribution center inventories are valued using the average inventory method, since they do not use cost factors.

2.10 PREPAYMENTS

The Company records as prepayments expenditures made when the benefits and risks inherent to goods to be acquired or services to be received have not been transferred. Prepayments are recorded at cost and are presented in the statement of financial position as current assets if their maturity is equal to or less than 12 months, or as non-current

assets if their maturity is greater than 12 months from the date of the statement of financial position. Once the goods and services are received, these amounts are recognized as an asset or as an expense in the statement of income for the period, respectively.

When prepayments lose their capacity to generate future economic benefits, the amount considered not recoverable is recognized in the statement of income for the period in which this occurs. Among the main ones are: insurance premiums, licenses and systems maintenance, among others.

2.11 PROPERTY, FURNITURE AND EQUIPMENT AND IMPROVEMENTS TO PREMISES – NET

Land is stated at cost less impairment losses, if any. All other items of property, furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of these assets and all expenses related to the location of the asset in the place and under the conditions necessary for it to operate in the manner intended by management.

Cost includes borrowing costs capitalized in accordance with the Company's policies for qualifying assets. As of December 31, 2021, and 2020, there were no capitalized borrowing costs for this item.

Expansion, remodeling or improvement costs that represent an increase in capacity and therefore an extension of the useful life of the assets are also capitalized. Maintenance and repair expenses are charged to the statement of income in the period in which they are incurred. The carrying amount of replaced assets is derecognized when they are replaced, taking the full effect to the income statement under other operating income and expenses.



Construction in progress represents stores and shopping centers under construction and includes directly attributable investments and costs to bring them into operation. When the stores are ready to start operations, they are transferred to the corresponding property, furniture and equipment and leasehold improvements line and depreciation begins to be computed.

Land is not depreciated. Depreciation is calculated based on the straight-line method in order to allocate their cost to their residual value over their estimated useful lives as shown below:

Buildings (*)	50 years
Branch office equipment	10 years
Furniture and equipment	10 years
Office equipment	10 years
Electronic equipment	3.3 years
Premises improvements	20 years or the lease term, whichever is shorter.

(*) Buildings are comprised of various construction components, which on average are depreciated over periods approximating those used in the buildings of which they are a part.

The Company allocates the amount initially recognized with respect to an item of property, furniture and equipment into its various significant parts (components) and depreciates each of these components separately.

The residual values and useful lives of assets and their depreciation method are reviewed and adjusted, if necessary, at each financial statement reporting date.

The carrying amount of an asset is written down to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on the sale of assets result from the difference between the proceeds from the transaction and the carrying value of the assets. These are included in the statement of income within other income and expenses, respectively.

2.12 INVESTMENT PROPERTIES

The Company owns some shopping centers in which it has its own stores and commercial premises leased to third parties. The Company's own stores are recognized in the statement of financial position as property, furniture and equipment and the commercial premises are recognized as investment property.

Investment properties are those real estate assets (land and buildings) that are held to obtain economic benefits through the collection of rents or to obtain an increase in their value and are initially valued at cost, including transaction costs. After initial recognition, investment properties continue to be valued at cost less accumulated depreciation and impairment losses, if any.

Expansion, remodeling or improvement costs that represent an increase in capacity and therefore an extension of the useful lives of the assets are also capitalized. Maintenance and repair expenses are charged to the statement of income in the period in which they are incurred. The carrying amount of replaced assets is derecognized when they are replaced, taking the full effect to the statement of income under other income and expenses.

Depreciation of investment property is calculated based on the straight-line method over their estimated useful lives as follows:

Buildings (*)	50 years
Branch equipment	10 years

Income from leases of investment property is recognized as revenue from ordinary activities on a straight-line basis over the lease term. Lease incentives granted are recognized as an integral part of lease income over the lease term.

2.13 ASSETS HELD FOR SALE

Non-current assets, or groups of assets held for disposal comprised of assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered principally through sale rather than through continuing use.

These assets, or groups held for disposal, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a group of assets held for disposal is allocated first to goodwill and then prorated to the remaining assets and liabilities, except that no such loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties, which continue to be measured in accordance with the Company's other accounting policies.

Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses arising from remeasurement are recognized in profit or loss.





When properties have been classified as held for sale they are no longer amortized or depreciated.

2.14 BORROWING COSTS

General and/or specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time (generally more than 12 months) until they are ready for use or sale, are included as part of the value of such assets during that period and until such time as they are ready for use.

Any income earned from the temporary investment of specific borrowed funds pending their use in qualifying assets reduces the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the income statement in the period in which they are incurred.

In the year ended December 31, 2021 and 2020, no borrowing costs were capitalized as there were no qualifying assets during these periods.

2.15 INTANGIBLE ASSETS

An intangible asset is recognized if and only if the following two conditions are met: **a)** it is probable that the future economic benefits attributed to the asset will flow to the entity; and **b)** the cost of the asset can be measured reliably.

