

## EARNINGS RELEASE

## ARCA CONTINENTAL REPORTS GROWTH OF 4.3% IN TOTAL VOLUME AND 7% IN EBITDA IN 2023

Monterrey, Mexico, February 8, 2024 – Arca Continental, S.A.B. de C.V. (BMV: AC\*) (“Arca Continental” or “AC”), the second-largest Coca-Cola bottler in Latin America, announced its results for the fourth quarter and full year of 2023 (“4Q23” and “12M23”).

**Table 1: Financial Highlights**

CONSOLIDATED DATA IN MILLIONS OF MEXICAN PESOS						
	4Q23	4Q22	Variation %	Jan-Dec'23	Jan-Dec'22	Variation %
Total Beverage Volume (MUC)	608.4	594.3	2.4	2,473.5	2,372.2	4.3
Net Sales	49,986	52,635	-5.0	213,632	207,785	2.8
EBITDA	10,008	9,983	0.2	42,382	39,622	7.0
Net Income	4,544	3,956	14.8	17,504	15,503	12.9

Total Beverage Volume includes jug water

Net sales not including Revenues outside the territory (OT) in USA

EBITDA = Operating income + Depreciation + Amortization + Non Recurring Expenses

### 4Q23 HIGHLIGHTS

- Net Sales decreased 5.0% when compared to 4Q22, to Ps. 49,986 million.
- EBITDA grew 0.2% to Ps.10,008 million, for a margin of 20%.
- Net Income totaled Ps. 4,544 million, up 14.8%, reaching a margin of 9.1%.

### 12M23 HIGHLIGHTS

- Net Sales reached Ps. 213,632 million, 2.8% higher than 12M22.
- EBITDA totaled Ps. 42,382 million, 7% higher than in 4Q22, for a margin of 19.8%.
- Net Income grew 12.9% to Ps. 17,504 million for a margin of 8.2%.

### COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

"During 2023, the company achieved a new all-time high in Consolidated Volume, surpassing 2,400 MUC. Annual Net Sales exceeded Ps. 200 billion, reaching Ps. 213,632 million, marking a 2.8% increase over the previous year. Additionally, the company achieved a 7% increase in EBITDA with a margin of 19.8%," said Arturo Gutiérrez, CEO of Arca Continental.

"The commitment and professionalism of our associates to achieve these results will strengthen the long-term sustainable growth path this year, drive the continuous evolution of our commercial and point-of-sale execution capabilities, as well as accelerate the capture of new avenues of value, our digital transformation, and the constant development of our team," Gutiérrez added.

## CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS").

### TABLE 2: CONSOLIDATED DATA

	4Q23	4Q22	Variation %	Jan-Dec'23	Jan-Dec'22	Variation %
<b>Volume by category (MUC)</b>						
Colas	317.9	307.0	3.6	1,263.5	1,223.3	3.3
Flavors	117.4	116.1	1.1	455.8	444.7	2.5
<b>Sparkling Total Volume</b>	<b>435.3</b>	<b>423.1</b>	2.9	<b>1,719.2</b>	<b>1,668.0</b>	3.1
Water*	68.5	68.3	0.2	297.6	267.5	11.3
Still Beverages**	53.0	49.3	7.6	219.1	203.6	7.6
<b>Volume excluding Jug</b>	<b>556.8</b>	<b>540.7</b>	3.0	<b>2,236.0</b>	<b>2,139.2</b>	4.5
Jug	51.6	53.6	-3.7	237.6	233.0	2.0
<b>Total Volume</b>	<b>608.4</b>	<b>594.3</b>	2.4	<b>2,473.5</b>	<b>2,372.2</b>	4.3
<b>Income Statement (MM MXP)</b>						
Net Sales***	49,986	52,635	-5.0	213,632	207,785	2.8
EBITDA	10,008	9,983	0.2	42,382	39,622	7.0
EBITDA Margin	20.0%	19.0%	100 bp	19.8%	19.1%	70 bp

\* Includes all single-serve presentations of purified, flavored, and mineral water.

\*\* Includes teas, isotonic, energy drinks, juices, nectars, fruit, and alcoholic beverages

\*\*\* Net Sales not including Revenues outside the territory (OT) in USA

## FINANCIAL ANALYSIS

### INCOME STATEMENT

- Consolidated Net Sales for 4Q23 decreased 5%. Nonetheless, they registered an increase of 6.7% on a currency-neutral basis, to Ps. 49,986 million compared to the same period of last year. As of December 2023, Net Sales were Ps. 213,632 million, up 2.8%, 12.8% on a currency-neutral basis, versus last year.
- Total Sales Volume grew 3% in 4Q23 to 556.8 MUC, excluding jug water, mainly driven by growth in stills and cola categories, up 7.6% and 3.6%, respectively. Sales Volume as of December 2023, excluding jug water, increased 4.5% to 2,236 MUC.



