GROWING WITH **STEADY STEPS**

2024

ANNUAL REPORT

GRUPO GIGANTE

A ROUTE WITH **VISION AND PASSION**

For more than six decades, we have traveled a path of constant growth, overcoming challenges and conquering new heights at each stage. Our presence, now consolidated in seven countries-from Mexico, with coverage in all 32 states, to Central and South America-is the result of a trajectory of vision and determination, built with firm steps.

The lessons learned along the way have strengthened us, allowing us to diversify our operations without losing sight of what is most important: the satisfaction of our customers.

With our sights set on the horizon, we continue to work with a commitment to generating value and actively contributing to the development of Mexico and its people.

Shares representing the capital stock of Grupo Gigante, S.A.B. de C.V., are traded in Bolsa Mexicana de Valores (Mexican Stock Exchange) since July 1991 with ticker GIGANTE*.

Mission

Ensure the creation of value for our customers, shareholders and collaborators through the integration, communication and exchange of experiences, in the search for profitability and synergies in our businesses, within the Divisions of Specialized Retail, Restaurant and Other Services and Real Estate.

Vision

We strive constantly to be the leader in every market in which we participate; we are committed to the profitability of our businesses; and to the success and development of our customers, shareholders and collaborators.

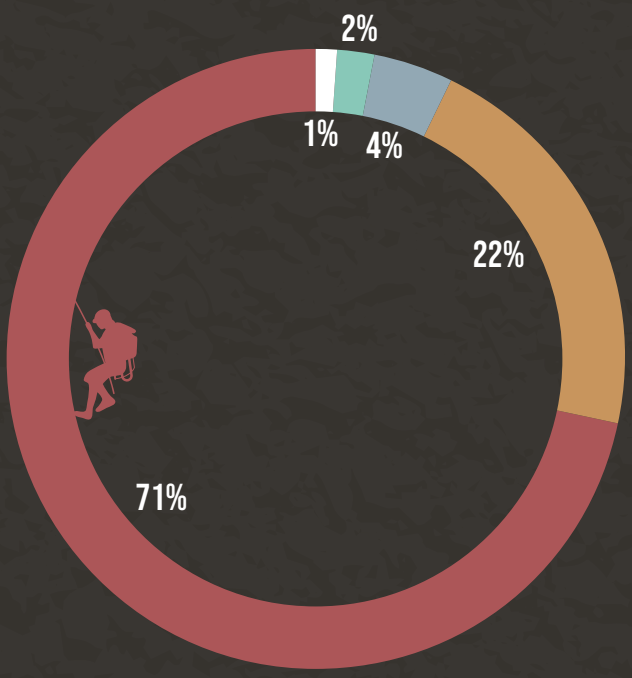
Values

- Leadership
- Teamwork
- Excellence
- Creativity and Innovation
- Productivity
- Transparency
- Recognition
- Social Responsibility

CONTENTS

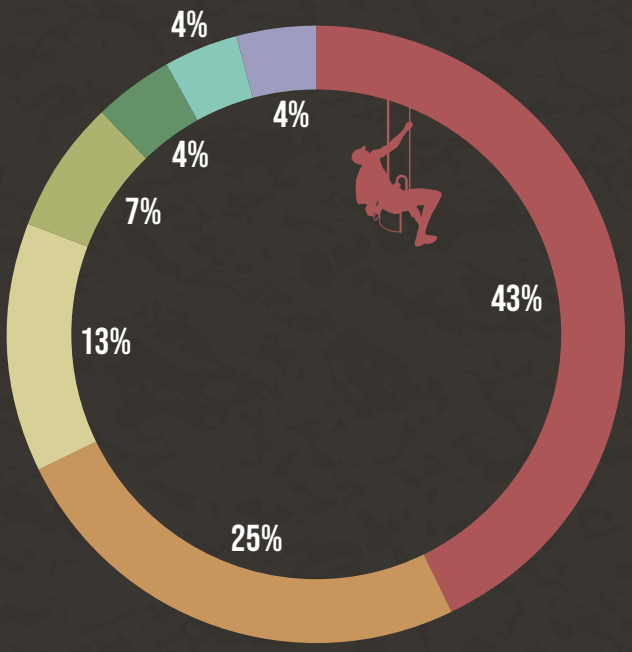
4 Financial Highlights
6 Annual Report of the Chairman of the Board and of the CEO of Grupo Gigante, S.A.B. de C.V.
8 Specialized Retail Division
10 ODEMÁS
24 Petco
36 Casaideas
42 Restaurant Division
50 Restaurantes Toks
60 El Farolito
68 Panda Express
74 Shake Shack
84 Gigante Grupo Inmobiliario
94 Sustainability
100 Fundación Gigante
116 Corporate Practices Committee
118 Audit Committee
120 Finance and Planning Committee
122 Board of Directors
130 Consolidated Financial Statements

SALES BREAKDOWN BY FORMAT



- ODEMÁS
- Restaurantes Toks
- Gigante Grupo Inmobiliario
- Shake Shack
- Panda Express

REGIONAL DISTRIBUTION



- Metropolitan Area
- Central Area
- Northeast
- Southeast
- North
- Southwest
- Central and South America

SALES FLOOR PARTICIPATION OF SUBSIDIARIES

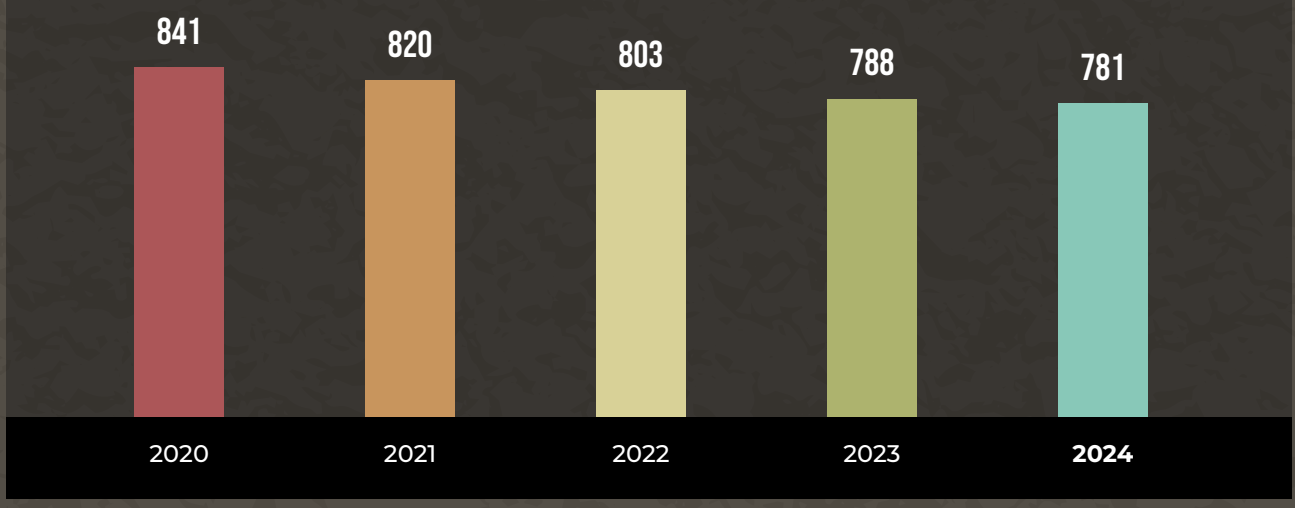
Business Unit	Units	M²	Seats
ODEMÁS	448	447,529	
Restaurantes Toks	193	-	40,555
Shake Shack	18		2,253
Panda Express	25	-	-
El Farolito	14		1,598
SUB TOTAL	**698**	**447,529**	**44,406**
Estacionamientos	83		
TOTAL	**781**	**447,529**	**44,406**

Note: The reported number of units includes 3 stores that are temporarily closed for remodeling.

SALES FLOOR PARTICIPATION OF JOINT VENTURES

Business Unit	Units	M²
Petco	144	77,792
Casaideas	9	11,565
TOTAL JOINT VENTURES	**153**	**89,357**

CONSOLIDATED UNITS



FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOST AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2024, 2023 and 2022. In thousands of Mexican pesos, except per share data.

	2024	2023	2022
Total revenues	**35,179,634**	33,980,887	32,170,893
% variation	3.5%	5.6%	13.3%
Consolidated net income	**1,715,363**	2,069,699	2,013,971
% variation	-17.1%	2.8%	6.2%
Consolidated integral income	**2,026,714**	1,715,630	1,951,326
% variation	18.1%	-12.1%	18.4%
Basic earnings per common share	**1.65**	1.91	1.96
% variation	-13.6%	-2.6%	7.7%
Price of share	**28.00**	30.70	24.85
Common shares outstanding	**994,227,328**	994,227,328	994,227,328

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024, 2023 and 2022. In thousands of Mexican pesos.

	2024	2023	2022
Assets	**54,845,577**	52,418,929	49,677,489
% variation	4.6%	5.5%	2.9%
Cash and cash equivalents	**3,190,446**	2,994,915	2,439,223
% variation	6.5%	22.8%	-20.9%
Financial instruments	**1,481,184**	1,370,107	1,468,818
% variation	8.1%	-6.7%	0.2%
Inventories-Net	**6,437,923**	6,047,913	6,119,220
% variation	6.4%	-1.2%	2.7%
Assets use rights	**5,741,755**	5,415,435	4,350,791
% variation	6.0%	24.5%	11.0%
Property and equipment-Net	**7,737,686**	7,407,567	8,294,487
% variation	4.5%	-10.7%	-4.6%
Investment properties	**18,056,627**	17,255,998	15,860,268
% variation	4.6%	8.8%	6.2%
Other assets	**12,199,956**	11,926,994	11,144,682
% variation	2.3%	7.0%	9.0%
Liabilities and Stockholder´s equity	**54,845,577**	52,418,929	49,677,489
% variation	4.6%	5.5%	2.9%
Suppliers	**3,684,944**	3,689,100	4,153,836
% variation	-0.1%	-11.2%	6.4%
Bank loans	**9,954,658**	10,429,472	10,530,863
% variation	-4.6%	-1.0%	-6.8%
Long-term lease liability	**5,544,640**	5,041,970	4,241,152
% variation	10.0%	18.9%	9.9%
Other liabilities	**8,358,707**	7,467,445	6,563,657
% variation	11.9%	13.8%	-4.8%
Stockholder's equity	**27,302,628**	25,790,942	24,187,981
% variation	5.9%	6.6%	8.3%

* The % of variations are with respect the previous year.

REPORT OF THE **CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER** OF GRUPO GIGANTE, S.A.B. DE C.V.

Mexico City, March 24, 2025

Board of Directors
Shareholders Meeting of Grupo Gigante, S.A.B. de C.V.

Dear Board Members and Shareholders:

We appreciate the privilege of addressing you to submit for your consideration the report of results and activities for the year 2024.

The year 2024 was highlighted by elections for president, legislators, governors and other public offices in both Mexico and the United States of America. With clear results in both elections, the coalitions or political parties of the elected presidents of both countries have majorities in their respective congresses.

The President of the United States of America, Donald Trump, defined during his campaign a government agenda focused on the fight against illegal immigration, drug cartels and a turn towards protectionism in international trade. As a whole, the initiatives will represent a challenge for the Mexican government, particularly the issue of tariffs, since the U.S. market represents around 80% of Mexican exports. For our businesses, the changes in the tariff scheme with the United States and China could imply the need for greater diversification in our supply chains.

The year 2024 ended with growth of 1.30% and inflation of 4.21%; for 2025, initial growth projections have been revised downward, with the Bank of Mexico now estimating 0.60%.

In this context, our sales grew 3.56% to $35,179 million Pesos. Our transactions reached 79.2 million, an increase of 4.5%, and the number of visits to our shopping centers was 69.4 million, a growth of 6.9%. Adjusted EBITDA decreased 2.45% to Ps. 4.98 billion. Principal and interest payments on debt allowed our leverage level to reach 1.8 times net debt/EBITDA.

Investments in technology have enabled us to continue to grow in the different loyalty programs of the different Subsidiaries of the Group, reaching 19.8 million customers, an overall growth of 26.0%. The different loyalty programs and the beginning of the implementation of models that include artificial intelligence have allowed us to better understand our customers in order to serve them better.

The stationery and computer business segments represented a challenge for Office Depot de México, due to both price and demand contraction; however, the number of transactions continued to grow. Customers in the loyalty program "Recompensas Office Depot " exceeded 13 million, growing 29.2% and representing 56.0% of sales.

Grupo Restaurantero Gigante had a year of solid growth, with an increase in both transactions and average ticket sales, with a sales growth of 12.7%. During 2024, 11 new restaurants were opened, and 17 units were remodeled. The "A Comer Club" loyalty program exceeded 1.3 million members, with growth of 22.0%.

Gigante Grupo Inmobiliario ended the year with an occupancy rate of 96.6% in the commercial segment, the highest in the last 8 years. In the office segment, occupancy reached 68.1%, growing by more than 45.0% in leased space between owned and managed properties.

Petco, a joint venture with Petco Animal Supplies Stores Inc, continued as Mexico's leader in the pet segment. Revenues grew by 13.7%. With the 12 openings during the year, the company closed the year with 144 units in operation. Sales through digital channels accounted for 18.2% of revenues and transactions through the loyalty program "Club Petco" reached a share of 96.0%.

Casaideas, a joint venture with Matriz Ideas, S.A., continues to be well accepted by the national consumer, therefore, during the year we opened 3 new stores.

During 2024, we reinforced our actions focused on environmental care, social responsibility, and governance. In this way, our companies continue with initiatives that contribute to reducing our impact on the environment, support for different disadvantaged social sectors and greater inclusion in our corporate governance structures.

At the end of the year, Grupo Gigante, S.A.B. de C.V. and its Subsidiaries, Joint Ventures and Associates, had a total of 26,425 employees in a total of 931 units of the different business formats (including the Petco and Casaideas units) distributed in 7 countries: Mexico, Chile, Guatemala, El Salvador, Honduras, Costa Rica and Panama.

Finally, we would like to thank our Board Members and Shareholders for their reiterated support and trust, which are crucial to the growth of our organization.

Affectionately,

Ángel Losada Moreno
Executive Chairman and Chairman of the Board of Directors
Grupo Gigante, S.A.B. de C.V.

Federico Bernaldo de Quirós González Pacheco
Chief Executive Officer Grupo Gigante, S.A.B. de C.V.

TE

NACITY

SPECIALIZED RETAIL DIVISION

We offer products that respond to new consumer demands, which strengthens our position in the market.

además

petco
SALUD + BIENESTAR
PARA TUS MASCOTAS

Casaideas®

448

BUSINESS UNITS

in 7 latin american countries.

odemás

Office DEPOT

RadioShack
Amamos la tecnología

MARCHAND
Su Casa En Papelería

OFIXPRES
SUMINISTROS Y SERVICIOS LOGÍSTICOS

PRISA DEPOT
PROVEEDOR INTEGRAL PARA LA OFICINA

FESA

The year 2024 represented a key moment for ODEMÁS, driven by solid strategies, a determined commitment to digital transformation and a firm commitment to social responsibility.

PC GAMING
Office DEPOT
Office DEPOT
RadioShack

10.9%

INCREASE

in Office Depot Mexico's e-commerce sales with 33% more transactions.

13

MILLION MEMBERS

in our loyalty program.

ODEMÁS: ONE MORE YEAR REINFORCING **THE TRUST AND PREFERENCE OF OUR CONSUMERS.**

During this period, we worked to strengthen our capabilities, improve our clients' experience, and generate a positive impact through socially focused initiatives. These efforts build a solid foundation to face new challenges and continue building long-term value.

Our customers continue to be one of the central pillars of our strategy. During the year, we reached more than 13 million members in our Loyalty Program, reinforcing the trust and preference of our consumers. In addition, the launch of the "Membresías Pro" program registered a 29.2% growth, demonstrating the effectiveness of our initiatives in generating value.

56%

OF TRANSACTIONS

come from our
loyalty program.

Our presence remains strong in seven Latin American countries, with a total of 448 business units, including 435 stores and 13 distribution centers that sell merchandise.

We opened a Huawei store in Parque Delta, Mexico City, as well as a Casa Marchand in Mérida, Yucatán. We also renovated 19 Office Depot Mexico stores, implementing the new Servicentro de Negocios concept, designed to optimize the customer experience and enhance our commercial solutions.

Digital transformation continues to revolutionize our operation. At Office Depot Mexico, e-commerce sales grew 10.9%, with an impressive 33% increase in the number of transactions. The loyalty program now represents 56.0% of transactions.

At Office Depot Chile, the dynamism of e-commerce resulted in a 3.4% growth in sales in Chilean Pesos, with online sales share increasing to 38%, up from 36.4% in the previous year.

Odemás' commitment to social responsibility grows stronger every year. In 2024, we promoted labor inclusion, adding 273 employees with a disability to our staff, and reinforced our initiatives of social-environmental impact. Thanks to these efforts, we received the Socially Responsible Company (ESR) distinction for 16 consecutive years. In addition, through the Redondeo [Round Off] campaign, and in alliance with Fundación Gigante, we raised 1.75 million Pesos to contribute to various social causes.

2025 will bring new challenges and opportunities. Our focus will be on technological innovation, inventory optimization and the consolidation of our customer portfolio through an enhanced digital experience and a more strategic offering on our web platform.

RADIOSHACK

In 2024 RadioShack achieved 12.6% growth in comparable store sales and consolidated a positive gross margin. Our commitment to digital transformation yielded good results, with e-commerce sales growing 22.6%, reaching 6.2% of total sales.

In addition, with 4.3 million visits to our stores, we achieved a conversion rate of 40.33%, reflecting the effectiveness of our commercial proposal.

The launch of the "Club RadioShack" loyalty program was a great success, adding 360,000 affiliated customers. The loyalty program now accounts for 27.2% of transactions.

By 2025, the strategy will focus on further leveraging digital channels, consolidating the omnichannel experience through the mobile app and website. We will also drive the growth of the "Store within Store" (SwS) model in our Office Depot stores, optimizing the synergy between both brands.

12.6%

COMPARABLE STORE

sales growth RadioShack.

RadioShack
70%
6 12
3 PAQUETES DE PILAS MARCA

peleria M
TOSHIBA
MICRON
MICRON
PIGMA

55%

INCREASE

in e-commerce sales at
Casa Marchand vs. previous year.

CASA MARCHAND: EXPANSION, DIGITIZATION AND PROFITABILITY

Casa Marchand's e-commerce sales growth was boosted in 2024, with a remarkable 55% increase compared to the previous year.

Our expansion was another great achievement: we included the new TMK (Telemarketing) sales channel in 19 of our stores, consolidating our presence in the sector. In addition, strategic negotiations with suppliers allowed us to increase our rebates by 11.7% compared to the previous year, strengthening the profitability of the business.

By 2025, the goal will be to expand the TMK sales channel to foreign markets, strengthen digital channels, optimize inventory management and reduce shortage, thus ensuring a more efficient and profitable operation.

FESA: LEADERSHIP IN LOGISTICS AND PROFITABLE GROWTH

FESA Mexico's financial performance in 2024 exceeded expectations, with an EBITDA of more than 20% above budget and a 9.0% increase in margin over the previous year.

The growth in the sale of integral logistics services and optimization of inventory control have been key in these results.

By 2025, FESA will focus on maintaining efficient inventory management, boosting specialized sales and attracting new customers through innovative services, such as the implementation of the Marketplace.

A PROMISING FUTURE AND CHALLENGES AHEAD

2024 has been a year of expansion, consolidation and transformation, in which each of our brands has achieved outstanding results. We look ahead to 2025 with determination, aware that the key to success lies in constant innovation, digitalization and loyalty.

We will continue to work with the same passion and strategic vision that has positioned us as a benchmark in the industry.

The best is yet to come!

DIXON
APRENDIENDO
JUNTOS

9%

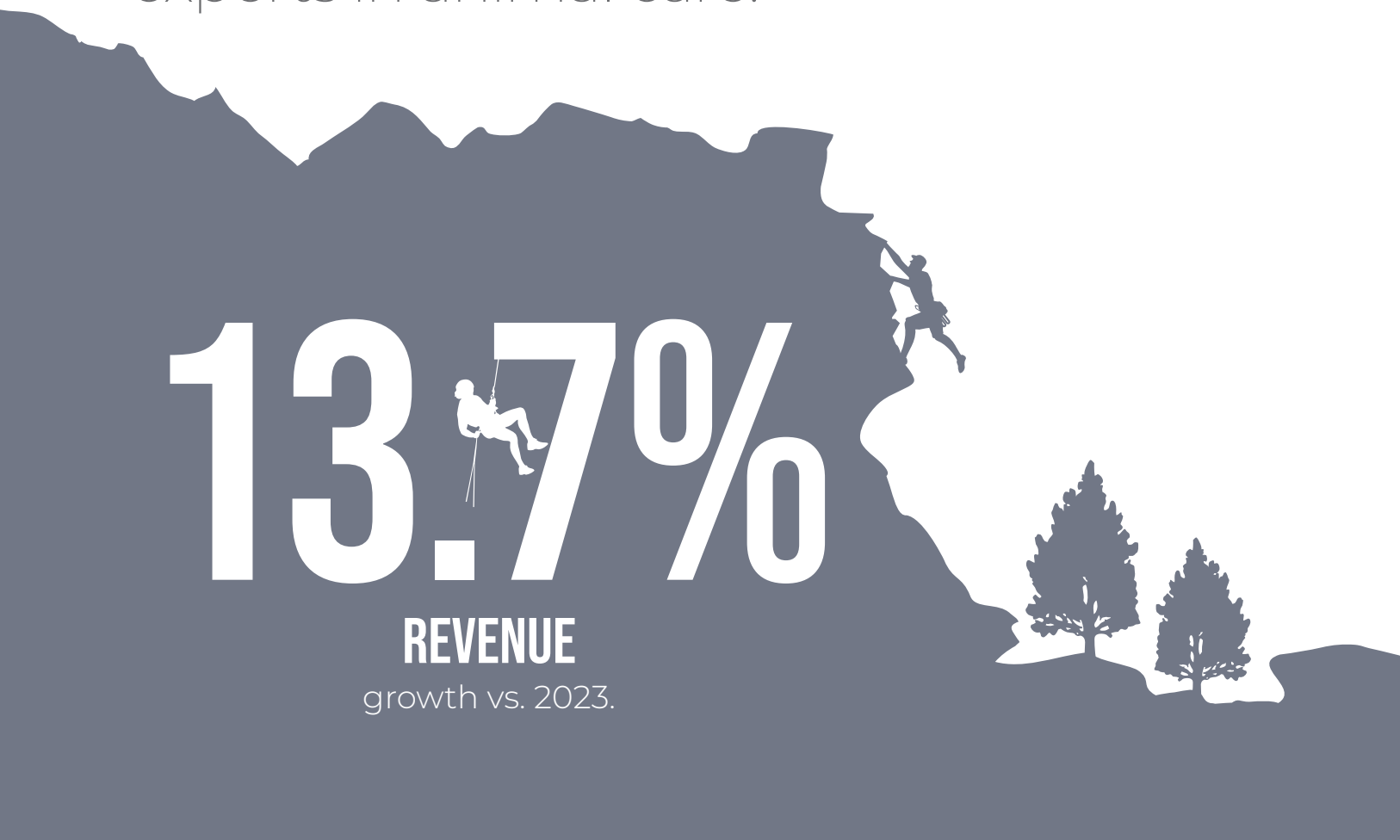
INCREASE

in margin vs. previous year in FESA.

petco

SALUD + BIENESTAR
PARA TUS MASCOTAS

2024 was a year of great achievements, expansion and innovation with unique products, exclusive services and experts in animal care.



13.7%

REVENUE

growth vs. 2023.

La galletería
petco
La galletería
petco

ACUARIO
EXTINTOR
DIVERSIÓN

Opening of

12

NEW STORES

closing the year
with 144 branches.

MORE THAN 766 THOUSAND PETS

attended at Grooming Salon.

MORE THAN A STORE, A SPACE DEDICATED TO THE HEALTH AND WELL-BEING OF YOUR PETS.

Petco continues to position itself as a leader in Mexico in the pet segment, and 2024 represented a year of great achievements that confirm this. Its revenues grew 13.7% compared to the previous year, sales through its digital channels represented 18.2% of total sales, and 96% of transactions were made through its loyalty program "Club Petco".

After more than a decade of presence in the country, Petco consolidates and expands its leadership in the market, reaffirming its commitment to the welfare of pets. In this way, it continues to strengthen its passion and dedication, not only through its physical stores, but also standing out in the digital arena with constant innovation in Petco App, petco.com.mx and its "Petco Easy Buy" repurchase program.

In 2024, Petco surpassed the figure of one million orders delivered through e-commerce, which represented 14.8% of its sales and a growth of 19.9% compared to the previous year.

Not only that, Petco Easy Buy experienced an increase in sales share of more than 5.4 percentage points, that reflects the growing loyalty of its customers.

On the other hand, as part of its commitment to health and wellness, the company launched for the first time the campaign "Protegerlos es Amarlos" [Protecting them is Loving them] at national level, which aimed to raise awareness of the importance of internal and external deworming to prevent pet diseases.

For the third consecutive year, the "Expo Petco 2024" was held, where more than 300 employees gathered in 37 learning rooms and 3 plenary sessions to deepen the understanding of specific customer profiles and chart new strategic routes.

In social issues, by the end of 2024, more than 95 thousand adoptions had been accumulated, an achievement shared with the more than 65 Adoption Centers that rescue, rehabilitate and look for a loving home for these little ones.

CK OUT
PETLIFT

18.2%

OF TOTAL SALES

were through digital channels.

In addition to the space it provides to the Adoption Centers in its physical stores, it also has donation campaigns "Redondea un Hogar" [Round Off for a Home] and "Salvando Vidas" [Saving Lives], raising $5.6 million Pesos.

For the fourth consecutive year, it carried out a free sterilization campaign in two of the most vulnerable municipalities in the state of Jalisco: Tonalá and El Salto. Thus, in alliance with Fundación Calle Cero, 719 sterilizations were achieved, helping to reduce overpopulation and improving their quality of life.

In the area of nutrition, Petco continued to promote pet health with its “Lo que comen sí importa [What they eat matters] campaign, through a 360° communication that addressed the benefits of an optimal diet based on top quality ingredients.

Likewise, in terms of inclusion, it reinforced its commitment to diversity, adding to its team of promoters in physical stores, personnel with limited motor skills who provide customers with all the expertise they have in each of its brands.

MORE THAN 95 THOUSAND ADOPTIONS

through more than 65 Adoption Centers.

In the area of sustainability, at year-end the company had three branches that use solar panels, which has allowed 69% of its energy consumption to come from this source, reducing 135.2 tons of CO_2 emissions.

During 2024, Petco opened 12 new stores and closed the year with 144 points of sale, highlighting the launch of the new FRE 2.0 image in key branches such as Vasconcelos, Interlomas and Paseo Querétaro.

With more than 5 million customers in Club Petco and with 1.7 million people served in physical stores, the presence has also expanded in the digital sphere: followers on Instagram grew by 9% exceeding 250,000, while on TikTok there was an increase of 14%, reaching more than 160,000 followers.

In the exclusive dog grooming service, Grooming Salon, 766,689 pets were served, which reflects the trust placed in the brand for the care of their faithful companions.

Finally, the center of all efforts culminates with an average NPS (Net Promoter Score) rating of 84, which is evidence of customer satisfaction and support.

In this way, Petco is moving forward with firm steps towards 2025, with the objective of exceeding 100,000 adoptions, as well as the opening of 12 stores and 8 remodeling projects that will provide innovative, comfortable and avant-garde spaces for customers.

Petco continues to work with the firm conviction that the key to success lies in the training of its personnel, in order to provide its customers with the solutions their pets need, promoting retail media and optimization projects, as well as promoting greater awareness and commitment to the adoption, health and welfare of pets.

Del 3 al 30 de
2025
petco
PAWS PANTRY

96%

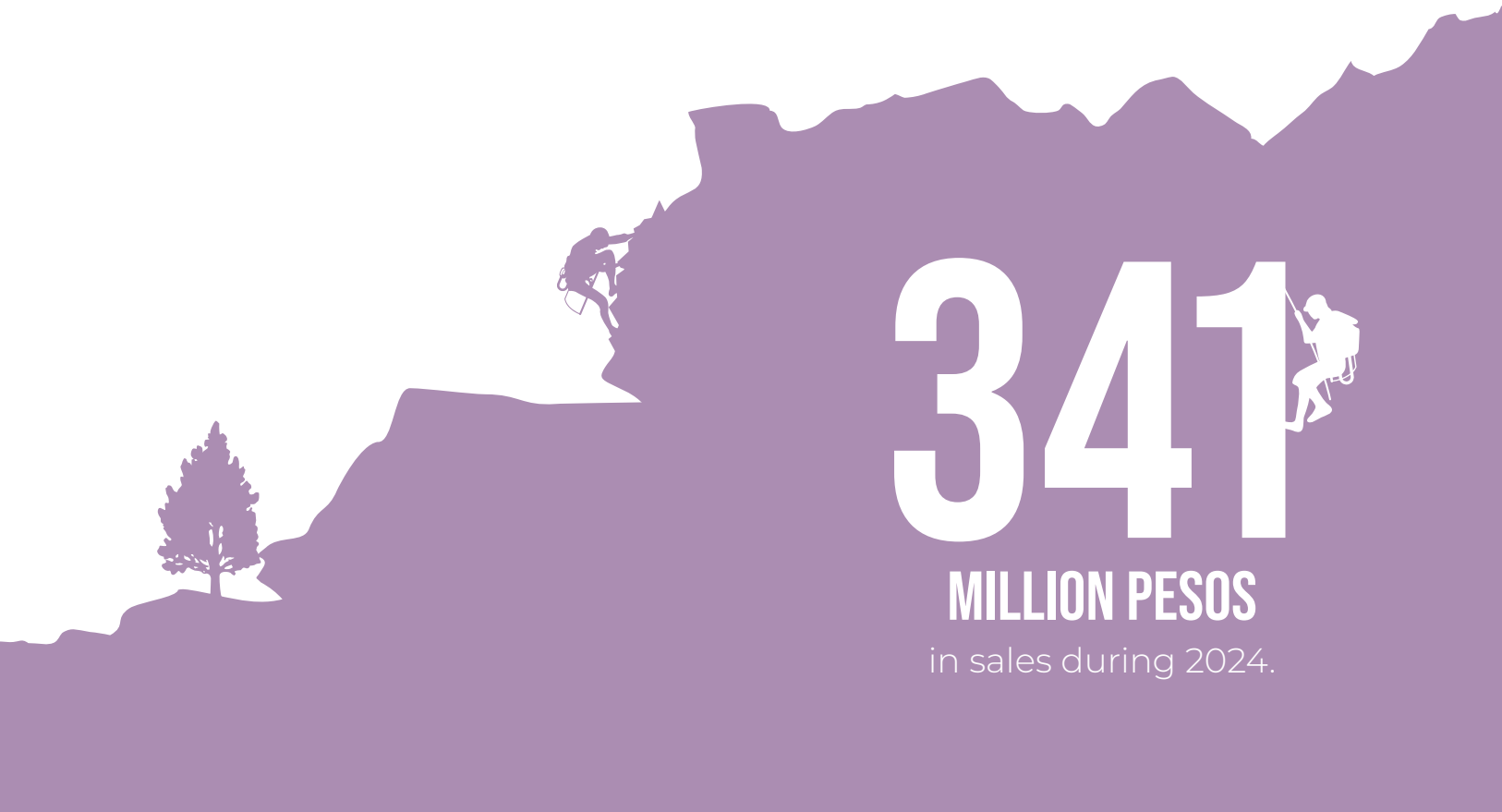
OF TRANSACTIONS

made through the "Club Petco" loyalty program.

Casaideas
casaideas.

Casaideas®

With a total of 9 stores, we reaffirm our commitment to those who seek innovation and design for every corner of their home.



341

MILLION PESOS

in sales during 2024.

During 2024 we marketed

2.4

MILLION ITEMS.

Sal
CasaIdeas.

MESA
Casaideas.

288 THOUSAND

CUSTOMERS SERVED

in physical stores.

WE EMBELLISH HOMES AND **HELP DREAMS COME TRUE.**

At Casaideas during 2024 we work to transform the homes of Mexico, increasing our presence in the market. We continue to be well accepted by the national consumer always focused on our core values of joy, passion, transparency, service and diversity.

With a total of 9 stores, we seek to become the preferred option for those who are looking for innovation and design for every corner of their home.

During 2024, we reinforced our commitment to our customers by opening three new branches in strategic locations: Oasis Coyoacán, Galerías Guadalajara and Plaza San Luis Potosí, which increased our presence to 9 stores in the country. This year, we enrolled more than 171 thousand new customers in our database, reaching more than 272 thousand customers by the end of the year. As a result, 82% of transactions were carried out by registered customers.

In addition, 59.8 million people passed in front of our stores, serving approximately 288 thousand people, underscoring the magnitude of our presence in the market. In terms of commercial performance, we achieved sales of 341 million Pesos and marketed 2.4 million items, reflecting our customers' confidence in and enthusiasm for our products.

Working in the present, but with our sights set on the future, by 2025 we intend to continue offering innovative solutions for every Mexican home, with the opening of 2 additional stores and the firm objective of consolidating our position as our customers' "Favorite Space". At Casaideas, we work daily to simplify daily life, brighten up every space and maintain a genuine commitment to sustainability, community and the integral wellbeing of the home.

EFFORT

RESTAURANT DIVISION

2024 was a year of solid growth, with increases in both transactions and average ticket, resulting in a 12.7% increase in sales.

GRG®

TOKS RESTAURANTE®

SHAKE SHACK®

El Farolito MR

PANDA EXPRESS CHINESE KITCHEN®

BEER FACTORY & FOOD

11

NEW RESTAURANTS

opened and 17 remodeled.

GROWING WITH EACH DISH, **CONQUERING WITH EACH EXPERIENCE.**

During 2024, we opened 11 new restaurants and remodeled 17 units. Our "A Comer Club" loyalty program continued to make a difference during 2024, closing the period with more than 1.3 million members, a 22.0% growth.

Focused on the needs and preferences of our customers, "A Comer Club" has added significant value to each experience through its personalization, differentiation and digitalization.