Licenses acquired for the use of programs, software and other systems are capitalized at the value of the costs incurred for their acquisition and preparation for use. Maintenance costs are recognized as expenses as incurred. Licenses acquired for the use of programs that are recognized as intangible assets are amortized over their estimated useful lives, not to exceed 3.3 years.

The assignment of rights and operation of self-service stores are recognized at historical cost. The rights to use and operate self-service stores are amortized based on the term of the lease agreements, which range from five to ten years. These assets are presented in the statement of financial position as current assets if their maturity is equal to or less than 12 months, or as non-current assets if their maturity is greater than 12 months from the date of the statement of financial position. Once the rights are accrued, these amounts are recognized as an expense in the statement of income for the period, respectively. When the other assets lose their capacity to generate future economic benefits, the amount considered not recoverable is recognized in the statement of income for the period in which this occurs.

Brands acquired individually are recognized at historical cost. Trademarks purchased through a business acquisition are recognized at fair value at the date of acquisition.

The Company recognizes as an intangible asset of indefinite life, the rights of the acquired brands, since it considers that there is no foreseeable limit in future accounting periods for the brand rights to generate net cash inflows for the Company. Trademark rights are not amortized, and in each period, the Company performs the respective impairment test to determine whether the value of the trademark rights will be recovered with the future cash flows expected to be generated by the Company.

The distinctive rights of acquired trademarks have an indefinite useful life, and are recorded at cost less accumulated impairment losses, if any. As of December 31, 2021, and 2020, there was no impairment in the distinctive rights of the trademarks.



2.16 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. On the other hand, assets subject to depreciation or amortization are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses correspond to the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of assets is the higher of the fair value of the asset less costs incurred to sell it and the asset's value in use. Value in use is based on estimated future cash flows at present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks that may be associated with the asset or cash-generating unit.

For purposes of impairment testing, assets are grouped at the smallest levels at which they generate identifiable cash flows (cash-generating units). For purposes of impairment testing of assets with indefinite useful lives, the Company has determined the cash-generating unit to be the total of its stores. Non-financial assets that are subject to impairment write-offs are evaluated at each reporting date to identify possible reversals of such impairment.

The Company tests non-monetary assets for impairment on an annual basis, or when there are indicators that they may be impaired. Non-monetary assets include the following statement of financial position items: intangible assets, property, plant and equipment, investment property, and other non-current assets.

As of December 31, 2021, and 2020, there were no indications of impairment in non-current assets subject to depreciation or amortization, and in the case of having an indefinite useful life, the Company

performed annual impairment tests and no impairment was observed in these assets.

2.17 PROVISIONS

Provisions are recognized at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market conditions with respect to the value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions for contingencies are recognized when the Company has a present or constructive legal obligation as a result of past events, it is probable that cash outflows will be required to settle the obligation and the amount can be reliably estimated.

Employee bonuses and gratuities. Bonus to executives according to the scope of the results of the year, as well as that related to the calculation of the Employees' Profit Sharing (PTU) for the year.

Store maintenance. For services rendered, which have not been recorded for payment.

Property tax. For payments made where the authorities have not issued the supporting documentation.

2.18 CURRENT AND DEFERRED INCOME TAX

Income tax expense comprises current and deferred income tax. The tax is recognized in the income statement, except when it relates to items recognized in other comprehensive income or directly in stockholders' equity. In this case, the tax is also recognized in other comprehensive income or directly in stockholders' equity, respectively.

Current income tax is comprised of income tax (ISR), which is recorded in the year in which it is incurred, and is based on taxable income.

The current income tax charge is calculated based on tax laws enacted at the date of the statement of financial position or whose approval process is substantially completed. Management periodically evaluates the position taken in relation to its tax returns with respect to situations in which the tax laws are subject to interpretation.

Also deferred income tax is determined using tax rates and tax laws that have been enacted at the date of the statement of financial position or whose approval process is substantially complete and are expected to be applicable when the deferred income tax asset is realized or the deferred income tax liability is paid. For 2021 and 2020 the income tax rate was 30%.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their respective amounts shown in the consolidated financial statements, which are expected to materialize in the future. However, deferred income tax arising from the initial recognition of an asset or liability in a transaction that does not correspond to a business combination that at the time of the transaction affects neither accounting nor taxable income or loss is not recorded.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Future taxable income is determined based on the reversal of the related temporary differences. If the amount of the cumulative temporary differences is insufficient to recognize a deferred tax asset, then future taxable profits adjusted by the reversals of the cumulative temporary differences are considered, based on the business plans of the Company's individual subsidiaries. Deferred tax assets are reviewed



at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

At the end of each reporting period, the Company will reassess unrecognized deferred tax assets and record a previously unrecognized deferred tax asset if it is probable that future taxable profits will allow the deferred tax asset to be recovered.

The measurement of deferred taxes will reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be realized against which the temporary differences can be utilized.

