



Becle, S.A.B. de C.V. Reports Fourth Quarter and Full Year 2023 Unaudited Financial Results

Mexico City, Mexico, February 22nd, 2024 / -- BECLE, S.A.B. de C.V. (“Cuervo”, “Becle” or the “Company”) (BMV: CUERVO) announced its financial results today for the fourth quarter and full year ended December 31st, 2023.

All figures in this release are derived from the Company’s interim consolidated financial statements as of December 31st, 2023, and for the three and twelve-month periods ended on the same date, which are prepared in accordance with International Financial Reporting Standards (IFRS).

Fourth Quarter 2023 highlights

- Volume increased 0.2% on a pro forma basis, excluding the one-off inventory sale effect of the discontinuation of Playamar RTD in 4Q22 (-2.9% reported);
- Net sales increased 3.6% in constant currency on a like-for-like basis (-4.6% reported);
- Gross profit decreased 12.7% to P\$6,930 million pesos. Gross margin was 52.6%, a decrease of 4.9 percentage points year over year;
- EBITDA decreased 2.4% to P\$2,436 million pesos. EBITDA margin was 18.5%, an increase of 0.4 percentage points year over year;
- Consolidated net income increased 40.6% to P\$1,963 million pesos. Net margin was 14.9%, an increase of 4.8 percentage points year over year and;
- Earnings per share (“EPS”) was P\$0.55 pesos.

Full Year 2023 highlights

- Volume decreased 1.4% to 27.1 million nine-liter cases;
- Net sales increased 6.2% in constant currency on a like-for-like basis (-3.0% reported);
- Gross profit decreased 10.4% to P\$22,480 million pesos. Gross margin was 50.7%, a decrease of 4.2 percentage points year over year;
- EBITDA decreased 25.7% to P\$7,312 million pesos. EBITDA margin was 16.5%, a decrease of 5.0 percentage points year over year;
- Consolidated net income decreased 19.5% to P\$4,734 million pesos. Net margin was 10.7%, a decrease of 2.2 percentage points year over year and;

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- EPS was P\$1.32 pesos.

All abovementioned increases and decreases are in comparison to the corresponding period from last year.

Management commentary

“Acknowledging the prevailing market challenges, we remain optimistic about our growth trajectory. The slowdown in consumer demand for spirits across several markets indicates a return to historical trends after two years of exponential growth. However, the enduring resilience and continued demand for our brands underline our confidence in regaining momentum as we progress through 2024. We also anticipate cost tailwinds for the year, deriving from supply chain pressures easing and lower input costs, resulting in margin expansion opportunity. Our strategic focus on premiumization has enabled us to either maintain or increase our market share in most key markets, positioning us favorably to navigate and overcome current setbacks.”

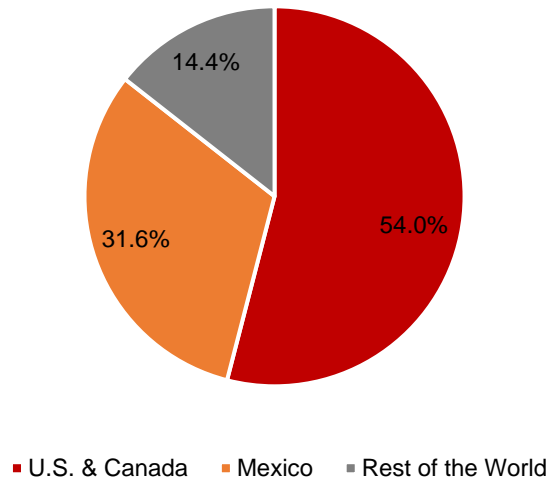
Fourth Quarter 2023 results

Volume by region 4Q23 (in 000s nine-liter cases)

Region	4Q23	4Q22	YoY % Δ	YoY % Δ PF*
U.S. & Canada	4,292	4,599	-6.7%	-1.2%
Mexico	2,507	2,431	3.1%	3.3%
Rest of the World	1,145	1,153	-0.6%	-0.6%
Total	7,945	8,184	-2.9%	0.2%

*Pro forma figures excluding the one-off inventory sale effect of the discontinuation of Playamar RTD in 4Q22 of 255,000 cases.

Volume Breakdown by Region 4Q23



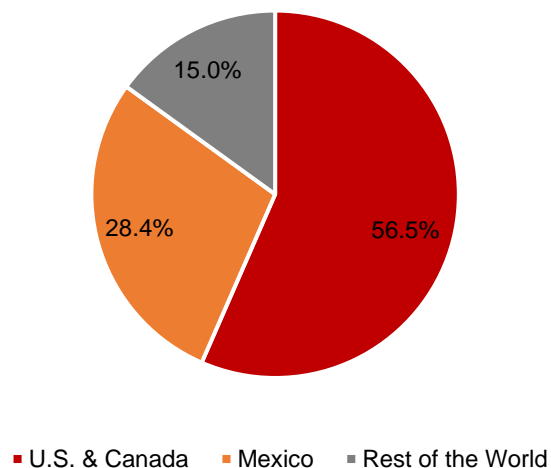
During the fourth quarter of 2023, total volume decreased 2.9% to 7,945 million nine-liter cases. This decline was primarily driven by a 6.7% contraction in U.S. and Canada, along with a 0.6% decrease in Rest of the World (“RoW”), partially offset by a 3.1% growth in Mexico. The decrease in volume reflects the high comparable base in the RTD category in the U.S. and Canada, as the region is lapping a one-time inventory sale effect of the discontinuation of Playamar Hard Seltzer.