BURGERS FROZEN CUST
Stand For Sor
SALIDA DE EMERGENCIA

1.3

MILLION MEMBERS

in the "A Comer Club"
loyalty program,
with a growth of 22%.

PANDA APP
¡TUS ANTOJOS DONDE ESTÉS!
Mismos precios que restaurante.
Envío GRATIS Por lanzamiento.
Promociones y lanzamientos exclusivos.
1 BOWL GRATIS
EN TU PRIMER PEDIDO
AMERICAN CHINESE
CHOW MEIN
BEIJING BEEF

During the year

2024

WE HAD EXCLUSIVE BENEFITS

and early access to seasonal dishes for frequent customers.

In addition, we launched new functionalities in Pay Club, our online payment system, which allows users to choose between paying in full, by diner or by amount, transforming the payment experience, fast, secure and from your table. Our personalized commercial campaigns have reinforced the retention and frequency of our brands, surprising each customer with exclusive benefits and unique experiences such as the opportunity to try seasonal dishes before anyone else, all with the objective of consolidating their loyalty to our brands.

TOKS
RESTAURANTE

TOKS RESTAURANTE®

During 2024, we served 31.8 million customers, ensuring that every one of them enjoyed the "Detalles que saben bien" (Details that taste good).

12.7%

DE CRECIMIENTO EN VENTA

en relación al año anterior.

TOKS
LA COMBINACIÓN IDEAL
CAFÉ
PARA COMPARTIR
PANQUÉS Y OTROS ANTOJOS
TOKS A MANO
PRODUCTOS ARTESANALES
TOKS
PICK UP
ORDENA AQUÍ

1.2%

OF SALES

correspond to pick up.

WE ARE CONVINCED THAT EXCELLENCE **IS BUILT WITH DETAILS.**

The growth of our digital channels was evident: delivery accounted for more than 7% of our sales, while pickup reached a share of 1.2%, allowing the taste of Toks to reach our customers wherever they are.

+7%

OF OUR SALES

come from delivery.

We highlight the origin, freshness and quality of our ingredients through unique dishes, daily baked breads and pastries, fresh juices and waters of the day, and fair-trade coffee. We honor Mexico's rich culinary tradition, infusing it with our touch of innovation, highlighting the sale of more than 250 thousand orders of our traditional Chile en Nogada. Likewise, in October we joined breast cancer awareness by donating $463,396 Pesos to Fundación Cima through the sale of "Conchichis" in collaboration with Elena Reygadas' Panadería Rosseta.

TOKS
TOKS
HORARIO

31.8
MILLION CUSTOMERS
served in 2024.

At Toks, excellence is a reflection of the efforts of a highly committed team that maintains rigorous quality control and is constantly training to ensure that every dining experience is memorable.

Looking to the future, at Toks we will continue to consolidate our digital channels with the launch of e-commerce, reinforcing a unique delivery proposal.

We will resume the expansion of the brand with new openings to conquer palates in new markets and surprise our customers with a renewed image and modern facilities, equipped with kiosks and self-service bars.

Innovation, backed by the best ingredients and techniques, will allow us to continue offering great proposals during the coming year, including collaborations with brands for the elaboration of beverages and the participation of renowned chefs in our menu.

Behind every craving there is an unwavering commitment to bring the best to every table; we will continue to build this experience through the passion, dedication and quality that characterize Toks.

More than

$463

THOUSAND PESOS DONATED

to Fundación Cima in collaboration with Panadería Rosseta.

TOKS
Eduardo
TOKS

El Farolito.
TACOS DESDE 1962

El Farolito MR

2024 was a year full of flavor. We served more than 550 thousand orders of our emblematic tacos al pastor, reaffirming our commitment to authentic Mexican cuisine.

3

NEW UNITS IN 2024

Prado Norte, CDMX; Guadalajara International Airport and Galerias Garden, Metepec.

During

2024

WE ACQUIRED THE FRANCHISE

in the Santa Fe Shopping Center.

El Farolito MR

More than

400

CATERING EVENTS

delivered to homes and businesses.

THE TASTE OF TRADITION, **MADE TACO SINCE 1962.**

2024 was a year full of flavor for El Farolito. Our traditional taco restaurant since 1962, pioneer in the preparation of charcoal-grilled tacos and recognized for its unparalleled special sauce and the best quality pastor, served more than 550 thousand orders of our emblematic tacos al pastor, reaffirming our legacy and commitment to authentic Mexican cuisine.

This year, we opened three new units: Prado Norte in the CDMX, we landed in the new section at the Guadalajara International Airport and in Galerias Garden Metepec, State of Mexico.

These spaces highlight our distinctive elements, such as the traditional comal for making handmade tortillas, the grills for preparing the iconic Faroladas and our original volcanes.

In addition, in July 2024, we acquired the Santa Fe Shopping Center franchise, consolidating our expansion and presence in new key locations.

El Favorito

El Farolito.
SOPA DE ELOTE ESPECIAL

2025

WE WILL REAFFIRM OUR COMMITMENT

to innovation
and growth.

Our catering service also had an outstanding performance with more than 400 events in which we brought the authentic flavor of El Farolito to homes and businesses, thanks to the skill of our expert grillers, who master the art of grilling. Simultaneously, we innovated our beverage offering with the "Los Colorines" line, developing seasonal flavors that perfectly complement the gastronomic experience, reaffirming the ideal pairing with our tacos.

This year we also created innovative dishes for traditional celebrations such as the Torta Ofrenda made with pan de muerto and the rosca de reyes in the El Farolito style, leaving our own mark on the taste of our customers.

Our goal for 2025 is to reaffirm our commitment to innovation and growth. We will continue to develop new dishes for every occasion and consolidate our own delivery channel "Línea del Taco" [Taco Line], offering exclusive promotions and personalized options that will continue to provide a unique experience when enjoying our tacos.

We would like to express our most sincere gratitude to our team of collaborators and, above all, to our loyal customers for their constant preference. We continue to move forward, with the passion and tradition that characterizes us, so that El Farolito continues to be synonymous with quality and authenticity in every taco.

EXPANDING
OUR FIRE,
MAINTAINING
OUR ESSENCE.

PANDA EXPRESS
CHINESE KITCHEN

We cook in the Wok, innovative dishes to conquer new palates full of color, aroma and texture.

Opening of

2

NEW UNITS

during 2024.

GROWTH AND CONSOLIDATION OF OUR AMERICAN CHINESE CUISINE.

For Panda Express, 2024 was a year of consolidation; we cooked Asian flavors in the wok that made us conquer the palate of our customers and new ones to continue providing exceptional gastronomic experiences. We served more than 1.7 million customers.

This year presented a significant advance towards the digitalization of one of the brand's most important channels with the launch of the PANDA APP, our e-commerce platform designed to satisfy our customers' cravings anytime, anywhere. With the same prices as the restaurant, free shipping and a hyper-personalized strategy, the app is positioned to become our guests' favorite channel. On the dining front, our proposition continued to evolve with the launch of Spicy Bourbon Chicken, a delicious explosion of flavors that became our most successful LTO (Limited Time Offer) in years, reaching a share of 13.6% between September and December.

Our Tajin Beef with

6.8%

SHARE IN SALES

during 2024.

In addition, our Wok masters prepared Tajin Beef, a collaboration that surprised our guests with its spicy flavor, achieving a 6.8% share in sales.

In 2024 we resumed the growth and expansion of the brand, we opened two business units; one located in Metepec, State of Mexico and the second in Cetram, Puerta Oriente; Mexico City. In addition, we relocated our Interlomas branch to Palmas UNO and the Dark Kitchen from San Ángel to Juárez. And we remodeled Leibinitz and Cervantes in order to always surprise our customers' experience.

We made a very special collaboration with the Carreño Brothers, who were involved in the packaging of our "Family Pack" and thus were able to bring our Original Orange Chicken to the table of many families during the Christmas celebrations.

Looking ahead to 2025, Panda Express will continue to consolidate its positioning as the best American Chinese offering that masterfully fuses the best of both worlds to deliver a robust experience and value promise. In addition, we will strengthen the participation of our Panda App to become our customers' favorite channel for their orders.

We will grow our presence with the opening of four new units in the Valley of Mexico and, above all, we will continue with our certification and training plan to strengthen our value promise as the wok experts.

From our family to yours!

SHAKE SHACK
TRASH
BASURA
INORGÁNICA
SHAKE SHACK

SHAKE SHACK®

This year was a reflection of our commitment to innovate, expand and continue to create memorable experiences for our guests.

32.3%

GROWTH IN SALES

in 2024.

34.1%

INCREASE

in transactions, reflecting higher customer confidence.

HACK
SHAKE SHACK

5th ANNIVERSARY IN MEXICO,

with special events
and collaborations with
renowned chefs.

GROWING WITH PASSION, SERVING WITH EXCELLENCE.

This year has been a reflection of our commitment to innovate, expand our brand and continue creating memorable experiences for our guests. Since our first opening in Mexico, Shake Shack's mission to "Stand For Something Good" has been present in every decision we

make. As we celebrate our 5th anniversary in Mexico, we remain committed to using the highest quality ingredients, strengthening our communities and providing unforgettable experiences for our guests, teams and partners. 2024 has been a period of transformation, characterized by remarkable growth, innovation and consolidation of our presence in the country.

During the year, our sales grew by 32.3% compared to the previous year, while the number of transactions increased by

4

NEW SHACKS

opened in Interlomas, Guadalajara UM Airport, Cumbres Monterrey and Tijuana Airport.

34.1%, reflecting both the confidence of our customers and the positive impact of our commercial strategies.

In 2024, we strengthened our gastronomic offering as one of the market's favorites, serving more than 2.7 million hamburgers and more than 1.9 million fries in all our Shacks. Notably, the Smashed Onion Burger, Carajillo Shake and Guava Lemonade stood out as the best-selling LTOs (Limited Time Offers) of the year, while our cheese sauce reaffirmed its place as our guests' favorite extra.

In 2024, we opened four new Shacks, including our first location at the Tijuana International Airport, bringing our total to 18 Shacks in Mexico. With new openings in Interlomas, State of Mexico; Guadalajara UM Airport; Cumbres Monterrey and Tijuana Airport, we continue to reach more consumers and expand our community.

We also celebrated our 5th anniversary in Mexico during the year with special events and exclusive collaborations: In partnership with Chef Lucho Martínez, we created Lucho's Crab Burger and also joined forces with chefs Guillermo González Beristáin and Eduardo Morali of Restaurante Pangea in Monterrey, launching the Pangea Burger, which incorporates 100% natural Angus beef. To commemorate these five years of history, we revived all of our merchandising collaborations in a Pop-Up Store, in addition to launching a limited edition line with designer Tony Delfifino, which included bomber jackets, hats, socks and accessories inspired by the essence of Shake Shack.

The year 2024 also marked a significant advance in our digital transformation that provides a better experience for our customers. With the implementation of the SHACK APP and the installation of self-ordering kiosks, we were able to reduce waiting times and improve service efficiency, both for consumption at Shack and for take-out and delivery orders. At the same time, we continue to focus on the well-being of our team, made up of more than 800 employees, through training and professional growth programs that reinforce our culture of hospitality and operational excellence.

With our sight set on the future, we will continue to grow and innovate, always true to our essence and our mission to do things right, giving the best to our customers.

ZONA LIBRE DE
HUMO DE TABACO
Y EMISIONES
DOUBLE BACON
CHEESEBURGER
TIRAMISÚ

+800

EMPLOYEES BENEFITED

from training and professional growth programs.

RENGTH

REAL ESTATE DIVISION

2024 was a positive year, in which we achieved a record occupancy level of 96.6% in our commercial spaces.

GIGANTE GRUPO INMOBILIARIO®

8.2%

INCREASE

in pedestrian traffic in our shopping centers.

12.6%

IN RENTAL

income.

EFFICIENT

OPERATIONS

DRIVE OUR

CONSOLIDATION

IN THE MARKET.

We surpassed our established goals by a wide margin, setting a historic high for the last eight years. In the office segment, occupancy reached 68.1%, with a 45.0% growth in leased space between owned and managed properties.

This outstanding performance was reflected in a 12.6% increase in rental income compared to the previous year and an improvement in cash flow compared to initial projections, evidencing the strength and dynamism of our operations. In addition, the notable 8.2% increase in pedestrian traffic in our shopping centers highlights the growing attraction and positive impact that our spaces generate in the marketplace.

5,956 m²

OF RENTABLE SPACE ACHIEVED

in our new G-Square warehouse format.

In the same fiscal year, G-Square expanded with the opening of three new branches, complemented by the expansion of its first opening, reaching a total of 5,956 rentable square meters with an occupancy rate of 42%. On the other hand, SET ended the year with a 25.9% growth in revenues, managing 83 parking lots. These achievements reflect our ongoing commitment to optimize each of the assets in our portfolio, generating value for both our customers and the community.

Looking ahead to 2025, at Gigante Grupo Inmobiliario we will continue to invest in the development of new spaces and in the updating of our technological tools, in order to have agile and accurate information that will strengthen our management.

We will continue to improve the commercial offerings of our centers, ensuring that each space is not only attractive, but also offers an exceptional shopping experience that exceeds our customers' expectations. At GGI we transform spaces into experiences, creating environments that foster well-being, productivity and enjoyment.

Moreover, the integration of environmental, social and governance principles at the heart of our operations reaffirms our commitment to building a more sustainable and equitable future. With this vision, we are ready to face the challenges of the coming year, driven by the expertise, resilience, and unity that have characterized our great real estate group.

GSquare
RENTA DE MINIBODEGAS
ESCRÍBENOS

68.1%

OCCUPANCY RATE

in office space with a 45% growth in leased space.

FINCAS

COMM

ITMENT

TO

SUSTAINABILITY

We understand that sustainability is not only a responsibility and commitment, but also an opportunity to strengthen our growth.

2024

WE STRENGTHENED

our sustainability strategy through initiatives that reflect environmental responsibility.

Our mission to create value through integration, communication and exchange of experiences in sustainability guides our decisions and actions in the Retail, Hospitality - Restaurants and Real Estate sectors. We firmly believe that sustainable development is a key pillar to generate synergies and maximize the profitability of our businesses, while contributing to social development and the conservation of natural resources.

Our Sustainability Committee, created in 2023, has been key to advancing our ESG (Environmental, Social and Governance) agenda, ratifying priorities, monitoring progress and promoting strategic alliances. During the year, we have strengthened our sustainability strategy through initiatives that reflect our commitment to environmental responsibility, social inclusion and ethical governance.

Below, we present some of the progress and achievements made in our sustainable management, highlighting the positive impact of our actions and reaffirming our commitment to a sustainable future for all our stakeholders.

CORPORATE GOVERNANCE

In the area of Corporate Governance, one of the most relevant milestones was the creation and publication of the General Sustainability Policies, a guiding document that formalizes the Group's principles and commitments regarding human rights, the environment, anti-corruption, and diversity and inclusion. This policy establishes clear guidelines to be adopted by all business units, ensuring a transversal implementation.

The Board of Directors of Grupo Gigante, S.A.B. de C.V. met five times during 2024, reaching 94% attendance of its members, which reflects the high degree of commitment to strategic oversight and the integration of risks and opportunities in the management of the business.

There were also changes in the composition of the Board, marking a significant step towards greater representativeness. Two board members left their positions, and two new female board members took their place, strengthening not only the plurality of perspectives in decision-making, but also reaffirming our commitment to gender diversity in our governing bodies. This change complements the efforts undertaken by the Diversity, Equity and Inclusion Committee, consolidating a more inclusive culture from the top management.

ENVIRONMENT

In environmental matters, Gigante Grupo Inmobiliario continues to make progress in its commitment to energy efficiency and the use of clean sources. Currently, 6% of the electricity consumption of its properties comes from renewable energy (solar) and another 28% comes from a clean source (efficient cogeneration), which allows them to significantly reduce their carbon footprint.

In its operations, efficient use and reuse of water is a priority. Each year, they treat 185,000 m³ of water in their wastewater treatment plants, managing to surpass 100% of potable water consumption in common areas. In addition, 51% of the total water consumption of its buildings comes from recycled water, used in bathrooms, irrigation of green areas and cooling towers, contributing in a tangible way to the care of drinking water.

Gigante Grupo Inmobiliario incorporates in its operations a waste management policy focused on waste revaluation. Currently, they revalue 20% of the waste generated in their properties and, in order to strengthen this commitment, they work with their tenants to double this volume. This effort drives its circular economy model, promoting more sustainable practices throughout its value chain.

ODEMÁS reinforced its environmental commitment through key initiatives that generated measurable and positive impacts in the areas of recycling, energy efficiency and clean transportation:

Recycled 425 tons of cardboard and 94 tons of plastic film, which represented an estimated saving of 7,226 trees, 3 million gallons of water, enough energy for 263 homes, and displacing 302 tCO2e.

Implemented automation technology in 27 stores, optimizing their operations and consumption schedules, generating savings of 162,399 kWh and reducing 72,105 kgCO2e.

51%

OF THE TOTAL WATER CONSUMPTION

of Gigante Grupo Inmobiliario's properties comes from recycled water, used in bathrooms, irrigation of green areas and cooling towers.

54 stores currently operate with clean energy (efficient cogeneration).

They obtained Clean Transportation Certification after evaluating 288 units. These improvements generated savings of 39,849 liters of fuel and a reduction of 108 tCO2e.

Petco closed the year with three branches operating with solar panels, which allowed 69% of its energy consumption to come from this source, avoiding the emission of 153 tCO2e.

Grupo Restaurantero Gigante used 65% clean energy in its operations, and reduced its Scope 2 emissions to 13,327 tCO2e, which represents a 28% reduction compared to the estimated emissions per location.

During the Christmas season, the company rents potted Christmas trees to decorate its branches, and then volunteers to reforest Christmas trees, with the participation of more than 100 employees.

They recycle used vegetable oil, empty toner cartridges, organic waste and recyclable materials.

They were also recognized as one of the top 5 food donation brands in Mexico.

SOCIAL RESPONSIBILITY

In the social area, through Fundación Gigante, A.C., we continued to strengthen the positive impact in the communities where our business units operate, especially in education, health and community development. Grupo Restaurantero Gigante consolidated its commitment through initiatives focused on productive projects, health, education and volunteering.

SOME EXAMPLES OF SUCH PROJECTS:

1. Productive and Artisan Projects

Alliances with producers and craftswomen were strengthened, highlighting:

- Production of jams (50,300 jars) for Mother's Day ($729,350).
- Handcrafted Christmas kits with an economic impact of $837,980.
- Significant purchases of products such as Amuzga honey and palm baskets.
- Sale of 790 pieces of books, with the history of some of our Productive Projects, generating $117,710 in income for the Fondo Verde (Green Fund), in support of GRG collaborators.

2. Tacaná Coffee Project

Driven by the purchase of 73,000 kg of coffee and international sales (UN and Switzerland), generating income of more than $7.6 million in total. Investment was made in infrastructure (warehouse, solar dryer) and trained more than 50 small producers. The trademark "Los sueños del Tacaná" was registered. Volunteering and Community Support.

3. Volunteering and Community Support

- JugueToks benefited 68 children in vulnerable situations.
- Workshops were held at Hogares Providencia and medical campaigns in Oaxaca, reaching 300 people.
- Fondo Verde granted $329,501 in health and thanatology support.

4. Education and Academic Alliances

- Two generations of students participated in the GRG Corporate Seminar (UNAM-IPN).
- Nutritional evaluation in CEDIS with Universidad Intercontinental UIC and design of healthy menus.
- Online financial training for social producers.

5. Campaigns with a Cause

- Shake Shack raised more than $494,000 in its "Sprinkled with Pride" campaign.
- Other initiatives generated more than $282,000 in donations to foundations such as Dibujando un Mañana, and Fundación Yépez, among others.

Petco launched the "Protegerlos es Amarlos" campaign to raise awareness of pet deworming. It reached more than 95 thousand adoptions and raised $5.6 million Pesos with its "Redondea un Hogar" and "Salvando Vidas" campaigns. It also encouraged free sterilization in Jalisco and promoted healthy eating with "Lo que comen sí importa".

Also noteworthy are the initiatives of the Diversity, Equity and Inclusion Committee (DEI), created in 2023, with the aim of promoting inclusive and respectful workplaces. Key actions include:

- Inclusion goals and quarterly monitoring.
- Increase in the number of employees with disabilities from 0.048% to 1%, with training actions, Mexican Sign Language awareness and recruiter certifications.
- "Impulsa Gigantes" program for female leadership.
- Participation in the MX 2024 Equity Index.
- Workshops, training and continuous education in DEI culture.

Aware of our responsibility and the role we play in the transformation towards a more sustainable business model, we will continue to innovate and integrate best practices in all our operations, ensuring that Grupo Gigante's growth translates into tangible benefits for society and the planet.

65%

OF CLEAN ENERGY

used in Grupo Restaurantero Gigante's operations.

UPPORT

FUNDACIÓN **GIGANTE**

We believe that Corporate Social Responsibility (CSR) should be an authentic and continuous commitment to society.

FUNDACIÓN GIGANTE®

+57,000

PEOPLE BENEFITED,

through more than 25 projects
that we continue to promote.

We believe that our actions must go beyond economic benefits, and that it is essential to make a significant contribution to the well-being of the neediest communities.

Our work is focused on three priority areas: Health, Education and Natural Disasters. These are the areas where we identify the greatest opportunities to generate real and sustained change. Through them, we not only offer immediate support in critical moments, but also work to create solutions that promote a more balanced and just development in the long term.

All of this would not be possible without the collaboration and dedication of our team, whose day-to-day commitment is key to carrying out projects that truly make a difference. Thanks to their effort and passion, we continue to promote social development throughout the country.

At Fundación Gigante and Grupo Gigante, we understand that a responsible company should not only generate economic value, but also have a positive impact on its environment. Therefore, our projects are designed to be sustainable, both from the social and environmental perspectives, ensuring that our actions benefit both current and future generations.

In 2024, we had the privilege of reaching more than 57 thousand people, with an investment of 49 million Pesos, through more than 25 projects that we continue to promote with the conviction that every action counts. Below are some of the most representative projects that reflect our commitment to society.

TECHO
RECONOCIMIENTO
Construcción e instalación 2024
Otorgamos el presente reconocimiento a la familia:
LUCIA MEDINA GARCÍA
TECHO
COLECTA 2022

$49

MILLION PESOS

invested in social impact initiatives.

GRUPO GIGANTE

4

EMERGENCY HOUSING UNITS

built for employees affected by hurricane Otis, in partnership with TECHO.

FUNDACIÓN GIGANTE: TOGETHER WITH THE ORGANIZATION TECHO, **WE BUILT EMERGENCY HOUSING.**

HURRICANE OTIS HOUSE CONSTRUCTION

In response to the humanitarian emergency caused by Hurricane Otis, Fundación Gigante deployed various actions to provide immediate support to the victims, including the donation of food supplies, the installation of collection centers and fundraising campaigns in Grupo Gigante companies, the amount collected was doubled by Grupo Gigante. These initiatives were key to mitigating the immediate effects of the disaster.

However, the aid did not stop there. Aware of the devastation that many families experienced when they lost their homes, Fundación Gigante, together with TECHO, built emergency housing. Four employees of Toks and Office Depot, whose homes were destroyed, now have a safe home, allowing them to begin rebuilding their lives after the devastating effects of the hurricane.

EVITAR EL MALTRATO
ANIMAL EN STA ROSA 30
La NAVIDAD de los CRAYONES
Lectura y
Escritura
Crayola
Crayola
Crayola

20,942

STUDENTS BENEFITED

from the “Educación Responsable” (Responsible Education) program in alliance with Fundación Botín.

MULTIPLYING JOY SCHOOL REHABILITATION

After the devastating passage of Hurricane Otis in October 2023, the Multiplicando Alegrías [Mutiplying Joy] alliance was born, a project to rehabilitate 17 public schools in Guerrero, directly benefiting 4,992 students and 223 teachers in Acapulco and Coyuca de Benítez. Since December 2023, damages were assessed and the needs of each institution were prioritized, implementing improvements such as renovation of facilities and construction of classrooms and rainwater harvesting systems. Hurricane John in 2024 put the rehabilitated schools to the test and two of them served as shelters for affected families.

In total, we have directly benefited 5,215 people and indirectly more than 20,800 people, the project has generated close to 50 direct jobs, strengthening the local economy. The collaboration

of foundations and organizations such as: Fundación Gigante, Fundación Familia Bocar, Santander, Promotora Social México, Fundación Kaluz, Fundación Chedraui, Fundación Compartamos, Fundación Posadas, Fundación Caaarem, Fundación Coca Cola and Niños en Alegría, has been key to the success of this initiative.

17

PUBLIC SCHOOLS

rehabilitated after Otis in alliance with "Multiplicando Alegrías".

$27.4

MILLION PESOS

collected in joint fund.

WE DIRECTLY IMPACTED **431 GIRLS, BOYS AND ADOLESCENTS.**

ADD UP TO TRANSFORM

In 2024, the “Sumar para Transformar” alliance directly impacted 431 girls, boys and adolescents, and also trained 233 individuals in charge of protection. This initiative recognized 14 Orphanages winners of the "Sumar para Transformar 2024" Call, which stand out for their work in the protection and restitution of the rights of girls, boys and adolescents without parental or family care.

This alliance is formed by: Fundación Familia BOCAR, Fundación Monte de Piedad, Fundación Dibujando un Mañana, Fundación Gigante, Fundación Compartamos and Promotora Social México. Together, they created a fund of $27,400,000 to strengthen the intervention models and improve the results of 14 Social Assistance Centers in Mexico City and Querétaro, with an investment of $1,900,000 per CAS over a two-year period, positively impacting the quality of life of the beneficiaries and promoting child upbringing and protection practices.

A GIANT SCHOLARSHIP

In 2024, Fundación Gigante awarded 500 scholarships to children and adolescents. The call "UNA BECA GIGANTE" is aimed at supporting the school expenses of those studying from elementary school to bachelor's degree.

The scholarships consist of monthly support for 10 months, with amounts that vary according to educational level: $900 for basic education (elementary and high school), $1,200 for middle school (high school, technical professional and undergraduate) and a $1,500 scholarship of excellence for undergraduate students with an average of 9.5 or higher. This effort seeks to provide economic relief and promote quality education among families.

RESPONSIBLE EDUCATION

In 2024, the "Educación Responsable" program, which we have in partnership with Fundación Botín, benefited 144 schools, 20,942 students and 1,364 teachers. This initiative, which we implement jointly with Fundación Proed, seeks to foster the emotional, social and creative development of girls, boys and young people between the ages of 3 and 16, using disciplines such as literature, music, plastic arts and visual arts. Using these tools, many learning events have been designed that integrate emotions into the educational process.

The impact of the program has been reflected in a significant improvement in school coexistence, communication and emotional growth of students. The model is currently implemented in 11 states of the Mexican Republic (State of Mexico, Mexico City, Hidalgo, Michoacán, Morelos, Nuevo León, Oaxaca, Puebla, Querétaro, Tamaulipas and Zacatecas), and not only promotes participation and self-control, but also helps to reduce anxiety, unsociability and aggressive behavior, promoting a healthier educational and family environment.

500

SCHOLARSHIPS

for school support granted to girls, boys and adolescents.

San Pedro

CORPORATE PRACTICES COMMITTEE

Mexico City, March 24, 2025

To the Board of Directors
To the Shareholders Meeting of
Grupo Gigante, S.A.B. de C.V.

Dear Board Members and Shareholders:

In our capacity as members of the Corporate Practices Committee, and in compliance with the provisions of Article 43, Section I and other applicable provisions of the Securities Market Law (Ley del Mercado de Valores), also taking into account the bylaws of Grupo Gigante, S.A.B. de C.V., and the Regulations of its Board of Directors, we hereby submit the Report of this Committee for the activities of fiscal year 2024.

In accordance with the aforementioned provisions, and taking into account the circumstances generated during the fiscal year ended, this Committee adopted resolutions in lieu of a meeting by unanimous vote of its members on one occasion and held four working sessions, which were carried out in the form of combined participation, that is, in addition to the attendance of some of the member directors and guests at the Group's corporate offices, some others participated remotely via zoom, presenting their respective reports and recommendations to the Board of Directors, with respect to the content and development of the following topics and functions:

I. CORPORATE GOVERNANCE OVERSIGHT. In compliance with the "Corporate Governance" program, the ESG - Sustainability Project and the applicable legal provisions, the Committee supervised the meetings and functioning of the governing bodies and their rules of operation, as well as compliance with the legal provisions on the matter and with Grupo Gigante's bylaws. It is reported that they were carried out in due time and form, having held the different meetings of the Board itself and its Committees, based on what was established.

II. COMPREHENSIVE COMPENSATION PLAN. Based on the Compensation Plan of the Chief Executive Officer and the Key Officers of Grupo Gigante and its subsidiaries, including the base salary structure, the variable annual compensation or performance bonus, the long-term incentive and the retirement benefit, the Committee actively participated in the supervision of its execution, having proposed and agreed on adjustments and clarifications, listening to the proposals of the management.

III. REVIEW AND APPROVAL OF GENERAL AND SPECIFIC INCREASES. In terms of its attributions and taking into account the Group's general and specific economic conditions, the Committee reviewed and approved management's proposals in this regard.

IV. EVALUATION OF THE PERFORMANCE OF THE CHIEF EXECUTIVE OFFICER AND KEY OFFICERS. In compliance with the applicable provisions, the performance of the Chief Executive Officer of the Company and its Key Officers of Grupo Gigante and its subsidiaries was evaluated, having authorized salary adjustments, as well as performance bonuses for the results of fiscal year 2023, as well as the plans and objectives for 2024.

V. RELATED PARTY TRANSACTIONS. In compliance with and execution of its responsibilities and powers, and based on the provisions of Article 28, Section III, paragraph b) of the Securities Market Law, the Committee reviewed and analyzed transactions between related parties, recurring and specific, seeking at all times fair values, costs and market parameters in these transactions, for the benefit of the Company and its subsidiaries. In addition to the Group's own intercompany transactions, it was necessary to submit a relevant transaction to the consideration of the Board, for its knowledge and approval, within the framework of the existing regulations and the internal Corporate Policies on Related Parties.

VI. WAIVERS ESTABLISHED BY LAW. Since there was no situation that had to do with the waivers referred to in Article 28, Section III, paragraph f of the Securities Market Law, there was no need to submit these transactions to the Board, and consequently there is nothing to report.

VII. CORPORATE POLICIES AND PROCEDURES. The Committee participated in the supervision of the review and application of the established corporate policies, having reviewed and agreed on some updates, such as the Social Responsibility Policy, the Securities Operations Policy, as well as some clarifications to the Retirement Benefit Policy.

VIII. ADJUSTMENTS TO THE REPORTING STRUCTURE TO THE CORPORATE LEGAL MANAGEMENT AND THE LEGAL AREAS OF THE GROUP. Listening to the analysis made by management itself and its respective recommendations, the Committee approved the new reporting structure to the Corporate Legal Management and the Group's Legal Areas.

IX. PTU (Employee Profit Sharing). In accordance with labor and tax legislation and other applicable provisions, the Committee received the analysis and proposals of the Employee Profit Sharing of Grupo Gigante and its subsidiaries that have employees, having been

informed of the compliance of the obligations that such companies have individually in this regard.

X. LABOR AMENDMENT MATTERS. Considering the labor amendment approved in 2019 and its full and effective application, the Committee participated in the review of its implementation and the actions of management in this regard, ensuring proper compliance with the Amendment, for which purpose it held meetings with management and its specialized external advisors. Special attention was given to the review of collective bargaining relations in general and of each participating company in particular. Likewise, we reviewed the amendments to the different legal provisions regarding work shifts (including the amendments to the "General Law to Prevent, Punish and Eradicate the Crimes of Human Trafficking and for the Protection and Assistance to the Victims of these Crimes" (Ley General para Prevenir, Sancionar y Erradicar los Delitos en Materia de Trata de Personas y para la Protección y Asistencia a las Víctimas de estos Delitos), an amendment that equates the crime of Human Trafficking to certain issues of the labor relationship, in relation to work shifts, having worked together with the administration regarding its proposals for the establishment of Policies and Procedures that allow permanent monitoring of these provisions.

XI. SUSTAINABILITY PROGRAM, PROGRESS ON THE ESG PROJECT (ENVIRONMENTAL, SUSTAINABILITY AND GOVERNANCE CONSIDERATIONS). Based on the diagnosis made, with the participation of specialized external advisors and our own conclusions, listening to the proposals of management and the recommendations of the Audit Committee, who previously supervised this project, the Committee approved the guidelines of this program, It was agreed to be involved through recurring feedback and the permanent reception of progress reports that will include -among other issues- the Group's ratings, the work of the Sustainability Committee, the Materiality Analysis, the Strategy Definition, the Measurement of Environmental, Social and Governance Indicators (Corporate Governance), the Follow-up Guidelines, the development and implementation of the Corporate Ethics and Sustainability Culture, etc.

XII. WHISTLEBLOWER CALL CENTER INDICATORS. Having also received this program from the Audit Committee, the Committee participates in the receipt of this permanent effort, which includes the participation of a specialized external provider that supports the hotline in its various forms of reception, such as anonymous hotline (800 number), WhatsApp, email, website, internal chat, etc., managing the flow of complaints by role assignment, communication with the whistleblower and the issuance of reports and corrective actions with the participation of all the Group's employer companies. The program currently includes complaints from employees, suppliers and customers. With the participation of Corporate Audit and the Audit Areas in the Business Units, including the heads of these units, support and timely and permanent follow-up of such complaints is provided.

XIII. HUMAN CAPITAL INDICATORS OF GRUPO GIGANTE AND EMPLOYER SUBSIDIARIES. The Committee participates in the receipt and feedback of these indicators, actively interacting with management in the knowledge of this information which includes, among many other issues and indicators, the Headcount of Grupo Gigante and its employer companies, Average Age, Seniority, Ages by Gender, Gender Distribution, Turnover, Hiring Times, People with Disabilities, Productivity per Employee, Payroll Expense in relation to Sales and Operations, Recruitment Sources, Recruitment Costs, Training Costs, Hiring Costs, etc.

XIV. REVIEW AND RECOMMENDATIONS TO THE BOARD OF DIRECTORS ON THE ANNUAL REPORT OF THE EXECUTIVE CHAIRMAN AND THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER. The Annual Report 2024 of the Executive Chairman, and of the Board of Directors and of the Chief Executive Officer was reviewed and it was agreed to recommend its approval.