Deferred tax liabilities arising from temporary tax differences arising from investments in subsidiaries are recorded unless the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Temporary differences in relation to the right-of-use asset and lease liability for a specific lease are considered as a net pool (the lease) for deferred tax recognition purposes.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off deferred income tax assets against deferred income tax liabilities and when the deferred income tax assets and liabilities relate to the same tax authority and

either the same taxable entity or different tax entities where there is an intention to settle the balances on a net basis. As of December 31, 2021, and 2020, the Company has no offsetting deferred taxes.

The Company has determined that the accessories related to the payment of federal income taxes meet the definition of taxes, and therefore are recorded and presented as taxes under IAS 12 Income Taxes.

2.19 EMPLOYEE BENEFITS

The benefits granted by the Company to its employees, including benefit plans, are described below:

Short-term obligations.

Direct benefits (wages and salaries, overtime, vacation, holidays and paid leaves of absence, etc.) that are expected to be fully settled within 12 months after the end of the period in which the employees render the related service are recognized in connection with the employees' service until the end of the period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities are presented as current obligations for employee benefits in the statement of financial position. In the case of compensated absences in accordance with legal or contractual provisions, these are not accrued.

Long-term benefits

The Company operates various retirement plans, including defined benefit and defined contribution plans, as well as postretirement medical plans.

a. Postretirement benefits and seniority premium

The Company's subsidiaries recognize the defined benefit obligation for seniority premium and two subsidiaries operate defined contribution retirement plans, and one of the latter recognizes the defined benefit obligation for postretirement health care for

a closed group of participants. The defined benefit plan is a plan that defines the amount of benefits that an employee will receive upon retirement, including retirement health plans, which usually depend on several factors, such as the employee's age, years of service and compensation. For defined contribution plans, the cost of the plan is determined, but the level of benefit for the employee that will be achieved at retirement with the accumulated amount is not defined.

The liability or asset recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated cash flows using interest rates of government bonds denominated in the same currency in which the benefits will be paid and which have maturity terms that approximate the terms of the defined benefit obligation. Actuarial gains and remeasurements arising from experience-based adjustments and changes in actuarial assumptions are charged or credited to stockholders' equity in other comprehensive income in the period in which they arise. Past service costs are recognized directly in the statement of income.

b. Employees' profit sharing and bonuses

The Company recognizes a liability and an expense for bonuses and EPS, the latter based on a calculation that considers current tax provisions. The Company recognizes a provision when it is contractually obligated or when there is a past practice that generates an assumed obligation.

c. Benefits paid to employees for severance indemnities established in labor laws

These types of benefits are payable and recognized in the statement of income when the labor relationship with employees is terminated before the retirement date or when employees accept a voluntary resignation in exchange for such benefits. The Company recognizes severance payments on the earlier of the following dates:

- i. when the Company is unable to withdraw the offer on those benefits,
- ii. when the Company recognizes restructuring costs that are within the scope of IAS 37 "Provisions", payment for termination benefits is implied. In the case of offers to encourage voluntary termination, termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits maturing more than one year from the date of the statement of financial position are discounted to their present value.

2.20 CAPITAL STOCK

Related units are classified as common stock.

Also, consistent with Article 56 of the Mexican Securities Market Law and Title Six of the Sole Circular for Issuers, which establish that issuers may acquire the related units of their capital stock, under certain rules, La Comer carries out the procedure for the purchase or sale of its related units from the repurchase reserve.

The purchase of La Comer's own issued linked units operating under the repurchase reserve is recognized as a decrease in La Comer's stockholders' equity until the linked units are cancelled or reissued. When such linked units are reissued, the consideration received is recognized in La Comer's stockholders' equity.



Stockholders' equity

Common stock

Incremental costs directly attributable to the issuance of common stock are recognized as a deduction from equity.

2.21 REVENUE RECOGNITION

The Company operates a chain of self-service stores (retail industry).

a. Merchandise sales

Revenues from the sale of merchandise in self-service stores are recognized when the Company sells a product to a customer. Payment of the transaction price is made immediately when the customer purchases the merchandise and the merchandise is delivered to the store

Discounts granted to customers, as well as returns made by them, are presented as a reduction of income. Merchandise sales are settled by customers with bank debit and credit cards, cash and vouchers. The Company's policy is to sell several of its products with the right to return them; however, accumulated experience shows that returns on sales are not representative in relation to total sales, which is why the Company does not create a provision in this respect. Since this low level of sales returns has been consistent for years, it is very likely that there will not be a significant change in the cumulative income recognized.

b. Rental income

Rental income arises primarily from the Company's investment properties and is recognized using the straight-line method over the lease term. The Company has no assets leased under finance leases.

c. Electronic purses

The Company carries out promotions, some of which involve the granting of benefits to its customers represented by electronic purses, the value of which is referenced to an amount or percentage of the sales price. The electronic purses granted may be used by customers to settle future purchases in the Company's stores. The Company deducts from operating income the amount granted to its customers in electronic purses.

