

**NUEVA ELEKTRA DEL MILENIO, S. A. DE C. V.
AND SUBSIDIARIES
(Subsidiary of Grupo Elektra, S. A. B.
de C. V.)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2025 AND DECEMBER 31, 2024
AND FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2025 AND 2024**

Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Condensed consolidated financial statements as of June 30, 2025
and December 31, 2024, and for the six-month period ended
June 30, 2025 and 2024

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Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Condensed consolidated statements of financial position
June 30, 2025 and December 31, 2024
(Thousands of Mexican pesos)

	Note	June 30, 2025	December 31, 2024
Assets			
Current			
Cash and cash equivalents		\$ 6,567,128	\$ 7,726,800
Investments in securities	5	<u>4,763,323</u>	<u>7,725,395</u>
		<u>11,330,451</u>	<u>15,452,195</u>
Accounts receivable:			
Related parties	7	23,632,405	24,983,515
Accounts receivables, net	6	2,132,166	1,618,648
Recoverable taxes		1,608,277	1,448,766
Senior notes service reserve	12	3,173,092	760,709
Other accounts receivable		<u>3,014,443</u>	<u>2,772,781</u>
		<u>33,560,383</u>	<u>31,584,419</u>
Inventories, net	8	<u>6,589,219</u>	<u>6,308,252</u>
Prepayments		<u>1,286,825</u>	<u>1,856,650</u>
Assets held for sale		<u>36,560</u>	<u>36,604</u>
Total current assets		<u>52,803,438</u>	<u>55,238,120</u>
Non-current			
Investments in securities	5	1,981,855	3,792,462
Related parties	7	16,585,012	18,989,362
Investment in stores, furniture and equipment, net	9	4,036,182	4,400,826
Right-of-use assets	10-b	10,726,092	9,893,114
Deferred income tax		5,849,361	4,946,948
Investment in associates		1,038,874	1,103,554
Other assets, net		<u>622,944</u>	<u>601,542</u>
Total non-current assets		<u>40,840,320</u>	<u>43,727,808</u>
Total assets		<u>\$ 93,643,758</u>	<u>\$ 98,965,928</u>

Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Condensed consolidated statements of financial position (Continued)
June 30, 2025 and December 31, 2024
(Thousands of Mexican pesos)

	Note	June 30, 2025	December 31 2024
Liabilities			
Current			
Related parties	7	37,246,402	35,600,719
Other accounts payable	13	4,996,710	6,255,523
Trade payables		4,782,000	5,081,540
Provisions		4,445,597	4,045,668
Lease liabilities	10-c	2,039,437	2,048,919
Fiduciary stock certificates	12	28,717	-
Total current liabilities		<u>53,538,863</u>	<u>53,032,369</u>
Senior notes	12	6,457,316	6,919,238
Fiduciary stock certificates	12	972,602	-
Lease liabilities	10-c	10,406,107	9,450,148
Income tax payable	17-b	97,690	97,690
Employee benefits		635,269	586,150
Other liabilities		89,914	90,277
Total non-current liabilities		<u>18,658,898</u>	<u>17,143,503</u>
Total liabilities		<u>72,197,761</u>	<u>70,175,872</u>
Stockholders' equity	14		
Capital stock		6,642,060	6,642,060
Legal reserve		201,509	201,509
Retained earnings		8,356,345	13,813,505
Other comprehensive income		5,996,003	7,873,488
Total controlling equity		21,195,917	28,530,562
Total non-controlling equity		<u>250,080</u>	<u>259,494</u>
Stockholders' equity		<u>21,445,997</u>	<u>28,790,056</u>
Total liabilities and stockholders' equity		<u>\$ 93,643,758</u>	<u>\$ 98,965,928</u>

The accompanying notes are part of these condensed consolidated financial statements.

Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Condensed consolidated statements of comprehensive income
For the six-month period ended June 30, 2025 and 2024
(Thousands of Mexican pesos)

	Note	2025	2024
Net sales and revenue from services	7 and 15	\$ 30,414,524	\$ 31,045,509
Cost	15	<u>14,253,328</u>	<u>15,319,044</u>
Gross profit		<u>16,161,196</u>	<u>15,726,465</u>
Selling and administrative expenses	7 and 16	15,537,518	14,001,508
Depreciation and amortization		1,932,015	2,047,121
Other income, net		<u>(55,843)</u>	<u>(16,349)</u>
		<u>17,413,690</u>	<u>16,032,280</u>
(Loss) from operations		<u>(1,252,494)</u>	<u>(305,815)</u>
Comprehensive financial results:	7		
Interest income		1,089,033	893,032
Interest expense		(1,687,592)	(1,168,430)
Foreign exchange gain, net		54,759	179,669
(Loss) profit on investments		<u>(592,548)</u>	<u>48,689</u>
		<u>(1,136,348)</u>	<u>(47,040)</u>
Equity in the net profit of associated companies		<u>72,135</u>	<u>13,951</u>
(Loss) before income tax		(2,316,707)	(338,904)
Income tax	17	<u>644,987</u>	<u>(288,445)</u>
(Loss) before discontinued operations		(1,671,720)	(627,349)
Profit (loss) from discontinued operations		<u>2,566</u>	<u>(2,571)</u>
Net (loss) for the period		(1,669,154)	(629,920)
Other comprehensive income:			
Exchange (loss) gain arising on translation of foreign operations in subsidiaries and associates	14-g	<u>(1,877,485)</u>	<u>1,934,074</u>
Total comprehensive (loss) income for the period		<u>\$ (3,546,639)</u>	<u>\$ 1,304,154</u>
Profit (loss) for the year attributable to:			
Non-controlling interest		\$ 6	\$ 24
Controlling interest		<u>(1,669,160)</u>	<u>(629,944)</u>
		<u>\$ (1,669,154)</u>	<u>\$ (629,920)</u>
Total comprehensive (loss) income attributable to:			
Non-controlling interest		\$ 6	\$ 24
Controlling interest		<u>(3,546,645)</u>	<u>1,304,130</u>
		<u>\$ (3,546,639)</u>	<u>\$ 1,304,154</u>

The accompanying notes are part of these condensed consolidated financial statements.

Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Condensed consolidated statements of changes in stockholders' equity
For six-month period ended June 30, 2025 and 2024
(Thousands of Mexican pesos)

	<u>Capital stock</u>	<u>Legal reserve</u>	<u>Retained earnings</u>	<u>Other comprehensive income</u>	<u>Total controlling equity</u>	<u>Total non controlling equity</u>	<u>Total equity</u>
Balances at December 31, 2023	\$ 4,373,858	\$ 201,509	\$ 14,208,161	\$ 3,397,839	\$ 22,181,367	\$ 214,604	\$ 22,395,971
OCI			-		-	18,691	18,691
Capital Stock (Notes 14 and 14-C)	2,268,202				2,268,202	-	2,268,202
Comprehensive income for the period (Note 14-g)	-	-	(629,944)	1,934,074	1,304,130	24	1,304,154
Balances at June 30, 2024	<u>\$ 6,642,060</u>	<u>\$ 201,509</u>	<u>\$ 13,578,217</u>	<u>\$ 5,331,913</u>	<u>\$ 25,753,699</u>	<u>\$ 233,319</u>	<u>\$ 25,987,018</u>
 Balances at December 31, 2024	 \$ 6,642,060	 \$ 201,509	 \$ 13,813,505	 \$ 7,873,488	 \$ 28,530,562	 \$ 259,494	 \$ 28,790,056
Payment of dividends (Note 14-b)			(3,788,000)		(3,788,000)		(3,788,000)
OCI						(9,420)	(9,420)
Comprehensive loss for the period (Note 14-g)	-	-	(1,669,160)	(1,877,485)	(3,546,645)	6	(3,546,639)
Balances at June 30, 2025	<u>\$ 6,642,060</u>	<u>\$ 201,509</u>	<u>\$ 8,356,345</u>	<u>\$ 5,996,003</u>	<u>\$ 21,195,917</u>	<u>\$ 250,080</u>	<u>\$ 21,445,997</u>

The accompanying notes are part of these condensed consolidated financial statements.

Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Condensed consolidated Statements of cash flows
For six-month period ended June 30, 2025 and 2024
(Thousands of Mexican pesos)

	2025	2024
Operating activities		
(Loss) before income tax	\$ (2,316,707)	\$ (338,904)
Items related to investment activities:		
Depreciation and amortization	1,932,015	2,047,121
Equity in net profit of associates, net	(72,135)	(13,951)
Interest income	(1,089,033)	(893,032)
Other items not realized	49,453	(84,709)
Loss (Gain) investment valuation	551,799	(48,689)
Items related with financing activities:		
Interest expense	<u>1,687,592</u>	<u>1,168,430</u>
	742,984	1,836,266
Changes in:		
(Increase) decrease in inventories	(451,542)	669,876
Decrease (increase) receivables and other assets	1,185,950	(465,893)
(Decrease) increase in liabilities	(1,306,581)	1,460,125
Income tax paid	<u>(48,972)</u>	<u>(576,518)</u>
Net cash flows from operating activities	<u>121,839</u>	<u>2,923,856</u>
Investing activities		
Decrease in Investments	3,716,321	1,838,042
Investment in stores, and purchases of furniture and equipment	(365,303)	(422,318)
Interest received	1,393,699	640,043
Other	<u>98,075</u>	<u>21,736</u>
Net cash flows from investing activities	<u>4,842,792</u>	<u>2,077,503</u>
Excess in cash to be applied in financing activities	<u>4,964,631</u>	<u>5,001,359</u>
Financing activities		
Proceeds (Payments) from debt	1,001,318	(832,907)
Lease payments	(1,173,321)	(1,078,145)
Payment of dividends	(3,788,000)	-
Interest paid	<u>(1,965,521)</u>	<u>(1,039,952)</u>
Net cash flows used in financing activities	<u>(5,925,524)</u>	<u>(2,951,004)</u>
Net (decrease) increase in cash and cash equivalents	(960,893)	2,050,355
Cash and cash equivalents at beginning of year	7,726,800	7,479,121
Effects of exchange rate changes on cash and cash equivalents	<u>(198,779)</u>	<u>202,244</u>
Cash and cash equivalents at end of the period	<u>\$ 6,567,128</u>	<u>\$ 9,731,720</u>

The accompanying notes are part of these condensed consolidated financial statements.

**Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)**

**Notes to the condensed consolidated financial statements
June 30, 2025 and December 31, 2024 and for the
six-month period ended June 30, 2025 and 2024
(Thousands of Mexican Pesos)**

1. Activity

The main activity of Nueva Elektra del Milenio, S. A. de C. V. (NEM) and subsidiaries (the Company) (Subsidiary of Grupo Elektra, S. A. B. de C. V.), is the sales of consumer electronics, furniture, household appliances, mobile phones, telephony, transportation equipment and computers, among other products, as well as provision of electronic money transfers, extended warranties and mobile phone airtime among other services, through a network of 1,363 stores in Mexico and Central America; and affiliate lending and services provider.

The revenue from money transfers represents: i) the commissions paid by Western Union, Vigo, Orlani, BTS, MG, among others to the Company, originated by the transfers collected at the points of sale, ii) the commissions collected for transfers in the country and iii) international remittances made through the commercial and financial network of Grupo Elektra, S. A. B. de C. V. These commissions are recorded as income as services are rendered.

Headquarters are located in: Av. Ferrocarril de Río Frío N° 419-CJ, Col. Fraccionamiento Industrial del Moral, Delegación Iztapalapa, C.P. 09010, México City.

2. Basis of preparation of condensed consolidated financial statements

a. Compliance with financial reporting standards

The condensed consolidated financial statements for the six months ended June 30, 2025 have been prepared in accordance with the Mexican Financial Reporting Standard (NIF) B-8 "Consolidated or combined financial statements".

The accompanying condensed consolidated financial statements have been prepared in accordance with NIF B-8 "Consolidated or combined financial statements" and NIF B-9 "Interim Financial Reporting", therefore they do not include all the information required for the annual financial statements in accordance with NIF, for this reason it is recommended to read the annual financial statements as of December 31, 2024 as a whole.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

b. Use of estimates

The preparation of the financial statements in accordance with NIF requires the use of certain estimations and assumptions to measure some amounts of the condensed consolidated financial statements and to make the disclosures required therein. However, the actual results may differ from such estimations, therefore, it is considered that the estimations and assumptions used were appropriate under the circumstances.

The relevant key assumptions used in the determination of accounting estimates are reviewed periodically, and the relative effects, if any, are recognized in the same period and in the future periods affected. The key estimates are described in the following notes:

- Note 3-c Accounts receivable and allowance for expected credit losses. Evaluation of the probability of non-payment of accounts receivable.
- Note 3-g Allowance for inventory impairment losses. Determination of the net realizable value.
- Note 3-i Investments in equity of subsidiaries and associates. Investment impairment.
- Note 3-j Impairment in the value of long live assets and their disposal.
- Note 3-k Leases determination of the incremental financing rate.
- Note 3-l Provisions. Identify and quantity of present obligations, determination of the present value of the obligation.
- Note 3-m Revenue recognition. Assessment of the timing of revenue recognition, over time or at a point in time, estimate of expected returns.
- Note 3-o Income tax. Provision of taxes on multiple jurisdictions.
- Note 3-p Employee benefits. Key actuarial assumptions.
- Note 3-r Contingencies. Assessment of the likelihood and amount of outgoing cash flows.

c. Functional and reporting currency

The reporting currency in which is presented the condensed consolidated financial statements of the Company is the Mexican peso. Since the Company maintains investments in subsidiaries abroad, the items included in the financial statements of each one of the entities comprising the Company are measured in the currency of the primary economic environment where each entity operates, that is, its "functional currency". The Company is exposed to foreign currency translation risk.

For disclosure purposes in the condensed consolidated financial statements and related notes, when reference is made to pesos or "\$", it refers to Mexican pesos, and when it refers to dollars, it refers to dollars of the United States of America.

d. Consolidation

The condensed consolidated financial statements comprise the financial statements of NEM and its subsidiaries together with the equity in the net results of associates. The results of subsidiaries sold or acquired are included in the statement of comprehensive income to, or from the date on which control is transferred.

1. Subsidiaries

A subsidiary is an entity controlled, directly or indirectly, by NEM. Control is effective if, and only if, the following criteria is met:

- Power over the subsidiary.
- Exposure or rights, to variable returns from its involvement with the subsidiary.
- The ability to use its power over the subsidiary to affect the amount of the Company's returns.

For the purposes of consolidation, accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

When NEM ceases to have control, any retained interest in the entity is re-measured at its fair value at the date when control is lost; the change in carrying amount is recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group has directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Balances and transactions between the companies have been eliminated in consolidation.

The main subsidiaries of NEM are the following:

<u>Company</u>	<u>Percentage of equity (%)</u>	<u>Activity</u>
Elektra de Guatemala, S. A., a Guatemalan entity	100%	Retail
Comercializadora EKT, S. A. de C.V., a Honduran entity	100%	Retail
EKT International Investment, SARL., a Luxembourg entity	100%	Intercompany lending

2. Associates

Associates are all entities over which the Company has significant influence but not control, that is, the faculty to only participate in decisions of the financial and operating policies. It is presumed that significant influence exists if the Company possesses directly or indirectly, 25% or more of the voting power in the associate, unless it can be clearly demonstrated that there is no such influence or that for other circumstances, a less participation, could be considered the existence of significant influence.

Investments in associates are initially recognized at cost and are subsequently accounted for using the equity method. The Company's investment in associates includes goodwill identified at the time of purchase.

The Company's share of profits or losses after acquisition is recognized in the statement of comprehensive income, except when the losses exceed the Company's investment in the associate.

If there is objective evidence that the investment in an associate is impaired, the carrying amount of the investment is subject to impairment tests, by comparing the recoverable amount and the carrying value of the investment, which is recognized together with the participation in the results of associates.

The main associates' companies of NEM are the following:

<u>Company</u>	<u>Percentage of equity (%)</u>	<u>Activity</u>
Banco Azteca de Honduras, S. A., a Honduran entity	29.1%	Banking services
Baz Entregas, S. A. de C. V., a Mexican entity	33.5%	Collection services
Inmuebles Ardoma, S. A. de C. V., a Mexican entity	10.2%	Real estate

e. Segment information

The condensed financial information regarding business segments operated by the Company, whose operating results are reviewed in decision-making, is presented in Note 18.

f. Translation of foreign currency

According to NIF - B15 "The effects of changes in foreign exchange rates", transactions in foreign currencies are recorded at the exchange rates prevailing on the dates on which they are entered into. Assets and liabilities denominated in these currencies are stated in local currency, applying the exchange rates prevailing as of the date of the financial position statement. Differences arising from fluctuations in the exchange rates between the dates on which transactions are entered into and those on which they are settled or valued at the close of the period are applied to the results of the period.