By virtue of the foregoing, we hereby comply with the provisions of Article 43, Section I and other applicable provisions of the Securities Market Law, as well as other provisions of a general nature, the bylaws and the Regulations of the Board of Grupo Gigante, S.A.B. de C.V.

Roberto Salvo Horvilleur
Chairman of the Committee

Beatriz Patrón Guerrero
Board Member

Juan Carlos Mateos Durán de Huerta
Board Member

Sergio Montero Querejeta
Secretary of the Committee

AUDIT COMMITTEE

Mexico City, March 25, 2025

To the Board of Directors
To the Shareholders Meeting of
Grupo Gigante, S.A.B. de C.V.

Dear Sirs:

In our capacity as Members and Secretary of the Audit Committee and in compliance with the provisions of Articles 42 and 43 of the Securities Market Law, the Committee's Bylaws and the Internal Regulations of the Board of Directors of Grupo Gigante, S.A.B. de C.V. (Grupo Gigante), and bearing in mind the recommendations of the Code of Principles and Best Practices of Corporate Governance, we hereby submit our annual report for the fiscal year 2024, having performed the following duties:

I. We analyzed and recommended for approval the quarterly and annual consolidated financial statements, having requested from the External Auditor the corresponding written reports for each quarter, which confirm that the financial information of Grupo Gigante was prepared under the same financial reporting standards, criteria and practices with which the annual reports are prepared, which as mentioned in point III, have been prepared using the International Financial Reporting Standards (IFRS).

II. We reviewed the status of the internal control and internal audit system of Grupo Gigante. In relation to the Corporate Internal Audit Department, the Committee reviewed and approved its budget, guidelines, annual review plan and its due compliance. We conclude that in general, the internal control and internal audit system is adequate.

III. We approved the operating and accounting guidelines and policies of Grupo Gigante and its subsidiaries, in compliance with IFRS.

IV. We verified that the mechanisms established for risk control of the different business units of Grupo Gigante are observed.

V. We followed up on strict compliance with the approval policy for services other than external audit services in order to validate its effectiveness and compliance with the regulations and provisions issued by the National Banking and Securities Commission during 2018 and thus ensure the independence of the external auditor.

VI. We reviewed and followed up on the reinforcement and implementation of Information Security practices in Grupo Gigante, including all risks and controls related to Cybersecurity.

VII. We evaluated the performance of the firm Galaz, Yamazaki, Ruiz Urquiza, S.C., who audited the consolidated financial statements for the fiscal year, as well as the External Auditor, Certified Public Accountant Sergio Vargas Vargas and his team, and we considered that they all performed their duties in accordance with International Auditing Standards and the applicable provisions of the Securities Market Law. We approved their Service Plan, their Report of Remarks and Recommendations, the Action Plans established by management, as well as recommended to the Board of Directors the approval of their Opinion on the consolidated financial statements as of December 31, 2024.

VIII. We analyzed the description and assessment of the services other than the external audit of financial statements provided during fiscal year 2024 by the firm Galaz, Yamazaki , Ruiz Urquiza, S.C., and we received their confirmation of independence.

IX. We reviewed the process carried out by Grupo Gigante to support and document the statement signed by those responsible for signing the basic audited financial statements in terms of Article 32 of the provisions issued by the CNBV on April 26, 2018.

X. We approved the reports of external and internal lawyers to ensure that Grupo Gigante and its subsidiaries duly comply with legal provisions, as well as the timely disclosure of any contingencies. Likewise, we held working sessions with its External Auditor, its Corporate Director of Internal Audit, as well as with the officers we considered appropriate from the management of Grupo Gigante and its subsidiaries.

XI. The management submitted to the Committee the control measures implemented to formally comply with the Federal Law for the Protection of Personal Data Held by Private Parties (Ley Federal de Protección de Datos Personales en Posesión de los Particulares), as well as the Federal Law for the Prevention and Identification of Operations with Illegal Proceeds (Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita).

XII. We consider matters related to relevant remarks and, as the case may be, possible allegations of irregularities in the administration made by shareholders, board members, senior management, employees and, in general, any third party, with respect to accounting, internal controls and matters related to internal corporate or external auditing.

XIII. We follow up on the resolutions of the Shareholders Meetings and of the Board of Directors Meetings related to this Committee.

XIV. We reviewed the Annual Report for the fiscal year 2024 of the Chairman of the Board and the Chief Executive Officer of Grupo Gigante.

Based on the work performed and the opinion of the external auditors, we are of the opinion that the accounting and reporting policies and criteria followed by the Company are adequate and sufficient and have been applied consistently, therefore, the information submitted by the Chief Executive Officer fairly reflects the financial position and results of the Company.

Due to the foregoing, we recommend that the Board of Directors submits for the approval of the Shareholders Meeting, the Financial Statements of Grupo Gigante for the year ended December 31, 2024.

Accordingly, we hereby comply with the obligation set forth in the aforementioned Articles of the Securities Market Law and in the Bylaws and regulations of the Board of Directors of Grupo Gigante.

Carlos Vara Alonso
Chairman of the Committee

Roberto Salvo Horvilleur
Board Member

Regina García Cuellar Céspedes
Board Member

Ernesto Valenzuela Espinoza
Secretary of the Committee

FINANCE AND PLANNING COMMITTEE

Mexico City, March 24, 2025

To the Board of Directors
To the Shareholders Meeting of
Grupo Gigante, S.A.B. de C.V.

Dear Board Members and Shareholders:

In our capacity as members of the Finance and Planning Committee and in compliance with the provisions of the Bylaws and the Regulations of the Board of Directors of Grupo Gigante, S.A.B. de C.V. ("Grupo", "GG" or the "Company"), we hereby submit for your consideration the Report of Activities for the year 2024.

In accordance with the aforementioned provisions, this Committee adopted resolutions in lieu of a meeting, by unanimous vote of its members, on one occasion and held five ordinary working sessions, all with combined participation, that is, with the attendance of directors, members of management and/or guests, at the Group's corporate offices, while other participants were connected remotely, through Zoom, presenting their respective reports and recommendations to the Board of Directors in a timely manner, in all the sessions of the Board of Directors, regarding the content and development of the following topics and responsibilities:

I. RECURRING ACTIVITIES. In compliance with its responsibilities and in the exercise of its powers, the Committee received detailed and timely information, on a quarterly or extraordinary basis, on matters related to strategic, financial and budgetary aspects, which being duly analyzed and agreed upon, integrated the decisions and recommendations of this collegiate body to the Board of Directors, being relevant to report on the discussion and analysis of the following specific topics:

I.1. Budget 2024, its structure, follow-up, adjustments and progress.
I.2. Cash flows of the Group during the year.
I.3. Yearly and quarterly results for the fiscal year of the Company and its subsidiaries.
I.4. Reports on Associates and Joint Ventures.
I.5. Performance by business unit.
I.6. Consolidated Statements of Financial Position.
I.7. Integration, follow-up and adjustments of the Capex of the company and its business units.
I.8. Monitoring and careful use of the credit lines of the Company and its controlled companies.
I.9. Analysis and discussion regarding the behavior of debt and the different sources and alternatives of financing for the Group and subsidiaries, including debt indicators and compliance.
I.10. Analysis and definition of the premises and main aspects of the 2024 budget
I.11. Follow-up and reporting of openings and closings of the Group's units.
I.12. A Analysis and, if applicable, approval of investment and divestment projects.

II. SUPERVISION OF THE GROUP'S TREASURY MANAGEMENT. As every year, periodic reviews were carried out on various alternatives and investment guidelines were defined, and their performance and compliance were carefully monitored. As a complement to the annual report, it is reported that at the close of fiscal year 2024, the Company's treasury ended with an amount of $3,274' million Pesos, after having paid interest, amortized bank loans and covered investments of various kinds, including financial interest income. The market value of our stock at year-end was $28.00 per share.

III. REPURCHASE POLICY AND OUTSTANDING SHARES. This Committee received periodic reports regarding compliance with the Company's own shares repurchase policy, with no operations to report, informing that at the close of the fiscal year the Company had 994,227,328 shares issued.

IV. ASSET VALUATION CRITERIA. Listening periodically to the opinion of the external auditors, the management itself and its specialized advisors, the Committee participated in the review and confirmation of the asset valuation criteria, recommending to the Board the authorization of the same, in application of the International Financial Reporting Standards (IFRS).

V. MONITORING OF THE DEBT OF THE GROUP AND ITS MAIN SUBSIDIARIES. Considering several factors, such as the economic situation of the country and its effects on consumption and the market, the closings and openings of units of some of the Company's business formats, but especially taking into account the payments and maturities of the debt, its cost and negotiated amortizations, and in general the debt indicators, as well as other operating elements and projections of the Company's results, the Committee -in conjunction with the management and taking into account its analysis and proposals- actively and recurrently participated in the study and execution of strategic and financial decisions, both in monitoring and affecting cash flow and the behavior of the debt of the Group and its subsidiaries, having continued

with the execution of savings and inventory control measures at all levels, as well as with the permanent study of the possible monetization or divestment of non-strategic assets of the Company and its subsidiaries, in the search for liquidity events for growth and other strategic purposes, in the context, care and compliance with the covenants of the Group's own debt and that of its subsidiaries. By virtue of this, and taking into account the flow behavior, as well as the short, medium and long term maturities of the debt of the Group and its subsidiaries, we continued with the supervision of the successful negotiation achieved with financial institutions of the country, for the rescheduling of such debt, having ended the fiscal year with an amount of $9,964 million Pesos of total debt, with the involvement of 5 banks of the Financial System of the country, including Bancomext.

At the same time and considering the characteristics of the debt, its costs, terms, covenants, etc., the necessary hedges were taken.

VI. BUSINESS PLAN FOR GRUPO GIGANTE AND SUBSIDIARIES. Considering the permanent exercise of reviewing and updating the Strategic Planning for Grupo Gigante and its main subsidiaries, and taking into account the conditions of the year, including other market, economic and financial elements, the Committee dedicated important efforts on this essential aspect, participating in the updating and design of new strategies and specific actions, in total coordination with the management.

VII. ODEMAS STRATEGIC PLAN (OFFICE DEPOT AND SUBSIDIARIES). Special mention should be made of the Committee's participation in the joint review with management, and the follow-up, analysis and conclusions of the ODEMÁS alternatives and strategic plan underway, with special emphasis on the execution of the actions agreed upon for 2025 and 2026.

VIII. REAL ESTATE PROJECTS. CONSOLIDATION OF REAL ESTATE ASSETS IN GRUPO GIGANTE INMOBILIARIO (GGI). During the year ended, and given its importance and budgetary and strategic importance, the Committee continued its active participation in the real estate project review, including the consolidation of the Group's real estate assets in GGI.

IX. MEETINGS WITH MANAGEMENT. As is its custom, throughout 2024, the Committee held periodic meetings with management and with the heads of the Group's most important operating subsidiaries, having emphasized the care of the flows produced and the strategic and operating actions to be developed, taking into account the regular and extraordinary reports, proposing concrete recommendations, while reiterating the need for the optimal use of capital, the monitoring and control of the Group's and its subsidiaries' indebtedness levels, as well as management of cash flows, maintaining the identification of different alternatives for their achievement, including saving measures and actions in all aspects, as well as the follow-up of the permanent analysis on alternatives and specific actions for the divestment or monetization of non-strategic assets.

For these strategic objectives, we insisted on always keeping in mind to improve and/or reduce leverage in order to have resources for growth, investment opportunities, dividends and other strategic purposes.

X. REVIEW AND RECOMMENDATIONS TO THE BOARD OF DIRECTORS ON THE ANNUAL REPORT OF THE EXECUTIVE CHAIRMAN AND OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER. The 2024 Annual Report of the Chief Executive Officer and of the Board of Directors and the Chief Executive Officer was reviewed and it was agreed to recommend its approval.

Therefore, and with this report, we comply with the provisions of the bylaws and other applicable provisions of the Regulations of the Board of Directors.

Javier Molinar Horcasitas
Chairman of the Committee

Angel Losada Moreno
Board Member

Manuel Somoza Alonso
Board Member

Roberto Salvo Horvilleur
CBoard Member

Juan Carlos Mateos Durán de Huerta
Board Member

Sergio Montero Querejeta
Secretary of the Committee

MEMBERS OF THE BOARD OF DIRECTORS

ÁNGEL LOSADA MORENO
(69 years old)
Shareholding Related Director

Position on the Board: Chairman of the Board of Directors.

Tenure of Office: He has been a member of the Board of Directors of Grupo Gigante since 1983 and was appointed Chairman of the Board of Directors in 2003.

Other boards in which he serves: Grupo Presidente, Laboratorios Novag, Consejo Mexicano de Negocios (until December 2024), Grupo Aeroportuario del Pacifico and Sigma Alimentos.

Other current roles: Executive Chairman of Grupo Gigante.

Experience: He has a recognized and important philanthropic activity in different social organizations such as Fundación Gigante, is Chairman of the Board of Directors of Fundación Ver Bien para Aprender Mejor and is a member of the Board of Trustees of Hospital Infantil de México and a member of the Board of Trustees of Fundación Gonzalo Río Arronte. He was Chairman of the Board of Directors of the National Association of Supermarkets and Department Stores (Asociación Nacional de Tiendas de Autoservicio y Departamentales) (ANTAD), and member of the Board of Directors of Teléfonos de México and MD Anderson, as well as of the Board of Directors of the Mexico City Chamber of Commerce (Cámara de Comercio de la Ciudad de México) and the Instituto del Mercado de Alimentos.

Education: Bachelor's degree in business administration, Universidad Anáhuac.

BRAULIO ANTONIO ARSUAGA LOSADA
(52 years old)
Shareholding Director

Position on the Board: Board Member.

Tenure of Office: 23 years.

Other boards in which he serves: Consejo Nacional Empresarial Turístico (Chairman of the Executive Committee), Inmobiliaria Conjunto Polanco, Fundación Gigante and Novag Infancia.

Other current roles: Chief Executive Officer of Grupo Presidente.

Experience: From 2007 to November 2013, he was Vice President of Sales, Marketing and Development; he was responsible for new business development, revenue management, Information Technology and SAP implementation at Grupo Presidente.

He has been recognized by different organizations and institutions, among them, the Universidad Anáhuac awarded him the "Medalla Liderazgo Anáhuac en Turismo 2014", for the success achieved in the hospitality industry in Mexico. And since 2020, Líderes Mexicanos magazine has recognized him as one of the 300 most influential leaders in Mexico.

He received the "Guenther Mauracher Reich" Restaurant Merit Award for the Director of Hotel Chains from the National Chamber of the Restaurant and Seasoned Foods Industry [Cámara Nacional de la Industria de Restaurantes y Alimentos Condimentados] (CANIRAC).

He was President of the National Association of Hotel Chains [Asociación Nacional de Cadenas Hoteleras] (ANCH - Hoteles por México).

He participated as a shark in the sixth and seventh seasons of Shark Tank Mexico program.

He participated as executive producer in the films "Elsa y Fred", "Cantinflas" and "Gloria".

He is founder of GP Compas, an investment vehicle that supports early-stage startups to maximize their potential.

Education: Bachelor's degree in business administration, Universidad Anáhuac. Master's degree in business administration, Southern Methodist University.

JUAN CARLOS ALVERDE LOSADA (54 years old)

Shareholding Related Director

Position on the Board: Board Member.

Tenure of Office: 1 year.

Other boards in which he serves: Fundación Gigante and Club de Golf Chapultepec.

Other current roles: since 2018, he has been Chief Executive Officer of Grupo Restaurantero Gigante (GRG), a company he joined as Commercial Director in 1999.

Experience: Throughout his career he has managed several national and international franchises and has worked in different market segmentation projects in databases in companies such as Office Depot USA. He was President of DICARES and has been awarded important recognitions such as the "Restaurant Business Merit Award" granted by the National Chamber of the Restaurant and Seasoned Food Industry (CANIRAC); the Key of Progress as Restaurant Executive of the Year granted by the Mexican Association of Suppliers to the Tourism Industry [Asociación Mexicana de Abastecedores de la Industria Turística] (AMAIT) and the Presea del Angel Award granted by the Centro de Estudios Superiores de San Angel (CESSA).

Education: Degree in Communication Sciences Universidad Anahuac and a Master of Science in Integrated Marketing Communications (IMC) from Northwestern University, Chicago, Illinois.

GONZALO BARRUTIETA LOSADA (58 years old)

Shareholding Director

Position on the Board: Board Member.

Tenure of Office: 29 years.

Other current roles: President of Operadora IPC Mexico and Operadora Barlos.

Experience: 15 years in operation of Grupo Gigante stores, 4 years in operation of PriceSmart, 16 years in operation of restaurants and entertainment centers.

Education: Bachelor's degree in economics, ITAM. Master's degree in business administration, Claremont Graduate University.

ROBERTO MARTINO SALVO HORVILLEUR (71 years old)

Independent Director

Position on the Board: Board Member.

Tenure of Office: 25 years.

Experience: Resides in Nicaragua since 2005. He has 15 years in CIFRA Walmart filling several positions until becoming Chief Executive Officer. He spent 5 years at Grupo Gigante as Chief Executive Officer. His areas of expertise include Real Estate Development, Real Estate, Restaurants and the Agricultural Sector.

Education: Bachelor's degree in business administration, University of Notre Dame. Master's degree in business administration, INCAE Business School.

CARLOS JAVIER VARA ALONSO (57 years old)
Independent Director

Position on the Board: Board Member.

Tenure of Office: 5 years.

Other boards in which he serves: Other boards in which he serves: José Cuervo, Genomma Lab, Milano, Chairman of the Development Committee of Presidente Hotels, founding shareholder and Board Member of FHipo, member of the Consejo para América Latina de la Escuela de Negocios de Yale [Latin American Council of the Yale School Business] (SOM) and member of the Global Alumni Council of the Yale Graduate School of Arts and Sciences (YGSAS).

Other current roles: Founding Partner and President of VACE Partners.

Experience: In his professional career, he has been Director of Grupo Aeromexico and was head of the investment banking team for Mexico and Latin America with Salomon Smith Barney / Citigroup, he worked for McKinsey & Co. as a consultant where he advised the Mexican Stock Exchange (BMV) in the conversion to the electronic trading platform and in the creation of MEXDER. His transactional experience includes projects with companies in diverse industries such as financial institutions, consumer goods, retail, industrial conglomerates, education, transportation, telecommunications, healthcare, and metals and mining.

Education: Bachelor's degree in economics, ITAM. Master's Degree in Economics, Yale University. M.B.A., Yale School of Management.

LORENZO DE JESÚS PEÓN ESCALANTE (82 years old)
Independent Director

Position on the Board: Board Member.

Tenure of Office: 12 years.

Other boards in which he serves: Board member of the Club de Banqueros de México and Grupo Martí.

Experience: He has more than 40 years of experience in the financial sector and was Chairman of the CNBV and of the Board of Governors.

Education: Bachelor's degree in business administration, Universidad Iberoamericana.

JAVIER MOLINAR HORCASITAS (64 years old)
Independent Director

Position on the Board: Board Member.

Tenure of Office: 17 years.

Other boards in which he serves: Ventura Entertainment, Celmax Movil, Grupo Porres and Mexplorer.

Other current roles: Managing Partner of Ventura Capital Privado.

Experience: Executive Vice President of Banco Santander Mexicano, Chief Executive Officer of Ixe Grupo Financiero, Executive Chairman of Ventura Entertainment, Executive Chairman of Topgolf Mexico and Executive President of Yobi Telecomunicaciones.

Education: Bachelor's degree in business administration, Universidad La Salle.

ARTURO ELÍAS AYUB
(58 years old)
Independent Director

Position on the Board: Board Member.

Tenure of Office: 5 years.

Other boards in which he serves: Chairman of the Board of Directors of Sitios Latinoamérica, Grupo CARSO, Grupo Financiero Inbursa and Grupo Kuo.

Other current roles: Chief Executive Officer of AMX Contenido and Chief Executive Officer of Fundación Telmex Telcel.

Experience: Previously, he was an advisor to the General Management of Telmex, General Director of the El Globo bakery and of Sociedad Comercial Cadena. He is the author of the book "El Negociador", which was the best seller in Mexico during 2021. He participated in six seasons of the series Shark Tank Mexico. He was President of the Pumas soccer team of the UNAM, winning a two-time Mexican League championship and the Santiago Bernabeu Trophy. He has also been a director of Club León, during which time the team was crowned Champion of the Apertura 2013 and Clausura 2014 tournaments. In 2012, Arturo Elías Ayub received the CIMA award, granted by the University Leadership Program of the Universidad Anáhuac, as Leader of the Year for his professional, leadership and human trajectory. Because his actions promote the improvement of the quality of life of the population and because he is considered a role model, the Mr. Amigo Committee named him Mr. Amigo 2018. As head of Fundación Telmex Telcel, he won the National Sports Awards, in the area of Sports Promotion, in 2007, 2008 and 2017.

Education: Bachelor's degree in business administration, Universidad Anáhuac. Diploma Course in Senior Management, IPADE.

MANUEL DE JESÚS SOMOZA ALONSO
(77 years old)
Independent Director

Position on the Board: Board Member.

Tenure of Office: 15 years.

Other boards in which he serves: CIBANCO, CEVER and BAYPORT.

Other current roles: President of Inversiones CI Casa de Bolsa.

Experience: More than 50 years of experience in the financial sector in banking, as a broker and in wealth and asset management in Mexico.

In 1966, he joined Banco Nacional de México, where he held various positions until he was appointed Chief Executive Officer of Casa de Bolsa Banamex. He was also Chief Executive Officer of Casa de Bolsa Inverlat, Grupo Financiero InverMexico and Banco Mexicano.

In 1986, he was Chairman of the Mexican Stock Exchange. In 2000, he was Chairman and Chief Executive Officer of Prudential Financial Operadora de Sociedades de Inversión, Chairman of the Executive Committee of Afore XXI and in 2006 became Chairman of Prudential Bank.

In 2009 he created Somoza Finamex Inversiones, the business was sold in July 2013.

He founded CI Estrategias in a joint venture with CI Banco, of which he has been chairman since 2014.

Education: Bachelor's degree in economics, Universidad Anáhuac. Master's degree in Finance, TEC de Monterrey Mexico.

JUAN CARLOS MATEOS DURÁN DE HUERTA (62 years old)

Independent Director

Position on the Board: Board Member.

Tenure of Office: 13 years.

Other boards in which he serves: SURA Investment Management Mexico; Servicios Shasa, Chairman of the Audit Committee; HR Ratings, Chairman of the Audit Committee; Inmobiliaria Conjunto Polanco.

Other current roles: Member of the Planning and Finance and Corporate Practices Committees of Grupo Gigante.

Experience: Former Chief Financial Officer of several companies listed on the Mexican Stock Exchange. Within the financial sector, he was Director of Analysis at BBVA for Latin America and Director of Investment Strategy at Private Banking for Mexico. At Merrill Lynch and HSBC Mexico he was Director of Securities Analysis. He worked in the Corporate Banking area of Chase Manhattan Bank in New York and Mexico City. He began his professional career at Procter & Gamble de México.

Education: Bachelor's degree in economics, Claremont McKenna College, Claremont, California. Master's Degree of Business Administration, Harvard Business School, Boston, Massachusetts.

He is a Chartered Financial Analyst (CFA) certified by the CFA Institute of Charlottesville, Virginia. He holds the "Corporate Director Certificate" from Harvard Business School, a certification in Corporate Governance awarded to Independent Directors.

BEATRIZ PATRÓN GUERRERO (47 years old)

Independent Director

Position on the Board: Board Member.

Tenure of Office: 1 year.

Other boards in which he serves: Not currently reported.

Other current roles: Director of Talent and Culture at Grupo Sigma.

Experience: Served as Manager of Prepared Foods, General Manager of the Delicatessen unit and led the area of Compensation and Benefits, as well as Talent and Culture in the Alfa conglomerate.

Education: Bachelor's degree in international Trade with a major in Agribusiness from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM). She has a Master's degree in administration from IPADE.

MARÍA REGINA GARCÍA CUELLAR CÉSPEDES (54 years old)

Independent Director

Position on the Board: Board Member.

Tenure of Office: 1 year.

Other boards in which he serves: Grupo Rotoplas.

Other current roles: Chief Executive Officer of the Mexican Banking Association.

Experience: She has more than 25 years of experience in key sectors such as banking, telecommunications, health and energy.

She has served in roles in business transformation, strategy, economic analysis and customer experience.

She was Director of Commercial Strategy at IZZI Telecom (2022-2023), Director of Strategy and later General Director of Customer Experience at Citibanamex (2019-2022).

In the public sector, she held senior positions at the Ministry of Finance (Chief of Staff, 2017-2018), at PEMEX (2016-2017) and at IMSS as Director of Strategic Planning (2013-2016).

Education: Bachelor's degree in economics from ITAM. She holds a Master's degree and a PhD in Economics from Harvard University.

Secretary and Alternate Secretary (Not members of the Board of Directors).

JAVIER MARTÍNEZ DEL CAMPO LANZ

Position on the Board: Secretary of the Board.

Education: Law Degree, Universidad Anáhuac del Norte. Master's degree from the University of San Diego.

SERGIO MONTERO QUEREJETA

Position on the Board: Alternate Secretary of the Board.

Other current roles: Secretary of the Corporate Practices and Finance and Planning Committees.

Experience: 22 years in Grupo Gigante, 23 years in the Mexican Financial System (Bancomer and Grupo Somex), 5 years in Strategic and Financial Consulting (Fidem), 5 years in the Tourism Sector.

Education: Law Degree, UNAM.

TABLE OF
DIRECTORS SKILLS

M = Male / F = Female
P = Patrimonial / I = Independent

	GENDER	NATIONALITY	TYPE OF ADVISOR	CATERING	RISK MANAGEMENT AND ADMINISTRATION	INTERNATIONAL MATTERS	PUBLIC AFFAIRS	REGULATORY AND LEGAL MATTERS	AUDIT AND ACCOUNTING	
ÁNGEL LOSADA MORENO	M	Mexican	P			X		X	X	
BRAULIO ANTONIO ARSUAGA LOSADA	M	Mexican	P			X	X			
JUAN CARLOS ALVERDE LOSADA	M	Mexican	P							
GONZALO BARRUTIETA LOSADA	M	Mexican	P							
ROBERTO MARTINO SALVO HORVILLEUR	M	Nicaraguan	I	X						
CARLOS JAVIER VARA ALONSO	M	Mexican	I		X	X		X	X	
LORENZO DE JESÚS PEÓN ESCALANTE	M	Mexican	I							
JAVIER MOLINAR HORCASITAS	M	Mexican	I		X					
ARTURO ELÍAS AYUB	M	Mexican	I		X		X			
MANUEL DE JESÚS SOMOZA ALONSO	M	Mexican	I			X	X			
JUAN CARLOS MATEOS DURÁN DE HUERTA	M	Mexican	I		X	X			X	
BEATRIZ PATRÓN GUERRERO	F	Mexican	I							
MARÍA REGINA GARCÍA CUELLAR CÉSPEDES	F	Mexican	I		X	X	X	X	X	

SKILLS

	REAL ESTATE	ENVIRONMENTAL AND CLIMATE CHANGE / SUSTAINABILITY	CORPORATE COMMUNICATION	HUMAN RIGHTS	BRAND DEVELOPMENT / BRANDING	ECONOMY AND FINANCE	ENTREPRENEUR	ENERGY	HUMAN CAPITAL STRATEGY AND MANAGEMENT	BUSINESS STRATEGY	STRATEGIES RELATED TO DIVERSITY	ETHICS AND COMPLIANCE	EXPERIENCE ON OTHER BOARDS OF DIRECTORS	FUSIONS AND ACQUISITIONS	CORPORATE GOVERNANCE	SOCIAL IMPACT / SOCIAL WORK	INNOVATION AND DEVELOPMENT	LOGISTICS AND SUPPLY CHAINS	PRIVACY AND DATA MANAGEMENT HUMAN RESOURCES / LABOR MATTERS	RELATIONS WITH INVESTORS	HEALTH AND SECURITY	INFORMATION TECHNOLOGIES, CYBERSECURITY AND TELECOMMUNICATIONS	SALES
	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X		X	X	X	X	X
	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X		X	X
														X									X
						X	X			X			X	X		X							
	X	X				X	X			X					X							X	
	X					X	X	X		X		X	X	X	X	X	X		X	X			X
						X							X										
	X		X		X	X	X			X	X	X	X	X	X		X			X			
			X			X	X					X		X	X	X	X			X			X
			X			X	X					X	X							X			
	X		X			X				X	X	X	X	X	X					X			
					X	X				X	X	X	X				X		X		X	X	X
			X		X	X	X	X	X	X	X	X	X	X	X						X			

GRUPO GIGANTE, S.A.B. de C.V., AND SUBSIDIARIES

INDEPENDENT AUDITORS´REPORT AND CONSOLIDATED STATEMENTS

CONTENTS

132 Independent Auditors' Report

136 Consolidated Statements of Financial Position

137 Consolidated Statements of Income (loss) and Other Comprehensive Income (loss)

139 Consolidated Statements of Changes in Stockholders' Equity

140 Consolidated Statements of Cash Flows

142 Notes to Consolidated Financial Statements

Grupo Gigante, S.A.B. de C.V., and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024, 2023 and 2022, and Independent Auditors Report Dated March 25, 2025

Deloitte.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Paseo de la Reforma 505, piso 28
Colonia Cuauhtémoc
06500 Ciudad de México
México

Tel: +52 (55) 5080 6000
www.deloitte.com/mx

Independent Auditors' Report to the Board of Directors and Stockholders of Grupo Gigante, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of Grupo Gigante, S. A. B. de C. V. and Subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2024, 2023 and 2022, and the consolidated statements of profit and other comprehensive income, the consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Grupo Gigante, S.A.B. de C.V. and Subsidiaries as of December 31, 2024, 2023 and 2022, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards (International Financial Reporting Standards) (IFRS) issued by the International Accounting Standards Board (IASB) (IFRS® Accounting Standars).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below are the key audit issues which should be communicated in our audit report.

(Continued)

Deloitte se refiere a Deloitte Touche Tohmatsu Limited, sociedad privada de responsabilidad limitada en el Reino Unido, y a su red de firmas miembro, cada una de ellas como una entidad legal única e independiente. Conozca en www.deloitte.com/mx/conozcanos la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

Investment properties

Investment properties are properties held for rent and/or capital gain (including properties under construction). The Entity's management has defined that investment properties are valued at fair value. To determine such fair value, the Entity's management internally requires the use of certain significant judgments and estimates relating to forecasts of future revenues and net operating margins, projection period and discount rate. In the case of idle investment properties, the Entity uses independent external appraisers.

Our audit procedures to cover this key audit matter included, but were not limited to:

i. We evaluate the design, implementation and operational effectiveness of the relevant controls, relating to the calculation and determination of fair value and that these have been reviewed and approved by the appropriate level of management of the Entity.

ii. We test key judgments on assumptions used by the Entity's management to determine the fair value of investment properties, such as the expected future flows that the investment properties will generate and reviewing the discount rate determination that includes assumptions such as: cost of debt, cost of capital, tax rate, long-term inflation, long-term net operating flows, the level of indebtedness, country risk rate and size premium, among others.

iii. As part of our audit procedures, we involve our Financial Advisory specialists to assist us in the evaluation of the valuation model used by the Entity's management and to carry out financial exercises stressing the various variables, we perform reasonableness tests of the projection of future flows by performing scenarios based on industry comparable, as well as its stabilization. In the case of idle investment properties, our Financial Advisory specialists also participated in the review of the appraisals that are carried out by appraisers independent of the Entity.

iv. Our procedures also included assessing the reasonableness of disclosures in the notes to the consolidated financial statements with respect to the assumptions, judgments, key sensitivities and accounting policies used for the recognition of investment properties presented in Note 12 of the accompanying consolidated financial statements.

The results of our tests were satisfactory.

Information Other than the Financial Statements and Independent Auditors' Report

Management is responsible for the other information. The other information comprises two documents, the Entity's Annual Report and the information that will be incorporated in the Annual Report, which the Entity is required to prepare in accordance with Article 33, Fraction I, subsection b) of the Fourth Title, First Chapter of the General Provisions Applicable to Issuers of Securities and Other Participants in the Mexican Securities Market (the requirements). As of the date of our auditor's report, we have not yet obtained these documents and they will be available only after the issuance of this Audit Report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, we will issue the auditors' legend about the reading thereof, required in Article 33, Fraction I, subsection b) numeral 1.2. of the requirements or if we conclude that there is a material misstatement therein, we are required to communicate the matter.

(Continued)

Deloitte.

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

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

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

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

Independent Auditors Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

(Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Entity as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Affiliate of a firm member of Deloitte Touche Tohmatsu Limited

C. P. C. Sergio Vargas Vargas
Mexico City
March 25, 2025

(Concluded)

Grupo Gigante, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2024, 2023 and 2022
(In thousands of Mexican pesos)

Assets	Note	2024	2023	2022
Current assets:				
Cash and cash equivalents	5	$ 3,190,446	$ 2,994,915	$ 2,439,223
Financial instruments	6	1,481,184	1,370,107	1,468,818
Accounts receivable and recoverable taxes – Net	7	3,377,993	3,289,893	3,134,485
Inventories – Net	8	6,437,923	6,047,913	6,119,220
Prepaid expenses		216,037	200,528	263,301
Assets classified as held for sale	9	347,495	441,767	31,865
Total current assets		15,051,078	14,345,123	13,456,912
Non-current assets:				
Property, leasehold improvements and equipment – Net	10	7,737,686	7,407,567	8,294,487
Lease right-of-use assets – Net	11	5,741,755	5,415,435	4,350,791
Investment properties	12	18,056,627	17,255,998	15,860,268
Investments in joint ventures and associates	13	4,242,039	3,977,353	3,545,810
Goodwill	15	966,379	962,303	971,173
Intangibles and other assets – Net	16	1,519,685	1,699,952	1,791,816
Deferred income taxes	28	1,530,328	1,355,198	1,406,232
Total non-current assets		39,794,499	38,073,806	36,220,577
Total assets		$ 54,845,577	$ 52,418,929	$ 49,677,489
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt	19	$ 633,538	$ 464,416	$ 1,374,583
Trade accounts and notes payable		3,684,944	3,689,100	4,153,836
Accrued expenses and taxes	17	3,634,303	3,019,857	2,961,397
Current portion of lease liabilities	18	1,069,055	928,879	744,994
Total current liabilities		9,021,840	8,102,252	9,234,810
Long term liabilities:				
Long-term debt	19	9,321,120	9,965,056	9,156,280
Lease liabilities	18	5,544,640	5,041,970	4,241,152
Employee benefits	20	525,433	620,547	355,942
Deferred income taxes	28	2,893,292	2,657,395	2,344,283
Derivative financial instruments	21	-	78,563	-
Prepaid rents, grace periods received and other accounts payable		236,624	162,204	157,041
Total long-term liabilities		18,521,109	18,525,735	16,254,698
Total liabilities		27,542,949	26,627,987	25,489,508
Stockholders' equity:				
Common stock	22	1,374,928	1,374,928	1,374,928
Additional paid-in capital		4,026,542	4,026,542	4,026,542
Retained earnings		21,350,176	19,802,882	17,896,945
Other comprehensive income	23	230,587	(109,246)	187,182
Equity attributable to owners of the Entity	14	26,982,233	25,095,106	23,485,597
Non-controlling interest	14 & 24	320,395	695,836	702,384
Total stockholders' equity		27,302,628	25,790,942	24,187,981
Total stockholders' equity and liabilities		$ 54,845,577	$ 52,418,929	$ 49,677,489

See accompanying notes to consolidated financial statements.

