NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2024 and 2023
Thousands of pesos, unless otherwise specified

NOTE 1 - GENERAL INFORMATION:

El Puerto de Liverpool, S. A. B. de C. V., and subsidiaries (the Company or the Group) operate a chain of department stores, founded in 1847, engaged in selling a broad variety of products such as clothes and accessories for men, women and children, household goods, furniture, cosmetics and other consumer products. The Company is registered on the Mexican Stock Exchange and has an important presence in all Mexican Republic. As of December 31, 2024, the Company operated a total of 124 department stores under the Liverpool name and 40 stores with the Liverpool Express format: 126 specialty boutiques and 194 stores with the Suburbia name. In 2024, 8 stores began operations under the name of Suburbia (Vallarta "Macroplaza", Jalisco, Cuernavaca "Galerias", Morelos, Apodaca "Huinalá" Nuevo León, "Reynosa", Tamaulipas, Veracruz "Divertiplaza", Veracruz, Nogales, "Nogales Mall", Sonora, "Patio Santa Fe", Ciudad de México, Mérida "Mérida X'Cumpich", Yucatán). In 2023 10 stores began operations under the name of Suburbia (Tijuana "Península", Baja California; "Navojoa", Sonora; Guadalajara "Atemajac"; "Fray Antonio", Jalisco; Tula "Plaza Boulevard", Hidalgo; Tampico "Altama", Tamaulipas, Xalapa "Plaza Jardines", Veracruz "Coyol", Veracruz; Mérida "Calle 56", Yucatán; "Ciudad del Carmen", Campeche) . Likewise, 1 department stores began operations under the Liverpool format ("Tepeyac", Ciudad de México). After Hurricane Otis on October 25, 2023 in Acapulco, Guerrero, 2 Liverpool stores were affected and remained closed until October 2024 while necessary repairs were carried out.

The Company grants its customers financing through the following cards: 1) "Liverpool", with which customers can buy exclusively at Company's stores; 2) "Liverpool Premium Card (LPC"), with which cardholders can purchase goods and services both in the chain's stores and boutiques and any of the establishments affiliated with the VISA system worldwide; 3) "Suburbia", made up of two cards, the first with which customers can purchase exclusively in stores under the Suburbia commercial segment and the second ("Suburbia VISA") with which cardholders can purchase goods and services in stores in the Suburbia chain as in any of the establishments affiliated worldwide to said system.

Additionally, at December 31, 2024 and 2023, the Company is a partner, stockholder or co-owner of shopping malls and holds an interest in 29 different malls, through which it leases commercial space to tenants engaged in a broad number of businesses.

The Company's headquarters and main place of business is:
Mario Pani 200
Santa Fe, Cuajimalpa
Mexico City
05348

NOTE 2 - SUMMARY OF MATERIAL ACCOUNTING POLICIES:

These policies have been consistently applied to all the years presented, unless otherwise stated. The following is a summary of the main accounting policies applied in preparing the consolidated financial statements:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards")). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS accounting standards,
- IAS standards, and
- Interpretations issued by the IFRS Interpretations Committee (IFRIS) or its predecessor body, the Standards Interpretations Committee (SIC). Pursuant to the amendments to the Rules for Public Companies and Other Participants in the Mexican Securities Market issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its financial statements using IFRS Accounting Standards as its accounting framework.

The consolidated financial statements have been prepared on a historical cost basis, except for cash flow hedging financial instruments, trading derivatives, investments in government securities and financial assest at fair value through other comprensive income are measured at fair value.

Preparing consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements are described in Note 4.

2.1.1 New standards and changes adopted by the Company

The Company has applied the following standards and interpretations for the first time to financial reporting periods commencing on or after 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1. The amendment had an impact on the Company's disclosures, for further details see Note 18.
- Lease liability in sale and leaseback – Amendments to IFRS 16. This modification had no material impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7. The amendment had an impact on the Company's disclosures, for further details see Notes 3.3.1 and 16.
- As at 30 June 2024, the following agenda decisions were issued that might be relevant for the preparation of annual reports in 2024. This decision establishes that specific revenues and expenses must be disclosed for each segment, if they are included in the segment performance measure reviewed by the company's highest decision-making authority, which in this case is the Earnings Review Committee, regardless of whether such revenues and expenses are not separately presented to this committee. The decision also emphasizes that the material items of revenues and expenses that must be disclosed are not limited to unusual or non-recurring items. As of December 31, 2024, the company continues in the process of analyzing the impacts that this agenda decision will have on the information disclosed for the segments and will be adopted during 2025, which will include any disaggregation of revenues, costs and expenses by segment that management considers necessary to comply with this requirement.

2.1.2 New standards and interpretations not yet adopted

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024 and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and amendments is presented below.

a) Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after January 1, 2025).

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. The Company does not expect these amendments to have a material impact on its operations or financial statements.

b) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026).

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

c) IFRS 19, "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods beginning on or after January 1, 2027).

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries

d) IFRS 18, "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning on or after January 1, 2027).

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss with defined subtotals; requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss, required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements. From the high-level preliminary assessment conducted, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Company's net income, the Company expects that the grouping of income and expense items in the income statement into the new categories will impact the way operating income is calculated and reported. From the high-level impact assessment conducted by the Company, the following items could potentially impact operating income:
    - Foreign exchange differences that are currently aggregated into operating income may need to be disaggregated, with some foreign exchange gains or losses presented below operating income.
    - IFRS 18 has specific requirements on the category in which derivative gains or losses are recognized, which is the same category as the income and expenses affected by the risk being managed with the derivative. Although the Company currently recognises some gains or losses in operating profit and others in finance costs, there could be a change in where these gains or losses are recognised, and the Company is currently assessing the need for a change.

- The items presented in the primary financial statements could change as a result of the application of the "useful structured summary" concept and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be presented separately in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

- The Company does not expect there to be a significant change in the information currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which information is grouped could change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - Performance measures defined by management;

    - A breakdown of the nature of expenses for items presented by function in the operating category of the income statement – this breakdown is only required for certain natures of expenses; and

    - For the first annual period of application of IFRS 18, a reconciliation of each income statement item between the restated amounts presented using IFRS 18 and the amounts previously presented using IAS 1.

- From a cash flow statement perspective, there will be changes in the way interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from the current presentation as part of operating cash flows.

These standards or amendments are not expected to have a material impact on the Company in future reporting periods and on foreseeable future transactions, except for IFRS 18, the Company is in the process of analyzing the impact of applying the new standard as of its mandatory effective date of January 1, 2027. Retrospective application is required, so comparative information for the year ending December 31, 2026 will be restated in accordance with IFRS 18.

2.2 Consolidation

a. Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Group 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. Subsidiaries are fully consolidated from the date control is transferred to the Company. They are deconsolidated from the date that control ceases.

The balances and unrealized profits or losses in intercompany operations are eliminated in the consolidation process. When necessary, accounting policies have been modified in subsidiary entities in order to be consistent with the policies adopted by the Company. The following is a summary of the Company's interest in subsidiaries at December 31, 2024 and 2023:

Company	Shareholding	Activity
Operadora Liverpool, S. A. de C. V.	99.99%	Sub-holding of Distribuidora Liverpool, S. A. de C. V. and other companies that operate the department stores.
Bodegas Liverpool, S. A. de C. V. and Almacenadora Liverpool, S. A. de C. V.	99.99%	Storage and distribution of merchandise.
Servicios Liverpool, S. A. de C. V.	99.99%	Advisory and administrative services provided to the Company's subsidiaries.
Suburbia, S. de R. L. de C. V.	99.99%	Holding company and other service providers and real estate companies.
Ten real estate companies	99.93%	Development of real estate projects, mainly shopping malls.

b. Associates

Associates are all those entities over which the Company exercises significant influence, but not control. Usually, associates are those of whom the Company holds between 20% and 50% of the voting rights. Investments in associates are recorded by the equity method and are initially recognized at cost. The Company's investment in associates includes goodwill (net of any accumulated impairment loss, if any) will be impaired, and impairment losses will have occurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition identified at the time of the acquisition.

The Company's equity in the profits or losses following the acquisition of associates is recognized in the statement of income and its equity in the comprehensive results of an associated company, is recognized in the Company's "Other comprehensive results". Post-acquisition accrued movements are adjusted against the book value of the investment. When the Company's equity in the losses of an entity equals or exceeds its interest in the entity, including any unsecured account receivable, the Company does not recognize a more significant loss, unless it has incurred obligations or has made payments on behalf of the associated. The associated companies' accounting policies have been modified, when necessary, for consistency with the policies adopted by the Company.

2.3 Segment information

Segment information is presented to be consistent with the internal reports provided to the Financial Review Committee, which is the body responsible for making operating decisions, assigning resources and evaluating the operating segments' yield. See Note 24.

2.4 Foreign currency transactions

a. Functional and presentation currency

The items included in each of the subsidiaries' financial statements are stated in the currency of the primary economic environment in which the entity operates (the functional currency).

The currency in which the consolidated financial statements of the Company are presented is the Mexican peso, which in turn is also the functional currency.

b. Transactions and balances

Foreign currency transactions are converted to the functional currency using the exchange rates in effect on the transaction or valuation dates when the items are re-measured. The profits and losses resulting from such transactions and from other conversion at the exchange rates in effect at the year-end of all monetary assets and liabilities denominated in foreign currency are recognized as exchange fluctuations under foreign exchange loss or gain in the statement of comprehensive income.

2.5 Financial assets

2.5.1 Classification

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

- Those to be measured subsequently at fair value, and

- Those to be measured at amortized cost.

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

For assets measured at fair value, gains and losses will either be recorded in the statement income or other comprehensive income. See Note 2.7. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2.5.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognized on 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.

2.5.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are recorded in the statement of income.

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. The Company classifies its financial assets according to the following category:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement income and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income.

- Evaluate Fair value through other comprehensive income: Equity instruments that are not held for trading purposes, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI. These are strategic investments and the Company considered that this classification was more relevant. There is no subsequent reclassification of fair value gains and losses to results after the derecognition of the investment. Dividends from such instruments continue to be recognized in results as other income when the Company's right to receive payments is established.

2.6. Impairment of financial assets

2.6.1 Assets carried at amortized cost

The Company prospectively assesses the expected credit losses associated with its financial assets at amortized cost, considering the results of the portfolio performance evaluation and the objective evidence of impairment. Increases to this provision are recorded in expenses and presented separately in the income statement. See Note 3.3.2.

2.7 Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognized at fair value on the date the derivative financial instrument contract is concluded and subsequently measured at fair value. The method to recognize the utility or loss of changes in the fair values of derivative financial instruments depends on whether they are designated as hedging instruments, and if so, the nature of the item being hedged. The Company only has financial instruments derived from cash flow and trading hedges.

The Company documents at the beginning of the transaction the relationship between the hedging instruments and the items hedged, as well as its objectives and the Risk Management strategy that support its hedging transactions. The Company periodically documents whether the derivative financial instruments used in hedging transactions are highly effective in covering the cash flows of the hedged items.

The fair values of derivative financial instruments used as hedging and trading instruments are disclosed in Note 10. The total fair value of derivative financial instruments used as hedging instruments is classified as non-current assets or liabilities when the maturity of the Remaining of the hedged item is greater than 12 months and is classified as current assets or liabilities when the maturity of the remainder of the hedged item is less than 12 months. Trading derivative financial instruments are classified as current assets or liabilities.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The amounts accumulated in stockholders' equity are reclassified in the periods in which the hedged item affects the result. The gain or loss related to the effective part of the interest rate swaps that hedge the loans is recognized in results within financial costs (income) at the same time that the interest expense of the covered loans is recognized.

When a hedging instrument matures or is sold, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognized in the consolidated statement of comprehensive income in financial costs (income).

Derivative instruments designated as hedges cover, in a proportion of one to one and on the same dates, the flows of interest and principal of the loans covered, so that their correlation is exactly 1 and therefore their coverage effectiveness is 100%.

2.8 Other financial assets

Other financial assets include cash delivered as collateral required by some derivative financial contracts that correspond to margin calls which are measured at fair value.

These collaterals are offset with the derivative financial instrument if the right to offset the recognized amounts is legally enforceable and there is the intention to settle them on a net basis or to realize the asset and pay the liability simultaneously. Some financial institutions may require collateral deposits or margin calls based on derivative financial instrument contracts if the market value of our derivatives that hedge foreign exchange risks exceeds a previously agreed contractual limit, so we are subject to responding to these margin calls that require covering a substantial amount of cash and may reduce the funds available for our operations or other capital needs. As of December 31, 2024 and 2023, there were requirements to make these deposits as collateral. During fiscal year 2024, the Company received the flows from the margin call that was generated at the end of 2023 by these financial instruments. See Note 10.

2.9 Cash and cash equivalents

For purposes of presentation in the cash flows statement, cash and cash equivalents include cash in hand, demand deposits in financial institutions, other short-term investments, highly liquid with original maturities of three months or less that are easily convertible into cash and that are subject to insignificant risks of changes in value, and bank overdrafts. See Note 7. The cash equivalents are represented by investments in government instruments.

Cash and cash equivalents include amounts generated by credit, debit card and digital media sales transactions that are settled at the beginning of the following month in the amount of $705,875 and $1,747,043 as of December 31, 2024 and 2023, respectively. These cash equivalents are not subject to credit risk.

2.10 Inventories

Inventories are recorded at cost or net realizable value whichever is less. The cost includes the cost of the merchandise plus the costs of importation, freight, maneuvering, shipping, storage in customs and distribution centers, decreased in the value of the respective returns. The net realizable value is the estimated sale price in the normal course of operations minus the estimated costs to make the sale. The cost is determined using the average cost method.

Physical inventory counts are conducted periodically at the stores, boutiques and distribution centers and inventory records are adjusted to the results of physical inventory counts. Historically, due to the Company's loss prevention programs and control procedures, stockouts and shrinkage of inventories have been immaterial.

2.11 Investment properties

Investment properties are real property (land and buildings) held to obtain economic benefits through a collection of rent or for capital gains, and are initially valued at cost, including transaction costs. After their initial recognition, investment properties continue to be valued at cost, less accumulated depreciation and impairment losses, if any.

The Company owns shopping malls that house their department stores, as well as commercial space it leases to third parties. In such cases, only the portion leased to third parties is considered as an investment property and the Company's stores are recorded as property, furniture and equipment, in the statement of financial position. See Note 12.

Depreciation is calculated by the straight-line method to distribute the cost at its residual value over their remaining useful lives, as follows:

Buildings:

Shell and core stage of construction	75 years
Structural work	75 years
Fixed facilities and accessories	35 years

2.12 Property, furniture and equipment

The items comprising property, furniture and equipment are recognized at their historical cost, less depreciation and impairment losses. The historical cost includes expenses directly attributable to the acquisition of these assets and all expenses related to the location of assets at the site and in the conditions necessary for them to operate as expected by Management.

Expansion, remodeling, and improvement costs represent an increase in capacity and are recognized as an extension of the useful life of goods are capitalized. Maintenance and repair expenses are charged to income for the period they are incurred. The carrying amount of replaced assets is derecognized when they are replaced, recording the entire amount in the consolidated statement of income.

