NUEVA ELEKTRA DEL MILENIO, S. A.
DE C. V. AND SUBSIDIARIES
(Subsidiary of Grupo Elektra, S. A. B.
de C. V.)
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND 2023
AND INDEPENDENT AUDITORS' REPORT

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

Consolidated financial statements as of December 31, 2024
and 2023, and independent auditors' report

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INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors of
Nueva Elektra del Milenio, S.A. de C.V.
(Subsidiary of Grupo Elektra, S. A. B. de C. V.)

Opinion

We have audited the consolidated financial statements of Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries (the Company) which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for the years then ended, as well as the explanatory notes the consolidated financial statements, including information of significant material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries, as of December 31, 2024 and 2023, and its financial performance and its consolidated cash flows for the years then ended in accordance with Mexican Financial Reporting Standards

Basis for opinion

We conducted our audit 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 this report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Mexican Institute of Public Accountants, A. C. and we have fulfilled the other ethical responsibilities in accordance with such code. We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group 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.

These consolidated financial statements have been translated into English solely for the convenience of readers of this language. In all cases, where there are any disagreements between the English and Spanish versions, the Spanish version shall be considered authoritative and controlling.

CASTILLO MIRANDA Y COMPAÑÍA, S. C.

C.P.C. José Luis Villalobos Zuazua

Mexico City
April 30, 2025

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

Consolidated statements of financial position
December 31, 2024 and 2023
(Thousands of Mexican pesos)

	Note	2024	2023
Assets			
Current			
Cash and cash equivalents		$ 7,726,800	$ 7,479,121
Investments in securities	5	7,725,395	4,691,501
		15,452,195	12,170,622
Accounts receivable:			
Related parties	7	24,983,515	26,024,668
Accounts receivable, net	6	1,618,648	2,992,445
Recoverable taxes		1,448,766	1,659,323
Senior notes service reserve		760,709	1,081,389
Account receivable with collateral agent		-	593,868
Other accounts receivable		2,772,781	2,777,513
		31,584,419	35,129,206
Inventories, net	8	6,308,252	6,485,916
Prepayments	9	1,856,650	1,572,921
Assets held for sale		36,604	36,435
Total current assets		55,238,120	55,395,100
Non-current			
Investments in securities	5	3,792,462	1,772,128
Related parties	7	18,989,362	15,792,230
Investments in stores, furniture and equipment, net	10	4,400,826	4,750,597
Right-of-use assets, net	11-b	9,893,114	10,425,172
Deferred income tax	21-c	4,946,948	4,606,990
Investments in associates	12	1,103,554	978,671
Other assets, net		601,542	512,458
Total non-current assets		43,727,808	38,838,246
Total assets		$ 98,965,928	$ 94,233,346

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

Consolidated statements of financial position (continued)
December 31, 2024 and 2023
(Thousands of Mexican pesos)

	Note	2024	2023
Liabilities			
Current			
Senior notes	14	$ -	$ 1,689,350
Trade payables		5,081,540	5,114,557
Related parties	7	35,600,719	36,344,893
Provisions		4,045,668	3,406,364
Lease liabilities	11-e	2,048,919	2,594,438
Other accounts payable	15	6,255,523	4,502,723
Total current liabilities		53,032,369	53,652,325
Senior notes	14	6,919,238	5,367,579
Lease liabilities	11-e	9,450,148	9,391,382
Contributions for future capital increases	17-c	-	2,268,202
Income tax payable	21-b	97,690	568,956
Employee benefits	16	586,150	529,407
Other liabilities		90,277	59,524
Total non-current liabilities		17,143,503	18,185,050
Total liabilities		70,175,872	71,837,375
Stockholders' equity	17		
Capital stock		6,642,060	4,373,858
Legal reserve		201,509	201,509
Retained earnings		13,813,505	14,208,161
Other comprehensive income		7,873,488	3,397,839
Total controlling equity		28,530,562	22,181,367
Total non-controlling equity		259,494	214,604
Stockholders' equity		28,790,056	22,395,971
Total liabilities and stockholders' equity		$ 98,965,928	$ 94,233,346

The accompanying notes are part of these consolidated financial statements.

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

Consolidated statements of comprehensive income (see Note 1)
For the years ended December 31, 2024 and 2023
(Thousands of Mexican pesos)

	Note	2024	2023
Net sales and revenue from services	7 and 18	$ 65,733,195	$ 62,714,716
Cost		31,348,589	31,720,548
Gross profit		34,384,606	30,994,168
Selling and administrative expenses	7 and 19	30,278,332	26,531,508
Depreciation and amortization		4,026,158	4,358,269
Other (income) expense, net		(58,505)	5,327
		34,245,985	30,895,104
Profit from operations		138,621	99,064
Comprehensive financial results:			
Interest income	7	2,519,505	3,642,017
Interest expense		(2,935,159)	(2,507,902)
Foreign exchange gain, net		351,270	70,349
(Loss) profit on investments		(455,535)	138,550
		(519,919)	1,343,014
Equity in the net profit of associated companies	12	90,196	77,272
(Loss) profit before income tax		(291,102)	1,519,350
Income tax	21	(96,333)	49,771
(Loss) profit before discontinued operations		(387,435)	1,569,121
(Loss) income from discontinued operations	13	(4,862)	538
Net (loss) profit for the year		(392,297)	1,569,659
Other comprehensive income:			
Exchange gain (loss) arising on translation of foreign operations in subsidiaries and associates and actuarial losses on employee benefits		4,475,649	(3,075,564)
Total comprehensive income (loss) for the year	17-g	$ 4,083,352	$ (1,505,905)
Net (loss) profit for the year attributable to:			
Non-controlling interest		$ 2,359	$ 1,838
Controlling interest		(394,656)	1,567,821
		$ (392,297)	$ 1,569,659
Total comprehensive income (loss) attributable to:			
Non-controlling interest		$ 2,359	$ 1,839
Controlling interest		4,080,993	(1,507,744)
		$ 4,083,352	$ (1,505,905)

The accompanying notes are part of these consolidated financial statements.

