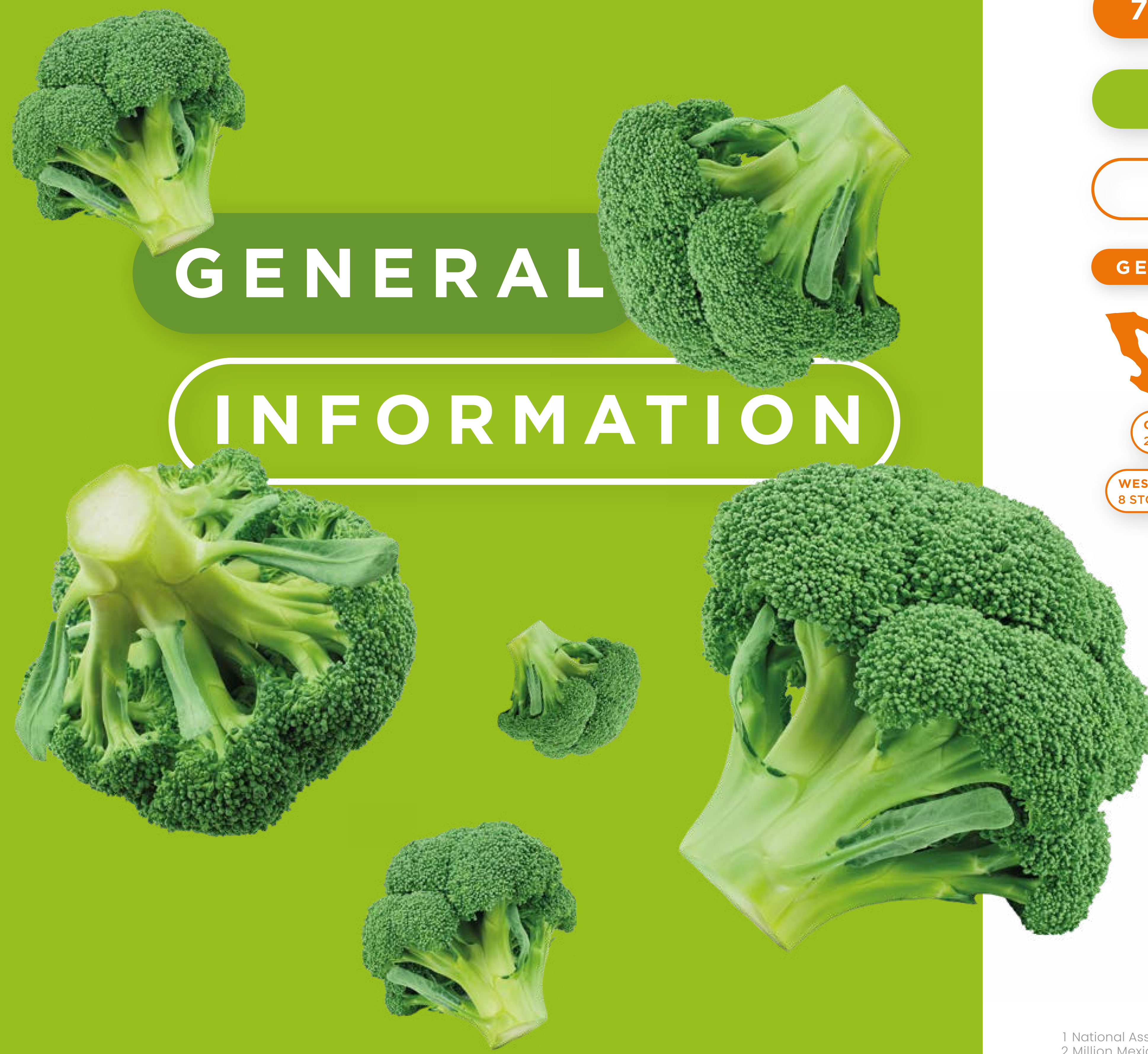
CONSOLIDATING GOOD RESULTS

ANNUAL REPORT 2021

CONTENTS

GENERAL INFORMATION



77 STORES

329,033 M² SALES AREA

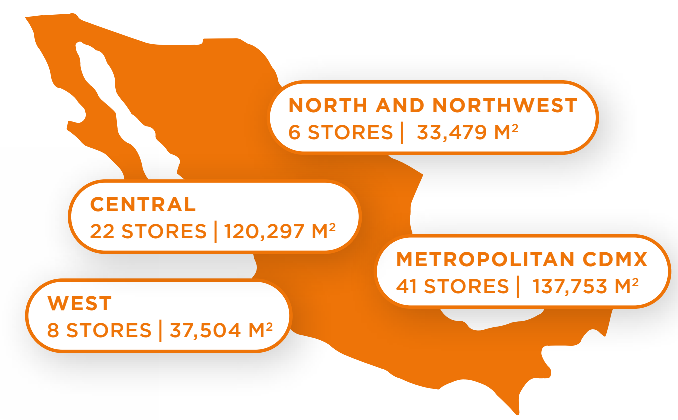
2 DISTRIBUTION CENTERS

CEDIS VALLEJO
16,000 M²

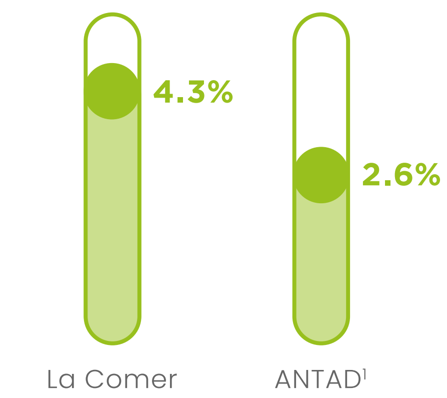
CEDIS OCCIDENTE
1,770 M²

382 RETAIL STORES

GEOGRAPHIC DISTRIBUTION



SAME-STORE SALES



FINANCIAL HIGHLIGHTS[2]

	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

laComer

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

city market LA COMER

Gourmet supermarket with specialized areas for on-site consumption of Pintxos, Bar do Mar, and Italian foof, 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

fresko LA COMER

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

sumesa

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.

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

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.

CONSOLIDATING GOOD RESULTS

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

+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.

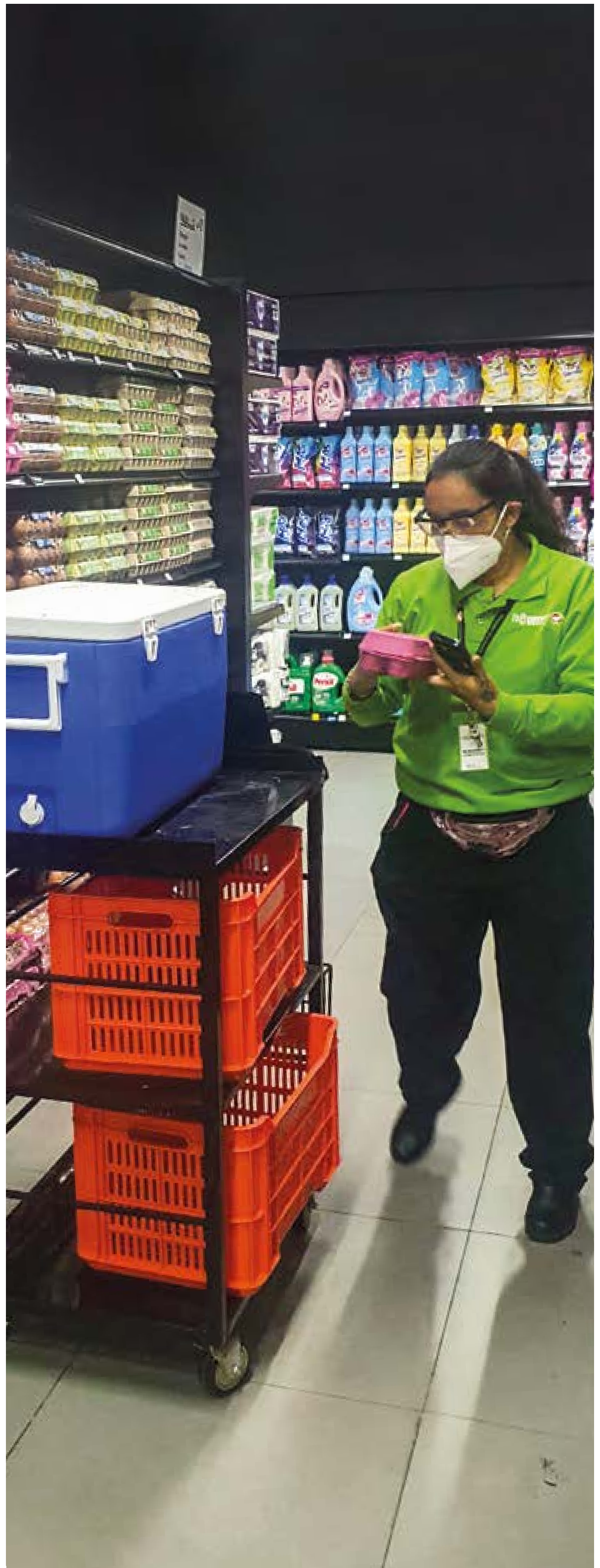
The e-commerce and Systems teams continue to search for the best technological tools to better serve our customers. Examples of these are the implementation of a cutting-edge platform for CRM and personalization with state-of-the-art technology, as well as the launch of our three Chatbots: *La Comer 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 ★★★★½



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)

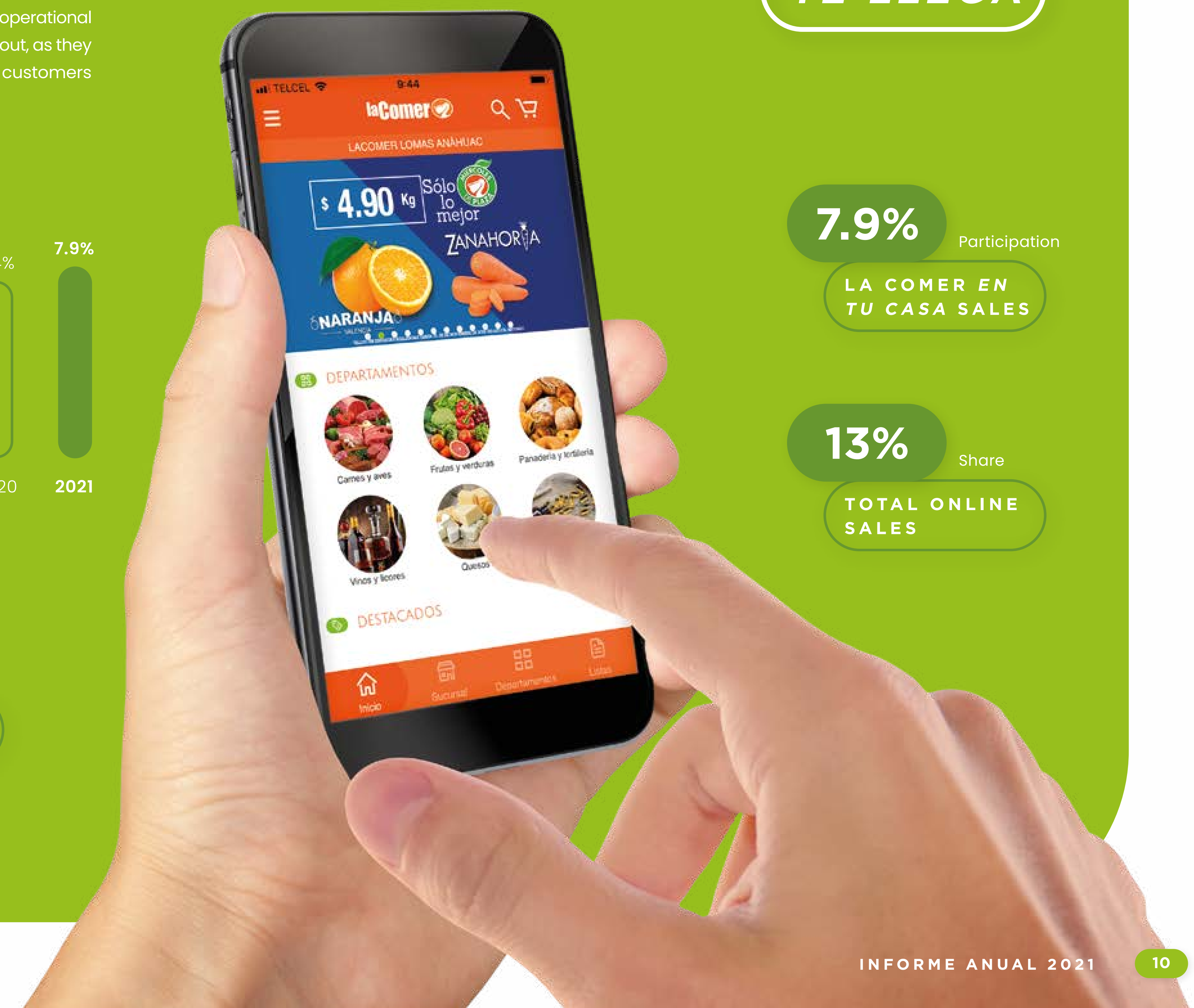
+5%

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

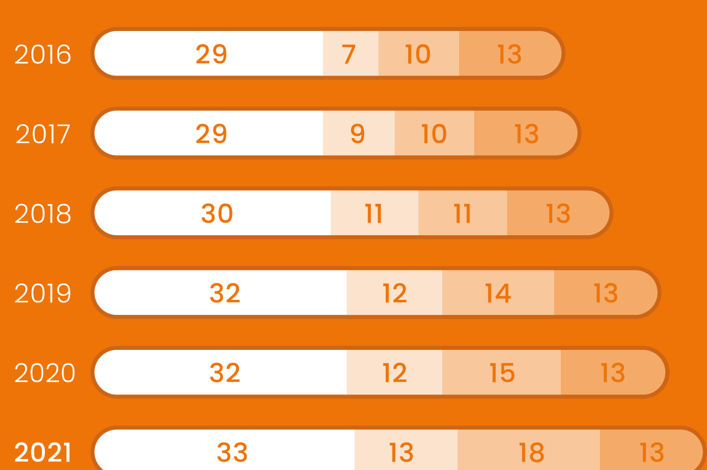
GROWTH

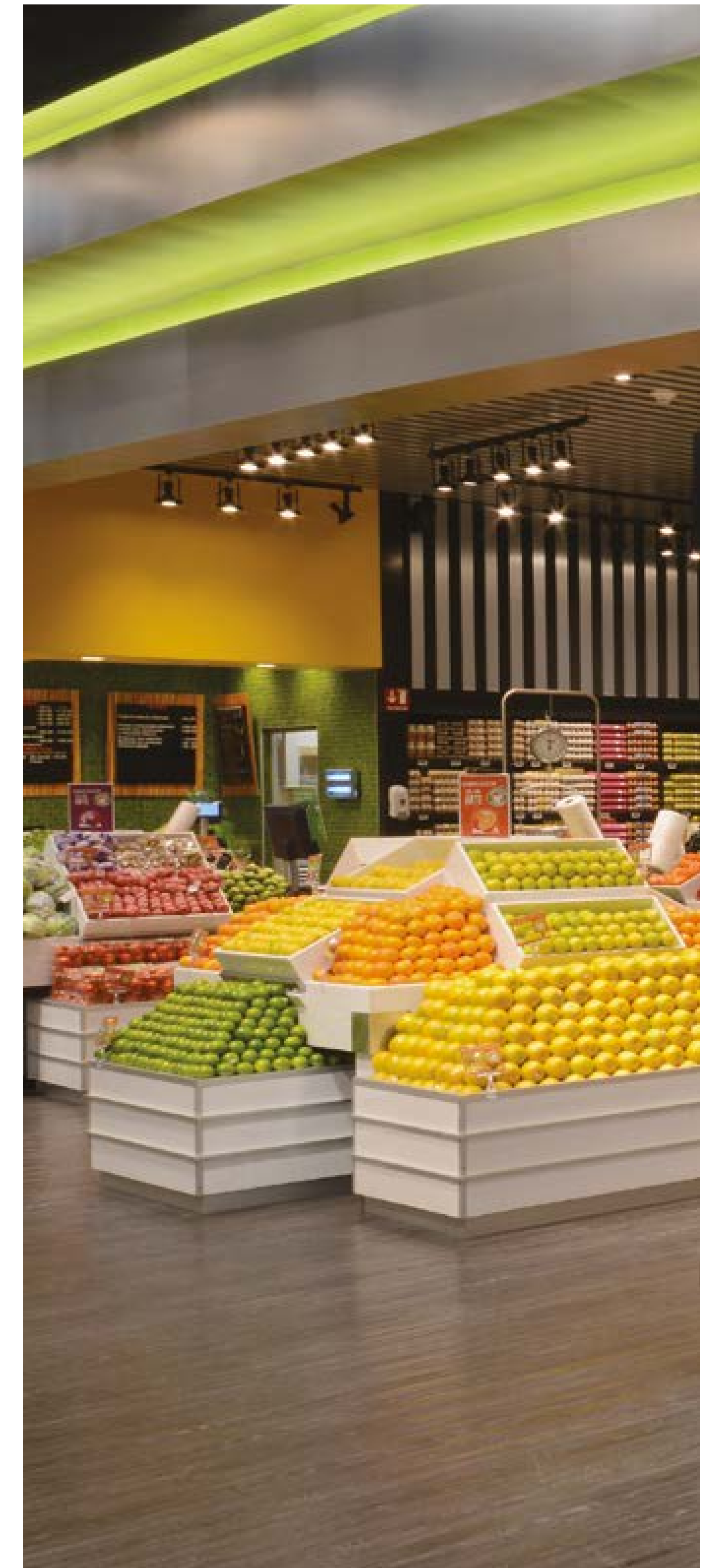
We are continuing with the growth of our store concept focused on a growing target market and located in various locations throughout the country, thereby increasing the company's geographic distribution.