Works in progress represent stores under construction and includes investments and costs directly attributable to the start-up of operations. These investments are capitalized upon opening the store and depreciation is computed from that point.

The land is not depreciated. Depreciation of other assets recognized in administrative expenses is calculated based on the straight-line method to distribute its cost at its residual value during its estimated useful lives, as follows:

Buildings:	
Shell and core stage of construction	75 years
Structural work	75 years
Fixed facilities and accessories	35 years
Other assets:	
Furniture and equipment	10 years
Computer equipment	3 years
Transportation equipment	4 years
Leasehold improvements	Over the term of the lease Agreement

The Company assigns the amount initially recorded with respect to an element of property, furniture and equipment, in its different significant parts (components) and depreciates each separately.

The residual values and useful life of the Company's assets are reviewed and adjusted, if necessary, at the date of each consolidated statement of financial position. See Note 13.

The book value of an asset is written off at its recovery value if the book value of the asset is greater than its estimated recovery value. See Note 2.14.

Gains and losses from the sale of assets are due to the difference between income from the transaction and the book value of the assets they are included in the statement of income as other income.

2.13 Intangible assets

i. Goodwill

Goodwill in acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but goodwill impairment reviews are carried out annually or more frequently if events or changes in circumstances indicate a possible impairment and are recorded at cost less accumulated impairment losses. Gains and losses on the disposal of a Company include the carrying value of the goodwill related to the Company sold.

To verify impairment, the goodwill acquired in a business combination is assigned to each of the Cash Generating Units (CGU), which is expected to benefit from the synergies of the combination. Each unit to which the goodwill has been assigned represents the lowest level within the entity to which goodwill is controlled for internal management purposes. Goodwill is controlled at the operating segment level.

ii. Brands

The brands acquired individually are shown at historical cost, while those acquired through business combinations are recognized at their fair value at the date of acquisition. Brands are not amortized and are subject to impairment tests annually. To date, no factors limiting the useful life of these assets have been identified. The brands are considered to have an indefinite useful life due to the positioning they have in the market, some of them, for more than 40 years and because the Company's experience and market evidence indicate that they will continue to generate cash flows for the Company in indefinite form. Additionally, the Company estimates that there are no legal, regulatory or contractual considerations that limit the useful lives of such brands.

iii. Development of computer systems and programs

Activities involved in the development of computer systems and programs include the plan or design and production of a new or substantially improved software or computer system. Expenses pertaining to the development of computer programs are only capitalized when they meet the criteria as shown below.

- Management intends to complete the computer program and use it;
- It is technically possible to complete the computer program so that it is available for use;
- The Company has the capacity to use the computer program;
- It can be proven that the computer program will generate future economic benefits;
- The Company has the technical, financial and other resources necessary to conclude the development of the program for its use, and
- Expenses related to the development of the computer program can be reliably measured.

The 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 their use. Other development costs failing to meet these criteria and research expenses, as well as maintenance expenses are recognized and expensed as they are incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

The costs incurred in the development of software recognized as assets are amortized over their estimated useful lives, recognized in administrative expenses, which fluctuate between five (licenses and fees) and ten years (new IT developments). See Note 14.

iv. Other intangibles

As a result of the acquisition of Suburbia, the Company recognized an intangible derived from the knowledge of the operative process of purchases, commercial planning, product design and commercialization (CATMex). This intangible asset was recognized at fair value at the date of acquisition and was considered indefinite based on the expectation of generating future economic benefits and is subject to annual impairment tests.

2.14 Impairment of non-financial assets

Non-financial assets subject to depreciation are subject to impairment testing. Impairment losses correspond to the amount at which the book value of the asset exceeds its recovery value. The recovery value of assets is the greater of the fair value of the asset less costs incurred for its sale and its value in use. For impairment assessment, assets are grouped at the lowest levels at which they generate identifiable cash flows (cash-generating units). Non-financial assets subject to write-offs due to impairment are valued at each reporting date to identify possible reversals of the impairment.

Goodwill and intangible assets with an indefinite useful life are not subject to amortization and are subjected annually to impairment tests, or more frequently, if there are events or circumstances that indicate that they could be affected. Other assets are subject to impairment tests when events or changes in circumstances indicate that the carrying amount may not be recovered. An impairment loss is recognized for the book value of the asset that exceeds its recoverable value. Recoverable value is the higher of the fair value of an asset less its disposal costs and its value in use. For assessing impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash flows of other assets or groups of assets (cash generating units). Impaired non-financial assets other than goodwill are reviewed to determine the possible reversal of the impairment at the end of each reporting period.

2.15 Accounts payable

Accounts payable are payment obligations for goods or services acquired from suppliers in the normal course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

The Company has established financing programs with suppliers, through which they can discount their documents with different financial institutions. If the contractual terms and conditions modify the nature of the liability, the trade payable is derecognized and a financial debt is recognized; otherwise, the trade payable to suppliers is maintained. For purposes of the cash flow statement, if management determines that the amounts are part of the working capital used in the entity's main income-generating activities, the cash outflows to settle the liability are presented within operating activities at the time the company settles the banking institution. See Note 16.

Accounts payable are initially recognized at fair value and subsequently remeasured at amortized cost using the effective interest rate method.

2.16 Loans from financial institutions, issues of stock certificates and senior notes

Loans from financial institutions, issues of stock certificates and senior notes are initially recognized at fair value, net of costs incurred in the transaction. This financing is subsequently recorded at its amortized cost. Differences, if any, between the funds received (net of transaction costs) and the redemption value are recognized in the statement of income during the period of the financing, using the effective interest rate method.

2.17 Cancelation of financial liabilities

The Company cancels financial liabilities if, and only if, the Company's obligations are met, canceled or matured.

2.18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of cash flows to settle the obligation and the amount can be estimated reliably required. The amount recognized as a provision is the best estimate on the reporting period, the expenditure required to settle the present obligation, the payment is made by the amount assessed rationally, the Company has to pay to settle the obligation to the end of the reporting period under review, or to transfer it to a third party at that time. See Note 17.

2.19 Income tax

The income tax comprises currently payable and deferred taxes. The tax is recognized in the statement of income, except when it relates to items applied directly to other comprehensive income or losses or to stockholders' equity. In this case, the tax is also recognized in other items pertaining to comprehensive income or directly to stockholders' equity, respectively.

Deferred income tax is recognized on temporary differences arising from comparing the book and tax values of all assets and liabilities of the Group. However, deferred tax liabilities are not recognized if it arises from the initial recognition of goodwill; nor deferred income tax is recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the year and are expected to apply when the deferred income tax asset is realized, or the deferred income tax liability is settled.

The charge corresponding to taxes on profits currently payable is calculated according to the tax laws approved as of the consolidated statement of financial position date in Mexico and in the countries where the Company's associates operate and generate a taxable base. Management periodically evaluates their tax positions with respect to tax refunds as tax laws are subject to interpretation. According to this assessment as of December 31, 2024 and 2023, there are no uncertain positions.

The deferred tax asset is only recognized to the extent that future tax benefits are likely to be achieved and can be applied against any temporary differences in liabilities.

The deferred tax on profits is generated on the basis of the temporary differences between investments in subsidiaries and associates, except when the Company can control when those temporary differences are reinvested, and the temporary difference is unlikely to be reinvested in the foreseeable future.

The balances of deferred asset and liabilities, tax-on-profits, are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax-on-profit assets and liabilities relate to the same tax entity, or different tax entities where the balances are to be settled on a net basis. See Note 23.

2.20 Employee benefits

a. Pensions and seniority premium

The Company's subsidiaries operate pension plans and seniority premiums that are usually funded through payments to trust funds, based on annual actuarial calculations. The Company also has defined benefit plans and a defined benefit pension plan which is a plan that determines the amount of the pension benefits to be received by an employee upon retirement, which usually depends on one or more factors, such as the employee's age, years of service and compensation.

The liability or asset recognized in the consolidated statement of financial position with respect to defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date, less the fair value of the plan assets, along with the adjustments arising from unrecognized actuarial profits or losses and the costs of past services.

The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method. The present value of defined benefit obligations is determined, discounting estimated cash flows at the interest rates of government bonds denominated in the same currency in which the benefits will be paid, and have expiration terms that approximate the terms of pension obligations.

Actuarial remeasurements arising from adjustments based on the experience and changes in actuarial assumptions are charged or credited to stockholders' equity in other comprehensive-income items in the period they arise.

The plans in Mexico generally expose the Company to actuarial risks, including investment risk, interest rate risk, longevity risk and risk of salary, according to the following:

Investment risk: The rate of return expected for the 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 the fee, this will create a deficit in the plan. Currently, the plan has a balanced investment in fixed income instruments and actions. Due to the long-term nature of the plan, the Company considers it appropriate that a reasonable portion of the plan assets are invested in equities to leverage the yield generated by the fund, taking at least an investment in government instruments of 30% stipulated in the Income Tax Law.

Interest rate risk: A decrease in the interest rate increase plan liabilities; volatility in rates 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 increased liabilities.

Risk salary: The present value of the defined benefit obligation is calculated by reference to future wages of participants. Therefore, an increase in the expectation of salary increases participants plan liabilities.

b. Annual bonus for retaining executive

Some of the Company's executives receive an annual retainer bonus, calculated as a percentage of their annual compensation and depending on the completion of certain goals established for each officer at the beginning of the year. The Company has set up a reserve of $445,284 at December 31, 2024 ($447,794 at December 31, 2023), which included in Note 17 within the provision of bonuses and compensation to employees.

c. Employees' statutory profit sharing and bonuses

The Company recognizes a liability and a bonus expense and employees' statutory profit sharing based on a calculation that considers the tax profit after certain adjustments. In the case of the PTU derived from the reform on labor, a maximum limit of three months of the worker's salary or the average of the PTU received in the last three years was established, whichever is the lesser. The Company recognizes a provision when it is contractually obligated or when there is a past practice that generates an assumed obligation.

d. Other employees benefits by voluntary separation or dismissal

The Company grants certain benefits to employees that leave the Company either by termination or voluntary decision after 20 years of service. In accordance with IAS 19 "Employee benefits", this practice constitutes an assumed obligation of the Company to its employees, which is recorded based on annual actuarial studies prepared by independent actuaries. See Note 19.

e. Benefits paid to employees for severance required by the law

The Company recognizes and pays compensation on the first of the following dates: a) the Company may not withdraw the offer of those benefits, and b) when the Company recognizes the costs of restructuring that is within the scope of IAS 37 and involves payment termination benefits.

2.21 Capital stock

Common shares are classified as capital.

2.22 Revenue recognition

Income represents the fair value of cash collected or receivable arising from the sale of goods or the rendering of services in the normal course of Company operations. Income is shown net of discounts granted to customers.

The Company uses the IFRS 15 methodology for revenue recognition based on the following steps:

- Identification of the contract with the client;
- Identification of the performance obligations;
- Determination of the transaction price;
- Assignment of the transaction price to performance obligations;
- Recognize income as performance obligations are met.

a. Sale of merchandise

Revenue from merchandise sales is recognized when the customer buys in stores, over the phone or on the internet and takes possession of the good at the time the merchandise is delivered. The Company does not consider the sale of merchandise and its delivery as separate performance obligations, because customers obtain control of the goods at the time of delivery. For promotions of merchandise sales to months without interest less than one year, as a practical solution, the Company does not adjust the amount of said sales, in accordance with the provisions of IFRS 15. For sales to months without interest exceeding one year, the Company has assessed that the amount of the discount for such sales is not significant.

The Company considers as merchandise sales of the period those in which the customer has obtained control of a product in a post-billing delivery agreement, when all the following criteria are met:

- The reason for the post-billing delivery agreement is requested by the customer;
- The product is identified separately as belonging to the customer;
- The product is currently ready for physical transfer to the customer, and
- The Company may not have the ability to use the product or redirect it to another customer.

The Company's policy is to allow the return of certain items sold. Customer returns usually involve a change of size, color, etc.; however, in cases in which the customer definitively wishes to return the product, the Company allows customers to credit the value of the merchandise to their account, if the purchase was made with the Company's own cards, or to return the amount of the purchase in an electronic cash card or a credit to the customer's bank credit card, if the purchase was made in cash or with external cards, respectively. These transactions are recognized under deferred income.

b. E-wallets and gift certificates

- **E-wallets**

The Company offers promotions, some of which involve benefits granted to its customers represented by e-wallets, the value of which is referred to as a percentage of the selling price. E-wallets can be used by customers to settle future purchases at the Company's department stores. Upon the time the electronic wallets are granted, they are recognized in the deferred income account in the consolidated financial position. The Company deducts the amount granted to its customers in e-wallets from revenue. This account is canceled when the customer redeems the E-wallet; whether partially or entirely through the acquisition of merchandise, recognizing revenue in the same amount. In the Company's historical experience, the likelihood of customers using e-wallets accounts that have been inactive for 24 months is very low. Therefore, e-wallets showing these characteristics are canceled, with a credit to sales.

- **Gift certificates**

The Company offers its customers gift certificates with no specific expiration date. Upon their sale, gift certificates are recognized in the deferred revenue account in the statement of consolidated financial position. This account is canceled when the customer redeems the gift certificate; whether partially or entirely, through the acquisition of merchandise, recognizing revenue in the same amount. In the Company's historical experience, the likelihood of customers using gift certificates that have been inactive for 24 months being is remote. Therefore, certificates with these characteristics are canceled against service income and other.

c. Interest income from the customers

In accordance with IFRS 9 "Financial instruments", interest income is recognized by the effective interest rate method. Late payment of interest is recorded as income as it is collected.

d. Lease revenue

The Company's policy for recognition of operating lease revenue is described in Note 2.25.2

e. Services and other

Income from service agreements is determined as follows:

- Service income is recognized when the customer receives the benefit of the service, such as: beauty salon, travel agency, opticians, marketplace, etc.

2.23 Deferred income

The Company records deferred income arising from different transactions in which cash was received, and in which the conditions for revenue recognition described in paragraph 2.22, b) have not been met. Deferred revenue is shown separately in the consolidated statement of financial position.

2.24 Other accounts receivable

The Company classifies as other accounts receivable all loans or advance payments made to employees and other parties or companies other than the general public. If collection rights or recovery of this amount is realized within 12 months from the period close, they are classified as short-term; otherwise, they are shown as long-term.

In the case of other accounts receivable, the simplified approach of IFRS 9 has been applied to measure the expected credit losses over the life of the instrument.

2.25 Leases

2.25.1 Lessee

Leases are recognized as a right-of-use asset and a liability corresponding to the date the leased asset is available for use by the Company.

Assets and liabilities derived from a lease are initially measured at present value. Lease liabilities include the net present value of the following payments:

- Fixed payments (including if they are substantial), less lease incentives receivable;
- Variable lease payments that are based on an index or rate; initially measured using the index or rate on the start date;
- The amounts expected to be payable by the Company in the guarantee of residual value;
- Price of exercising a purchase option if the Company has reasonable certainty of exercising this option, and
- Penalty payments for the termination of the lease agreement, if the terms of the lease reflect that the Company will exercise this option.