Grupo Gigante, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Income and Other Comprehensive Income

For the years ended December 31, 2024, 2023 and 2022
(In thousands of Mexican pesos, except earnings per share data)

	Note	2024	2023	2022
Sale of goods		$ 32,706,097	$ 31,693,872	$ 30,262,598
Lease rental		1,972,060	1,772,195	1,555,309
Other revenues		501,477	514,820	352,986
	31	35,179,634	33,980,887	32,170,893
Cost of sales	26	20,298,703	19,823,772	19,308,767
Administrative and operating expenses	26	11,948,188	11,133,143	10,139,511
Gain net on investment property at fair value	12	(570,850)	(1,078,012)	(585,301)
Interest expense		1,910,815	1,887,552	1,666,500
Interest income		(402,267)	(357,651)	(204,235)
Exchange loss (gain) – Net		168,634	(89,999)	(66,631)
(Gain) loss on financial instruments at fair value		(130,967)	164,894	(170,399)
Share of profit of joint ventures and associates	13	(538,542)	(501,079)	(468,001)
Profit before income taxes		2,495,920	2,998,267	2,550,682
Income taxes expense	28	780,557	932,000	410,663
Income from continuing operations		$ 1,715,363	$ 2,066,267	$ 2,140,019
Discontinued operations:				
Gain (loss) from discontinued operations – net of tax	32	-	3,432	(126,048)
Net consolidated income		$ 1,715,363	$ 2,069,699	$ 2,013,971
Other comprehensive income (loss):				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations and actuarial (loss) gain – net of taxes	23 & 24	$ (226,527)	$ 257,057	$ 160,249
Actuarial loss – net of taxes	23	21,705	1,715	23,304
Net fair value loss on cash flow hedging instruments - net of taxes	23	(106,529)	95,297	(120,908)
Total comprehensive income for the year		$ 2,026,714	$ 1,715,630	$ 1,951,326

(Continued)

	Note	2024	2023	2022
Profit for the year attributable to:				
Owners of the Entity		$ 1,635,758	$ 1,905,937	$ 1,820,124
Non-controlling interest	14	79,605	163,762	193,847
		$ 1,715,363	$ 2,069,699	$ 2,013,971
Other comprehensive income attributable to:				
Owners of the Entity		$ 1,975,591	$ 1,609,509	$ 1,783,876
Non-controlling interest	14	51,123	106,121	167,450
		$ 2,026,714	$ 1,715,630	$ 1,951,326
Gains from continuing operations controlling portion:				
Basic and diluted earnings (Mexican pesos per share)	29	$ 1.65	$ 1.91	$ 1.96
Loss from continuing operations controlling portion				
Basic and diluted earnings (Mexican pesos per share)	29	$ 0.00	$ 0.00	$ (0.13)

(Concluded)

See accompanying notes to consolidated financial statements.

Grupo Gigante, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2024, 2023 and 2022
(In thousands of Mexican pesos)

	Common Stock	Additional paid-in capital		operations and actuarial (profit) loss and Net fair value loss on cash flow hedging instruments	Non-controlling interest	Total stockholders' equity
Balances as of January 1, 2022	$ 1,374,928	$ 4,026,542	$ 16,076,821	$ 223,430	$ 631,434	$ 22,333,155
Dividends decreed	-	-	-	-	(96,500)	(96,500)
Comprehensive income	-	-	1,820,124	(36,248)	167,450	1,951,326
Balances as of December 31, 2022	1,374,928	4,026,542	17,896,945	187,182	702,384	24,187,981
Dividends decreed	-	-	-	-	(112,669)	(112,669)
Comprehensive income	-	-	1,905,937	(296,428)	106,121	1,715,630
Balances as of December 31, 2023	1,374,928	4,026,542	19,802,882	(109,246)	695,836	25,790,942
Dividends decreed	-	-	-	-	(50,028)	(50,028)
Acquisition of non-controlling interest – Notes 14 and 24	-	-	(88,464)	-	(376,536)	(465,000)
Comprehensive income	-	-	1,635,758	339,833	51,123	2,026,714
Balances as of December 31, 2024	$ 1,374,928	$ 4,026,542	$ 21,350,176	$ 230,587	$ 320,395	$ 27,302,628

See accompanying notes to consolidated financial statements.

Grupo Gigante, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2024, 2023 and 2022
(In thousands of Mexican pesos)

	2024	2023	2022
Cash flow from operating activities:			
Profit before income taxes	$ 2,495,920	$ 2,998,267	$ 2,550,682
Adjustments:			
Depreciation and amortization	1,953,220	1,928,178	1,550,660
Gain net on r investment property at fair value	(570,850)	(1,078,012)	(585,301)
Loss on sale and disposal of property and equipment	94,333	186,382	66,512
(Gain) loss on financial instruments at fair value	(130,967)	164,894	(170,399)
Share of gain in joint ventures and associates	(538,542)	(501,079)	(468,001)
Interest income	(402,267)	(357,651)	(204,235)
Interest expense	1,910,815	1,887,552	1,666,500
Rent concessions	-	-	(5,615)
Other with no cash flows	226,785	333,134	(38,283)
	5,038,447	5,561,665	4,362,520
Working capital adjustments:			
(Increase) decrease in:			
Accounts receivable and recoverable taxes – Net	213,753	(233,172)	(146,699)
Inventories – Net	(390,009)	71,307	(161,634)
Increase (decrease) in:			
Trade accounts and notes payable	(4,156)	(464,736)	251,140
Accrued expenses and taxes	219,616	241,798	(322,244)
Income taxes paid	(711,614)	(690,648)	(853,788)
Net cash flows provided by operating activities	4,366,037	4,486,214	3,129,295
Cash flow from investing activities:			
Acquisition of property and equipment	(1,034,433)	(619,400)	(549,688)
Acquisition of investment properties	(188,865)	(365,272)	(388,347)
Acquisition of intangible and other assets	(75,121)	(50,300)	(31,165)
Acquisition of non-controlling interest	(305,000)	-	-
Proceeds on sale of properties and equipment	54,830	-	223,352
Sales of financial instruments	25,072	-	-
Dividends received in cash from joint ventures and associates	250,000	155,381	56,128
Increase in joint ventures and associates	(21,400)	(122,367)	(35,000)
Interest received	402,267	357,651	204,235
Net cash flows used by investing activities	(892,650)	(644,307)	(520,485)

(Continued)

	2023	2022	2021
Cash flow from financing activities:			
Proceeds from borrowings net of issuance costs	-	4,819,200	-
Repayments of borrowings	(465,306)	(4,968,095)	(747,035)
Repayment of lease liabilities	(1,471,212)	(1,394,202)	(1,085,909)
Interest paid	(1,347,328)	(1,368,035)	(1,188,558)
Dividends paid to non-controlling interest	(50,028)	(112,669)	(96,500)
Net cash flows used in financing activities	(3,333,874)	(3,023,801)	(3,118,002)
Net increase (decrease) in cash and cash equivalents	139,513	818,106	(509,192)
Cash, cash equivalents and restricted cash at the beginning of year	3,077,787	2,519,900	3,159,956
Effects of exchange rate changes in cash	57,666	(260,219)	(130,864)
Cash, cash equivalents and restricted cash at the end of year (Note 5)	$ 3,274,966	$ 3,077,787	$ 2,519,900

(Concluded)

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022
(In thousands of Mexican pesos, except earnings per share data)

1. Activities and significant events

Grupo Gigante, S. A. B. de C. V. is a public corporation incorporated under the laws of Mexico. The address of its corporate office is Ejercito Nacional 769, Tower “B”, 12th floor, Granada, 11520, Mexico City, Mexico.

Grupo Gigante, S. A. B. de C. V. and subsidiaries (collectively, the “Entity” or the “Company”) is engaged in the operation of restaurants and other services, purchase, sale, exploitation, development and management of investment properties, operation of parking lots, rental and operation of mini warehouses, and the operation of self-services specialized in the commercialization of products and equipment for office, electronics and household items.

Bank debt management:

On December 18, 2023, Office Depot de México, S.A. de C.V. (a subsidiary of Grupo Gigante, S.A.B. de C.V.), contracted with the Banco Nacional de Comercio Exterior a simple loan for an amount of up to $1,000,000, with a drawdown date of December 21, 2023, for a term of 10 years with 4 semesters of grace included with respect to the payment of principal and 16 semiannual amortizations, paying variable-rate interest. Grupo Gigante, S.A.B. de C.V., participates as joint and obligors of Office Depot de México, S.A. de C.V., with respect to the latter's payment obligations under the credit agreement (Note 19, x).

On September 12, 2023, Restaurantes Toks, S.A. de C.V. (a subsidiary of Grupo Gigante, S.A.B. de C.V.), entered into a simple loan with Banco Inbursa and BBVA for an amount of up to $2,100,000, with a drawdown date of September 15, 2023, in order to replace liabilities (including bank liabilities), extending the maturity period of the latter to September 12, 2030, with increasing monthly repayments from October 2024 with respect to the principal and paying interest at a variable rate. The transaction provides for the granting of a guarantee in favor of the banks of Grupo Gigante, S.A.B. de C.V. (Note 19, ix).

On September 12, 2023, Grupo Gigante, S.A.B. de C.V., entered into a simple loan with Banco Inbursa and BBVA for an amount of up to $1,750,000, with a drawdown date of September 15, 2023, in order to replace bank liabilities, extending the maturity period of the latter to September 12, 2030, with a variable rate and increasing monthly repayments as of October 2024 with respect to the principal and paying interest at a variable rate (Note 19, viii).

Extension of the term of the Territory Contract for the development and operation of restaurants under the "Panda Express" brand in Mexico

In relation to the Master Franchise Agreement and the Territory Agreement, entered into by Operadora y Administradora de Restaurantes Gigante, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.) (hereinafter OARG), with Citadel Panda Express, Inc. (hereinafter Panda), for the development and operation of restaurants under the "Panda Express" brand (the PE Restaurants) in Mexico, OARG and Panda reached an agreement to, among other things, extend the term of the Territory Agreement and establish a schedule of new PE Restaurant openings.

The term of the Territory Contract was extended for an additional period of 10 years from January 1, 2024 or until the date on which the last PE Restaurant corresponding to the schedule of new openings is opened.

Subject to the terms of the Territory Agreement, the Master Franchise Agreement and/or related documents, during the term of the Territory Agreement, OARG will continue to develop and operate, exclusively, PE Restaurants in Mexico, except for locations located at airports.

In terms of the Master Franchise Agreement and/or the documents related to the latter, regardless of the validity of the Territory Agreement, for each PE Restaurant that is opened, a license is granted for the use of the "Panda Express" brand with a validity of 10 years, counted from the date of opening, which can be extended for a subsequent period of 10 additional years.

Joint Venture Casaideas

On September 2, 2022, Grupo Gigante, S.A.B. de C.V., signed, through its subsidiary Distribuidora Storehome, S.A. de C.V. (THS), with Matriz Idea, S.A., a Shareholders Agreement for the development and operation, in Mexico and exclusively, the concept of design and sale of household goods “Casaideas”. The obligations of Matriz Ideas, S.A. and Distribuidora Storehome, S.A. de C.V. detailed in the Stockholders’ Agreement were subject to certain condition precedents including, among others: (i) the incorporation of an Investment Company with Variable Capital (“Newco”) through which Distribuidora Storehome, S.A. de C.V. and Matriz Ideas, S.A., each holding fifty percent equity, would develop and operate the design concept and sale of home goods under the “Casaideas” brand, and (ii) the execution of a Trademark Licensing Contract between Matriz Ideas, S.A. and Newco (without the collection of royalties) for certain industrial property rights pertaining to Matriz Ideas, S.A., which include the “Casaideas” brand. On October 27, 2022, the company denominated Matriz Ideas Mex, S.A.P.I. de C.V. was incorporated to operate the new stores based on the “Casaideas” concept. On October 27, 2022, all the Condition Precedents were fulfilled, therefore, from that date, the terms of the Stockholders’ Agreement began to take effect.

With the celebration of the “Joint Venture” the concept of stores developed and operated by THS under the “The Home Store” brand will gradually cease to operate and will give way to the “Casaideas” proposal. During June 2023, the last stores under the brand "The Home Store" ceased to operate. See note 32 Discontinued operations.

Petco's arrival in the Chilean market

On March 8, 2022, Grupo Gigante, S.A.B. de C.V. informed the investor public that, in connection with the “joint venture” scheme with Petco Animal Supplies Stores Inc., through which it brought to Mexico, in 2013, an innovative concept of pet shops, accessories and feed for animals, and with the intention of expanding their horizons and achieving consent and procuring millions of pets in Latin America, during the second quarter of 2022, Petco would arrive in Chile in its “online store” format and would later conduct the opening of physical stores. The first two physical stores of the concept were opened on May 19, 2023 and July 3, 2023, respectively.

Discontinued operations:

As of December 31, 2023, losses generated by discontinued operations were recognized for the specialized style solutions and home ideas commercial segment operated under the “The Home Store” brand. A formal, orderly plan is currently underway to close units to give way to the proposal of "Casaideas". During June 2023, the last stores under the brand "The Home Store" ceased operations (see Note 32 Discontinued Operations).

COVID-19:

During the initial months of 2020, COVID-19 appeared and was declared a Global Pandemic by the World Health Organization ("WHO") on March 11, 2020. The global expansion of this virus led to the implementation of a series of containment measures in the geographies in which the Entity operates, where the competent authorities to halt the spread of this virus implemented different healthcare measures. As a result of these measures and actions, together with the market effects generated by COVID-19, the economic and healthcare conditions of society were completely deteriorated, adversely affecting businesses worldwide, including that of the Entity, because the restaurant segment was particularly affected as it was not classified as an essential activity by the Mexican authorities.

In 2020 and during the initial months of 2021, the contingency resulting from COVID-19 decreased average customer traffic in the Entity's units and even resulted in the temporary closure of certain units, thereby affecting the Entity's revenues. The markets and economies of a large number of countries were adversely affected by the public health conditions derived from COVID-19.

A considerable level of economic recovery took place during 2022 in comparison with 2020, primarily because the operating restrictions imposed by the government to prevent the spread of COVID-19 were gradually lessened, thereby leading to increasing consumer confidence indexes and permitting the recovery of the Entity's business cash flows, essentially in the restaurant segment.

On 5 May 2023, the WHO declared the end of the COVID-19 international health emergency. According to the WHO, the declaration that COVID-19 is no longer a public health emergency of international concern (PHEIC) implies that it is time for countries to move from emergency mode to the management and control of COVID-19 with other infectious diseases, meaning that COVID-19 is now an established and persistent health problem. On May 9, 2023, the "Decree declaring the extraordinary action in general health matters that aimed to prevent, control and mitigate the disease caused by the SARS-CoV-2 virus (COVID-19)" was published in the Federal Official Gazette, through which the health emergency due to COVID-19 in Mexico was terminated. Public institutions of the National Health System must continue with the actions that are necessary for the prevention, control and mitigation of COVID-19, including continuing with the execution of the vaccination program against this disease.

2. Adoption of new and revised IFRS Accounting Standards

a. ***New and amended IFRS Accounting Standards, which are mandatory***

During 2024, the Entity has applied the following amendments to IFRS issued by the International Financial Reporting Standards Board ("IASB") that are mandatory for accounting periods beginning on or after January 1, 2024. Its adoption has not had a material impact on the disclosures or amounts reported in these consolidated financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current	The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants	The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements	The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

b. ***New and revised IFRS Accounting Standards in issue but not yet effective***

On the date of authorization of these consolidated financial statements, the Entity has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	*Lack of Exchangeability*
IFRS 18	*Presentation and Disclosures in Financial Statements*
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*

The directors do not expect that the adoption of the standards listed above will have a material impact on the consolidated financial statements of the Entity in future periods, except if indicated below.

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* titled *Lack of Exchangeability*

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

IFRS 18 *Presentation and Disclosures in Financial Statements*

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 *Earnings per Share.*

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

As of the date of the consolidated financial statements, the Entity's management is evaluating the impact that these changes may have on the Entity's consolidated financial statements in future periods.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

3. Summary of significant accounting policies

a. *Statement of compliance and translation into English*

The consolidated financial statements have been prepared in accordance with IFRS released by the IASB and have been translated from Spanish into English for the convenience of readers.

b. ***Basis of measurement***

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at remeasured amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

The accompanying consolidated financial statements of the Entity comprise the consolidated statement of financial position, the consolidated Statements of Income and Other Comprehensive Income, the consolidated statement of changes in stockholders' equity and the consolidated statement of cash flows as of December 31, 2024, 2023 and 2022.

i. *Historical cost*

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. *Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices considered on an active market for identical assets or liabilities that the Entity may obtain at the valuation date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable.

c. ***Reclassifications***

In the consolidated statement of financial position as of December 31, 2023 and 2022, in the consolidated statements of income and other comprehensive income for the year ended December 31, 2023 and 2022 and in the consolidated statements of changes in stockholders' equity as of December 31, 2023 and 2022 and January 1, 2022, the following reclassifications have been made under the heading of non-controlling interest of Inmobiliaria Lomo Lomas Verdes, S.A. de C.V., to conform them to the presentation used for the year ended December 31, 2024:

Consolidated Statement of Financial Position

	Figures as reported 2023	Reclassifications 2023	Figures as reported 2023
Total controlling interest	$ 25,276,364	$ (181,258)	$ 25,095,106
Non-controlling interest	514,578	181,258	695,836

Consolidated Statements of Income and Other Comprehensive Income

Consolidated net income

For the year ended December 31, 2023	Figures as reported 2023	Reclassifications 2023	Figures as reported 2023
Consolidated net income attributable to:			
Controlling Interest	$ 1,928,631	$ (22,694)	$ 1,905,937
Non-controlling interest	141,068	22,694	163,762

Consolidated comprehensive profit

For the year ended December 31, 2023	Figures as reported 2023	Reclassifications 2023	Figures as reported 2023
Consolidated comprehensive income attributable to:			
Controlling Interest	$ 1,632,203	$ (22,694)	$ 1,609,509
Non-controlling interest	83,427	22,694	106,121

Consolidated statements of changes in stockholders' equity

Balances as of December 31, 2023 Accumulated results – accumulated earnings:			
Controlling Interest	$ 25,276,364	$ (181,258)	$ 25,095,106
Non-controlling interest	514,578	181,258	695,836

Consolidated Statement of Financial Position

	Figures as reported 2022	Reclassifications 2022	Figures as reported 2022
Total controlling interest	$ 23,644,161	$ (158,564)	$ 23,485,597
Non-controlling interest	543,820	158,564	702,384

Consolidated Statements of Income and Other Comprehensive Income

Consolidated net income

For the year ended December 31, 2022	Figures as reported 2022	Reclassifications 2022	Figures as reported 2022
Consolidated net income attributable to:			
Controlling Interest	$ 1,889,114	$ (68,990)	$ 1,820,124
Non-controlling interest	124,857	68,990	193,847

Consolidated comprehensive profit

For the year ended December 31, 2022	Figures as reported 2022	Reclassifications 2022	Figures as reported 2022
Consolidated comprehensive income attributable to:			
Controlling Interest	$ 1,852,866	$ (68,990)	$ 1,783,876
Non-controlling interest	98,460	68,990	167,450

Consolidated statements of changes in stockholders' equity

	Figures as reported	Reclassifications	Figures as reported
Balances as of January 1, 2022 Cumulative results – accumulated earnings:			
Controlling Interest	$21,791,295	$ (89,574)	$ 21,701,721
Non-controlling interest	541,860	89,574	631,434

	Figures as reported	Reclassifications	Figures as reported
Balances as of December 31, 2022 Accumulated results – accumulated earnings:			
Controlling Interest	$ 23,644,161	$ (158,564)	$ 23,485,597
Non-controlling interest	543,820	158,564	702,384

The effects of this reclassification in the non-controlling interest line, for each year of the period between 2012 and 2023, were for the (unaudited) amounts of $(7,664), $6,350, $36,861, $1,961, $65,366, $(7,495), $4,846, $(14,795), $(32,852), $36,996, $68,990 and $22,694, i.e., a total of $181,258, as of December 31, 2023.

The main accounting policies adopted are mentioned below.

d. ***Going Concern***

|The consolidated financial statements have been prepared by the Entity's Management assuming that the Entity will continue to operate during the following years, therefore, the going concern accounting basis has been applied when preparing its consolidated financial statements.

e. ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Entity and its subsidiaries controlled by it. Control is achieved when the Entity:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Entity has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Entity considers all relevant facts and circumstances in assessing whether or not the Entity’s voting rights in an investee are sufficient to give it power, including:

- The size of the Entity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Entity, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

Profit and each component of other comprehensive income are attributed to the owners of the Entity and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Grupo Gigante, S.A.B. de C.V.'s accounting policies.

All intra-Entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Entity's capital therein. Non-controlling stockholders' interests that are current ownership interests that entitle their holders to a proportionate share of the net assets at liquidation may be initially measured at fair value or the non-controlling share of fair value of the identifiable network of the acquiree. The choice of measure is made acquisition by acquisition. Other non-controlling interests are initially measured at fair value. Post-acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the participation of non-controlling interests in subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in non-controlling interests having a negative balance.

The results of each component of other comprehensive income are attributed to the Entity's stockholders and non-controlling interests. The entire statement of comprehensive income of the subsidiaries is attributed to the Entity's stockholders and the non-controlling interests, even if this results in a deficit in the non-controlling interests.

Changes in the Entity's ownership interests in existing subsidiaries

Changes in the Grupo Gigante, S.A.B. de C.V.'s ownership interests in subsidiaries that do not result in the Entity losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Grupo Gigante, S.A.B. de C.V.'s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Entity.

When Grupo Gigante, S.A.B. de C.V. loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Entity had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

f. ***Business combinations***

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Entity, liabilities incurred by the Entity to the former owners of the acquiree and the equity interests issued by the Entity in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12, *Income Taxes,* and IAS 19 *Employee benefits*, respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Entity entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2, *Share Based Payments,* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations,* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Entity previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Contingent liabilities acquired in a business combination are initially valued at fair value at the acquisition date. At the end of subsequent reporting periods, these contingent liabilities will be valued at the higher of the amount that would be recognized in accordance with IAS 37 and the amount initially recognized less the cumulative amount of revenue recognized in accordance with the principles of IFRS 15.

g. ***Investments in joint ventures and associates***

An associate is a company over which the Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The resulting assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Entity's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Entity's share of losses of an associate or a joint venture exceeds the Entity's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Entity's net investment in the associate or joint venture), the Entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Entity's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36, *Impairment of Assets,* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Entity retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Entity accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Entity continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Entity reduces its ownership interest in an associate or a joint venture but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Entity transacts with an associate or a joint venture of the Entity, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Entity's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Entity.

h. ***Cash and cash equivalents***

Cash equivalents consist mainly in short-term investments, highly liquid and easily convertible into cash, maturing within three months as of their acquisition date, which are subject to immaterial value change risks. Cash equivalents are measured at fair value; any fluctuations in fair value are recognized in profit for the year.

i. ***Financial instruments***

Financial assets and financial liabilities are recognized in the Entity's consolidated statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

j. ***Restricted cash***

Restricted cash represents cash and cash equivalents balances held by the Entity that are only available for use under certain conditions pursuant to the guarantee agreements and other contracts entered into by the Entity (as discussed in Note 5). These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled and the Entity may use these amounts, whereby the short-term restricted cash balance was classified within current assets under cash and cash equivalents and the long-term restricted cash, was classified within intangibles and other assets.

k. ***Financial assets***

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Despite the foregoing, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- The Entity may irrevocably designate a debt investment that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

(i) *Amortized cost and effective interest method*

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at fair value through other comprehensive income. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Entity recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the "finance income - interest income".

(ii) *Financial assets at fair value through profit or loss*

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income (see (i) above) are measured at fair value through profit or loss. Specifically:

- Investments in equity instruments are classified as at fair value through profit or loss, unless the Entity designates an equity investment that is held neither for trading nor a contingent consideration arising from a business combination as at fair value through other comprehensive income on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the fair value through other comprehensive income criteria (see (i) above) are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortized cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Entity has not designated any debt instruments as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’. Fair value is determined in the manner described in Note 21 (m).

Foreign exchange gains and losses

- The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘other gains and losses’;

- For debt instruments measured at fair value recognized in other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses'. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

- For financial assets measured at fair value through profit or loss that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' and

- For equity instruments measured at fair value recognized in other comprehensive income, exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

Impairment of financial assets

The Entity recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value recognized in other comprehensive income, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Entity always recognizes lifetime expected credit loss for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Entity recognizes lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Lifetime expected credit loss represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit loss represents the portion of lifetime expected credit loss that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(iii) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Entity compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Entity considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Entity's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Entity's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Entity presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Entity has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Entity assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

i. The financial instrument has a low risk of default,
ii. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
iii. Adverse changes in economic and business conditions in the longer term may, but will not necessarily; reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Entity considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Entity becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Entity considers the changes in the risk that the specified debtor will default on the contract.

The Entity regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

iv. *Definition of default*

The Entity considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Entity, in full (without taking into account any collateral held by the Entity).

Irrespective of the above analysis, the Entity considers that default has occurred when a financial asset is more than 90 days past due unless the Entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

v. *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) Significant financial difficulty of the issuer or the borrower;

(b) A breach of contract, such as a default or past due event (see (ii) above);

(c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

(e) The disappearance of an active market for that financial asset because of financial difficulties.

vi. *Write-off policy*

The Entity writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Entity's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

vii. *Measurement and recognition of expected credit losses*

The measurement of expected credit losses (ECL) is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Entity's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Entity in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16, *Leases.*

For a financial guarantee contract, as the Entity is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Entity expects to receive from the holder, the debtor or any other party.

If the Entity has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Entity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Entity recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument, which the Entity has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

l. ***Financial liabilities and equity instruments***

Financial assets and financial liabilities are recognized when an Entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

i. Classification as debt or equity

Debt and equity instruments issued are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at fair value through results

Financial liabilities are classified at fair value through profit or loss when the financial liability is (i) contingent consideration from an acquirer in a business combination, (ii) held for trading, or (iii) designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been acquired mainly for the purpose of short-term repurchase; either
- At initial recognition, it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of taking short-term profits; either
- It is a derivative, except for derivatives that are a financial guarantee contract or a designated and effective hedging instrument.

A financial liability that is not held for trading or contingent consideration of an acquirer in a business combination may be designated as fair value through profit or loss on initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; either
- The financial liability is part of an entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the entity's risk management or investment strategy, and information is provided internally on that basis; either
- It is part of a contract that contains one or more embedded derivatives, and IFRS 9 allows the entire combined contract to be designated as fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, and gains or losses arising from changes in fair value are recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the line item “Net (gain) loss on revaluation of financial instruments” in profit or loss.

Gains or losses on financial guarantee contracts issued by the Entity that are designated by the Entity at fair value are recognized through profit or loss.

The fair value is determined in the manner described in Note 4.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated at fair value through profit or loss, are subsequently measured at amortized cost using the equity effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) during the expected life of the financial liability, or (where appropriate) a shorter period, at the amortized cost of a financial liability.

iii. Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Entity exchanges a debt instrument with the existing lender for another with substantially different terms, such exchange is accounted for as an extinction of the original financial liability and the recognition of a new financial liability. Similarly, the Entity considers the substantial modification of the terms of an existing liability or part of it as an extinction of the original financial liability and the recognition of a new liability. The terms are assumed to be materially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10% different from the new financial liability discounted the value of the remaining cash flows of the original financial liability. If the modification is not material, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after the modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

v. Offset

Financial assets and liabilities are subject to offset and the net amount is shown in the consolidated statement of financial position only when the Entity has a legal right to offset the amounts and its purpose is to carry out the settlement on a net basis or to simultaneously realize the asset and settle the liability.

vi. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Entity's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Entity's own equity instruments.

m. ***Hedge accounting***

The Entity designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges.

At the inception of the hedge relationship, the Entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Entity documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Entity actually hedges and the quantity of the hedging instrument that the Entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Entity adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Entity designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 21 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in Note 23.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss,
and is included in the ‘other gains and losses’ line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Entity expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Entity discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

n. ***Inventories***

Inventories are stated at the lower of cost or realizable value. The costs, including a portion of fixed and variable overhead costs are allocated to inventories using the most appropriate method for the particular kind of inventory and they are mainly measured using the average cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

o. ***Real estate inventories***

Real estate inventories consist of apartments and offices, land in process of being developed for its sale, costs and expenses incurred during the construction process of such inventories, see Note 8. They are stated at its construction cost, including all directly attributable costs such as the cost of the land used, construction in process and borrowing costs, without exceeding its realizable value.

p. ***Prepaid expenses***

Prepaid expenses are measured at the amount of cash or cash equivalents paid and recognized as assets from the date in which the payment is made. They are recognized in profit or loss during the period in which the related services are received or the goods are used. They are classified as short-term or long-term depending on whether the period of use of the services or goods goes beyond 12 months.

q. ***Assets classified as held for sale***

Long-lived assets and groups of available assets are classified as held for sale if their carrying amount will be recovered through their sale and not their continued use. This condition is deemed fulfilled only when the sale is highly probable and the asset (or group of available assets) is available for its immediate sale in its current conditions, subject only to common sales terms for such assets. Management must be committed to the sale, which must qualify for recognition as a finalized sale within one year as of the classification date.

When the Entity is committed to a sales plan, which involves the loss of control over a subsidiary, all of the assets and liabilities of such subsidiary are classified as available for sale upon compliance with the above criteria, regardless of whether the Entity will maintain a non-controlling interest in its former subsidiary after the sale.

Long-lived assets (and groups of available assets) classified as held for sale are valued at the lesser of carrying amount and fair value less costs of sale.

r. ***Property, leasehold improvements and equipment***

Property, leasehold improvements and equipment are initially recognized at cost and subsequently at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in such estimates accounted for on a prospective basis. Land is not depreciated.

An item of property, leasehold improvements and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets, leasehold improvements are amortized over the shorter of their useful life or the term of the lease as follows:

	Average years
Buildings	40
Leasehold improvements	9 - 25
Furniture and equipment	4 - 10
Vehicles	4
Computers	4

s. ***Investment properties***

Investment properties are properties held to earn rentals and/or for capital appreciation, mainly buildings and land destined for use by the Entity's customers as supermarkets, retail stores and offices. It includes investment property under construction for such purposes. Property occupied by the Entity is segregated from the Entity's investment property and classified as property and equipment, such segregation is made based on relative square meters.

Investment properties are measured initially at cost, including transaction costs. Subsequent investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Fair values are based on market values, which are estimated to be the amount of money for which an investment property could be sold at the measurement date. Fair value for investment property and land occupied or ready to be occupied for the Entity's tenants is determined internally using valuation techniques such as the discounted cash flows approach which uses the capitalization of rental income minus property operating expenses, such as maintenance, insurance and other direct costs. The valuations take into account the ability of market participants to generate economic benefits by selling the asset or by using it in its "highest and best use" which includes the consideration of the highest and best use that physically possible, legally permissible and financially feasible. Valuations are periodically made by a specialized department of the Entity that has experience in location and category of valued investment properties. This valuation is performed for the investment properties currently in conditions to be rented; for land reserves, an appraisal is made by independent external experts that use the market approach to determine their fair value.

After initial recognition of the investment properties, all repairs and maintenance expenses are recognized within profit or loss of the period in which they are incurred.

Investment properties under construction are measured at is fair value only to the extent that such fair value can be reliably determined. In such determination, management considers, among other factors, the general conditions of the construction contract, the stage of completion of such construction, the existence of similar construction projects in the market, the reliability of the expected future cash inflows, the specific risk of the related property and past experiences.

An investment property is derecognized upon sale or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be received from such investment property.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

The Entity transfers from other categories of property to investment property when, and only when, there is a change in use, evidenced by commencement of development with a view to sell, the Entity vacates an existing owner-occupied property with a view to begin redevelopment as investment property or the beginning of an operating lease with a third party.

t. ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs, including costs for loans related to investment properties that are valued at fair value are recognized in profit or loss in the period in which they are incurred.

u. ***Goodwill***

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 15) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Entity's cash-generating units (or the Entities of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

v. ***Intangible assets***

1. *Intangible assets acquired separately*

   Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2. *Internally-generated intangible assets - research and development expenditure*

   Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to their initial measurement, an internally generated intangible asset is recognized at their cost less accumulated amortization and cumulative impairment losses, on the same basis as the intangible assets that are acquired separately.

3. *Intangible assets acquired in a business combination*

When intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date.

On a business acquisition, customer lists represent the fair value of the intangible assets related to client lists identified as an asset at the acquisition date. Its expected economic life is estimated to be ten years and is subject to impairment tests on an annual basis.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

4. *Derecognition of intangible assets*

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

5. *Patents and trademarks*

Patents and trademarks are initially measured at purchase cost and are amortized in a straight line over their estimated useful lives.