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

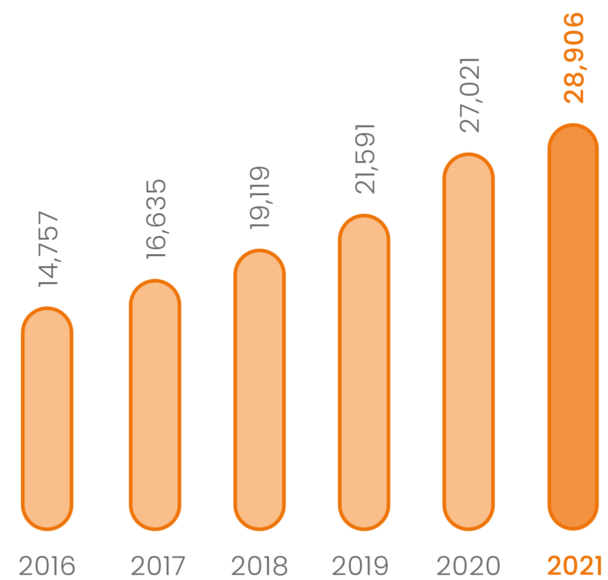
RESULTADOS

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

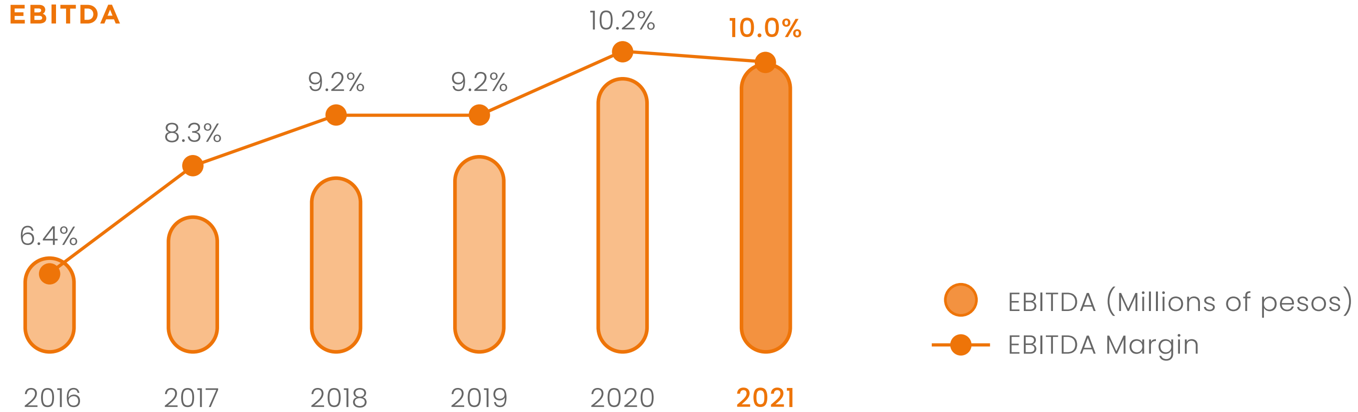
In 2021, we returned to creating shareholder value and contributed to the economic development of the areas where we operate by creating jobs, purchasing from local suppliers, and collaborating in social programs.

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.

SALES
(millions of pesos)



EBITDA



SINCE THE COMPANY BEGAN OPERATIONS, WE HAVE ACHIEVED EXCELLENT RESULTS

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	PROPRIETARY DIRECTORS
Honorary President	Don Guillermo González Nova [1]
President	Carlos González Zabalegui [1]
Board Member and Vice Chairman	Alejandro González Zabalegui [1]
Board Member	Luis Felipe González Zabalegui [1]
Board Member	Pablo José González Guerra [1]
Board Member	Antonino Benito González Guerra [1]
Board Member	Santiago García García [2]
Independent Director	José Ignacio Llano Gutiérrez [3]
Independent Director	Alberto G. Saavedra Olavarrieta [3]
Independent Director	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]
- Luís 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

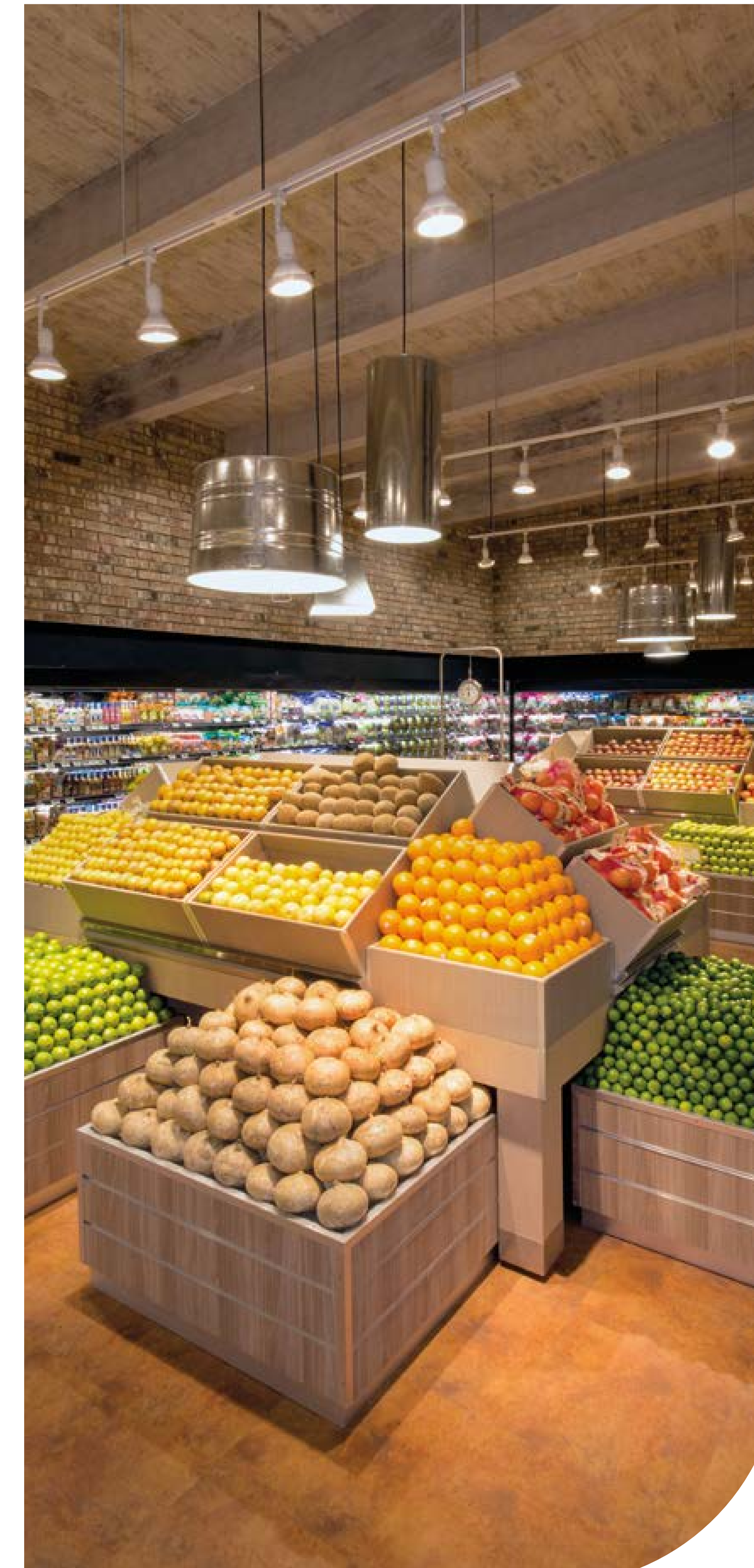
The following is our annual progress report and a review of the highlights of the year.

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.

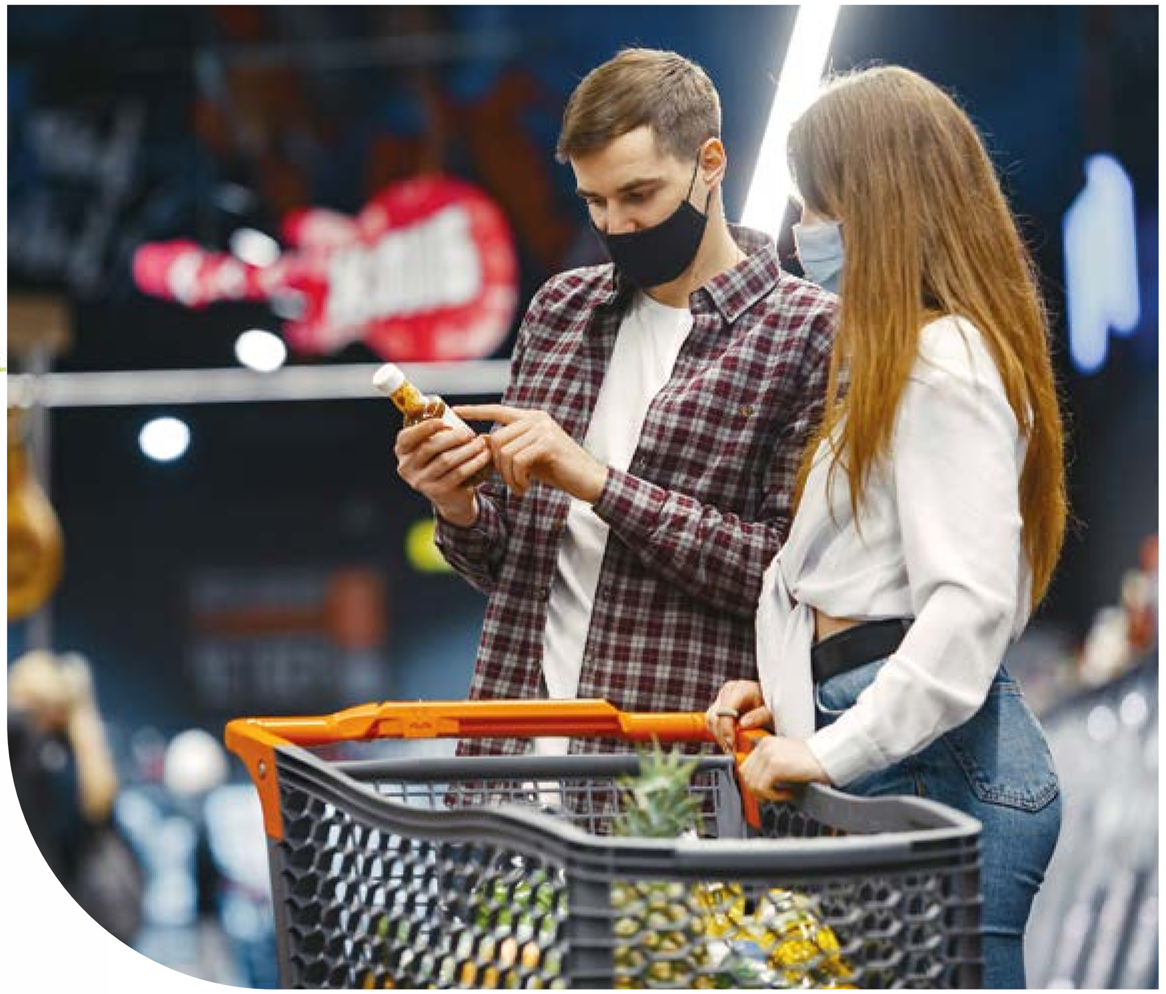
I would like to give special thanks to our customers for their preference; to our more than 14,500 collaborators who day after day make it possible for us to achieve our mission as a company; to our suppliers who collaborate as commercial and strategic allies; and to our shareholders who place their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

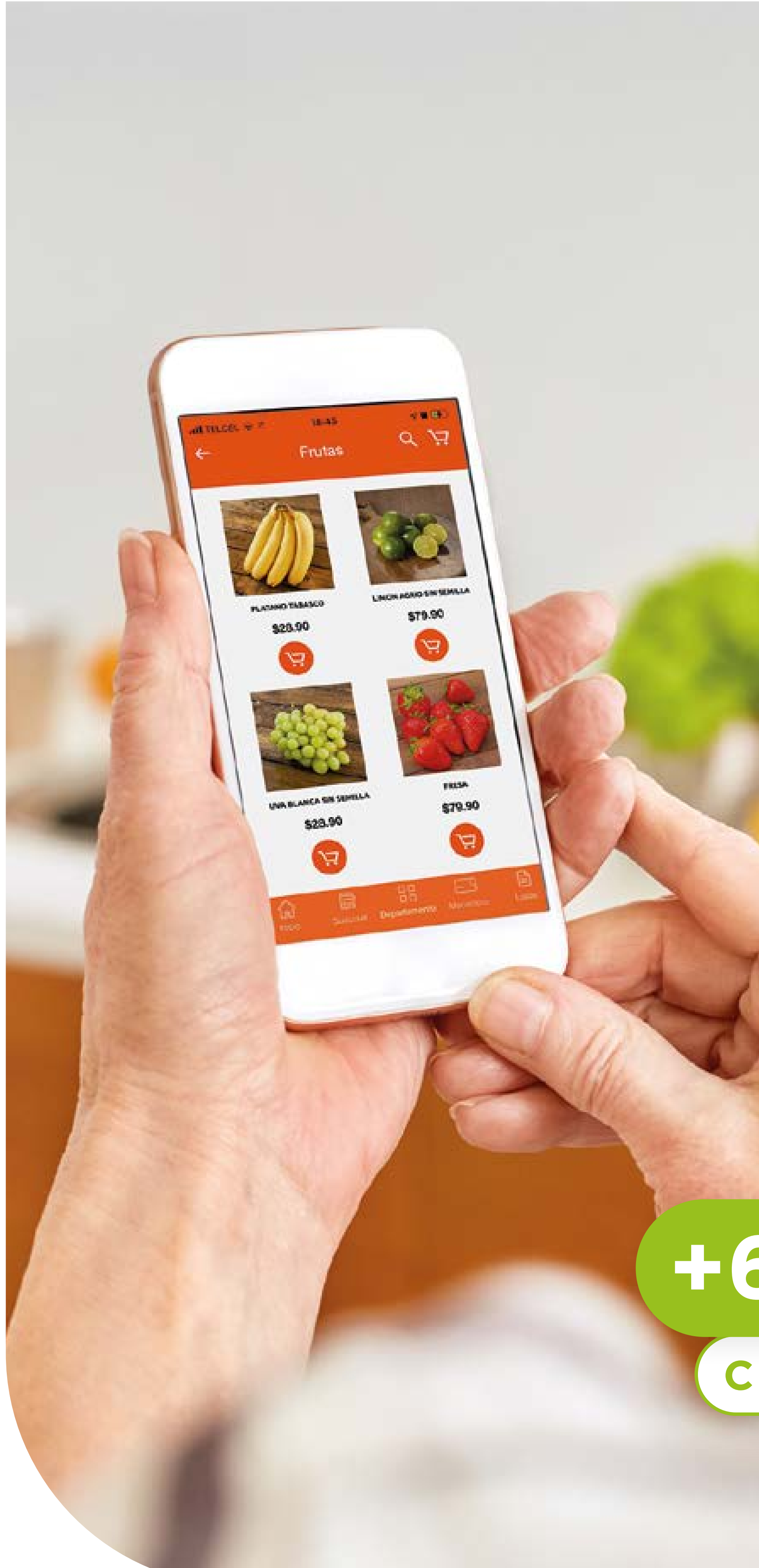
Our stakeholders are a fundamental element in our company's relationship with its business environment and are closely linked to its ability to achieve economic, social and environmental objectives.

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

f 511,550

35,557

35,808

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.

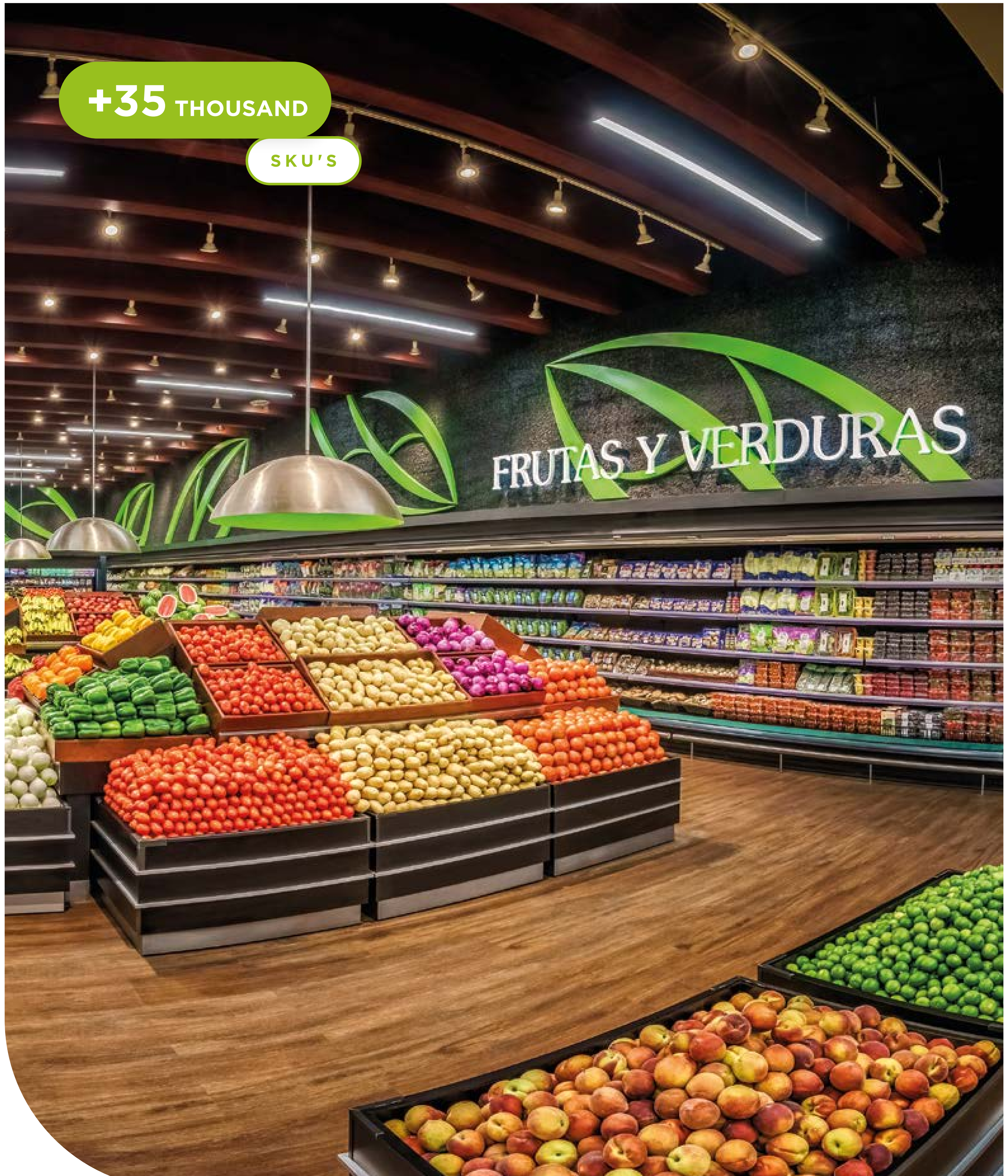
In 2021 we had our *"Temporada Naranja"* campaign which, as in previous years, supported our customers with the full force of our offers and promotions. We provided promotional opportunities for all items, categories or product lines, while ensuring that the validity of the offers was extended to avoid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

95%
WERE DOMESTIC SUPPLIERS IN 2021

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.

We are in permanent communication with our suppliers through our website Provecomer.com, allowing us to respond to requests, information on invoices, procedures, transactions, forums and complaints, forums and complaints.

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.

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.