Net sales by region 4Q23 (in P\$, millions)

Region	4Q23	4Q22	YoY % Δ	YoY % Δ PF*
U.S. & Canada	7,444	8,477	-12.2%	-3.3%
Mexico	3,742	3,395	10.2%	10.2%
Rest of the World	1,979	1,929	2.6%	22.4%
Total	13,164	13,801	-4.6%	3.6%

*Pro forma figures on a constant currency basis.

Net Sales Breakdown by Region 4Q23



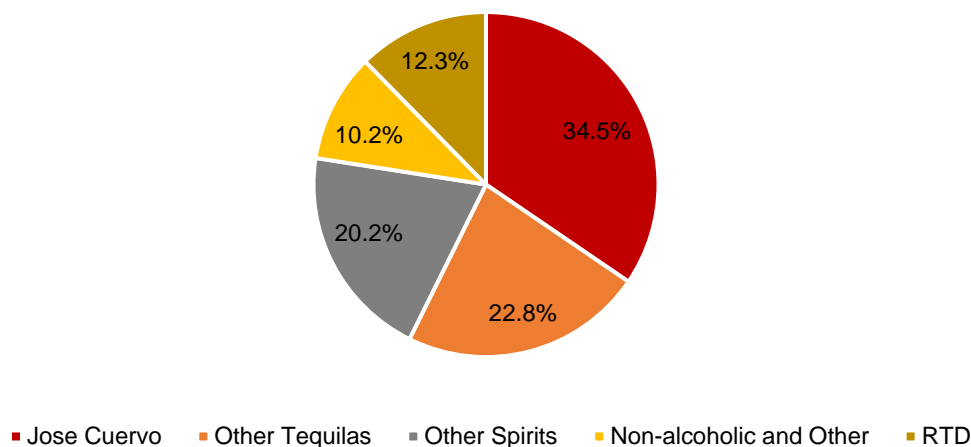
Fourth quarter 2023 net sales decreased 4.6% year on year to P\$13,164 million pesos. Net sales for the U.S. and Canada region decreased 12.2% when compared to the fourth quarter of 2022, primarily due to unfavorable currency translation effects from U.S. dollars to Mexican pesos. In the same period, net sales in Mexico increased 10.2%, mainly driven by pricing initiatives and premium tequila brand sales. RoW net sales increased 2.6% year-on-year on the back of strong product mix, which was partially offset by unfavorable currency translation effects of some of our operating currencies into Mexican Pesos.

Volume by category 4Q23 (in 000s nine-liter cases)

Category	4Q23	4Q22	YoY % Δ	YoY % Δ PF*
Jose Cuervo	2,743	2,797	-1.9%	-1.9%
Other Tequilas	1,812	1,710	6.0%	6.0%
Other Spirits	1,602	1,639	-2.3%	-2.3%
Non-alcoholic and Other	809	766	5.6%	5.6%
RTD	979	1,271	-23.0%	-2.9%
Total	7,945	8,184	-2.9%	0.2%

*Pro forma figures excluding the one-off inventory sale effect of the discontinuation of Playamar RTD in 4Q22 of 255,000 cases.