The Company's experience shows that the possibility of redeeming electronic purses that have not been used after six months is remote; therefore, an inactivity period of 12 months was established for the cancellation of points. Therefore, electronic purses that meet these characteristics are canceled by crediting to sales.

Until May 31, 2019, a collaboration agreement was in place for participation in the Payback loyalty program coalition, as of December 31, 2021 and 2020 the points to be redeemed with Payback expire in 2022. The points that were awarded in the Payback loyalty program coalition by the Company are redeemed at other businesses, the account payable to the program administrator is recognized. As of November 2019, the loyalty program is operated directly by the Company.

As of December 31, 2021, and 2020 the value of the electronic purses issued for promotions pending redemption and that the Company estimates to be materialized, are recognized at fair value and shown as deferred revenue, is included within other accounts payable in the statement of financial position.

d. Vouchers redeemable for merchandise

Revenues from the issuance of vouchers issued by the Company and redeemable for merchandise in its stores, are recognized as a deferred credit at the time the Company physically delivers the vouchers to the customer, and are recognized as income in the statement of income until they are redeemed in the stores by their holders.

e. Commissions on collection of services

Commission income from the collection of services performed by the Company in its stores and other commissions are recorded as revenue as incurred. When the Company acts as an agent in the sale of goods or services, only the commission gain is recognized in income.

f. Parking

Parking revenues are recognized in rental income at the time the services are rendered.

g. Financing component

The Company does not expect to have any contracts in which the period between the transfer of the promised service goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any transaction price to the time value of money.

2.22 LEASES

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As lessee

At inception or upon modification of a contract that contains a lease component, the Company allocates

the consideration in the contract to each lease component on the basis of their relative independent prices. However, in the case of property leases, the Company has chosen not to separate the non-lease components and to account for both the lease and non-lease components as a single lease component.

The Company 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 includes the initial amount of the lease liability adjusted for lease payments made prior to or as of the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and dispose of the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement of operation of the branch until the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company at the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced for impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining

interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of leased asset.

Lease payments included in the measurement of lease liabilities include the following:

- fixed payments, including fixed essence payments;
- amounts expected to be paid by the lessee as residual value guarantees; and
- the price of exercising a purchase option if the Company is reasonably certain to exercise that option, lease payments over an optional renewal period if the Company is reasonably certain to exercise an extension option, and payments for penalties arising from early termination of the lease unless the Company is reasonably certain not to terminate the lease early.

Lease liabilities are measured at amortized cost using the effective interest method. A remeasurement is performed when: (i) there is a change in future lease payments resulting from a change in an index or rate; (ii) there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee; (iii) if the Company changes its assessment of whether or not it will exercise a purchase, extension or termination option; (iv) or if there is a fixed lease payment in substance that has been modified.

When a lease liability is remeasured in this manner, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or recorded in income if the carrying amount of the right-of-use asset has been reduced to zero.





Short-term leases and leases of low-value assets

The Company has chosen not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including Information Technology (IT) equipment. The Company recognizes lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As lessor

At inception or upon modification of a lease that contains a lease component, the Company allocates the consideration in the lease to each lease component on the basis of their relative independent prices.

When the Company acts as lessor, it determines at the inception of the lease whether it is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether or not the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease covers most of the economic life of the asset.

When the Company is an intermediate lessor, it accounts separately for its interest in the head lease and the sublease. It assesses the lease classification of a sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease to which the Company applies the exemption described above, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as revenue on a straight-line basis over the lease term as part of 'other income'. Generally, the accounting policies applicable to the Company as lessor in the comparative period did not differ from IFRS 16, except for the classification of the sublease made during the current reporting period, which resulted in a finance lease classification.

2.23 BASIC AND DILUTED INCOME

Basic income per related unit is calculated by dividing the controlling interest by the weighted average number of related units outstanding during the year. As of December 31, 2021, and 2020, the weighted average number of related units was 1,086,000,000.

Diluted earnings per linked unit is determined by adjusting the controlling interest and the linked units, under the assumption that the Company's commitments to issue or exchange its own units would be realized. As of December 31, 2021, and 2020, basic income is equal to diluted income as there are no transactions that could potentially dilute income.

2.24 SUPPLIER BONUSES

The Company receives certain bonuses from suppliers as reimbursement of discounts granted to customers. Reimbursements from suppliers related to discounts granted by the Company to its customers, with respect to merchandise that has been sold, are negotiated and documented by the purchasing areas and are credited to cost of sales in the period in which they are received.

The Company also receives contributions from its suppliers as reimbursement of costs and expenses incurred by the Company. These amounts are recorded as a reduction of the related costs and expenses.

2.25 DIVIDENDS

Dividend distributions to La Comer's stockholders are recognized as a liability in the consolidated financial statements in the period in which they are approved by La Comer's stockholders. During 2021 and 2020, the General Ordinary Stockholders' Meeting agreed to declare dividends from retained earnings.

2.26 INTEREST INCOME

Interest income is recognized by applying the effective interest method. Interest expense is also recognized using the effective interest method.