The financial statements of subsidiary companies abroad maintain a recording currency that matches the functional currency, which served as the base to translate foreign operations to the Company's presentation currency, considering that in these cases there was a non-inflationary environment. The accumulated effect originated by the translation of such financial statements is presented within the stockholders' equity in the accumulative effect of foreign currency translation.

g. Condensed consolidated of comprehensive income statement

The condensed consolidated comprehensive income is presented in a single statement that includes the items that make up the net income or loss, including the other comprehensive income and the equity in the other comprehensive income of other entities.

Ordinary costs and expenses are presented according to their function because it is the practice of the sector to which the Company belongs to and allows knowing the gross profit margin.

Additionally, the operating income item is presented as a result of decreasing the net sales and sales income with the cost of sales and general expenses. This item is included since it contributes to a better understanding of the economic and financial performance of the Company. In addition, other expenses are included as it is considered convenient to present the amounts of activities that are not directly related to the Company's activities.

h. Condensed consolidated cash flows statements

The condensed consolidated statements of cash flows were prepared by using the indirect method which consists of first presenting the income before income taxes and subsequently, then the changes on the working capital investing and financing activities.

i. Changes in accounting policies

Beginning January 1, 2024, the CINIF issued new standards, interpretations and amendments to NIF that became effective on that date, but they are not relevant for the activities of the Company.

3. Summary of significant accounting policies

The main accounting policies adopted in the preparation of the condensed consolidated financial statements are set out below. The policies have been consistently applied to the previous year presented in these condensed consolidated financial statements, unless otherwise stated.

a. Cash and cash equivalents

It is measured at fair value and consists mainly of cash for the Company's operations, high liquidity deposits which are easily convertible in cash and subject to non-significant risks of changes in their value. Interests accrued and gains and losses in their measurement are presented in the statement of comprehensive income, as part of the comprehensive financing result.

b. Investment in financial Instruments (securities)

The classification of financial instruments in which the Company has invested depends on the business model used for the management of investments and the contractual terms of the cash flow. Because of the business model, investments in financial instruments are classified as follows:

- Financial instruments held to collect principal and interest. See Note 3-d.
- Financial instruments held to collect or trade.

These are financial instruments in which the investment objective is to obtain a profit in its sale when it is convenient or to collect the contractual cash flows to obtain a gain on the contractual interest they generate. These instruments are measured at fair value and changes in their value are recognized through other comprehensive income, after affecting the year's net income or loss as follows:

- i. Interests accrued at the effective interest rate.
 - ii. Exchange gains or losses when they occur.
 - iii. Decreases in its value which are attributable to impairment due to expected credit losses of the financial instrument.
- Financial instruments held for trading

These are financial instruments in which the investment objective is to generate profits between their purchase and sale prices. These instruments are measured at fair value and changes in their value are recognized through profit and loss.

c. Accounts receivable and allowance for expected credit losses

Accounts receivables are generated from the sale of goods and services, as well as other activities and are recognized initially at fair value, and subsequently at amortized cost, which is equal to the nominal value of the contract which supports the related transaction, net of provisions for returns and discounts, and the allowance for expected credit losses for impairment in accounts receivable.

The Company established an accounting policy for the creation of an estimate for impairment of accounts receivable based on expected credit losses during the expected life of the financial instruments. During this process, the Company assesses the likelihood of default for accounts receivable at the time of their recognition in accordance with its historical experience and subsequently adjusts it based on current credit conditions and future macroeconomic factors, such as the growth of domestic product, unemployment rates and inflation, which the Company considered could affect the likelihood of default by its customers.

When the Company confirms that an account receivable will not be recovered, the net carrying value of the account receivable is cancelled against the applicable estimation.

d. Financial instruments held to collect principal and interest (IFCPI for its acronym in Spanish)

The Company classifies financial instruments as IFCPI when the objective of the business model is to hold said instruments to collect the contractual cash flows and the terms of the agreement include established dates to collect said cash flows, which relate exclusively to payments of principal and interest on the amount of principal pending payment.

The IFCPI are originated from the sale of goods or services and are recognized initially at the fair value of the estimated cash flows to be received from principal and interests.

Subsequent to their initial recognition, IFCPI are measured at amortized cost including increases due to the effective interest accrued, the decreases due to the amortization of the costs of transaction and other items collected in advance such as commissions and interest, and the decreases due to the collection of principal and interests and cancellations or discounts.

Amortized cost and effective interest method

The effective interest method is used in the calculation of the amortized cost of financial instruments to distribute their income or expense by an effective interest during the expected life of the financial instruments.

e. Prepaid expenses

Prepaid expenses are recorded based on the value paid of goods or services to be received and are presented in the short or long term in view of the classification of the destination item. Advance payments for services, freights and leases are recognized in the results during the period in which those services are received.

f. Inventories and cost of sales

Inventories are valued at the lowest cost of their acquisition or their net realizable value and are valued under the average costs allocation formula.

Cost of sales represents the cost of inventories at the time of sale, increased, as applicable for, by reductions in the net realizable value of inventories during the year.

g. Allowance for inventory impairment losses

The Company recognizes an allowance of impairment losses on inventories, obsolescence, slow movement and other causes that indicate that the use or realization of the products that are part of the inventory will be less than their net carrying value.

The amount of any penalty for impairment losses on inventories, to be valued at their net realizable value and all losses on inventories must be recognized as cost of sales in the period in which the losses occur. The result of any reversal of impairment losses as a result of increases in the net realizable value should be recognized as a decrease in cost of sales in the period in which the reversal occurs.

h. Investment in stores, furniture and equipment

Investments in stores, furniture and equipment are recorded at acquisition costs, and until December 31, 2007, they were updated by applying factors derived from the National Consumer Price Index.

Depreciation is calculated using the straight-line method based on the estimated useful live of assets.

	<u>Annual rate %</u>
Computer equipment	30 and 33
Furniture and equipment	10
Storehouse equipment	2
Communication equipment and others	10 and 20

Amortization of the investment in stores is calculated using the straight-line method based on initial monthly balances in periods that do not exceed five years. (See Note 9)

Maintenance and minor repair expenses are recorded in the net income and losses when incurred.

The Company performs most of its operations in leased properties, through renewable lease contracts.

i. Investment in equity of associates

Associated companies are all entities over which the Company has significant influence but not control, that is, the power to participate in the decisions of financial and operating policies. Investments in shares in associated companies and subsidiaries are initially recognized at acquisition cost and are subsequently valued using the equity method.

In the event that there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is subject to impairment tests, such as the difference between the recovery value and the carrying amount of the investment.

j. Impairment in the value of long-lived assets and their disposal

The values of the long-lived assets are periodically evaluated to determine the existence of indications that these values exceed their recovery value. The realizable value represents the amount of potential income reasonably expected to be obtained as a result of the use of these assets. If it is determined that restated values are excessive, the Company records the allowances necessary to reduce them to their recoverable value. When the Company intends to sell the assets, the latter are presented in the financial statements at their restated or realizable value, whichever is lower.

k. Leases

Leases are those contracts where there is an identified asset, all the economic benefits from use of the asset are obtained and the Company has the right of to direct use of the asset.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, it is only considered the economic benefits that arise from use of the asset, not those incidentals to legal ownership or other potential benefits. In addition, the Company considers whether the supplier has substantive substitution rights, if it is the case, the contract is not a lease.

The Company accounts for a contract, or a portion of a contract, as a lease when it transfers the right to use an asset for a period of time in exchange for consideration.

In determining whether the Company has the right to direct use of an asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable NIF rather than NIF D-5.

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for leases of low value assets; and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the future lease payments to be made, discounted using implicit interest rate in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are made in the period to which they relate.

Subsequent to initial measurement lease liabilities increase as a result of interest accrued at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, what is expected to happen first.

When the Company renegotiates the contractual terms of a lease, the accounting depends on the nature of the modification:

- i. If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- ii. In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is premeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- iii. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognized in profit or loss of the year. The lease liability is then further adjusted to ensure it carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

l. Provisions

Provisions are recognized if, as a result of a past event, there is a present legal or assumed obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be necessary to settle the obligation.

m. Revenue recognition

Performance obligations and timing of revenue recognition

The majority of the Company's revenue is derived from retail sales with revenue recognized at a point in time when control of the goods has been transferred to the customer.