Lease payments that will be made under renewal options with reasonable certainty of being exercised are also included in the measurement of the liability.}

The determination of lease liabilities is made using the interest rate implicit in the lease. However, that rate cannot be easily determined, so the Company uses the incremental financing rate, which is the rate that the Company would have to pay to borrow the necessary funds to obtain an asset of similar value to the right of use of assets in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental financing rate, the Company:

- It uses a risk-free interest rate plus the credit risk curve associated with the rating determined for the Company and applies specific adjustments to the lease, for example, term and currency type.

The Company is exposed to possible future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted to the right of use asset.

Lease payments are allocated between the principal and the financial cost. The financial cost is charged to income during the lease period in order to produce a constant periodic interest rate on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost, including the following:

- The amount of the initial measurement of the lease liability;
- Any lease payment made on or before the commencement date minus any lease incentive received;
- Any initial direct costs, and
- Restoration costs.

The right-of-use assets are generally depreciated in a straight line during the shortest period between the useful life of the asset and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset depreciates during the useful life of the underlying asset.

The Company applied the exemption for the recognition of low-value assets, which include electronic tablets, printing equipment and small items of office furniture.

Payments associated with short-term leases of furniture and equipment, vehicles and all leases of low-value assets are recognized under the straight-line method as an expense in results. Short-term leases are leases with a lease term of 12 months or less.

2.25.2 Lessor

Revenue from operating leases in which the Company is a lessor is recognized in the statement income under the straight-line method during the term of the lease. The initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and are recognized as expenses during the term of the lease on the same basis as the income from the lease. The respective leased assets are included in the statement of the financial position depending on their nature. Lease income at 2024 and 2023 for $4,863,706 and $4,534,684, respectively, includes non-lease components for $1,678,520 and $1,459,110, which are recognized in accordance with the income standard for contracts with customers.

The Company accounted for the modifications in operating leases as a new lease from the effective date of the modification, considering the anticipated or accumulated lease payments related to the original lease as part of the payments of the new lease, they continue to be recognized in a straight line.

2.26 Earnings per share

Basic earnings per ordinary share are calculated by dividing the holding interest by the weighted average of ordinary shares outstanding during the period. Earnings per diluted share are determined by adjusting the holding interest and ordinary shares, under the assumption that the entity's commitments to issue or exchange the Company's own shares would be realized. Basic earnings are the same as diluted earnings due to the fact that there are no transactions that could dilute earnings. See Note 22.

2.27 Supplier rebates

The Company receives rebates from suppliers as reimbursement for discounts granted to customers. Supplier reimbursements related to discounts granted to customers with respect to merchandise sold are negotiated and documented by the purchasing areas and are credited to the cost of sales in the period in which they are received.

2.28 Prepaid payments

The Company recognizes prepaid payments for television advertisement and insurance premiums. Those amounts are recorded at the value that was contracted and are recorded in income when the advertisements are broadcasted and on a straight-line basis for insurance premiums. None of the insurance policies have a term exceeding twelve months.

2.29 Financial assets at fair value through other comprehensive income

Equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognize in this category. There is no subsequent reclassification of fair value gains and losses to the income statement after the derecognition of the investment. The group transfers the gain or loss from other comprehensive income to accumulated profits in the same period in which they are generated. Dividends from such instruments are recognized in the income statement as other income when the Company's right to receive payments is established. See Note 15.

NOTE 3 - RISK MANAGEMENT:

The main risks to which the Company is exposed are:

3.1 Real estate risk

The Company owns department stores and either owns or co-owns 29 shopping malls. The Board of Directors is responsible for authorizing the purchase of land and buildings proposed by the Company's real estate area. For every real estate investment, sales are estimated per square meter and the return on the investment is to be generated. The Company has no risk concentration in accounts receivable from lessees, as it has a diversified base and periodically evaluates their payment capacity, especially prior to renewing their lease agreements. Although the value of real property in Mexico is relatively stable, economic development and structural changes in the country are risk factors that could affect the supply and demand of real property and affect rent levels and the risk of vacant commercial space. Commonly, real property in Mexico is quoted in US dollars, and thus an excessive rise in the exchange rate of the peso to the dollar or in the prices of property available to the Company or construction materials could limit the Company's plans to expand. The Company has insurance that duly covers its assets against the risk of fire, earthquake and other natural disasters. All insurance has been contracted with leading companies in the insurance market.

3.2 Market risk

The Company contracts derivative financial instruments to reduce the uncertainty of the return on its projects. The derivative financial instruments contracted are assigned for hedge accounting purposes and are closely linked to the financing contracted by the Company.

The Company's internal control policies require that the representatives of the finance and legal areas conduct an analysis prior to contracting financing or conducting operations with derivative financial instruments. In evaluating the use of derivatives, to cover the financing risks, sensitivity analysis is conducted of the different variables and effectiveness testing is conducted to determine the book treatment of the derivative financial instrument, once contracted.

3.2.1 Exchange rate risk

Except as mentioned in Note 18, the Company has not contracted financing in foreign currencies; however, the Company is exposed to risks related to movements in the exchange rate of the peso to the US dollar and the euro with respect to importations of merchandise mainly from Europe and Asia. As of December 31, 2024, and 2023, purchases of merchandise in a currency other than the Mexico peso represent approximately 12% and 13% of total purchases, respectively.

At December 31, 2024 and 2023, the Company's exposure to exchange rate risks amounted to US$347,786, €(50,263) and US($133,954), €15,158, respectively. In the event of an 8% increase in the exchange rate of the peso to the US dollar, the Company's loss would approximate $ 563,922 and $85,611. The 8% represents the sensitivity rate used when the foreign exchange risk is reported internally to the Results Review Committee and represents the Administration's assessment of the possible variation in exchange rates. The sensitivity analysis includes only the monetary items pending settlement denominated in foreign currency at the end of the year.

The Company had the following foreign currency monetary assets and liabilities:

		December 31, 2024		2023
Thousands of US dollars:				
Monetary assets	US$	**929,881**	US$	743,205
Monetary liabilities		**(582,095)**		(877,159)
Short (long) position	US$	**347,786**	US$	(133,954)
Equivalent in pesos	$	**7,049,031**	$	(2,262,952)

		December 31, 2024		2023
Thousands of Euros:				
Monetary assets	€	**15,365**	€	35,838
Monetary liabilities		**(65,628)**		(20,680)
(Long) short position	€	**(50,263)**	€	15,158
Equivalent in pesos	$	**(1,070,134)**	$	283,297

The exchange rates of the peso to the dollar, in effect at the date of the consolidated statement of financial position and the date of approval of the independent auditor's report, were as follows:

		February, 28, 2025		December 31, 2024
US dollar	$		$	20.2683
Euro	$		$	21.2907

3.2.2 Interest rate risk

The contracted financings of senior notes are subject to interest rates and expose the Company to the risk of variability in interest rates and, therefore, to its cash flows. The Company's policy is to cover most of its financing towards a fixed rate profile. The main objective of the use of derivative financial instruments is to know with certainty the effective flows that the Company will pay to comply with its obligations. With interest rate swaps, the Company agrees with other parties to deliver or receive monthly the difference between the interest amount of the variable rates agreed in the debt contracts and the amount of the interest of the fixed rates contracted in derivative financial instruments. The Company continuously analyzes its exposure to interest rates. A number of different interest rate scenarios are evaluated such as, refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the corresponding impact on results or its consolidated financial position.

The Company contracts interest rate swaps that have critical terms similar to the item covered, such as the reference rate, restart dates, payment dates, maturities and nominal amount. As all critical terms agreed upon during the year, there is an economic relationship.

The ineffectiveness of coverage for interest rate swaps is assessed using the same principles as for hedges of purchases in foreign currency. They can occur due to the following:

- Adjustment of the creditor value/debtor value in interest rate swaps that do not correspond to the loan, and
- The critical differences between interest rate swaps and loans.

There was no recognized ineffectiveness during 2024 or 2023 in relation to interest rate swaps.

Sensitivity analysis for interest rates

The following sensitivity analyses have been determined considering the current derivative financial instruments at December 31, 2024 and assuming the following:

If interest rates had been 10 basis points below and all the other variables remained constant. The other items comprising comprehensive income for the year ended December 31, 2024 and 2023 would have increased by $102,812 and $98,250 net of deferred taxes, mainly as a result of the changes in fair value of hedge derivative financial instruments contracted to hedge against exposure to changes in interest rates.

The information corresponding to the interest rate derivative financial instruments that have been contracted is shown in Note 10 of these consolidated financial statements.

3.3 Financial risks

3.3.1 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its fund requirements. Company's Management has established policies, procedures and limits that govern the Treasury function. The Treasury is responsible for ensuring the Company's liquidity and for managing its working capital to guarantee payments to vendors, capital investments and fund the costs and expenses of the operation. The Company finances its operations through a combination of: 1) using cash available, 2) reinvestment of a significant portion of profits, and 3) contracting financing and leasing denominated in pesos.

For 2024 and 2023, the favorable results in revenue generation and collection increase the Company excess of cash flows.

The Company has established supplier financing programs, whereby suppliers may discount their notes with different financial institutions. The balance payable under these programs is recognized in the suppliers account, as the terms of the accounts payable do not change in the consolidated statement of financial position. If the Company were to have any difficulty in meeting its obligations, such concentration would not increase the risk that the Company might have to pay a significant amount, at any given time, to a single counterparty. Management has assessed that the Company does not rely on extended payment terms and suppliers have generally not become accustomed to or do not rely on early payment under the financing arrangement. If the financial institution were to cancel the arrangement, such withdrawal would not affect the Company's ability to settle the liabilities when they become due.

As of December 31, 2024 and 2023, the Company has short-term credit lines available for approximately $21,042,461 and $6,780,352; as well as overdraft lines to immediately access debt instruments for $7,310,000 and $7,860,000, respectively.

The following table shows the contractual maturities of the Company's financial liabilities according to the expiration periods. This information has been prepared considering the cash flows without discounting, from the first date on which the Company will be required to pay and includes the contractual interests and the main cash flows:

	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
December 31, 2024:			
Suppliers and creditors	$ 53,961,577	$ -	$ -
Senior notes and contractual interests	1,961,688	28,087,642	-
Lease liabilities	2,795,259	8,065,481	14,023,101
	$ 58,718,524	$ 36,153,123	$ 14,023,101

	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
December 31, 2023:			
Suppliers and creditors	$ 51,768,181	$ -	$ -
Derivative financial instruments	639,650	1,197,410	-
Senior notes and contractual interests	7,143,553	22,868,928	5,240,900
Lease liabilities	2,451,242	7,759,314	13,925,696
	$ 62,002,626	$ 31,825,652	$ 19,166,596

3.3.2 Credit risk

Credit risk is when the Company suffers losses as a result of customers defaulting on payments, financial institutions in which it maintains investments or the counterparties with which derivative financial statements are contracted.

Loan portfolio

The Company's accounts receivable are comprised of loans granted to our customers through the use of credit cards issued by the Company to purchase merchandise, goods and services at our stores or establishments affiliated to with VISA system.

The Company has a robust risk management system for the loan portfolio, whose main components include: 1) credit granting processes, portfolio administration and management, and collection management; 2) information security, technological infrastructure and processes and procedures in store and corporate; 3) the regulatory risk, which includes aspects related to compliance with the provisions issued by the Consumer Advocacy Agency, and 4) the risk of fraud.

Credit application forms are evaluated and approved through automated procedures using parameterized scorecards (grading factors) designed by the Company. For managing the initial lines of credit, limits are also evaluated automatically by the Company's system and are periodically monitored by the risk department to increase or decrease them based on the cardholder's record. The Company has the infrastructure to manage credit line growth strategies, with risk rating models (scorecards) that allow risk predictability. Additionally, there are processes and policies for early identification of potential changes in payment capacity, prompt corrective decision making and determination of current and potential losses.

The Company continuously monitors the recovery of its portfolio based on a broad range of tools and mathematical models, as well as considering a number of factors that include historical trends of portfolio aging, a record of cancellations and future expectations of performance. In times of economic crisis and with high unemployment indexes, the Company restricts approval of applications and loans made, as well as restricting credit limits of current customers. Given the Company's line of business, there are no real guarantees related to accounts receivable. The best way to represent the maximum exposure to credit risk is the carrying value of accounts receivable.

For the management of delinquent accounts, the Company has policies, processes, analytical tools and infrastructure to manage the recovery of the portfolio. Collection management is segmented by risk level and delinquency level through specialized internal and external offices. Through automated systems, monthly account cutoffs are conducted and any accounts failing to show the requirement payment are detected. Accounts not receiving payment are immediately blocked to prevent the balance from continuing to grow and the automated computation of late-payment interest begins. Based on the evaluation of certain variables, late-payment risks of the accounts in default and the actions to be taken on those accounts are determined. The following actions are taken on accounts in default: telephone calls to customers, sending of letters and home visits, among others. Accounts showing no payment after 150 days are automatically assigned to collection agencies to take over collection efforts, and accounts showing more than 240 days default are written off.

Accounting policy for the provision for credit losses

To calculate this provision, the Company recognizes future losses in the portfolio based on the level of impairment of credit risk. The key information used to measure the provision for expected credit losses (ECL) includes the following parameters:

- Probability of Default (PD);
- Significant Increase in Credit Risk (SICR);
- Loss Given Default (LGD), and
- Exposure at Default (EAD).

The expected credit loss methodology uses information derived from statistical models using historical data.

To measure expected credit losses, the loan portfolio has been grouped based on credit risk characteristics ("Liverpool" and "LPC" credit cards), days of default and the historical performance of the portfolio. In the case of the Suburbia Tienda and Suburbia VISA (Suburbia) portfolios, the simplified approach is used, which considers the relationship between the balance of the period to be calculated and the forecast write-offs for the following 12 months, subsequently assuming that the amount to be reserved is distributed in the same proportions by stages as the Liverpool portfolios. Currently, the Company is in the process of developing the new personalized reserve model with statistical methodology that will be used for 2025 and beyond.

The Company estimates the LGD parameters based on the history of the recovery rate of claims against unpaid credits. The LGD model considers the recovery of cash. EAD represents the expected exposure at the time of payment default.

The EAD of a financial asset is the gross carrying amount at the time of default. Likewise, EAD also considers the portion of the undrawn line of credit that can potentially be exercised in the future.

The significant increase in risk is estimated with the change between the PD with which the account originated and the PD that it has at the time of calculating the provision, for this, certain thresholds are determined for credits in stage 1, which if are passed, then the credits migrate to stage 2.

The Company prospectively assesses expected credit losses related to its financial assets carried at amortized cost.

The impairment methodology depends on whether there has been a significant increase in credit risk. Once the Company has classified its financial assets according to credit risk, they are evaluated individually or collectively to identify signs of impairment and thus recognize the provision for impairment arising from credit risk.

In determining whether the credit risk of an account has increased significantly since its initial recognition, the Company considers reasonable and supportable information that is relevant and available without further cost or effort, including quantitative and qualitative information. As additional support, the Company assumes that a considerable increase in credit risk occurs when an asset defaults, that is, when loans accumulate 90 days or more without receiving a payment.