2.27 DERECOGNITION OF FINANCIAL LIABILITIES

The Company derecognizes financial liabilities if, and only if, the Company's obligations are discharged, cancelled or expire.

In connection with this report, among the documents that have been distributed to the shareholders attending this Meeting, you will find a copy of the opinion signed by the external auditor regarding the Company's financial position and its financial performance and cash flows for the fiscal year ended December 31, 2021, which indicates, in addition to what is described herein, that the accounting policies and criteria followed by the Company are adequate and sufficient, comply with IFRS and have been applied consistently.

CARLOS GONZÁLEZ ZABALEGUI

Chairman of the Board of Directors
La Comer, S.A.B. de C.V.



AUDIT COMMITTEE'S REPORT

Mexico City, March 25, 2022

To the Board of Directors of
La Comer, S.A.B. de C.V.

PRESENTE

In compliance with the provisions of Section II of Article 43 of the Securities Market Law (hereinafter "LMV"), in connection with Section IV paragraph (a) of Article 28 of the same Law, the Chairman of the Audit Committee must prepare an annual report on the activities of said Committee and submit it to the Board of Directors, so that, if approved by the Board, it may be submitted to the Shareholders' Meeting. Therefore, I hereby inform you about the activities carried out by the Audit Committee of La Comer, S.A.B. de C.V. ("the Company" or "the Issuer") during the year ended December 31, 2021.

Our work as a Committee was carried out in strict compliance with the regulations contained in the LMV, the General Provisions Applicable to Securities Issuers and Other Participants of the Securities Market, the Internal Regulations of the Mexican Stock Exchange (hereinafter "BMV"), the recommendations of the Code of Principles and Best Practices of Corporate Governance, as well as the Annual Program of topics to be discussed.

Based on the previously approved meeting schedule, the Committee met in 6 ordinary meetings, of which the corresponding minutes were prepared with their respective resolutions. The ordinary meetings were duly convened in accordance with the bylaws and complied with all the formalities set forth therein. The appointed board members, Manuel García Braña, José Ignacio Llano Gutiérrez and Alberto Saavedra Olavarrieta attended, as well as those guests that the Committee considered important to involve.

In its meetings, the Committee analyzed, among others, issues related to:

- (I) Internal audit, internal control and corporate governance,
- (II) Disclosure process of the Issuer's financial information,
- (III) Investment (CAPEX and OPEX); and
- (IV) External audit.

Among the activities carried out by the Audit Committee, the following points should be highlighted:

FINANCIAL INFORMATION

1. A review was conducted of the consolidated financial statements of La Comer, S.A.B. de C.V. for the year ended December 31, 2021, ensuring the guidelines for reporting to the BMV were duly compliant with International Financial Reporting Standards (hereinafter "IFRS").
2. The quarterly consolidated financial statements of La Comer and its subsidiaries from Q1 to Q4 2020 and accumulated financial statements were reviewed, ensuring that the guidelines for reporting to the Mexican Stock Exchange were duly compliant with International Financial Reporting Standards ("IFRS").
3. La Comer's related party reports were presented with quarterly figures for 2021, as well as the internal audit report on related parties for 2021.
4. A review was carried out of the quarterly and

Same Store Sales ("VMT"), compared with those of its main competitors and with those of the National Association of Supermarkets and Department Stores ("ANTAD"); as well as, individually, of those of the Company's four store formats.

5. The bases for the 2021 budget, the investment projects and the annual budget, which continues to consider some expenses derived from the Covid 19 pandemic, were reviewed. The base budget for the executive bonus for 2021 was reviewed.
6. The periodic progress of CAPEX and OPEX was presented, indicating new stores and remodeling.
7. The financial effects related to the Covid 19 pandemic were reviewed, being lower than those recorded in the previous fiscal year.
8. The quarterly operations of purchase and sale of own shares carried out during 2021 were presented.
9. A report was presented on the general situation and on compliance with the tax obligations of the Company and its subsidiaries for the fiscal year 2021 and the plan for 2022. In addition, we were informed of the reviews by the Tax Administration Service ("SAT") of the 2014 and 2015 tax returns of some subsidiaries, which are already completed and closed.
10. We were informed of the actions and progress made in the implementation of the new labor reform, regarding outsourcing of personnel and contracting of specialized services.

EXTERNAL AUDIT

11. A recommendation was made to the Board of Directors to contract and approve the fees of KPMG regarding the external audit services for fiscal year 2021, for the financial audit, tax opinions and transfer pricing.