This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Some goods sold by the Company include warranties which require the Company either to replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. The warranty period is 30 days. In accordance with NIF D-1, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them.

Determining the transaction price

Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Exceptions are as follows:

- Some contracts provide customers a limited right of return. Historical experience allows the Company to reliably estimate the value of the assets to be returned and to restrict the amount of income that is recognized, so that it is highly probable that a reversal of previously recognized income will not occur when the goods are returned.
- The income from money transfers represents the commissions paid by Western Union, Vigo, Orlandi, BTS, MG, among others to the Company, originated by the transfers collected at the points of sale, plus the participation that corresponds to the Company in the exchange gain. These commissions are recorded as income as services are rendered.
- Administrative services revenue is recognized in the accounting period in which the service is rendered.

n. Foreign currency balances and transactions

Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the non-consolidated financial statements date. The exchange rate fluctuations are recognized in the statement of income of the year.

The financial statements of the subsidiaries and associated companies abroad maintain a recording currency that coincides with their functional currency, which served as the basis for converting foreign operations to the Company's reporting currency, causing a translation effect in the foreign currency at the end of each period.

o. Income tax

The income tax is determined according to the current tax provisions, recorded in the results of the year in which it is incurred, except those arising from a transaction that is recognized in the other comprehensive income or directly in a stockholders' equity heading.

Deferred taxes are determined based on the assets and liabilities method, which consists of comparing the accounting and tax values of assets and liabilities, from which temporary differences arise, both deductible and cumulative. All resulting temporary differences, including the benefit of tax losses to be amortized, are subject to the corresponding tax rate and recognized as a deferred asset or liability. Deferred tax assets are recorded only when there is a high probability of recovery.

When there is uncertainty over income tax treatment on the tax base of assets and liabilities, the tax treatment of certain transactions and other tax assumptions, the Company:

- i. Determine whether uncertain tax treatments should be considered separately, or together with other uncertain tax treatments, based on which approach provides better predictions of the resolution.
- ii. Determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- iii. If it is probable that the uncertain tax treatment should not be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that the tax authority will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

p. Employee benefits

The liabilities derived from benefits granted by the Company to its employees are as follows:

- a. Liabilities for direct short-term benefits are recognized as they are earned, based on the present salaries, expressed at their nominal value.
- b. The retirement benefits under the defined benefits scheme require actuarial assumptions to measure the obligations contracted and the expense corresponding to each period, and also there is the possibility of obtaining actuarial profits or losses. They are measured using the projected unit credit method by considering the present value of the obligation to the date of the statement of Condensed consolidated financial position.

The valuation of employee benefits is carried out by independent specialists based on actuarial studies. Among others, the following assumptions that could have an important impact are used: (i) discount rates, (ii) expected salaries' increase rates, (iii) the expected real growth rates of the fund, and (iv) rotation and mortality rates based on recognized charts.

The Company determines the deferred Employee Profit Sharing (PTU, for its acronym in Spanish) based on the Financial Reporting Standard D-3 "Employee Benefits" (NIF D-3), using the assets and liabilities method when there are temporary differences. When the Company considers, according to its projections, that PTU in subsequent years will be less than 10% of profit calculated in accordance with the guidelines of the Federal Labor Law (LFT), the corresponding asset is not recognized (if there would be), since it is uncertain that the temporary difference will be realized.

q. Debt instruments at amortized cost

Securities at amortized cost are those securities held for collecting contractual cash flows, which give rise to cash flows on certain dates, which are only payments of principal and interest on the amount of the unpaid principal, which are initially recorded at their acquisition, and they are subsequently measured by using the effective interest rate method and are subject to impairment. Gains and losses are recognized in income when the asset is derecognized in accounts, modified, or becomes impaired.

r. Contingencies

Significant obligations or losses related to contingencies are recognized when their effects are likely to materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, their disclosure is included qualitatively in the notes to the condensed consolidated financial statements. Contingent income, profits or assets are recognized until the moment that certainty will be realized.

4. Risk management

The Company is exposed through its operations to the following financial risks:

- Foreign exchange risk
- Credit and credit concentration risk
- Market risk
- Interest rate risk
- Foreign exchange risk
- Other market price risks
- Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

a. Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Accounts receivables
- Investments in securities
- Accounts payable to suppliers

b. General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Company's Financial Administration through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Company's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

Credit and Credit Concentration Risk

Credit risk is the risk of the Company incurring a loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk primarily through credit sales. As a Company policy, the credit risk of new customers is assessed before entering into a contract with them.

The committee has established a credit policy based on which each customer's credit rating is individually assessed before offering delivery and payment terms. The Company's review includes external ratings, when available, and, in some cases, references from banking institutions. Purchase limits are established

for each customer and represent the maximum amount each customer may purchase without obtaining authorization from the Risk Management Committee.

The Risk Management Committee determines where risk concentrations exist by quarterly monitoring the credit ratings of existing customers and through a monthly review of the aging of receivables. When monitoring customer credit risk, customers are grouped according to their credit characteristics. Customers rated as "high risk" are included on a restricted customer list, and any future sales must be made after obtaining approval from the Risk Management Committee otherwise, the customer is required to pay in advance.

Credit risks also arise from cash and cash equivalents and deposits with banks and financial institutions. When selecting banks and financial institutions, only institutions with a minimum rating of "A" from a third party are accepted. The Risk Management Committee regularly monitors counterparty credit ratings and, as of the financial statement date, does not expect any losses due to counterparty defaults.

Market Risk

Market risk arises from the use of financial instruments that generate interest, can be sold, and/or are denominated in foreign currencies. This risk is the risk that the fair value of a financial instrument's future cash flows will vary due to changes in interest rates (interest rate risk), changes in the exchange rate (currency risk), or other market factors (other price risks).

Interest Rate Risk

The Company is exposed to interest rate risk on long-term debt that bears interest at a variable rate.

During 2025 and 2024, long-term debt at a variable interest rate was denominated in US dollars and dollars.

The Company analyzes its exposure to interest rate risks quarterly. It performs a sensitivity analysis by applying simulation techniques to liabilities representing positions that generate higher interest payments. Various scenarios are considered, such as refinancing, renewal of existing positions, alternative financing sources, and the use of hedges.

Foreign exchange risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than their functional currency. Where the Company has liabilities denominated in a currency other than their functional currency and has insufficient reserves of that currency to settle them, cash already denominated in that currency will, where possible, be transferred from elsewhere within the Company's subsidiaries.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analyzed by the major currencies held, of liabilities due for settlement and expected cash reserves.

Liquidity Risk

Liquidity risk arises from the management of the Company's working capital, as well as from interest expenses and principal payments on its debt instruments. It is the risk that the Company will have difficulty meeting its financial obligations when they become due.

The Company's policy is to ensure that it will always have sufficient cash to enable it to meet its obligations when they become due. To achieve this objective, it expects to maintain cash balances (or available lines of credit) to meet its obligations for at least 45 days. The Company also seeks to reduce liquidity risk by setting interest rates on a portion of its long-term debt, as previously mentioned.

The Board receives monthly 12-month cash projections, as well as information regarding its cash and cash equivalent balances. At year end, these projections indicate that the Company expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw on its lines of credit.

5. Investments in securities

	<u>2025</u>	<u>2024</u>
Investments in high-liquidity securities	\$ 4,652,486	\$ 7,604,304
Debt securities	2,092,692	3,792,462
Equity instruments	<u>-</u>	<u>121,091</u>
Total Investments	6,745,178	11,517,857
Less, current investments	<u>4,763,323</u>	<u>7,725,395</u>
Non-current investments	<u>\$ 1,981,855</u>	<u>\$ 3,792,462</u>

6. Accounts receivable, net

Accounts receivable as of June 30, 2025 and December 31, 2024 are integrated as follows:

	<u>2025</u>	<u>2024</u>
Trade receivables:		
Sale of shares	\$ 1,515,647	\$ 1,515,647
Accounts receivable from remittance companies	1,228,144	788,982
Commissions for remittances	491,236	444,670
Wholesale and employee sales	<u>545,730</u>	<u>523,228</u>
	<u>3,780,757</u>	<u>3,272,527</u>
Allowance for expected credit losses:		
Sale of shares (1)	(1,515,647)	(1,515,647)
Wholesale and employee sales (2)	(46,453)	(46,453)
Accounts receivable from remittance companies	<u>(86,491)</u>	<u>(91,779)</u>
	<u>(1,648,591)</u>	<u>(1,653,879)</u>
	<u>\$ 2,132,166</u>	<u>\$ 1,618,648</u>

(1) On August 6, 2013, the Company signed a sale contract with respect to 100% of the capital stock of Elektra de Argentina, S. A., for a total value of US\$ 80,000 to be collected in five exhibitions; and whenever the payment obligation by the buyers, unrelated parties, has expired in the amount of US\$ 72,000 (\$1,515,647), a figure that has not been updated during the 2025 and 2024 financial years, as it is estimated at 100%, since the Company initiated the corresponding legal actions to obtain its collection.