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

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

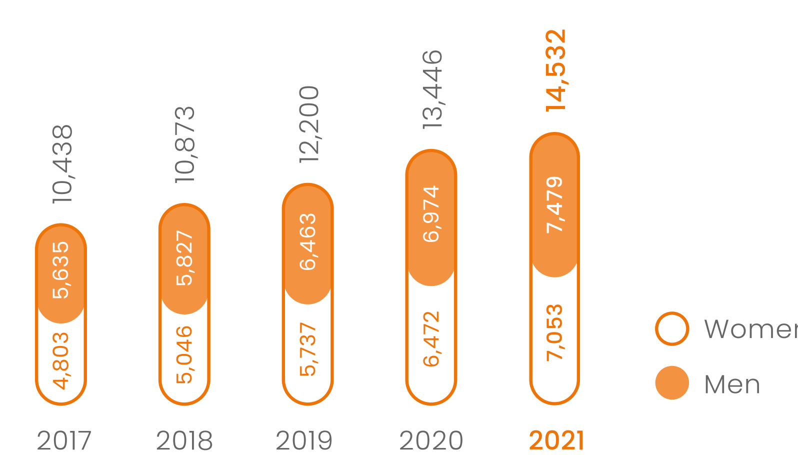
OUR EMPLOYEES ARE VALUED AND RECOGNIZED, INCREASING THEIR MOTIVATION AND PRODUCTIVITY, REDUCING ABSENTEEISM AND REWARDING THEIR EFFORTS

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 development, 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

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.

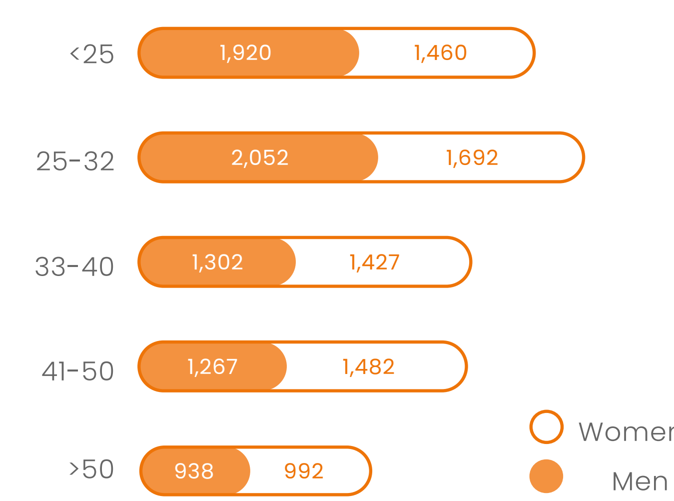
EQUAL OPPORTUNITY

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.

CODE OF ETHICS

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.

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.

+1,000 NEW JOBS

IN 2021 | +8% VS 2020

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.

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.

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 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.

+$400 THOUSAND

PESOS COLLECTED FROM THE SALE OF UKA PRODUCTS

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).

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 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 Cosio 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

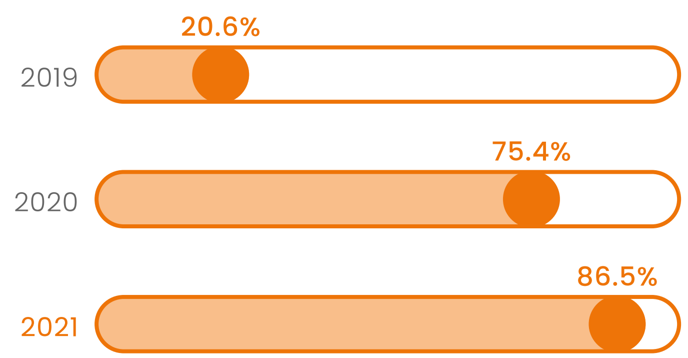
During the year we continued with the program to replace plastic bags with sustainable packaging, seeking to ensure that they are produced in a responsible manner, designed to be efficient and safe throughout their life cycle, that they meet market criteria for good performance, and that once used, they 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 Biopappel, 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.

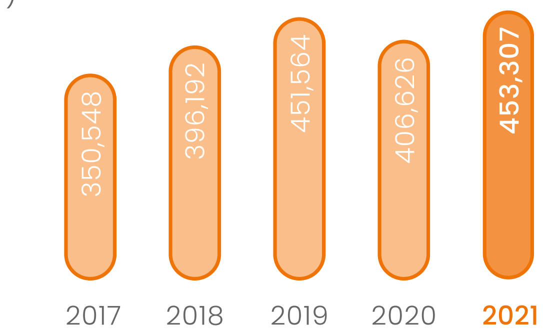
WATER

453,307 M³

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

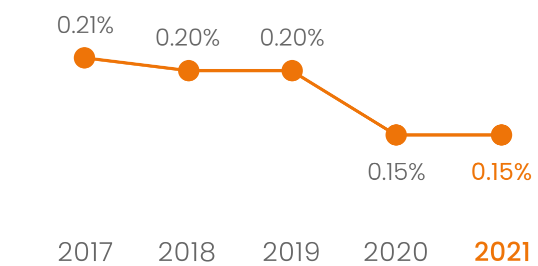
WATER CONSUMPTION

(m^3)



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.

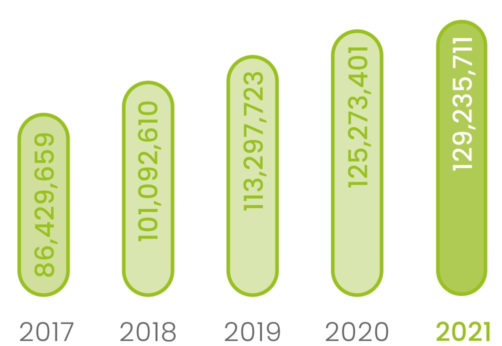
129 MILLION KWH

TOTAL STORES ELECTRICITY CONSUMPTION

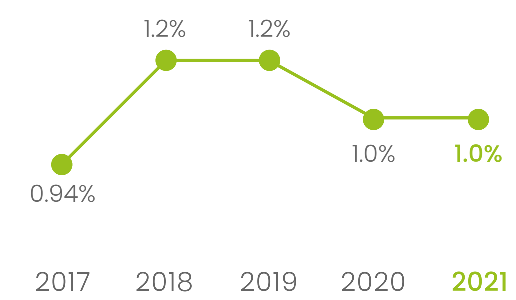
STORES USING SUSTAINABLE ENERGY

- 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

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

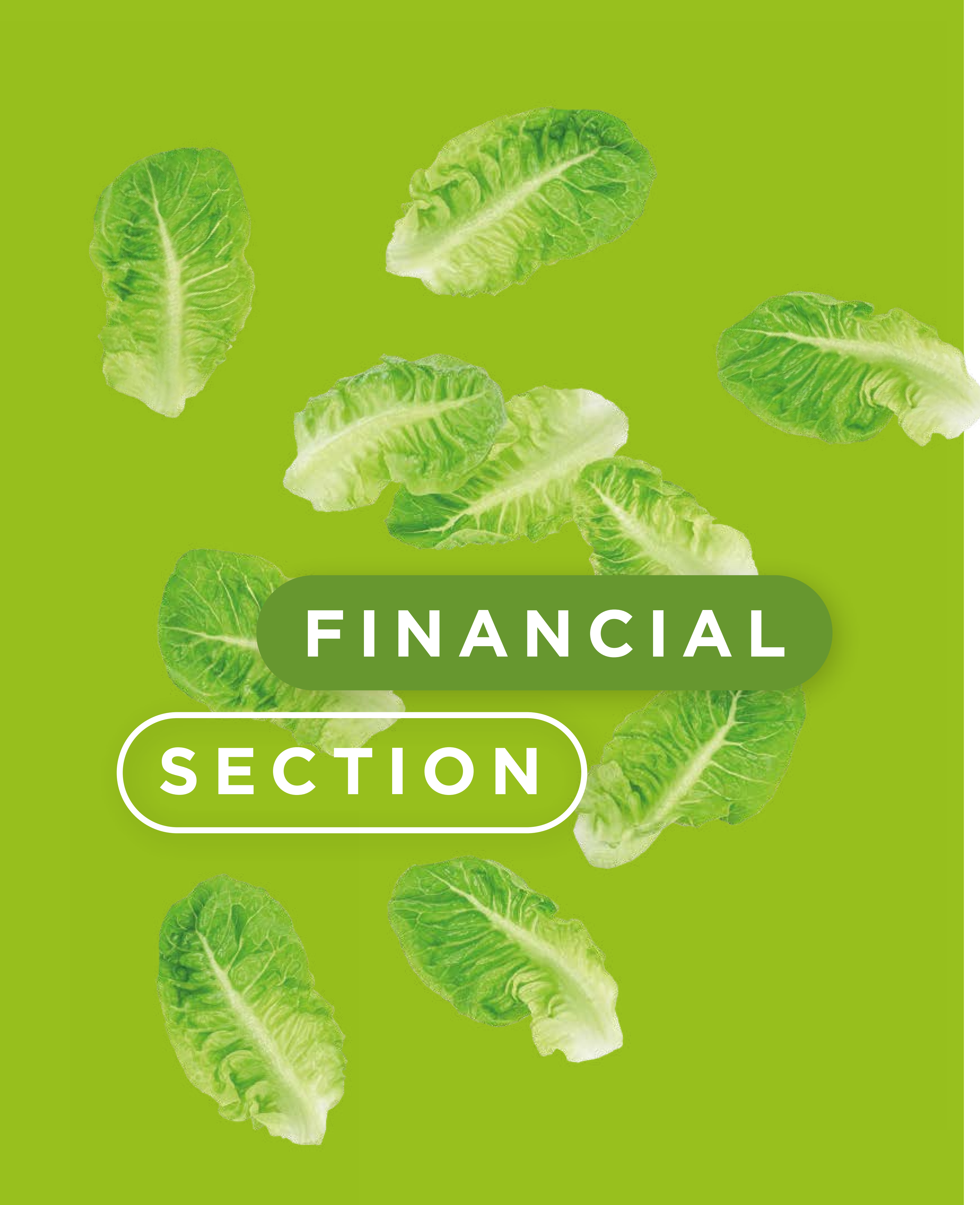
REFRIGERANTS

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.

FINANCIAL SECTION



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 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 C ORPORATIONS 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.

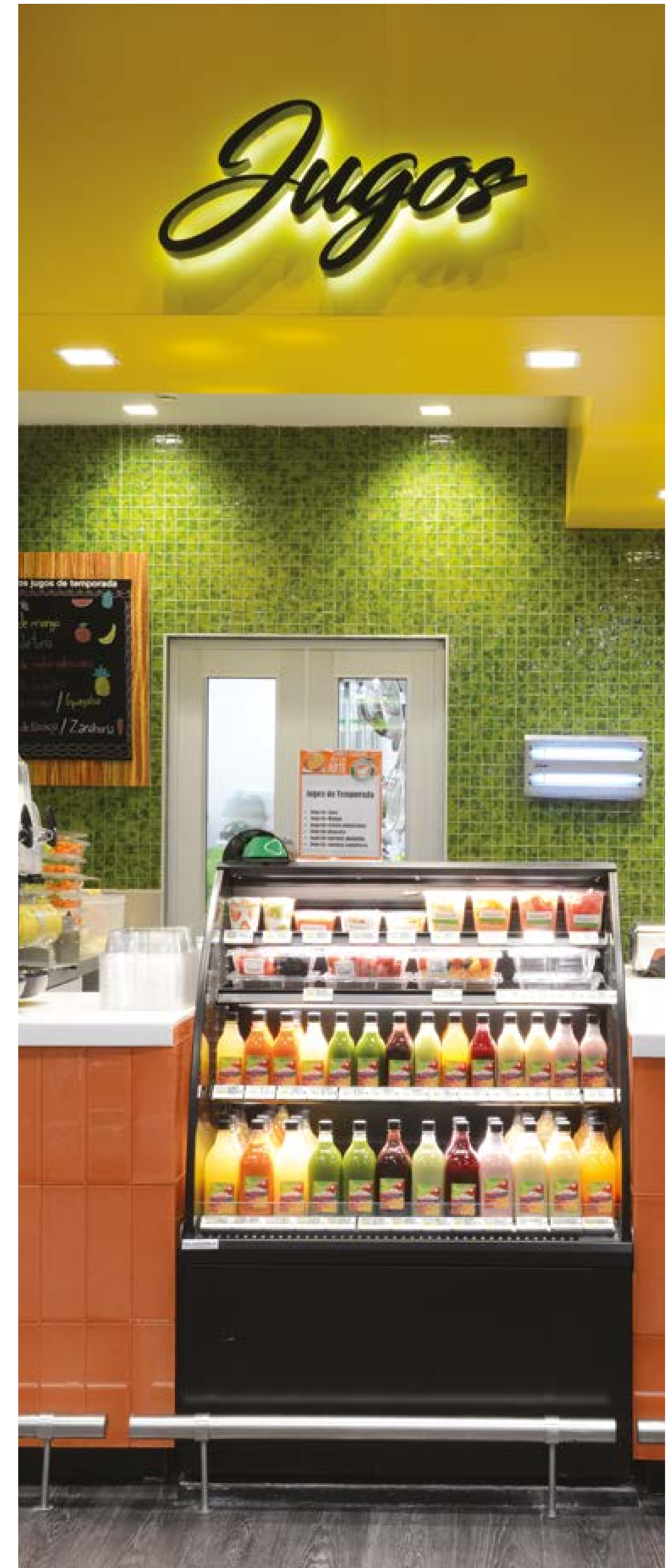
The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In accordance with the General provisions applicable to issuers of securities and other participants 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.

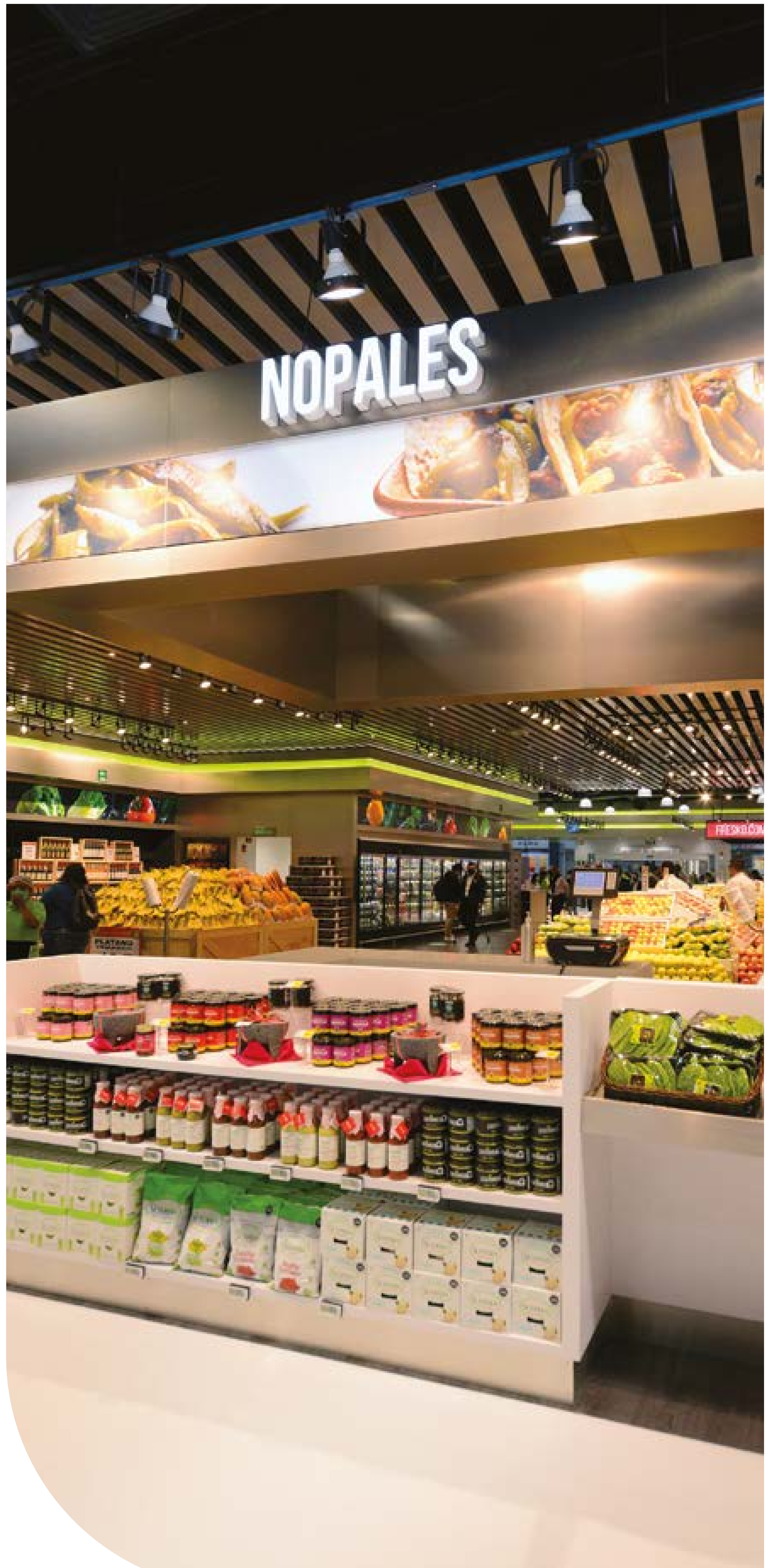
The consolidated financial statements have been prepared on the historical cost basis, except for cash equivalents and employee benefit plan assets, which are measured at fair value.

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.