- Cost of Sales in the quarter decreased 9.5%, as a result of lower prices in most raw materials, as well as a favorable hedging strategy. 12M23 Cost of Sales remained flat versus 12M22.
- In the fourth quarter of 2023, Consolidated Gross Profit reached Ps. 23,964 million, reflecting a gross margin of 47.9% and an expansion of 250 basis points, mainly driven by better raw material prices. In 2023, Gross Profit totaled Ps. 99,011 million, up 6.2% and representing a gross margin of 46.3%, 140 bps above 2022.
- Selling and Administrative Expenses declined 3.6% to Ps. 16,088 million in 4Q23. In full year 2023, this figure rose 3.3% to Ps. 65,954 million and represented a ratio of expenses to revenues of 30.9%, in line with the previous year.
- In 4Q23, Consolidated Operating Income was Ps. 8,695 million, 12.1% higher than 4Q22, representing an operating margin of 17.4% and an increase of 270 basis points. In full year 2023, Operating Income rose 13% to Ps. 34,557 million for a margin of 16.2%, up 150 bps versus the previous year.
- Consolidated EBITDA in 4Q23 remained unchanged (up 10.9% on a currency-neutral basis) to Ps. 10,008 million, representing an EBITDA margin of 20%. In full year 2023, EBITDA reached Ps. 42,382 million, an increase of 7% (15.6% on a currency-neutral basis) for a margin of 19.8%, up 70 bps versus 2022.
- In 4Q23, the Comprehensive Financing Result was Ps. 884 million, mainly due to an increase in financing expenses. For the full year, it rose 7.9% to Ps. 3,784 million.
- Income Tax in the fourth quarter was Ps. 2,487 million, 7.4% higher than 4Q22, at an effective rate of 31.6%. For the full year of 2023, income tax increased 13.2% to Ps. 9,849 million, representing an effective tax rate of 31.8%.
- For this quarter, Net Income reached Ps. 4,544 million, an increase of 14.8% reflecting a net margin of 9.1%, up 160 bps versus 4Q22. In 2023, Net Income totaled Ps. 17,504 million, up 12.9% versus 2022, for a net margin of 8.2%.

#### **BALANCE SHEET & CASH FLOW STATEMENT**

- The Cash Balance as of December 31, 2023, was Ps. 22,128 million and total debt was Ps. 45,238 million, for a net debt position of Ps. 23,110 million. Net Debt/EBITDA ratio was 0.55x times.
- Net Operating Cash Flow reached Ps. 30,522 million as of December 31, 2023.
- CAPEX for the period totaled Ps. 12,850 million, mainly allocated towards the continuous improvement of execution at the point of sale, increasing coverage in coolers and returnable bottles, as well as projects to improve production and distribution efficiencies.

## Mexico

Arca Continental reports its information for three regions: Mexico, United States and South America, (which includes Peru, Argentina, and Ecuador). Each region includes results for both beverage and complementary businesses.

**TABLE 3: MEXICO DATA**

	4Q23	4Q22	Variation %	Jan-Dec'23	Jan-Dec'22	Variation %
<b>Volume by Category (MUC)</b>						
Colas	188.6	180.0	4.8	782.2	747.9	4.6
Flavors	31.9	33.1	-3.6	134.6	135.9	-0.9
<b>Sparkling Total Volume</b>	<b>220.5</b>	<b>213.1</b>	<b>3.5</b>	<b>916.9</b>	<b>883.8</b>	<b>3.7</b>
Water*	31.0	31.4	-1.5	146.4	134.9	8.5
Still Beverages**	20.3	18.1	12.1	85.3	77.9	9.6
<b>Volume excluding jug</b>	<b>271.8</b>	<b>262.7</b>	<b>3.5</b>	<b>1,148.6</b>	<b>1,096.6</b>	<b>4.7</b>
Jug	49.5	51.6	-4.0	228.8	225.4	1.5
<b>Total Volume</b>	<b>321.3</b>	<b>314.2</b>	<b>2.2</b>	<b>1,377.4</b>	<b>1,322.0</b>	<b>4.2</b>
<b>Mix (%)</b>						
Returnable	27.6	28.4	-0.8	28.3	29.4	-1.2
Non Returnable	72.4	71.6	0.8	71.7	70.6	1.2
Multi-serve	59.5	57.7	1.8	57.7	56.7	1.0
Single-serve	40.5	42.3	-1.8	42.3	43.3	-1.0
<b>Income Statement (MM MXP)</b>						
Net Sales	24,156	22,231	8.7	100,448	89,334	12.4
EBITDA	5,257	4,698	11.9	23,503	20,591	14.1
EBITDA Margin	21.8%	21.1%	70 bp	23.4%	23.0%	40 bp

\* Includes all single-serve presentations of purified, flavored, and mineral water.