(2) The company makes estimates for expected credit losses, preventing bankruptcies in operations that are not recognized by money transfer partners.

7. Related parties, net

i. Balances with related parties

	2025	2024
Accounts receivable:		
Grupo Elektra, S. A. B. de C. V.	\$ 7,364,801	\$ 8,615,525
Intra Mexicana, S. A. de C. V.	2,992,606	2,899,440
Procesos de Oro y Metales, S. A. de C. V.	2,880,631	1,201,615
Dirección y Administración Central, S. A. de C. V.	2,581,868	2,764,813
Operadoras en Servicios Comerciales, S. A. de C. V.	2,074,526	1,919,841
Selabe Motors, S. A. de C. V.	1,510,052	1,436,588
Inmuebles Ardoma S.A. de C.V.	1,420,411	1,382,660
Banco Azteca, S. A. Institución de Banca Múltiple	1,276,055	1,435,813
BAZ Entregas S.A. de C.V.	538,172	485,244
Arrendadora Internacional Azteca, S.A. de C.V.	-	1,894,363
Others	993,283	947,613
	23,632,405	24,983,515
Long-term intercompany loans: (1)	16,585,012	18,989,362
	<u>\$ 40,217,417</u>	<u>\$ 43,972,877</u>

(1) The Company, through its subsidiary EKT International Investment, SARL., provides intercompany loans as detailed in the following schedule:

As of June 30, 2025:

		Amount MXN	Amount USD	Maturity date
Grupo Elektra, S. A. B. de C. V.	(1)	\$ 2,833,920	\$ 150,000	July 30, 2027
Grupo Elektra, S. A. B de C. V.	(1)	847,127	44,839	September 23, 2026
Grupo Elektra, S. A. B de C. V.	(1)	623,462	33,000	October 26, 2026
Grupo Elektra, S. A. B de C. V.	(2)	1,133,568	60,000	December 2027
Grupo Elektra Global, SLU.	(1)	147,571	7,811	April 6, 2028
Purpose Financial, Inc.	(3)	7,746,048	410,000	June 30, 2030
Purpose Financial, Inc.	(4)	2,739,456	145,000	June 30, 2032
Purpose Financial, Inc.	(5)	513,860	27,199	October 30, 2032
Long-term loans		<u>\$ 16,585,012</u>	<u>\$ 877,849</u>	

(1) Interest rate: SOFR + 300 Basis Point

(2) Interest rate: SOFR + 240 Basis Point

(3) Interest rate: 7.9%

(4) Interest rate: 8.28%

(5) Interest rate: 9.50%

As of December 31, 2024:

		Amount MXN	Amount USD	Maturity date
Grupo Elektra, S. A. B. de C. V.	(1)	\$ 3,040,245	\$ 150,000	July 30, 2027
Grupo Elektra, S. A. B de C. V.	(1)	382,867	18,890	September 21, 2026
Grupo Elektra, S. A. B de C. V.	(1)	1,722,806	85,000	September 23, 2026
Grupo Elektra, S. A. B de C. V.	(1)	668,854	33,000	October 26, 2026
Grupo Elektra, S. A. B de C. V.	(2)	1,216,098	60,000	December 2027
Grupo Elektra Global, SLU.	(3)	158,316	7,811	April 6, 2025
Purpose Financial, Inc.	(4)	8,310,003	410,000	June 30, 2030
Purpose Financial, Inc.	(5)	2,938,904	145,000	June 30, 2032
Purpose Financial, Inc.	(6)	551,269	27,199	October 30, 2032
Long-term loans		<u>\$ 18,989,362</u>	<u>\$ 936,900</u>	

(1) Interest rate: SOFR + 300 Basis Point

(2) Interest rate: SOFR + 240 Basis Point

- (3) Interest rate: 8.05%
- (4) Interest rate: 7.9%
- (5) Interest rate: 8.28%
- (6) Interest rate: 9.50%

	2025	2024
Accounts payable:		
Elmex Superior, S. A. de C. V.	\$ 7,921,993	\$ 7,923,220
CMG Comercializadora de Motos, S. A de C. V.	5,875,099	3,993,572
Mercadotecnia Tezontle, S. A. de C. V.	5,230,965	5,207,486
Comercializadora de Motocicletas de Calidad, S. A. de C. V.	4,251,704	6,087,786
Mi Garantía Extendida, S. A. de C. V.	2,531,142	2,645,105
Grupo Elektrafin S. A. de C.V.	2,531,516	1,563,705
Salinas y Rocha, S. A. de C. V.	1,122,544	1,017,462
Grupo Proasa S.A. de C.V.	1,385,448	1,296,017
Aerotaxis Metropolitanos S.A. de C.V.	1,175,892	1,193,086
Compañía Operadora de Teatros, S. A. de C. V.	614,030	587,570
Others	4,606,069	4,085,710
	<u>\$ 37,246,402</u>	<u>\$ 35,600,719</u>

ii. Transactions with related parties

	2025	2024
Revenue		
Sale of inventory:		
Grupo Elektra, S. A. B. de C. V.	\$ 5,508,705	\$ 7,174,664
Operadoras en Servicios Comerciales, S. A. de C. V.	160,148	248,268
Salinas y Rocha, S. A. de C. V.	71,092	104,858
Others	43,100	22,417
	<u>\$ 5,783,045</u>	<u>\$ 7,550,207</u>
Revenue from operating services:		
Banco Azteca, S. A. Institución de Banca Múltiple	\$ 8,276,019	\$ 7,835,634
Seguros Azteca, S. A. de C. V.	477,600	460,093
Afore Azteca, S. A. de C. V.	46,561	44,207
Banco Azteca de Guatemala S.A.	381,689	311,881
Others	282,225	162,640
	<u>\$ 9,464,094</u>	<u>\$ 8,814,455</u>
Interest income:		
Grupo Elektra, S. A. B. de C. V.	\$ 215,782	\$ 282,789
Purpose Financial, Inc.	474,363	317,230
Inmuebles Ardoma S. A. de C.V.	60,241	71,141
Banco Azteca, S. A. Institución de Banca Múltiple	23,121	57,964
Arrendadora Internacional Azteca, S. A. de C. V.	17,312	27,749
Others	97,380	15,446
	<u>\$ 888,199</u>	<u>\$ 772,319</u>
Other income:		
Comercializadora de Motocicletas de Calidad, S. A. de C. V.	(1) \$ 921,529	\$ 792,503
Mercancía Exclusiva Universal, S. A. de C. V	253,989	299,766
Grupo Elektra, S. A. B. de C. V.	180,958	193,427
Grupo Elektrafin, S. A. de C. V.	71,586	162,376

Intra Mexicana, S. A. de C. V.	99,759	89,272
Operadoras en Servicios Comerciales, S. A. de C. V.	50,910	71,621
Others	30,774	21,878
	<u>\$ 1,609,505</u>	<u>\$ 1,630,843</u>

Expenses

	2025	2024
Expenses from administrative and operating services:		
Grupo Elektra, S. A. B. de C. V.	\$ 306,575	\$ 452,965
Dirección de Administración Central, S. A. de C. V.	398,254	354,418
Banco Azteca, S. A. Institución de Banca Múltiple	282,779	291,680
Grupo Elektrafin, S. A. de C. V.	213,504	209,536
Elektra Trading & Consulting Group S.A. de C.V.	161,699	47,017
CMG Comercializadora de Motos S.A de C.V.	-	145,800
Aerotaxis Metropolitanos, S. A. de C. V.	125,788	104,523
Selabe Diseños, S. A. de C. V.	99,768	82,026
Operadoras en Servicios Comerciales, S. A. de C. V.	55,714	58,804
TV Azteca, S. A. B. de C. V.	39,240	78,969
Others	403,658	331,265
	<u>\$ 2,086,979</u>	<u>\$ 2,157,003</u>