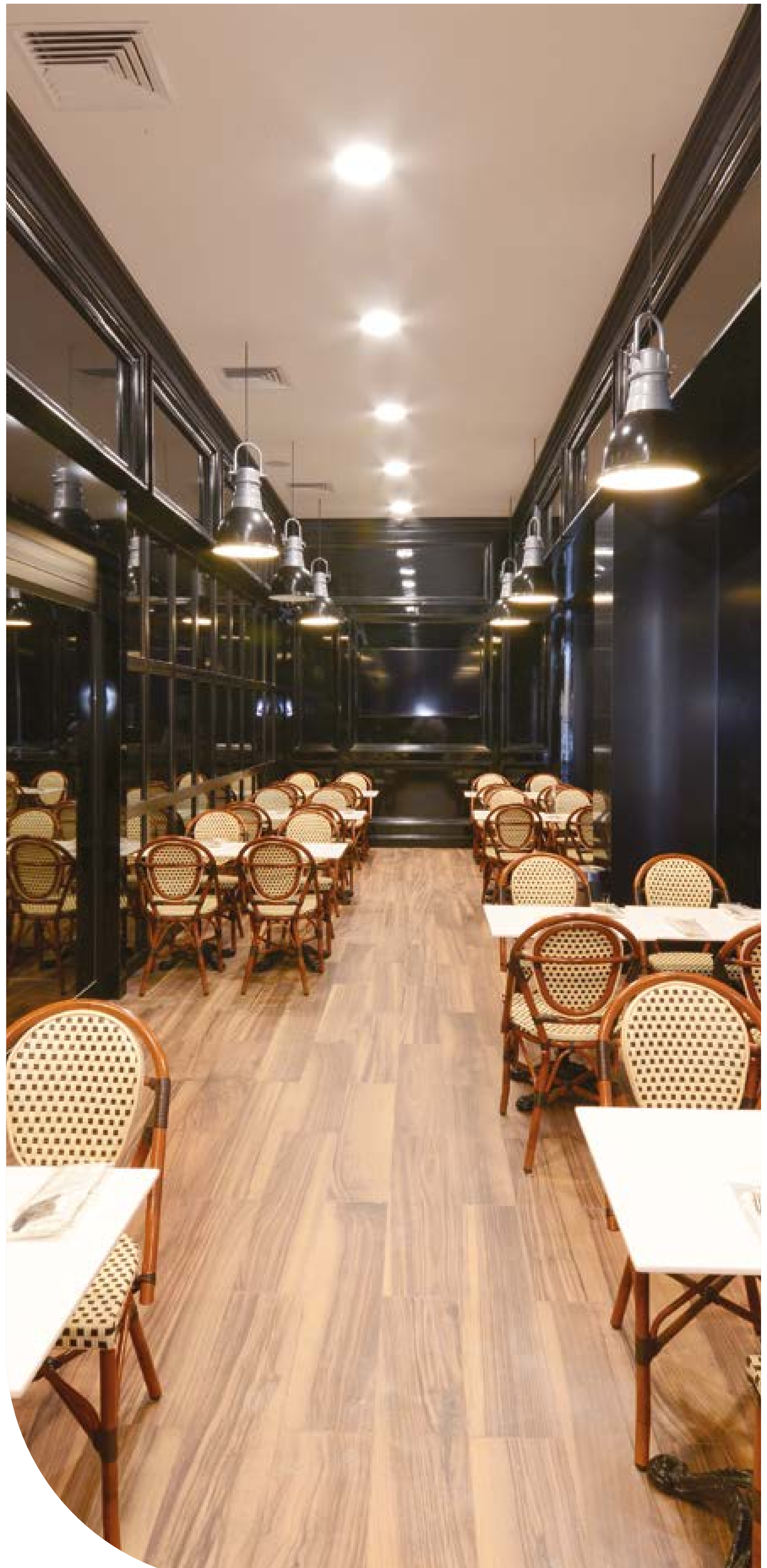
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally uses its incremental 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 1 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
(WHITH THE INDEPENDENT AUDITORS' REPORT THEREON)
(Translation from Spanish Language Original)

KPMG

KPMG Cárdenas Dosal, S.C.
Manuel Ávila Camacho 176 P1,
Reforma Social, Miguel Hidalgo,
C.P. 11650, Ciudad de México.
Teléfono: +01 (55) 5246 8300
kpmg.com.mx

Independent auditors' report

(Translation from Spanish Language Original)

To the Board of Directors and Shareholders of

La Comer, S. A. B. de C. V.

(Thousands of Pesos)

Opinion

We have audited the consolidated financial statements of La Comer, S. A. B. de C. V. and subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at 31 December 2021 and 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of La Comer, S. A. B. de C. V. and subsidiaries as at 31 December 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Aguascalientes, Ags.
Cancún, Q. Roo.
Ciudad de México.
Ciudad Juárez, Chih.
Culiacán, Sin.
Chihuahua, Chih.
Guadalajara, Jal.
Hermosillo, Son.
León, Gto.
Mexicali, B.C.
Monterrey, N.L.
Puebla, Pue.
Querétaro, Qro.
Reynosa, Tamps.
Saltillo, Coah.
San Luis Potosí, S.L.P.
Tijuana, B.C.

KPMG

Intangible assets with an indefinite life

See note 15 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We have considered the annual impairment testing of intangible assets with indefinite useful lives of $6,277,998, representing 19% of the Group's assets as of December 31st, 2021, as a key audit matter due to the complexity of the calculation and the significant judgments required in determining the recoverable amount, as well as the uncertainty around forecasting and discounting future cash flows, which are the basis of the recoverable amount assessment of these assets. The recoverable amount of the Cash Generating Unit (CGU) is based on the higher of the value in use and the fair value. These models use several key assumptions, including estimates of sales growth, gross margins, operating costs, long-term value growth rates as well as the discount rate estimation.	Our audit procedures in this key matter included, among others, the following: a) Comparing the future cash flow projections with the budgets approved by the Group's Management Committee and evaluating the appropriateness of key inputs such as sales growth, gross margins, operating costs, and long-term value growth rates. Comparing the historical figures as of December 31st, 2021 with the previous years projections to analyze the business performance of the last years. b) Assessing with the collaboration of our specialists, among other matters, those related to assumptions, discount rates and methodologies used by the Group. c) Comparing the CGU´s assumptions with external data, as well as our own assessments related to main elements, such as comparable companies, projected growth, competitiveness, cost growth and discount rates. d) Comparing the fair value as of December 31st, 2021 with the carrying amount. e) Evaluating the adequacy of the financial statements disclosures, including key disclosures of assumptions and sensitive judgments.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2021, which must be submitted to the National Banking and Securities Commission and to the Mexican Stock Exchange (the "Annual Report"), but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is estimated to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the mater to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats of safeguards applied.

Among the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cárdenas Dosal, S. C.

Sergio Raúl Betancourt Gómez

Mexico City, March 29, 2022.

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
Current assets			
Cash and cash equivalents	8	$ 2,535,787	3,040,366
Trade receivables, net	9	78,676	81,329
Current tax assets	9	1,059,233	875,837
Related parties	21	372	289
Inventories, net	10	3,918,307	3,238,989
Prepayments	11	29,564	19,760
Intangible assets with a finite useful life and others, net	16	109,819	110,293
Assets held for sale	13	17,039	17,039
Total current assets		7,748,797	7,383,902
Intangible assets with finite useful lives	16	329,195	418,497
Investment property, net	12	623,016	625,069
Property, furniture and equipment and leasehold improvements, net	14	16,396,281	14,739,721
Intangible assets with an indefinite useful life, net	15	6,277,998	6,277,998
Deferred tax assets	25	199,549	182,363
Right-of-use assets	28	1,420,805	1,296,365
Total assets		$ 32,995,641	30,923,915

Liabilities and stockholders' equity	Note	2021	2020
Current liabilities			
Trade payables and financing programs to suppliers	17	$ 4,114,588	3,538,913
Related parties	21	117,881	62,394
Provisions	19	81,267	70,554
Provision for employee benefits	19	284,476	266,518
Other payables	18	667,597	583,073
Current income tax	25	156,117	37,943
Other tax payable		362,620	291,000
Short-term lease liabilities	28	69,092	64,643
Total current liabilities		5,853,638	4,915,038
Deferred tax liabilities	25	65,135	426,854
Employee benefits	20	188,244	143,218
Long-term lease liabilities	28	1,456,135	1,295,134
Total non-current liabilities		1,709,514	1,865,206
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 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 empoyee 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 empoyee 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 empoyee 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31st, 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.

(1) REPORTING ENTITY–

La Comer, S. A. B. de C.V. (La Comer, ultimate parent company) [together with its subsidiaries, "the Company, the Group"] arose as a result of the spin-off of Controladora Comercial Mexicana, S. A. B. de C. V. (CCM), and became legally listed on the Mexican Stock Exchange (BMV) on January 4, 2016. La Comer is a holding company that invests mainly in companies involved in the purchase, sale and distribution of groceries, perishables and merchandise in general, for an indefinite duration.

The Company's address and main business location is Av. Insurgentes Sur 1,517, Module 2, Col. San José Insurgentes, 03900, Benito Juárez, Mexico City.

As of December 31st, 2021, and 2020, La Comer is the parent company of the following subsidiaries:

Subsidiaries	Activity	Percentage ownership interest	Country
Comercial City Fresko, S. de R. L. de C. V. (CCF) a	Self service store	99.99	Mexico
Real state subsidiaries b	Group of companies with properties where stores are located	99.99	Mexico
Service provider subsidiaries c	Group of companies that provide administrative services	99.99	Mexico
Districomex, S.A. de C.V.	Purchase and distribution imported merchandise to CCF.	99.99	Mexico

(a) CCF
CCF is a retail chain that operates self-service stores within Mexico under four different names: La Comer, City Market, Fresko and Sumesa. They offer a variety of products ranging from groceries, gourmet items, perishable goods, pharmaceuticals, and general merchandise. As of December 31st, 2021, and 2020, the Company operated 77 and 72 stores, respectively. Additionally, the Company leases out commercial property to third parties. The Company has a growth and expansion plan for its points of sale (openings and remodeling), and as such invests in investment properties, property, furniture, equipment and leasehold improvements. (See notes 12 and 14).

(b) Real Estate subsidiaries
The real estate subsidiaries are the owners of some of the properties where the company´s stores are located, including Hipertiendas Metropolitanas, S. de R. L. de C.V., Arrendacomer, S. A. de C. V. and D+I La Rioja, S. A. de C. V. (See note 14).

(c) Service provider subsidiaries
The service provider subsidiaries are the entities that provide administrative services mainly to CCF, including Operadora Comercial Mexicana, S. A. de C. V., Operadora Sumesa, S. A. de C. V., Serecor, S. de R. L. de C. V. and Personal Cendis Logistic, S. A. de C. V. (See note 30).

(2) BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES–

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). According to the Rules for Public Companies and Other Participants in the Mexican Stock Market, issued on March 19,2003 and the amendments as of February 16,2021 by the National Banking and Securities Commission (CNBV for its Spanish acronym), require the Company to prepare its financial statements in accordance with IFRS issued by the IASB and its interpretations.

The consolidated financial statements have been prepared on a historical cost basis, except for cash, cash equivalents as well as plan assets corresponding to employee benefits, which are measured at fair value.

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain significant accounting estimates. The areas subject to a higher degree of judgment or complexity or the areas where the assumptions and estimates have a significant effect on the amounts recognized in the consolidated financial statements are described in Note 4.

Going concern

The Company operates mainly with the cash flow stemming from store sales and certain supplier loans. Management has reasonable expectation that the Company has sufficient resources to continue operating as a going concern for the foreseeable future. The consolidated financial statements have been prepared on a going concern basis.

The main accounting policies used in preparing the accompanying consolidated financial statements are described below. They have been applied consistently throughout the period presented, unless otherwise stated.

2.1 *Consolidation*

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Transactions eliminated on consolidation

Intra-group balances and transaction, and any unrealized income and expenses arising from intra-group transaction, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. When necessary, the amounts reported by the subsidiaries are adjusted to comply with the Company's accounting policies.

The consolidated financial statements include the financial statements of all subsidiaries of the Group. (See note 1).

Lost of control

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

2.2 *Segments Information*

Operating segment information reflect the way financial information is regularly reviewed by the Group's chief operating decision maker (CODM), which is defined as the Executive Board. It is responsible for operational decision-making, the authorization of capital investments and assessment of its returns. For the year ended December 31st, 2021 and 2020, the Company operates one single business segment which includes self-service stores, corporate operations and the real estate business. Resources are assigned to each segment based on each segment's importance within the entity's operations, the strategies and returns established by Management. (See note 29).

2.3 *Foreign currency transactions*

a. Functional and presentation currency

The subsidiaries' financial statements of the Company are presented in the currency of the primary economic environment in which each entity operates (the functional currency). The Company's consolidated financial statements are presented in Mexican pesos, which in turn is the functional currency of the Company and all its subsidiaries and is used for compliance with its legal, tax and stock markets obligations.

b. Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Foreign currency differences arising from the liquidation of operations or from the conversion of monetary assets and liabilities denominated in foreign currencies and translated into the functional currency at the exchange rates of the reporting date, are recognized in profit or loss. Foreign currency differences related to qualifying cash flow hedges, qualifying net investment hedges or net investment in foreign operations are recognized in equity.

Foreign currency differences related to loans, cash and cash equivalents are recognized in profit or loss and presented within finance (costs) revenue.

2.4 *Cash and cash equivalents*

Cash and cash equivalents as shown in the consolidated statement of financial position include cash on hand, bank deposits in checking accounts, bank deposits in foreign currency and short-term investments made in highly liquid securities which are easily convertible into cash, mature within three months and are not exposed to significant risks of changes in value and bank overdrafts.

Bank overdrafts are presented under current liabilities in the statement of financial position. Cash is presented at nominal value and cash equivalents are valued at fair value. Changes in fair value are recognized in profit or loss.

Cash equivalents consist mainly of on-demand or very short-term investments, as well as investments in highly liquid government securities with short-term maturities. Bank deposits include bankcard vouchers which have not yet been deposited to the Company's bank account. Bankcard vouchers recovery is usually processed within one day. (See note 8).

2.5 *Trade receivable form customers*

Trade receivable from customers are initially recognized at fair value and subsequently stated at amortized cost, using the effective interest rate method less the provision for bad debt. (See note 9) for more information on the recognition of the Company's trade receivable from customers and a description of the Company's impairment policies. The Company's trade receivable includes short-term receivable from: i) companies issuing grocery coupons; ii) payments for commercial and promotional space leased to third parties, and iii) other short-term accounts receivable.

2.6 *Financial assets*

2.6.1 *Classification*

The Company classifies its financial assets in the following measurement categories

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

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

Gains and losses for assets measured at fair value are recognized in profit or loss or in other comprehensive income. Subsequent changes in the fair value of equity investments that are not held for trading are recognized in either profit or loss or other comprehensive income, depending on whether the Company irrevocably elected at the time of initial recognition to record the investment at fair value through other comprehensive income (OCI).

2.6.2 *Recognition and disposal*

Regular purchases and sales of financial assets are recognized on the transaction date, which is the date on which the Company commits to buy or sell the asset. Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or the rights to receive the contractual cash flows have been transferred in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

2.6.3 *Measurement*

On initial recognition, financial assets are measured at fair value plus, for an item not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The transaction costs of financial assets at FVTPL are recognized in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model 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 the business model.

The subsequent measurement of financial assets depends on the Company's business model for managing the asset and the contractual cash flow terms. The Company uses the following three measurement categories to classify its financial assets:

— Amortized cost: A financial asset is measured at amortized cost if its objective is to collect contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The income received from these financial assets is included in financial income using the effective interest rate method. Any gain or loss resulting from the derecognition of the instrument is recognized directly in profit or loss and presented in other gains / (losses) along with foreign exchange gains and losses. Impairment losses are presented as a separate item in the statement of comprehensive income.

— FVOCI: A financial assets is measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in carrying amount are recognized in OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. On derecognition, gains or losses accumulated in OCI are reclassified to profit or loss and presented under other gains / (losses).

  Interest income calculated using the effective interest rate method is recognized in financial income. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as a separate line item in the statement comprehensive income.

— FVTPL: All financial assets not classified as measured at amortized cost or FVOCI are measured at fair value through profit or loss (FVTPL). Gains or losses from a financial asset which is subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented as a net amount in other gains / (losses) in the period in which it incurred.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this reflects better the way the business is managed, and the information is provided to management.

Management maintains a financial asset at a portfolio level until the due date.

According to the financial asset manage, these are maintained until the contractual cash flows ending.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

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

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

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

The cash flows that the Company receives for the financial assets it holds, which are mainly trade and other receivables and related parties, are payments of principal and interest. No features have been identified in those assets, as part of the analysis performed, which would indicate otherwise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it 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 exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Trade and other accounts payables

Trade and other accounts payables represent liabilities for goods and services rendered to the Company before the end of the fiscal year, which have not yet been paid. The balances are not guaranteed. Trade and other accounts payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are initially recognized at their fair value and are subsequently valued at amortized cost using the effective interest rate method.

As of December 31st, 2021, and 2020, the balance of other payables is mainly made up of various creditors and deferred income, the latter generated by the loyalty programs that the Company has established. (See note 2.21c).

2.6.4 *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.6.5 Impairment of financial assets

The Company's main source of income is the sale of its products in its stores, for which payment is made immediately by means of cash, bankcards, grocery coupons or coupons. The Company's accounts receivable is mainly composed of the amounts to be recovered from companies issuing grocery coupons and coupons as well as lease payments to be collected from subletting commercial and promotional spaces to third parties. The Company's has experienced not difficulties in collecting receivables related to the grocery coupons and coupons. However, the same cannot be said for lease payments.

The Company prospectively evaluates the expected credit losses associated with its debt instruments at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach allowed by IFRS 9, which requires losses expected over the lifetime of the instrument to be recognized on initial recognition of the receivable.

As of December 31st, 2021, and 2020, the amount of the estimate was $5,579 and $30,179, respectively. (See note 7).

2.7 Receivables and receivable current tax assets

The Company classifies unauthorized travel expenses as other items such as debtors and tax receivables as other receivable. If the collection rights or the recoveries of these amounts are realized within 12 months starting from the period end date, they are shown under current assets, otherwise they are presented under non-current assets.

2.8 Derivative financial instruments

The Company does not hold any derivative financial instruments.

2.9 Inventories

The merchandise inventory is determined using the retail method, which segregates inventory into different departments sharing common characteristics, and records each category based on its selling price. The cost of the inventory is derived by deducting the profit margin from the selling price applying specific cost factors for each retail department. Cost factors represent the average cost of each department based on its initial inventory and purchases for the period. The percentage applied takes into consideration the part of the inventories, which have been marked down to below its original selling price. The retail method has been consistently applied by the Company for all periods presented. Inventory cost valued in this manner results in an approximation and does not exceed its net realizable value. Inventories is measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

At CCF physical inventories are performed on a monthly basis for perishable goods and semi-annually for non-perishable goods. Inventory records are adjusted for the results of the inventory count.

The Company uses estimates to determine inventory write-downs due to losses and other causes that indicate that the use or realization of inventory will be lower than its carrying amount.

The cost of inventories of the distribution centers is based on the weighted average cost method, as they do not manage cost factors.

2.10 Prepayments

Prepayments represent disbursements made by the Company for which the inherent benefits and risks of the goods that are to be acquired or the services that are to be received have not yet 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 non-current, if the maturity is greater than 12 months at the reporting end period. Once the goods and services are received, these amounts are recognized as an asset or as an expense in the statement of profit or loss for the period, respectively.

When advance payments lose their ability to generate future economic benefits, the amount that is considered non-recoverable is recognized in the statement of profit or loss for the period in which this occurs. The main items recognized in prepayments are, among others, insurance premiums, payments made for licenses and IT system maintenance (See note 11).

2.11 Property, furniture and equipment and leasehold improvements

The land is measured at cost, less accumulated impairment losses, if applicable. The rest of the items of property, plant and equipment and leasehold improvements are measured at cost, less accumulated depreciation and any accumulated impairment losses, if applicable. Costs include all costs incurred and directly attributable to the acquisition of the asset and all costs necessary to bring the asset to working condition for Management's intended use. (See note 14). In accordance with the Company's policy, borrowing costs directly attributable to the acquisition, construction or production of a 'qualifying asset' are included in the cost of the asset. As of December 31st, 2021, and 2020, there were no capitalized loan costs for this concept.

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 expensed and shown in the statement of profit or loss in the period in which they are incurred. The carrying amount of replaced assets is derecognized at the time of replacement and the impact is recognized in the statement of profit or loss under other income or other expenses (See note 23).

Work in progress represent the stores and shopping centers under construction and include the investments and costs directly attributable to putting them into operation. They are reclassified to the corresponding category within property, plant and equipment and leasehold improvements when the stores are available for use and subsequently depreciation begins.