The expected credit loss model is based on changes in credit quality from initial recognition and considers the following phases:

Stage 1

This stage includes loans that have not had a significant increase in credit risk and the basis for recognition of the provision considers expected losses for the next 12 months.

Stage 2

This phase includes loans that have suffered a considerable increase in credit risk, but for which there is no objective evidence of impairment. Interest income is still calculated on the gross book value of the asset. And the recognition basis of the provision considers the expected losses throughout the remaining life of the loan.

Stage 3

This stage includes loans with objective evidence of impairment at the date of each cutoff. Interest income is calculated on the net book value. And the recognition basis of the estimate is over the remaining life of the account.

Penalty

The portfolio is written off when there is no reasonable expectation of recovery. The indicator that there is no reasonable expectation of recovery is that the debtor does not propose a payment plan to the Company, after 150 days without payment, from that moment, the credits are automatically assigned to the external lawyers firms specialized in collection to continue the collection efforts, and when reaching 240 days without receiving payments, they are canceled from the accounting. See Note 8.

Loan portfolio impairment losses are presented as net impairment losses within operating income. Subsequent recoveries of amounts previously paid are credited against the same line.

For stage 1, the PD is determined by the probability that the loan may default in the next 12 months. In stage 2, the PD is the probability of default over the remaining life of the loan. For loans in stage 3 the PD considers 100% of probability that the credit will not be recovered. See Note 8.

Prospective information incorporated in the Expected Credit Loss (ECL)

The Company uses prospective information considering historical data and its experience in managing this type of data. Likewise, the Company carried out a historical analysis to identify the macroeconomic variables that affect expected credit losses, these being the Consumer Confidence Index (ICC5), Gross Domestic Product (GDP) and the Equilibrium Interbank Interest Rate (TIIE). Based on expected changes in these factors, the Company adjusts historical loss rates.

In the case of macroeconomic factors, the Company has built a scenario stressing the variables that affect the model (GDP, TIIE and ICC5), in order to reflect the increase in risks with respect to historical changes related to the probability cardholder default.

Financial institutions and counterparties in derivative operations

Cash surpluses are invested in credit institutions with a high credit rating, such as in government instruments and counterparties in derivative operations are high credit quality financial institutions. It should be mentioned that none of the Company's derivative financial instruments require it to keep cash deposits in margin accounts to guarantee these operations.

3.4 Fair value estimate

The financial instruments in the statement of financial position are recorded at fair value based on the following hierarchy.

- Level 1 fair values are derived from prices quoted (not adjusted) in active markets for identical liabilities or assets.
- Level 2 fair values are derived from indicators different from the quoted prices included in Level 1, but that include indicators that are observable directly to quoted prices or indirectly, that is to say, derived from these prices, and
- Level 3 fair values are derived from valuation techniques that include indicators for assets or liabilities that are not based on observable market information.

December 31, 2024:	Book value	Level 1	Level 2	Level 3
Assets arising from hedge derivative financial instruments	$ 718,149	$ -	$ 718,149	$ -
Assets arising from trading derivative financial instruments	326,400	-	326,400	-
Asset at fair value through other comprehensive income	7,711,748	7,711,748	-	-
Investment as cash equivalents	4,496,837	4,496,837	-	-
Total	$ 13,253,134	$ 12,208,585	$ 1,044,549	$ -

December 31, 2023:	Book value	Level 1	Level 2	Level 3
Assets arising from hedge derivative financial instruments	$ 1,209,410	$ -	$ 1,209,410	$ -
Liabilities arising from trading derivative financial instruments	(639,650)	-	(639,650)	
Liabilities arising from hedge derivative financial instruments	(1,197,410)	-	(1,197,410)	-
Asset at fair value through other comprehensive income	4,910,597	4,910,597	-	-
Investment as cash equivalents	18,192,891	18,192,891	-	-
Total	$ 22,475,838	$ 23,103,488	$ (627,650)	$ -

During the years ended December 31, 2024 and 2023, there were no transfers between levels 1 and 2. The carrying amount of short-term financial instruments is similar to its fair value due to materializing in the short term.

Derivative financial instruments that are classified at level 2, for determining fair value, the pricing model recognized in the financial sphere was used, (estimated future cash flows brought to present value) using available market information to the valuation date. The key assumptions of market inputs used were: a) Futures curve US Government bonds, b) Futures curve Mexican Government and c) Quotation at market value.

3.5 Climate change risk

Our risk management processes consider the environmental, social, and corporate governance (ESG) factors that may impact a company's finances, assets, or reputation. During the first approach, the risks to which the Group is exposed as a result of climate change are transition risks (e.g., regulatory changes and risks to the reputation) and physical risks (even if the risk of physical damage is low due to the Group's activities and geographic location). Within the physical dangers, extreme climate conditions may occur, such as greater intensity of rains, higher occurrence of hurricanes, extended droughts, extended periods of warm temperatures during the winter, or cold weather during the summer. These may affect consumers' economies, reduce the demand for some of our inventory, produce interruptions or delays in the production and delivery of materials and products in our supply chain, and cause a shortage of personnel in our stores.

The Group is committed to operating more respectfully towards the environment each time, by working on the processes, incorporating criteria of circular economy, eco-efficiency, and reduction of greenhouse gas (GHG) emissions, which contribute to climate change. By 2040, the Group's objective is to be a Net Zero company as to direct GHG emissions, through investments in: a) recycling 100% of possible residue, b) reducing consumption of drinking water, and c) reducing energy consumption through efficiency initiatives and an increase in the use of renewable sources of energy. There are ongoing projects related to self-generated energy using solar panels at our location and incorporating the first hybrid and electric units for product distribution to clients, for which we have established charging stations. Likewise, there are projects to implement an integral system of sustainable packaging and facilities, such as distribution centers with neutrality in water consumption, GHG emissions, and waste management. Consult the Environmental performance section in the Group's Integrated Annual Report produced by the management to obtain more information regarding the climate risk and the commitments undertaken by the Group to tackle it.

The Group maintains insurance policies for earthquakes, floods, and other similar circumstances, including property, accident, and business interruption insurance, and established plans to operate in emergencies such as the ones previously described.

As of December 31, 2024, the Group has not identified risks associated with climate change that may negatively or materially affect the financial situation of the Group. Nevertheless, the management constantly evaluates the impact of climate-related matters. The Group's financial statements consider climate-related issues when these are material and applicable. In particular, the Group's commitments to reduce GHG emissions were considered when making cash flow projections to conduct the impairment tests and evaluate the useful life of its long-term assets. Assumptions might change in the future as a response to extreme climate conditions, future environmental regulations, new commitments made, and the consumers' changing demand. Even when trying to foresee the climate change effects, these could have an impact on the cash flows, performance, and future financial situation of the Group.

NOTE 4 - KEY SOURCES OF UNCERTAINTY IN THE ESTIMATES AND CRITICAL JUDGMENTS:

In applying the Company's accounting policies, which are described in Note 2, Management makes judgments, estimates and assumptions on the book figures of assets and liabilities. The related estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are analyzed on a regular basis. The reviews of book estimates are recognized in the review period or future periods, if the review affects both the current period and subsequent periods.

The following are the sources of key uncertainty in the estimates made at the date of the consolidated statement of financial position, and which have a significant risk of deriving an adjustment to the book values of assets and liabilities during the following financial period.

4.1 Estimated impairment of intangible assets with an indefinite useful life

The methodology applied by the Company to determine whether goodwill, rights to its brands and other intangibles have suffered any impairment in value is described in Note 14.

4.2 Estimation of useful lives of brands and other intangible assets with an indefinite life

The brands acquired as part of Suburbia have demonstrated their stability by having had permanence in the market for several decades and are well-recognized in Mexico. The knowledge of the operative process of procurement, commercial planning, product design and marketing (called CATMex) is unique in the Mexican market. It has generated economic benefits for Suburbia for several decades. Based on our own experience, during 175 years of operating in Mexico, the Company believes that CATMex will continue to generate cash flows for the Company indefinitely.

To date, no factors limiting the useful life of the aforementioned intangible assets have been identified and there are no legal, regulatory or contractual considerations that limit them, so in the opinion of the Company's Management, it was determined to appoint the brands of Suburbia and CATMex as having an indefinite useful life. See Note 14.

NOTE 5 - CATEGORY OF FINANCIAL INSTRUMENTS:

December 31, 2024:	Amortized cost	Instruments at fair value through profit or loss	Instruments at fair value through other comprehensive income	Total
Financial assets:				
Cash and bank deposits	$ 20,231,342	$ -	$ -	$ 20,231,342
Investments	4,496,837	-	-	4,496,837
Derivate financial instruments	-	326,400	718,149	1,044,549
Short and long-term loan portfolio	64,331,715	-	-	64,331,715
Other short and long-term accounts receivable	3,789,606	-	-	3,789,606
Financial asset at fair value through other Comprehensive income	-	-	7,711,748	7,711,748
Financial liabilities:				
Issuance of long-term senior notes and short and long-term securities certificates	$ 24,188,961	$ -	$ -	$ 24,188,961
Suppliers, creditors and provisions	59,893,540	-	-	59,893,540

December 31, 2023:	Amortized cost	Instruments at fair value through profit or loss	Instruments at fair value through other comprehensive income	Total
Financial assets:				
Cash and bank deposits	$ 11,614,275	$ -	$ -	$ 11,614,275
Investments	18,192,891	-	-	18,192,891
Derivate financial instruments	-	-	1,209,410	1,209,410
Other financial assets	-	-	302,227	302,227
Short and long-term loan portfolio	56,973,409	-	-	56,973,409
Other short and long-term accounts receivable	3,669,372	-	-	3,669,372
Financial asset at fair value through other Comprehensive income	-	-	4,910,597	4,910,597
Financial liabilities:				
Issuance of long-term senior notes and short and long-term securities certificates	$ 27,655,649	$ -	$ -	$ 27,655,649
Suppliers, creditors and provisions	57,287,789	-	-	57,287,789
Derivate financial instruments	-	639,650	1,197,410	1,837,060

NOTE 6 - CREDIT QUALITY OF FINANCIAL INSTRUMENTS:

		December 31, 2024		2023
Loan portfolio:				
Counterparties without external risk ratings:				
Group 1 - Customers with Liverpool credit card	$	**50,644,938**	$	44,852,688
Group 2 - Customers with LPC credit card		**15,485,010**		13,780,847
Group 3 - Customers with Suburbia credit card		**4,396,832**		3,619,824
Total loan portfolio [1]	$	**70,526,780**	$	62,253,359

1 Balances are included before the provision for credit losses.

Cash, investments and short-term bank deposits [2]				
AAA	$	**24,686,338**	$	29,781,352
AA		**-**		-
A		**-**		-
	$	**24,686,338**	$	29,781,352

Financial assets - derivative financial instruments [3]				
AAA	$	**1,044,547**	$	1,209,410
AA		**-**		-
		1,044,547		1,209,410
	$	**96,257,666**	$	93,244,121

- Group 1 - For the Company, credits granted through the Liverpool credit card represent a lesser risk because its use is sporadic and seasonal and is restricted to the products on sale at Company stores.

- Group 2 - The LPC credit card, operated by the Company, imply a different risk level due mainly to the fact that they can be used at a broad number of establishments, allow their holders to draw cash from ATMs and are intended for continuous use.

- Group 3 - For the Company, credits granted through the Suburbia credit card represent a lesser risk because its use is sporadic and seasonal and is restricted to the products on sale at Company stores. The Suburbia VISA credit card, operated by the Company, imply a different risk level due mainly to the fact that they can be used at a broad number of establishments, allow their holders to draw cash from ATMs and are intended for continuous use. However, as mentioned in note 3.3.2, the company uses the simplified approach for this group as it does not have sufficient history to generate its own models and apply the general approach.

2 The rest of the cash equivalents in the statement of financial position correspond to petty cash.

3 The Company does not consider risk factors arising from default on counterparty obligations, due to which, it has not been necessary to set up reserves in this regard at December 31, 2024 and 2023.

NOTE 7 - CASH AND CASH EQUIVALENTS:

		December 31, 2024		2023
Cash and bank deposits	$	**20,231,342**	$	11,614,275
Investments		**4,496,837**		18,192,891
Total	$	**24,728,179**	$	29,807,166

NOTE 8 - LOAN PORTFOLIO AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

	December 31, 2024	December 31, 2023
Credits related to customer contracts:		
Liverpool	$ **50,644,938**	$ 44,852,688
LPC	**15,485,010**	13,780,847
Suburbia	**4,396,832**	3,619,824
	70,526,780	62,253,359
Provision for impairment of loan portfolio:		
Liverpool	**(3,982,175)**	(3,426,063)
LPC	**(1,604,363)**	(1,405,788)
Suburbia	**(608,526)**	(448,098)
	(6,195,064)	(5,279,949)
Total loan portfolio	$ **64,331,716**	$ 56,973,410
Total short-term loan portfolio	$ **50,437,701**	$ 45,021,773
Total long-term loan portfolio	$ **13,894,015**	$ 11,951,637

The fair value of the short-term loan portfolio at December 31, 2024 and 2023 closely resembles their book value. The fair value of the long-term loan portfolio until December 31, 2024 and 2023, as established in $13,725,580 and $11,790,146, respectively, will be considered level 3 and will be determined using the technique of effective yield at the present value at a current discount rate according to the average term of the portfolio and the risk of it.

The provision for credit losses as of December 31, 2024 and 2023 was determined as follows:

Liverpool

	December 31, 2024			December 31, 2023		
Stage:	Balance	Provision	%	Balance	Provision	%
1	$ **46,932,528**	$ **1,972,830**	**4.20%**	$ 38,587,158	$ 1,355,599	3.51%
2	**2,280,684**	**962,432**	**42.20%**	5,209,777	1,299,970	24.95 %
3	**1,431,726**	**1,046,913**	**73.12%**	1,055,753	770,494	72.98 %
	$ **50,644,938**	$ **3,982,175**		$ 44,852,688	$ 3,426,063	

LPC

	December 31, 2024			December 31, 2023		
Stage:	Balance	Provision	%	Balance	Provision	%
1	$ **14,084,549**	$ **733,430**	**5.21%**	$ 10,856,161	$ 579,954	5.34 %
2	**797,983**	**357,261**	**44.77%**	2,471,175	434,612	17.59 %
3	**602,478**	**513,672**	**85.26%**	453,511	391,222	86.27 %
	$ **15,485,010**	$ **1,604,363**		$ 13,780,847	$ 1,405,788	

Suburbia

	December 31, 2024				December 31, 2023			
	From 0 to 29 days	From 30 to 89 days expired	From More than 90 days expired	Total	From 0 to 29 days	From 30 to 89 days expired	From More than 90 days expired	Total
Expected loss rate	**8.92%**	**48.62%**	**87.15%**		7.15%	50.02%	90.04%	
Credit portfolio	$ **4,062,615**	$ **117,446**	$ **216,771**	$ **4,396,832**	$ 3,336,373	$ 113,815	$ 169,636	$ 3,619,824
Provision for credit losses	$ **362,509**	$ **57,104**	$ **188,913**	$ **608,526**	$ 238,424	$ 56,934	$ 152,740	$ 448,098

As of December 31, 2024 and 2023, the movements in the allowance for impairment of accounts receivable are shown as follows:

Liverpool

		Stage 1
January 1, 2023	$	1,114,667
Remeasurement of financial assets that remain in the same stage		118,639
From stage 1 to stage 2		(61,979)
From stage 1 to stage 3		(13,220)
From stage 2 to stage 1		931,802
From stage 2 to stage 3		-
From stage 3 to stage 1		85,855
From stage 3 to stage 2		-
Financial assets granted during the period		231,701
Remeasurement of financial assets that changed stage in the period		(1,022,149)
Financial assets written off in the period		(29,717)
December 31, 2023		1,355,599
Remeasurement of financial assets that remain in the same stage		267,700
From stage 1 to stage 2		(55,464)
From stage 1 to stage 3		(25,881)
From stage 2 to stage 1		793,055
From stage 2 to stage 3		-
From stage 3 to stage 1		89,011
From stage 3 to stage 2		-
Financial assets granted during the period		299,205
Remeasurement of financial assets that changed stage in the period		(704,306)
Financial assets written off in the period		(46,089)
December 31, 2024	$	1,972,830

The financial assets written off still subject to collection activities for their recovery amount to $2,286,333 and $1,465,088, as of December 31, 2024 and 2023, respectively.