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

Consolidated statements of changes in stockholders' equity
For the years ended December 31, 2024 and 2023
(Thousands of Mexican pesos)

	Capital stock	Legal reserve	Retained earnings	Other comprehensive income	Total controlling equity	Total non - controlling equity	Total equity
Balances at December 31, 2022	$ 4,373,858	$ 201,509	$ 13,640,340	$ 6,473,404	$ 24,689,111	$ 243,747	$ 24,932,858
Payment of dividends (Note 17-b)	-	-	(1,000,000)	-	(1,000,000)	-	(1,000,000)
Capital stock	-	-	-	-	-	(30,982)	(30,982)
Comprehensive loss for the year (Note 17-g)	-	-	1,567,821	(3,075,565)	(1,507,744)	1,839	(1,505,905)
Balances at December 31, 2023	4,373,858	201,509	14,208,161	3,397,839	22,181,367	214,604	22,395,971
Capital stock (Note 17-c)	2,268,202	-	-	-	2,268,202	42,531	2,310,733
Comprehensive income for the year (Note 17-g)	-	-	(394,656)	4,475,649	4,080,993	2,359	4,083,352
Balances at December 31, 2024	$ 6,642,060	$ 201,509	$ 13,813,505	$ 7,873,488	$ 28,530,562	$ 259,494	$ 28,790,056

The accompanying notes are part of these consolidated financial statements.

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

Consolidated statements of cash flows
For the years ended December 31, 2024 and 2023
(Thousands of Mexican pesos)

	2024	2023
Operating activities		
(Loss) profit before income tax	$ (291,102)	$ 1,519,350
Items related to investing activities:		
Depreciation and amortization	4,026,158	4,358,269
Equity in net profit of associates, net	(90,196)	(77,272)
Interest income	(2,519,505)	(3,642,017)
Other items not realized	(268,333)	(111,041)
Gain (loss) on investment valuation	455,535	(138,550)
Items related to financing activities:		
Interest expense	2,935,159	2,507,902
	4,247,716	4,416,641
Changes in:		
Decrease (increase) in inventories	543,636	(7,254)
Decrease (Increase) in receivables and others assets	4,609,451	(8,858,701)
Increase in liabilities	1,088,360	9,510,063
Income tax paid	(793,906)	(39,166)
Net cash flows from operating activities	9,695,257	5,021,583
Investing activities		
(Increase) decrease in investments	(4,095,929)	228,720
Investment in stores, and purchases of furniture and equipment	(1,154,830)	(1,094,747)
Sale of furniture and equipment	1,577,703	45,188
Interest received	26,825	3,233,610
Net cash flows from investing activities	(3,646,231)	2,412,771
Excess in cash to be applied in financing activities	6,049,026	7,434,354
Financing activities		
Proceeds from debt	6,794,582	-
Debt payments	(8,263,573)	(1,819,553)
Lease payments	(2,376,795)	(2,095,052)
Payment of dividends	-	(1,000,000)
Interest paid	(2,457,626)	(2,147,079)
Net cash flows used in financing activities	(6,303,412)	(7,061,684)
Net (decrease) increase in cash and cash equivalents	(254,386)	372,670
Cash and cash equivalents at beginning of year	7,479,121	7,777,016
Effects of exchange rate changes on cash and cash equivalents	502,065	(670,565)
Cash and cash equivalents at end of year	$ 7,726,800	$ 7,479,121

The accompanying notes are part of these consolidated financial statements.

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 sale 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 1,366 stores in Mexico and Central America; and affiliate lending and services providers.

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

2. Basis for the preparation of consolidated financial statements

a. Compliance with financial reporting standards

On January 20, 2021, NEM, as originator, issued series 2021-1 Fixed Rate Notes Due 2028 ("Senior Notes") for US$ 500 million (see Note 14), since that date, the company prepares consolidated financial statements, in accordance with the Mexican Financial Reporting Standard NIF B-8 "Consolidated or Combined Financial Statements".

The accompanying consolidated financial statements have been prepared in accordance with Mexican Financial Reporting Standards, (NIF for its acronym in Spanish), issued by the Mexican Council of Financial Reporting Standards (CINIF for its acronym in Spanish).

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 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 quantify of present obligations, and determine their present value.
- 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 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 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 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 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:

Company	Percentage of equity (%)	Activity
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 of NEM are the following:

Company	Percentage of equity (%)	Activity
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 financial information regarding business segments operated by the Company, whose operating results are reviewed in decision-making, is presented in Note 22

f. Translation of foreign currency

According to NIF B-15 "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. Consolidated of comprehensive income statement

The 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. Consolidated statements of cash flows

The 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 consolidated financial statements are set out below. The policies have been consistently applied to the previous year presented in these 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 originates 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 of 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 cost, 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.