Land is not depreciated. Depreciation is calculated to write off the cost less their estimated residual values using the straight-line method over their estimated useful lives as shown below:

Buildings (*)	50 years
Branch equipment	10 years
Furniture and equipment	10 years
Office equipment	10 years
Electronic equipment	3.3 years
Leasehold improvements	20 years or lease period, whichever period is shorter

(*) The buildings are comprised of several components, which on average depreciate over the same estimated useful live period as the buildings in which they form part of.

The Company allocates the overall amount initially recognized for an item of property, plant and equipment to its different significant parts (components) and depreciates each of those components separately.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

The gain or loss on disposal is the difference between the proceeds and the carrying amount and are recognized in profit and loss under other income and expenses. (See note 23).

2.12 *Investment properties*

The Company owns several shopping centers which house both the Company's own stores, but also commercial space leased to third parties. Own stores are recognized in the statement of financial position as property, plant and equipment and leasehold improvements (See note 14) and commercial premises are presented under investment properties (See note 12).

Investment property is property (land or buildings) held to earn rentals or for capital appreciation 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 applicable.

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 expensed and shown in the statement of profit or loss in the period in which they are incurred. The carrying amount of replaced assets is derecognized at the time of replacement and the impact is recognized in the statement of profit or loss under other income or other expenses (See note 23).

The depreciation of investment properties is calculated to write off the cost less their estimated residual values using the straight-line method over their estimated useful lives as shown below:

Buildings	50 years
Branch equipment	10 years

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

2.13 *Assets held for sale*

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

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, 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 on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, property is no longer amortized or depreciated.

2.14 *Borrowing costs*

Borrowing costs for general and/or specific loans directly attributable to the acquisition, construction or production of a qualifying asset, one that necessarily takes a substantial period of time to get ready for its intended use or sale (usually more than 12 months) are included in the cost of the asset for the time it takes to get the asset ready for its intended use or sale.

Any income obtained from temporary investments made with funds received from specific loans to be used to finance qualified assets, reduce the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the statement of profit or loss for the period in which they incurred.

No borrowing costs were capitalized for the period ended December 31st, 2021 and 2020 as the Company does not have any qualifying assets.

2.15 *Intangible assets*

An intangible asset is recorded if, and only if the following two conditions are met: a) it is probable that the future economic benefits that are attributable 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 its acquisition costs in addition to any costs incurred to get the asset ready for its intended use. Maintenance costs are recorded as expenses as they are incurred. The licenses acquired for the use of programs that are recognized as intangible assets are amortized over their estimated useful lives; at a maximum over 3.3 years.

The rights to use and operate self-service stores are recognized at historical cost and are amortized based on term specified in the leasing contracts ranging 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 non- current, if the maturity is greater than 12 months at the reporting end period. Once the rights expire, the amounts are recognized as an expense in the statement of profit or loss for the period. When other assets lose its ability to generate future economic benefits, the amount that is considered non-recoverable is recognized in the statement of profit or loss for the period in which this occurs. (See notes 16 and 28)

The individual brands acquired are recognized at historical cost. Brands purchased through a business combination are recognized at fair value at the acquisition date.

The rights of the acquired brands are recognized under intangible assets with indefinite useful lives as the Company considers that those rights are very unlikely to cease generating cash inflows for the Company in future accounting periods. The brand rights are not amortized, and the Company performs an annual impairment test to determine if the carrying amount of the brand will be recovered through future cash inflows that the Company is expected to generate.

The distinctive rights of the acquired brands have an indefinite useful life, and are recorded at cost, less accumulated impairment losses, if applicable (See note 15). As of December 31st, 2021, and 2020, no impairment loss has been identified for the any of the brands' distinctive rights.

2.16 *Impairment of non-financial assets*

Assets that have an indefinite useful life are not subject to amortization and are assessed 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 the assets is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit.

For purposes of the impairment test, assets are grouped at the smallest identifiable group of assets that generates cash inflows (cash generating unit). The Company has identified the total of its stores to be the cash-generating unit at which intangible assets with indefinite useful lives are tested for impairment. Non- financial assets, for which impairment losses have previously been recognized, are assessed at each reporting date to identify potential reversals of such impairments.

The Company performs impairment tests of non-monetary assets on an annual basis, or when an impairment indicator has been triggered. Non-monetary assets include the following items in the statement of financial position: intangible assets, property, plant and equipment and leasehold improvements, investment properties (excluding land), and other non-current assets.

As of December 31st, 2021, and 2020, no impairment indicator of non- current assets subject to depreciation or amortization has been triggered nor did the annual impairment tests performed over intangible assets with indefinite useful lives indicate a need for impairment.

2.17 *Provisions*

Provisions are recorded at the present value of Management's best estimate of the future cash outflow expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks to the liability. The increase in provision through time is recognized as an interest expense. (See note 19).

Provisions are recognized when the Company has a present or assumed legal or constructive obligation as result of past events, payment is probable ('more likely than not') and the amount can be estimated reliably.

Bonuses and employee benefits refer to executives' bonus in line with period results as well as the calculation of employee statutory profit sharing for the year.

Store maintenance refers to maintenance service provided but not yet recorded as a liability.

Property tax refers to payments where the authorities have not yet issued the supporting documentation.

2.18 *Current and deferred income taxes*

Income tax expense comprises current and deferred tax. It is recognized in profit or loss, except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case the tax impact is also recognized in the respective caption.

Current income tax comprises the expected income tax expense on the taxable income of the year and is recorded in the profit of the period when was incurred.

The amount of current tax payable or receivable is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates the position assumed in relation to its tax returns regarding situations in which the tax laws are subject to interpretation.

Also, the deferred income tax is determined using the tax rates and laws that have been promulgated as of the date of the financial position statement or whose approval process is substantially completed and which are expected to be applicable when the deferred income tax (asset) is realized or the deferred income tax (liability) is paid. The current income tax rate for 2021 and 2020 is 30%.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not recognized for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects either accounting not taxable profit or loss.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profits are determined based on the reversal of the relevant taxable temporary differences. If the amount of the taxable temporary difference is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed on 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.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects 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 tax assets are only recognized to the extent that it is probable that future tax profits will be available, against which they can be used.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future. (See note 25).

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realize the asset and settle the liability at the same time. As of December 31st, 2021, and 2020, the Company did not offset any deferred taxes.

The Company considers the interests and penalties related to income tax payments as an income tax definition, therefore the accounting treatment is under IAS 12 Income taxes.

2.19 *Employee benefits*

Employee benefits granted by the Company, including benefit plans are described as follows:

Short-term employee benefits

Direct benefits (wages and salaries, overtime, vacations, holidays, and paid leave of absence, etc.) expected to be settled wholly within 12 months after the end of the reporting period, in which the employees rendered the respective service, are recorded for the amounts expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service. They are presented as employee benefits under current liabilities in the statement of financial position. Paid absences according to legal or contractual regulations are not cumulative.

Long-term benefits

The Company contributes to various retirement plans, including defined benefit and defined contribution plans, as well as post-employment medical benefits.

a. Retirement and seniority premium

The Company's subsidiaries contribute to defined benefit plans and two subsidiaries contribute to defined contribution plans, one of which recognizes a liability for health care benefits to be paid out at retirement for a selected group of participants. Defined benefit plan defines the amount an employee will receive upon retirement, including retirement health plans, which usually depend on various factors, such as the employee's age, years of service, and compensation. Defined contribution plans show the cost of the plan but do not determine the benefit to be paid out at retirement.

The net defined benefit liability or asset recognized in the statement of financial position is the present value of the defined benefit obligation as of the date of the statement of financial position less the fair value of the plan's assets.

The defined benefit liability is calculated annually by independent actuaries using the projected unit credit method. The present value of defined benefit obligations is determined by discounting the estimated cash flows using the 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. The main assumptions for determining employee benefits are mentioned in note 20. Actuarial gains and losses resulting from the remeasurements of the net defined benefit liability or asset due to changes in actuarial assumptions are recognized in equity under other comprehensive income during the period in which they arise. Past service costs are recognized directly in the statement of profit or loss.

b. Employee Statutory Profit Sharing (ESPS) and bonuses

The Company recognizes a liability and an expense for bonuses and for the ESPS; the latter based on a calculation considering current tax regulations. The Company recognizes a provision when it has a legal or constructive obligation to make such payments as a result of past events.

c. Termination benefits established in labor laws

A termination benefit liability is recognized in the statement of profit or loss when the employment relationship is terminated prior to the retirement date or when an employee accepts an offer of benefits on termination. The Company recognizes compensation on the first of the following dates:

(i) when the Company can no longer withdraw the offer on those benefits,
(ii) when the Company recognizes restructuring costs under IAS 37 " Provisions, Contingent Liabilities and Contingent Assets" which involves the payment of termination benefits. 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 not expected to be settled wholly within 12 months of the reporting period are discounted to determine their present value.

2.20 *Stockholders' equity*

Company shares are classified as capital stock. (See note 26).

In accordance with the provisions of article 56 of the Securities Market Act ("Ley de Mercado de Valores") and Title Six of the Regulations Applicable to Users ("Circular Única de Emisoras"), which establishes that under certain rules own shares may be acquired, the Company carries out the procedure for the purchase or sale of treasury shares from the repurchase fund.

The purchase of own shares issued by the Company that operate under the repurchase reserve is recorded as a reduction in the Company´s stockholders' equity until such time as those shares are canceled or issued once again. When those shares are reissued, the consideration received is recorded in the Company´s stockholders' equity.

Capital Stock

Common Shares

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

2.21 *Revenue recognition*

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

a. Sale of goods

Revenue from the sale of consumer goods in self-services stores is recognized when the Company sells a product to the customer. Payment of the transaction price is made immediately when the customer buys the goods which are transferred to the customer at the store.

Customer discounts and returns reduce the revenue. The sale of goods is settled by customers using credit and debit bankcards, cash and grocery coupons. Company's policy gives the customer a right to return various products; however, history shows that returns on sales are not representative compared to total sales, which is why the Company does not recognize such a provision. Because the level of returned goods has remained invariably low over the past years, it is highly unlikely that there will be any significant changes in the accumulated recognized income.

As of December 31st, 2021, and 2020, the revenue from the sale of goods is detailed below:

		2021	2020
Metropolitan area	$	16,417,300	16,159,672
Central are		7,274,388	6,699,051
Western area		2,981,419	2,420,911
Northern area		1,893,927	1,463,427
Ending balance as of December 31st,	**$**	**28,567,034**	**26,743,061**

b. Lease income

Revenue from lease payments received under operating leases are mainly related to the Company's investment properties and is recognized on a straight-line basis over the lease term. The Company does not have financial leases.

c. Electronic wallets

The Company offers promotions, some of which involve the granting of benefits to its clients in the form of electronic wallets whose value represents a percentage of the selling price. The electronic wallets granted may be used by clients to settle future purchases in the Company's stores or other stores based on the contract signed with the program administrator. The amount granted to customers through in the form of electronic wallets are subtracted from revenue.

The Company's history shows that the redemption of points is highly unlikely if an electronic wallet has been inactive for more than six months. Therefore, the contract signed with the program administrator specifies that points are cancelled after an inactivity of 12 months. Hence, in accordance with those contracts, electronic wallets which meet these criteria are canceled with a credit to revenue.

The Company maintained a collaboration contract to participate in the loyalty program of Payback up until May 31st, 2019. As of December 31st, 2021, and 2020, the value of the awarded Payback point amounted to $6,357 and $6,525, respectively, which expire in 2022. The points which were awarded in the Payback loyalty program coalition by the Company, are redeemed in other business, a payable account to the program administrator is recognized. Since November 2019, the loyalty program is directly operated by the Company.

As of December 31st, 2021, and 2020, the value of unredeemed electronic wallets points issued as part of promotions and expected to be redeemed in the future are recognized at fair value and shown as deferred income, the balance of which amounts to $98,904 and $71,477, respectively. They are included in other accounts payable shown in the statement of financial position.

		2021	2020
Beginning balance as of January 1st	$	71,477	50,551
Awarded		158,640	117,700
Redeemed		(131,213)	(96,774)
Ending balance as of December 31st,	**$**	**98,904**	**71,477**

d. Vouchers redeemable for goods

Revenue from vouchers issued by the Company and redeemable for goods in its stores, are recognized as deferred income at the point in time the Company makes the physical delivery of the vouchers to the customer, and are recognized as revenue in the statement of profit or loss at the point of time when the voucher is redeemed by its owner. As of December 31st, 2021, and 2020, the outstanding balance to be redeemed amounts to $26,910 and $35,758, respectively.

e. Service charge commissions

The revenue from commissions for services rendered by the Company in its stores, and other commissions are recorded as revenue as they incur. When the Company acts as an agent in the sale of goods or services, only the profit from the commission is recognized as revenue.

f. Parking lot

Revenue related to parking is recognized under other income at the time services are rendered.

g. Financing component

The Company does not expect to have any contracts which allow the period between the transfer of the goods or services to the client and the payment by the client to exceed one year. Therefore, the Company does not make any adjustments to transaction prices over time considering the time value of money.

2.22 Leases

The Company determines at contract inception whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis on its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and to account for the lease and associated non-lease components as a single lease component.

The Company recognizes right-of-use assets and lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred by the lessee and an estimate of the costs to dismantle, remove or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to 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 reflect 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 those 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 that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be easily determined, at the Company's incremental borrowing rate. Generally, the Company 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 asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when: (i) there is a change in future lease payments arising from a change in an index or rate; (ii) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; (iii) if the Company changes its assessment of whether it will exercise a purchase, expansion or termination option (iv) or if there is a revised in-substance fixed lease payment.

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

Short-term leases and leases of low-value asset

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value asset and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. As of December 31st, 2021 and 2020, the expense for these leases amounted to $7,681 and $5,816, respectively.

ii. As a lessor

At inception or on 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 stand-alone prices.

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

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

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

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'. 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 sub-lease entered during the current reporting period, that resulted in a finance leasing classification.

2.23 Basic and diluted earnings

Basic earnings per ordinary share is calculated by dividing the controlling interest by the weighted average of ordinary shares outstanding during the year. As of December 31st, 2021, and 2020, the weighted average of ordinary shares outstanding was 1,086,000,000 units.

Diluted earnings per ordinary share outstanding is determined by adjusting the controlling interest and ordinary shares, assuming that the Company's commitments to issue or exchange own shares will be realized. As of December 31st, 2021, and 2020, basic earnings are equal to diluted earnings because there are no transactions that could potentially dilute earnings.

2.24 Supplier rebates

The Company receives rebates from its suppliers as reimbursement of discounts granted to customers. Supplier reimbursements of discounts granted by the Company to its customers regarding goods sold, are negotiated and documented by the procurement area 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. Those amounts are recorded as a reduction of the respective costs and expenses.

2.25 Dividends

The distribution of dividends to the La Comer's shareholders is recognized as a liability in the consolidated financial statements in the period in which they are approved by La Comer's shareholders. The Ordinary General Shareholder's Meeting agreed to distribute dividends from profit retained during 2021 and 2020. (See note 26).

2.26 *Interest income*

Interest income and interest expense are recognized using the effective interest method.

2.27 *Derecognition of financial liabilities*

The Company derecognizes a financial liability if, and only if, its contractual obligations are discharged or cancelled or expire.

(3) RISK MANAGEMENT-

The Company's risk Management policies are established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and Management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments: a) market risk, including: i) currency risk; ii) market price risk, and iii) interest rate risk; b) credit risk, and c) liquidity risk. The Company's risk Management seeks to minimize the impact of adverse effects from these risks on business operations.

Risk Management is carried out by the centralized treasury department under the policies established by the Company. Treasury identifies, assesses and hedges financial risks with the close cooperation with its operating units. The Company maintains written general risk Management policies, as well as specific policies to address exchange rate risk, interest rate risk, credit risk and investment of excess cash.

a. Market risk

Market risk is the risk that changes in market prices- e.g. foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk Management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

i. Exchange rate risk

The Company is exposed to risks associated with movements in the exchange rate of the Mexican peso with respect to the US dollar, mainly due to letters of credit in dollars. Currency risk arises from the existence of assets and liabilities denominated in foreign currency.

Purchases of imported goods paid in currencies other than the Mexican peso are not considered an exposure to exchange rate risk, since the Company estimates to be able to pass on exchange rate fluctuations through its selling prices of goods. These imports are guaranteed with letters of credit. As of December 31st, 2021, and 2020, letters of credit amounted to 140 and 198 thousand dollars and 0 and 31 thousand euros (equivalent to $2865 and $4,695, respectively), for which the most recent expiration date is January 2022.

Based on the analysis of the current situation of the Mexican foreign exchange rate market, the Company assesses that a 10% increase (decrease) in the peso against the dollar and the euro, assuming that all other variables remain constant, would result in a loss (profit) of approximately $9,916 and $24,437 in 2021 and 2020, respectively, in relation to the monetary position held in dollars, and ($2) and $574 in 2021 and 2020, respectively, in relation to the monetary position held in euros. The sensitivity analysis includes only the monetary items pending settlement denominated in foreign currency at the end of December 2021 and 2020.

The Company holds the following monetary assets and liabilities denominated in foreign currency:

		December 31st	
		2021	2020
In thousands of US dollars:			
Monetary assets	US	5,094	12,501
Monetary liabilities		(109)	(29)
Long position, net	**US**	**4,985**	**12,472**
Equivalents in pesos	$	102,029	248,304
In thousands of euros:			
Monetary assets	€	6	320
Monetary liabilities		(7)	(54)
Long position, net	**€**	**(1)**	**266**
Equivalents in pesos	$	(17)	6,520

The following significant exchange rates, in pesos, have been applied at the reporting date:

		December 31st	
		2021	2020
Dollar	$	20.4672	19.9087
Euro	$	23.2398	24.5113

ii. Price risk

The price risk in the goods that constitutes the Company's inventory is not considered significant as the Company estimates to be able to pass on exchange rate fluctuations through its selling prices of goods.

iii. Interest rate risk

Interest rate risk arises from long-term financing. As such, the Company does not have any exposure to interest rate risk as it does no hold any long-term loans as of December 31st, 2021, and 2020.

The Company does not have any exposure to variable rates instruments. As of December 31st, 2021, and 2019, leases liabilities amount to $37,477 and $39,340, respectively. Based on the analysis of the current situation of interest rates, the Company assesses that a 10% increase (decrease) in the interest rate, assuming that all other variables remain constant, would require additional (less) cash flow of $2,821 and $2,405 as of December 31st, 2021, and 2020, respectively and were recognized in profit and loss.

The Company has a policy to invest its excess cash in on-demand or very short-term instruments; therefore, the market price risk is insignificant. As of December 31st, 2021, and 2020, all the Company's excess cash investments were invested in on-demand.

b. Credit risk

Credit risk arises from cash and cash equivalents and accounts deposited at financial institutions, credit exposure from receivables with financial institutions for goods purchased with credit cards and entities issuing grocery coupons and from receivables from lessees. Receivables from financial institutions for credit card purchases and from entities issuing grocery coupons are short-term (less than 15 days). Because the Company's sales are made with the general public there is no risk concentration in one single client or group of clients. The investment of excess cash is made in financial institutions with a high credit rating and is invested in short-term government bonds or short-term bank instruments.