Provision for credit losses		
Stage 2	**Stage 3**	**Total**
$ 1,612,527	$ 556,957	$ 3,284,151
150,662	(2,044)	267,257
61,979	-	-
-	13,220	-
(931,802)	-	-
(64,448)	64,448	-
-	(85,855)	-
11,118	(11,118)	-
133,808	66,547	432,056
523,347	620,280	121,478
(197,221)	(451,941)	(678,879)
1,299,970	770,494	3,426,063
46,639	(2,663)	311,676
55,464	-	-
-	25,881	-
(793,055)	-	-
(84,064)	84,064	-
-	(89,011)	-
8,984	(8,984)	-
124,934	40,801	464,940
602,597	883,530	781,821
(299,037)	(657,199)	(1,002,325)
$ 962,432	$ 1,046,913	$ 3,982,175

LPC

		Stage 1
January 1, 2023	$	504,434
Remeasurement of financial assets that remain in the same stage		60,770
From stage 1 to stage 2		(28,186)
From stage 1 to stage 3		(8,794)
From stage 2 to stage 1		255,151
From stage 2 to stage 3		-
From stage 3 to stage 1		36,181
From stage 3 to stage 2		-
Financial assets granted during the period		88,317
Remeasurement of financial assets that changed stage in the period		(304,019)
Financial assets written off in the period		(23,900)
December 31, 2023		579,954
Remeasurement of financial assets that remain in the same stage		122,046
From stage 1 to stage 2		(20,248)
From stage 1 to stage 3		(15,015)
From stage 2 to stage 1		254,913
From stage 2 to stage 3		-
From stage 3 to stage 1		41,138
From stage 3 to stage 2		-
Financial assets granted during the period		114,975
Remeasurement of financial assets that changed stage in the period		(300,909)
Financial assets written off in the period		(43,424)
December 31, 2024	$	733,430

The financial assets written off still subject to collection activities for their recovery amount to $966,955 and $619,252, as of December 31, 2024 and 2023, respectively.

The balance of the provision for expected losses for the loan portfolio is shown below:

		2024		2023
At January 1	$	**5,279,949**	$	4,924,048
Increased in provision for credit losses recognized in income during the year		**4,545,492**		2,889,335
Loan portfolio written off during the year as uncollectible		**(3,630,377)**		(2,533,434)
At December 31	$	**6,195,064**	$	5,279,949

Sensitivity analysis for the provision for credit losses

If the Company were to change the prospective information adjustment factor by 10% up or down the macroeconomic paths, the provision for credit losses would increase by $15,613 and decrease by $19,459, respectively.

Deferred income

8.1 Liabilities related to customer contracts are shown below:

		December 31,		
		2024		2023
Contract liability - deferred income	$	**3,104,056**	$	2,917,793
Total current contract liabilities	$	**3,104,056**	$	2,917,793

Provision for credit losses		
Stage 2	**Stage 3**	**Total**
$ 472,722	$ 275,977	$ 1,253,133
7,042	(578)	67,234
28,186	-	-
-	8,794	-
(255,151)	-	-
(20,401)	20,401	-
-	(36,181)	-
5,399	(5,399)	-
54,959	27,265	170,541
235,004	333,217	264,202
(93,148)	(232,274)	(349,322)
434,612	391,222	1,405,788
24,546	(1,177)	145,415
20,248	-	-
-	15,015	-
(254,913)	-	-
(24,226)	24,226	-
-	(41,138)	-
3,679	(3,679)	-
44,539	21,562	181,076
249,506	446,087	394,684
(140,730)	(338,446)	(522,600)
$ 357,261	$ 513,672	$ 1,604,363

The following table shows how much of the recognized income was included in the balance of the liability for contracts at the beginning of the period:

	Year ended December 31,			
		2024		**2023**
Deferred income (see Note 2.22.b)	$	**2,917,793**	$	2,738,667
Total current contract liabilities	$	**2,917,793**	$	2,738,667

NOTE 9 - OTHER ACCOUNTS RECEIVABLE - NET:

	December 31,			
		2024		**2023**
Short-term accounts receivable:				
Other debtors [1]	$	**2,156,143**	$	1,267,730
Laboratorios Biológicos y Reactivos de México, S. A. de C.V.		**-**		1,378,369
Participatory Partnerships		**501,923**		135,174
BYD customers		**315,340**		23,929
Broxel, S. A. P. I. de C. V.		**239,875**		284,940
Tenants- Net [2]		**77,494**		2,465
Short-term loans to employees		**200,760**		238,371
		3,491,535		3,330,978
Long-term loans to employees		**298,071**		338,336
Total	$	**3,789,606**	$	3,669,314

1 Includes accounts receivable from voucher issuing companies and other debtors other than merchandise.

2 This amount includes the provision for credit losses for $18,069 and $87,876, as of December 31, 2024 and 2023, respectively.

NOTE 10 - DERIVATIVE FINANCIAL INSTRUMENTS:

The Company uses Derivative Financial Instruments (DFI) to reduce the risk of adverse movements in the interest rates of its long-term debt and ensure certainty in cash flows that it will pay to comply with the obligations incurred, in addition, the Company uses negotiation instruments.

The main instruments used are interest rate and exchange rate swaps, the positions contracted at the end of each year are shown below:

Assets

		Dates		Interest rate		Fair value at December 31,			
Notional amount [2]		**Contracting**	**Maturity**	**Contracted by DFI**	**Agreed in the debt**		**2024**		**2023**
USD	300,000 [1]	October 2014	October 2024	6.81%	3.95%	$	-	$	1,209,410
USD	250,000 [3]	September 2016	October 2026	8.88%	-		326,400		-
USD	350,000	September 2016	October 2026	8.59%	3.88%		477,199		-
USD	50,000	October 2016	October 2026	8.87%	3.88%		75,985		-
USD	50,000	October 2016	October 2026	8.76%	3.88%		75,517		-
USD	50,000	October 2016	October 2026	8.84%	3.88%		89,448		-
Total							1,044,549		1,209,410
Less long-term portion							718,149		-
Current portion (short term)						$	326,400	$	1,209,410

1 In October 2024, the Company settled this derivative financial instrument from which it received cash flows.

Liabilities

Notional amount [2]		Dates		Interest rate		Fair value at December 31,			
		Contracting	Maturity	Contracted by DFI	Agreed in the debt		2024		2023
USD	250,000 [3]	September 2016	October 2026	8.88%	-		-		639,650
USD	350,000	September 2016	October 2026	8.59%	3.88%		-		859,900
USD	50,000	October 2016	October 2026	8.87%	3.88%		-		117,167
USD	50,000	October 2016	October 2026	8.76%	3.88%		-		117,443
USD	50,000	October 2016	October 2026	8.84%	3.88%		-		102,900
Total							-		1,837,060
Less long-term portion							-		(1,197,410)
Current portion (short term)						$	-	$	639,650

2 The notional amounts related to derivative financial instruments reflect the contracted reference volume; however, they do not reflect the amounts at risk with respect to future flows. The amounts at risk are generally limited to the unrealized profit or loss from the mark-to-market of these instruments, which may vary according to changes in the market value of the underlying asset, its volatility and the credit quality of the counterparties.

3 Trading derivative financial instruments. During 2024 and 2023, $966,050 and ($639,650) were recognized in comprehensive income, respectively.

In the futures contracts entered into in recognized and international markets associated with the interest rates of its long-term debt, the Company is subject to the rules of said markets. These rules include, among others, covering the margin to operate futures contracts, as well as the subsequent margin calls (revolving funds, which are required in the presence of variations in the underlying rates to be applied against payments) required of the Company.

As of December 31, 2023, within other financial assets, collateral (margin calls) is presented with respect to derivative financial transactions entered into with Banco Santander (México), SA, Institución de Banca Múltiple, Grupo Financiero Santander México, the value of these collaterals (guarantees) is $302,227. As of December 31, 2024, the Company has no balances derived from such activities.

NOTE 11 - INVESTMENT IN ASSOCIATES:

Concept	Activity	Place of incorporation and operations	Proportion of shareholding and voting rights December 31, 2024	2023		December 31, 2024		2023
Investment in associates (i),(ii)	Sales	Mexico and Central America	50%	50%	$	8,784,896	$	7,938,160
Other investments in associates (iii)	Malls	Mexico	Several	Several		2,693,154		3,179,625
					$	11,478,050	$	11,117,785

(i) Unicomer
Unicomer is a private company that operates a chain of stores engaged in the sale of furniture and household appliances through a chain of more than 1,283 stores, with different formats in Central America, South America and the Caribbean. The Company has a 50% equity interest in Unicomer. This acquisition gave rise to the goodwill of $757,623, which is included as part of the investment value. The Company does not exercise joint control over Unicomer because the criteria for control is not met. Under IFRS, it exercises significant influence over Unicomer, because it owns 50% of the voting rights and is entitled to designate two members of the Board of Directors.

(ii) Moda Joven Sfera México, S. A. de C. V. (Sfera México)
In 2006, the Company incorporated an entity in association with El Corte Inglés, S. A. with 49% of the capital (the leading department store chain in Spain). This entity operates a chain of 56 stores in Mexico, specializing in family clothing and accessories under the commercial name Sfera.

(iii) Other investments
Malls
Mainly correspond to the Company's equity in the following malls: Angelópolis in the city of Puebla, Plaza Satélite in the Estado de Mexico, Galerías Querétaro in the city of Querétaro, Parque Tepeyac in Mexico City and Galerias Metepec in the Estado de Mexico.

11.1 Following is a summary of the combined financial information pertaining to the Company's associates:

	Unicomer				Sfera México			
	December 31,				December 31,			
		2024		2023		2024		2023
Summarized statement of financial position								
Current assets:								
Cash and cash equivalents	$	3,328,308	$	2,762,155	$	629,265	$	644,514
Other current assets		28,682,850		21,130,130		448,916		489,224
Total current assets		32,011,158		23,892,285		1,078,181		1,133,738
Non-current assets		25,837,891		22,918,160		1,663,651		1,708,849
Total assets	$	57,849,049	$	46,810,445	$	2,741,832	$	2,842,587
Current liabilities:								
Suppliers	$	6,662,748	$	4,016,944	$	161,840	$	223,750
Other current liabilities		20,895,647		12,780,195		113,182		151,952
Total current liabilities		27,558,395		16,797,139		275,022		375,702
Non-current liabilities		15,558,086		16,973,588		1,117,847		1,118,563
Total liabilities		43,116,481		33,770,727		1,392,869		1,494,265
Net assets		14,732,568		13,039,718		1,348,963		1,348,322
Participation of the company in the net assets of associates		7,366,285		6,519,859		660,990		660,678
Goodwill		757,623		757,623		-		-
Equity in net assets of associates	$	8,123,908	$	7,277,482	$	660,990	$	660,678

	Unicomer				Sfera México			
	Year ended December 31,				Year ended December 31,			
		2024		2023		2024		2023
Summarized statement of comprehensive income								
Revenue	$	23,907,893	$	23,602,576	$	2,353,067	$	2,286,780
Interest income		9,865,468		8,981,525		34,963		39,030
Depreciation and amortization		(1,116,779)		(1,599,104)		(232,632)		(217,773)
Interest expense		(2,039,645)		(1,626,846)		(99,844)		(100,187)
Income tax expense		(606,367)		(462,674)		(170,931)		(176,447)
Net income		(230,477)		631,082		400,612		392,096
Company's equity in profits of associates	$	(109,472)	$	315,541	$	196,300	$	192,127

11.2 The reconciliation of movements in the investment in associates is as follows:

		Unicomer		Sfera México		Other		Total
Balance at January 1, 2023	$	7,593,072	$	664,551	$	1,753,435	$	10,011,058
Translation effect of investment in associates		(629,271)		-		-		(629,271)
Equity method		315,541		192,127		-		507,668
Dividends		-		(196,000)		-		(196,000)
Capital increase in associates		-		-		1,424,269 [1]		1,424,269
Other - Net		(1,860)		-		1,921		61
Balance at December 31, 2023		7,277,482		660,678		3,179,625		11,117,785
Translation effect of investment in associates		1,336,229		-		-		1,336,229
Equity method		(109,472)		196,300		-		86,828
Dividends		(162,816)		(196,000)		-		(358,816)
Capital increase in associates		(216,316)		-		336,593		120,277
Other - Net		(1,201)		12		(823,064)		(824,253)
Balance at December 31, 2024	$	8,123,906	$	660,990	$	2,693,154	$	11,478,050

1 This increase corresponds to a shopping center, of which $687,500 was realized through investment properties that did not involve cash flow.

NOTE 12 - INVESTMENT PROPERTIES - NET:

		Amount
Balance at January 1, 2023	$	23,507,742
Acquisitions		153,563
Transfer of property, furniture and equipment - net		874,991
Disposals [1]		(1,277,696)
Depreciation		(372,306)
Balance at December 31, 2023	$	22,886,294
Balance at January 1, 2023		
Cost	$	27,647,022
Accumulated depreciation		(4,760,728)
Balance at December 31, 2023	$	22,886,294
Acquisitions [2]	$	2,361,029
Disposals		(14,656)
Depreciation		(374,726)
Balance at December 31, 2024	$	24,857,941
Balance at January 1, 2024		
Cost	$	29,993,395
Accumulated depreciation		(5,135,454)
Balance at December 31, 2024	$	24,857,941

1 Includes a contribution to the Metepec Shopping Center, see Note 11.2

2 Includes the acquisition of the Altama City Center Shopping Center.

Investment properties include shopping malls, works in progress and other land intended to construct future shopping malls.

The fair value of investment properties of the Company at December 31, 2024 and 2023 amounts to $36,451,954 and $31,305,213, respectively, through discounted cash flows, the key assumptions used were the projected annual growth of business and projected cash flow, using an average discount rate of 14.9% (15% in 2023), classified as level 3.