	Annual rate %
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 10)

Maintenance and minor repair expenses are recorded in the net income and loss 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 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 the 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 the use of an asset are obtained and the Company has the right to direct the use of an asset.

In determining whether the Company obtains substantially all the economic benefits from the use of assets, it is only considered the economic benefits that arise use of an 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 expensed 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 assets 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 its 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 15 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 with 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 year, whose accumulated effect as of December 31, 2024 and 2023, amounted to $ 7,994,929 and $ 5,908,988, respectively, and was presented in the statement of changes in non-consolidated stockholders' equity in the accumulated effect of translation, which is included in the other comprehensive results.

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 calculated 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 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 non-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 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 NEM, and for which financial instrument risk arises, are as follows:

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

b. General objectives, policies and procedures

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 2024 and 2023, 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

	2024	2023
Investments in high-liquidity securities	$ 7,604,304	$ 4,570,410
Debt securities	3,792,462	1,772,128
Equity instruments	121,091	121,091
Total Investments	11,517,857	6,463,629
Less, current investments	7,725,395	4,691,501
Non-current investments	$ 3,792,462	$ 1,772,128

6. Accounts receivable, net

Accounts receivable as of December 31, are integrated as follows:

	2024	2023
Trade receivables:		
Sale of shares	$ 1,515,647	$ 1,515,647
Accounts receivable from remittance companies	788,982	2,304,147
Commissions for remittances	444,670	381,895
Wholesale and employee sales	523,228	517,182
To the next page	3,272,527	4,718,871

		2024	2023
From previous page		$ 3,272,527	$ 4,718,871
Allowance for expected credit losses:			
Sale of shares	(1)	(1,515,647)	(1,515,647)
Accounts receivable from remittance companies	(2)	(46,453)	(46,453)
Wholesale and employee sales		(91,779)	(164,326)
		(1,653,879)	(1,726,426)
		$ 1,618,648	$ 2,992,445

(1) On August 6, 2013, the Company signed a sale agreement 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, third parties, has expired in the amount of US $ 72,000 $ (1,515,647), a figure that has not been updated during the 2024 and 2023 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

		2024	2023
Accounts receivable:			
Grupo Elektra, S. A. B. de C. V.		$ 8,615,525	$ 8,273,436
Intra Mexicana, S. A. de C. V.		2,899,440	2,872,974
Dirección y Administración Central, S. A. de C. V.		2,764,813	3,449,759
Operadoras en Servicios Comerciales, S. A. de C. V.		1,919,841	3,782,379
Selabe Motors, S. A. de C. V.		1,436,588	1,467,463
Banco Azteca, S. A. Institución de Banca Múltiple		1,435,813	1,600,838
Procesos de Oro y Metales, S. A. de C. V.		1,201,615	1,067,064
Purpose Financial, Inc.		125,114	254,510
Others		4,584,766	3,256,245
		24,983,515	26,024,668
Long-term intercompany loans:	(1)	18,989,362	15,792,230
		$ 43,972,877	$ 41,816,898

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

		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.	(2)	382,867	18,890	September 21, 2026
Grupo Elektra, S. A. B de C. V.	(3)	1,722,806	85,000	September 23, 2026
Grupo Elektra, S. A. B de C. V.	(4)	668,854	33,000	October 26, 2026
Grupo Elektra, S. A. B de C. V.	(5)	1,216,098	60,000	December 2027
Grupo Elektra Global, SLU.	(6)	158,316	7,811	April 6, 2025
Purpose Financial, Inc.	(7)	8,310,003	410,000	June 30,2030
Purpose Financial, Inc.	(8)	2,938,904	145,000	June 30,2032
Purpose Financial, Inc.	(9)	551,269	27,199	October 30,2032
Long-term loans		$ 18,989,362	$ 936,900	

(1) Interest rate: SOFR + 300 Basis Point
(2) Interest rate: SOFR + 300 Basis Point
(3) Interest rate: SOFR + 300 Basis Point
(4) Interest rate: SOFR + 300 Basis Point
(5) Interest rate: SOFR + 240 Basis Point
(6) Interest rate: 8.05%
(7) Interest rate: 7.9%
(8) Interest rate: 8.28%
(9) Interest rate: 9.50%

	2024	2023
Accounts payable:		
Elmex Superior, S. A. de C. V.	$ 7,923,220	$ 7,805,278
Comercializadora de Motocicletas de Calidad, S. A. de C. V.	6,087,786	8,419,958
Mercadotecnia Tezontle, S. A. de C. V.	5,207,486	5,136,181
CMG Comercializadora de Motos, S. A de C. V.	3,993,572	826,466
Mi Garantía Extendida, S. A. de C. V.	2,645,105	2,815,906
Grupo Elektrafin S. A. de C. V.	1,563,705	1,452,792
Salinas y Rocha, S. A. de C. V.	1,017,462	2,682,426
Compañía Operadora de Teatros, S. A. de C. V.	587,570	1,264,895
Others	6,574,813	5,940,891
	$ 35,600,719	$ 36,344,893