Volume Breakdown by Category 4Q23

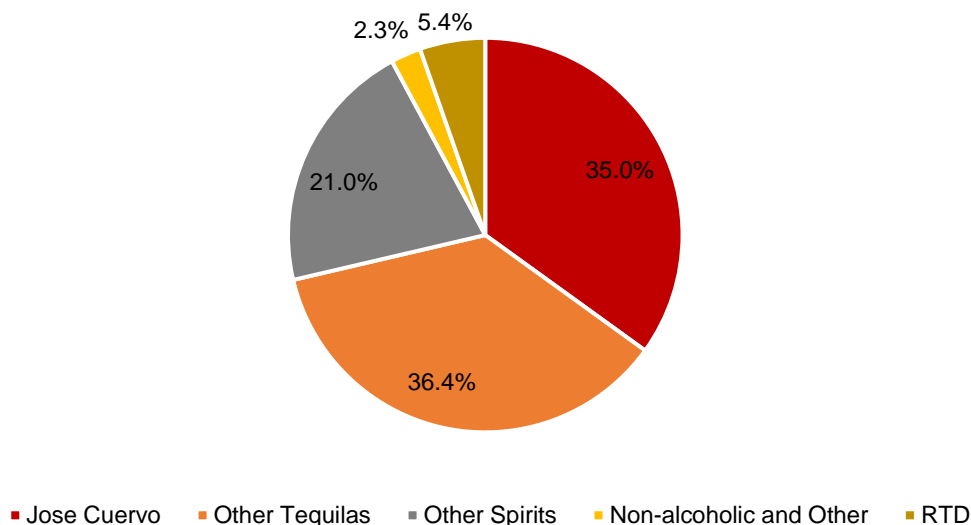


Volume of 'Jose Cuervo' decreased 1.9% compared to the same period of 2022 and represented 34.5% of total volume for the fourth quarter of 2023. 'Other Tequilas' brands represented 22.8% of total volume, with volume increasing 6.0% compared to the same period of the previous year. 'Other Spirits' brands represented 20.2% of total volume in the period and decreased 2.3% in volume compared to the fourth quarter of 2022. Volume of 'Non-alcoholic and Other' represented 10.2% of total volume and increased 5.6% compared to the prior year period. Volume of 'RTD' represented 12.3% of total volume and decreased by 23.0% compared to the same period of the previous year.


Net sales by category 4Q23 (in P\$, millions)

Category	4Q23	4Q22	YoY % Δ
Jose Cuervo	4,601	4,886	-5.8%
Other Tequilas	4,791	4,792	0.0%
Other Spirits	2,764	2,978	-7.2%
Non-alcoholic and other	303	255	18.8%
RTD	705	889	-20.7%
Total	13,164	13,801	-4.6%

Net Sales Breakdown by Category 4Q23



Net sales of 'Jose Cuervo' decreased 5.8% compared to the same period of 2022 and represented 35.0% of total net sales for the fourth quarter of 2023. Net sales of 'Other Tequilas' brands remained flat compared to the prior year period and represented 36.4% of total net sales. 'Other Spirits' brands represented 21.0% of total net sales in the period and decreased 7.2% compared to the fourth quarter of last year. Net sales of 'Non-alcoholic and Other' represented 2.3% of total net sales and increased 18.8% compared to the prior year period. Net sales of 'RTD' represented 5.4% of total net sales and decreased 20.7% compared to the same period of the previous year.



Gross profit during the fourth quarter of 2023 decreased 12.7% compared to the same period of 2022 to P\$6,930 million pesos. Gross margin was 52.6% for the fourth quarter of 2023 compared to 57.5% for the same quarter of 2022. The gross margin decrease was primarily due to foreign currency effects caused by the appreciation of the Mexican peso against the U.S. dollar, and by higher input costs, which reflect the gradual transition through our older inventory produced with higher-cost materials. This was partially offset by price increases across the regions and a favorable change in the product mix.

Advertising, marketing, and promotion (“AMP”) expenses in the fourth quarter of 2023 decreased 27.9% to P\$2,845 million pesos when compared to the same quarter of 2022. This decrease indicates the phasing of AMP investment opportunities across both our regions and our brands.

Distribution expenses decreased 20.3% to P\$524 million pesos when compared to the fourth quarter of 2022, driven by decreased freight, warehousing and logistics costs arising from reduced supply chain constraints.

Selling and administrative (“SG&A”) expenses increased 7.2% to P\$1,229 million pesos when compared to the fourth quarter of 2022. As a percentage of net sales, SG&A expenses increased to 9.3% from 8.3% in the same period of 2022. This increase was mainly due to lower net sales value and prevailing inflationary pressures.

Operating income during the fourth quarter of 2023 decreased 1.2% to P\$2,158 million pesos compared to the same period of 2022. Operating margin increased to 16.4% compared to 15.8% in the fourth quarter of the prior year.

EBITDA in the fourth quarter of 2023 decreased 2.4% to P\$2,436 million pesos compared to the fourth quarter of 2022. EBITDA margin was 18.5% for the fourth quarter of 2023 versus 18.1% for the fourth quarter of 2022.

The net financial result was positive P\$224 million pesos during the fourth quarter of 2023 compared to negative P\$230 million pesos in the same period of 2022. This increase was mainly driven by a higher year-over-year foreign exchange gain, as our net cash exposure in U.S. dollars was positively impacted by the appreciation of the Mexican Peso. These effects were partially offset by a higher interest expense compared to the same period of the previous year, driven by financing incurred during the fourth quarter of 2023.

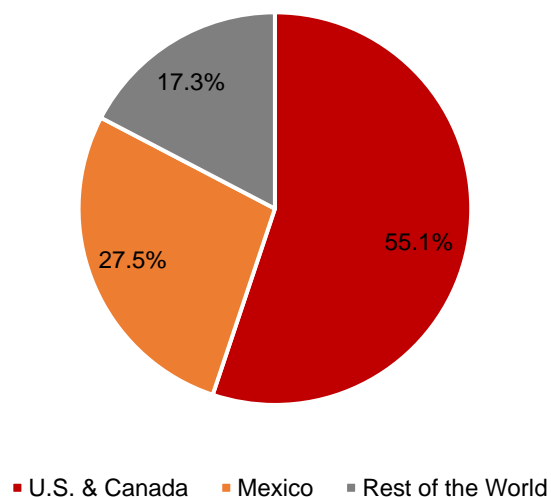
Consolidated net income in the fourth quarter of 2023 increased 40.6% to P\$1,963 million pesos, compared to P\$1,396 million pesos in 2022. Net margin was 14.9% for the fourth quarter of 2023, compared to 10.1% for the same quarter of 2022. EPS was P\$0.55 pesos in the fourth quarter of 2023.