12. KPMG's audit team was evaluated to ensure that it met the necessary requirements of professional quality, training, independence and diligence required to audit the Company's financial statements in accordance with the *Circular Única de Auditores Externos* ("CUAE").
13. An analysis was conducted of the letter to management on financial aspects and of the report of observations on general information technology controls, presented by the external auditor KPMG, corresponding to the audit of fiscal year 2020. The areas for improvement were noted and their implementation was followed up.
14. The external audit firm, KPMG, presented the schedule of activities and deliverables with respect to the audit of the financial statements and systems for fiscal year 2021.
15. The improvement plan presented by KPMG for the 2021 audit was reviewed in response to some comments received from the Company's Management, in order to improve the quality of the service and delivery times.
16. In each of the sessions of this Committee the external auditor reported on the progress of the 2021 audit.
17. Periodic communications were held with the external auditor, without the participation of the Management, in order to learn of their concerns and progress of the 2021 audit.

INTERNAL AUDIT AND COMPLIANCE

18. Detailed information was presented at each Committee meeting regarding incidents to the Company's Code of Ethics during the fiscal year, as well as statistics, special cases and actions taken.
19. Reports were presented on the progress made in regulatory compliance with the obligations

related to the prevention and identification of operations with resources of illicit origin.

20. Follow-up and progress was reported on the following projects: a) Updating of the Code of Ethics; b) Automation of the annual certification of related parties and; c) Progress of the system implemented for compliance with the new regulations on specialized services.

In addition, the audited consolidated financial statements of La Comer, S.A.B. de C.V. and its subsidiaries as of December 31, 2021 were reviewed.

Finally, Article 42, Section II paragraph (e) of the LMV requires the Audit Committee to prepare an opinion on the Issuer's financial statements as of December 31, 2021. Thus:

In the opinion of the members of the Audit Committee, the information presented by the Chief Executive Officer fairly reflects the consolidated financial position of La Comer, S.A.B. de C.V. and its subsidiaries as of December 31, 2021 and the consolidated results of their operations for the year then ended.

The foregoing opinion is based on the following elements:

- The financial opinion of the external audit firm, KPMG.
- The letter signed by Management that the annual report reasonably reflects its situation and that it does not contain information that could induce error.
- In the fact that the accounting and reporting policies and criteria followed by the Company during the year ended December 31, 2021, were adequate and sufficient. Such policies and criteria have been consistently applied in the information presented by the Chief Executive Officer.

Based on the foregoing, the Audit Committee recommends that the Board of Directors approve the audited consolidated financial statements of La Comer, S.A.B. de C.V. as of December 31, 2021, as well as the Chief Executive Officer's report.

For the preparation of this report, the Relevant Officers of the Company were heard and it is noted that there was no difference of opinion among them.

Sincerely,

MANUEL GARCÍA BRAÑA

Chairman of the Audit Committee
La Comer, S.A.B. de C.V.

CORPORATE PRACTICES COMMITTEE'S REPORT

Mexico City March 25, 2021.

To the Board of Directors
La Comer, S.A.B. de C.V.

PRESENTE

Pursuant to the provisions of Section I of Article 43 of the Securities Market Law (hereinafter "LMV"), in connection with Section IV paragraph (a) of Article 28 of the LMV, the Chairman of the Corporate Practices Committee must prepare an annual report on the activities that correspond to such body and submit it to the Board of Directors, so that if the Board approves it, it may be presented to the Shareholders' Meeting. Therefore, I hereby inform you about the activities that were carried out by the Corporate Practices Committee of La Comer, S.A.B. de C.V. ("the Company" or "the Issuer") during the year ended December 31, 2021.

In this regard, it should be noted that the members of the Corporate Practices Committee are Mr. José Ignacio Llano Gutiérrez, Mr. Manuel García Braña and the undersigned. During the reporting period, the Committee met in five ordinary sessions on February 19, April 23, July 14, October 22 and November 26, 2021.

Minutes were taken at each meeting, signed by all the members in attendance, and the requirements of convocation and legal installation were complied with. The foregoing, in compliance with the provisions of the bylaws of the Corporate Practices Committee, which was approved in due course by the Board of Directors.

The various meetings of this Committee were attended, as required, by Mr. Raúl del Signo Guembe, Director of Human Resources of the Issuer, among other officers.

Without prejudice the activities carried out by the Committee during the fiscal year 2021 described below, it should be noted that the members of said corporate body paid attention to the following matters, among others:

- Review and approval of the compensation plans for senior management, ensuring that the criteria, common practices, history and other elements that served to fulfill this activity are current and valid.
- The performance evaluations of senior executives were reviewed and approved for the results ended December 31, 2020, as well as their performance bonuses and EBITDA (earnings before interest, taxes, depreciation and amortization) bonuses.
- The Committee reviewed and recommended the approval by the Board of Directors of the budget prepared for the 2021 fiscal year, and reviewed the basis for the preparation of the budget for the 2022 fiscal year.
- Compensation of the members of the Company's senior management was reviewed in detail, and it





was agreed that the proposals for modification were made by the Executive President, who submitted them to this Committee, which in turn, once analyzed and approved, submitted them to the Board of Directors.