ii. Transactions with related parties

	2024	2023
Revenue		
Sale of inventory:		
Grupo Elektra, S. A. B. de C. V.	$ 12,993,270	$ 13,862,041
Operadoras en Servicios Comerciales, S. A. de C. V.	494,850	768,358
Salinas y Rocha, S. A. de C. V.	127,452	232,857
Others	86,894	53,954
	$ 13,702,466	$ 14,917,210
Revenue from administrative services:		
Banco Azteca, S. A. Institución de Banca Múltiple	$ 17,571,480	$ 15,656,982
Seguros Azteca, S. A. de C. V.	1,033,235	879,558
Banco Azteca de Guatemala, S. A.	715,410	515,579
Afore Azteca, S. A. de C. V.	87,746	76,584
Punto Casa de Bolsa, S. A. de C. V.	6,150	6,231
Others	363,708	233,815
	$ 19,777,729	$ 17,368,749
Interest income:		
Grupo Elektra, S. A. B. de C. V.	$ 583,305	$ 2,167,194
Purpose Financial, Inc.	672,841	23,551
Operadoras en Servicios Comerciales, S. A. de C. V.	509,672	11,082
Banco Azteca, S. A. Institución de Banca Múltiple	104,525	72,404
Others	282,939	190,005
	$ 2,153,282	$ 2,464,236

	2024	2023
Other income:		
Comercializadora de Motocicletas de Calidad, S. A. de C. V.	$ 2,062,426	$ 1,624,564
Mercancía Exclusiva Universal, S. A. de C. V	664,958	305,907
Grupo Elektrafin, S. A. de C. V.	446,341	327,932
Grupo Elektra, S. A. B. de C. V.	384,681	340,091
Intra Mexicana, S. A. de C. V.	189,666	180,342
Operadoras en Servicios Comerciales, S. A. de C. V.	143,903	35,581
Others	132,343	412,536
	$ 4,024,318	$ 3,226,953

Expenses

	2024	2023
Expenses from administrative and operating services:		
Grupo Elektra, S. A. B. de C. V.	$ 1,067,123	$ 1,054,223
Dirección de Administración Central, S. A. de C. V.	725,137	1,038,451
Banco Azteca, S. A. Institución de Banca Múltiple	601,923	601,639
CMG Comercializadora de Motos S.A de C.V.	415,800	88,200
TV Azteca, S. A. B. de C. V.	157,971	18,848
Operadoras en Servicios Comerciales, S. A. de C. V.	141,809	204,706
Elmex Superior, S. A. de C. V.	173,216	70,639
Selabe Diseños, S. A. de C. V.	156,369	207,561
Others	1,907,754	1,730,271
	$ 5,347,102	$ 5,014,538
Interest expense:		
Grupo Elektra, S. A. B. de C. V.	$ 338,830	$ 390,038
CMG Comercializadora de Motos, S. A. de C. V.	273,452	-
Aerotaxis Metropolitanos, S. A. de C. V.	117,030	111,476
Grupo Elektrafin, S. A. de C. V.	58,111	59,271
Others	264,519	133,362
	$ 1,051,942	$ 694,147
Purchases of inventories:		
Mercancía Exclusiva Universal, S. A. de C. V.	$ 1,983,156	$ 2,152,630
Telecomunicaciones 360, S. A. de C. V.	207,385	679,154
Comercializadora de Motocicletas de Calidad, S. A. de C. V.	24,209	36,097
Others	65,495	64,469
	$ 2,280,245	$ 2,932,350

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.

iii. Contracts with related parties

The main transactions with related parties are as follows:

Contracts entered into with Comunicaciones Avanzadas, S. A. de C. V. and subsidiaries (CASA):

TV Azteca, S. A. B. de C. V.

The Company and TV Azteca, S. A. B. de C. V. and/or its subsidiaries (TV Azteca) have entered into various annual advertising contracts, in order to render advertising transmission services on channels of TV Azteca. For these services, TV Azteca received $ 980,985 and $ 997,084 at December 31, 2024 and 2023, respectively.

The Company and TV Azteca, S. A. B. de C. V. (TV Azteca) signed a contract, whereby the parties bind themselves to render administrative, technical, financial analysis, air taxi services to each other, as well as accounting assistance, legal, financial, and management and preparation of specific plans for developing commercial, industrial or technical, and support services of the operation of each one of the parties, as well as other services related to the corporate purpose of each one of the parties, against payment of a consideration.

Pursuant to these services, the Company recorded revenues and expenses for the above items, which represented a net expense amounting in 2024 and 2023 of $ 217,412 and $ 26,830, respectively.

Arrendadora Internacional Azteca, S. A. de C. V.

The Company has acquired transportation equipment, computer equipment and corporate office improvements, by entering into capitalized lease agreements with Arrendadora Internacional Azteca, S. A. de C. V. (AIA), which amount to $ 192,359 and $ 821,850 at December 31, 2024 and 2023, respectively, and it is presented in line with the lease liability. The Company has entered into pure lease agreements to improve its points of sale.

Accrued interest in profit or loss derived from the lease amounted to $ 87,767 and $ 137,600 for 2024 and 2023, respectively.

The Company granted a loan to AIA that as of December 31, 2024 amounts to $ 1,987,196 in principal and $ 163,376 in interest.

Contracts entered into with Banco Azteca, S. A. Institución de Banca Múltiple (Banco Azteca):

As of January 2003, one lease contract was signed between NEM and Banco Azteca, whereby NEM leases a space to Banco Azteca to operate within their stores. For this item, the Company received $ 1,277,640 and $ 1,089,160 for the years 2024 and 2023, respectively.