Full Year 2023 Results

Volume by Region for Full Year 2023 (in 000s nine-liter cases)

Region	2023	2022	YoY % Δ
U.S. & Canada	14,923	15,397	-3.1%
Mexico	7,451	7,774	-4.2%
Rest of the World	4,693	4,279	9.7%
Total	27,068	27,450	-1.4%

Volume Breakdown by Region 2023



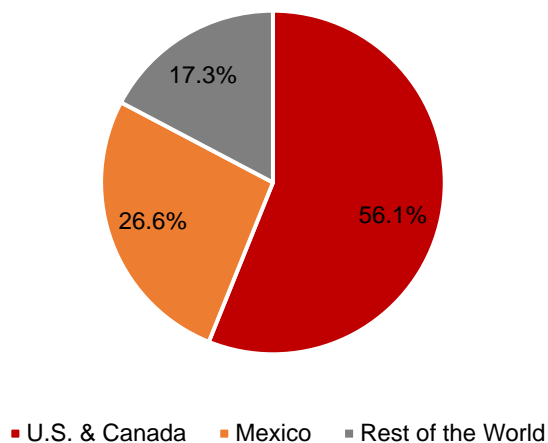
During 2023, total volume decreased 1.4% to 27,068 million nine-liter cases, explained by a 3.1% and 4.2% contraction in U.S. and Canada and Mexico, respectively, partially offset by a 9.7% growth in Rest of the World (“RoW”). This decrease reflects the high comparable base in the RTD category in the U.S. and Canada, as the region is lapping a one-time effect of the discontinuation of Playamar Hard Seltzer. Additionally, the Mexico region faced setbacks in the non-alcoholic category, as a result of the changes in distribution and packaging regulations for our B:ooost brand. Excluding these effects, total volume would have increased 1.5% to 27,866 million nine-liter cases.

Net Sales by Region for Full Year 2023 (in MXN\$, millions)

Region	2023	2022	YoY % Δ	YoY % Δ PF*
U.S. & Canada	24,879	27,466	-9.4%	1.9%
Mexico	11,813	10,923	8.1%	8.1%
Rest of the World	7,663	7,340	4.4%	19.7%
Total	44,355	45,729	-3.0%	6.2%

*Pro forma figures on a constant currency basis.

Net Sales Breakdown by Region 2023

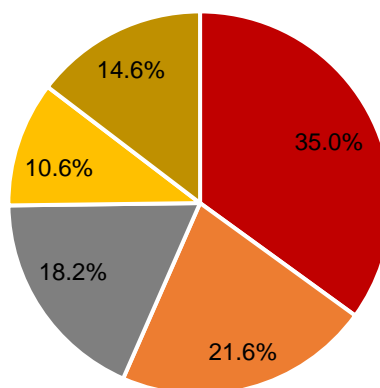


Net sales during the full year of 2023 decreased 3.0% to P\$44,355 million pesos compared to the same period of 2022, impacted by unfavorable currency translation effects from U.S. dollars to Mexican pesos. On a constant currency basis, net sales increased 6.2%, driven by higher average net sales price per case, reflecting the Company's premiumization and price increase efforts implemented throughout the year. Net sales in the U.S. and Canada decreased by 9.4% versus the same period of 2022, impacted by the previously mentioned currency translation effects. This was partially offset by an 8.1% year-on-year increase in Mexico net sales due to a higher average net sales price per case mainly resulting from price increases. Net sales for the RoW region increased 4.4% versus the full year of 2022, reflecting volume growth.

Volume by Category for Full Year 2023 (in 000s nine-liter cases)

Category	2023	2022	YoY % Δ
Jose Cuervo	9,470	9,172	3.2%
Other Tequilas	5,843	5,447	7.3%
Other Spirits	4,936	4,999	-1.3%
Non-alcoholic and Other	2,861	3,215	-11.0%
RTD	3,958	4,617	-14.3%
Total	27,068	27,450	-1.4%