- The organizational charts and structures of the different divisions of the Company were reviewed, validating the responsibilities and functions of each division, and the replacement table plan was updated.
- The performance of the Corporate Practices Committee was evaluated pursuant to the evaluation form designed for this purpose
- The actions implemented by the Company to protect the health of its personnel and clients during the COVID 19 pandemic were reviewed.
- The Committee, together with the members of the Audit Committee, reviewed and the latter submitted for the approval of the Board of Directors the transactions between Related Parties carried out during the 2021 fiscal year. For such purpose, it was verified that the existing operations were in competitive market conditions, finding no significant fact to report.

In preparing this report we interviewed the Relevant Officers of the Company, and found no difference of opinion among them. Likewise, when we deemed it convenient, we requested the opinion of independent experts.

Sincerely,

ALBERTO SAAVEDRA OLAVARRIETA

Chairman of the Corporate Practices Committee
La Comer, S.A.B. de C.V.



LA COMER, S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL

STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
(Translation from Spanish Language Original)

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LA COMER, S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the years ended on 31 December 2021 and 2020

(thousands of pesos)

These financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

Assets	Note	2021	2020	Liabilities and stockholders' equity	Note	2021	2020
Current assets				Current liabilities			
Cash and cash equivalents	8	\$ 2,535,787	3,040,366	Trade payables and financing programs to suppliers	17	\$ 4,114,588	3,538,913
Trade receivables, net	9	78,676	81,329	Related parties	21	117,881	62,394
Current tax assets	9	1,059,233	875,837	Provisions	19	81,267	70,554
Related parties	21	372	289	Provision for employee benefits	19	284,476	266,518
Inventories, net	10	3,918,307	3,238,989	Other payables	18	667,597	583,073
Prepayments	11	29,564	19,760	Current income tax	25	156,117	37,943
Intangible assets with a finite useful life and others, net	16	109,819	110,293	Other tax payable		362,620	291,000
Assets held for sale	13	17,039	17,039	Short-term lease liabilities	28	69,092	64,643
Total current assets		7,748,797	7,383,902	Total current liabilities		5,853,638	4,915,038
Intangible assets with finite useful lives	16	329,195	418,497	Deferred tax liabilities	25	65,135	426,854
Investment property, net	12	623,016	625,069	Employee benefits	20	188,244	143,218
Property, furniture and equipment and leasehold improvements, net	14	16,396,281	14,739,721	Long-term lease liabilities	28	1,456,135	1,295,134
Intangible assets with an indefinite useful life, net	15	6,277,998	6,277,998				
Deferred tax assets	25	199,549	182,363	Total non-current liabilities		1,709,514	1,865,206
Right-of-use assets	28	1,420,805	1,296,365				
				Total liabilities		7,563,152	6,780,244
				Stockholders' equity			
				Capital stock	26	1,966,662	1,966,662
				Net premium on paid-in capital	26	264,724	264,724
				Reserves	26	1,686,435	1,759,635
				Retained earnings	26	21,546,327	20,181,881
				Other comprehensive income	25	(31,659)	(29,231)
				Total equity		25,432,489	24,143,671
				Commitments and contingent liabilities	27		
				Posterior fact	30		
Total assets		\$ 32,995,641	30,923,915	Total liabilities and equity		\$ 32,995,641	30,923,915

See accompanying notes to the consolidated financial statements.



LA COMER, S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended 31 December 2021 and 2020

(thousands of pesos)

These financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

	Note	2021	2020
Operating income:			
Net sales of goods	2.21 a. c. and d.	\$ 28,567,034	26,743,061
Leasing income	2.21 b, f. and 2.22	276,340	216,777
Other revenue	2.21 e, g	62,930	60,777
Total revenue		28,906,304	27,020,615
Cost of goods sold	22	20,856,566	19,638,362
Gross profit		8,049,738	7,382,253
Selling expenses	22	5,337,258	4,802,352
Administrative expenses	22	911,013	848,106
		6,248,271	5,650,458
Other expenses	23	(75,946)	(39,230)
Other income	23	83,014	41,238
		7,068	2,008
Operating income		1,808,535	1,733,803

	Note	2021	2020
Financing costs:			
Financial expenses	24	(182,882)	(213,170)
Financial income	24	159,436	227,950
Net financing costs		(23,446)	14,780
Income before income taxes and other comprehensive income		1,785,089	1,748,583
Income taxes	25	242,021	281,316
Consolidated net income		1,543,068	1,467,267
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of employee benefits, net of deferred tax	25	(2,428)	(8,701)
Other comprehensive income for the period, net of tax		(2,428)	(8,701)
Consolidated comprehensive income		\$ 1,540,640	1,458,566
Basic and diluted earnings per share:	2.23	1.42	1.35

See accompanying notes to the consolidated financial statements.