6. *Deferred charges*

Costs incurred in the development phase that meet certain requirements and that the Entity has determined will have future economic benefits are capitalized and amortized using the straight-line-method over their estimated useful lives.

Disbursements that do not meet such requirements, as well as research cost, are recorded in profit or loss of the period in which they are incurred. It mainly includes the costs of acquiring and generating software.

w. ***Leasing***

The Entity as a lessor

The Entity enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Entity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Entity is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Entity applies IFRS 15 to allocate the consideration under the contract to each component.

The Entity as a lessee

The Entity assesses whether a contract is or contains a lease, at inception of the contract. The Entity recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Entity recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Entity uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Entity did not make any such adjustments during the periods presented, except for the lease payments that are changed due to changes in an index.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Entity applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in profit or loss.

x. ***Impairment in value of tangible and intangible assets other than goodwill***

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less (or a cash-generating unit) than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

y. ***Derivative financial instruments***

The Entity enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks including foreign exchange forward contracts, including interest rate *swaps* and exchange rate *forwards*. Further details of derivative financial instruments are disclosed in Note 21.

Derivative financial instruments presented as of the date of the report, even though they have been entered into with hedging purposes from an economic perspective, they have been classified as trading from an accounting perspective. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The transaction costs that are directly attributable to the acquisition of derivative financial instruments are added to or deducted from the fair value of the derivative, or, as applicable, recognized at initial recognition. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

z. ***Provisions***

Provisions are recognized when (i) the Entity has a present obligation (legal or constructive) as a result of a past event, (ii) when it is probable that the Entity will be required to settle the obligation, and (iii) when a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

i. Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii. Restructurings

A restructuring provision is recognized when the Entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Entity.

aa. ***Employee benefits, benefits from termination, retirement and statutory employee profit sharing (PTU)***

Employee benefits from termination and retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Entity recognizes service costs within profit or loss as cost of sales and administrative expenses (see Note 26). Net interest expense or income is recognised within finance costs.

The Entity presents the first two components of defined benefit costs in profit or loss. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Entity's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Statutory employee profit sharing (PTU)

PTU is recorded in the results of the year in which it is incurred and is presented in operating expenses and cost of sales line item in the consolidated statement of profit and other comprehensive income. PTU is determined based on taxable income, according to Section I of Article 9 of the Income Tax Law.

bb. ***Income taxes***

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. *Current tax*

Current income tax ("ISR") is recognized in the results of the year in which is incurred.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Entity supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

ii. *Deferred income tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Entity is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Entity intends to settle its current tax assets and liabilities on a net basis.

iii. *Current and deferred taxes*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

cc. ***Repurchase of treasury shares***

Pursuant to the Mexican Stock Market Law, a reserve was created to repurchase shares of Grupo Gigante, S.A.B. de C.V. which amount is reviewed and approved each year by the General Annual Ordinary Stockholders' Meeting. Shares, that are purchased temporarily by Grupo Gigante, S.A.B. de C.V., are repurchased by charging the stockholders' equity or the common stock, according to Article 56 of the Stock Market Law. No Gains or losses related the repurchase, sale, issuance or settlement of Grupo Gigante, S.A.B. de C.V. own equity instruments are recognized in the statements of comprehensive income.

dd. ***Foreign currencies***

In preparing the consolidated financial statements of the Entity, transactions in currencies other than the Entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

The individual financial statements of each subsidiary, direct or indirect of Grupo Gigante, S.A.B. de C.V., are prepared in the currency of the primary economic environment in which it operates (its functional currency). For purposes of these financial statements, the results and financial position of each subsidiary of Grupo Gigante, S.A. de C.V. are expressed in Mexican pesos, which is the functional currency of the Entity and the presentation currency for the consolidated financial statements.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Entity's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal (i.e. a disposal of the Entity's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled Entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Entity are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Entity losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Entity losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

ee. ***Revenue recognition***

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Entity recognizes revenue related to the different activities it is engaged on as follows:

i. *Sale of goods:* revenue is recognized when control of the goods has been transferred, being at the point when customers purchase the goods at the stores or restaurants. Payment is received immediately when customers buy the goods and services.

Under the Entity's standard contract and sale terms, customers have the right to return purchased goods. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognized for those products expected to be returned. At the same time, the Entity has a right to recover the product when customers exercise their right of return so consequently recognizes a right to returned goods asset and a corresponding adjustment to cost of sales. The Entity uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognized will not occur given the consistent level of returns over previous years.

The entity sells goods through its own stores and online.

For sales on the point of sales and online, revenue is recognized when control of the goods is transferred, this generally occurs when the goods have been shipped to the customer specific location (delivery) for sales made at the point of sales. For sales to customers there is a right to return the goods and therefore a reimbursement liability and a right asset for returned goods is recognized in relation to the goods that are expected to be returned.

For online sales, revenue is recognized when control of the goods has been transferred to the customer, which occurs once the purchase goods are delivered to the customer. When the customer initially purchases the goods online the transaction price received by the Entity is recognized as a contract liability until the goods have been delivered to the customer.

ii. *For the sale of food and beverages*: Revenues are calculated at the fair value of the consideration received, taking into account the estimated amount of customer returns, rebates and other similar discounts. Revenue from the sale of food and beverages must be recognized when each and each one of the following conditions is met:

- The Entity has transferred to the customer the control derived from the elaborated product or drink;
- The Entity does not retain for itself any involvement in the ongoing management of the goods sold, to the extent usually associated with ownership, nor does it retain effective control over them;
- The amount of income can be measured reliably;
- It is probable that the Entity will receive the economic benefits associated with the transaction; and
- The costs incurred, or to be incurred, in connection with the transaction can be measured reliably.

iii. *Real estate sales:* The Entity, as a lessor, retains substantially all of the benefits and risks of ownership of the property; therefore, it accounts for its leases as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are capitalized within non-current assets and recognized on a straight-line basis over the lease term. Income from maintenance services related to property for rent granted are recognized in the period in which they accrue. Leasing incentives are recognized on a straight-line basis over the life of the lease. Rental income includes income from parking lots operated by the Entity.

iv. *Sale of housing*: They are recognized in the period in which the risks and benefits of inventories are transferred to customers, which occurs at the time of deed of the homes.

v. *Rendering of services:* Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period.
- Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold.
- Revenue from time and material contracts is recognized at the contractual rates as labor hours and direct expenses are incurred.

Service revenue is included in other income in the consolidated statements of profit and other comprehensive income.

ff. ***Statement of Cash Flows***

The Entity reports cash flows for investment transactions using the indirect method whereby the profit or loss is adjusted for the effects of transactions of a nature different than cash, any deferral of inflow or outflow of cash for past or future accumulation or entries of income or expenses associated with cash flows from investment or financing activities.

Interests paid and interests and dividends received are classified as financing and investment activities, respectively.

gg. ***Earnings per share***

Basic earnings per common share are calculated by dividing net income of the equity attributable to owners of the Entity by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are determined by adjusting consolidated profit attributable to the owners of the Entity for the year and common shares on the assumption that the Entity's commitments to issue or exchange its own shares would be fulfilled. During 2023, 2022 and 2021, the Entity did not have any dilutive instruments; therefore, basic and diluted per share are the same.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in Note 3, the Entity's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. ***Critical accounting judgments when applying accounting policies***

Below are essential judgments, apart from those that involve estimates (see Note 4b), made by management during the process of applying the Entity's accounting policies and that have a significant effect on the consolidated financial statements.

Leases classification - Leases are classified based on the extent that the risks and benefits inherent to the property of the leased asset are transferred or maintained, depending more on the substance of the transaction than in the legal form. The Entity set forth internal criteria to determine if the term of the leases is for most of the economic life of the leased property, as well as the criteria for the separation of the value allocated to the land and the construction by the participants on the lease of a real estate.

Deferred taxes on investment properties – For purposes of assessing deferred tax assets or liabilities which arise from investment properties under the fair value model, Entity management has reviewed its investment property portfolio and concluded that such properties are not maintained under a business model in which the objective consumes all of the economic benefits of the investment over time, instead of the sale. Therefore, upon determining deferred taxes on investment properties, Entity management has determined to maintain the carrying amount using the fair value model and recover everything though the sale.

Control over uncontrolled subsidiaries – Note 14 discloses three Entity subsidiaries in which Grupo Gigante, S.A.B. de C.V., does not own (directly or indirectly) 100% of the common stock. However, management assessed whether the Entity has control over such subsidiaries and has the ability to lead relevant activities unilaterally. After such analysis, management concluded that the Entity has dominant voting rights to lead relevant activities and, therefore, the Entity has control over such subsidiaries.

b. ***Key sources of estimation uncertainty:***

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. ***Investment properties***

The Entity carries out internal valuations of its investment property, which are occupied or ready to be occupied by lessees (investment properties in operation). The valuation methodology includes assumptions that are not directly observable in the market to determine the fair value. The method used was the income capitalization method - income approach, which consists of valuation techniques and mathematic models to analyze the capacity for the future generation of economic benefits by the property discounted at present value. The main assumptions in this calculation are the discount rate, the net income from long-term leases, the long-term inflation rate, for the discount rate weighted capital cost rates were used that oscillate in existing market ranges to the date of each valuation.

Significant changes in occupancy levels and/or in the rental income or significant increases or changes in the discount rate may result in a fair value for the investment properties significantly different and a related impact in profit or loss.

The valuation techniques used during the reported periods have been consistent. Management believes that the valuation methodologies and assumptions used are appropriate for the determination of the Entity’s investment property fair values.

For investment property that is not in condition for being occupied (land or land reserves maintained for future development or to obtain capital appreciation) external appraisals are performed periodically by an independent appraiser.

ii. ***Property, leasehold improvements and equipment***

The Entity determines the useful lives and residual values of its property, leasehold improvements and equipment based on its experience using the advice of internal specialists.

iii. ***Impairment testing***

The Entity is required to test its definite useful live long-lived assets for impairment when there are indicators that an impairment loss has occurred and to test its indefinite useful live assets, including goodwill and other intangible assets, at least on an annual basis. To calculate impairment losses of long-lived assets in use, it is necessary to determine the asset's recoverable amount. Recoverable amount is defined as the higher of the asset's fair value less cost to sell or its value in use, which is the present value of the future cash flows expected to be derived from the asset. Determining whether goodwill is impaired requires an estimation of the value-in use of the cash-generating units to which goodwill has been allocated. The value-in use calculation requires management to estimate the present value of the future cash flows expected to arise from the cash-generating unit, determined using a suitable discount.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

iv. ***Deferred taxes***

Under IFRS, the Entity is required to recognize income tax effects for temporary differences between the carrying amount of the Entity's assets and liabilities in the statement of financial position and their related tax basis. A deferred income tax asset is recognized in the consolidated financial statements to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilize and therefore future economic benefits will ultimately flow to the Entity. Such estimates are based on management's knowledge of the business as well as projections of future profits.

The Entity prepares financial projections for each legal entity in which it holds control to determine whether tax assets may be used in the future, particularly tax loss carryforwards. Based on these projections, tax losses are activated or reserved in each country in which the Entity operates.

v. ***Discount rate used to determine the carrying amount of the defined benefit obligation***

The Entity's defined benefit obligation is discounted at a rate based on high quality corporate and government bond market rates at the end of the reporting period. Professional judgment must be exercised when establishing the criteria for the bonds that will be included in the population from which the yield curve is derived. The most significant criteria considered for bond selection include the issuance size of corporate and government bonds, their rating and the identification of atypical bonds, which are excluded.

vi. ***Fair value valuation and measurement processes***

Some of the Entity's assets and liabilities are measured at fair value for reporting purposes. The Entity's management uses professional judgment to determine the appropriate valuation techniques for fair value measurements.

When estimating the fair value of an asset or liability, the Entity uses observable market data when available. When Level 1 results are not available, the Entity internally calculates fair values (Level 3). The Entity's management reviews results each quarter and analyzes the reasons for fluctuation in the fair value of assets and liabilities.

vii. ***IFRIC 23 provisions***

The provision recorded is related to the Entity's evaluation of the amount of probable taxes to be paid for open tax positions in accordance with the requirements of IFRIC 23. This provision is made for uncertain tax items that are mainly related to the interpretation of tax authority. Due to the uncertainty associated with such tax items, there is a possibility that, upon conclusion of open tax matters at a future date, the result may differ materially.

viii. ***Lease***

The Entity evaluates the assets subject to lease and defines those that are less than those that are not. Those subject to the registration of rights of use are analyzed to determine the contractual terms of validity and the possibilities of renewal based on economic benefits, the estimated committed payments and the discount rates used by type of asset to determine the amount to be registered.

5. Cash, cash equivalents and restricted cash

For the purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, bank deposits and short-term investments highly liquid which are measured at nominal value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

	2024	2023	2022
Cash on hand	$ 19,960	$ 11,190	$ 9,590
Bank deposits and cash equivalents	3,170,486	2,983,725	2,429,633
	3,190,446	2,994,915	2,439,223
Restricted cash Long Term [(i)] – Note 16	84,520	82,872	80,677
	$ 3,274,966	$ 3,077,787	$ 2,519,900

(i) Some subsidiaries have bank loans secured with investment properties through mortgages and/or administration trusts and/or collateral and/or alternative source of payment (the "Trusts").

In the Trusts, different reserve accounts are contemplated on the resources that are part of the trust assets, such as collection rights derived from the lease contracts of the commercial premises located in the investment properties that are the object of the guarantees of such bank loans. In the reserve accounts related to the Trusts are debt service reserve amounts. The assets of the trusts are invested, in terms of the trust's contracts, in different instruments, including investment-grade debt instruments with liquidity every 24 hours or as needed to carry out the purposes of Trusts, such as promissory notes or bank bonds, debt instruments issued, guaranteed or endorsed by the Federal Government.

6. Financial instruments

Financial assets valued at fair value with changes through profit or loss:

	2024	2023	2022
Short term:			
Development capital certificates [(i)]	$ 314,459	$ 306,715	$ 325,701
Real Estate Trust Stock Certificates [(ii)]	1,166,725	1,063,392	1,143,117
	$ 1,481,184	$ 1,370,107	$ 1,468,818

(i) Investments in development capital certificates ("CKD" by its acronym in Spanish) corresponding to the Trust F/00687. The objective of such trust is to invest in a diversified portfolio of real estate assets located in Mexico, developing land for use in the housing, tourism, industrial, commercial or mixed sectors. This debt financial instrument was listed on the BMV until October 20, 2020, after which it entered into liquidation period. Its fair value at the end of each reporting period is that presented in the table above.

(ii) On February 22, 2021, Grupo Gigante, S.A.B. de C.V., reported that, in relation to its participation, through its subsidiaries Monisan, S.A. de C.V., and Inmobiliaria Cuauhtémoc Liceaga, S.A., in the Administration Trust F/743955 (which, in turn, was the holder of trustee rights of the Administration Trust F/1447) and in the Administration Trust CIB/535 (hereinafter and as a whole the "Participation of the Subsidiaries"), related to the properties located at Boulevard Adolfo Ruiz Cortines, number 4300, Colonia Mocambo, Boca del Río, Veracruz de Ignacio de Llave (in which the shopping center known as Andamar I is built) and Av. Adolfo Ruiz Cortines, number 3500, Colonia Mocambo or Potrero Niño Bonito, Boca del Río, Veracruz de Ignacio de Llave (in which the shopping center known as Andamar II is built), made the determination to enter into certain contracts for the contribution and assignment of trustee rights (hereinafter the "Contribution Agreements"), in order to contribute the Participation of the Subsidiaries to Fibra SOMA in exchange for receiving, in ownership, 22,837,852 Real Estate Trust Certificates issued by the latter (hereinafter the "CBFIs"). Until February 2023, the Contribution Contracts for this exchange of assets conditioned the classification of the financial instrument as restricted, however, as of February 2023 the Entity has the right to settle the CBFIs. On March 21, 2025, the agreement for the termination of the transfer of ownership pledge that had been constituted on the CBFIs to guarantee the contract corresponding to said credit was signed.

7. Accounts receivable and recoverable taxes

a. Accounts receivable are as follows:

	2024	2023	2022
Trade accounts receivable	$ 1,284,020	$ 1,211,435	$ 1,224,051
Allowance for expected credit losses	(94,865)	(74,369)	(71,941)
	$ 1,189,155	$ 1,137,066	$ 1,152,110

b. Recoverable taxes consist of the following:

	2024	2023	2022
Recoverable taxes are as follows:			
Recoverable Value Added Tax ("VAT")	$ 1,415,566	$ 1,346,988	$ 1,230,902
Recoverable income tax	176,565	403,932	367,649
Other accounts receivable	516,072	321,333	187,674
	2,108,203	2,072,253	1,786,225
Accounts receivable in joint venture and associates	80,635	80,574	196,150
Total	$ 3,377,993	$ 3,289,893	$ 3,134,485

c. Movement in the allowance for expected credit losses is as follows:

	2024	2023	2022
Balance as of January 1	$ 74,369	$ 71,941	$ 54,992
Increases	32,087	17,065	19,941
Amounts written-off as uncollectible	(11,591)	(14,637)	(2,992)
Balance as of December 31	$ 94,865	$ 74,369	$ 71,941

Normal credit terms for most of the customers of the Entity are 30 to 90 days; thereafter the payment is considered past due.

The following table details the risk profile of accounts receivable based on the Entity's provisioning matrix. Since the historical experience of credit loss indicates that there are no significant differences in the loss patterns for the different customer segments, the estimate of expected credit losses is based on the maturity status of the portfolio without distinguishing between the customer bases of the Entity.

31/12/2024	Accounts receivable - days past due					
	<30	31 - 60	61 - 90	91 - 360	>360	Total
Expected credit loss rate	%	0%	0%	100%	100%	
Carrying amount	$1,107,161	$ 58,567	$ 23,427	$ 35,719	$ 59,146	$1,284,020
Expected Credit Loss Life	$ -	$ -	$ -	$ 35,719	$ 59,146	$ 94,865

31/12/2023	Accounts receivable - days past due					
	<30	31 - 60	61 - 90	91 - 360	>360	Total
Expected credit loss rate	0%	0%	0%	100%	100%	
Carrying amount	$1,049,704	$ 65,522	$ 21,840	$ 41,608	$ 32,761	$1,211,435
Expected Credit Loss Life	$ -	$ -	$ -	$ 41,608	$ 32,761	$ 74,369

31/12/2022	Accounts receivable - days past due					
	<30	31 - 60	61 - 90	91 - 360	>360	Total
Expected credit loss rate	0%	0%	0%	77%	0%	
Carrying amount	$1,015,412	$ 72,598	$ 42,758	$ 93,283	$ -	$1,224,051
Expected Credit Loss Life	$ -	$ -	$ -	$ 71,941	$ -	$ 71,941

8. Inventories

	2024	2023	2022
Office supplies inventories	$ 6,109,345	$ 5,773,364	$ 5,768,177
Housewares supplies inventories	-	-	63,364
Inventories and restaurant supplies	255,183	190,822	190,578
Allowance for obsolete inventories	(5,794)	(9,704)	(7,443)
	6,358,734	5,954,482	6,014,676
Real estate inventories	79,189	93,431	104,544
	$ 6,437,923	$ 6,047,913	$ 6,119,220

The value of the inventory recognized within the cost of sales is disclosed in Note 26 within the merchandise and supplies concept.

9. Assets classified as held for sale

	2024	2023	2022
Beginning balance	$ 441,767	$ 31,865	$ 40,795
Disposals of assets due to sale	(36,653)	-	-
Transfer of assets to property and equipment and investment properties	(59,279)	416,775	-
Effect of foreign currency translation	1,660	(6,873)	(8,930)
	$ 347,495	$ 441,767	$ 31,865

The Entity has a formal sale plan approved by management for assets classified as available for sale. These assets were disposed of on February 21, 2025; See Note 33.

10. Property, leasehold improvements and equipment

	2024	2023	2022
Gross investment at cost:			
Land	$ 1,687,488	$ 1,604,830	$ 1,896,343
Buildings and leasehold improvements	8,465,035	7,987,797	8,381,570
Furniture and computers	5,436,027	5,085,695	5,501,823
Vehicles	488,999	468,259	449,127
Construction in-progress	214,156	158,785	112,813
Gross investment	$ 16,291,705	$ 15,305,366	$ 16,341,676
Accumulated depreciation:			
Buildings and leasehold improvements	$ (4,050,603)	$ (3,751,833)	$ (3,771,206)
Furniture and equipment	(4,179,891)	(3,861,150)	(3,998,020)
Vehicles	(323,525)	(284,816)	(277,963)
Accumulated depreciation	$ (8,554,019)	$ (7,897,799)	$ (8,047,189)

	2024	2023	2022
Net investment:			
Land	$ 1,687,488	$ 1,604,830	$ 1,896,343
Buildings and leasehold improvements	4,414,432	4,235,964	4,610,364
Furniture and computers	1,256,136	1,224,545	1,503,803
Vehicles	165,474	183,443	171,164
Construction in-progress	214,156	158,785	112,813
Total property and equipment – Net	$ 7,737,686	$ 7,407,567	$ 8,294,487

a. The roll forward of the net carrying amount of property and equipment is as follows:

	Lands	Buildings and leasehold improvements	Furniture and computers
Balance as of January 1, 2022	$ 1,900,236	$ 4,921,245	$ 1,726,316
Additions	-	97,365	304,763
Transfer assets	2,748	23,150	-
Effect of foreign currency	(6,641)	(14,943)	(6,847)
Depreciation expense	-	(336,631)	(465,414)
Depreciation expense of discontinued operations	-	(25,427)	(23,605)
Disposals related to discontinuation	-	(19,510)	(6,614)
Disposals related to closures, remodeling and sale	-	(34,885)	(24,796)
Balance as of December 31, 2022	1,896,343	4,610,364	1,503,803
Additions	-	212,956	315,725
Transfer assets	(276,521)	(127,619)	-
Effect of foreign currency	(14,992)	(18,673)	(15,292)
Depreciation expense	-	(349,238)	(511,535)
Depreciation expense of discontinued operations	-	(1,576)	(713)
Disposals related to closures, remodeling and sale	-	(90,250)	(67,443)
Balance as of December 31, 2023	1,604,830	4,235,964	1,224,545
Additions	-	484,820	438,879
Transfer assets	45,664	46,720	-
Effect of foreign currency	36,994	39,666	19,507
Depreciation expense	-	(316,299)	(418,217)
Disposals related to closures, remodeling and sale	-	(76,439)	(8,578)
Balance as of December 31, 2024	$ 1,687,488	$ 4,414,432	$ 1,256,136

	Vehicles	Construction in-progress	Net investment
Balance as of January 1, 2022	$ 114,344	$ 34,956	$ 8,697,097
Additions (transfers between property and equipment)	67,668	79,892	549,688
Transfer assets	-	-	25,898
Effect of foreign currency	(731)	-	(29,162)
Depreciation expense	(2,574)	-	(804,619)
Depreciation expense of discontinued operations	(924)	-	(49,956)
Disposals related to discontinuation	(1,823)	-	(27,947)
Disposals related to closures, remodeling and sale	(4,796)	(2,035)	(66,512)

	Vehicles	Construction in-progress	Net investment
Balance as of December 31, 2022	171,164	112,813	8,294,487
Additions (transfers between property and equipment)	44,608	46,111	619,400
Transfer assets	-	-	(404,140)
Effect of foreign currency	(2,076)	(139)	(51,172)
Depreciation expense	(3,853)	-	(864,626)
Leave due to discontinuation	(276)	-	(2,565)
Disposals related to closures, remodeling and sale	(26,124)	-	(183,817)
Balance as of December 31, 2023	183,443	158,785	7,407,567
Additions (transfers between property and equipment)	57,944	52,790	1,034,433
Transfer assets	-	-	92,384
Effect of foreign currency	3,133	3,060	102,360
Depreciation expense	(69,823)	(386)	(804,725)
Disposals related to closures, remodeling and sale	(9,223)	(93)	(94,333)
Balance as of December 31, 2024	$ 165,474	$ 214,156	$ 7,737,686

Depreciation expense is presented within cost of sales and operating expenses in the consolidated statements of comprehensive income. See Note 26.

Therefore, at the December 31, 2023 and 2022, a total of 6 properties classified into property and equipment, respectively, are contributed to the guarantee trusts with reversion rights corresponding to the credits described in Note 19 v and vi. The view of commercial value as of December 31, 2023, of the 6 properties is $936,829. The carrying amount as of December 31, 2023 of the 6 properties is $241,143.

The opinion of the commercial value, as of December 31, 2023 and 2022, of the 6 properties is $952,649 and $936,829, respectively.

The book value, as of December 31, 2023 and 2022, of the 6 properties is $236,872 and $241,143, respectively.

On December 5, 2024, the total extinction of the guarantee trust with reversion rights number CIB/3480 was held and the ownership of the 4 properties classified as property and equipment that had been provided as collateral to the assets of said trust and that were pending release due to the early settlement of the credit described in subsection (v) of Note 19 was reversed. The reversion of ownership of said 4 properties was given in accordance with the following: 2 properties in favor of Office Depot de México, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), 1 property in favor of Restaurantes Toks, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), and 1 property in favor of Controladora y Operadora de Inmuebles, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), in their capacity as settlors.

As of December 31, 2024, 2 properties classified as property and equipment are contributed to the guarantee trust with reversion rights CIB/3686. These properties are in the process of being released due to the early settlement of the credit described in subsection (vi) of Note 19.

The opinion of the commercial value, as of December 31, 2024, of the 2 properties is $173,642.

The book value, as of December 31, 2024, of the 2 properties is $96,619.

As of December 31, 2024, 2023 and 2022, no material deterioration was recognized.

On October 25, 2023, Hurricane Otis slammed into Mexico's Pacific coast as a category five storm. Throughout the state of Guerrero, Hurricane Otis caused flooding, damage to infrastructure and the closure of economic activity, causing the temporary and, in some cases, permanent closure of stores and restaurants in the town of Acapulco. The Entity's assets were insured and work is underway with the insurer in the process of reimbursing the securities thereof. As of December 31, 2023, the accounting effects of the Entity's assets and investments that were damaged by the hurricane were recorded in net income of the amounts recovered from the insurer. The damage caused by the hurricane did not have a material effect on the Entity's financial condition and results of operations as of December 31, 2024 and 2023.

11. Right-of-use assets – Net

The Entity leases various premises and offices. The analysis of the maturity of the lease liabilities is presented in Note 18.

	2024	2023	2022
Building and sites:			
Balance as of January 1	$ 5,415,435	$ 4,350,791	$ 3,919,992
Additions by new contracts and increase by index or rates (ii)	1,441,594	1,598,863	865,907
Disposals related to early termination (i)	(92,054)	(197,981)	(90,561)
Depreciation expense on right-of-use assets	(1,012,690)	(984,525)	(651,107)
Changes in contract conditions	-	299,144	358,650
Depreciation expense of discontinued operations	-	(4,190)	(28,150)
Effect of foreign currency exchange differences	(10,530)	353,333	(23,940)
Balance as of December 31	$ 5,741,755	$ 5,415,435	$ 4,350,791

(i) The cancellations made correspond to closures of strategic operations.

(ii) The Entity enters into asset lease agreements. These additions during 2023, 2022 and 2021 did not result in cash flows.

Depreciation expense of right-of-use assets is presented in the cost of sales and operating expenses line items in the consolidated statements of profit and other comprehensive income. See Note 26.

12. Investment properties

The Entity uses the discounted future cash flow approach and the comparable market approach to determine the fair value of its investment properties. These techniques include assumptions, which are not directly observable in the market, such as discount rates, long-term net operating income (NOI), inflation rates and the price of their territorial reserve per square meter.

The Entity internally determines the fair value of its leased land and buildings using the discounted future cash flow approach and external appraisers, which use the comparable market approach to determine the fair value of territorial reserves. The fair value estimate of investment properties considered the greater and better use of the properties in its current use. During the year, there have been no changes in the valuation technique.

On 2020 and 2021, due to the greater risk of uncertainty regarding the long-term implications of the COVID-19 pandemic, different projections of NOI and discount rate inputs were reviewed, such as size premium and country risk, resulting in a decrease in fair value, particularly affected by the economic effects of COVID-19 on the inputs. For the year 2022, the level of uncertainty has gradually decreased thanks to the generalized economic reactivation in the country, and on May 9, 2023, the end of the COVID-19 health emergency in Mexico was officially determined, which implied that the inputs mentioned above were re-assessed with the most recent economic perspectives.

Gains or losses arising from changes in the fair values are included in the consolidated statements of profit and other comprehensive income in the period in which they arise.

The direct operating expenses, including maintenance, arising from investment property that generated rental income during the years ended December 31, 2024, 2023 and 2022, were $471,819, $396,480 and $347,733 respectively and the direct operating expenses for properties that did not generate rental income for the years ended December 31, 2024, 2023 and 2022 were $4,959, $5,703 and $6,528 respectively.

As of December 31, 2024, 2023 and 2022, the Entity's investment properties have a gross leasable area (unaudited) of 1,099,234, 1,101,899, and 922,677 square meters, respectively. As of December 31, 2024, 2023 and 2022 were 93.8%, 88.5% and 96% occupied (unaudited) by tenants, respectively.

The Entity's investment properties are located in Mexico and they are classified as Level 3 in the IFRS fair value hierarchy. The following table provides information about how the fair values of the investment properties are determined (in particular, the valuation technique(s) and inputs used).

Property	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Value	Relationship of unobservable inputs to fair value
Buildings and land for shopping malls and offices buildings	Level 3	Discounted cash flows	Discount rate	2024: 11.46% 2023: 11.37% 2022: 11.21%	The higher the discount rate, the lower the fair value.
			NOI	Based on contractual rent and then on market related rents	The higher the NOI, the higher the fair value.
			Inflation rate	Mexico: 2024: 3.50% 2023: 3.50% 2022: 3.50%	The higher the inflation rate, the higher the fair value.
Land reserves	Level 3	Market value	Price per square meter	Depending on the location	The higher the price, the higher the fair value.

a. The table below sets forth the aggregate values of the Entity's investment properties for the years indicated:

	2024	2023	2022
Buildings and land for shopping malls and office buildings	$ 16,990,187	$ 15,864,546	$ 14,539,735
Land reserves	958,824	1,331,716	1,211,346
Investment Properties	17,949,011	17,196,262	15,751,081
Investment properties of Right-of-use assets	107,616	59,736	109,187
	$ 18,056,627	$ 17,255,998	$ 15,860,268

b. The reconciliation of investment property is as follows:

Investment Properties	2024	2023	2022
Balance at beginning of year	$ 17,196,262	$ 15,751,081	$ 14,771,582
Additions	188,865	365,272	388,347
Transfer of assets [ii]	(32,854)	(9,072)	(25,898)
Gain on revaluation of investment property [iii] and [iv]	589,213	1,088,998	617,032
Effect of foreign currency exchange differences	7,525	(17)	18
Balance at end of year	$ 17,949,011	$ 17,196,262	$ 15,751,081
Investment properties of right-of-use assets			
Balance at beginning of year	$ 59,736	$ 109,187	$ 167,177
Additions (i)	73,889	-	1,843
Transfer of assets (ii)	-	(3,562)	-
Disposals	(3,342)	(36,582)	(27,447)
Effect of foreign currency exchange differences	(4,304)	1,679	(655)
Depreciation (iv)	(18,363)	(10,986)	(31,731)
Balance at end of year	$ 107,616	$ 59,736	$ 109,187

(i) The additions did not involve cash flows.

(ii) Asset transfers correspond to transfers of land and buildings between investment properties, property and equipment, real estate inventories and assets held for sale.

(iii) The gain (loss) on revaluation of property is driven by changes in: 1) discount rates used to calculate the fair value, 2) occupancy rates and NOI and 3) new operating leases entered into by the Entity as well as changes in the market-related assumptions used to determine the fair value of land reserves.

(iv) Presented in the consolidated statement of income and other comprehensive income net of the year's depreciation of right-of-use asset investment properties of $18,363, $10,986 and $31,731 in 2024, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, a total of 30 investment properties of the Entity were contributed to guarantee trusts with reversion rights corresponding to the credits described in subsections, (i) and (v) of Note 19.

The market value of the 30 investment properties as of December 31, 2023, is $8,397,320, and as of December 31, 2022 is $7,478,510.

On December 5, 2024, the total extinction of the guarantee trust with reversion rights number CIB/3480, which guaranteed the credit described in subsection (v) of Note 19, was celebrated, and the ownership of 10 of the properties classified as investment properties that had been provided as collateral to the assets of said trust and that were pending release due to the early liquidation was reversed of said bank loan. The reversion of the ownership of these 10 properties was carried out in favor of different subsidiaries of Gigante Grupo Inmobiliario, S.A. de C.V. (all, in turn, subsidiaries of Grupo Gigante, S.A.B. de C.V.), in their capacity as settlors.

Therefore, as of December 31, 2024, a total of 20 investment properties of the Entity are contributed to the guarantee trust with reversion rights corresponding to the bank loan described in paragraph (i) of Note 19.

The opinion of the commercial value of the 20 investment properties, as of December 31, 2024, is $6,317,600.

Additionally, a mortgage was constituted on 3 investment properties to guarantee the loans in subsections (ii), (iii) and (vii) of Note 19. The fair value of these 3 investment properties as of December 31, 2024, 2023 and 2022 was $4,125,144, $4,015,541, and $3,729,000 respectively.

The operating lease contracts entered into by the Entity with its customers, include rental incentives such as rent holidays, other incentives as well as one time signing payments charged (known as key money). Income from operating leases is recognized on a straight-line basis over the lease term, including the income related to these lease incentives.