The Company has a diversified base of real estate properties distributed in 14 states of Mexico, owns 39 self- service stores and owns 10 shopping centers. The Management Committee, which comprises most of the directors, is responsible for authorizing the purchase of land and properties proposed by the Company's New Projects department.

Real estate activities represent a source of revenue through the rent of commercial premises.

The Company does not have a concentration of risks in accounts receivable from lessees, since it has a diversified basis and periodically evaluates its ability to pay, especially before renewing lease agreements. As a Company policy, tenants are asked to make security deposits before taking possession of the commercial premises, as collateral. The occupancy rate of the Company's commercial premises is approximately 90%. It has been taken exceptional measurements due to the Covid-19 impact to real estate industry.

- Due to most of lessees were affected in their operation in the pandemic, agreements have been reached to partially forgive payment of rents.

The Company has insurance that adequately covers its assets against the risks of fire, earthquake and damages caused by natural disasters. All insurances have been contracted with leading companies in the insurance industry.

c. Liquidity risk

Cash flow forecasts are developed at a consolidated level by the Company's finance department. The treasury department monitors liquidity requirements to ensure that enough cash is available to meet operational needs to avoid default on its financial commitments. The months during which the Company has most operational activity, and consequently the highest amount of cash, are June, July, August and the last quarter of the year. Cash flow forecasts consider the Company's financing plans, compliance with financial restrictions, as well as compliance with the objectives of internal financial metrics.

The excess cash over the Company's working capital requirements are managed by the treasury department that invests them in financial institutions with high credit ratings, choosing the instruments with the appropriate maturities or sufficient liquidity that give the Company the sufficient margin in accordance with the cash flow forecasts mentioned above.

The Company finances its operations through the combination of 1) reinvestment of a significant part of its profits; 2) loans from suppliers, and 3) financing denominated in pesos. As of December 31st, 2021, and 2020, the Company has lines of credit with financial institutions which can be accessed immediately and is used for its financing program in the amount of approximately $1,353,872 and $1,385,372, respectively, of which $250,572 and $192,198 are used, respectively.

The contractual maturities of the Company's financial liabilities are detailed according to the maturity periods. The table has been prepared based on contractual undiscounted cash flows, from the first date that the Company may be required to pay. The table includes the cash flows corresponding to the principal amount and its interests.

		Contractual cash flows					
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More tan 5 years
December 31st, 2021							
Financial liabilities							
Trade payables	$ 4,114,588	4,114,588	3,784,677	329,911	-	-	-
Other accounts payable	667,597	667,597	667,597	-	-	-	-
Related parties	117,881	117,881	117,881	-	-	-	-
Short-term lease liabilities	69,092	237,248	40,013	197,235	-	-	-
Long-term lease liabilities	1,456,135	3,344,291	-	-	441,804	414,282	2,488,205
	$ 6,425,293	**8,481,605**	**4,610,168**	**527,146**	**441,804**	**414,282**	**2,488,205**
December 31st, 2020							
Financial liabilities							
Trade payables	$ 3,538,913	3,538,913	3,205,864	333,049	-	-	-
Other accounts payable	583,073	583,073	583,073	-	-	-	-
Related parties	62,394	62,394	62,394	-	-	-	-
Short-term lease liabilities	64,643	201,301	33,850	167,451	-	-	-
Short-term lease liabilities	1,295,134	2,960,473	-	-	384,127	541,736	2,034,610
	$ 5,544,157	7,346,154	3,885,181	500,500	384,127	541,736	2,034,610

d. Capital Management

The Company's objectives for managing capital are to safeguard the Company's ability to continue as a going concern, maximize shareholder benefits, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to the shareholders, repurchase own shares in the Mexican Stock Exchange, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with other industry participants, the Company monitors capital based on the operating leverage ratio. This index is calculated by dividing net debt by EBITDA (operating profit plus depreciation and amortization) generated over the last 12 months. As of December 31st, 2021, and 2020, the operating leverage ratio was (0.87) and (1.05), respectively. Net debt is determined as total financing (including short-term and long-term financing), excluding liabilities related to IFRS 16 leases, less cash and cash equivalents.

e. Pandemic risk

The Company's activities and operations are being affected by the pandemic Covid-19 that started in the first quarter of 2020 and it has held different degrees of intensity, due to multiple factors, such as:

1) Interruptions in the supply chain, since the products are supplied from several domestic and foreign suppliers that may not be able to supply adequately, or these suppliers may substantially increase their operating costs.
2) Employee absences due to illness or health-sector-authorities instruction, which may affect the store operations.
3) Vulnerable employees protected for safe.
4) Increases in store operating expenses, due to implementation of hygiene and containment protocols that protect employees and customer´s health.
5) Closing stores and limited visit hours to avoid customers contact and entrance restrictions established by the health authority in order to limit the number of customers in the stores
6) Decrease in clients flow due to restricted activities, customers may not be allowed to leave their homes to buy groceries due to the quarantine.

The Company´s Management is taking the necessary care measures to minimize the impacts that affected these factors due to Covid-19 pandemic defining processes with 3 clear objectives: protect employees' health, protect customers' health and ensure the stores operation continuance.

It is not possible to predict the effects of this global pandemic and its impact on the Company´s operation in the further years.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS–

Estimates and assumptions are periodically reviewed based on experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

Critical accounting estimates and assumptions

In preparing the consolidated financial statements, Management must make judgments, estimates and considers assumptions about the future. Actual results may differ from these estimates. Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 17- Reverse factoring: presentation of amounts related to supplier finance arrangements in the statement of financial position and in the statement of cash flow;

Note 28 - lease term: whether the Company is reasonably certain to exercise extension options.

Information about assumptions and estimation uncertainties as of December 31st, 2021 and 2020 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next fiscal year is included in the following notes:

Note 6 and 9 - measurement of expected credit loss allowance for trade receivables: key assumptions in determining the weighted-average loss rate.

Note 15 - impairment test of non-current assets.

Note 19 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 20 - measurement of defined benefit obligations: key actuarial assumptions.

Note 25 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;

(5) ACCOUNTING CHANGES–

Accounting changes–

New standards, modifications and effective interpretations for periods beginning on or after January 1st, 2021.

Forthcoming requirements–

The following changes to accounting standards are required to be applied for annual periods beginning after January 1st, 2021 and have not been applied in the preparation of these consolidated financial statements. The Company plans not to adopt the changes in advance.

A. Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after January 1st, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at December 31st, 2021 will be completed before the amendments become effective.

B. Deferred Tax related to Assets and Liabilities arising from a single from a single transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after January 1st, 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group accounts for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax impacts are presented net in the statement of financial position. Under the amendments, the Group will recognize a separate deferred tax asset and a deferred tax liability.

As at December 31st, 2021, the taxable temporary difference in relation to the right-of-use asset is $474,294 (See note 25) and the deductible temporary difference in relation to the lease liability $510,667 (See note 25), resulting in a net deferred tax asset of $36,373.

Under the amendments, the Group expects there will be no significant impact on adoption of the amendments.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- COVID-19-Related Rent Concessions beyond June 30,2021 (Amendment to IFRS 16).
- Annual Improvements to IFRS Standards 2018–2020.
- Property, plant and equipment: proceeds before the intended use (Amendment to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

These changes to accounting standards, are not expected to have a significant impact on the Company's consolidated financial statements.

(6) CATEGORIES OF FINANCIAL INSTRUMENTS–

The Company classifies its financial assets and liabilities as shown below:

		Financial assets at amortized cost	Assets at fair value through profit or loss *	Total
December 31st, 2021				
Financial assets:				
Cash	$	-	573,683	573,683
Cash equivalents		-	1,962,104	1,962,104
Trade receivables - net		78,676	-	78,676
Related parties		372	-	372
Financial liabilities:				
Trade payable	$	4,114,588	-	4,114,588
Related parties		117,881	-	117,881
Other payables		667,597	-	667,597
December 31st, 2020				
Financial assets:				
Cash	$	-	666,639	666,639
Cash equivalents		-	2,373,727	2,373,727
Trade receivables - net		81,329	-	81,329
Related parties		289	-	289
Financial liabilities:				
Trade payable	$	3,538,913	-	3,538,913
Related parties		62,394	-	62,394
Other payables		583,073	-	583,073

* The fair value of the cash equivalents was determined based on its market value.

Financial instruments recorded at their fair value in the statement of financial position are categorized into different levels based on the inputs used in the valuation techniques:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data in active markets (i.e. unobservable inputs) (Level 3).

There were no changes in valuation techniques during the period.

a. Level 1 financial instruments

The fair value of financial instruments quoted in an active market is based on market price quotes as of the reporting date. A market is considered active if the quoted prices are easily and frequently accessible through an agent, industrial group, listing services or regulatory agencies, and these prices represent real and frequent transactions at market value. The market value used for the Company's financial assets is the bid price. The instruments included in level 1 include cash equivalents (debt issued by the federal government).

		Carrying amount	Fair value Level 1
December 31st, 2021			
Bank deposits*	$	559,401	559,401
Cash equivalents		1,962,104	1,962,104
December 31st, 2020			
Bank deposits*	$	653,594	653,594
Cash equivalents		2,373,727	2,373,727

* Are held with banks and financial institutions which are rated AA and AAA.

b. Level 2 financial instruments

The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data, where available and entity-specific estimates are limited.

If all the significant input data to value a financial instrument at fair value is observable, the instrument is included in Level 2. If one or more of the significant input data is not based on an observable market, the instrument is included in Level 3.

As of December 31st, 2021, and 2020, the fair values of financial assets and financial liabilities recognized at amortized approximate their carrying amount as their maturity is short-term.

The fair value of the following asset and financial liabilities are approximation of their carrying amount:

- Trade and other receivables
- Cash and cash equivalents (excluding bank overdrafts).
- Trade payables (including financing programs to suppliers) and other payables
- Related parties.

The instruments included in Level 2 are comprised as follows:

		Carrying amount	Fair value Level 2
December 31st, 2021			
Trade receivables – net	$	78,676	78,676
Related parties		372	372
December 31st, 2020			
Trade receivables – net	$	81,329	81,329
Related parties		289	289
December 31st, 2021			
Related parties	$	117,881	117,881
Other trade payables		667,597	667,597
Trade payables		4,114,588	4,114,588
December 31st, 2021			
Related parties	$	62,394	62,394
Other trade payables		583,073	583,073
Trade payables		3,538,913	3,538,913

c. Level 3 financial instruments

The fair value is measured based on valuation techniques which include indicators for assets or liabilities that are not based on observable market information. For the year ended December 31st, 2021 and 2020, there were no transfers between levels 1 and 2. No instruments whose hierarchy of fair value is level 3 are presented as of December 31st, 2021 and 2020.

(7) CREDIT QUALITY OF FINANCIAL INSTRUMENTS–

The credit quality of financial assets that are neither past due nor impaired is assessed with reference to external credit ratings, where they exist, or based on historical information on counterparty default rates are shown below.

		December 31st 2021	2020
Bank deposits (a)*	$	559,401	653,594
Investments rated*		1,962,104	2,373,727
	$	2,521,505	3,027,321

(a) See note 2.4

* Are held with banks and financial institutions which are rated AA and AAA.

		2021	2020
Bank card vouchers with external risk ratings:			
Banamex	$	72,287	63,505
American Express Bank (México) AMEX cards mxA-1		60,205	56,585
Santander Debit – PROSA		37,629	37,184
Banorte La Comer Card		164	104
	$	170,285	157,378
Trade receivables without external credit ratings:			
To third parties (i)	$	30,673	9,290
By lease (ii)		12,484	31,673
To related parties (iii)		371	289
	$	43,528	41,252

(i) Trade receivables from third parties include balances with entities issuing grocery coupons that do not have a risk rating.

(ii) Due to most of lessees were affected in their operation in the pandemic, agreements have been reached to partially forgive payment of rents.

(iii) Receivables from related parties have not shown any default indications and have been fully recovered.

The movement in impairment losses related to loans and trade receivables for the period ended December 31st, 2021 and 2020 is shown below:

		2021	2020
Beginning balance as of January 1st	$	30,179	2,167
Additions and used (iv)		(24,600)	28,012
Ending balance as of December 31st	$	**5,579**	**30,179**

(iv) Due to this exceptional situation represented by the pandemic and the lack of a reasonable precedent, the Company estimated as of December 31st, 20202 a receivable impairment loss provision by 95% of the accounts receivable for leasing balance, both in the revenue recognition and receivables. This extraordinary situation on the estimate was stabilized during 2021.

(8) CASH AND CASH EQUIVALENTS–

Cash and cash equivalents are comprised as shown below:

		December 31st 2021	2020
Cash	$	14,282	13,045
Bank deposits		559,401	653,594
Investments		1,962,104	2,373,727
Total cash and cash equivalents	$	**2,535,787**	**3,040,366**

On-demand investments are presented as cash equivalents if they mature within three months or less from the date of acquisition and are repayable in the short term. The Company maintains its cash and temporary investments with well-known financial institutions and has not experienced any loss due to the concentration of credit risk.

(9) TRADE AND OTHER RECEIVABLES AND CURRENT TAX ASSETS-

Trade and other receivables are comprised as shown below:

		December 31st 2021	2020
Leases receivable	$	14,000	32,864
Receivable from entities issuing grocery coupons		32,651	36,567
Other receivables		20,771	23,065
Prepayments for expenses		16,833	19,012
Impairment of receivable leases (i)		(5,579)	(30,179)
	$	78,676	81,329

		December 31st 2021	2020
Receivable current tax assets:			
Value added tax	$	708,133	590,688
Special tax on production and services		237,191	197,611
Withholding tax receivable		113,909	87,538
	$	1,059,233	875,837

(i) Due to this exceptional situation represented by the pandemic and the lack of a reasonable precedent, the Company estimated as of December 31st, 2020 a receivable impairment loss provision by 95% of the accounts receivable for leasing balance, both in the revenue recognition and receivables. This extraordinary situation on the estimate was stabilized during 2021.

(10) INVENTORIES-

Inventories are comprised as follows:

		December 31st 2021	2020
Goods available for sale	$	3,956,960	3,258,304
Write-down of inventory		(69,085)	(65,184)
Goods in transit		30,432	45,869
Total inventories	$	3,918,307	3,238,989

The cost of sales related to inventory write-offs as of December 31st, 2021 and 2020 amounts to $106,025 and $137,067 and $97,545, respectively. As of December 31st, 2021, and 2020, the value of the inventory recognized in the statement of profit or loss amounted to $20,266,135 and $19,090,811, respectively.

(11) PREPAYMENTS-

Prepayments were recognized for:

		December 31st 2021	2020
System licenses and maintenance	$	16,916	6,874
Insurance premiums		10,894	11,591
Leases		1,754	948
Other prepayments		-	347
	$	29,564	19,760

(12) INVESTMENT PROPERTIES-

Investment properties are comprised as shown below:

		Lands	Buildings and constructions	Total
As of January 1st, 2021				
Beginning balance	$	312,851	312,218	625,069
Depreciation		-	(2,053)	(2,053)
Ending balance	$	312,851	310,165	623,016
As of December 31st, 2021				
Carrying amount	$	312,851	364,959	677,810
Accumulated depreciation		-	(54,794)	(54,794)
Ending balance	$	312,851	310,165	623,016
As of January 1st, 2020				
Beginning balance	$	312,851	314,271	627,122
Depreciation		-	(2,053)	(2,053)
Ending balance	$	312,851	312,218	625,069
As of December 31st, 2020				
Carrying amount	$	312,851	364,959	677,810
Accumulated depreciation		-	(52,741)	(52,741)
Ending balance	$	312,851	312,218	625,069

The depreciation of investment properties is recorded in cost of sales and amounted to $ 2,053 and $ 2,053 as of December 31st, 2021 and 2020, respectively, no impairment losses were recorded. As of December 31st, 2021, and 2020, there are no restrictions on the use of such investment properties.

(13) ASSETS HELD FOR SALE-

On December 30, 2020, the Company committed to a plan to sell a property by $25,000. Consequently, this property is presented as an asset held for sale. Efforts to sell the disposal asset have already started according to the addendum dated on November 23, 2021, the sale is expected to occur by June 30, 2022.

As of December 31st, 2020, the disposal assets were stated at fair value less costs to sell and comprised the following assets:

		Amount
Land	$	12,366
Building		4,673
Total	**$**	**17,039**

(14) PROPERTY, FURNITURE AND EQUIPMENT AND LEASEHOLD IMPROVEMENTS-

Property, furniture and equipment and leasehold improvements are comprised as follows.

	Land	Buildings and constructions	Furniture and equipment	Leasehold improv-ements	Electronic equipment	Office equipment	Work in progress and others *	Total
As of December 31st, 2021								
Beginning balance	$ 5,016,074	3,884,622	3,012,004	1,925,289	263,966	57,439	580,327	14,739,721
Acquisitions	-	-	-	-	-	-	a 2,520,975	2,520,975
Disposals	-	-	(51,617)	(49)	(14,054)	(230)	-	(65,950)
Depreciation disposals	-	-	46,422	-	13,703	166	-	60,291
Transfers	552,527	635,712	592,990	293,854	291,930	4,591	(2,371,604)	-
Depreciation	-	(98,035)	(501,117)	(113,663)	(137,396)	(8,545)	-	(858,756)
Ending balance	**$ 5,568,601**	**4,422,299**	**3,098,682**	**2,105,431**	**418,149**	**53,421**	**729,698**	**16,396,281**
As of December 31st, 2021								
Carrying amount	$ 5,568,601	5,210,293	5,080,553	2,448,231	1,132,945	88,271	729,698	20,258,592
Accumulated depreciation	-	(787,994)	(1,981,871)	(342,800)	(714,796)	(34,850)	-	(3,862,311)
Ending balance	**$ 5,568,601**	**4,422,299**	**3,098,682**	**2,105,431**	**418,149**	**53,421**	**729,698**	**16,396,281**

	Land	Buildings and constructions	Furniture and equipment	Leasehold improv-ements	Electronic equipment	Office equipment	Work in progress and others *	Total
As of December 31st, 2020								
Beginning balance	$ 4,299,853	3,725,187	2,900,556	1,700,126	259,040	62,340	508,205	13,455,307
Acquisitions	b 309,534	b 20,365	-	-	-	-	a 1,765,576	2,095,475
Disposals	-	(21,731)	(59,569)	(603)	(5,636)	(489)	-	(88,028)
Reclassification to assets held for sale	(12,366)	(4,673)	-	-	-	-	-	(17,039)
Depreciation disposals	-	17,731	48,231	603	5,513	279	-	72,357
Transfers	419,053	256,640	572,804	324,843	116,526	3,588	(1,693,454)	-
Depreciation transfers	-	-	39	(10)	(29)	-	-	-
Depreciation	-	(108,897)	(450,057)	(99,670)	(111,448)	(8,279)	-	(778,351)
Ending balance	**$ 5,016,074**	**3,884,622**	**3,012,004**	**1,925,289**	**263,966**	**57,439**	**580,327**	**14,739,721**
As of December 31st, 2020								
Carrying amount	$ 5,016,074	4,574,581	4,539,180	2,154,427	855,069	83,910	580,327	17,803,568
Accumulated depreciation	-	(689,959)	(1,527,176)	(229,138)	(591,103)	(26,471)	-	(3,063,847)
Ending balance	**$ 5,016,074**	**3,884,622**	**3,012,004**	**1,925,289**	**263,966**	**57,439**	**580,327**	**14,739,721**

* Others include prepayments for the acquisition of equipment and improvements to premises under construction for $454,514 and $320,448 as of December 31st, 2021 and 2020, respectively, which, once completed, will be reclassified to the specific item to which they belong.

a Acquisitions of property, plant and equipment are included in cash flows within investment activities. As of December 31st, 2021, and 2020, the amount that does not generate cash flow amounts to &2,866 and $6,940, respectively.

b On January 15, 2020, The Company acquired the 100% of the entity D+I La Rioja, S. A. de C. V., gaining control over it.