Interest expense:

CMG Comercializadora de Motos, S. A de C. V.	\$ 274,681	\$ -
Grupo Elektra, S. A. B. de C. V.	95,126	168,169
Aerotaxis Metropolitanos, S. A. de C. V.	44,085	61,913
Grupo Elektrafin, S. A. de C. V.	25,023	29,503
Grupo Proasa, S.A de C.V.	37,406	-
Others	80,224	54,425
	<u>\$ 556,545</u>	<u>\$ 314,010</u>

Purchases of inventories:

Mercancía Exclusiva Universal, S. A. de C. V.	\$ 836,718	\$ 888,045
Telecomunicaciones 360, S. A. de C. V.	40,862	76,159
Comercializadora de Motocicletas de Calidad, S. A. de C. V.	13,018	4,050
	<u>\$ 890,598</u>	<u>\$ 968,254</u>

- (1) The Company and Comercializadora de Motocicletas de Calidad, S. A. de C. V. (CMC), manage the logistics and marketing of Italika motorcycles. Motorcycles are sold through CMC, and the Company only provides distribution channel services.

Moreover, the Company provides logistics services to CMC, including storage and transportation of products.

8. Inventories

- a. At June 30, 2025 and December 2024 are as follows:

	2025	2024
Household appliances	\$ 2,504,022	\$ 2,101,260
Electronic	1,538,330	1,661,250
Motorcycles	1,099,584	1,135,792
Computer	464,670	500,007
Transportation	141,893	175,538
Furniture	354,576	375,529
Cell phone	486,129	358,848
Others	15	28
	<u>\$ 6,589,219</u>	<u>\$ 6,308,252</u>

- b. The balances mentioned above include the allowance for slow-moving inventories and obsolete as follows:

	2025	2024
Balance on January 1st	\$ (164,245)	\$ (448,100)
Charges (credits) to income statement:		
Additional reserve	(48,188)	-
Applications	<u>-</u>	<u>283,855</u>
	<u>\$ (212,433)</u>	<u>\$ (164,245)</u>

9. Investment in stores, furniture and equipment, net

	2025				
	Initial balance	Additions	Disposals	Foreign effect	Final balance
Investment:					
Investment in stores	\$ 15,572,756	\$ 272,055	\$ (2,699)	\$ (81,218)	\$ 15,760,894
Furniture and equipment	532,709	11,391	(4,179)	(8,422)	531,499
Computer equipment	652,110	36,450	(3,870)	(13,780)	670,910
Machinery and equipment	422,061	41,854	-	(4,821)	459,094
Transportation equipment	61,191	3,552	(1,796)	(3,885)	59,062
Constructions in progress	166,250	-	-	-	166,250
Others	42,059	-	-	(3,382)	38,677
	<u>17,449,136</u>	<u>365,302</u>	<u>(12,544)</u>	<u>(115,508)</u>	<u>17,686,386</u>
Depreciation:					
Investment in stores	(12,357,802)	(570,473)	465	64,250	(12,863,560)
Furniture and equipment	(145,652)	(24,209)	1,148	4,774	(163,939)
Computer equipment	(394,550)	(77,039)	3,403	11,502	(456,684)
Machinery and equipment	(103,144)	(18,665)	-	3,208	(118,601)
Transportation equipment	(32,224)	(4,439)	1,217	2,116	(33,330)
Others	(14,938)	(354)	-	1,202	(14,090)
	<u>(13,048,310)</u>	<u>(695,179)</u>	<u>6,233</u>	<u>87,052</u>	<u>(13,650,204)</u>
	<u>\$ 4,400,826</u>	<u>\$ (329,877)</u>	<u>\$ (6,311)</u>	<u>\$ (28,456)</u>	<u>\$ 4,036,182</u>

	2024				
	Initial balance	Additions	Disposals	Foreign effect	Final balance
Investment:					
Investment in stores	\$14,850,784	\$ 668,265	\$ (132,825)	\$ 186,532	\$15,572,756
Furniture and equipment	426,855	100,402	(10,518)	15,970	532,709
Computer equipment	536,056	128,955	(38,560)	25,659	652,110
Machinery and equipment	337,121	82,390	(6,117)	8,667	422,061
Transportation equipment	49,559	8,569	(6,027)	9,090	61,191
Constructions in progress	-	166,250	-	-	166,250
Others	37,585	-	(1,004)	5,478	42,059
	<u>16,237,960</u>	<u>1,154,831</u>	<u>(195,051)</u>	<u>251,396</u>	<u>17,449,136</u>
Depreciation:					
Investment in stores	(11,012,220)	(1,305,541)	116,661	(156,702)	(12,357,802)
Furniture and equipment	(105,471)	(42,122)	10,189	(8,248)	(145,652)
Computer equipment	(258,942)	(136,348)	21,954	(21,214)	(394,550)
Machinery and equipment	(72,598)	(31,153)	5,970	(5,363)	(103,144)
Transportation equipment	(24,976)	(7,901)	5,327	(4,674)	(32,224)
Others	(13,156)	(674)	1,004	(2,112)	(14,938)
	<u>(11,487,363)</u>	<u>(1,523,739)</u>	<u>161,105</u>	<u>(198,313)</u>	<u>(13,048,310)</u>
	<u>\$ 4,750,597</u>	<u>\$ (368,908)</u>	<u>\$ (33,946)</u>	<u>\$ 53,083</u>	<u>\$ 4,400,826</u>

10. Leases

a. Nature of leasing activities

The Company leases land and buildings in diverse jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions, the periodic rent is fixed over the lease term.

The Company has entered into transportation equipment, computer equipment lease agreements, and has the option to purchase certain furniture and equipment for a nominal amount at the end of the lease term. The Company's obligations on the leases are guaranteed by the lessor's title to the leased assets. Generally, the Company has restrictions on assigning and subletting leased assets and some contracts require that certain financial ratios be maintained.

Leasing contracts with related companies are normally executed over a period of 10 years and with companies other than the commercial group to which the company belongs, the leases were made between 5 and 10 years, in both cases with the option to renew the contract lease after that date.

b. Right-of-use assets

As of June 30, 2025:

	<u>Properties</u>	<u>Computer equipment</u>	<u>Investment in stores</u>	<u>Transportation equipment</u>	<u>Total assets</u>
January 1, 2025	\$ 9,713,115	\$ 4,357	\$ 48,959	\$ 126,683	\$ 9,893,114
Foreign exchange effect	(48,499)	-	-	-	(48,499)
Contracts changes					
Additions for new contracts	2,261,283	235	-	8,414	2,269,932
Disposals	(180,270)	-	-	(11,352)	(191,622)
Depreciation	<u>(1,155,987)</u>	<u>(1,415)</u>	<u>(10,512)</u>	<u>(28,919)</u>	<u>(1,196,833)</u>
June 30, 2025	<u>\$ 10,589,642</u>	<u>\$ 3,177</u>	<u>\$ 38,447</u>	<u>\$ 94,826</u>	<u>\$10,726,092</u>

As of December 31, 2024:

	<u>Properties</u>	<u>Computer equipment</u>	<u>Investment in stores</u>	<u>Transportation equipment</u>	<u>Total assets</u>
January 1, 2024	\$ 9,615,980	\$ 7,303	\$ 70,631	\$ 731,258	\$10,425,172
Foreign exchange effect	70,225				70,225
Contracts changes					
Additions for new contracts	2,462,322			36,622	2,498,944
Disposals	(232,598)			(463,781)	(696,379)
Depreciation	<u>(2,202,814)</u>	<u>(2,946)</u>	<u>(21,672)</u>	<u>(177,416)</u>	<u>(2,404,848)</u>
December 31, 2024	<u>\$ 9,713,115</u>	<u>\$ 4,357</u>	<u>\$ 48,959</u>	<u>\$ 126,683</u>	<u>\$ 9,893,114</u>

c. Lease liabilities

	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 11,499,067	\$ 11,985,821
Additions for new contracts and rent update	2,423,414	2,489,276
Interest accrued in the period	623,272	1,288,121
Disposals	(238,773)	(743,686)
Payments for leases	(1,796,593)	(3,664,917)
Foreign currency effects	<u>(64,843)</u>	<u>144,452</u>
	12,445,544	11,499,067
Less, current	<u>(2,039,437)</u>	<u>(2,048,919)</u>
Non-current	<u>\$ 10,406,107</u>	<u>\$ 9,450,148</u>

d. Maturity of lease liabilities

<u>Years of maturity</u>	<u>2025</u>	<u>2024</u>
Current	\$ 2,039,437	\$ 2,048,919
Between 1 and 2 years	2,220,719	1,941,174
Between 2 and 5 years	3,996,112	3,537,481
Over 5 years	<u>4,189,276</u>	<u>3,971,493</u>
Non-current	<u>10,406,107</u>	<u>9,450,148</u>
Total lease liabilities	<u>\$ 12,445,544</u>	<u>\$ 11,499,067</u>

11. Disposal of business

On May 8, 2015, Grupo Elektra announced the beginning of the retirement process of all subsidiary operations in the Federative Republic of Brazil. As a result of the liquidation of subsidiary companies, the Company recognizes in the results of the period the effects of this process.