13. Investments in joint venture and associates

Details of each of the Entity's joint ventures and associates are as follows:

Entity	Investment type	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Entity		
				2024	2023	2022
Mascotas y Compañía, S. A. P. I. de C. V.	Joint venture	Retail specialized in selling pet products	Mexico City, Mexico	50.0%	50.0%	50.0%
Inmobiliaria Conjunto Polanco, S. A. P. I. de C. V.	Associate	Developing of investment properties	Mexico City, Mexico	41.6%	41.6%	41.6%
Matriz Ideas Mex, S.A.P.I. de C.V.	Joint venture	Retail specialized in selling household items	Mexico City, Mexico	50.0%	50.0%	50.0%

The details of the amounts recognized in the consolidated statement of financial position and in the consolidated statements of profit and other comprehensive income as of and for the years ended December 31, 2024, 2023 and 2022, are as follows:

Entity	Investment in shares		
	2024	2023	2022
Inmobiliaria Conjunto Polanco, S.A.P.I. de C.V.	$ 2,568,712	$ 2,443,186	$ 2,304,093
Mascotas y Compañía, S.A.P.I. de C.V.	1,538,621	1,394,711	1,204,750
Matriz Ideas Mex, S.A.P.I. de C.V.	131,086	137,736	35,000
Others	3,620	1,720	1,967
	$ 4,242,039	$ 3,977,353	$ 3,545,810

Entity	Share of profit		
	2024	2023	2022
Mascotas y Compañía, S.A.P.I. de C.V. (2)	$ 455,955	$ 398,697	$ 344,864
Inmobiliaria Conjunto Polanco, S.A.P.I. de C.V. (2)	100,073	119,109	123,137
Matriz Ideas Mex, S.A.P.I. de C.V. (1) y (2)	(17,486)	(16,727)	-
	$ 538,542	$ 501,079	$ 468,001

(1) For the period from October 26, 2022 (date of incorporation of Matriz Ideas Mex, S.A.P.I. de C.V.) to December 31, 2022, Matriz Ideas Mex, S.A.P.I. de C.V. had no operations.

(2) As of December 31, 2024, 2023 and 2022, it includes $92,354, $116,528, and $99,834 respectively, due to the effect of consolidation eliminations for related party transactions.

Contributions made in joint ventures and associates of the Entity as of December 31, 2024, 2023 and 2022 were $21,400, $122,367 and $35,000 respectively. The dividends declared for the Entity's joint and associated businesses as of December 31, 2024, 2023 and 2022 were $250,000, $155,381 and $56,128 respectively

In accordance with the accounting policies described above:

Mascotas y Compañía, S. A. P. I. de C. V. was classified as a joint venture because the contractual agreement gives the Entity the right to 50% of the net assets of this joint agreement. The investment in the joint venture is accounted for using the equity method.

Inmobiliaria Conjunto Polanco, S.A.P.I. de C.V. was classified as associate entities because the Entity does not have control or joint control over them and they are measured using the equity method.

Matriz Ideas Mex, S.A.P.I. de C.V., was classified as a joint venture because the contractual agreement gives the Entity the right to 50% of the net assets of this joint agreement. The investment in the joint venture is accounted for using the equity method.

A summary of the information on the joint venture and of the Entity's associates is detailed below. The condensed financial information presented below represents the amounts that are presented in the financial statements of the joint venture and associates and they are prepared in conformity with IFRS.

Condensed information related to the statement of financial position as of December 31, 2024, 2023 and 2022 for Mascotas y Compañía, S. A. P. I. de C. V. is as follows:

	2024	2023	2022
Current assets	$ 2,385,627	$ 1,914,738	$ 1,705,919
Property and equipment	2,319,213	2,292,599	2,283,239
Other assets	517,386	474,504	411,476
Total assets	5,222,226	4,681,841	4,400,634
Total liabilities	2,146,856	1,892,419	1,991,134
Equity	$ 3,075,370	$ 2,789,422	$ 2,409,500

Condensed information related to the statement of profit or loss and other comprehensive income for the years ended December 31, 2024, 2023 and 2022 for Mascotas y Compañía, S. A. P. I. de C. V. is as follows:

	2024	2023	2022
Total revenues	$ 7,648,283	$ 6,726,315	$ 5,854,695
Cost of sales	4,353,366	3,860,640	3,367,042
Operating expenses	2,273,944	1,974,535	1,698,064
Financing expense	42,917	130,094	108,561
Income taxes	293,061	225,743	190,100
Profit for the year	$ 684,995	$ 535,303	$ 490,928

Condensed information related to the statement of financial position as of December 31, 2024, 2023 and 2022, for Inmobiliaria Conjunto Polanco, S.A.P.I. de C.V. is as follows:

	2024	2023	2022
Other assets	$ 782,931	$ 784,997	$ 1,013,344
Investment properties	7,980,470	7,772,532	7,278,596
Total assets	8,763,401	8,557,529	8,291,940
Current liabilities	425,884	538,648	565,936
Long-term debt (1)	1,279,681	1,394,677	1,394,527
Other long-term liabilities	1,244,274	1,095,245	1,106,408
Total liabilities	2,949,839	3,028,570	3,066,871
Stockholders' equity	$ 5,813,562	$ 5,528,959	$ 5,225,069

(1) On June 10, 2024, Inmobiliaria Conjunto Polanco, S.A.P.I. de C.V., paid the unpaid balance of the bank loan it had contracted with the banking institutions HSBC and Santander for $1,375,126, by contracting a new bank loan with the banking institutions Inbursa and Santander for $1,400,000, for a term of 7 years. Interest is paid monthly at a variable rate TIIE for 28 days plus 220 percentage points of applicable margin.

Condensed information related to the statement of profit or loss for the years ended December 31, 2024, 2023 and 2022 for Inmobiliaria Conjunto Polanco, S.A.P.I. de C.V. is as follows:

	2024	2023	2022
Lease rental	$ 512,017	$ 502,519	$ 457,954
Revenues from home sales	471,524	247,718	450,804
Cost of sales of real estate	235,193	160,760	292,325
Operating expenses	213,433	157,294	175,017
Financing expense	134,677	132,036	129,516
Gain on revaluation of investment properties	(58,567)	(95,646)	(129,409)
Income tax expense	126,087	67,170	146,350
Profit for the year	$ 332,718	$ 328,623	$ 294,959

Condensed information related to the statement of financial position as of December 31, 2024, 2023 and 2022, for Matriz Ideas Mex, S.A.P.I. de C.V. is as follows:

	2024	2023	2022
Other current assets	$ 194,807	$ 195,345	$ 35,754
Properties, plant and equipment	413,390	386,289	14,312
Total assets	608,197	581,634	50,066
Current liabilities	142,863	76,185	-
Bank loans	125,000	125,000	-
Other non-current liabilities	183,705	200,969	-
Total liabilities	451,568	402,154	-
Stockholders' equity	$ 156,629	$ 179,480	$ 50,066

Condensed information related to the statement of profit or loss for the years ended December 31, 2024, 2023 and 2022 for Matriz Ideas Mex, S.A.P.I. de C.V. is as follows:

	2024	2023	2022
Revenue	$ 341,377	$ 172,429	$ -
Cost of sale	138,462	67,561	-
Operating expenses	213,201	126,830	-
Financial expenses – Net	39,889	17,653	-
Net loss for the year	$ (50,175)	$ (39,615)	$ -

14. Investment in subsidiaries

The subsidiaries listed below are companies incorporated in Mexico with operations throughout the country, except for some direct subsidiaries of Office Depot de México, S.A. de C.V., which have operations in Central America and Chile.

The ownership interest and voting power held by Grupo Gigante, S. A. B. de C. V., in its direct subsidiaries is as follows:

Entity	Ownership 2024	Ownership 2023	Ownership 2022	Activity
Gigante Retail, S. A. de C. V.	100.00%	100.00%	100.00%	Holding entity, its subsidiaries are engaged in specialized retail.
Grupo Toks, S. A. de C. V.	100.00%	100.00%	100.00%	Holding entity, its subsidiaries are engaged in managing restaurants and selling prepared food.
Gigante Hospitalidad y Servicios Especializados, S. A. P. I. de C. V.	100.00%	100.00%	100.00%	Holding entity.
Gigante Grupo Inmobiliario, S. A. de C. V.	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 and 2022, it involves 22, 21 and 19 companies, respectively, (in 19, 17 and 15 of which, respectively Grupo Gigante, S.A.B. de C.V. has a direct investment), which manage properties where stores, offices and shopping malls leased from third parties are located, together with certain restaurants, parking lots and stores owned by the Entity.

Proportion of ownership interest and voting power held by Grupo Gigante, S.A.B. de C.V. is as follows:

Entity	Ownership 2024	Ownership 2023	Ownership 2022	Activity
Office Depot de México, S. A. de C. V.	100.00%	100.00%	100.00%	As of December 31, 2024, It operates 235 office supply stores in Mexico (including 2 Distribution Centers that also sell merchandise), specialized in the sale of office and electronic products and equipment, 8 in Costa Rica, 9 in Guatemala, 3 in El Salvador, 3 in Honduras, 5 in Panama (including one distribution center that also sells merchandise). It also includes 120 electronics and technology stores Radio Shack (including one distribution center that also sells merchandise), 6 stores under a cooperation contract with Huawei Technologies de Mexico, S.A. de C.V., and 3 stores under the Xiaomi brand. As of December 31, 2022, It operates 250 office supply stores in Mexico (including 3 Distribution Centers that also sell merchandise), specialized in the sale of office and electronic products and equipment, 9 in Costa Rica (including one Distribution Centers that also sell merchandise), 9 in Guatemala, 4 in El Salvador (including one Distribution Centers that also sell merchandise), 3 in Honduras, 5 in Panama (including one distribution center that also sells merchandise). It also includes 143 electronics and technology stores Radio Shack (including one distribution center that also sells merchandise). 3 stores under a cooperation contract with Huawei Technologies de México, S.A. de C.V., and 3 stores under the Xiaomi brand under distribution contracts. As of December 31, 2021, It operates 251 office supply stores in Mexico (including 3 Distribution Centers that also sell merchandise), specialized in the sale of office and electronic products and equipment, 9 in Costa Rica (including one Distribution Centers that also sell merchandise), 9 in Guatemala, 4 in El Salvador (including one Distribution Centers that also sell merchandise), 4 in Honduras, 5 in Panama (including one distribution center that also sells merchandise). It also includes 157 electronics and technology stores Radio Shack (including one distribution center that also sells merchandise).

Entity	Ownership 2024	Ownership 2023	Ownership 2022	Activity
Casa de Papelería M, S.A. de C.V. (formerly Casa Marchand, S.A. de C.V.)	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 y 2022, it has 47, 46 and 43 stores located in Mexico, respectively and a distribution center selling merchandise.
Formas Eficientes, S.A. de C.V.	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 and 2022, it had 1 distribution center that sells merchandise in Mexico.
FESA Formas Eficientes, S.A.	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 and 2022, it had 1 distribution center that sells merchandise in Costa Rica.
Ofixpres, S.A. de C.V.	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 and 2022, it had 1 distribution center that sells merchandise in El Salvador.
OD Chile SpA	100.00%	100.00%	100.00%	Stockholder of Grupo Prisa. As of December 31, 2024, 2023 and 2022, it has 5 distribution centers selling merchandise in Chile.
Distribuidora Storehome, S. A. de C. V.	100.00%	100.00%	100.00%	Holds shares in companies specialized in retail sale. As of December 31, 2022, it had 6 self-service stores specializing in the sale of household items. During June 2023, the last stores ceased to operate, remaining as a shareholding company from that date.
Restaurantes Toks, S. A. de C. V.	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 and 2022, it is a chain of 193 under the Restaurantes Toks brand.
Operadora y Administradora de Restaurantes Gigante, S. A. de C. V.	100.00%	100.00%	100.00%	As of December 31, 2024, it operates 24 Chinese fast-food restaurants through a franchise agreement. As of December 31, 2023 and 2022, there were 23 Panda Express Chinese food restaurants under a franchise scheme.
Operadora de Alimentos y Malteadas, S.A.P.I. de C.V. (formerly Operadora de Café y Chocolate de Especialidad, S.A. de C.V.)	100.00%	100.00%	100.00%	As of December 31, 2024, 2023 and 2022, it operates 18, 14 and 9 fast food restaurants using the Shake Shack brand through a franchise agreement.
Beer Factory de México, S.A. de C.V.	100.00%	100.00%	100.00%	As of December 31, 2023 and 2022 it includes 5, and 6 restaurants under the “Beer Factory” brand, respectively. During December 2024, the 5 Beer Factory restaurants closed (being a non-significant line of business). As of December 31, 2023, it had 14 El Farolito taquerias and the rights derived from the franchises of 3 El Farolito taquerias. As of December 31, 2022, it had 10 El Farolito taquerias and the rights derived from the franchises of 3 El Farolito taquerias.

Entity	Ownership 2024	Ownership 2023	Ownership 2022	Activity
Controinmuebles, S.A. de C.V.	100.00%	100.00%	100.00%	As of December 31, 2024 and 2023, there are more than 66 and 67 properties where stores, offices and commercial premises leased to third parties are located (including some restaurants, stores and parking lots of the Entity. As of December 31, 2022, it had more than 70 properties where stores, offices and commercial premises leased to third parties are located (including some restaurants, parking lots and stores of the Entity).
Unidad de Servicios Compartidos Gigante, S.A. de C.V.	100.00%	100.00%	100.00%	Provides services to the Entity.

Including the significant direct and indirect subsidiaries mentioned in this section, Grupo Gigante, S.A.B. de C.V., has more than 70 subsidiaries.

All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

The table below shows details of non-wholly owned subsidiaries of the Entity whereby the Entity has material non-controlling interests as of December 31 of each year:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2024	Profit (loss) allocated to non-controlling interests 2024	Accumulated non-controlling interests 2024
Benmore International Corp.	Dominican Republic	10.00%	$ (422)	$ 6
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surti Ventas, S.A., Proveedores Integrales del Sur, S.A., Prisa Logística, S.A., Transportes Surtivía Limitada, Transportes Tropiservi Limitada, y Transportes y Distribuidora Tropivias Limitada)	Chile	49.00%	80,027	320,389
			$ 79,605	$ 320,395

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2024	Comprehensive income allocated to non-controlling interest 2024
Benmore International Corp.	Dominican Republic	10.00%	$ (766)
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surti Ventas, S.A., Proveedores Integrales del Sur, S.A., Prisa Logística, S.A., Transportes Surtivía Limitada, Transportes Tropiservi Limitada, y Transportes y Distribuidora Tropivias Limitada)	Mexico Chile	49.00%	51,889
			$ 51,123

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2023	Profit (loss) allocated to non-controlling interests 2023	Accumulated non-controlling interests 2023
Benmore International Corp.	Dominican Republic	10.00%	$ (766)	$ 6
Inmobiliaria Lomo Lomas Verdes, S. A. de C. V.	Mexico	49.90%	48,112	393,065
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surti Ventas, S.A., Proveedores Integrales del Sur, S.A., Prisa Logística, S.A., Transportes Surtivía Limitada, Transportes Tropiservi Limitada, y Transportes y Distribuidora Tropivias Limitada)	Chile	49.00%	116,416	302,765
			$ 163,762	$ 695,836

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2023	Comprehensive income allocated to non-controlling interest 2023
Benmore International Corp.	Dominican Republic	10.00%	$ (766)
Inmobiliaria Lomo Lomas Verdes, S. A. de C. V.	Mexico	49.90%	48,112
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surti Ventas, S.A., Proveedores Integrales del Sur, S.A., Prisa Logística, S.A., Transportes Surtivía Limitada, Transportes Tropiservi Limitada, y Transportes y Distribuidora Tropivias Limitada)	Chile	49.00%	58,775
			$ 106,121

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2022	Profit (loss) allocated to non-controlling interests 2022	Accumulated non-controlling interests 2022
Benmore International Corp.	Dominican Republic	10.00%	$ 193	$ 1
Inmobiliaria Lomo Lomas Verdes, S. A. de C. V.	Mexico	49.90%	90,590	352,425
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surti Ventas, S.A., Proveedores Integrales del Sur, S.A., Prisa Logística, S.A., Transportes Surtivía Limitada, Transportes Tropiservi Limitada, y Transportes y Distribuidora Tropivias Limitada)	Chile	49.00%	103,064	349,958
			$ 193,847	$ 702,384

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2022	Comprehensive income allocated to non-controlling interest 2022
Benmore International Corp.	Dominican Republic	10.00%	$ 193
Inmobiliaria Lomo Lomas Verdes, S. A. de C. V.	Mexico	49.90%	90,590
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surti Ventas, S.A., Proveedores Integrales del Sur, S.A., Prisa Logística, S.A., Transportes Surtivía Limitada, Transportes Tropiservi Limitada, y Transportes y Distribuidora Tropivias Limitada)	Chile	49.00%	76,667
			$ 167,450

During December 2014 Grupo Gigante, S.A.B. de C.V., through its indirect subsidiary Office Depot de México, S.A. of C.V., acquired 90% of the shares of Benmore International Corp., which operated under the name Office Depot in the Dominican Republic. On October 31, 2018, Grupo Gigante, S.A.B. de C.V., announced that in accordance with its strategic plan and particularly regarding the treatment of unproductive assets, it closed its operation in the Dominican Republic and early terminated the only franchise contract that it had with Office Depot Inc., in relation to that territory and that it corresponded to the only contract of this nature that Office Depot de México, S. A. de C.V. had with Office Depot Inc.

Inmobiliaria Lomo Lomas Verdes, S.A. de C.V., is an entity that operates a shopping center in the metropolitan area of Mexico. On August 15, 2024, Gigante Grupo Inmobiliario, S.A. de C.V., and Grupo Gigante, S.A.B. de C.V., acquired, as a whole, the non-controlling interest of Inmobiliaria Lomo Lomas Verdes, S.A. de C.V., that is, 49.90% of the shares representing the capital stock of said company. The purchase price of the acquired shares was $465,000. The accounting effects between common shareholders for $88,464, as related parties, are presented in the consolidated statement of changes in stockholders' equity.

Grupo Prisa, is a group of companies dedicated mainly to institutional distribution and specialized retail in articles, furniture and electronic office products.

Condensed financial information in respect of each of the Entity's subsidiaries that has material non-controlling interests is set out below.

Inmobiliaria Lomo Lomas Verdes, S.A. de C.V.

Condensed information related to the statements of financial position as of December 31:

	2023	2022
Current assets	$ 56,012	$ 24,863
Investment property	876,210	819,522
Other assets	20,607	25,009
Total assets	952,829	869,394

	2023	2022
Other liabilities	165,124	163,132
Total liabilities	165,124	163,132
Stockholders' equity	$ 787,705	$ 706,262
Non-controlling interest	$ 393,065	$ 352,425

Condensed information related to the statements of profit or loss and other comprehensive income for the years ended December 31 is as follows:

	2023	2022
Lease rental	$ 145,404	$ 134,421
Profit for the year	96,416	181,544
Non-controlling interest	48,112	90,590

Grupo Prisa

Condensed information related to the statements of financial position of all the Companies that make up Grupo Prisa (as described in Note 14) as of December 31:

	2024	2023	2022
Current assets	$ 1,688,278	$ 1,506,475	$ 1,646,145
Property and equipment	85,567	86,883	103,178
Right-of-use assets	246,600	298,949	86,616
Other assets	29,925	25,203	30,537
Total assets	2,050,370	1,917,510	1,866,476
Current liabilities	1,210,062	1,061,077	1,110,780
Other long-term liabilities	186,453	238,545	41,497
Total liabilities	1,396,515	1,299,622	1,152,277
Stockholders' equity	$ 653,855	$ 617,888	$ 714,199
Non-controlling interest 49%	$ 320,389	$ 302,765	$ 349,958

Condensed information related to the statements of profit or loss and other comprehensive income for the year ended December 31 is as follows:

	2024	2023	2022
Rental income	$ 4,062,552	$ 4,317,409	$ 4,389,614
Profit for the year	163,320	237,583	210,332
Non-controlling interests	80,027	116,416	103,064
Comprehensive income	220,907	119,949	156,463
Comprehensive income allocated to non-controlling interest	51,889	58,775	76,667

15. Goodwill

Goodwill represents the excess of the consideration paid over the fair value of the net assets acquired at acquisition date. Goodwill has been assigned to the cash generating units that management considers having synergies and which will benefit from the acquisition. Similarly, goodwill is subject to annual impairment testing based on the use value of these cash generating units.

The determination of the value in use is calculated as the present value of the cash flows of each cash-generating unit ("CGU"), determined through key assumptions such as business plans for each CGU considering past experience performance, budgets approved and economic and market conditions for future plans and their perpetuity. Depending on the nature of the business of each CGU, the Entity´s management makes projections for future cash flows considering scenarios between 5 and 10 years. The projected cash flows are discounted at a rate that reflects the appropriate weighted average cost of capital (WACC) that considers projected long-term inflation, the level of indebtedness, country risk rate and size premium among others. As of December 31, 2024, 2023 and 2022, the calculations carried out concluded that goodwill is not impaired.

As of December 31, 2024, 2023 and 2022, the calculations concluded that Goodwill is not impaired. The most representative CGU discount rates per segment were:

	2024		2023		2022	
	Restaurants	Retail	Restaurants	Retail	Restaurants	Retail
Discount rate	12.08	11.37	12.08	11.37	12.08	10.30
Perpetuity Factor	3.52	3.40	3.52	3.40	3.50	3.70

The reconciliation of goodwill is as follows:

	2024	2023	2022
Balance as of January 1,	$ 962,303	$ 971,173	$ 975,319
Effect of foreign currency translation	4,076	(8,870)	(4,146)
Balance as of December 31,	$ 966,379	$ 962,303	$ 971,173

The detail of goodwill generated by business combination is as follows:

	2024	2023	2022
Casa la Daga, S. A. de C. V.	$ 47,750	$ 47,750	$ 47,750
Casa Marchand, S. A. de C. V.	261,327	261,327	261,327
Grupo Prisa (Proveedores Integrales Prisa, S.A., Distribuidora Prisa Store, S.A., Proveedores Integrales del Norte, S.A., Surtiventas, S.A., Proveedores Integrales del Sur, S.A. and Prisa Logística, S.A.)	60,871	60,871	60,871
Restaurantes California, S. A. de C. V.	588,306	588,306	588,306
Assets – Fly by Wings	15,430	15,430	15,430

	2024	2023	2022
Grupo Prisa (Transportes Surtivía Limitada, S.A., Transporte Tropiservi Limitada, S.A. and Transporte y Distribuidora Tropivias Limitada, S.A.)	15,476	15,476	15,476
Effect of foreign currency translation	(22,781)	(26,857)	(17,987)
Total	$ 966,379	$ 962,303	$ 971,173

16. Intangibles and other assets

a. The reconciliation between the net carrying values of intangible assets is as follows:

Intangibles:

	2024	2023	2022
Deferred charges	$ 72,132	$ 72,132	$ 72,132
Accumulated amortization	(48,884)	(45,241)	(41,818)
	23,248	26,891	30,314
Trademark	655,251	629,852	682,373
Customer list	234,819	227,698	243,194
Non-compete agreement	124,617	118,376	122,635
Accumulated amortization	(436,593)	(347,708)	(341,770)
	578,094	628,218	706,432
Software licenses	699,137	598,341	571,925
Accumulated amortization	(511,090)	(433,721)	(405,373)
	188,047	164,620	166,552

Other assets:

Other long-term advance payments and advance payments for construction	347,314	529,277	500,540
Derivative financial instruments (see note 21 and 23)	173,407	140,672	261,832
Restricted cash – Note 5	84,520	82,872	80,677
Accounts receivable from joint ventures and associates	80,635	77,764	-
Rent holidays and key money paid	35,675	43,898	39,008
Technical assistance paid in advance	8,745	5,740	6,461
Total	$ 1,519,685	$ 1,699,952	$ 1,791,816

The reconciliation between the net book values of the intangible assets is as follows:"

	Deferred charges	Trademark	Customer list	Non-compete agreement	Software licenses	Total
Balance as of January 1, 2022	$ 33,738	$ 627,112	$ 122,950	$ 22,222	$ 185,250	$ 991,272
Additions	4	-	-	-	31,161	31,165
Amortization	(3,428)	(3,747)	(18,025)	(18,333)	(51,401)	(94,934)
Discontinued operations	-	-	-	-	(5,417)	(5,417)
Balance as of December 31, 2022	-	(24,107)	(1,640)	-	6,959	(18,788)
Balance as of December 31, 2022	30,314	599,258	103,285	3,889	166,552	903,298
Additions	-	-	-	-	50,300	50,300
Discontinued operations	(3,423)	(3,722)	(16,656)	(3,889)	(51,337)	(79,027)
Effect of foreign currency	-	(51,288)	(2,659)	-	(895)	(54,842)
Balance as of December 31, 2023	26,891	544,248	83,970	-	164,620	819,729
Additions	-	292	-	-	74,829	75,121
Amortization	(3,643)	(54,844)	(15,844)	-	(51,402)	(125,733)
Effect of foreign currency	-	19,892	380	-	-	20,272
Balance as of December 31, 2024	$ 23,248	$ 509,588	$ 68,506	$ -	$ 188,047	$ 789,389

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. As of December 31, 2024, 2023 and 2022, the calculations carried out concluded that intangibles and other assets are not impaired.

In the Trademark balance, there are trademarks with indefinite useful life, mainly related to the acquisition of Marchand in 2014; as well as Grupo Prisa and RadioShack, the latter in 2015. The value of such trademarks was $391,327, $422,508 and $474,709 at the end of 2024, 2023 and 2022, respectively.

b. The most representative CGU discount rates per segment were:

	2024		2023		2022	
	Restaurants	Retail	Restaurants	Retail	Restaurants	Retail
Discount rate	12.08	11.37	12.08	11.37	12.08	10.30
Perpetuity Factor	3.52	3.40	3.52	3.40	3.50	3.70

c. The following total useful lives are used in the calculation of amortization expense:

	Average years
Deferred charges	4
Trademarks with definite useful life	3 and 7
Non-compete agreements	3 and 7
Software licenses	from 3 to 10
Customer lists	10

17. Accrued expenses and taxes

	2024	2023	2022
Taxes payable – mainly ISR	$ 1,321,602	$ 1,103,754	$ 993,363
Accrued operating expenses [(i)]	781,451	751,356	743,372
Direct employee benefits	556,621	365,423	304,622
Accrued interest payable	41,641	45,865	42,724
Accounts payable with associated entities	160,175	5,968	210
Advances received from customers	32,621	31,666	47,132
Other accounts payable	740,192	715,825	829,974
	$ 3,634,303	$ 3,019,857	$ 2,961,397

(i) Includes $160,000 corresponding to the account payable for the acquisition of the non-controlling interest in Inmobiliaria Lomo Lomas Verdes, S.A. de C.V.

(ii) As of December 31, 2024, the short-term liability of $181,926 is presented under the heading of taxes and accrued expenses.

18. Lease Liabilities

The lease liability involves leases contracted for the real property where the Entity has some of its stores and corporate offices; lease periods range from 1 to 30 years. All operating lease contracts executed for more than one year contain rental review clauses, which are generally based on inflation.

	2024	2023	2022
Balance as of January 1	$ 5,970,849	$ 4,986,146	$ 4,627,943
Additions new contracts and increase by index or rates	1,515,483	1,598,863	865,907
Disposals to early termination (Note 11)	(116,390)	(198,706)	(127,576)
Repayment of lease liabilities	(1,471,212)	(1,394,202)	(1,085,909)
Rent Concessions [(i)]	-	-	(5,615)
Interest on lease liabilities	564,571	516,385	465,761
Changes in contract conditions	-	285,163	332,664
Disposals related to discontinuation	-	(3,917)	(22,724)
Effect of foreign currency exchange differences	150,394	181,117	(64,305)
Balance as of December 31	$ 6,613,695	$ 5,970,849	$ 4,986,146

	2024	2023	2022
Current portion	$ 1,069,055	$ 928,879	$ 744,994
Long–term lease liabilities	5,544,640	5,041,970	4,241,152
Balance as of December 31	$ 6,613,695	$ 5,970,849	$ 4,986,146
Expense relating to short-term leases	$ 76,035	$ 53,860	$ 293,876
Expense relating to variable lease payments	145,472	114,086	74,998
Total amount recognized in consolidated statement of profit	$ 221,507	$ 167,946	$ 368,874

(i) The amount recognized in the profit or loss of the reporting period, arising from the rental concessions to which the Entity has applied the practical resource of IFRS 16 as of December 31, 2024 and 2023, has no rental concessions, as of December 31, 2022 amounted to $5,615 has been accounted for as other income in the profit or loss of the year.

As of December 31, future financial lease payments are detailed in the following table:

	2024	2023	2022
Not more than 1 year	$ 1,566,260	$ 1,209,881	$ 1,144,253
More than 1 year and not more than 5 years	4,624,889	3,496,249	3,132,350
More than 5 years	3,512,361	3,067,476	3,122,510
	$ 9,703,510	$ 7,773,606	$ 7,399,113

19. Long-term debt

Secured – at amortized cost:	2024	2023	2022
On July 12, 2017, Grupo Gigante, S.A.B. de C.V., contracted an unsecured loan of $4,200,000, with disposal on July 14, 2017, for a three-year period, principal payable at maturity and interest payable monthly at the 28-day TIIE rate plus an applicable margin that increases each year. On May 14, 2018, an amendatory agreement was signed to the credit contract to extend its maturity to 2024, with a grace period of 36 months as regards principal, which begins as of the execution date of the amendatory agreement, together with 13 quarterly payments. Interest is payable monthly at a fixed interest rate of 9.32%. On July 14, 2021, Grupo Gigante, S.A.B. de C.V. restructured this credit loan, consolidating it into the loan identified in point below, extending the maturity term to 2026, establishing a 28-day TIIE variable rate plus an applicable margin and 19 increasing quarterly amortizations as of January 2022. On September 15, 2023, the full unpaid balance of the loan was paid in advance. (v)	-	-	3,549,000

Secured – at amortized cost:	2024	2023	2022
On May 24, 2018, Restaurantes Toks, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), contracted an unsecured loan of $1,100,000, with disposal on May 28, 2018 for a six-year period, a grace period of 36 months as regards principal and 13 quarterly payment and a fixed interest rate of 9.46%. On July 14, 2021, Restaurantes Toks, S.A. de C.V., restructured this loan by extending the maturity term to October 14, 2025, establishing a 28-day TIIE variable rate plus applicable margin and 14 increasing quarterly amortizations as of July 2022. On September 15, 2023, the full unpaid balance of the loan was paid in advance. (vi)	-	-	1,023,000
On December 13, 2018, Covilla, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), contracted an unsecured loan with a mortgage guaranty for 40 months with payment at maturity. The first disposal took place on December 14, 2018, for the amount of $300,000. On February 13, 2019, a second disposal of $300,000 occurred under the same conditions as the first disposal. On May 13, 2019, a third disposal $400,000 took place under the same conditions as the first two disposals. Interest is payable monthly at the fixed 10.89% rate for the first disposal, a fixed interest rate of 10.25% for the second disposal and a fixed interest rate of 10.00% for the third disposal. On July 20, 2022, this loan was restructured, extending the maturity period to 2031, establishing a variable rate of TIIE at 28 days plus 3.5 percentage points and 102 increasing monthly amortizations (once the applicable grace period has ended). (vii)	946,684	994,469	1,035,048
On August 19, 2021, Gigante Grupo Inmobiliario, S.A. of C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), entered into a simple loan with fiduciary guarantee. The only drawdown was for $2,000,000, maturing in 2026, to be settled through 61 monthly installments, paying monthly interest at the 28-day TIIE rate plus an applicable margin of 3.15%. (i)	1,700,120	1,804,800	1,894,980

	2024	2023	2022
On July 20, 2021, Arbokel, S.A. of C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), entered into a simple loan with mortgage and pledge guarantee. The only drawdown was for $695,000, with a maturity date in 2031, to be settled through 108 monthly amortizations beginning at the end of the grace period and paying monthly interest at 28-day TIIE rate plus 3.00 percentage points. (iii)	620,534	652,987	683,102
On July 20, 2021, Guadalvilla, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.), entered into a simple loan with mortgage and pledge guarantee. The only drawdown was for $265,000, with a maturity date in 2031, to be settled through 108 monthly amortizations beginning at the end of the grace period, paying monthly interest at 28-day TIIE rate plus 3.00 percentage points. As a result of the mergers on December 31, 2021, Controinmuebles, S.A. of C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.) assumed, among others, all the rights and obligations that, as of that date, corresponded to Guadalvilla, S.A. de C.V., including the rights and obligations of Guadalvilla, S.A. de C.V. as accredited in this credit. (ii)	236,607	248,981	260,463
Total guaranteed at amortized cost	$ 3,503,945	$ 3,701,237	$ 8,445,593
Unsecured – at amortized cost			
On November 15, 2016, Office Depot de México, S.A. de C.V. (a subsidiary of Grupo Gigante, S.A.B. de C.V.), contracted a simple loan for up to $3,000,000, with a drawdown date of November 17, 2016, for a term of 10 years with a 24-month grace period for the principal and 96 monthly amortizations. Interest was paid monthly at a fixed annual rate of 9.02%. On June 17, 2020, December 16, 2020 and March 16, 2021, agreements were entered into to amend the credit agreement through which, among other things, the payments of principal and/or interest amortizations were rescheduled, the term of the credit was extended to mature in 2031 and the amortization schedule was modified to include a grace period and establish 120 monthly amortizations of the credit. (iv)	$ 1,654,412	$ 1,878,151	$ 2,101,891

	2024	2023	2022
On September 12, 2023, Restaurantes Toks, S.A. de C.V. (a subsidiary of Grupo Gigante, S.A.B. de C.V.), contracted a simple loan for up to $2,100,000, with a drawdown date of September 15, 2023, for a term of 7 years with a 12-month grace period for the principal and 84 monthly amortizations. Interest is paid monthly at a 28-day TIIE variable rate plus 2.70 percentage points applicable margin. (ix)	2,075,850	2,100,000	-
On December 18, 2023, Office Depot de México, S.A. de C.V. (a subsidiary of Grupo Gigante, S.A.B. de C.V.), contracted a simple loan for up to $1,000,000, with a drawdown date of December 21, 2023, for a term of 10 years with 4 semesters of grace included with respect to the payment of principal and 16 semiannual amortizations. Interest is paid monthly at a 28-day TIIE variable rate plus 1.40 percentage points applicable margin. (x)	1,000,000	1,000,000	-
On September 12, 2023, Grupo Gigante, S.A.B. de C.V., contracted a simple loan for up to $1,750,000, with a drawdown date of September 15, 2023, for a term of 7 years with a 12-month grace period for the principal and 84 monthly amortizations. Interest is paid monthly at a variable rate TIIE for 28 days plus 2.70 percentage points of applicable margin. (viii)	1,729,875	1,750,000	-
Total unsecured at amortized cost	6,460,137	6,728,151	2,101,891
Total debt	9,964,082	10,429,388	10,547,484
Amortized Cost - Net [(a)]	(9,424)	84	(16,621)
Total debt	$ 9,954,658	$ 10,429,472	$ 10,530,863
Current portion	$ 633,538	$ 464,416	$ 1,374,583
Long–term debt	9,321,120	9,965,056	9,156,280
	$ 9,954,658	$ 10,429,472	$ 10,530,863

(a) Effect of amortized cost generated by the restructuring of bank loans that was performed during the years ended December 31, 2023 and that according to the framework of IFRS 9, *Financial Instruments,* did not qualify as substantial amendments to the original bank debt agreement. The present value of such restructuring as of December 31, 2023 amounts to a loss of $91,646, that was recognized as an adjustment to the amortized cost of the original debt. Such amortized cost adjustment was recorded as part of financial expenses in the consolidated statement of profit and other comprehensive income for the year ended December 31, 2023. Such effect did not generate cash flows.