Volume Breakdown by Category 2023



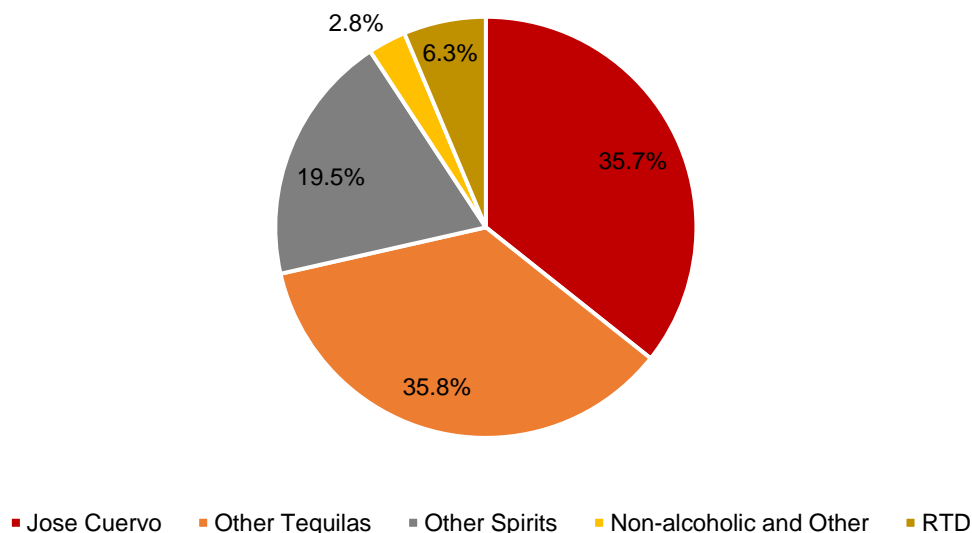
■ Jose Cuervo ■ Other Tequilas ■ Other Spirits ■ Non-alcoholic and Other ■ RTD

Volume of 'Jose Cuervo' grew 3.2% versus the previous year and represented 35.0% of total volume for the full year of 2023. The Company's 'Other Tequila' brands represented 21.6% of total volume and increased 7.3% compared to the prior year. The Company's 'Other Spirits' brands represented 18.2% of total volume in the period and decreased 1.3% over the full year 2022. Volume of 'Non-alcoholic and Other' represented 10.6% of total volume, decreasing 11.0% compared to the prior year. Volume of 'RTD' represented 14.6% of total volume and decreased by 14.3% compared to the prior year period.


Net Sales by Category for Full Year 2023 (in MXN\$, millions)

Category	2023	2022	YoY % Δ
Jose Cuervo	15,830	16,086	-1.6%
Other Tequilas	15,865	15,315	3.6%
Other Spirits	8,635	9,436	-8.5%
Non-alcoholic and Other	1,221	1,228	-0.6%
RTD	2,804	3,664	-23.5%
Total	44,355	45,729	-3.0%

Net Sales Breakdown by Category 2023



'Jose Cuervo' net sales decreased 1.6% compared to 2022, representing 35.7% of total net sales for the full year of 2023. The Company's 'Other Tequila' brands net sales increased 3.6% compared to the prior year representing 35.8% of total net sales. The Company's 'Other Spirits' brands represented 19.5% of total net sales in the period and reported an 8.5% decrease in net sales compared to the full year of 2022. Net sales of 'Non-alcoholic and Other' represented 2.8% of total net sales, a 0.6% net sales decrease compared to the prior year. Net sales of 'RTD' represented 6.3% of total net sales decreased by 23.5% compared to the prior year.



Gross profit for the full year of 2023 decreased 10.4% in comparison to the same period of 2022 to P\$22,480 million pesos. Gross margin was 50.7% for the full year of 2023 compared to 54.9% for the full year of 2022. The gross margin decrease was primarily due to foreign currency effects caused by the appreciation of the Mexican peso against the U.S. dollar, and by higher input costs, which reflect the gradual transition through our older inventory produced with higher-cost materials. This was partially offset by price increases across the regions and a favorable change in the product mix.

AMP expenses decreased 1.7% to P\$9,986 million pesos when compared to the full year of 2022. As a percentage of net sales, AMP increased 30 basis points to 22.5%, in line with the Company's investment strategy.

Distribution expenses decreased 12.2% to P\$1,926 million pesos when compared to 2022. As a percentage of net sales, distribution expenses decreased to 4.3% from 4.8% in 2022, driven by decreased freight, warehousing and logistics costs arising from reduced supply chain constraints.

Selling and administrative (SG&A) expenses increased 9.7% to P\$4,252 million pesos when compared to the full year of 2022. As a percentage of net sales, SG&A expenses increased 110 basis points to 9.6% from 8.5% in 2022. This increase was mainly due to lower net sales value and prevailing inflationary pressures.

During the full year of 2023, operating profit decreased 29.8% to P\$6,238 million pesos compared to the prior year. Operating margin decreased to 14.1% compared to 19.4% in 2022.

EBITDA for the full year of 2023 decreased by 25.7% to P\$7,312 million pesos compared to P\$9,843 million pesos for the full year of 2022. The EBITDA margin decreased to 16.5% compared to 21.5% in 2022.

The net financial result was a loss of P\$7 million pesos during the full year 2023 compared to negative P\$620 million pesos in the same period of 2022. This increase was mainly driven by a higher year-over-year foreign exchange gain, as our net cash exposure in U.S. dollars was positively impacted by the appreciation of the Mexican Peso. In addition, the Company recorded a higher interest income, mainly driven by an increase in interest rates. These effects were partially offset by a higher interest expense compared to the same period of the previous year, driven by additional financing incurred during the year.