The Company has concluded that acquired set is an asset. As of the acquisition date it is comprised as land and a building located in Mexico City. The Company has determined that together the acquired inputs significantly contribute to the ability to create revenue through the installation of a store.

Property, furniture and equipment and leasehold improvements are recorded at cost, less accumulated depreciation and the accumulated impairment losses, if applicable.

Depreciation for the year was recorded in selling expenses, administrative expenses and cost of sales for $791,698, $49,541 and $17,517 and $723,516, $38,812 and $16,023, as of December 31st, 2021 and 2020, respectively.

The balance of work in process as of December 31st, 2021 and 2020 corresponds to various projects where the Company is building some stores and remodeling existing ones, which are estimated to be completed during 2022.

(15) INTANGIBLE ASSETS WITH AN INDEFINITE LIFE-

Intangible assets are comprised as follows:

		Brand rights December 31st	
		2021	2020
Ending balance	$	6,277,998	6,277,998

On December 22, 2014, Controladora Comercial Mexicana (CCM), transmitted for consideration, its ownership of the rights to the various word and mixed brand names "Comercial Mexicana" (the Brands) that were registered in its favor by the Mexican Institute of Industrial Property, transferring them to CCF, the Company's most significant subsidiary.

Therefore, CCF has formats that already have recognized brands and positioned in the market, such as "La Comer", "City Market", "Fresko" and Sumesa. Likewise, CCF is the owner of campaigns such as "Miércoles de plaza", own product brands such as "Golden Hills", and "Farmacom", among others. The 281 brands names owned by the Company have different record expiration dates, expiring in the periods from 2015 to 2024. When these expire, administrative procedures must be conducted with the authorities in order to continue to operate.

The Company performs impairment tests on its intangible assets on an annual basis, or when there are indicators that these may have been impaired. As of December 31st, 2021, and 2020, no impairment was determined to be recognized in the Company's profit or loss.

The Company determined an indefinite useful life based on the analysis of the elements mentioned below:

- The retail stores of the Company currently operate using the Brands, and the Company's Management has a reasonable expectation about its continuity in the future. The brands have a history in the Mexican retail market for many years, being administered by different Management teams, and have built a reputation in the national market as a high-quality Mexican brand, with more than 50 years, and strong entrenchment among consumers.

- The retail sector of self-service stores in which the Brands operate, is a very stable market with little risk of obsolescence, mainly due to consumer products sold in stores, such as perishables, general merchandise, etc. Furthermore, significant changes in demand are not expected, since, although new product brands are offered, the purchasing trend of basic consumer products (perishables, fruits and vegetables, groceries, etc.) remains constant.

- The Brands names recognition in the market is highly identified. The retail supermarket market in Mexico is occupied by large chain stores, which offer products to various audiences, and in the case of Comercial Mexicana, it has its own space in this market, since it is focused on a very specific consumer sector through Premium formats which have been positioned successfully among consumers.

- The actions that the Company has to carry out to maintain the Brands as a profitable asset, are in essence the strategic plan that the Company has established for business continuity (the ability to maintain and increase consumption in its stores), which largely depends on factors such as; the quality of the products sold in its stores; costumer service; the competitive prices offered for the various products; investments in remodeling to keep stores at the forefront; periodic maintenance of both the interior and exterior of the stores, the periodic training of its workforce; value relationships with its business partners; among others, which generally contribute to the permanence of the Company's place in the Mexican retail industry.

- The rights to the Brands are the property of the Company, and therefore it has full control over them.

- The life of the Brands will depend largely on the proper Management of the business carried out by the Company, and therefore on the ability it has to continue with an ongoing business.

Impairment test of the Brands

The Company conducts annual tests to determine whether the rights of its Brands have been impaired. As of December 31st, 2021, and 2020, the Company performed the annual impairment tests without determining any impairment adjustment.

The recoverable value of the Cash Generating Unit (CGU) is based on fair value.

The net sale price of the CGU is determined by projections of discounted future cash flows after taxes, which are prepared based on the historical results and expectations about the development of the market in the future included in the business plan.

The impairment tests for the end of the 2021 and 2020 fiscal year were carried out taking into account the assumptions shown below:

	Value	
	2021	2020
Pre-tax discount rate	11.28%	10.50%
After-tax discount rate	9.90%	9.50%
Average EBITDA margin in projection period	9.20%	8.40%
Sales growth rate in projection period to calculate expected future results	8.35%	7.80%
Residual value	14x EBITDA last year	14x EBITDA last year
Cash flow projection period	15 years	15 years

Management considers 15 years for the cash flow projections as it is considered in a period of expansion.

If the discount rates in the year ended December 31st, 2021, were 3 percentage points higher / lower, there would be no recognition for impairment provision.

If the projected EBITDA flows were 10% higher/lower, there would be no recognition for impairment provision.

If, in the future, the business's performance, or its future cash flow generation prospects, deteriorate significantly, the Company would have to recognize an impairment in the value of its Brands that would impact its financial results.

As of December 31st, 2021, the market value of La Comer shares is higher than the carrying amount.

(16) DEFINED LIFE INTANGIBLE ASSETS-

		Assignment of rights and operation of self-service store	Others	Licenses	Total
December 31st, 2021					
Beginning balance	$	513,360	15,430	-	528,790
Additions		-	15,021	15,052	30,073
Used in the year		-	(8,402)	(1,154)	(9,556)
Amortization		(110,293)	-	-	(110,293)
		403,067	22,049	13,898	439,014
Less short-term		(109,819)	-	-	(109,819)
Ending balance long-term	**$**	**293,248**	**22,049**	**13,898**	**329,195**
Carrying amount	$	1,197,900	22,049	13,898	1,233,847
Accumulated amortization		(794,833)	-	-	(794,833)
Ending balance	**$**	**403,067**	**22,049**	**13,898**	**439,014**

		Assignment of rights and operation of self-service store	Others	Total
December 31st, 2020				
Beginning balance	$	629,223	14,182	643,405
Additions		-	10,421	10,421
Used in the year		-	(9,173)	(9,173)
Amortization		(115,863)	-	(115,863)
		513,360	15,430	528,790
Less short-term		(110,293)	-	(110,293)
Ending balance long-term	$	403,067	15,430	418,497
Carrying amount	$	1,197,900	15,430	1,213,330
Accumulated amortization		(684,540)	-	(684,540)
Ending balance	$	513,360	15,430	528,790

As of December 31st, 2021, and 2020, the balance of assignment of rights to use and operation of self-service stores of some branches that the Company acquired during previous years, amounts to $403,067 and $513,360, respectively. The amortization of this intangible asset is determined based on the straight-line method to distribute its cost at its residual value during its estimated useful lives, which on average are ten years.

Amortization for the year was recorded in selling expenses and cost of sales of $107,523 and $2,770, respectively as of December 31st, 2021, and in selling expenses and cost of sales of $113,092 and $2,770, respectively as of December 31st, 2020.

(17) TRADE PAYABLES-

Most of the supplier balance is in Mexican pesos. However, as of December 31st, 2021 and 2020, there is a balance of $29 thousand of US dollars and $54 thousand of US dollars. Out of the balance in foreign currency from suppliers are paid by means of letters of credit. The balance for this concept as of December 31st, 2021 and 2020 is $140 thousand US dollars and 0€ thousand Euros and $198 thousand US dollars and €31 thousand Euros, which is equivalent to $2,865 and $4,695, respectively.

The Company has established the following financing programs where they may discount their documents at the aforementioned financial institutions. The balance payable derived from these programs is recognized within the supplier account in the statement of financial position.

Credit line Banca Mifel S. A., Institución de Banca Múltiple, Grupo Financiero Mifel, S. A. de C. V.

During the second quarter of 2015, a subsidiary of the Company entered into a factoring agreement with Banca Mifel, S.A. for up to $350,000. As of December 31st, 2021, and 2020, the Company's suppliers have used the line for $210,231 and $148,163, respectively. The unused portion of 2021 and 2020 corresponds to $139,769 and $201,837, respectively.

Arrendadora y Factor Banorte, S. A. de C. V.

During 2021 and 2020, the Company entered into a supplier factoring agreement for up to $150,000. As of December 31st, 2021, and 2020, the Company's suppliers have no used balance of this line of credit.

The note 3(c) includes information regarding group exposure to the exchange rate and liquidity risks.

(18) OTHER ACCOUNTS PAYABLE–

The balance of other accounts payable as of December 31st, 2021 and 2020 is comprised as shown below:

		December 31st 2021	2020
Other accounts payable	$	143,217	146,020
Creditors		132,579	122,135
Deferred income*		133,285	116,682
Holidays payable		100,318	89,908
Electricity and water		76,498	50,796
Security deposits received		52,787	37,423
Bank fees		28,913	20,109
Total other accounts payable	**$**	**667,597**	**583,073**

* Loyalty programs and others deferred income.

(19) PROVISIONS–

		Contingencies (1)	Employee bonuses (2)	Stores maintenance (3)	Real state tax (3)	Total
As of January 1st, 2021	$	61,150	266,518	6,201	3,203	337,072
Recognize in profit and loss		23,437	415,389	9,179	8,667	456,672
Used in the year		(7,106)	(397,431)	(14,485)	(8,979)	(428,001)
As of December 31st, 2021	**$**	**77,481**	**284,476**	**895**	**2,891**	**365,743**
As of January 1st, 2020	$	64,819	181,146	4,057	4,088	254,110
Recognize in profit and loss		5,000	474,941	4,777	8,263	492,981
Used in the year		(8,669)	(389,569)	(2,633)	(9,148)	(410,019)
As of December 31st, 2020	**$**	**61,150**	**266,518**	**6,201**	**3,203**	**337,072**

(1) Contingencies: As of December 31st, 2021, and 2020, the Company maintains a provision of $77,481 and $61,150, respectively, corresponding to possible adverse results in labor and administrative contingencies.

(2) Employee bonuses and store maintenance: These provisions are paid within the first three months after the end of the year.

(3) Store and property maintenance refer to obligations of the operation.

(20) EMPLOYEE BENEFITS–

The value of the defined benefit obligations as of December 31st, 2021 and 2020 amounted to $188,244 and $143,218 as shown below:

		December 31st 2021	2020
a. Retirement benefits	$	(4,766)	(18,836)
b. Seniority Premium		131,995	110,703
c. Retirement health benefits (*)		61,015	51,351
Employee benefits	**$**	**188,244**	**143,218**

(*) The Company has established an additional retirement plan that provides a retirement health benefit for a certain group of employees, the amount of which generates an additional liability.

a. Retirement benefits

The economic assumptions in nominal and real terms used are described below:

	2021 Nominal	2021 Real	2020 Nominal	2020 Real
Discount rate	8.20%	4.54%	6.50%	4.15%
Inflation rate	3.50%	N/A	3.50%	N/A
Salary increase rate	5.05%	1.50%	5.05%	1.50%
Health sector growth rate	15.00%	11.11%	15.00%	11.11%

A net period cost of retirement benefits was not recognized during 2021 and 2020.

The amount included as an (asset) in the consolidated statements of financial position is comprised as follows:

		December 31st 2021	2020
Defined Benefit obligations	$	5,148	7,988
Defined retirement plan		(4,766)	(18,836)
Fair Value of plan assets		(5,148)	(7,988)
Liabilities in the statement of financial position	**$**	**(4,766)**	**(18,836)**

The movement of the defined benefit obligation was as follows:

		2021	2020
Beginning balance as of January 1st	$	7,988	16,154
Interest cost		420	1,000
Actuarial losses (gains) arising from:			
Financial assumptions		(135)	105
Demographic assumptions		1	2
Experience adjustment		(179)	(3,709)
Benefits paid		(2,947)	(5,564)
Ending balance as of December 31st	**$**	**5,148**	**7,988**

The movement of net liabilities was as follows:

		2021	2020
Beginning balance as of January 1st	$	18,836	3,095
Benefits paid		2,947	2,807
Actuarial losses		355	2,921
Defined retirement plan		(14,070)	15,741
Resource allocation		(3,302)	(5,728)
Ending balance as of December 31st	**$**	**4,766**	**18,836**

The movement of plan assets was as follows:

		2021	2020
Beginning balance as of January 1st	$	7,988	16,154
Return on plan assets		420	1,000
Actuarial gains		42	(681)
Benefits paid		-	(2,757)
Resource allocation		(3,302)	(5,728)
Ending balance as of December 31st	**$**	**5,148**	**7,988**

The main categories of plan assets at the end of the reporting period are:

		Fair value of plan assets as of December 31st	
		2021	2020
Debt instruments	$	4,043	6,174
Capital instrument		1,105	1,814
	$	**5,148**	**7,988**

Sensitivity analysis		(Increase)	Decrease
Impact on the obligation for discount rate 0.50%	$	(38)	39

b. Seniority premium

The economic assumptions in nominal and real terms used are those shown below:

	2021		2020	
	Nominal	Real	Nominal	Real
Discount rate	8.20%	4.54%	6.50%	4.15%
Inflation rate	3.50%	N/A	3.50%	NA
Salary increase rate	5.05%	1.50%	5.05%	1.50%

The net period cost is comprised as follows:

		2021	2020
Seniority premium cost	**$**	**22,081**	17,690

The amount included as a liability in the consolidated statements of financial position is comprised as follows:

		December 31st 2021	2020
Defined benefit obligation	$	133,755	117,947
Fair value of plan assets		(1,760)	(7,244)
Liabilities in the statement of financial position	**$**	**131,995**	**110,703**

The movement of net liabilities was as shown below:

		2021	2020
Beginning balance as of January 1st	$	110,703	79,369
Provision of the year		22,081	17,690
Benefits paid from net liabilities		(1,113)	(1,708)
Actuarial losses		3,824	15,352
Resource allocation		(3,500)	-
Ending balance as of December 31st	**$**	**131,995**	**110,703**

The movement of the defined benefit obligation was as follows:

		2021	2020
Beginning balance as of January 1st	$	117,947	89,517
Labor cost		14,986	12,079
Financial cost		7,379	6,175
Actuarial losses (gains):			
Financial assumptions		(11,694)	14,851
Demographic assumptions		(17)	(4,464)
Experience		15,044	4,676
Benefits paid		(9,890)	(4,887)
Ending balance as of December 31st	**$**	**133,755**	**117,947**

The movement of plan assets was as follows:

		2021	2020
Beginning balance as of January 1st	$	(7,244)	(10,148)
Return on plan assets		(285)	(565)
Actuarial gains		491	290
Benefits paid		86	3,179
Resource allocation		(3,500)	-
Employee transfer		8,692	-
Ending balance as of December 31st	**$**	**(1,760)**	**(7,244)**

The main categories of plan assets at the end of the reporting period are:

		Fair value of plan assets as of December 31st 2021	2020
Debt instruments	$	(1,382)	(5,599)
Capital instrument		(378)	(1,645)
	$	**(1,760)**	**(7,244)**

Sensitivity analysis		(Increase)	Decrease
Impact on the obligation for discount rates 0.50%	$	(6,522)	7,703
Impact on the obligation for salary increase 0.50%		(3,362)	3,378

c. Retirement Health Policy

The cost of health provision at retirement is comprised as follows:

		2021	2020
Retirement health plan	$	10,208	6,519
Retirement health plan cost	**$**	**10,208**	**6,519**

The amount of the reserve of the health policy liability at defined contribution retirement was as follows:

		2021	2020
Beginning balance as of January 1st	$	51,351	45,609
Retirement health plan		10,208	6,519
Employee transfer		323	-
Benefits paid		(867)	(777)
Ending balance as of December 31st	**$**	**61,015**	**51,351**

Plans in Mexico generally expose the Company to actuarial risks, such as investment risk, interest rate risk, longevity risk and wage risk, in accordance with the following:

Investment risk: the expected rate of return for investment funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on assets is less than that rate, this will create a deficit in the plan. Currently the plan has a majority investment in debt instruments.

Interest rate risk: a decrease in the interest rate will increase the plan's liabilities; rate volatility depends exclusively on the economic environment.

Longevity risk: the present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of plan participants will increase liabilities.

Salary risk: The present value of the defined benefit obligation is calculated by reference to the future wages of the participants. Therefore, an increase in the participant's salary expectation will increase the plan's liabilities.

(21) RELATED PARTIES–

As of December 31st, 2021, and 2020, the main balances that the Company has for operations carried out with related parties are shown below:

		2021	2020
Receivable from affiliates:			
Tintorerías Gofer, S. A. de C. V. [e]	$	274	289
Others [e]		98	-
Total	**$**	**372**	**289**

		2021	2020
Payable to affiliates:			
La Madrileña, S.A. de C.V. [a]	$	50,133	-
VCT & D&G de México, S. A. de C. V. [a]		29,633	26,212
Marindustrias, S. A. de C. V. [a]		13,218	15,301
Importadora y Distribuidora Ucero, S. A. de C. V. [a]		6,891	4,443
Alimentos del Campo y Ganadería, S. A. de C. V. [a]		4,307	2,677
Operadora OMX, S. A. de C. V. [a]		2,974	3,705
Costco de México, S. A. de C. V. [a]		2,577	3,469
Distribuidora de Productos Pha, S. A. de C. V. [a]		2,444	775
Otras partes relacionadas		1,753	2,132
Manufacturas y Confecciones Agapsa, S. A. de C. V. [a]		1,377	302
Compañía Cervecera Hércules, S.A. de C.V. [a]		1,038	646
Palma y Regalos, S. A. de C. V. [a]		967	860
Productos Lili, S. A. de C. V. [a]		566	368
Nova Distex, S. A. de C. V. [a]		3	-
Seamless Global Solutions, S. A. de C. V. [a]		-	725
Productos Zam Fre, S. A. de C. V. [a]		-	625
Unimold, S. A. de C. V. [a]		-	154
Total	**$**	**117,881**	**62,394**

During the period ended December 31st, 2021 and 2020, the following operations were carried out with related parties:

		2021	2020
Expenses:			
Purchase of goods [a]	$	463,734	332,697
Civil work [c]		179,535	122,857
Services [b]		92,121	85,230
Others		13,599	12,417
Brochure [d]		16,421	4,359
Total	**$**	**765,410**	**557,560**

		2021	2020
Income:			
Rents [e]	$	15,842	13,361
Services		3,167	2,914
Total	**$**	**19,009**	**16,275**

a) Purchase of different goods such as clothing, groceries, household items and general goods to sell to the public through its stores were mainly made from VCT & DG de México, S. A de C. V., Marindustrias, S. A. de C. V. Costco de México, S. A. de C. V., La Madrileña, S. A. de C. V. and Alimentos del Campo y Ganadería, S. A. de C. V.

b) Payment of executive services provided to several of the group's affiliates.

c) Payment of construction services in some of the new stores opened during the year, which were carried out by Metálica y Tecnología Estructural BIM, S. A. de C. V., Constructora Jaguarundy, S. A. de C. V., and Constructora Tiloxtoc, S. A. de C. V.

d) Purchase of brochures and other printed material mainly from Centro Gráfico Industrial, S. A. de C. V., for distribution to customers in stores.

e) Income received from the rental of premises, which were mainly carried out with Operadora OMX, S. A. de C. V., Bed Bath and Beyond, S. de R. L. de C. V., and Tintorerías Gofer, S. A. de C. V.