As of December 31, 2024, 2023 and 2022, TIIE was 10.24%, 11.50%, and 10.76% , respectively.

(i) This loan is guaranteed through an irrevocable management, guarantee and payment trust to which 20 of the Entity's investment properties were transferred. As of December 31, 2024 y 2023, the commercial value of these investment properties is $6,317,600 and as of December 31, 2022, is $5,655,200.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes for early maturity as the main limitations, as follows:

a) Limitations: 1) incurring additional debt if this additional debt is intended to guarantee the assets used to guarantee the credit; 2) attaching liens to the assets used to guarantee the credit; 3) the dissolution and liquidation of the borrower and trustors; 4) the transfer of the assets used to guarantee the credit; 5) changes the nature of the business of the borrower and trustors; 6) the maximum amounts allocated for the operating expenses and maintenance of the assets used to guarantee the credit, and 7) the payment of dividends by the borrower if the causes for non-compliance and early maturity arise.

b) Financial Ratios and Restrictions: 1) the loan to value ratio; 2) the debt service hedging ratio; 3) "WALT" (the remaining weighted average of the lease contracts related to the assets granted in guarantee); 4) the minimum occupation of the assets granted in guarantee, and 5) the debt service and capital investment reserve funds.

c) Causes for Early Maturity: 1) a default involving the principal or interest payment or the use given to the credit; 2) a debt cross-default; 3) non-compliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information; 5) insolvency; 6) expropriation; 7) a change of control; 8) labor conflicts, and 9) sentences and distrains. Most of the causes for early maturity consider remediation periods and materiality amounts.

As part of the negotiation, the creditor financial institutions required the cancellation of the "SWAPS" currently in effect, together with the contracting of new derivative financial instruments as interest hedges, so as to manage the risk related to the variable credit interest rate (28-day TIIE rate), and to hedge the amount and term. Under this scheme, interest rate limits ranging from between 7.2215% and 7.38% were defined as of December 31, 2021 and throughout the entire credit period plus 315 basis points of applicable margin set out in the credit agreement. Under the terms of the credit contract, the contracted instrument must hedge at least 70% of the outstanding credit balance. Hedging derivative operations are also guaranteed through the trust referred to in this point. The initial notional value of the SWAP was $1,381,688, thereby hedging 70% of the outstanding credit balance on the date when the derivative instrument was contracted.

These derivative financial instruments had a fair value of $37,851, $56,233, and $65,824 as of December 31, 2024, 2023 and 2022, respectively.

(ii) This loan is guaranteed by a mortgage on an investment property, a pledge involving the lease collection rights of this real property, as well as the joint and several liability of Arbokel, S.A. de C.V. and Controinmuebles, S.A. de C.V. (subsidiaries of Grupo Gigante, S.A.B. de C.V.) in its capacity as guarantor. As of December 31, 2024, 2023 and 2022, the fair value of the investment property is $583,088, $579,211, and $531,219 , respectively.

On December 31, 2021, Guadalvilla, S.A. de C.V. agreed to merge, as the absorbed company, with Controinmuebles, S.A. de C.V. (a subsidiary de Grupo Gigante, S.A.B. de C.V.), as the absorbing company. As a result of this merger, Controinmuebles, S.A. de C.V. assumed all the rights and obligations pertaining to Guadalvilla, S.A. de C.V., in its capacity as borrower at the merger date, including those derived from this credit contract.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes for early maturity as the main limitations, as follows:

a) Limitations: 1) incurring additional liabilities; 2) attaching liens for a value equal to or exceeding 5% of the borrower's fixed assets; 3) granting loans or credits outside the normal course of business; 4) transferring assets with a value equal to or exceeding 5% of the borrower's fixed assets, and 5) changes to the nature of the borrower's business.

b) Financial Ratios and Restrictions: 1) the debt service hedging ratio, the measurement of which will start as of the close of the fourth quarter of 2022; 2) minimum stockholders' equity; 3) the minimum appraisal percentage guarantee.

c) Causes for early maturity: 1) a default involving the principal or interest payment; 2) a debt cross-default; 3) noncompliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information; 5) noncompliance involving the payment of tax obligations; 6) sentences and distrains; 7) the reduction of the value of the guarantee or the failure to maintain the required insurance; and 8) labor conflicts. Most of the causes for early maturity consider remediation periods and materiality amounts.

(iii) This loan is guaranteed by a mortgage on an investment property, a pledge involving the lease collection rights of this real property, as well as the joint and several liability of Guadalvilla, S.A. de C.V., and Controinmuebles, S.A. de C.V. (subsidiaries of Grupo Gigante, S.A.B. de C.V.) in its capacity as guarantor. As of December 31, 2024, 2023 and 2022, the fair value of the investment property is de $1,654,642, $1,581,845 and $1,468,696 respectively.

On December 31, 2021, Guadalvilla, S.A. de C.V. agreed to merge, as the absorbed company, with Controinmuebles, S.A. de C.V. (a subsidiary de Grupo Gigante, S.A.B. de C.V.), as the absorbing company. As a result of this merger, Controinmuebles, S.A. de C.V. assumed all the rights and obligations pertaining to Guadalvilla, S.A. de C.V., in its capacity as joint obligor and guarantor at the merger date, including those derived from this credit contract.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes for early maturity as the main limitations, as follows:

a) Limitations: 1) incurring additional liabilities; 2) attaching liens for a value equal to or exceeding 5% of the borrower's fixed assets; 3) granting loans or credits outside the normal course of business; 4) transferring assets with a value equal to or exceeding 5% of the borrower's fixed assets, and 5) changes to the nature of the borrower's business.

b) Financial Ratios and Restrictions: 1) the debt service hedging ratio, the measurement of which will start as of the close of the fourth quarter of 2022; 2) minimum stockholders' equity; 3) the minimum appraisal percentage guarantee.

c) Causes for early maturity: 1) a default involving the principal or interest payment; 2) a debt cross-default; 3) noncompliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information; 5) noncompliance involving the payment of tax obligations; 6) sentences and distrains; 7) the reduction of the value of the guarantee or the failure to maintain the required insurance; and 8) labor conflicts. Most of the causes for early maturity consider remediation periods and materiality amounts.

(iv) This loan is guaranteed by the joint and several liability of Grupo Gigante, S.A.B. de C.V

The contract documenting this loan establishes financial ratios and restrictions, as well as causes for early maturity as the main limitations, as follows:

a) Limitations: 1) incurring additional liabilities under the same financial conditions of rate, term, amount and destination of the credit, in which the borrower constitutes liens, 2) reducing or modifying the shareholding structure of Office Depot de México, S.A. de C.V. if this implies a change of control.

b) Financial Ratios and Restrictions: 1) leverage ratio; and 2) interest rate hedge ratio, in both cases, as of the first quarter of 2022.

c) Causes for early maturity: 1) a default involving the principal or interest payment; 2) a debt cross-default; 3) noncompliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information, 5) noncompliance involving the payment of tax obligations, and 6) insolvency. Most of the causes for early maturity consider remediation periods and materiality amounts.

On June 17, 2020, a first amendatory agreement to the credit contract was executed whereby, among other matters: a) the payment of ordinary interest and partial principal payments for the months from June through November 2020 were rescheduled. The rescheduled principal payments will be settled, without penalties, late payment or any other charges through the last four credit payments, while the rescheduled ordinary interest was settled through a single payment, without penalties or charges on December 17, 2020; and, b) the restriction and respective financial obligation were included at the leverage level.

On December 16, 2020, a second amendatory agreement to the credit contract was executed whereby, among other matters, the payment of ordinary interest and partial principal payments for the months from December 2020 through February 2021 was rescheduled. The rescheduled principal payments were settled, without penalties, late payment or any other charges on March 17, 2021.

On March 16, 2021, a third amendatory agreement to the credit contract was executed whereby, among other matters, partial principal payments were rescheduled with a new grace period until July 2021, thereby extending the contract period until 2031 and adding a financial obligation related to the interest rate hedge ratio.

A hedging derivatives contract was executed in relation to this loan to manage the variable interest rate risk (28-day TIIE rate). Under this scheme, the interest rate was set at 7.5950% plus a surcharge of 143 basis points.

As a result of the third amendatory agreement, the table of payments of the contracted derivative financial instrument was modified throughout the period of the derivative financial instrument to adapt it to the rescheduled payments agreed in that third amendatory agreement. The derivative financial instrument matures in November 2026. The initial notional value of the SWAP was $3,000,000, thereby hedging the entire outstanding credit balance as of the date on which the derivative was contracted.

This derivative financial instrument had an asset fair value of $51,035, $73,421 and $85,949, as of December 31, 2024, 2023 and 2022, respectively.

(v) On September 15, 2023, this credit was paid early.

This loan was secured by a guarantee trust with reversion rights to which 14 properties were contributed, of which 10 properties are registered in investment properties and 4 properties are registered in property and equipment, and by a pledge on the CBFIs referred to in Note 6. Also participating as guarantors of the loan were Gigante Grupo Inmobiliario, S.A. de C.V., Office Depot de México, S.A. de C.V., and Restaurantes Toks, S.A. de C.V.

As of December 31, 2023, the commercial value of these properties is as of December 31, 2023 and 2022 is $2,837,620 and $2,565,390, respectively.

On the occasion of the liquidation of the credit, on December 5, 2024, the total extinction of the guarantee trust with reversion rights that guaranteed this loan was held and the ownership of the 14 properties that had been provided as collateral to the assets of said trust and that were pending release was reverted in favor of the settlors. Likewise, on March 21, 2025, the agreement for the termination of the transfer of ownership pledge contract that was constituted on the CBFIs was signed.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes for early maturity as the main limitations, as follows:

a) Limitations: 1) incurring additional debt, 2) attaching liens, 3) corporate consolidations, mergers and divisions, 4) disposal of assets, 5) sale of assets outside the normal course of business, 6) limitations applicable to the execution of leases, 7) changes in the nature of the business, 8) the payment of dividends or distributions to the borrower's stockholders, 9) dissolution and liquidation, 10) debt forgiveness, 11) acquisition of fixed assets outside the normal course of business, and 12) capital investments outside the normal course of business.

b) Financial Ratios and Restrictions: 1) leverage ratio, and 2) interest rate hedge ratio, 3) minimum stockholders' equity y 4) minimum appraisal percentage guarantees, and

c) Causes for early maturity: 1) a default involving the principal or interest payment; 2) a debt cross-default; 3) noncompliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information, 5) noncompliance involving the payment of tax obligations, 6) sentences and distraints, 7) a change of control, and 8) insolvency. Most of the causes for early maturity consider remediation periods and materiality amounts.

On December 3, 2021, Grupo Gigante, S.A.B. de C.V. contracted a derivative financial instrument known as a "SWAP", which replaced the "SWAP" previously in effect, thereby eliminating the risks related to the variable credit interest rate, setting a variable credit interest rate (28-day TIIE rate) based on a tiered interest rate, according to the following: (a) from November 15, 2022 through November 15, 2023, 7.96%; (b) from November 15, 2023 through November 15, 2024, 8.36%; (c) from November 15, 2024 through November 18, 2025, 8.76%, and (d) from November 18, 2025 through July 14, 2026, 9.10%, plus the corresponding applicable margin in terms of the credit agreement. The initial notional value of the SWAP was $3,900,000, thereby hedging the entire outstanding credit balance as of the date on which the derivative was contracted.

This derivative financial instrument had an asset fair value of $85,072, as of December 31, 2022 and a liability of $63,468 as of December 31, 2021. This derivative financial instrument was replaced on October 10, 2023, by a SWAP contracted on that date (see point (viii) below.

(vi) On September 15, 2023, this credit was paid early.

This loan was secured by a guarantee trust with rights of reversion to which 15 buildings recorded under property and equipment were contributed. Likewise, following the restructuring of this loan, Grupo Gigante, S.A.B. de C.V. and Grupo Toks, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.) have acted as guarantors.

Given the fulfillment of the lien release conditions contained in this loan contract, on June 28, 2022 and November 29, 2022, a series of contracts was executed to partially discharge and reverse the ownership of 12 and one of the buildings to Servicios Gastronómicos Gigante, S.A. de C.V. and Controladora and Operadora de Inmuebles, S.A. de C.V. (subsidiaries of Grupo Gigante, S.A.B. de C.V.), respectively, which these entities had given in guarantee in their capacity as the trustors of the trust's net worth. Accordingly, as of December 31, 2024, 2023 and 2022, two buildings recorded under property and equipment had been contributed to the trust. As of December 31, 2024, 2023 and 2022, the commercial value of these two buildings is $194,749. The two buildings contributed to the trust are currently in the process of being released.

The contract documenting this loan establishes financial ratios and restrictions, as well as the causes for early maturity as the main limitations, as follows:

a) Limitations: 1) incurring additional debt, 2) attaching liens, 3) corporate consolidations, mergers and divisions, 4) disposal of assets, 5) sale of assets outside the normal course of business, 6) limitations applicable to the execution of leases recorded as liabilities on the balance sheet; 7) changes in the nature of the business, 8) the payment of dividends or distributions to stockholders, 9) dissolution and liquidation, 10) debt forgiveness, 11) acquisition of fixed assets outside the normal course of business, and 12) capital investments outside the normal course of business.

b) Financial Ratios and Restrictions: 1) leverage ratio, and 2) interest rate hedge ratio, and 3) minimum appraisal percentage guarantees, and

c) Causes for early maturity: 1) a default involving the principal or interest payment; 2) a debt cross-default; 3) noncompliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information, 5) noncompliance involving the payment of tax obligations, 6) sentences and distraints, 7) a change of control y 8) insolvency. Most of the causes for early maturity consider remediation periods and materiality amounts.

In order to manage the risk derived from the variable credit interest rate (28-day TIIE rate), on August 13, 2021, a derivative financial instrument was contracted, which established a tiered interest rate during the credit period, according to the following: (a) from July 15, 2021 through July 15, 2022, 6.75%; (b) from July 15, 2022 through July 17, 2023, 7.25%, (c) from July 17, 2023 through July 15, 2024, 7.75%, and (d) from July 15, 2024 through October 14, 2025, 10.6%. The initial notional value of the SWAP was $1,100,000, thereby hedging the entire outstanding credit balance as of the date on which the derivative was contracted.

This derivative financial instrument had an asset fair value of $24,987, as of December 31, 2022 and a liability of $10,612 as of December 31, 2021. The derivative financial instrument was replaced on October 10, 2023, by a SWAP contracted on that date (see point (ix) below).

(vii) This loan was guaranteed by a mortgage on a single investment property, a pledge composed by the lease collection rights of that real property, as well as the joint and several liability of Controinmuebles, S.A. de C.V. acting as guarantor. As of December 31, 2024, 2023 and 2022, the fair value of the investment property is $1,887,413, $1,789,109 and $1,742,451 , respectively.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes for early maturity as the main limitations, as follows:

a. Limitations: 1) capital investments, 2) incurring additional liabilities, 3) attaching liens to assets with a value equal to or exceeding 5% of the borrower's fixed assets and in excess of $2,000,000 in the case of the joint obligor; 4) mergers and divisions, 5) granting loans or credits outside the normal course of business, 6) transferring assets for a value equal to or exceeding 5% of the fixed assets of the borrower and joint obligor, respectively, 7) changes in the nature of the business, and 8) the payment of dividends.
b. Financial Ratios and Restrictions: 1) the debt service hedging ratio, the measurement of which will start as of the close of the fourth quarter of 2022, 2) minimum stockholders' equity, and 3) the minimum appraisal percentage guarantee, and
c. Causes for early maturity: 1) a default involving the principal or interest payment; 2) a debt cross-default; 3) noncompliance related to affirmative or negative covenants; 4) the delivery of significantly false or erroneous information, 5) noncompliance involving the payment of tax obligations, 6) sentences and distraints, 7) the reduction of the value of the guarantee or the failure to maintain the required insurance, 8) labor conflicts, and 9) a change of control. Most of the causes for early maturity consider remediation periods and materiality amounts.

On May 13, 2020, an amendatory agreement was executed whereby, among other matters, the parties agreed to accrue unpaid ordinary interest accrued as of May 13, 2020, together with the ordinary interest accrued under the terms of the credit contract, in four interest periods following the execution of the amendatory agreement, while also establishing September 13, 2020 as the new date for the payment of this ordinary interest.

On September 14, 2020, a second amendatory agreement was executed whereby, among other matters, the amount of $35,047 related to the ordinary interest accrued on April 13 and August 13, 2020 was capitalized.

On July 20, 2021, a third amendatory agreement to the credit contract was executed whereby, among other matters, the maturity date was changed to July 2031, while the interest rate and monthly payments were also amended.

(viii) This loan has no guarantees.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes of early maturity, as follows:

a) Limitations: (1) acquiring interests in other enterprises outside the ordinary course of business; (2) making loans or credits, secured or unsecured, outside the ordinary course of business; (3) create encumbrances equal to or greater than 5% of the total consolidated assets of the borrower; (4) dissolution and liquidation; (5) mergers, spin-offs, consolidations and reorganizations; (6) transfer of assets equal to or greater than 10% of the total consolidated assets of the borrower, except for the exceptions provided for in the credit agreement; (7) to incur liabilities with a financial cost if, after the operation has taken effect, there is a failure to maintain the financial ratios; (8) payment of dividends to the stockholders of the borrower when and for as long as there is a cause for early maturity of the credit; 9) amending bylaws, and 10) changes in the usual way of doing business.

b) Financial Ratios and Constraints: 1) leverage ratio; (2) interest coverage ratio, and (3) minimum stockholders' equity.

c) Causes of Early Maturity: 1) default in the payment of principal, interest or other amount payable under the terms of the contract; 2) delivery of false or incorrect information or statements; (3) breach of obligations to do or not to do; 4) cross-default of debt; (5) insolvency; (6) judgments and attachments; 7) change of control; (8) labor disputes, and (9) non-payment of tax obligations. For the most part, early maturity cases include both cure periods and materiality amounts.

On October 10, 2023, Grupo Gigante, S.A.B. de C.V., entered into a derivative financial instrument called "SWAP", which replaced the "SWAP" that was in force on December 3, 2021, (see point (v) above), which eliminated the risks related to the variable interest rate of the credit (28-day TIIE), setting the rate, during the term of the loan, at 8.45% plus 270 basis points of margin applicable in terms of the credit agreement. The initial notional value of the swap was $1,750,000, covering 100% of the outstanding balance of the credit as of the date of derivative contracting. This derivative financial instrument had an asset fair value of $11,018 as of December 31, 2023.

(ix) This loan is secured by a joint and several obligations of Grupo Gigante, S.A.B. de C.V.

The contract documenting this loan establishes financial ratios and restrictions, as well as causes of early maturity, as follows:

a. Limitations: 1) acquire interests in other companies outside the ordinary course of business; (2) making loans or credits, secured or unsecured, outside the ordinary course of business; (3) create encumbrances equal to or greater than 5% of the total consolidated assets of the borrower; (4) dissolution and liquidation; (5) mergers, spin-offs, consolidations and reorganizations; (6) transfer of assets equal to or greater than 10% of the total consolidated assets of the borrower, except for the exceptions provided for in the credit agreement; (7) to incur liabilities with a financial cost if, after the operation has taken effect, there is a failure to maintain the financial ratios; (8) payment of dividends to the shareholders of the borrower when and for as long as there is a cause for early maturity of the credit; 9) amending bylaws, and 10) changes in the usual way of doing business.

b. Financial Ratios and Constraints: 1) leverage ratio; (2) interest coverage ratio, and (3) minimum stockholders' equity

c. Causes of Early Maturity: 1) failure to make principal payment, interest, or other amount payable under the terms of the contract; 2) delivery of false or incorrect information or statements; (3) breach of obligations to do or not to do; 4) cross-default of debt; (5) insolvency; (6) judgments and attachments; 7) change of control; (8) labor disputes, and (9) non-payment of tax obligations. For the most part, early maturity cases include both cure periods and materiality amounts.

In order to manage the risk of the variable interest rate of the credit (28-day TIIE), on October 10, 2023, a derivative financial instrument was contracted, which replaced the "SWAP" that was in force on August 13, 2021 (see point (vi) above), setting the rate, during the term of the credit, as follows: (a) from October 16, 2023 to October 15, 2024, 10.15%, (b) from October 15, 2024 to October 15, 2025, 9.86%, (c) from October 15, 2025 to October 15, 2026, 9.57%, (d) from October 15, 2026 to October 15, 2027, 9.28%, (e) from October 15, 2027 to October 16, 2028, 8.99%, (f) from October 16, 2028 to October 15, 2029, 8.70%, and (g) from October 15, 2029 to September 12, 2030, 8.41%, in all cases, plus 270 basis points of applicable margin in terms of the credit agreement. The initial notional value of the swap was $2,100,000, covering 100% of the outstanding balance of the credit as of the date of contracting the derivative. This derivative financial instrument had a fair value liability of $78,563 as of December 31, 2023.

(x) This loan is secured by a joint and several obligations of Grupo Gigante, S.A.B. de C.V.

The contract documenting this loan establishes the following as the main limitations and causes of early maturity:

a) Limitations: 1) incur additional liabilities under the same financial conditions of rate, term, amount and destination of the credit, in which the borrower constitutes encumbrances, and 2) reduce its share capital or modify the stockholding structure of Office Depot de México, S.A. de C.V., if the foregoing implies a change of control.

b) Causes of Early Maturity: 1) default on payment of principal, interest or commissions; (2) non-payment of tax obligations; 3) cross-default of debt; (4) conviction for acts of corruption by means of a final judgment or resolution of a competent authority; (5) labor disputes; (6) failing to inform the creditor of the existence of a forfeiture proceeding; 7) creation of encumbrances or transfer of assets by the joint and several obligor if this implies that it ceases to be the owner of assets free of encumbrances for an amount equivalent to at least 2 times the amount of the unpaid balance of the credit, and 8) change of control. For the most part, early maturity cases include both cure periods and materiality amounts.

The Entity has taken out revolving lines of credit with banks, which are available in pesos as well as letters of credit in US dollars to cover needs related to work capital.

As of December 31, 2024, 2023 and 2022, no revolving credit lines were contracted in pesos.

As of December 31, 2024, 2023 and 2022, no revolving credit lines were contracted in US dollars.

As of December 31, 2024, letters of credit had been contracted in thousands of US dollars for 25,000, of which 20,083 were drawn.

As of December 31, 2023, letters of credit were contracted in thousands of US dollars for $20,000, of which $13,655 were drawn down.

As of December 31, 2022, letters of credit were contracted in thousands of US dollars for $16,500, of which $4,772 were drawn down.

Reconciliation of obligations derived from financing activities

The table presented below details changes to the Entity's liabilities as a result of its financing activities, including changes in both cash and cash equivalents. The liabilities derived from financing activities are those in which cash flows were, or future cash flows will be classified as cash flows from financing activities in the Entity's consolidated statement of cash flows.

	2024	2023	2022
Balance as of January 1	$ 10,429,472	$ 10,530,863	$ 11,303,531
Proceeds from borrowings net of issuance costs	-	4,819,200	-
Repayments of borrowings	(465,306)	(4,968,095)	(747,035)
Amortization of issuance costs	(9,508)	47,504	(25,633)
Balance as of December 31	$ 9,954,658	$ 10,429,472	$ 10,530,863

20. Employee benefits

a. Defined contribution plans - Under Mexican law, the Entity is required to make payments equivalent to 2% of its workers' daily integrated salary to a defined contribution plan that is part of the retirement savings system. The related expense during 2024, 2023 and 2022 was $73,629, $65,511 and $56,420, respectively.

b. Defined benefit plans - The Entity has defined benefits pension plans, which include a voluntary retirement plan and a lump-sum payment plan required by the Mexican Labor law (seniority premiums). In the voluntary retirement plan eligible employees who retire voluntarily are entitled to receive a lump-sum payment determined based on their years of service and salary. Seniority premium, according to Article 162 of the Mexican Labor law, consists of a lump-sum payment equivalent to 12 days per each year of worked based on the worker's last wage and it is limited to two times the minimum wage set forth by Mexican law. The seniority premium considers all the years of service of each worker. The expenditure for this concept as of December 31, 2024, 2023 and 2022 is described in subsection e.

c. Other long-term benefits – The Entity has a long-term incentive plan for some of its employees. Under this plan, eligible employees receive a tri annual payment calculated using certain criteria in accordance with the plan, including the increase in the Entity's net equity. As of December 31, 2024, 2023 and 2022 the liability related to this plan was $181,926, $181,910 and $87,190, respectively.

d. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2024	2023	2022
Discount rate(s)	11.08%	10.34%	9.11%
Expected rate(s) of salary increase	5.64%	5.18%	5.42%
Average age	45.82	46.61	39.21

e. Amounts recognized in comprehensive income in respect of these defined benefit plans are as follows:

	2024	2023	2022
Service cost:			
Current service cost	$ 41,994	$ 98,244	$ 24,723
Past service cost and curtailment gains	(3,651)	(22,387)	(20,844)
Net interest expense	26,748	29,785	11,635
	65,091	105,642	15,514
Components of defined benefit costs recognized in other comprehensive income - Net actuarial gains	21,705	1,715	23,304
Total	$ 86,796	$ 107,357	$ 38,818

f. The amounts included in the consolidated statements of financial position arising from the Entity's obligation in respect of its defined benefit plans are as follows:

	2024	2023	2022
Present value of defined benefit obligation	$ 607,389	$ 556,107	$ 375,800
Fair value of plan assets	(81,956)	(117,470)	(107,048)
Net liability arising from defined benefit obligation	525,433	438,637	268,752
Other long-term benefits (i)	-	181,910	87,190
Total liability arising from defined benefit obligation	$ 525,433	$ 620,547	$ 355,942

(i) As of December 31, 2024, the liability of $181,926 is presented in the short term in the category of taxes and accumulated expenses.

g. Labor Reform regarding vacations:

On December 27, 2022, the decree amending Articles 76 and 78 of the Federal Labor Law regarding vacations in Mexico was published in the Federal Official Gazette, which enters into force on January 1, 2023. The main changes caused by this labor reform consider an increase in the minimum annual vacation period of workers based on their years of service.

The Entity evaluated the accounting impacts generated by this labor reform and determined that the increases in the provision of vacations and vacation premiums, as a result of the increase in the number of vacation days of workers, were not significant as of December 31, 2023.

21. Financial instruments

a. ***Derivative financial instruments***

The Entity contracts derivative financial instruments composed by swaps to hedge its exposure to interest rate and exchange rate risks.

Derivative instruments are initially recognized at fair value on the date when the derivatives contract is executed; they are then remeasured at fair value at each reporting date. The resulting gain or loss is immediately recognized in profit or loss unless the derivative instrument is designated and is effective as a hedging instrument, in which case it is recorded in other comprehensive income under stockholders' equity.

A derivative instrument with a positive fair value is recognized as a financial asset, while a derivative instrument with a negative fair value is recognized as a financial liability. Derivative instruments are not offset in the financial statements unless the Entity has the legal right and intention to offset them. A derivative instrument is presented as a noncurrent asset or a noncurrent liability if the period remaining prior to its maturity exceeds 12 months and when it is not expected to be realized or settled within a 12-month period.

	2024	2023	2022
Derivative financial assets			
Derivatives that are designated and effective as hedging instruments carried at fair value:			
Interest rate swaps (See note 16 and 19)	$ 173,407	$ 140,672	$ 261,832
Derivative financial liabilities			
Derivatives that are designated and effective as hedging instruments carried at fair value:			
Interest rate swaps (See note 19)	-	(78,563)	-
	$ 173,407	$ 62,109	$ 261,832

b. ***Capital management***

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stockholders through the optimization of the debt and equity balance. The Entity's overall strategy remains unchanged.

The capital structure of the Entity consists of net debt (long-term debt and the senior notes payable as detailed in Note 19 offset by cash and cash equivalents and financial assets) and equity of the Entity (comprising common stock, additional paid-in capital, retained earnings and other comprehensive income).

The Entity is not subject to any externally imposed capital requirements except as mentioned in Note 19.

c. ***Leverage ratio***

The Entity's finance committee, reviews its capital structure on a regular basis. As part of this review, the committee considers the cost of capital and the risks associated with each type of funding.

The leverage ratio at the end of the reporting period was as follows:

	2024	2023	2022
Cash and cash equivalents – Note 5	$ (3,190,446)	$ (2,994,915)	$ (2,439,223)
Financial instruments – Note 6	(314,459)	(306,715)	(325,701)
Long-term restricted cash – Note 16 and 5	(84,520)	(82,872)	(80,677)

	2024	2023	2022
Real Estate Trust Stock Certificates - Note 6	(1,166,725)	(1,063,392)	(1,143,117)
Derivative financial instruments - Note 21	(173,407)	(62,109)	(261,832)
Long-term debt – Note 19	9,954,658	10,429,472	10,530,863
Net debt	5,025,101	5,919,469	6,280,313
Lease liabilities – Note 18	6,613,695	5,970,849	4,986,146
Subtotal –Net debt with lease	11,638,796	11,890,318	11,266,459
Stockholders' equity	$ 27,302,628	$ 25,790,942	$ 24,187,981
Net debt to equity ratio	18%	23%	26%
Net debt ratio with lease and capital	43%	46%	47%

d. ***Categories of financial instruments***

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

The main financial instruments of the Entity as presented in the consolidated financial statements are as follows:

		2024	2023	2022
i.	Cash and cash equivalents	$ 3,190,446	$ 2,994,915	$ 2,439,223
ii.	Held for trading financial instruments Note 16 and 5	84,520	82,872	80,677
iii.	Financial instruments – Note 6	314,459	306,715	325,701
iv.	Real Estate Trust Stock Certificates – Note 6	1,166,725	1,063,392	1,143,117
v.	Accounts receivable - Net	1,785,862	1,538,973	1,535,934
vi.	Trade accounts payable	3,684,944	3,689,100	4,153,836
vii.	Lease liabilities	6,613,695	5,970,849	4,986,146
viii.	Long-term debt at amortized cost	9,954,658	10,429,472	10,530,863
ix.	Derivative financial instruments	173,407	62,109	261,832

During the year ended as of December 31, 2024, 2023 and 2022, there were no reclassifications of financial instruments between categories.

e. ***Financial risk management objectives***

The Entity's Board of Directors through its finance committee supervises and manages the financial risks relating to the Entity's exposure as a result of its operations. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Entity seeks to minimize the effects of these risks by using different instruments including derivative financial instruments to hedge its exposures. The use of financial derivatives is governed by the Entity's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Entity does not enter into derivative financial instruments for speculative purposes.

The Corporate Treasury function reports quarterly to the Finance Committee, which is an independent body that monitors risks and policies implemented to mitigate risk exposures.

f. ***Market risk***

The Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Entity seeks to minimize the potential negative effects of these risks on its financial performance through an overall risk management program. The Entity uses derivative and non-derivative financial instruments to hedge some of its exposures to financial risks housed in the statement of financial position (recognized assets and liabilities) as described in this Note. The administration of financial instruments and the use of derivative and non-derivative financial instruments are governed by the policies of the Entity approved by the Board of Directors of Grupo Gigante, S.A.B. de C.V.

There have been no changes in the Entity exposure to market risks in the way these risks are managed and measured.

g. ***Foreign currency risk management***

The Entity undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise, primarily with respect to US dollar denominated financial instruments, trade accounts payable. In addition, approximately 10%, 8% and 9%, for the year ended December 31,2024, 2023 and 2022, respectively, of total purchases of the Entity's inventories were imported by approximately 91,895, 79,905 and 80,179 (thousands of US dollars) for the years ended December 31, 2024, 2023 and 2022, respectively.

The carrying amounts of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are as follows:

	2024	2023	2022
Thousands of U.S. dollars:			
Monetary assets	3,452	6,994	6,348
Monetary liabilities	(23,103)	(4,271)	(15,828)
Net liability asset (liability) position	(19,651)	2,723	(9,480)
Equivalent in thousands of Mexican pesos	$ (403,048)	$ 46,001	$ (183,547)

The exchange rates as of the date of issuance of these consolidated financial statements were as follows:

	2024	2023	2022	March 25, 2025
U.S. dollar	$ 20.5103	$ 16.8935	$ 19.3615	$ 20.1123

h. ***Foreign currency sensitivity analysis***

The following table details the Entity's sensitivity to a 5% appreciation or depreciation in Mexican peso against the U.S. dollar 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency exchange rates.

	2024	2023	2022
Net position in thousands of U.S. dollar	(19,651)	2,723	(9,480)
	21.5358	17.7382	20.3296
Estimated exchanges rates:	19.4848	16.0488	18.3934
Sensitivity + / -	5%	5%	5%
Change in total comprehensive income for the year + / -	$ 20,151	$ (2,300)	$ 9,177

i. ***Interest rate risk management***

The Entity obtains financing under different conditions; when such financing is subject to variable interest rates, the Entity enters into derivative financial instruments (interest rate CAPS and SWAPS) in order to reduce its exposure to risks of volatility in interest rates. Such CAPS limit the Entity's exposure to changes in variable interest rates. Negotiating with derivative instruments is done only with credit-worthy institutions and limits have been established for each institution. The Entity's policy is not to perform transactions with derivative financial instruments for speculation purposes.

Interest rate swap contracts

Under interest rate swap contracts, the Entity agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Entity to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Interest rate sensitivity analysis

If interest rates had been 5% higher/lower and all other variables were held constant, the Entity's:

Net income for the year ended December 31, 2024, 2023 and 2022 would decrease/increase by $19,781, $23,145 and $10,690 respectively. This is mainly attributable to the Entity's exposure to interest rates on its variable rate borrowings.