12. Senior Notes and Fiduciary stock certificates.

a) Senior Notes:

On January 20, 2021, NEM, as originator, placed Senior Notes through a special purpose vehicle set out under the laws of Luxemburg laws, by an amount of US\$ 500 million at a seven-year period and a rate of 4.875%, under a financing program. NEM, among others, signed an escrow contract and a contribution agreement in order to transmit irrevocably certain collection rights ("Receivables" according to the transaction documents definition) that act as a main payment of the Senior Notes. The Senior Notes also have a corporate guarantee from the Company. This loan was paid in October 2024.

On October 29, 2024, NEM, as originator, placed New Senior Notes ("New Senior Secured Notes") under its DPR Securitization Program, for US\$ 350 million with a seven-year term, with quarterly principal payments beginning January 2027, and a rate of 12.5%. The proceeds from this issuance were used to prepay the original Senior Notes, whose outstanding balance at the time of prepayment was US\$ 325 million.

Under the financing program, the Company transferred the Receivables (as defined on the transaction documents) to the SPV and thus are not assets of the Company.

As of June 30, 2025 and December 31, 2024, the Senior Notes net outstanding balance was \$6,457,316, and \$6,919,238, respectively:

	<u>2025</u>	<u>2024</u>
Outstanding balance	\$ 6,612,480	\$ 7,093,905
Transaction costs	<u>(155,164)</u>	<u>(174,667)</u>
	\$ 6,457,316	\$ 6,919,238
Less, current Senior notes	<u>-</u>	<u>-</u>
Non-current Senior notes	<u>\$ 6,457,316</u>	<u>\$ 6,919,238</u>

The Company made a payment of US\$ 10.9 million of interest on April, 2025. In addition, the Senior Notes have a Debt Service Reserve for US\$ 40,039 (\$3,173,092) equal to the Maximum Quarterly Debt Service.

“The Senior Notes series 2024-1 had a Monthly Debt Service Coverage Ratio of 143.3x, 150.7x, and 158.1x during April, May and June 2025, respectively, and a Quarterly Debt Service Coverage Ratio of 150.6 during the second quarter of 2025”.

The maturities of total debt of the Company are shown below:

	<u>2025</u>
2027	\$ 1,559,511
2028	1,295,349
2029	1,303,174
2030 hereafter	<u>2,299,282</u>
	<u>6,457,316</u>
Non-current debt	<u>\$ 6,457,316</u>

b) Fiduciary stock certificates

The company enter into a long-term loan agreement in March 2025 by US\$ 52,000 (\$982,426), (At SOFR rate + 5%) which maturity dates are as follows:

<u>Maturity date</u>	<u>Amount MXN</u>	<u>Amount USD</u>
2026	\$ 9,824	\$ 520
2027	19,649	1,040
2028	19,649	1,040
2029	19,649	1,040
2030	29,473	1,560
2031	<u>884,182</u>	<u>46,800</u>
	982,426	52,000
Less current portion	<u>(9,824)</u>	<u>(520)</u>
Non-current debt	<u>\$ 972,602</u>	<u>\$ 51,480</u>

Bank Loan with Oceanview Capital Management LTD

The company enter into a short-term loan agreement in April 2025 by US\$ 1,000 (\$18,893), (rate 11%) which maturity dates 1 year.

13. Other accounts payable

	<u>2025</u>	<u>2024</u>
Creditor for goods and services	\$ 3,636,738	\$ 4,712,626
Merchandise reserve	1,095,292	1,006,720
Deferred income	172,841	116,353
Taxes to pay	86,228	414,168
Others	<u>5,611</u>	<u>5,656</u>
	<u>\$ 4,996,710</u>	<u>\$ 6,255,523</u>

14. Stockholders' equity

a. Capital stock

The capital stock consists of ordinary, common and nominative shares with a nominal value of one hundred pesos each. As of June 30, 2025 and December, 31 2024, the share capital is as follows:

	<u>Number of shares</u>	<u>Amount</u>
Fixed capital stock	500	\$ 50
Variable capital stock	<u>39,204,850</u>	<u>3,920,485</u>
	<u>39,205,350</u>	3,920,535
Restatement until December 31, 2007		<u>453,323</u>
		4,373,858
Capital stock increase		<u>2,268,202</u>
Total capital stock		<u>\$ 6,642,060</u>

b. Dividends Payments

The dividends distribution resulting from retained earnings and other capital reserves; as well as distributed earnings derived from reductions of capital, will be taxable for effects of the income tax (ISR for its acronym in Spanish) applying the current rate on the distribution or reduction date on a grossed-up base, except when the distribution of dividends comes from Net Tax Income Account (CUFIN for its acronym in Spanish) and when the distributed profits derived from the capital reduction come from the restated Contributed capital account (CUCA for its acronym in Spanish).

The tax paid for such distribution may be credited against the income tax for the year in which the dividend tax is paid and in the next two fiscal years against the tax for the year and the provisional payments thereof. The payment of dividends and distributed profits from profits generated as of January 1, 2014, to shareholders and individuals' resident abroad, are subject to an additional 10% of income tax on dividends as final payment in Mexico.

In a meeting of Unanimous Resolutions that generates the same effect as the General Shareholders' Meeting held on January 2025, dividends were decreed for \$ 2,788,000, which did not cause ISR due to the CUFIN accumulated as of December 31, 2014 and were paid on January 15, 2025.

In a meeting of Unanimous Resolutions that generates the same effect as the General Shareholders' Meeting held in June 2025, dividends were decreed for \$ 1,000,000, which did not cause ISR due to the CUFIN accumulated as of December 31, 2014 and were paid on June 30, 2025.

In 2024 the Company did not decreed dividends.

c. Increases in Capital Stock.

In June 2024, the Company formalized the stockholders' meeting minutes on the capital increases by \$ 2,268,202.

d. Legal reserve

The Company recognizes what is stated in item 20 of the Mexican General Law of Mercantile Companies, relative to the separation of 5% of net profits to form the "reserve fund" until this fund reaches the amount of 20% of the capital stock; The fund is intended to protect the capital of the company against eventual losses and / or contingencies that arise. The Company has a reserve fund as of June 30, 2025 of \$ 201,509.

e. Contribution capital account

The capital contributions made in cash, in kind, as well as the capitalization of liabilities, form the contribution capital account, which is updated annually in accordance with the provisions of the current Income Tax Law. As of June 30, 2025 the updated balance of the account called "Updated contribution capital" amounts to \$26,336,498. In the case of reimbursement to shareholders for the excess of said reimbursement over this amount, it must be given the tax treatment of a distributed profit.

f. Net tax profit account

Accumulated profits, including those that have been capitalized, are subject to ISR payment, in the case of distribution in cash or in kind, except that they correspond to profits pending distribution, on which the tax has already been covered, which form the CUFIN. As of June 30, 2025, the updated balance amounts to \$10,565,896.

g. Other comprehensive income

Other comprehensive income as of June 30, 2025 and 2024 is composed as shown below:

	<u>2025</u>	<u>2024</u>
Net (loss) of the period	\$ (1,669,154)	\$ (629,920)
Exchange (loss) gain arising on translation of foreign operations in subsidiaries and associated companies	<u>(1,877,485)</u>	<u>1,934,074</u>
Comprehensive (loss) gain of the period	<u>\$ (3,546,639)</u>	<u>\$ 1,304,154</u>