As of October 2002, Banco Azteca and NEM signed a contract for the provision of services, under which Banco Azteca carries out on behalf of NEM the transactions related to payment for goods and services. For this purpose, the Company paid $ 401,265 and $ 388,453 for the years 2024 and 2023, respectively.

As of January 2003 and May 2004, a commercial mediation contract was signed between NEM and Banco Azteca, through which Banco Azteca can offer in-store deposit and credit services. The Company received $ 11,952,997 and $ 10,907,433 for the years 2024 and 2023, respectively.

NEM has signed various contracts with affiliate companies, for the provision of administrative services through which NEM paid for the years 2024 and 2023 the amount of $ 1,726,104 and $ 1,168,389, respectively.

Contracts entered into with Aerotaxis Metropolitanos, S. A. de C. V. (Aerotaxis):

The Company entered into a contract with Aerotaxis for rendering not regular international air transportation service under the air taxi mode in the amount of US$ 55,000 thousand, with an initial payment amounting to US$5,000 thousand and an annual payment amounting to US$ 5,000 thousand. The contract is valid for 10 years, with the option of renewal for one additional year. The company received $184,535 and $203,883 for the years 2024 and 2023, respectively

Other:

The company has entered into various contracts with affiliated companies for the provision of administrative services, paying $1,695,437 and $1,788,955, respectively, for the years 2024 and 2023.

8. Inventories, net

a. At December 31, 2024 and 2023 is as follows:

	2024	2023
Household appliances	$ 2,101,260	$ 2,386,556
Electronic	1,661,250	1,872,684
Motorcycles	1,135,792	719,646
Computer	500,007	696,449
Transportation	175,538	245,567
Furniture	375,529	288,634
Telephones	358,848	276,163
Others	28	217
	$ 6,308,252	$ 6,485,916

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

	2024	2023
Balance at January 1	$ (448,100)	$ (216,078)
Charges (credits) to income statement:		
Additional reserve	-	(232,022)
Applications	283,855	-
	$ (164,245)	$ (448,100)

9. Prepayments

	2024	2023
Administrative and operative services	$ 539,741	$ 345,848
Improvements to leased buildings	327,449	361,142
Tax prepayments	650,480	551,874
Leases	167,065	177,431
Others	171,915	136,626
	$ 1,856,650	$ 1,572,921

10. Investment in stores, furniture and equipment, net

	2024					
	Initial balance	Additions	Disposals	Foreign exchange effect	Impairment	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
	16,237,960	1,154,831	(195,051)	251,396	-	17,449,136
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)
	(11,487,363)	(1,523,739)	161,105	(198,313)	-	(13,048,310)
	$ 4,750,597	$ (368,908)	$ (33,946)	$ 53,083	$ -	$ 4,400,826

	2023					
	Initial balance	Additions	Disposals	Foreign exchange effect	Impairment	Final balance
Investment:						
Investment in stores	$ 14,400,441	$ 703,129	$ (81,026)	$ (148,985)	$ (22,775)	$ 14,850,784
Furniture and equipment	344,560	101,069	(5,668)	(11,599)	(1,507)	426,855
Computer equipment	425,698	150,060	(19,526)	(18,912)	(1,264)	536,056
Machinery and equipment	233,925	133,937	(24,060)	(5,607)	(1,074)	337,121
Transportation equipment	53,829	6,553	(4,519)	(6,304)	-	49,559
Others	42,581	-	(144)	(4,852)	-	37,585
	15,501,034	1,094,748	(134,943)	(196,259)	(26,620)	16,237,960
Depreciation:						
Investment in stores	(9,513,479)	(1,708,605)	79,530	130,334	-	(11,012,220)
Furniture and equipment	(80,631)	(34,003)	1,871	7,292	-	(105,471)
Computer equipment	(179,068)	(108,448)	12,481	16,093	-	(258,942)
Machinery and equipment	(57,034)	(21,655)	1,487	4,604	-	(72,598)
Transportation equipment	(24,997)	(7,205)	4,055	3,171	-	(24,976)
Others	(14,363)	(655)	143	1,719	-	(13,156)
	(9,869,572)	(1,880,571)	99,567	163,213	-	(11,487,363)
	$ 5,631,462	$ (785,823)	$ (35,376)	$ (33,046)	$ (26,620)	$ 4,750,597

11. 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 furniture and 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 December 31, 2024:

	Properties	Computer equipment	Investment in stores	Transportation equipment	Total assets
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	(2,202,814)	(2,946)	(21,672)	(177,416)	(2,404,848)
December 31, 2024	$ 9,713,115	$ 4,357	$ 48,959	$ 126,683	$ 9,893,114

As of December 31, 2023:

	Properties	Computer equipment	Investment in stores	Transportation equipment	Total assets
January 1, 2023	$ 9,887,862	$ 5,230	$ 96,664	$ 805,485	$ 10,795,241
Foreign exchange effect	(49,264)	-	-	-	(49,264)
Contracts changes	1,088	-	-	-	1,088
Additions for new contracts	2,124,273	7,077	-	219,064	2,350,414
Disposals	(254,745)	-	-	(70,768)	(325,513)
Depreciation	(2,093,234)	(5,004)	(26,033)	(222,523)	(2,346,794)
December 31, 2023	$ 9,615,980	$ 7,303	$ 70,631	$ 731,258	$ 10,425,172

c. Lease liabilities

	2024	2023
Balance at January 1	$ 11,985,821	$ 12,029,286
Additions for new contracts and rent update	2,489,276	2,341,011
Interest accrued in the period	1,288,121	1,325,913
Disposals	(743,686)	(342,986)
Payments for leases	(3,664,917)	(3,420,964)
Foreign currency effects	144,452	53,560
Decrease in lease payments	-	-
	11,499,067	11,985,820
Less, current	(2,048,919)	(2,594,438)
Non-current	$ 9,450,148	$ 9,391,382

d. Amounts recognized in profit for the year

	2024	2023
Depreciation of right-on-use assets	$ 2,404,848	$ 2,346,794
Interest expense on lease liabilities	1,288,121	1,325,913
Cost of disposal of assets and liabilities DDU	(743,686)	(342,986)
	$ 2,949,283	$ 3,329,721

e. Maturity of lease liabilities

Years of maturity	2024	2023
Current	$ 2,048,919	$ 2,594,438
Between 1 and 2 years	1,941,174	2,466,602
Between 2 and 5 years	3,537,481	3,102,652
Over 5 years	3,971,493	3,822,128
Non-current	9,450,148	9,391,382
Total lease liabilities	$ 11,499,067	$ 11,985,820

12. Investments in associates

	2024		
	% of participation	Investment	Equity in net profit (loss)
Banco Azteca de Honduras, S. A.	29.10	$ 520,977	$ 82,676
Mercadotecnia Tezontle, S. A. de C. V.	5.20	191,919	266
Inmuebles Ardoma, S. A. de C. V.	10.20	170,922	(1,585)
BAZ Entregas, S. A. de C. V.	33.50	120,880	11,557
Others		98,856	(2,718)
		$ 1,103,554	$ 90,196

	2023		
	% of participation	Investment	Equity in net profit (loss)
Banco Azteca de Honduras, S. A.	29.10	$ 396,821	$ 73,930
Mercadotecnia Tezontle, S. A. de C. V.	5.20	191,653	1,851
Inmuebles Ardoma, S. A. de C. V.	10.20	172,493	(6,635)
BAZ Entregas, S. A. de C. V.	33.50	111,982	(967)
Others		105,722	9,093
		$ 978,671	$ 77,272

13. Disposal of business

On May 8, 2015, the Company 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 year effects of this process.

The income, costs and expenses related to the discontinued operation are as follows:

	2024	2023
Income	$ -	$ -
Cost	-	-
Expenses	(219)	(916)
Depreciation	-	(2)
Others	(4,643)	1,456
Total discontinued operations	$ (4,862)	$ 538

14. 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 December 31, 2024 and 2023, the Senior Notes net outstanding balance was $ 6,919,238 and $ 7,056,929, respectively:

	2024	2023
Outstanding balance	$ 7,093,905	$ 7,179,738
Transaction costs	(174,667)	(122,809)
	6,919,238	7,056,929
Less, current Senior Notes	-	1,689,350
Non-current Senior Notes	$ 6,919,238	$ 5,367,579

On April 17, 2025, the Company made the payment of the first amortization of the Senior Notes for an amount of US$ 25 million of principal and US$ 4.9 million of interest with the flows entering the financing structure in accordance with the transaction documents. In addition, the Senior Notes have a Debt Service Reserve for US$ 37,532 equal to the Maximum Quarterly Debt Service.

The senior secured notes series 2024-1 had a Monthly Debt Service Coverage Ratio of 128.9x, 148.4x, and 153.0x during October, November, and December 2024, respectively, and a Quarterly Debt Service Coverage Ratio of 146.7x during the fourth quarter of 2024.

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

	2023
2025	$ -
2026	-
2027	1,660,365
2028	1,391,634
2029	1,399,459
2030 hereafter	2,467,780
	6,919,238
Non-current debt	$ 6,919,238

15. Other accounts payable

		2024		2023
Creditor for goods and services	$	4,712,626	$	3,082,918
Merchandise reserve		1,006,720		896,261
Deferred income		116,353		67,143
Taxes payable		414,168		451,552
Others		5,656		4,849
	$	6,255,523	$	4,502,723

16. Employee benefits

a. Short-term benefits

The Company has a defined-benefit pension plan covering all employees. This plan consists of a lump sum payment of 12 days for each year worked, based on the last salary, capped at twice the legally established minimum wage.

Short-term employee benefits are recognized as expenses in income for the period, and their liabilities are stated at their nominal value.

b. Termination benefits

Retirement benefits under the scheme of defined benefits require actuarial assumptions to measure the obligations contracted and the expense corresponding to each period. In addition, there is the possibility of obtaining actuarial gains and losses. They are measured by using the projected credit unit method, by considering the present value of the obligation as of the date of the balance sheet.

The valuation of employee benefits is performed by independent experts, based on actuarial studies. Among other things, the following premises are used which can have a significant effect, such as interest rate, discount rate, rate of salary increase, increase rate of the minimum wage, long-term rate of inflation, turnover rate, and mortality rate based on recognized tables.

Benefit plans have been established for employees concerning the termination of the employment relationship, and retirement due to causes other than restructuring. Benefit plans upon termination of the employment relationship consider indemnifications for dismissal and accrued seniority premium, which are not going to reach the benefits of the retirement or pension plan. Retirement benefit plans consider the years of service completed by the employee and his or her remuneration as of the retirement date. Retirement benefit plans include the seniority premium to which workers are entitled to receive, upon termination of the employment relationship, as well as other defined benefits.

c. Projected net liabilities

The net liability and the cost of the defined benefits plan are calculated by an independent actuary, in conformity with the bases defined in the plans, by using the projected unit credit method.