If interest rates were to increase/decrease by 1%, other comprehensive results for the year ended December 31, 2024 would increase by $289,074 and decrease by $33,400; for the year ended December 31, 2023, it would increase by $415,818 and decrease by $78,566; and, for the year ended December 31, 2022, it would increase $77,303 and decrease $82,421, mainly as a result of changes in the fair value of derivative financial instruments.

As of December 31, 2024, 2023 and 2022, derivative financial instruments that limit the interest rate risk by converting it to a fixed rate cover all of the variable rate bank loans held by the Entity. (See Note 19)

Given that the terms (terms, rates and amortizations) of the interest rate swap contracts and their respective hedged items are the same during the life of the corresponding swap, the Entity makes a qualitative assessment of the effectiveness and the value of the interest rate swap contracts and the value of the corresponding hedged items are expected to change in the opposite direction in response to movements in the underlying interest rates. The main source of hedging ineffectiveness in these hedging relationships is the effect of the counterparty and the credit risk of the Entity itself on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other source of ineffectiveness arose from these coverage relationships. The average fixed interest rate contracted for the years ending at the close of December 31, 2024, 2023 and 2022 was 11.44%, 11.81% and 10.55%, respectively.

Cash flow hedges

Hedging instruments – Outstanding contracts receiving a variable rate and paying a fixed rate	**Notional principal value**			**Fair value**		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
Less than 1 year	$ 635,152	$ 465,305	$ 1,374,583	$ 1,786,470	$ 1,807,713	$ 2,523,161
More than 1 year and less than 5 years	4,530,100	4,360,239	6,731,406	5,072,828	5,467,590	7,653,680
More than 5 years	4,798,830	5,603,844	2,441,495	3,712,513	4,583,146	1,777,531
	$ 9,964,082	$ 10,429,388	$ 10,547,484	$ 10,571,811	$ 11,858,449	$ 11,954,372

Interest rate swaps are settled monthly. The variable rate of interest rate swaps is Mexico's local Interbank Interest Rate (TIIE 28). The Entity shall pay the difference between the fixed and variable interest rates on a net basis.

All interest rate swap contracts whereby variable rate interest amounts are exchanged for fixed rate interest amounts are designated as cash flow hedges in order to reduce the entity's cash flow exposure resulting from variable interest rates on loans. Interest rate swaps and loan interest payments occur simultaneously, and the amount accumulated in stockholders' equity is reclassified to profit or loss in the period in which variable rate interest payments on debt affect results.

There was no ineffectiveness in the hedge that had to be reclassified from Other Comprehensive Income to Statements of Profit for the period for which it is reported.

j. ***Credit risk management***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. Due to the nature of the Entity’s operations, its exposure to credit risk is low, since its trade accounts receivable mainly relate to credit sales to wholesalers that operate in the retail industry.

The maximum credit exposure is represented by the balance of trade accounts receivable as presented in the consolidated statement of financial position for $1,785,862, $1,538,973 and $1,535,934 as of December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, 2023 and 2022, the allowance for doubtful accounts receivable includes accounts that have been identified as potentially not recoverable.

No one single customer outstanding balance represented an amount higher than 10% of the total trade accounts receivable.

k. ***Other price risks***

The Entity is exposed to equity price risk arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Entity does not actively trade these investments.

Equity price sensitivity analysis

EThe Sensitivity analysis has been determined based on the exposure to equity price risk at the end of reporting period.

If equity prices had been 5% higher/lower and all other market conditions remained the same:

- The result of the period ended December 31, 2024, 2023 and 2022 will not vary. This situation is primarily attributable to the Entity's exposure to the prices of shares classified as financial instruments valued at fair value through profit or loss.

The Entity's sensitivity to equity prices has not changed significantly from the prior year.

l. ***Liquidity risk management***

If the Entity is unable to raise additional debt or equity, its results of operations could suffer. The Entity closely monitors the maturity of its liabilities and the cash needs of its operations. It prepares and provides a detailed cash flow analysis on a quarterly basis and presents it to its board of directors. Decisions are made to obtain new financing or limit cash investments in order to maintain a healthy projected cash balance.

The maturities analysis table of financial liabilities as of December 31, 2024 is as follows:

	Less than 1 year	More than 1 year and less than 5 years	More than 5 years
Trade accounts payable	$ 3,684,944	$ -	$ -
Other accounts payable	740,192	-	-
Long-term debt	633,538	4,406,177	4,914,943
Accrued interest	1,254,269	2,748,175	1,357,696
Lease liabilities	1,566,260	4,624,889	3,512,361

The maturity analysis table of financial liabilities as of December 31, 2023 is as follows:

	Less than 1 year	More than 1 year and less than 5 years	More than 5 years
Trade accounts payable	$ 3,689,100	$ -	$ -
Other accounts payable	715,825	-	-
Long-term debt	464,416	4,206,567	5,758,489
Accrued interest	1,458,328	3,537,213	2,352,460
Lease liabilities	1,209,881	3,496,249	3,067,476

The maturity analysis table of financial liabilities as of December 31, 2022 is as follows:

	Less than 1 year	More than 1 year and less than 5 years	More than 5 years
Trade accounts payable	$ 4,153,836	$ -	$ -
Other accounts payable	829,974	-	-
Long-term debt	1,374,583	6,383,956	2,772,324
Accrued interest	1,295,270	2,967,977	895,166
Lease liabilities	1,144,253	3,132,350	3,122,510

The weighted average interest rate on the long-term debt as of December 31, 2024, 2023 and 2022 was 11.44%, 11.81% and 10.55% respectively. As of December 31, 2024, 2023 and 2022, some bank loans at a variable rate that the Entity had were covered with derivative financial instruments that limited the interest rate risk by converting it to a fixed rate. Such derivative financial instruments are settled in accordance with the maturities agreed upon in each of them. (See Note 19).

The following table details the liquidity analysis of the Entity with respect to its hedging derivative financial instruments. The table has been designed based on undiscounted contractual net inflow and outflow cash flows that are settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed was determined by reference to projected interest rates as illustrated by market curves at the end of the reporting period.

	Less than 1 year	More than 1 year and less than 5 years	More than 5 years
December 31, 2024			
Net liquidated amount:			
- Swaps interest rate	$ 73,722	$ 80,911	$ 18,774
December 31, 2023			
Net liquidated amount:			
- Swaps interest rate	$ 154,409	$ (64,692)	$ (27,608)
December 31, 2022			
Net liquidated amount:			
- Swaps interest rate	$ 130,462	$ (392,294)	$ -

m. ***Fair value measurements recognized in the consolidated statement of financial position***

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, arranged into levels from 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1. Fair value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Entity's financial assets and financial liabilities are measured at their fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Assets/ liabilities	Fair value as of 2024	Fair value hierarchy	Valuation techniques and key inputs
Development capital certificates (CKD)	$ 314,459	Level 2	Discounted cash flow
Real Estate Trust Stock Certificates – Note 6	1,166,725	Level 1	Quoted bid prices in an active market
Derivative financial instruments	173,407	Level 2	Discounted cash flow

Assets/ liabilities	Fair value as of 2023	Fair value hierarchy	Valuation techniques and key inputs
Development capital certificates (CKD)	$ 306,715	Level 2	Discounted cash flow
Real Estate Trust Stock Certificates – Note 6	1,063,392	Level 1	Quoted bid prices in an active market
Derivative financial instruments	62,109	Level 2	Discounted cash flow

Assets/ liabilities	Fair value as of 2022	Fair value hierarchy	Valuation techniques and key inputs
Development capital certificates (CKD)	$ 325,701	Level 2	Discounted cash flow
Real Estate Trust Stock Certificates – Note 6	1,143,117	Level 1	Quoted bid prices in an active market
Derivative financial instruments	261,832	Level 2	Discounted cash flow

There were no transfers among the levels during the period.

2. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

Except as detailed in the following table, the Entity's management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

	2024	
	Carrying amount	Fair value
Financial liabilities held at amortized cost:		
Long-term debt	$ 9,954,658	$ 10,571,811

	Level 1	Level 2	Total	Valuation techniques and significant inputs
Financial liabilities held at amortized cost:				
Long-term debt	$ -	$ 10,571,811	$ 10,571,811	Discounted cash flows using market rates

	2023	
	Carrying amount	Fair value
Financial liabilities held at amortized cost:		
Long-term debt	$ 10,429,472	$ 11,858,449

	Level 1	Level 2	Total	Valuation techniques and significant inputs
Financial liabilities held at amortized cost:				
Long-term debt	$ -	$ 11,858,449	$ 11,858,449	Discounted cash flows using market rates

	2022	
	Carrying amount	Fair value
Financial liabilities held at amortized cost:		
Long-term debt	$ 10,530,863	$ 11,954,372

	Level 1	Level 2	Total	Valuation techniques and significant inputs
Financial liabilities held at amortized cost:				
Long-term debt	$ -	$ 11,954,372	$ 11,954,372	Discounted cash flows using market rates

22. Stockholders' equity

a. Common stock as of December 31, 2024, 2023 and 2022 consists of the following:

	Outstanding number of shares	Nominal value
Fixed capital	176,734,102	18,922
Variable capital	817,493,226	87,525
	994,227,328	106,447
Effects of inflation		1,268,481
Total		$ 1,374,928

Shares of the Grupo Gigante, S.A.B. de C.V. are registered in the National Securities Registry kept by the National Banking and Securities Commission. The outstanding shares of Grupo Gigante, S.A.B. de C.V are represented by ordinary shares, registered shares of the same series without par value, which can be subscribed freely.

b. As of December 31, 2024, 2023 and 2022, Grupo Gigante, S.A.B. de C.V., had 994,226,828 shares outstanding and 500 shares repurchased against stockholders' equity. The market value of the shares as of December 31, 2024, 2023 and 2022 was $28.00, $30.70 and $24.85 pesos per share, respectively.

c. Retained earnings include a statutory legal reserve. Mexican General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (historical pesos). The legal reserve may not be distributed, except in the form of a stock dividend, unless the Entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2024, 2023 and 2022, the legal reserve, in historical pesos, was $21,290.

d. Stockholders' equity, except restated additional paid-in capital and tax retained earnings will be subject to ISR payable by the Entity at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated ISR of the year in which the tax on the dividend is paid and the following two fiscal years, against the tax for the year and provisional payments.

e. Dividends paid from the profits generated from January 1, 2014 to residents in Mexico and to nonresident stockholders may be subject to an additional tax of up to 10%, which will be withheld by the Entity.

f. The balances of the stockholders' equity tax accounts as of December 31, are:

	2024	2023	2022
Contributed capital account	$ 18,031,903	$ 17,303,429	$ 16,532,992
Net consolidated tax income account (CUFIN) before 2014	19,585,815	18,234,864	17,334,671
CUFIN after 2014	2,458,873	2,225,079	1,571,515
Total	$ 40,076,591	$ 37,763,372	$ 35,439,178

23. Other comprehensive income

Effects of translation of foreign operations, actuarial (losses) gains and effect of derivative financial instruments designated as hedging of the controlling interest:

	2024	2023	2022
Balance at beginning of year	$ (109,246)	$ 187,182	$ 223,430
Actuarial loss - net of tax	(21,705)	(1,715)	(23,304)
Net fair value loss on cash flow hedging instruments - net of taxes	106,529	(95,297)	120,908
Exchange differences on translating foreign operations	255,009	(199,416)	(133,852)
Balance end of year	$ 230,587	$ (109,246)	$ 187,182

24. Non-controlling interests

	2024	2023	2022
Balance at beginning of year	$ 695,836	$ 702,384	$ 631,434
Profit allocated to non-controlling interest	79,605	163,762	193,847
Dividends collected	(50,028)	(112,669)	(96,500)
Withdrawal due to acquisition of non-controlling stake	(376,536)	-	-
Exchange differences arising on translating foreign operations	(28,482)	(57,641)	(26,397)
Balance at end of year	$ 320,395	$ 695,836	$ 702,384

25. Transactions with related parties

Balances and transactions between the companies that comprise the Entity, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Entity and other related parties are disclosed below.

a. a. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	2024	2023	2022
Purchase of inventory - other related parties	$ 58,085	$ 54,457	$ 43,159
Rental expense - stockholders	157,294	150,990	116,572
Lease rental - other related parties	80,890	73,620	59,639
Sales of inventory - other related parties	117,508	188,833	11,690
Consulting services received - other related parties	131,766	134,568	116,780
Consulting services provided - other related parties	47,145	75,435	97,506
Charitable contributions - other related parties	57,243	25,679	10,163
Acquisition of non-controlling interest	465,000	-	-
Other income	21,168	11,526	7,631
Other expenses	5,240	2,537	2,700

The above transactions with related parties were performed with the usual list of prices of the Entity.

b. As of December 31, 2024, 2023 and 2022, the Entity has accounts receivable from related parties for $80,635, $158,338 and $196,150 (See Note 7 and note 16). As of December 31, 2024, 2023 and 2022, there are accounts payable to related parties for $160,175, $5,968, and $210 respectively (See Note 17).

c. Employee benefits granted to key management were as follows:

	2024	2023	2022
Short-term benefits	$ 237,783	$ 217,967	$ 212,172
Other long-term benefits	108,620	94,720	87,190
Termination benefits	1,754	-	-
Post-employment benefits	29,164	19,952	3,891

26. Cost of sales and operating expenses

a. Cost of sales is as follows:

	2024	2023	2022
Cost of merchandise sold	$ 18,711,651	$ 18,390,412	$ 18,086,936
Employee benefits	1,113,958	902,220	716,754
Rental expense	89,368	77,969	71,592
Electricity, water, gas and other utilities	169,603	182,578	196,399
Depreciation and amortization	131,273	178,973	159,296
Right-of-use asset depreciation	82,850	91,620	77,790
Total cost of sales	$ 20,298,703	$ 19,823,772	$ 19,308,767

b. Operating expenses are as follows:

	2024	2023	2022
Employee benefits	$ 5,215,849	$ 4,735,584	$ 4,165,380
Rental expense	132,139	89,977	297,282
Insurance	113,770	90,826	81,084
Electricity, water, gas and other utilities	591,499	554,200	518,020
Maintenance	941,875	866,187	860,286
Marketing	376,401	374,860	353,798
Depreciation and amortization	809,257	764,680	740,257
Right-of-use asset depreciation	929,840	892,905	573,317
Other operating expenses	2,837,558	2,763,924	2,550,087
Total operating expenses	$ 11,948,188	$ 11,133,143	$ 10,139,511

27. Operating leases

a. The Entity as lessor – As lessor, agreements consist of leasing the investment properties to the Entity's customers who operate in the retail and restaurant industries. These mostly contain a minimum guaranteed income and contingent income based on the sale percentages of the customers with increases in the minimum guaranteed income determined based on inflation. Lease periods vary from 1 to 35 years (including possible extensions).

Within such leases incentives are given to customers, like grace periods as well as single payments made by customers (referred to as "key money"). These incentives are recorded in the consolidated statement of financial position as deferred income and recognized as income in a straight line over the contract term.

The future minimum lease receivables related to non-cancelable operating leases are as follows:

	2024
No more than 1 year	$ 1,389,180
More than 1 year and not more than 5 years	3,940,066
More than 5 years	2,136,584
Total	$ 7,465,830

28. Income taxes

ISR - According to the 2014 ISR Law, the tax rate is 30% and it will continue at 30% thereafter. Through 2013, Grupo Gigante, S.A.B. de C.V., incurred consolidated income tax with its Mexican subsidiaries under the same tax consolidation regime that was eliminated with the repeal of the ISR Law in force until December 31, 2013, therefore, the Entity had the obligation to pay the deferred tax determined at that date during the following five years from 2014.

In compliance with the Decree that amends several provisions of the Income Tax Law published on November 18, 2015, the Entity recalculated the deferred income tax related to the consolidation regime considering: a) tax loss carryforwards according to Article Two, sections VIII and IX of the Decree that amends several provisions of the Income Tax Law published on November 18, 2015. This credit is related to tax losses for which a deferred tax asset had not been recognized since it was not probable that the economic benefits would flow to the Entity and b) reversal of losses determined in share sale transactions which had been used to offset the consolidated taxable income. According to this Decree, the resulting deferred tax payable will be settled in 10 annual installments beginning at the date on which the consolidation regime ended (December 31, 2013). During September 2016, a payment of $168,540 was made related to the difference between the amounts previously paid in the three annual instalments already paid and the recalculated amounts. The remaining income tax payable will be paid in seven yearly instalments beginning in March 2017.

As part of the conclusive agreement processes with the tax authorities regarding the exercise of such powers of verification, (i) on April 26, 2022, Office Depot de México, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.) paid, between taxes and accessories, the amount of $392,732, presenting the corresponding amended tax returns, and formalized the signing of the conclusive agreement; on June 3, 2022 and (ii) on September 8, 2022, Gigante, S.A. de C.V. (subsidiary of Grupo Gigante, S.A.B. de C.V.) paid, between taxes and accessories, the amount of $ 86,748, presenting the corresponding amended tax returns, and formalized the signing of the conclusive agreement on October 31, 2022.

Currently, the tax authorities are exercising verification powers to one subsidiary of Grupo Gigante, S.A.B. de C.V., to date, no tax liability or penalty has been determined.

Income taxes in other countries - Office Depot de México, S. A. de C. V. and its foreign subsidiaries calculate their individual income taxes, according to the regulations of each country.

The tax rates applied in other countries where the Entity operates and the period in which tax losses may be applied are as follows:

	Tasa legal (%)		
	2024	**2023**	**2022**
Colombia	35.0	35.0	35.0
Costa Rica	30.0	30.0	30.0
El Salvador	30.0	30.0	30.0
Guatemala	25.0	25.0	25.0
Honduras	25.0	25.0	25.0
Panama	25.0	25.0	25.0
Peru	29.5	29.5	29.5
Chile	27.0	27.0	27.0
Dominican Republic	27.0	27.0	27.0

a. Income taxes recognized in profit for the year are as follow:

	2024	**2023**	**2022**
ISR expense (benefit):			
Current	$ 742,984	$ 621,013	$ 448,979
Deferred	37,573	310,987	(38,316)
	$ 780,557	$ 932,000	$ 410,663

The deferred income tax balances recognized in the balance sheet include the tax incurred by actuarial gains and / or losses, which are items recognized in stockholders' equity. The effect of this tax recognized in the years 2024, 2023 and 2022 was a liability / (asset) of $23,194, $(42,608) and $67,827, respectively.

b. The effective ISR rate for 2024, 2023 and 2022 differ from the statutory rate as follows:

	2024 %	**2023 %**	**2022 %**
Statutory rate	30	30	30
Not deductible items	4	10	4
Effects of tax inflation	(9)	(8)	(18)
Share of profit of joint ventures and associates	(6)	(5)	(6)
Effect of changes in future tax loss carryforwards and others	12	4	6
Effective rate	31	31	16

c. The main items giving rise to deferred liabilities are:

	2024	2023	2022
Deferred ISR liabilities:			
Property, leasehold improvements and equipment and investment property	$ (2,169,905)	$ (2,010,601)	$ (1,762,271)
Inventories	(2,122)	2,033	2,419
Accrued expenses and provisions	696,179	578,507	360,120
Prepaid expenses and advances from customers	(13,795)	(52,173)	(36,623)
Intangible assets and others	36,444	31,557	26,259
	(1,453,199)	(1,450,677)	(1,410,096)
Effect of tax loss carryforwards	90,235	148,480	472,045
Total deferred tax liability – Net	$ (1,362,964)	$ (1,302,197)	$ (938,051)

For the year ended December 31, 2024, 2023 and 2022, a net amount of $122,000, $82,671 and $120,119, respectively, was recognized as part of the benefit effect of amortization of tax losses, which corresponds to the reversal of the previously unrecognized tax loss reserve.

d. The balances presented in the consolidated statements of financial position are as follows:

	2024	2023	2022
Deferred tax asset	$ 1,530,328	$ 1,355,198	$ 1,406,232
Deferred tax liability	(2,893,292)	(2,657,395)	(2,344,283)
Total deferred tax liability – Net	$ (1,362,964)	$ (1,302,197)	$ (938,051)

The above amount includes the net deferred tax liability of foreign subsidiaries as of December 31, 2024, 2023 and 2022 of $10,417, $9,583 and $(26,329) respectively.

The benefits of restated tax loss carryforwards for which a deferred income tax asset has been partially recognized may be recovered upon compliance with certain requirements. The maturity of such recoverable tax losses as of December 31, 2024, are as follows:

Year of maturity	Tax loss carryforwards
2025	$ 30,041
2026	106,355
2027	254,923
2028	365,737
2029	813,553
2030	628,592
2031 thereafter	1,789,819
Without maturity	50,011
Total Tax Losses	4,039,031
Losses not activated – reserved for deferred ISR purposes	3,738,248
Tax loss carryforwards – for which deferred ISR was recorded	$ 300,783

In the determination of the deferred tax liability as of December 31, 2024, 2023 and 2022, a total of $3,738,248, $3,820,709 and $3,951,025 respectively, related tax losses carryforwards were excluded, since the Entity´s management believes that it is not probable that related future economic benefits will be realized.

As of December 31, 2024, the Entity's tax loss carryforwards related to its operations in Colombia amounted to $443,671 since 2016, which can be recovered in the following 12 years; however, the related deferred income tax asset has not been recognized because the Entity´s management does not believe that it is probable that sufficient future taxable income will be generated in order to benefit from such tax loss carryforwards. Accordingly, the unrecognized tax loss carryforwards in Colombia as of December 31, 2024, 2023 and 2022, are $133,101, $137,887 and $126,467, respectively.

29. Earnings per share

The amounts used to determinate basic and diluted earnings per share were as follows:

	2024 Mexican pesos per share	2023 Mexican pesos per share	2022 Mexican pesos per share
Basic and diluted earnings per share:	$ 1.65	$ 1.91	$ 1.96
Basic and diluted earnings per share:	$ 0.00	$ 0.00	$ (0.13)

a. ***Basic and diluted earnings per share***

For the years ended December 31, 2024, 2023 and 2022, the Entity does not have any commitments to issue or exchange its own shares; therefore, there are no potentially dilutive instruments hence basic and diluted earnings per share are the same. The earnings and the weighted average number of shares used for the calculation of the basic and diluted earnings per share are the following:

For the years ended December 31:	2024	2023	2022
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	$ 1,635,758	$ 1,902,505	$ 1,946,172
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	994,227,328	994,227,328	994,227,328

b. ***Weighted average number of ordinary shares***

For the years ended December 31, 2024, 2023 and 2022, there were no movements in the number of outstanding shares, therefore, the weighted average of ordinary shares is equal to the number of outstanding shares at the end of each of these periods.

c. ***Basic and diluted earnings per share determination***

	As of December 31, 2024		
	Profit	Weighted average number of shares	Mexican pesos per share
Basic and diluted earnings per share	$ 1,635,758	994,227,328	1.65
Basic and diluted loss per ordinary share from discontinued operations	$ -	994,227,328	-

	As of December 31, 2023		
	Profit	Weighted average number of shares	Mexican pesos per share
Basic and diluted earnings per share	$ 1,902,505	994,227,328	1.91
Basic and diluted loss per ordinary share from discontinued operations	$ 3,432	994,227,328	(0.00)

	As of December 31, 2022		
	Profit	Weighted average number of shares	Mexican pesos per share
Basic and diluted earnings per share	$ 1,946,172	994,227,328	1.96
Basic and diluted loss per ordinary share from discontinued operations	$ (126,048)	994,227,328	(0.13)

30. Commitments and contingencies

Commitments

The Entity, as a lessee, has entered into contracts for the lease of real estate in which it has installed some of its stores, restaurants and offices. Rents are determined with a fixed and/or variable payment according to one percent of sales, which, for the most part, fluctuates from 1% to 8%, subject to minimum amounts updated for inflation. Variable rents paid during the year are disclosed in Note 18 as "variable lease payments".

In addition, certain operating lease agreements entered into by the Entity as lessor gives tenants renewal options to extend the lease terms for up to twenty years.

The Entity has no commitments for the acquisition of property and equipment or investment property.

Contingencies

In the ordinary course of business, the Entity is party to various legal proceedings, which have resulted in immaterial contingencies for which the Entity has created reserves as of December 31, 2024, 2023 and 2022.

31. Reportable segments

The information provided to the Chief Operating Decision Maker of the Entity (“CODM”) for purposes of allocating resources and assessing segment performance focuses on types of goods and services sold or rendered to customers, the type of customers of each of the operating segments of the Entity, and also in the way in which the Entity delivers such goods or provides the related services to its customers. The Entity, using this approach, has identified the following reportable segments:

i. Self-service stores - Stores specializing in office items, furniture, and electronics.

ii. Prisa distribution – Institutional distribution and retail specialized in office goods, furniture and electronics products.

iii. Restaurants – Family restaurant chain, which stands out for its innovative dishes, excellent service in a young and casual environment.

iv. Real Estate – Development of investment property, retail stores, shopping malls and corporate office buildings, which are leased to tenants as well as development of housing for selling to customers.

v. Corporate – The Entity's management and corporate administration.

"Other" includes companies that provide services and supply information systems as well as sub-holders of shares that are presented for conciliation purposes.

Reportable segments information is as follows:

a. ***Segment revenues and results***

The following is an analysis of the Entity's revenues and results from continuing operations by reportable segment:

	Revenues by segment		
	2024	**2023**	**2022**
Retail	$ 20,663,557	$ 20,288,355	$ 19,958,900
Prisa distribution	4,045,180	4,292,626	4,350,344
Restaurants	8,452,093	7,577,907	6,189,815
Real Estate	2,328,054	2,080,951	1,919,382
Eliminations, Corporate and others	(309,250)	(258,952)	(247,548)
	$ 35,179,634	$ 33,980,887	$ 32,170,893

	Profit by segment		
	2024	**2023**	**2022**
Retail	$ 884,777	$ 1,210,334	$ 1,373,049
Prisa distribution	229,791	308,717	283,482
Restaurants	1,039,083	977,370	788,281
Real Estate	2,074,995	2,259,609	1,521,209
Eliminations, Corporate and others	(725,053)	(654,046)	(658,105)
Profit by segment	$ 3,503,593	$ 4,101,984	$ 3,307,916
Interest expense	1,910,815	$ 1,887,552	$ 1,666,500
Interest income	(402,267)	(357,651)	(204,235)
Exchange loss (gain) – Net	168,634	(89,999)	(66,631)
(Gain) loss on revaluation of financial instruments	(130,967)	164,894	(170,399)
Share of profit of joint venture and associates	(538,542)	(501,079)	(468,001)
Profit for the year from continuing operations before income taxes	$ 2,495,920	$ 2,998,267	$ 2,550,682

Segment revenues reported above represent revenues generated from external customers. Inter-segment revenues are as follows:

	Inter-segment revenues		
	2024	**2023**	**2022**
Retail	$ 16,680	$ 13,292	$ 28,337
Restaurants	99,607	32,957	4,300
Real Estate	762,646	710,033	467,265
Corporate	589,358	652,322	634,909
Other	-	-	28,741

Intercompany balances are not included.

The accounting policies of the reportable segments are the same as the Entity's accounting policies described in Note 3. Segment profit represents the profit before tax earned by each reportable segment without allocation of corporate administration costs and the equity share in the profits or losses of joint ventures and associates.

b. ***Segment assets and bank loans***

	Total segment assets		
	2024	2023	2022
Retail	$ 17,954,717	$ 18,334,244	$ 16,127,924
Prisa distribution	2,050,378	1,413,888	1,866,476
Restaurants	7,749,203	8,652,208	8,517,845
Real Estate	24,779,286	23,691,810	22,395,435
Corporate	2,039,401	1,083,302	1,536,126
Other	254,592	(756,523)	(766,317)
Total assets	$ 54,827,577	$ 52,418,929	$ 49,677,489

	Bank loans at face value		
	2024	2023	2022
Retail	$ 2,654,411	$ 2,878,151	$ 2,101,891
Restaurants	2,075,850	2,100,000	1,023,000
Real Estate	3,503,945	3,701,237	3,873,593
Corporate	1,729,876	1,750,000	3,549,000
Total bank loans (See Note 19)	$ 9,964,082	$ 10,429,388	$ 10,547,484

c. ***Other segment information***

	Depreciation and amortization		
	2024	2023	2022
Retail	$ 1,147,683	$ 1,153,994	$ 940,724
Prisa distribution	28,037	27,521	29,325
Restaurants	707,122	693,268	545,507
Real Estate	46,280	33,315	18,210
Corporate	24,078	20,585	13,851
Other	20	(505)	3,043
Total	$ 1,953,220	$ 1,928,178	$ 1,550,660

	Property additions, adaptations and equipment, investment properties and intangible assets and other assets		
	2024	2023	2022
Retail	$ 493,664	$ 332,423	$ 310,216
Prisa distribution	21,049	9,852	29,982
Restaurants	476,024	281,190	206,275
Real Estate	290,586	404,755	412,332
Corporate	17,096	-	-
Other	-	6,752	10,395
Total	$ 1,298,419	$ 1,034,972	$ 969,200

d. ***Geographical information***

The Entity operates in three principal geographical areas, Mexico, Central America, and Chile.

The Entity's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from external customers		
	2024	**2023**	**2022**
Mexico	$ 29,652,795	$ 28,180,077	$ 26,034,318
Chile	4,045,180	4,292,626	4,350,344
Central America	1,481,659	1,508,184	1,786,231
Total	$ 35,179,634	$ 33,980,887	$ 32,170,893

	Non-current assets		
	2024	**2023**	**2022**
Mexico	$ 38,391,056	$ 36,713,847	$ 34,919,972
Chile	703,902	737,946	615,011
Central America	699,541	622,013	685,594
Total	$ 39,794,499	$ 38,073,806	$ 36,220,577

32. Discontinued operations

Per IFRS-5, non-current assets held for sale and discontinued operations, the value of the investment in the shares of Ofix Suministros y Logística, S.A.S. was recognized under loss from discontinued operations in the comprehensive statement of income.

As of December 31, 2023 and 2022, losses generated by discontinued operations, corresponding to the segment of specialized in retail sale under the brand "The Home Store", in which a formal and orderly unit closure plan is being executed. The revenues, costs and expenses of this operation for the years ended December 31 are as follows:

	2023	**2022**
Revenue	$ 103,934	$ 298,779
Cost of sale	61,607	197,133
Gross profit	42,327	101,646
Operating expenses	38,630	65,025
Expenses related to closures	-	2,288
Depreciation expense	-	83,523
Disposals related to closures	-	50,671
Settlement expenses	-	1,755
Interest income	484	88
Interest expense	749	24,520
Net income (loss)	$ 3,432	$ (126,048)
Discontinued operations (Colombia)	-	-
Net income (loss)	$ 3,432	$ (126,048)

33. Subsequent events

Sale of assets available for sale

On February 21, 2025, the sale of the assets classified as available for sale was carried out; the accounting effects of such transaction will be reflected in the Entity's financial information at the end of the first quarter of 2025. The sale price was $615,908 and the record of the decline in assets was $347,495.

Reform of the INFONAVIT Law

On February 21, 2025, the decree amending Article 29 of the Law of the National Housing Fund Institute for Workers ("INFONAVIT Law") was published in the Official Gazette of the Federation, which entered into force on February 22, 2025.

As of the date of the consolidated financial statements, the Entity's management is evaluating the impact that these modifications may have on the Entity's consolidated financial statements.

Certain modifications to the Single Circular of Issuers

On January 28, 2025, the resolution issued by the National Banking and Securities Commission was published in the Official Gazette of the Federation amending the General Provisions applicable to securities issuers and other securities market participants, commonly known as the Single Issuer Circular.

The purpose of this reform is for issuers to prepare and disclose a report containing sustainability information (the "Sustainability Report"), in accordance with IFRS Sustainability Disclosures S1 and S2, which must be submitted as of 2026, with respect to the annual information corresponding to the 2025 financial year.
The reform also requires the issuance of an independent assurance report by an external auditor on the information contained in the Sustainability Report. In accordance with the third transitory article of the reform, (i) the Sustainability Report that issuers submit in 2026 with the annual information corresponding to 2025, may not have the aforementioned insurance; (ii) the Sustainability Report to be submitted in 2027 with the 2026 annual information must be insured at least to a limited extent, and (iii) for subsequent years, said report must be reasonably insured.

As of the date of issuance of these consolidated financial statements, the Company is implementing and evaluating the impact that this resolution may have on its consolidated financial statements.

34. Authorization to issue the consolidated financial statements

On March 25, 2025, the issuance of the consolidated financial statements was authorized by the Board of Directors of Grupo Gigante, S. A. B. de C. V. These consolidated financial statements are subject to approval at the general ordinary stockholders' meeting, where they may be modified, based on provisions set forth in the Mexican General Corporate Law. The consolidated financial statements for the years ended December 31, 2023and 2022, were approved by the ordinary stockholders' meeting on April 26, 2024 and April 27, 2023, respectively.

* * * * * *

INVESTOR **INFORMATION**

INVESTOR RELATIONS

JORGE HERNÁNDEZ TALAMANTES

Phone: (52) 55 5269 8186

jhernan4@gigante.com.mx

www.grupogigante.com.mx

CORPORATE HEADQUARTERS

Grupo Gigante, S.A.B. de C.V.

Av. Ejército Nacional 769, Tower B, 12th Floor,

Col. Granada, 11520,

Miguel Hidalgo Borough,

Mexico City

Phone: (52) 55 5269 8000

Empresa Socialmente Responsable

Empresa Socialmente Responsable
Inclusión Social

Empresa Socialmente Responsable
1% Inversión Social

cotiza en Bolsa Mexicana
GIGANTE

Design: FechStudio.com

This annual report contains information regarding Grupo Gigante, S.A.B. de C.V. and its subsidiaries, based on the assumptions of its management. This information, as well as statements made about future events and expectations, is subject to risks and uncertainty, as well as to factors that may cause that the results, performance or progress of the Grupo Gigante might differ at any time. These factors include changes in general economic, political, government and commercial conditions on the national and global level, as well as change in interest rates, inflation, exchange-rate volatility, product prices, energy situation and others. Because of these risks and factors,the real results may vary substantially.

GRUPO GIGANTE

www.grupogigante.com.mx