Compensation to key Management personnel

The total amount of direct short-term benefits granted to key Management personnel or relevant executives amounted to $201 million and $170 million as of December 31st, 2021 and 2020, respectively (See note 2.19).

(22) COSTS AND EXPENSES BY NATURE-

Cost of sales and administrative and selling expenses are comprised as follows:

		2021	2020
Cost of goods sold*	$	**20,856,566**	19,638,362
Employee compensation and benefits		2,740,025	2,522,146
Depreciation and amortization		1,068,010	991,805
Services received		932,341	843,069
Leases and maintenance		330,613	295,609
Public services		406,366	369,625
Others**		770,916	628,204
Expenses		**6,248,271**	5,650,458
Total	$	**27,104,837**	25,288,820

* 97% Cost of sales is made up of purchase goods in both years, as of December 31st, 2021 and 2020.

** Includes cleaning, packaging, containers, labels, surveillance, insurance and bond premium, property tax and other minor items.

The remuneration and benefits to employees are comprised as follows:

		2021	2020
Salaries and bonuses	$	2,515,319	2,329,131
Other remuneration		224,706	193,015
	$	**2,740,025**	2,522,146

Other remunerations include mainly employer contributions to social security and major medical expenses.

(23) OTHER INCOME AND OTHER EXPENSES-

The following table shows the main items within other income and other expenses as of December 31st, 2021 and 2020.

		2021	2020
Other expense:			
Contingent liabilities paid	$	57,624	-
Cost for derecognition of property, furniture and equipment and leasehold improvements		5,659	15,670
Donations		5,600	14,090
Branch closing costs		4,053	4,394
Recovery of legal provisions		2,108	(3,669)
Other items		2,802	8,632
Recovery of expenses		(1,223)	(1,987)
Loss from insurances claims recovery		(676)	(1,153)
Tax differences from prior years		(1)	3,253
Total other expenses	$	**75,946**	39,230

		2021	2020
Other income:			
Reversal of provision recognized in prior years	$	56,902	12,058
Other items		15,107	15,912
Update on value of recoverable tax refunds		8,076	4,104
Profit from sale of furniture and equipment and improvements		2,929	9,164
Total de other income	$	**83,014**	41,238

(24) FINANCIAL (COST) INCOME-

		2021	2020
Financial cost			
Interest expense	$	154,776	150,596
Foreign exchange losses		28,106	62,574
	$	182,882	213,170
Financial income			
Interest income	$	113,063	136,390
Foreign exchange gains		46,373	91,560
	$	159,436	227,950

(25) CURRENT AND DEFERRED INCOME TAXES-

The Company determined a taxable income of $551,509 and $203,633 in December 2021 and 20120, respectively. The tax income differs from accounting income, mainly for those items that accumulate and deduct differently over time for accounting and tax purposes, for the recognition of the effects of inflation for tax purposes, as well as those items that only affect the accounting or taxable income. As of December 31st, 2021, and 2020 the current income tax liability is $156,117 and $37,943, respectively.

The Income Tax Law establishes that the applicable tax rate for the fiscal years 2020 and 2020 and subsequent fiscal years is 30% on taxable income.

The tax expense is presented as shown below:

		2021	2020
In the profit period:			
Current	$	[1] 619,886	61,097
Deferred		(377,865)	220,219
	$	242,021	281,316

[1] It includes an effect related to an agreement with tax authorities for the years 2014 and 2015 amounted by $454 million.

As of December 31st, 2021, and 2020, the main temporary differences for which deferred taxes were recognized are presented net in the statement of financial position for comparability purposes and are analyzed as follows.

Deferred income tax breakdown		2021	2020
Deferred tax asset:			
Estimates and provisions	$	307,785	332,309
IFRS 16 leases		36,374	22,476
Property, furniture and equipment leasehold improvements and investment properties		624,061	369,958
Unused loss carryforwards		18,900	636,493
		987,120	1,361,236
Offsetting at the subsidiary level		(787,571)	(1,178,873)
December 31st	$	199,549	182,363
Deferred tax liability:			
Property, furniture and equipment and leasehold improvements	$	(68,865)	(66,856)
Intangible assets		(783,841)	(1,538,871)
		(852,706)	(1,605,727)
Offsetting at the subsidiary level		787,571	1,178,873
December 31st	$	(65,135)	(426,854)

The net movement in deferred assets and liabilities are shown below:

Deferred tax assets:		Property, leasehold Improvements, furniture, equipment and investment properties	Estimates and provisions	Unused loss carryforwards	IFRS 16 leases	Total
As of January 1st, 2020	$	220,975	213,575	762,446	5,808	1,202,804
Effect on the income statement		148,983	118,734	(125,953)	16,668	158,432
As of December 31st, 2020		369,958	332,309	636,493	22,476	1,361,236
Effect on the income statement		254,103	(24,524)	(617,593)	13,898	(374,116)
As of December 31st, 2021	$	624,061	307,785	18,900	36,374	987,120

Deferred tax liabilities:		Property, furniture, equipment and leasehold Improvements	Intangible assets	Total
As of January 1st, 2020	$	(13,798)	(1,161,046)	(1,174,844)
Effect on the income statement		(53,058) a	(377,825)	(430,883
As of December 31st, 2020		(66,856)	(1,538,871)	(1,605,727)
Effect on the income statement		(2,009)	755,030	753,021
As of December 31st, 2021	**$**	**(68,865)**	**(783,841)**	**(852,706)**

(a) It includes the initial recognition of acquisition assets by (55,962). See note 14.

The deferred income tax expense related to the components of other comprehensive income is as follows:

		2021	2020
Before taxes	$	3,469	12,431
Deferred income tax		(1,041)	(3,730)
Net of deferred tax	**$**	**2,428**	8,701

The reconciliation between the current and effective tax rate is shown below:

		Year ended December 31st	
		2021	2020
Income before income tax	$	1,785,089	1,748,583
Income tax rate		30%	30%
Income tax at the statutory rate		535,527	524,575
Increase (reduction) resulting from:			
Non-cumulative income		(7,965)	(2,717)
Tax effect of:			
Annual inflation adjustment		27,632	10,399
Update in tax value of brands and transfer of rights		219,937	(27,714)
Effect of Tax-amortization-rate change on brands.		(297,237)	-
Update in tax value of fixed assets and loss carryforwards		(260,822)	(254,906)
Other items		24,949	31,679
		(293,506)	(243,259)
Current income tax expense recognized in profit or loss	**$**	**242,021**	281,316
Effective income tax rate		**13%**	16%

Tax loss carryforwards

Tax loss carryforwards expire as shown below:

Date		Amount
2022	$	15,487
2023		26,311
2030		6,080
2031		15,121
	$	62,999

(26) STOCKHOLDERS' EQUITY-

The capital stock is represented by shares without expression of nominal value, of which those of Series "B" are ordinary, with voting rights and those of Series "C" are neutral, without voting rights; The shares are grouped into related units, which may be of the UB type (consisting of four Series "B" shares), or of the UBC type (consisting of three Series "B" shares and one Series "C" share).

As of December 31st, 2021, and 2020, 1,086,000,000 units are subscribed and paid, of which in 2021 and 2020, 605,457,398 are of the UB type and 480,542,602 are of the UBC type, respectively. The units are listed on the Mexican Stock Exchange.

The nominal capital stock subscribed and paid amounts to $1,086,000 represented by 1,086,000,000 of related units UB and UBC.

The nominal capital stock paid for $1,086,000 is made up of cash contributions of $ 94,937, capitalized earnings of $ 806,644 and capitalization of inflation adjustment effects in value of $184,415.

As of December 31st, 2021, and 2020, the majority shareholders have their investment in a trust held in Scotiabank Inverlat, S.A., which includes 605,404,798 UB units representing 55.7460% of the capital stock and 62.6801% of the voting power, respectively.

Dividends

On April 13, 2021, a Unanimous Stockholders' Resolution was agreed to declare a dividend payment from retained earnings in the amount of $205,955 by $0.19 per share outstanding at the payment date on April 26, 2021.

On April 29, 2020, a Unanimous Stockholders' Resolution was agreed to declare a dividend payment from retained earnings in the amount of $432,584 by $0.40 per share outstanding at the payment date on May 8, 2020.

Dividends paid will not be taxable if they come from the Net Tax Profit Account (CUFIN). Dividends in excess of CUFIN will be taxable to 42.86% if paid in 2022. The tax incurred may be credited against the income tax for the year or the two immediately following years. Dividends paid out from profits, which were previously subject to income tax, will not be subject to any withholding or additional tax payment. As of December 31st, 2021, and 2020, the CUFIN amounted to approximately $3,809,392 and $3,749,171, respectively.

Starting 2014, the Income Tax Law establishes an additional 10% tax on profits generated from 2014 on dividends distributed to residents abroad and to Mexican individuals.

The Income Tax Law provides a tax incentive to individuals' residents in Mexico who are subject to the additional payment of 10% on dividends or distributed profits.

When the Company distributes dividends or profits regarding shares placed among the general investing public, it must inform the brokerage houses, credit institutions, investment operators, the persons who carry out the distribution of shares of investment companies, or any another intermediary of the stock market, the financial year from which the dividends come so that said intermediaries carry out the corresponding withholding.

Stockholders' equity reserves

Capital reserves are comprised as follows:

		2021	2020
Statutory legal reserve	$	217,200	217,200
Reserve for share buy backs		1,469,235	1,542,435
	$	**1,686,435**	1,759,635

The profit for the year is subject to legal regulations that requires that at least 5% of the profit for each year is to be used to increase the statutory legal reserve until it is equal to one fifth of the amount of the paid-in capital. As of December 31st, 2021, and 2020, the Company had already covered the amount of the legal reserve required.

As of December 31st, 2021, and 2020, the Company has a reserve to purchase own shares for $1,469,235 and $1,542,435, respectively. This reserve fluctuates based on the purchases and sales made by the Company in the stock market.

Treasury shares as of December 31st, are made up as follows:

	2021	2020
Beginning balance	1,641,234	4,533,740
Sales	-	(2,892,506)
Purchases	1,200,267	-
Ending balance	**2,841,501**	1,641,234

The Capital gains from shares sold as of December 31, 2020 was amounted to $58,219.

In the event of a capital reduction, the procedures established by the Income Tax Law provide that any surplus of shareholder's equity over the balances of the contributed capital accounts be given the same tax treatment as the one applicable to dividends. As of December 31st, 2021, and 2020, the balance of the Contribution Capital amounted to approximately $2,023,599 and $1,885,048, respectively.

(27) COMMITMENTS AND CONTINGENT LIABILITIES-

i. The Company is involved in lawsuits and claims arising in the normal course business, as well as in some legal processes related to tax matters. As of December 31st, 2021, and 2020, there were no material open tax processes. The rest of the legal processes related to tax issues, in the opinion of Management and their legal advisers, are not expected to have a significant effect on their financial situation and results of operations.

ii. The Company continues to comply with the security and hygiene measures established by common agreement between the National Association of Self-Service and Department Stores, A.C. (ANTAD for its Spanish acronym) and the Secretary of Labor and Social Security. As of December 31st, 2021, and 2020, no breaches have been identified that would result in a contingency.

iii. In accordance with current tax legislation, the authorities are entitled to review up to five fiscal years prior to the last income tax return submitted.

iv. In accordance with the Income Tax Law, companies carrying out transactions with related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's-length transactions. Should the tax authorities examine the transactions and reject the related-party prices, they could assess additional taxes plus the related inflation adjustment and interest, in addition to penalties of up to 100% of the omitted taxes

v. The tax authorities in Mexico in recent years have had much more aggressive stances with taxpayers. This has resulted in several companies reaching out-of-court agreements with the "SAT" (the Mexican tax authority) to make payments for relevant amounts.

The SAT, in its capacity as tax authority, carried out reviews of the tax reports of some Group companies validated by the external audit firm, specifically for the years 2014 and 2015.

Although the Company's Management considers that the criteria used in the tax determination is correct and it has opinions from recognized external firms in that regard; decided to dialogue with the tax authorities, in order to avoid uncertain legal confrontations, since matters of this nature can represent a long waste of time and resources for the company.

The authority has insisted on applying its internal criteria on some issues, so that during December 2021 differences of 454 million pesos were paid to settle the observations of the SAT regarding the years 2014 and 2015.

The payment represented a net effect on the company's results of approximately 137 million pesos.

The Company's Management considers that the criteria used to the tax determination for years after 2015 are correct and has the opinions of recognized firms in this regard.

The tax authorities initiated a direct review of a group subsidiary for the fiscal years of 2016. As of the date of this report, the review is still in process. The Company's Management and its legal advisors do not expect any significant additional costs to arise as a result of such review.

(28) RIGHT OF USE ASSETS AND LEASE LIABILITIES–

Right of use assets and lease liabilities –

Assets by right-of-use related to real estate and cars are comprised as follows:

Right of use		2021	2020
Buildings			
Opening balance	$	1,277,119	1,306,204
Additions (i)		131,198	32,104
Remeasurements		101,566	43,020
Amortization (i)		(106,465)	(104,209)
Ending balance	**$**	**1,403,418**	**1,277,119**

Right of use		2021	2020
Cars			
Opening balance	$	19,246	21,474
Additions (i)		12,367	11,237
Amortization (i)		(14,227)	(13,465)
Ending balance		17,386	19,246
Total right of use	**$**	**1,420,805**	**1,296,365**

(i) It includes $21,015 y $8,881 of disposals due to contract determination as of December 31st, 2021 and 2020, respectively.

Buildings obligations		2021	2020
Opening balance	$	1,339,710	1,319,902
Additions		127,898	32,104
Remeasurement		101,566	43,020
Payments		(213,157)	(200,870)
Interest		151,566	145,554
Ending balance		1,507,583	1,339,710
Short-term properties		59,908	54,588
Long-term properties		1,447,675	1,285,122
Short-term cars		9,184	10,055
Long-term cars		8,460	10,012
Total short-term		69,092	64,643
Total long-term	**$**	**1,456,135**	**1,295,134**

The right-of-use amortization is recognized in the following captions:

		2021	2020
Selling expenses	$	109,669	107,019
Administrative expenses		9,578	9,366
Cost of sales		1,445	1,289
	$	**120,692**	**117,674**

a. Lessee

The Company has entered into lease contracts in local currency for some stores, office spaces, warehouses and distribution centers. Some contracts require that the fixed portion of the rent needs to be reviewed each year. Some contracts also specify the use of variable rents based on store sales.

When contracts expire, they are expected to be renewed or replaced in the normal course of business.

The expense for operating leases for the year ended December 31st, 2021 and 2020 is comprised as follows:

		2021	2020
Minimum rent	$	205,708	191,457
Variable rent		79,969	80,374
	$	**285,677**	**271,831**

The minimum commitments for operating leases of non-cancellable properties as of December 31st, 2021 are as follows:

Year ending December 31st,		Amount
2022	$	207,925
2023		200,525
2024		174,026
2025 and later years		618,821
	$	1,201,297

b. Lessor

Operating leases relate to leases of commercial premises. The lease terms are one year, at the end of which the terms of the lease are renegotiated. The contracts do not provide the option for tenants to buy the leased premises at the end of the lease term.

(29) SEGMENT REPORTING–

Segment information is reported based on the information used by Management for strategic and operational decision-making. An operating segment is defined as a component of an entity for which there is separate financial information which is regularly evaluated.

IFRS 8 "Operating Segments" requires the disclosure of the assets and liabilities of a segment if the measurement is regularly provided to the decision-making body, however, in the case of the Company; Management only evaluates the performance of the operating segments based on the analysis of sales and operating profit, but not of each segment's assets and liabilities.

The revenue reported by the Company represents the revenue generated by external customers, as the Company does not have any inter-segment sales. The Company identifies and reports the following business segment.

La Comer Group

Includes self-service store operations, corporate operations, real estate business and others.

Since the Company specializes in the commercialization of retail goods to the general public, it does not have major clients that concentrate a significant percentage of total sales, nor does it dependent on a single product that represents at least 5% of its consolidated sales.

In addition, the Company engages a broad base of different size vendors and hence, does not dependent on any particular vendor regarding the sale of its products.

Taxes and financing costs are managed at Group level rather than within each reported segment. As a result, those costs are not included in the reported segments. Operating profit and cash flows are the key performance indicators considered by the Company's Management, which are reported each time the Board of Directors meets.

All revenue from third parties is generated in Mexico. Hence, it is not necessary to disclose information by geographic segments.

(30) SUBSEQUENT EVENT–

In compliance with the provisions of the article 225 of the General Law of Commercial Companies and through Extraordinary General Meetings of Shareholders held on November 30, 2021, it was agreed to absorb by merger within Comercial City Fresko, S. de R. L. de C. V. its subsidiaries: Operadora Comercial Mexicana, S. A. de C. V., Operadora Sumesa, S. A. de C. V., Serecor, S. de R. L. de C. V. and Personal Cendis Logistic, S. A. de C. V.

The merger took effect between the parties, their shareholders (partners) and for labor, accounting, financial and tax purposes, on January 1st, 2022.

(31) AUTHORIZATION OF ISSUANCE THE CONSOLIDATED FINANCIAL STATEMENTS–

The accompanying consolidated financial statements and the notes thereto were authorized by the Company's Office of Administration and Finance on March 25, 2022 and authorized by the Company's Board of Directors on March 25, 2022 and are subject to shareholders' approval at the shareholder meeting.

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.

cotiza en Bolsa Mexicana

LACOMER

Independent Auditors

KPMG Cárdenas Dosal, S.C.
Manuel Ávila Camacho No.176 P1
Reforma Social, Miguel Hidalgo,
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ANNUAL REPORT 2021