Consolidated net income for the full year of 2023 was P\$4,734 million pesos, a decrease of 19.5% versus the prior year period. Net margin was 10.7% for the full year. Earnings per share amounted to P\$1.32, compared to P\$1.64 in 2022.

Financial position and cash flow

As of December 31, 2023, cash and cash equivalents were P\$6,367 million pesos, and total financial debt was P\$23,897 million pesos. During 2023, the Company generated P\$921 million pesos of net cash from operating activities and deployed P\$3,513 million pesos in net investing activities. Net cash generated from financing activities was P\$4,991 million pesos for the year ended on December 31, 2023.

Full Year 2023 Highlights

Figures in millions, except volume, which is in 000s of nine-liter cases.

	2023	% Sales	2022	% Sales	Like-for-like*	YoY % Δ
Volume	27,068	-	27,450	-	-	-1.4%
Net Sales	44,355	100%	45,729	100%	6.3%	-3.0%
Gross profit	22,480	50.7%	25,087	54.9%	-	-10.4%
EBITDA	7,312	16.5%	9,843	21.5%	-	-25.7%
Net Income	4,734	10.7%	5,881	12.9%	-	-19.5%

*Pro forma figures on a constant currency basis.

Quarterly Credit Metrics

	3Q23	4Q23	Δ
Lease adjusted Net Debt / EBITDA	3.2x	2.8x	(0.4x)

IFRS 9; IFRIC 16: Net investment hedge disclosures

Financial instruments to hedge net investments in foreign operations

Effective January 1st, 2020, the Company designated its US\$500 million Senior Notes due 2025 as a hedging instrument for its net investment in Sunrise Spirits Holding, Inc., with the objective of mitigating the exchange rate risk arising between the functional currency of these operations and the functional currency of the holding company that has such investment. However, on September 27th, 2021, the Company announced a cash tender offer and a consent solicitation to the holders of outstanding 2025 Senior Notes in circulation. The Company paid a total principal amount of US\$346.6 million (Ps7,202 million) of the 2025 Senior Notes (69.3% of the original issuance of US\$500 million). Therefore, the coverage designated by this bond is US\$153.4 million (Ps3,192 million).

On October 31st, 2021, the Company designated a new hedge in the amount of US\$346.6 million (Ps7,202 million), which is part of the Company's US\$800 million Senior Notes due 2031, as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc.



On August 31st, 2022, the Company designated a new hedge in the amount of US\$150 million (Ps2,999 million), which is part of the Company's US\$800 million Senior Notes due 2031, as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc.

The total coverage established by the Company is for a total of US\$650 million.

The Company formally designated and documented the hedging relationship, setting the objectives, risk-hedging strategy, identification of the hedging instrument, hedged item, nature of the risk to be hedged, and effectiveness assessment methodology. Since the exchange rate hedging relationship is clear, the method the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items.

Accounting policy

Net investment hedge in a foreign operation

The Company applies hedge accounting to the foreign exchange risk resulting from its investments in foreign operations because of changes in exchange rates arising between the functional currency of that operation and the functional currency of the holding company, regardless of whether the investment is held directly or through a sub-holder. The change in exchange rates is recognized in Other Comprehensive Income as part of the translation effect when the foreign operation is consolidated.

To this end, the Company designates the debt denominated in foreign currency as hedging instruments; therefore, the exchange effects arising from such debt are recognized in Other Comprehensive Income, in the translation effects line, to the extent that the hedge is effective. When the hedge is not effective, exchange rate differences are recognized in foreign exchange gain or loss in the consolidated income statement.

Conference Call

The Company plans to host a conference call for investors at 10:00 a.m. Mexico City Time (11:00 a.m. E.T.) on, Friday, February 23rd, 2024, to discuss the Company's fourth quarter and full year 2023 unaudited financial results. Interested parties may also listen to a simultaneous webcast of the conference call by logging in and registering directly at: <https://mm.closir.com/slideslo?id=623996> or www.becle.com.mx.

Fourth Quarter and Full Year 2023 Unaudited Financial Results Conference Call and Webcast Details

Date: Friday, February 23rd, 2024
Time: 10:00 a.m. Mexico City Time (11:00 a.m. E.T.)
Participants: Juan Domingo Beckmann (CEO)
Fernando Suárez (CFO)

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	Germany	+49 30 25 555 323

Conference ID: 623996

Webcast: <https://mm.closir.com/slideslo?id=623996> or www.becle.com.mx.

About Becele

Becele is a globally renowned company in the spirits industry and the world's largest producer of tequila. Its extraordinary portfolio of over 30 spirits brands, some of them owned, some of them agency brands distributed only in Mexico, has been developed throughout the years to participate in key categories with high growth potential, serving the world's most important alcoholic beverage markets and delivering on key consumer preferences and tendencies.