LA COMER, S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended 31 December 2021 and 2020

(thousands of pesos)

These financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

	Note	Capital stock	Net premium on paid-in capital	Reserves	Retained earnings	Other comprehensive income	Total stockholders' equity
Balances at 1 January 2020		\$ 1,966,662	206,505	1,717,371	19,147,027	(20,530)	23,017,035
Comprehensive income for the period:							
Profit for the period		-	-	-	1,467,267	-	1,467,267
Remeasurement of employee benefits, net of deferred tax	25	-	-	-	-	(8,701)	(8,701)
Total comprehensive income for the period		-	-	-	1,467,267	(8,701)	1,458,566
Transactions with shareholders:							
Dividends paid	26	-	-	-	(432,584)	-	(432,584)
Capital gains from the sale of shares		-	58,219	(58,219)	-	-	-
Shares (sold) acquired	26	-	-	100,483	171	-	100,654
Total transactions with shareholders		-	58,219	42,264	(432,413)	-	(331,930)
Balances as of December 31, 2020		1,966,662	264,724	1,759,635	20,181,881	(29,231)	24,143,671
Comprehensive income for the period:							
Profit for the period		-	-	-	1,543,068	-	1,543,068
Remeasurement of employee benefits, net of deferred tax	25	-	-	-	-	(2,428)	(2,428)
Total comprehensive income for the period		-	-	-	1,543,068	(2,428)	1,540,640
Transactions with shareholders:							
Dividends paid	26	-	-	-	(205,955)	-	(205,955)
Shares (sold) acquired	26	-	-	(73,200)	27,333	-	(45,867)
Total transactions with shareholders		-	-	(73,200)	(178,622)	-	(251,822)
Balances as of December 31, 2021		\$ 1,966,662	264,724	1,686,435	21,546,327	(31,659)	25,432,489

See accompanying notes to the consolidated financial statements.



LA COMER, S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended 31 December 2021 and 2020

(thousands of pesos)

These financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

	2021	2020
Cash flows from operating activities:		
Consolidated income	\$ 1,543,068	1,467,267
Income taxes	242,021	281,316
Income before income taxes	1,785,089	1,748,583
Adjustments for:		
Depreciation of property, furniture and equipment and leasehold improvements	858,756	778,351
Amortization of right-of-use assets	120,692	117,674
Amortization of intangible assets with finite an useful life	110,293	115,863
Depreciation of investment property	2,053	2,053
Loss on sale of property, furniture and equipment	2,730	23,546
Assets held for sale	-	(17,039)
Employee benefits net cost	32,289	24,209
Interest income	(113,064)	(136,390)
Items related to financing activities:		
Interest expenses	154,776	150,596
Subtotal	2,953,614	2,807,446
Trade receivables	(2,194)	22,940
Inventories	(679,318)	20,920
Receivable current tax assets	(183,397)	(233,033)
Other receivables and related parties	4,765	2,669
Prepayments	(9,804)	1,457
Trade payables	575,675	310,893
Other payables and other tax liabilities, provisions and related parties	252,437	210,089
Income taxes paid	(501,712)	(41,631)
Net cash flows from operating activities	2,410,066	3,101,750

	2021	2020
Cash flows from investment activities:		
Interest received	113,064	136,390
Acquisition of property, furniture and equipment	(2,523,841)	(2,046,455)
Proceeds from sale of property, furniture and equipment	2,929	9,163
Other assets	(20,517)	(1,248)
Net cash flows from investing activities	(2,428,365)	(1,902,150)
Cash flows from financing activities:		
Repurchase of shares	(45,867)	100,654
Payment of lease liabilities	(79,682)	(68,120)
Interest paid on lease liabilities	(154,776)	(150,596)
Dividends paid	(205,955)	(432,584)
Net cash flows from financing activities	(486,280)	(550,646)
Net increase (decrease) in cash and cash equivalents	(504,579)	648,954
Cash and cash equivalents at the beginning of the year	3,040,366	2,391,412
Cash and cash equivalents at the end of the year	\$ 2,535,787	3,040,366

See accompanying notes to the consolidated financial statements.



INFORMATION TO SHAREHOLDERS

ANNUAL MEETING

The Ordinary General Shareholders' Meeting of La Comer, S.A.B. de C.V. was held on April 27, 2022 at 11:00 a.m., at the offices located at Edgar Alan Poe No. 19, Colonia Chapultepec Polanco, Alcaldía Miguel Hidalgo, C.P. 11560, Mexico City.

REGISTERED SHARES

The shares representing the capital stock of La Comer, S.A.B. de C.V. are listed on the Mexican Stock Exchange (BMV) under the ticker symbol LACOMER.

CORPORATE INFORMATION

For additional information or financial information about the Company or the resolutions passed at the General Ordinary Stockholders' Meeting, please contact Rogelio Garza or Yolotl Palacios in the Finance Department of La Comer, S.A.B. de C.V. located at: Avenida Insurgentes Sur, No. Exterior 1517, No. Interior Módulo 2, Colonia San José Insurgentes, C.P. 03900, Alcaldía Benito Juárez, Mexico City. Tel (52) 55 5270 9308.



LACOMER

Independent Auditors

KPMG Cárdenas Dosal, S.C.
Manuel Ávila Camacho No.176 P1
Reforma Social, Miguel Hidalgo,
C.P. 11650, Mexico City



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