15. Revenue and costs

For the six-month period ended June 30, 2025 and 2024 the net sales and revenue from services were as follows:

	<u>2025</u>	<u>2024</u>
Inventory retail sales	\$ 16,395,949	\$ 17,817,349
Administrative services	10,997,448	10,415,842
Money transfers	2,236,160	2,065,911
Commissions and extended warranty services	<u>784,967</u>	<u>746,407</u>
	<u>\$ 30,414,524</u>	<u>\$ 31,045,509</u>

For the six-month period ended June 30, 2025 and 2024 the breakdown of costs by nature were as follows:

	<u>2025</u>	<u>2024</u>
Inventory retail sales	\$ 13,815,828	\$ 14,759,226
Money transfers	50,436	46,566
Commissions and extended warranty services	<u>387,064</u>	<u>513,252</u>
	<u>\$ 14,253,328</u>	<u>\$ 15,319,044</u>

16. Expenses by nature

	<u>2025</u>	<u>2024</u>
Operating expenses	\$ 8,699,727	\$ 7,810,414
Salaries and employee benefits	2,168,091	1,999,867
Advertising	923,120	1,032,374
Rent, electricity and telephone	869,964	799,243
Others	<u>2,876,616</u>	<u>2,359,610</u>
	<u>\$ 15,537,518</u>	<u>\$ 14,001,508</u>

17. Income taxes

This item is integrated as shown below:

	2025	2024
Current income tax	\$ 258,073	\$ 46,560
Deferred income tax	<u>(903,060)</u>	<u>241,885</u>
	<u>\$ (644,987)</u>	<u>\$ 288,445</u>

- a. The ISR rate was 30% on a basis that differs from the accounting income mainly due to permanent differences such as annual adjustment for inflation, as well as certain non-deductible expenses.
- b. Grupo Elektra, S. A. B. de C. V. (conciliatory entity of Nueva Elektra del Milenio, S. A. de C. V.) and its Subsidiaries considered as conciliatory entity and integrated entities, respectively; determine the ISR according to what is mentioned in Article 64 of the ISR Law, Chapter IV "Of the optional regimen for Company entities". This new optional regime requires a participation in the capital of the subsidiaries of at least 80% and will allow the integrating Company (Controlling) to differ the annual tax payments of its integrated subsidiaries who generated profits for a period equivalent to 3 years to the extent that its expenses due to taxes do not exceed individually the expense for comprehensive tax of the Controlling Company, without considering those companies that have tax losses pending amortization prior to 2014. Foreign subsidiaries determine their income taxes according to the applicable tax rates in each jurisdiction.

18. Information by segments

Condensed financial information by geographic area as of June 30, 2025 and 2024 is presented below:

	Mexico	Central America	Other	Total
June 30, 2025				
Income	\$ 26,986,875	\$ 3,427,649	\$ -	\$ 30,414,524
Gross profit	15,006,190	1,155,006	-	16,161,196
(Loss) profit from operations	(1,334,115)	89,313	(7,692)	(1,252,494)
Depreciation and amortization	(1,778,812)	(153,203)	-	(1,932,015)
Income tax	728,747	(83,760)	-	644,987
	<u>Mexico</u>	<u>Central America</u>	<u>Other</u>	<u>Total</u>
June 30, 2024				
Income	\$ 28,172,965	\$ 2,872,544	\$ -	\$ 31,045,509
Gross profit	14,723,072	1,003,393	-	15,726,465
(Loss) profit from operations	(259,697)	205,995	(252,113)	(305,815)
Depreciation and amortization	(1,913,230)	(133,883)	(8)	(2,047,121)
Income tax	(266,431)	(72,327)	50,313	(288,445)

19. Commitments and contingencies

a. Commitments

The Company is the Trustor and Second Trustee of an Irrevocable Administration Trust, Payment Source and Guarantee, established as a financing structure obtained by Grupo Elektra, S. A. B. de C. V. (Grupo Elektra), through which the Company provides the main source of payment, which are the commissions generated by the remittance payment service charged to various business partners.

On July 2017, Grupo Elektra made a disposition of the loan for \$ 2,000,000 with Banco Nacional de Comercio Exterior, for a term of 10 years.

On June 30, 2023 Grupo Elektra made an additional disposal for \$ 500,000 with Banco Multiva, for a term of 3 years.

On July 5, 2023 Grupo Elektra made an additional disposal for \$ 1,000,000 with Banco Multiva, for a term of 3 years.

b. Contingencies

The Company is subject to various lawsuits and claims during the normal course of its operations (such as litigation, arbitration, administrative proceedings that are incidental to its business including, without limitation, regulatory enforcement matters, contract disputes, labor lawsuits, clients, among others). Management believes that none of these lawsuits will have any material adverse effect on its business or financial condition.

1. Processes in Central and South America

Closing of bank transactions in the Federative Republic of Brazil:

On May 11, 2015, Banco Azteca de Brazil informed the Central Bank of Brazil of its decision to stop operating the bank business in Brazil. All the necessary activities were carried out to liquidate its bank assets and pay its bank creditors.

As part of that closing process, on January 8, 2016, the Central Bank of Brazil notified the beginning of the out-of-court settlement process of Banco Azteca de Brazil.

Derived from the request for closure of the extrajudicial liquidation, the Central Bank of Brazil approved the closing plan, including: the change of name to Deler Consultoria, S. A., the amendment to its corporate purpose and the cancellation of the bank license, remaining consequently as an unregulated business in the financial system, which was approved by the Central Bank on November 27, 2018.

To date, Deler Consultoria, S. A. (unregulated business in the financial system) continues to make the corresponding negotiations with its creditors and hopes to solve the contingencies.

2. Tax proceeding against liquidation of income tax

The Company is subject to various lawsuits and claims during the normal course of its operations (such as litigation, arbitration, administrative proceedings that are incidental to its business including, without limitation, regulatory enforcement matters, contract disputes, labor lawsuits, clients, among others). Management believes that none of these lawsuits will have any material adverse effect on its business or financial condition.

NEM has filed four nullity claims at the Chambers of the Federal Administrative Court of Justice against tax credits for income tax from the fiscal years 2010, 2012, and 2014.

In this regard, by judgment dated May 26, 2025, the Federal Administrative Justice Court ruled in favor of the annulment action concerning fiscal year 2010. Such decision may be challenged by the Tax Administration Service (SAT) before the Collegiate Circuit Courts, and, if applicable, an ancillary appeal will be filed to uphold the effects of the ruling issued by the Federal Administrative Justice Court.

Finally, the annulment actions concerning fiscal year 2014 are pending resolution before the Federal Administrative Justice Court, and the one corresponding to fiscal year 2012 is pending resolution in a direct amparo review before the Supreme Court of Justice of the Nation.

The historical contingency of the discussed matters amounts to \$1,281,084.

We consider that there are serious and reasonable elements of defense to have a final ruling handed down in benefit of the interests of the company concerning the matters discussed above. However, as in any case of a litigation nature, it is not possible to guarantee results.


The Company has agreed to secure potential tax liabilities for all of the aforementioned tax litigation matters through a voluntary attachment guarantee (administrative embargo). This administrative procedure currently covers the Company's commercial operations and all of its assets. Nueva Elektra del Milenio, S.A. de C.V. continues to have full control and administrative authority over its assets under this procedure. The SAT (Tax Administration Service) has no right to attach assets or initiate proceedings for such purposes, unless tax payments have not been made when due (after the final, non-appealable judgment) by NEM. In such a case, the SAT has the right to initiate an attachment procedure under administrative law, but such procedures must follow an order of preference regarding the collateral assets and other protection protocols.

The Company is involved in various legal proceedings and claims arising in the ordinary course of business, including, without limitation, litigation, arbitration, and administrative proceedings incidental to its operations, such as regulatory enforcement matters, contractual disputes, labor claims, and customer lawsuits. Management believes that the outcome of these matters will not have a material adverse effect on the Company's business, financial position, or results of operations.

*The historical contingency referenced in the aforementioned sections is measured as of the date on which the tax authority issued the official notice resolving each tax credit. Such historical contingency includes the assessment of the allegedly omitted tax, inflation adjustments, surcharges, and penalties, all calculated as of that date.

MEXICO,

August, 2025


CP. ANTONIO APARTADO
PEREZ
Accounting Manager
CP. ALEJANDRO CUEVAS
CASTRO
Accounting Director