The operating costs directly related to the income from leasing investment properties are comprised as follows:

	Year ended December 31,			
		2024		**2023**
Repairs and maintenance	$	1,019,649	$	927,255
Advertising		178,483		167,132
Personnel compensation and benefits		102,854		75,210
Real estate taxes and water		141,385		134,598
Hired services		54,123		93,234
Other expenses		13,469		36,890
Electrical power and utilities		4,647		5,692
Rent of equipment		4,925		1,761
Travel expenses		6,330		4,795
Total	$	1,525,865	$	1,446,567

NOTE 13 - PROPERTY, FURNITURE AND EQUIPMENT - NET:

	Land	Buildings	Furniture and equipment
At December 31, 2024:			
Beginning balance	$ 6,919,502	$ 33,926,730	$ 7,649,842
Acquisitions	-	14,712	170,213
Transfers	13,445	783,085	1,515,053
Disposals	-	(4,980)	(6,150)
Depreciation	-	(651,976)	(1,293,902)
Ending balance	6,932,947	34,067,571	8,035,056
At December 31, 2024:			
Cost	6,932,947	42,314,327	23,268,201
Accumulated depreciation	-	(8,246,756)	(15,233,145)
Ending balance	$ 6,932,947	$ 34,067,571	$ 8,035,056
At December 31, 2023:			
Beginning balance	$ 6,922,075	$ 31,825,080	$ 6,551,888
Acquisitions	-	18,574	528,053
Transfers	80,678	3,608,422	1,817,944
Transfer to investment properties - net [2]	(83,251)	(770,347)	(21,393)
Disposals	-	(161,987)	(46,512)
Depreciation	-	(593,012)	(1,180,138)
Ending balance	6,919,502	33,926,730	7,649,842
At December 31, 2023:			
Cost	6,919,502	41,521,510	21,589,085
Accumulated depreciation	-	(7,594,780)	(13,939,243)
Ending balance	$ 6,919,502	$ 33,926,730	$ 7,649,842

1 The balance of works in progress at the end of the fiscal year 2024 corresponds to various projects where the Company is building a distribution center and some stores.

2 This transfer did not involve cash flow.

NOTE 14 - INTANGIBLE ASSETS - NET:

	Indefinite useful life		
	Goodwill	Trademarks	Other intangible
Balance at January 1, 2023	$ 7,481,553	$ 3,668,021	$ 2,108,566
Movements:			
Investments	-	-	-
Disposals	-	-	-
Amortization	-	-	-
Balance at December 31, 2023	7,481,553	3,668,021	2,108,566
Movements:			
Investments	-	20,000	-
Disposals	-	-	-
Amortization	-	-	-
Balance at December 31, 2024	$ 7,481,553	$ 3,688,021	$ 2,108,566

Leasehold improvements	Computer equipment	Transportation equipment	Works in progress [1]	Total
$ 4,904,183	$ 841,588	$ 527,855	$ 4,638,219	$ 59,407,919
65,574	60,210	7,657	7,571,425	7,889,791
760,708	338,861	158,591	(3,569,743)	-
(1,739)	(8,201)	(117,900)	(210,728)	(349,698)
(487,326)	(367,266)	(122,137)	-	(2,922,607)
5,241,400	865,192	454,066	8,429,173	64,025,405
11,294,091	5,280,276	1,337,384	8,429,173	98,856,399
(6,052,691)	(4,415,084)	(883,318)	-	(34,830,994)
$ 5,241,400	$ 865,192	$ 454,066	$ 8,429,173	$ 64,025,405
$ 4,586,676	$ 691,344	$ 346,339	$ 4,629,485	$ 55,552,887
21,023	58,074	72,394	6,964,313	7,662,431
785,757	449,580	213,198	(6,955,579)	-
-	-	-	-	(874,991)
(6,457)	(19,799)	(13,668)	-	(248,423)
(482,816)	(337,611)	(90,408)	-	(2,683,985)
4,904,183	841,588	527,855	4,638,219	59,407,919
10,469,548	4,889,406	1,289,036	4,638,219	91,316,306
(5,565,365)	(4,047,818)	(761,181)	-	(31,908,387)
$ 4,904,183	$ 841,588	$ 527,855	$ 4,638,219	$ 59,407,919

Definite useful life		
Licenses and fees	IT developments	Total
$ 688,891	$ 1,587,571	$ 15,534,602
169,048	634,208	803,256
(180)	(2,622)	(2,802)
(259,639)	(463,337)	(722,976)
598,120	1,755,820	15,612,080
259,032	1,188,682	1,467,714
(2,623)	(6,631)	(9,254)
(309,282)	(346,919)	(656,201)
$ 545,247	$ 2,590,952	$ 16,414,339

Impairment test of goodwill, brands and other intangibles

The Company conducts annual tests to determine whether the goodwill, brands and other intangibles, the rights of its brands and other intangibles (CATMex) have suffered any impairment in their value. As of December 31, 2024 and 2023, the Company performed the respective tests without determining any adjustment for impairment.

The Company identified the Suburbia commercial segment as the Cash Generating Unit (CGU), in which goodwill, trademarks and other intangibles with an indefinite life were assigned. The recoverable value of the CGUs is based on calculations of fair value less cost of disposal, which is prepared based on historical results and expectations about the development of the market in the future included in the business plan. The recovery value calculation considers the cash flow projections based on financial budgets approved by Management, and their recovery derived from the pandemic, these cash flows cover a period of eight years (maturity period of the stores) and a terminal period discounted at present value with an estimated discount rate considering the Company's level of leverage.

As of December 31, 2024 and 2023, the excess of fair value less disposal costs over book value amounted to $ 7,161,066 (25%) and $11,513,600 (47%), respectively. The level of the fair value hierarchy used was level 3.

The determination of the fair value less the cost of disposal requires the use of estimates that consider the assumptions mentioned below:

	2024 (%)	2023 (%)
Discount rate	**13.70**	13.50
EBITDA margin (average budgeted)	**19.35**	19.79
The expected growth rate of sales (average budgeted)	**10.87**	11.53
Terminal value growth rate	**3.60**	3.50

If the discount rate used to in the years ended December 31, 2024 and 2023 were 1 percentage point higher, no impairment would result in both years.

If the EBITDA used to calculate the fair value as of December 31, 2024 and 2023 were 1 percentage point lower, no impairment would result.

If the sales growth rate used in the calculation of fair value for the CGU had been 1 percentage point lower than the estimate of the Administration as of December 31, 2024, it would not result in an impairment.

If the terminal value in the year ended December 31, 2024 and 2023, was 1 percentage point higher, no impairment would result in both years.

NOTE 15 - FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

Financial asset at fair value through other comprehensive income comprise:

	December 31,	
	2024	2023
Listed securities of Nordstrom, Inc	$ **7,711,748**	$ 4,910,597

On September 15, 2022, the Company invested acquired 15,755,000 shares of the North American department store Nordstrom, Inc., for the amount of 295 million of dollars equivalent to $5,943 million pesos, said amount represents 9.90% of the total outstanding shares.

As of December 31, 2024 and 2023, the valuation of these shares generated losses recognized in other comprehensive income for the amount of $2,801,150, $40,725 ($1,960,806 and $ 28,508, net of taxes), respectively. See Note 27 regarding the additional investment agreement in Nordstrom.

The dividends generated as of December 31, 2024 and 2023, for said listed shares amounted to $220,076 and $209,482, respectively, which were recognized in the income statement.

NOTE 16 - SUPPLIERS:

		December 31, 2024		2023
Suppliers without financing agreement	$	**33,992,586**	$	33,198,198
Suppliers with financing agreement [1]		**4,237,756**		4,647,741
Total	$	**38,230,342**	$	37,845,939

1 The Company has implemented certain financing agreements with suppliers, which allow suppliers to select the documents to be negotiated and these are settled by the financial institutions before the payment terms established by the Company. These programs are characterized by publishing through a platform the discount rates by the different participating financial institutions, the suppliers publish the invoices they wish to collect, the financial institutions make the acceptance and pay the discounted documents to the suppliers. The Company does not benefit from extended payment terms under these agreements, no additional guarantees are granted in relation to these agreements and it is the suppliers who absorb the financial cost. The Company analyzed the terms and conditions described above, based on said analysis it concludes that they continue to be a commercial account payable, therefore in the statement of financial position the balance of these agreements is presented within the line of "Suppliers". For the purposes of the cash flow statement, it has been determined that the amounts are part of the working capital used in the entity's main income-generating activities, therefore it presents the cash outflows to settle the liability in operating activities at the time the entity pays the banking institution. When the terms and conditions of the agreements are similar, the Company groups them for the purposes of its analysis.

As of December 31, 2024 and 2023, the ranges of payment due dates with suppliers that have financing agreements negotiated at the end of the year are between 7 days and 120 days after the date of the original invoice. The ranges of payment due dates for comparable trade payables that are not part of financing agreements with suppliers are in the same ranges.

The carrying amounts of liabilities under supplier financing agreements as of December 31, 2024 and 2023 amount to $4,237,756 and $4,657,741, respectively, which have been paid by the financial intermediary as of that date.

There were no business combinations or material exchange differences affecting liabilities under supplier financing agreements in any of the periods.

The carrying amounts of liabilities under supplier financing agreements are considered to be valued at market values, due to their short-term nature.

NOTE 17 - PROVISIONS:

		Bonuses and compensation paid to employees [1]		Other provisions [2]		Total
At January 1, 2023	$	2,278,145	$	2,473,581	$	4,751,726
Charged to statement of income		5,630,297		3,797,081		9,427,378
Used during the year		(5,456,278)		(3,203,218)		(8,659,496)
At December 31, 2023		2,452,164		3,067,444		5,519,608
Charged to statement of income		7,257,470		5,043,791		12,301,261
Used during the year		(7,335,931)		(4,552,975)		(11,888,906)
At December 31, 2024	$	2,373,703	$	3,558,260	$	5,931,963

1 Includes provisions for sales commissions, holidays and other fringe benefits.

2 Other provisions include liabilities for services rendered by consultants and maintenance of stores and offices.

NOTE 18 - DEBT:

The Company's debt is comprised as follows:

		December 31, 2024		2023
Short-term debt:				
Interest payable	$	**602,989**	$	681,005
Senior notes		**-**		5,068,050
	$	**602,989**	$	5,749,055

		December 31, 2024		2023
Long-term debt:				
Stock certificates	$	**13,500,000**	$	13,500,000
Senior notes		**10,085,972**		8,406,594
	$	**23,585,972**	$	21,906,594

The issuance of stock certificates and senior notes contracted by the Company do not establish the obligation to maintain certain proportions in its financial structure or the compliance with financial ratios; however, they require the Company to comply with certain restrictions for the payment of dividends, mergers, spin-offs, change of corporate purpose, issuance and sale of share capital, capital investments and liens. These obligations are reviewed quarterly. As of December 31, 2024 and 2023, the Company complied with the aforementioned conditions. Management has evaluated and there are no facts or circumstances that indicate a possible breach in the next twelve months.

18.1 Debt securities certificates:

Currently, the Company has placed the following unsecured issues:

Maturity	Interest payable	Interest rate		December 31, 2024		2023
Aug 2027	Semiannually	Fixed at 7.94%	$	**3,500,000**	$	3,500,000
Nov 2029	Semiannually	Fixed at 7.96%		**5,000,000**		5,000,000
Aug 2030	Semiannually	Fixed at 8.03%		**5,000,000**		5,000,000
				13,500,000		13,500,000
Less – Issues of long-term stock certificates				**(13,500,000)**		(13,500,000)
More - Interest payable				**602,989**		681,005
Current portion			$	**602,989**	$	681,005

Maturities pertaining to the long-term portion of this liability at December 31, 2024 are as follows:

Maturity		Amount
2027	$	**3,500,000**
2029		**5,000,000**
2030		**5,000,000**
	$	**13,500,000**

The fair value of the stock certificates is as follows:

	December 31, 2024				2023			
Maturity date		Book Value		Fair value [1]		Book Value		Fair value [1]
Aug 2027	$	3,500,000	$	3,266,795	$	3,500,000	$	3,237,465
Nov 2029		5,000,000		5,019,695		5,000,000		5,019,695
Nov 2030		5,000,000		4,347,150		5,000,000		4,511,550
	$	13,500,000	$	12,633,640	$	13,500,000	$	12,768,710

1 The fair value of debt securities certificates is determined based on reference to price quotations published in an active market (classified as level 1 in the fair value hierarchy).

18.2 Senior notes

Below are the details of the Senior Notes as of December 31, 2024 and 2023:

Maturity	Interest payable	Interest rate		December 31, 2024		2023
Oct. 2024 [1]	Semiannually	Fixed at 3.95%	$	**-**	$	5,068,050
Oct. 2026 [2]	Semiannually	Fixed at 3.88%		**10,085,972**		8,406,594
Porción a corto plazo			$	**10,085,972**	$	13,474,644

1 In October 2024, the Company settled Senior Notes for an amount of US$300 million ($5,900,910). The securities constitute obligations of the Company and are unconditionally guaranteed by Distribuidora Liverpool, S. A. de C. V. (subsidiary).

2 In September 2016, the Company issued Senior Notes for an amount of US$750 million, with an interest rate of 3.88% per annum and maturing in 2026. The Securities constitute obligations payable by the Company and have the unconditional guarantee of Distribuidora Liverpool, S. A. de C. V. (subsidiary).

The securities above were subject of a private offering to qualified institutional buyers in the United States and other foreign markets under Rule 144A and Regulation S under the Securities Act 1933 of the United States of America.

The fair value of issuances of Senior Notes is as follows:

	December 31, 2024				2023			
Maturity date		Book Value		Fair value [1]		Book Value		Fair value [1]
Oct. 2024	$	-	$	-	$	5,068,050	$	4,996,692
Oct. 2026		10,085,972		9,905,433		8,406,594		8,082,016
	$	10,085,972	$	9,905,433	$	13,474,644	$	13,078,708

1 The fair value of Senior Notes is determined based on price quotations published in an active market (classified as level 1 in the fair value hierarchy).