Becele's portfolio strength is based on the profound legacy of its iconic internally developed brands such as Jose Cuervo®, combined with complementary acquisitions such as Three Olives®, Hangar 1®, Stranahan's®, Bushmills®, Pendleton®, Boodles® and Proper No. Twelve®, as well as a relentless focus on innovation that over the years has created renowned brands such as 1800®, Maestro Dobel®, Centenario®, Kraken®, Jose Cuervo® Margaritas and B:oost®. Becele's brands are sold and distributed in more than 85 countries.



EBITDA

EBITDA is a measure used in the Company's financial analysis that is not recognized under IFRS but is calculated from amounts that derive from the Company's financial statements. We calculate EBITDA as net income plus depreciation and amortization, income tax expense, and interest expense, less interest income, plus foreign exchange gain (loss).

EBITDA is not an IFRS measure of liquidity or performance, nor is EBITDA a recognized financial measure under IFRS. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods on a combined basis, but these metrics may be calculated differently by other issuers. EBITDA should not be construed as an alternative to (i) net income as an indicator of the Company's operating performance or (ii) cash flow from operating activities as a measure of the Company's liquidity.

Disclaimer

This press release contains certain forward-looking statements which are based on Becele's current expectations and observations. Actual results obtained may vary significantly from these estimates. The information related to future performance contained in this press release should be read jointly with the risks included in the "Risk Factors" section of the Annual Report filed with the Comisión Nacional Bancaria y de Valores (Mexican National Banking and Securities Commission). This information, as well as future statements made by Becele or by any of its legal representatives, either in writing or verbally, may vary significantly from the actual results obtained. These forward-looking statements speak only as of the date on which they are made, and no assurance can be made as to the actual results obtained. Becele undertakes no obligation and does not intend to update or review any such forward-looking statements, whether as a result of new information, future developments or other related events.

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Consolidated Income Statements

	Fourth quarter ended December 31st, 2023			Fourth quarter ended December 31st, 2022		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	779	13,164		13,801		(636)	(4.6)
Cost of goods sold	369	6,235	47.4	5,859	42.5	375	6.4
Gross profit	410	6,930	52.6	7,941	57.5	(1,012)	(12.7)
Advertising, marketing and promotion	168	2,845	21.6	3,946	28.6	(1,101)	(27.9)
Distribution	31	524	4.0	657	4.8	(133)	(20.3)
Selling and administrative	73	1,229	9.3	1,146	8.3	82	7.2
Other expenses (income), net	10	175	1.3	9	0.1	165	1798.9
Operating income	128	2,158	16.4	2,183	15.8	(25)	(1.2)
Interest income	(2)	(30)	(0.2)	(42)	(0.3)	12	(28.6)
Interest expense	17	291	2.2	230	1.7	61	26.7
Changes in the fair value of financial instruments	(2)	(31)	(0.2)	-	-	(31)	N/A
Foreign exchange loss (gain) - Net	(27)	(454)	(3.4)	43	0.3	(496)	N/A
Financing results	(13)	(224)	(1.7)	230	1.7	(454)	(197.5)
Equity method	3	43	0.3	39	0.3	4	10.3
Income before income taxes	138	2,339	17.8	1,915	13.9	425	22.2
Income taxes	22	376	2.9	518	3.8	(142)	(27.4)
Consolidated net income	116	1,963	14.9	1,396	10.1	566	40.6
Non-controlling interest	0	1	0.0	5	0.0	(4)	(87.6)
Controlling interest	116	1,962	14.9	1,392	10.1	570	41.0
Depreciation and amortization	16	278	2.1	312	2.3	(34)	(10.8)
EBITDA	144	2,436	18.5	2,495	18.1	(59)	(2.4)
Earnings per share	0.03	0.55		0.39		0.16	40.6
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,591			

(1) U.S. dollars translated at 16.89 Mexican pesos solely for the convenience of the reader.

Consolidated Income Statements

	Twelve months ended December 31st, 2023			Twelve months ended December 31st, 2022		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	2,626	44,355		45,729		(1,375)	(3.0)
Cost of goods sold	1,295	21,874	49.3	20,642	45.1	1,232	6.0
Gross profit	1,331	22,480	50.7	25,087	54.9	(2,607)	(10.4)
Advertising, marketing and promotion	591	9,986	22.5	10,162	22.2	(176)	(1.7)
Distribution	114	1,926	4.3	2,193	4.8	(267)	(12.2)
Selling and administrative	252	4,252	9.6	3,877	8.5	375	9.7
Other expenses (income), net	5	78	0.2	(34)	(0.1)	113	N/A
Operating income	369	6,238	14.1	8,890	19.4	(2,652)	(29.8)
Interest income	(14)	(240)	(0.5)	(143)	(0.3)	(97)	67.5
Interest expense	65	1,096	2.5	850	1.9	247	29.1
Changes in the fair value of financial instruments	(2)	(31)	(0.1)	-	-	(31)	N/A
Foreign exchange loss (gain) - Net	(48)	(818)	(1.8)	(87)	(0.2)	(731)	841.6
Financing results	0	7	0.0	620	1.4	(612)	(98.8)
Equity method	3	43	0.1	39	0.1	4	10.3
Profit before income taxes	366	6,188	14.0	8,231	18.0	(2,043)	(24.8)
Income taxes	86	1,454	3.3	2,350	5.1	(896)	(38.1)
Consolidated net income	280	4,734	10.7	5,881	12.9	(1,147)	(19.5)
Non-controlling interest	1	18	0.0	25	0.1	(7)	(27.1)
Controlling net income	279	4,716	10.6	5,856	12.8	(1,141)	(19.5)
Depreciation and amortization	64	1,074	2.4	953	2.1	120	12.6
EBITDA	433	7,312	16.5	9,843	21.5	(2,531)	(25.7)
Earnings per share	0.08	1.32		1.64		(0.32)	(19.5)
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,591			