The present values of these obligations are:

The reconciliation from the opening balance to the closing balance of the net defined benefits liability is as follows:

	2024	2023
Opening balance of the net defined benefits liability	$ 529,4047	396,760
Defined benefit cost of the year	151,614	154,599
Payments	(19,380)	(44,195)
Recycling to OCI	(46,006)	35,426
Actuarial (gains) Losses in obligations	(29,485)	(13,183)
Closing balance of the net defined benefits liability	$ 586,150	$ 529,407

The defined benefit cost is as follows:

	2024	2023
Recognized in net income:		
Current service labor cost	$ 28,490	$ 18,952
Past service labor cost	15,999	28,151
Net interest	33,511	22,766
Recycling of remeasurements from ORI	73,614	84,730
Net cost of the period	$ 151,614	$ 154,599

The most important assumptions used in determining the net cost of the plans for the period are as follows, weighted average rates:

	2024	2023
Discount rate	9.73%	9.01%
Salary increase rate	5.90%	6.00%

17. 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 December 31, 2024 and 2023, the share capital are as follows:

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

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 April 2023, 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 April 12, 2023.

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 December 31, 2024, by an amount 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 December 31, 2024 and 2023, the updated balance of NEM in the account called "Updated contribution capital" amounts to $ 23,607,705 and $ 22,652,758, respectively. 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 December 31, 2024 and 2023, the updated balance of NEM amounts to $13,152,482 and $12,167,522, respectively.

g. Other comprehensive income

Other comprehensive income as of December 31 is composed as shown below:

	2024	2023
Net (loss) profit of the period	$ (392,297)	$ 1,569,659
Exchange gains (loss) arising on translation of foreign operations in subsidiaries and associated companies	4,494,839	(2,987,378)
Actuarial losses on employee benefits	(19,190)	(88,187)
Non-controlling	-	1
Comprehensive profit (loss) of the period	$ 4,083,352	$ (1,505,905)

18. Revenue and costs

As of December 31, 2024 and 2023 the principal income of the Company is as follows:

	2024	2023
Inventory retail sales	$ 36,138,021	$ 36,569,095
Administrative services	23,516,062	20,252,203
Money transfers	4,452,865	4,259,290
Commissions and extended warranty services	1,626,247	1,634,128
	$ 65,733,195	$ 62,714,716

As of December 31, 2024 and 2023 costs by nature are as follows:

	2024	2023
Inventory retail sales	$ 30,195,526	$ 30,492,599
Money transfers	109,089	87,954
Commissions and extended warranty services	1,043,974	1,139,995
	$ 31,348,589	$ 31,720,548

19. Expenses by nature

	2024	2023
Operating expenses	$ 15,982,471	$ 13,424,629
Salaries and employee benefits	4,394,446	4,903,783
Advertising	2,461,733	1,889,290
Rent, electricity and telephone	1,773,301	1,627,649
Others	5,666,381	4,686,157
	$ 30,278,332	$ 26,531,508

20. Foreign exchange

The Company had the following monetary assets and liabilities in thousands of dollars without including the net assets of the subsidiary companies abroad that maintain a registry currency that matches the functional currency, shown below:

	2024	
	US dollars (thousands)	Mexican pesos (thousands)
Assets	552,999	$ 11,208,355
Liabilities	(384,962)	(7,802,533)
Long position on foreign currency	168,037	3,405,822

	2023	
	US Dollars (thousands)	Mexican pesos (thousands)
Assets	574,483	$ 9,705,026
Liabilities	(455,719)	(7,698,683)
Long position on foreign currency	118,764	$ 2,006,343

The exchange rate used to evaluate the position in U.S. Dollars at year end 2024 and 2023 was $ 20.2683 and $ 16.8935, respectively. At the issue date of the audited consolidated financial statements, the exchange rate of the U.S. Dollar was $ 20.4568.

As of December 31, 2024 and 2023, the company did not operate foreign currency hedging instruments.

21. Income taxes

Income taxes are as follows:

	2024	2023
Current income tax	$ 436,610	$ 852,766
Deferred income tax	(340,277)	(902,537)
	$ 96,333	$ (49,771)

a. The income tax 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. The balance at the end of December 2024, and 2023, amounted to $97,690 and $568,956, respectively.

c. Below is a summary of the main temporary differences, not including the corresponding to foreign subsidiaries, on which deferred taxes were recognized:

	2024	2023
Deferred income tax asset:		
Lease liabilities	$ 3,355,557	$ 3,531,864
Investment in stores, furniture and equipment	2,928,044	2,713,297
Provisions	1,337,915	1,293,704
Contingent provisions	120,448	209,128
Investment valuation	401,279	401,279
Employee benefits	145,702	132,208
Tax loss carryforwards	128,751	42,493
Income to be earned	24,213	12,073
	8,441,909	8,336,046
Deferred income tax liability:		
Right-of-use assets	(2,788,249)	(3,006,608)
Prepaid expenses	(265,586)	(209,990)
Others	(441,126)	(512,458)
	(3,494,961)	(3,729,056)
Deferred income tax asset, net	4,946,948	4,606,990
Less:		
Deferred income tax from previous year	4,606,990	3,704,717
Foreign currency translation effect	(319)	(264)
Deferred income tax of the year	$ 340,277	$ 902,537

d. As of December 31, 2024 and 2023, the reconciliation of the statutory and effective ISR rate expressed as a percentage of income before ISR is as follows:

	2024 %	2023 %
Statutory rate	30.00	30.00
Plus (less):		
Participation in the results of associates	(0.30)	0.03
Inflationary effects	(0.17)	0.64
Others	3.57	(33.89)
Effective rate	33.09	(3.22)

22. Information by segments

Financial information by geographic area as of December 31, 2024 and 2023 is presented below:

	Mexico	Central America	Other	Total
December 31, 2024				
Income	$ 59,190,048	$ 6,543,147	$ -	$ 65,733,195
Gross profit	32,154,386	2,230,220	-	34,384,606
(Loss) profit from operations	(234,382)	394,784	(21,781)	138,621
Depreciation and amortization	(3,769,861)	(256,288)	(9)	(4,026,158)
Income tax	(339,712)	(138,033)	381,412	(96,333)

	Mexico	Central America	Other	Total
December 31, 2023				
Income	$ 57,030,350	$ 5,684,366	$ -	$ 62,714,716
Gross profit	29,203,308	1,790,860	-	30,994,168
(Loss) profit from operations	(127,191)	241,037	(14,782)	99,064
Depreciation and amortization	(4,108,382)	(249,865)	(21)	(4,358,269)
Income tax	(116,843)	(116,795)	283,409	49,771

23 Disclosures to the statement of cash flows:

Below is a reconciliation of the opening and closing balances of liabilities considered to be part of financing activities:

	2024	
	Long-term debt	Current portion of debt
As of January 1, 2024	$ (11,762,661)	$ (1,216,066)
Movements that require cash flows:		
Senior Notes (Debt payments)	(13,302,837)	(1,818,479)
Senior Notes (Proceeds from debt)	6,794,582	-
Lease payments	(2,382,666)	5,871
Interest paid	(2,457,626)	-
As of December 31, 2024	$ (23,111,208)	(3,028,674)

	2023	
	Long-Term debt	Current portion of debt
As of January 1, 2023	$ (6,417,043)	$ 500,000
Movements that require cash flows:		
Senior Notes (Debt Payments)	(1,319,553)	(500,000)
Lease payments	(878,986)	(1,216,066)
Dividends payment	(1,000,000)	-
Interest paid	(2,147,079)	-
As of December 31, 2023	$ (11,762,661)	$ (1,216,066)

24. 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 2023 Grupo Elektra made an additional disposal for $ 500,000 with Banco Multiva, for a term of 3 years.

On July 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 Brasil informed the Banco Central de Brasil 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 Brasil.

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.

They are currently awaiting resolution in the Federal Administrative Court, with the exception of the tax credit corresponding to fiscal year 2012, which is pending of resolution in a Direct Amparo appeal under review at 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. NEM recently submitted an update to its guarantees; however, it is awaiting approval from the authorities. 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.

25. New accounting standards

During 2024, the CINIF issued some improvements to the NIF that became effective on January 1, 2025, that the Company has decided to not adopt early. The most significant improvements, that give rise to accounting changes are the following:

- NIF A-1 "Conceptual Framework of Financial Reporting Standards". The definition of public interest entity is included on this NIF with the objective of identifying disclosures applicable to all entities in general and those that are mandatory only for public interest entities

- NIF B-2 "Statement of Cash Flows" General disclosure standards related to financing agreements for payment to suppliers were added to this NIF, which include the terms and conditions of the agreements, information at the beginning and end of the year corresponding to the book value of the financial liabilities that form part of the agreements, payments made, the range of payment due dates, among others.

- NIF B-3 "Statement of Comprehensive Income" and NIF C-3 "Accounts Receivable". It is clarified that bonuses, discounts, and returns must be presented net of sales or revenue for the period in the statement of income and may be disclosed separately in the notes to the financial statements.

- NIF B-14 "Earnings per Share." The scope of this NIF is modified so that it is only applicable to entities that have equity instruments listed or to be listed on a stock exchange.

- NIF B-15 "Foreign Currency Translation" The applicable regulations are included when an entity determines that one currency is not interchangeable with another.

- NIF C-6 "Property, Plant, and Equipment." The special depreciation method is eliminated because it is not considered a method, but only a practical form of applying any other method established in said NIF. Additionally, a description of each of the permitted depreciation methods is included.

- NIF C-19 "Financial Instruments Payable." Certain requirements are added to derecognize a financial liability settled using an electronic payment system.

- NIF D-1 "Revenue from Contracts with Customers." The scope of this NIF is modified and the supplementary requirement to apply the International Financial Reporting Standard 17 "Insurance Contracts" is eliminated for those cases in which a service provider enters into contracts through which it agrees to compensate the client if an uncertain future event occurs when the main purpose is to provide services for a fixed payment, as long as the requirements established for this purpose are met.

26. Issuance of financial statements

These consolidated financial statements and related notes have been approved by C.P Mónica Urrutia Falcón, Comptroller and by C.P.C Álvaro Alberto Calderón Jiménez, Chief Financial Officer, as of April 30, 2025, both responsible for the financial information of Nueva Elektra del Milenio, S. A. de C. V. and subsidiaries, and are subject to approval of Board of the Ordinary stockholder's meeting.