A reconciliation of debt as required by IAS 7 "Cash flow statement" is as follows:

		December 31, 2024		2023
Beginning balance of debt and interest	$	**27,655,649**	$	29,705,040
Repayments		**(5,900,910)**		-
Foreign exchange variation		**2,512,238**		(2,056,272)
Interest accrued		**2,682,262**		2,820,158
Interest paid		**(2,760,278)**		(2,813,277)
Closing balance of debt and interest	$	**24,188,961**	$	27,655,649

NOTE 19 - EMPLOYEE BENEFITS:

The value of employee benefit obligations at December 31, 2024 and 2023, amounted to $4,180,865 and $3,948,704, respectively, as follows:

		December 31, 2024		2023
Pension plans	$	**(1,960,084)**	$	(1,908,109)
Seniority premium		**(1,182,202)**		(1,030,729)
Other employee benefits for voluntary separation or dismissal		**(1,038,579)**		(1,009,866)
	$	**(4,180,865)**	$	(3,948,704)

The net cost for the period ended at December 31, 2024 and 2023 are as follows:

		Year ended December 31,		
		2024		**2023**
Pension plans	$	**241,114**	$	208,605
Seniority premium		**203,836**		171,887
Other employee benefits for voluntary separation or dismissal		**196,630**		163,975
	$	**641,580**	$	544,467

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

		December 31,		
		2024		**2023**
Defined benefit obligations	$	**(4,180,865)**	$	(3,948,704)
Fair value of plan assets		**398,336**		298,164
Liability in the consolidated balance sheet	$	**(3,782,529)**	$	(3,650,540)

The movement in the defined benefit obligation is as follows:

		December 31,		
		2024		**2023**
Beginning balance at January 1	$	**(3,948,704)**	$	(3,339,262)
Service cost		**(310,621)**		(250,280)
Interest cost		**(360,029)**		(320,927)
Actuarial loss		**(88,240)**		(393,295)
Benefits paid		**526,729**		355,060
Ending balance at December 31	$	**(4,180,865)**	$	(3,948,704)

The movement in the liability is as follows:

		December 31,		
		2024		**2023**
Beginning balance at January 1	$	**(3,650,540)**	$	(3,084,540)
Provision of the year		**(641,580)**		(544,467)
Actuarial remeasurements		**72,858**		(362,042)
Company contributions		**(89,998)**		309
Benefits paid		**526,731**		340,200
Ending balance at December 31	$	**(3,782,529)**	$	(3,650,540)

The movement in plan assets is as follows:

		2024		**2023**
Beginning balance at January	$	**298,164**	$	254,720
Financial gain (loss) on plan assets		**190,169**		57,852
Fund contributions		**68,581**		87,053
Transfer of assets		**(158,578)**		(86,601)
Benefits paid		**-**		(14,860)
Ending balance at December 31	$	**398,336**	$	298,164

Principal categories of plan assets at the end of the reporting period are as follows:

	Fair value of plan assets December 31,			
		2024		**2023**
Debt instruments	$	**99,584**	$	74,541
Equity instruments		**298,752**		223,623
	$	**398,336**	$	298,164

The expected return on plan assets represents the weighted average expected return for the different categories of plan assets. The Company's assessment of expected yields is based on historical trends and analysts' predictions on the market of assets for the life of related obligations.

The significant actuarial assumptions are as follows:

	December 31,	
	2024	**2023**
Discount rate	**10.50%**	9.75%
Inflation rate	**3.50%**	3.50%
Salary growth rate	**4.75%**	4.75%
Pension increase rate	**4.50%**	4.50%

Assumptions concerning future mortality are established based on the actuarial study as per statistics and the published experience of each territory. Those assumptions give rise to the average life expectancy of an individual retiring at age 65.

Retiring at year-end:

	2024	**2023**
Men	**20 years**	20 years
Women	**22 years**	21 years

The sensitivity of the obligation for defined benefits resulting from changes in the weighted average of the main assumptions is as follows:

	Change in assumptions		Increase (decrease) in assumptions			
	2024	**2023**		**2024**		**2023**
Discount rate	0.5%	0.5%	$	(118,673)	$	(115,948)
Rate of salary increases	0.5%	0.5%		178,526		174,461
Pension increase rate	0.5%	0.5%		7,192		7,894
Life expectancy	1.0%	1.0%		(16,672)		(16,919)

The sensitivity above analyses are based on a change in one assumption, with all other assumptions remaining constant. In practice, this is unlikely and changes in other assumptions can be correlated. The same method (present value of defined benefit obligations calculated by the projected unit credit method at the end of the reporting period) was applied in calculating the sensitivity of the obligation for defined benefits to significant actuarial assumptions.

The methods and types of assumptions used in the sensitivity analysis were the same as those used in the preceding period.

NOTE 20 - LEASES:

20.1. The Company as a lessee:

This note provides information for leases in which the Company is a lessee.

i. Amounts recognized in the consolidated statement of financial position

The status shows the following amounts related to leases:

	December 31,			
		2024		2023
Right-of-use assets:				
Buildings	$	12,395,754	$	12,035,294
Furniture and equipment		73,826		193,264
Vehicles		410,830		309,080
	$	12,880,410	$	12,537,638

	December 31,			
		2024		2023
Lease liabilities:				
Current	$	2,676,760	$	2,346,729
Non-current		12,108,520		11,776,558
	$	14,785,280	$	14,123,287

The additions and derecognition of right-of-use assets during 2024 amounted to $2,152,801 and $72,657, respectively, and in 2023 they amounted to $2,016,910 and $248,960, respectively.

ii. Amounts recognized in the consolidated statement of incom

The consolidated statement of income shows the following amounts related to leases:

	Year ended December 31,			
		2024		2023
Depreciation charge of the right-of-use assets:				
Buildings	$	1,395,752	$	1,274,965
Furniture and equipment		120,257		141,556
Vehicles		228,866		190,117
	$	1,744,875	$	1,606,638

	Year ended December 31,			
		2024		2023
Interest expense (included in finance cost)	$	1,327,885	$	1,247,223
Expenses relating to short-term leases (included in the cost of sales and administrative expenses)		835,641		649,759
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)		86,660		191,766
Expense relating to variable lease payments not included in lease liabilities (included in the cost of sales and Administrative expenses)	$	467,892	$	403,284

The total cash flow for the leases in 2024 and 2023 was $2,746,036 and $2,510,924, respectively.

iii. Leasing activities of the Company and how they are accounted for

The Company rents real estate, furniture and equipment, and vehicles. Rental contracts are usually made for fixed periods of 12 months to 15 years but may have options for extension of time as described in subsection v. below.

Contracts may contain lease and non-lease components. The Company assigns the consideration in the contract to the lease and non-lease components based on their relative independent prices.

The lease terms are negotiated individually and contain a wide range of different terms and conditions. Lease agreements do not impose any covenant apart from the guarantee on leased assets that the lessor maintains. Leased assets cannot be used as collateral for loan purposes.

iv. Variable lease payments

Some of the property leases contain variable payment terms that are linked to the sales generated in a store. For individual stores, up to 100% of lease payments are based on variable payment terms with a percentage range of 2% to 3% of sales. Variable payment terms are used for various reasons, including minimization of the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognized in the statement income in the period when the condition triggers such payments occurs.

v. Extension and termination option

Extension and termination options are included in a series of leases of real estate, furniture and equipment throughout the Company. These are used to maximize operational flexibility in managing the assets used in the Company's operations. Most extension and termination options are held by the Company and not the lessor.

Following is the reconciliation of the lease liability required by IAS 7 "Statement of cash flows":

		December 31,		
		2024		**2023**
Beginning balance of lease liabilities	$	**14,123,287**	$	13,619,038
Acquisitions		**2,152,801**		2,016,910
Disposals		**(72,657)**		(248,960)
Accrued interest		**1,327,885**		1,247,223
Principal payment		**(1,418,151)**		(1,263,701)
Interest paid		**(1,327,885)**		(1,247,223)
Closing balance of lease liabilities	$	**14,785,280**	$	14,123,287

20.2 The Company as lessor

Operating leases are related to commercial leases. Lease periods are from one to more than five years. All operating leases over five years contain clauses for review of market income every two years. The contracts do not establish the option for tenants to buy the leased premises at the expiration date of the lease periods.

Below is an analysis of lease revenue:

		Year ended December 31,		
		2024		**2023**
Fixed rent	$	**2,939,007**	$	2,848,079
Variable rent		**246,179**		227,495
Total lease revenue	$	**3,185,186**	$	3,075,574

Following is an analysis of the minimum annual payments agreed with the lessees in the lease agreements entered into at terms of over one year:

	December 31,			
		2024		**2023**
Up to 1 year	$	**3,062,739**	$	2,980,800
From 1 to 5 years		**13,595,805**		13,378,506
Over 5 years		**20,473,119**		20,543,220
Total minimum payments agreed	$	**37,131,663**	$	36,902,526

NOTE 21 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES:

During 2024 and 2023, Grupo Financiero Invex, S. A. de C. V. (Invex) provided the Company with a pension plan and workers' savings fund administration services, as well as with fiduciary services. Invex and the Company share some stockholders. Fees paid to Invex for these services amounted $6,160 and $6,306 in 2024 and 2023, respectively. At December 31, 2024 and 2023 there were no outstanding balances for these items. During 2024 and 2023, the Company contracted corporate travel services for its employees with Orión Tours, S. A. de C. V. (Orión), whose General Director is Vice-Chairman of the Company's Board of Directors. Fees paid in 2024 and 2023 to Orión amounted to $119,263 and $94,377, respectively. Likewise, 2024 and 2023 the Company contracted car insurance services with Qualitas Controladora, S. A. B. de C.V. (Qualitas) whose Board member is Vice-Chairman of the Company's Board of Directors. Fees paid in 2024 and 2023 to Qualitas amounted to $42,501 and $45,855, respectively. These services and fees were contracted using market conditions. At December 31, 2024 and 2023, no balances were pending to be paid for these items.

Compensation for directors and other key members of management during the year was as following:

	Year ended December 31,			
		2024		**2023**
Total short term benefits	$	**100,269**	$	89,290

Compensation paid to directors and key executives is determined by the Financial Review Committee, based on their performance and market trends.

NOTE 22 - STOCKHOLDERS' EQUITY:

22.1 Capital stock at December 31, 2024 and 2023, is comprised of the following:

		Minimum fixed capital
931,569,910 Series "1" shares are duly represented, constituting 81.3776% of the 1,144,750,000 Series "1" shares without expression of nominal value, subscribed and paid 197,446,100 common and registered shares and Series "C-1" without expression of nominal value, subscribed and paid	$	**269,112**
Cumulative inflation increase at December 31, 1997		**3,105,170**
Total	$	**3,374,282**

The Board of Directors approved on March 12, 2024, the payment of dividends from the Net Fiscal Income Account ("CUFIN") for $3,958,478. On May 24, 2024, $2,374,751 were paid, and in October 2024, $1,583,496 was settled.

The Board of Directors approved on March 16, 2023, the payment of dividends from the Net Fiscal Income Account ("CUFIN") for $3,503,132. On May 26, 2023 $2,106,563 were paid, and in October 2023, $1,395,666 was settled.

In accordance with IAS 29 "Hyperinflation", an entity must recognize the effects of inflation in the financial information when an economy accumulates 100% inflation in a three-year period. Mexico was considered a hyperinflationary economy until 1997, and for that reason, the Company recognized all the cumulative inflation effects up to that year.

The companies and trusts mentioned below hold a share of approximately 71% of Series 1 of the Company's share capital as of December 31, 2024, as mentioned below:

Shareholder	Number of shares of common stock	Percentage ownership of common stock (%)
Banco Nacional de México, S. A., Institución de Banca Múltiple, Grupo Financiero Banamex-Trust No. 15228-3	**278,772,661**	20.8
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327	**221,455,612**	16.5
Banco Nacional de México, S. A., Institución de Banca Múltiple, Grupo Financiero Banamex-Trust No. 504288-5	**109,114,664**	8.1
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0387	**101,792,301**	7.6
Pictec and Cie	**63,424,172**	4.7
Scotiabank Inverlat S. A., Institución de Banca Múltiple-Trust No. 11033735	**36,839,656**	2.7
Fondo Administrado 5, S.A. DE C.V., Fondo de Inversión de Renta Variable	**2,107,788**	0.2
GBM 104 S. A. de C. V. Sirv.	**1,259,290**	0.1
GBM Fondo de Inversión Total, S. A. de C. V. Sirv.	**966,622**	0.1
Other	**526,463,334**	39.2
Total	**1,342,196,100**	100.0

22.2 Capital reserves

Capital reserves are comprised as follows.

	December 31,			
		2024		**2023**
Reserve for translation effects	$	**1,416,702**	$	478,796
Legal reserve		**582,500**		582,500
Reserve for the repurchase of shares [1 and 2]		**10,000,502**		8,004,370
Investment reserve		**94,319**		94,319
Reserve for valuation of derivative financial instruments		**273,175**		134,315
	$	**12,367,198**	$	9,294,300

1 During 2024, the Company purchased 22,409,740 series C-1 shares in the market at prices ranging between $99.88 and $148.57. The total purchase was $2,799,034, to which was added $2,799 transaction costs before taxes. Similarly, the Company sold 22,519,740 series C-1 shares in the market at prices ranging between $98.14 and $148.41. The total of the sale was $2,795,160, to which was added $2,795 of transaction costs before taxes.

2 In the Ordinary General Shareholders' Meeting, held on March 16, 2023, the shareholders agreed to increase the reserve for the acquisition of their own shares by up to $8,000,000.

The reserve for the acquisition of own shares represents the reserve authorized by the Shareholders' Meeting so that the Company can acquire its own shares in compliance with certain criteria established in the bylaws and in the Securities Market Law.

In the Ordinary General Shareholders' Meeting, held on March 12, 2024, the shareholders agreed to increase the reserve for the acquisition of their own shares up to $10,000,000.

The balance of the reserve for the acquisition of own shares as of December 31, 2024 and 2023, is $10,000,502 and $8,004,370, respectively.

22.3 The reconciliation of the reserve for the valuation of derivative financial instruments is as follows:

		Interest rate swap
At January 1, 2023	$	**239,103**
Plus: Change in fair value of hedging instrument		**(2,167,188)**
Less: Reclassification of OCI to results		**2,062,400**
At December 31, 2023	$	**134,315**
Plus: Change in fair value of hedging instrument		**2,648,425**
Less: Reclassification of OCI to results		**(2,509,565)**
At December 31, 2024		**273,175**

The income of the year is subject to the legal provision that requires at least 5% of the income of each year to be used to increase the legal reserve until it is equal to one-fifth of the amount of paid-in capital.

22.4 The reconciliation of the number of shares at the beginning and end of the period is shown below:

	Number of shares of common stock		Total
At December 31, 2022	1,342,196,100	$	**3,374,283**
Own shares acquired	26,458,402		**2,766,450**
Own shares sold	(26,458,402)		**(2,750,537)**
Other movements	-		**(15,913)**
At December 31, 2023	1,342,196,100		**3,374,283**
Own shares acquired	22,409,740		**2,802,280**
Own shares sold	(22,519,740)		**(2,788,812)**
Other movements	110,000		**(13,468)**
At December 31, 2024	1,342,196,100	$	**3,374,283**

	December 31, 2024	2023
Average weighted number of ordinary shares to determine the basic earnings per share	**1,342,049,612**	1,342,196,100

The holding company does not have dilutive instruments that impact basic earnings per share.

22.5 The balances of the tax accounts of stockholders' equity are:

		December 31, 2024		2023
Capital contributions account	$	**159,010,161**	$	146,171,364
After-tax earnings account (CUFIN)		**240,308,151**		205,909,929
Reinvested after tax earnings account (CUFINRE)		**200,435**		192,338
Total	$	**399,518,747**	$	352,273,631

22.6 Tax provisions related to stockholders' equity:

Dividends to be paid will be free from income tax if they come from the CUFIN. Any dividends paid in excess of CUFIN and reinvested CUFIN (CUFINRE) will cause a tax equivalent to 42.86%. The current tax is payable by the Company and may be credited against its current income tax of the year or the year on which it is paid. The remaining amount may be credited in the following two fiscal years against the tax of the year or against the provisional payments. Dividends paid coming from profit previously taxed by income tax will not be subject to tax withholding or additional tax payment. Income tax law sets the obligation of keeping CUFIN with profit generated up to December 31, 2013, and starting another CUFIN with profit generated from January 1, 2014.