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Consolidated Statements of Financial Position

(Figures in millions)	December 31 st , 2023		December 31 st , 2022
	(U.S. \$) ⁽¹⁾	(Pesos)	(Pesos)
Assets			
Cash and cash equivalents	377	6,367	4,521
Trade receivables	665	11,229	11,812
Related parties	1	20	44
Recoverable income tax	62	1,054	366
Other recoverable taxes and other receivables	90	1,516	1,951
Inventories	961	16,237	18,258
Financial Instruments at fair value through profit and loss	2	30	-
Biological assets	41	699	1,291
Prepayments	56	944	1,241
Total current assets	2,255	38,094	39,483
Inventories	371	6,269	6,044
Biological assets	582	9,839	7,502
Investments in associates	58	973	578
Property, plant and equipment	932	15,743	14,074
Intangible assets	1,002	16,919	18,849
Goodwill	328	5,536	6,022
Right-of-use assets	167	2,813	2,678
Deferred income tax	144	2,432	2,086
Employee benefits	32	542	477
Other assets	4	66	73
Total non-current assets	3,619	61,131	58,383
Total assets	5,874	99,225	97,866
Liabilities			
Senior notes	5	84	96
Bank loan	3	47	-
Trade payables	266	4,486	8,443
Related parties	1	14	72
Lease liabilities	39	664	623
Other accounts payable	385	6,511	6,268
Total current liabilities	699	11,806	15,502
Senior notes	910	15,373	17,508
Bank loan	497	8,393	-
Lease liabilities	147	2,486	2,410
Environmental reserve	8	127	142
Other liabilities	14	231	305
Deferred income taxes	188	3,170	3,576
Total non-current liabilities	1,763	29,780	23,941
Total liabilities	2,462	41,586	39,443
Stockholders' equity			
Stockholders' equity attributable to controlling interest	3,404	57,504	58,306
Non-controlling interest	8	135	117
Total stockholders' equity	3,412	57,639	58,423
Total liabilities and stockholders' equity	5,874	99,225	97,866

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Consolidated Statements of Cash Flow

(Figures in millions)	Twelve months ended December 31 st , 2023	Twelve months ended December 31 st , 2022
	(U.S. \$) ⁽¹⁾	(Pesos)
Operating activities:		
Income before income taxes	366	6,188
Adjustment from items not implying cash flows		8,231
Depreciation and amortization	64	1,074
Loss on sale of property, plant and equipment	4	66
Non-cash items	6	97
Interest income	(14)	(240)
Unrealized foreign exchange profit	(68)	(1,156)
Interest expense	46	774
Equity method	3	43
Net cost for the period of employee benefits	2	29
Subtotal	407	6,874
(Increase) decrease in:		
Trade receivables	(1)	(12)
Related parties	(2)	(34)
Other recoverable taxes and other receivables	30	500
Inventories	13	220
Biological assets	(100)	(1,685)
Prepayments	10	168
Other assets	45	767
Increase (decrease) in:		
Trade payables	(223)	(3,771)
Other accounts payables	58	973
Employee benefits	(7)	(118)
Income taxes paid or recoverable	(184)	(3,116)
Net cash from operating activities	45	765
Investment Activities:		
Property, plant and equipment	(184)	(3,115)
Intangible assets	(6)	(97)
Investment in associates	(35)	(584)
Interest income	14	240
Net cash flows used in investment activities	(211)	(3,556)
Financing activities:		
Dividends paid	(104)	(1,764)
Principal lease payment	(57)	(962)
Bank loan	522	8,813
Bank loan paid	(510)	(8,615)
Syndicated bank loan	507	8,568
Interest paid	(50)	(851)
Net cash flows used in financing activities	307	5,190
Net increase (decrease) of cash and cash equivalents	142	2,399
Cash and cash equivalents at beginning of year:		
At beginning of the period	268	4,521
Cash proceeds from acquisition	-	-
Effects of exchange rate changes on cash and cash equivalents	(33)	(553)
Cash and cash equivalents at end of period	377	6,367
		4,521

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