NOTE 23 - INCOME TAX:

23.1 The income tax for the period is calculated by applying a 30% rate on the taxable profit. The income tax is integrated as follows:

	Year ended December 31,	
	2024	**2023**
Income tax	$ **9,374,725**	$ 8,587,116
Deferred income tax	**(419,655)**	(1,089,033)
	$ **8,955,070**	$ 7,498,083

Movements in deferred tax were as follows:

	December 31,	
	2024	**2023**
At January 1	$ **6,025,763**	$ 4,606,567
Effect on the statement of income	**419,655**	1,089,033
Effect on the other comprehensive income	**(1,225,936)**	330,163
At December 31	$ **5,219,482**	$ 6,025,763

23.2 The deferred tax balance is composed as follows:

	December 31,	
	2024	**2023**
Deferred income tax asset:		
Tax loss carryforwards	$ **1,568,809**	$ 1,706,372
Lease liabilities	**4,434,674**	4,231,985
Provision for credit losses	**2,423,833**	1,995,505
Provisions, employee benefits and others	**2,583,389**	2,982,777
Inventories	**268,493**	244,337
Cash flows hedges	**49,343**	62,912
Investment in share of associates	**354,813**	587,862
Financial asset at fair value through other comprehensive income - Net of income tax	**-**	309,821
Other items	**335,935**	381,126
	12,019,289	12,502,697
Deferred income tax liability:		
Real estate and property, furniture and equipment	**822,684**	1,167,031
Right of use assets	**3,862,661**	3,756,207
Intangible assets	**1,273,985**	1,307,486
Prepayments	**210,369**	190,485
Financial asset at fair value through other comprehensive income		
Prepayments	**530,525**	-
Supplies	**26,977**	38,177
Other items	**72,606**	17,548
	6,799,807	6,476,934
Deferred income tax	**5,219,482**	6,025,763
Asset tax recoverable	**9,092**	8,679
Total deferred income tax asset	$ **5,228,574**	$ 6,034,442

Net movements of deferred tax assets and liabilities during the year are explained below:

	Tax loss carryforward	Provision for credit losses	Provisions Employees benefits and others	Lease liability	Right of use assets
At January 1, 2023	$ 1,631,732	$ 1,761,398	$ 2,672,227	$ 4,082,711	$ (3,703,586)
Charged / credited to the statement of income	74,640	234,107	310,550	149,274	(52,621)
Other comprehensive income	-	-	-	-	-
At December 31, 2023	1,706,372	1,995,505	2,982,777	4,231,985	(3,756,207)
Charged / credited to the statement of income	(457,838)	435,805	67,433	202,689	(106,454)
Other comprehensive income	-	-	-	-	-
At December 31, 2024	$ 1,248,534	$ 2,431,310	$ 3,050,210	$4,434,674	$ (3,862,661)

The deferred tax due to the existence of undistributed earnings in the subsidiaries has not been recognized because the Company is able to control the timing of the reversal of the temporary differences associated with the investments or such gains are not subject to income tax payment come from the CUFIN.

At December 31, 2024, the Company has unamortized tax loss carryforwards for income tax purposes, to be indexed in the year in which they are applied, for a restated amount of:

Year	Amortizable tax loss
2030	$ **3,258,722**
2031	**1,741,445**
2032	**90,572**
2033	**95,439**
	$ **5,186,178**

In determining deferred income tax at December 31, 2024 and 2023, the Company applied to temporary differences, the applicable rates according to their estimated date of reversal.

23.3 The reconciliation of the legal income tax rate and the effective rate, stated as a percentage of the profit before income tax, is as follows.

	Year ended December 31, 2024	2023
Profit before income tax	$ **32,124,736**	$ 26,999,297
Statutory rate	**30%**	30%
Income tax at statutory rate	$ **9,637,421**	$ 8,099,789
Plus (less) effects of taxes of the following items:		
Non-deductible expenses	$ **557,939**	$ 419,073
Non-taxable income	**(483,412)**	(188,410)
Annual inflation adjustment taxable deductible	**(234,054)**	(129,029)
Equity in the results of associates	**118,614**	34,011
Investment property, furniture and equipment	**(940,086)**	(919,272)
Cost of sales update	**(134,063)**	(129,335)
Dividends received from abroad	**48,845**	104,213
Update of tax losses	**(73,131)**	(72,181)
Other permanent items	**456,997**	279,224
Income tax	$ **8,955,070**	$ 7,498,083
Effective income tax rate	**28%**	28%

Investment properties, furniture and equipment	Investment in shares of associates	Inventories	Intangibles	Other	Total
$ (1,507,354)	$ 425,032	$ 252,430	$ (1,378,366)	$ 370,343	$ 4,606,567
340,323	162,830	(8,093)	70,880	(192,857)	1,089,033
-	-	-	-	330,163	330,163
(1,167,031)	587,862	244,337	(1,307,486)	507,649	6,025,763
344,347	(233,049)	24,156	33,501	109,065	419,655
-	-	-	-	(1,225,936)	(1,225,936)
$ (822,684)	$ 354,813	$ 268,493	$ (1,273,985)	$ (609,222)	$ 5,219,482

NOTE 24 - SEGMENT INFORMATION:

Segment information is reported based on the information used by the Financial Review Committee in making strategic and operating decisions. An operating segment is defined as a component of an entity in which there is separate financial information that is evaluated regularly.

IFRS 8 requires disclosure of assets and liabilities pertaining to one segment, if measurement is regularly provided to the decision-making body; however, with respect to the Company, the Financial Review Committee only evaluates the performance of the operating segments based on an analysis of income and operating profit, but not of each segment's assets and liabilities.

Liverpool commercial segment
Includes the sale of clothing and accessories for men, women and children, household goods, furniture, cosmetics and other consumer products through department stores that operate under the name Liverpool, "Liverpool Duty-Free and boutiques such as "Banana Republic", "GAP", "Pottery Barn", "West Elm" and "Williams-Sonoma". It also includes the operations of our website www.liverpool.com.mx, Liverpool pocket, marketplace and phone sales. The store formats of this segment are mainly focused on the income population A, B and C +, according to the National Statistical and Geography Institute (INEGI)

Suburbia commercial segment
Includes the Suburbia stores and the operative division of purchases, commercial planning, product design and commercialization (CATMex). Suburbia offers a wide selection of products but mainly its own brands such as Weekend, Non-Stop, Contempo, La Mode, Metropolis and Gianfranco Dunna in the stores and our website www.suburbia.com.mx, focused on the population of income C and D +, according to the INEGI criteria.

Real estate segment
The real estate segment is an important complement for the Liverpool commercial segment. The Company operates shopping centers known as "Galerías", through which it leases commercial spaces to tenants dedicated to a wide variety of businesses that provide a greater number of potential customers for departmental warehouses. Also designs and develops store expansion and remodeling projects, shopping centers and other facilities.

Credit segment
The credit segment is an important complement to the Liverpool and Suburbia commercial segment. The Company finances its clients in the form of "Liverpool and Suburbia" departmental credit cards, which customers can buy exclusively at Company stores. Additionally, the Company operates the "LPC" and "Suburbia" credit cards, the former can be used to acquire goods and services both in the chain's stores and boutiques and in any store throughout the world operating with VISA cards.

24.1 Income and results per segment

The Company reports its results for each operating segment at the income, costs and expenses, and operating profit level. The other income statement items are not assigned, as they are managed on a corporate level.

The following is an analysis of income and results per segment to be reported:

Year ended	**Commercial**				
at December 31, 2024:	**Liverpool**	**Suburbia**	**Credit**	**Real Estate**	**Consolidated**
Net income	$ 167,017,151	$ 23,708,137	$ 19,258,877	$ 4,863,706	$ 214,847,871
Cost and expenses	(149,875,695)	(21,983,450)	(8,974,855)	(2,159,733)	(182,993,733)
Operating income	$ 17,141,456	$ 1,724,687	$ 10,284,022	$ 2,703,973	$ 31,854,138
Timing of revenue recognition:					
Over time	$ 167,017,151	$ 23,708,137	$ -	$ 1,678,520	$ 192,403,808
Year ended	**Commercial**				
at December 31, 2023:	**Liverpool**	**Suburbia**	**Credit**	**Real Estate**	**Consolidated**
Net income	$ 153,606,381	$ 21,582,062	$ 16,268,496	$ 4,534,684	$ 195,991,623
Cost and expenses	(137,084,235)	(20,314,410)	(6,865,446)	(2,121,744)	(166,385,835)
Operating income	$ 16,522,146	$ 1,267,652	$ 9,403,050	$ 2,412,940	$ 29,605,788
Timing of revenue recognition:					
Over time	$ 153,606,381	$ 21,582,062	$ -	$ 1,459,110	$ 176,647,553

The information disclosed in each segment is shown net of eliminations corresponding to transactions conducted between Group companies. Inter-segment results and transactions are eliminated at the consolidated level, forming part of the Group's final consolidation. This form of presentation is the same as that used by Management in its periodic review processes of the Company's performance.

Taxes and financing costs are viewed at the Group level and not within the reporting segments. As a result, this information is not shown in each reporting segment. Operating income is the key performance metric for management, which is reported on a monthly basis to the Company's Corporate Governance.

24.2 Geographic information

The information by geographic segments of the Company is reported using the following zones:

		Year ended December 31, 2024		2023
Ciudad de México and Estado de México	$	**64,058,361**	$	58,026,897
Hidalgo, Puebla, Morelos, Guerrero, Veracruz and Tlaxcala		**31,310,649**		27,991,914
Nuevo León, Tamaulipas, Chihuahua, Coahuila, Sinaloa, Sonora and Durango		**30,758,349**		28,847,287
Jalisco, Michoacán, Colima and Nayarit		**23,604,916**		22,527,712
Chiapas, Tabasco, Quintana Roo, Yucatán, Campeche and Oaxaca		**23,087,744**		21,099,897
Guanajuato, Querétaro, Aguascalientes, Zacatecas and San Luis		**19,521,312**		18,464,984
Other		**22,506,540**		19,032,932
Total	$	**214,847,871**	$	195,991,623

NOTE 25 - COSTS AND EXPENSES BY NATURE:

The cost of sales and administration expenses are comprised as shown below:

		Year ended December 31, 2024		2023
Cost of merchandise	$	**119,666,685**	$	109,813,339
Cost of distribution and logistics		**6,502,151**		5,802,971
Inventory reserve		**1,530,385**		1,255,149
		127,699,221		116,871,459
Personnel compensation and benefits		**26,575,941**		23,908,219
Services contracted		**5,886,597**		5,570,536
Depreciation and amortization		**5,703,405**		5,396,894
Provision for impairment of loan portfolio		**4,545,492**		2,889,335
Leases		**83,822**		164,708
Repairs and maintenance		**3,054,421**		2,842,652
Electrical power		**1,308,902**		1,340,782
Supplies		**1,732,826**		1,721,316
Advertising		**2,602,025**		2,347,414
Other [1]		**3,801,081**		3,332,520
Total	$	**182,993,733**	$	166,385,835

1 Includes, among others, insurance premiums, travel expenses and property tax.

Personnel compensation benefits are comprised as follows:

		Year ended December 31, 2024		2023
Salary and bonds	$	**22,437,711**	$	20,096,326
Commissions paid to sales staff		**3,280,437**		3,064,543
Other payments		**857,793**		747,350
	$	**26,575,941**	$	23,908,219

NOTE 26 - CONTINGENCIES AND COMMITMENTS:

a. Contingencies

The Company is involved in various lawsuits and claims arising from the normal course of its operations, none of which is of importance, both individually and in aggregate, so it is expected that they will not have an important effect on your financial situation and future consolidated operating results.

b. Commitments

During 2018, the Company signed a 15-year electricity purchase and sale agreement with one of the subsidiaries of Infraestructura Energética Nova, S. A. B. de C. V. (IEnova), for the power plant located in Sonora.

In 2019, another agreement was signed with IEnova for a period of 15 years for the purchase and sale of electric power, said power plant is located in Chihuahua.

NOTE 27 - UBSEQUENT EVENTS:

a. Joint Acquisition of Nordstrom

In December 2024, the Company entered into a definitive agreement with members of the Nordstrom family (the "Nordstrom Family") to jointly acquire all of the shares representing the capital stock of Nordstrom, Inc. ("Nordstrom") that are not owned by either party, at a price of US$24.25 per share (the "Transaction"). If the Transaction is consummated, the Company will indirectly own 49.9% of Nordstrom's capital stock, while the Nordstrom Family will indirectly own 50.1%. The Transaction would be financed in part with its own resources and in part with external financing (see item b. below in this Note).

The Transaction is subject to the fulfillment of certain requirements, including regulatory approvals in the United States and the approval of Nordstrom shareholders. Shareholder approval requires an affirmative vote of two-thirds of the shares representing Nordstrom's capital stock and a majority of the shares excluding shares owned by the Nordstrom Family or Liverpool and their respective related parties, as well as shares owned by the relevant directors and officers of Nordstrom.

The Acquisition is expected to close in the first half of 2025. The Transaction was approved by Liverpool's Board of Directors on December 22, 2024, and does not require the approval of Liverpool's shareholders' meeting.

b. Placement of debt securities (Senior Notes)

During January 2025, the Company placed debt securities in the international markets (Senior Notes) for a total amount of US $1,000,000,000 in two tranches. The first tranche for an amount of US$500,000,000, which will bear interest at a rate of 6.255% and mature in 2032, and the second tranche for an amount of US$500,000,000, which will bear interest at a rate of 6.658% and mature in 2037 (the "Securities"). The Securities were issued on January 22, 2025 and are guaranteed by its subsidiary Distribuidora Liverpool, S.A. de C.V. The Company intends to use the net proceeds from such issuance to finance a portion of the acquisition of Nordstrom Inc. described in the preceding section a. of this Note.

The Securities were the subject of a private offering directed to qualified institutional investors in the United States of America and to persons outside the United States of America in accordance with Rules 144A and S of the Securities Act of 1933 of the United States of America. The Securities have been listed on the Euronext Dublin Stock Exchange (Global Exchange Market of Euronext Dublin).

The Securities have not been and will not be registered in the National Securities Registry maintained by the National Banking and Securities Commission and have not been publicly offered in Mexico.

NOTE 28 - AUTHORIZATION OF ISSUANCE OF CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements were authorized for issuance on February 28, 2025, by the Board of Directors and are subject to approval by the stockholders' meeting.

INFORMATION FOR SHAREHOLDERS

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This 2024 annual report may include certain expectations regarding the results of El Puerto de Liverpool, S.A.B. de C.V. and its subsidiaries. These projections are based on Management's assessments and on current information known to the company; however, expectations may vary depending on events and circumstances beyond the control of El Puerto de Liverpool, S.A.B. de C.V. and its subsidiaries.

El Puerto de Liverpool

www.liverpool.com.mx