\*\* Includes teas, isotonic, energy drinks, juices, nectars, fruit, and alcoholic beverages

## OPERATING RESULTS IN MEXICO

- Net Sales in Mexico increased 8.7% in the fourth quarter, reaching Ps. 24,156 million, due to selective price adjustments and a positive volume performance. In 12M23, net sales rose 12.4% to Ps. 100,448 million.
- In 4Q23, Sales Volume reached 271.8 MUC, excluding jug water, mainly driven by growth in the stills and colas categories, up 12.1% and 4.8%, respectively. Average price per unit case, excluding jug, was Ps. 81.02 for an increase of 7.2% as a result of our RGM initiatives as well as selective price adjustments.



- During 4Q23, EBITDA for Mexico rose 11.9% to Ps. 5,257 million and representing a margin of 21.8%, an expansion of 70 basis points. In the full year of 2023, EBITDA increased 14.1% to Ps. 23,503 million, resulting in a margin of 23.4% for an expansion of 40 bps compared to 12M22.
- In 2023, we achieved record sales volume for this operation, with 4.7% growth, the highest growth rate since 2017.
- In terms of channels, all of them reported volume increases. The traditional channel was able to maintain continuous growth and the modern trade posted a volume increase of 12.7%.
- The colas category continued its positive performance with 4.8% growth in the quarter, driven mainly by the expansion of Coca-Cola Sin Azucar in our territories and flavor innovations from Flashlyte.
- We continue accelerating the expansion of AC Digital, and at the close of 4Q23, more than 93% of our traditional trade customers are registered on the app. As of the end of 2023, 60% of our volume in this channel was captured through this platform.
- The stills category was mainly boosted by teas, energy drinks and sports drinks, which grew 27.9%, 17.9% and 15.3%, respectively, capitalizing on opportunities in the traditional channel.
- The on-premise channel closed the year with a positive trend, with a 5.2% increase driven by the entertainment and work channels.
- During the quarter, our efforts continued to focus on guaranteeing affordability, on capturing new consumption occasions through a price-pack strategy, a differentiated portfolio, and investments in commercial capabilities.
- Bokados posted low single-digit sales growth in 4Q23, mainly driven by the positive performance of the modern channel and a solid pricing strategy.

## United States

The U.S. includes the beverage businesses of CCSWB and the snacks businesses of Wise and Deep River.

TABLE 4: UNITED STATES DATA

	4Q23	4Q22	Variation %	Jan-Dec'23	Jan-Dec'22	Variation %
<b>Volume by Category (MUC)</b>						
Colas	53.8	52.7	2.0	203.7	205.6	-0.9
Flavors	31.4	30.5	2.8	120.3	119.5	0.7
<b>Sparkling Total Volume</b>	<b>85.2</b>	<b>83.3</b>	2.3	<b>324.0</b>	<b>325.1</b>	-0.3
Water*	13.5	14.1	-4.2	58.7	55.7	5.4
Still Beverages**	15.3	14.8	3.2	68.1	67.2	1.4
<b>Total Volume</b>	<b>114.0</b>	<b>112.2</b>	1.6	<b>450.8</b>	<b>447.9</b>	0.6
<b>Mix (%)</b>						
Multi-serve	68.6	69.5	-0.9	66.3	67.3	-1.1
Single-serve	31.4	30.5	0.9	33.7	32.7	1.1
<b>Income Statement (MM MXP)</b>						
Net Sales***	19,177	20,046	-4.3	76,347	77,902	-2.0
EBITDA	3,077	3,154	-2.4	11,827	11,124	6.3
EBITDA Margin	16.0%	15.7%	30 bp	15.5%	14.3%	120 bp

\* Includes all single-serve presentations of purified, flavored, and mineral water.

\*\* Includes teas, isotonic, energy drinks, juices, nectars, and fruit beverages.

\*\*\* Net Sales not including Revenues outside the territory (OT) in USA

### OPERATING RESULTS IN THE U.S.

- In 4Q23, Net Sales for the U.S. declined 4.3% (increasing 7.2% in local currency) to Ps. 19,177 million. Sales Volume in the quarter was 114 MUC, 1.6% higher when compared to 4Q22. As of December 2023, Net Sales decreased 2% (up 11.3% in local currency) to Ps. 76,347 million.
- EBITDA for the U.S region in 4Q23 totaled Ps. 3,077 million, a decrease of 2.4% (up 9.4% in local currency) and representing an EBITDA margin of 16%, for an expansion of 30 basis points compared to 4Q22. In the full year of 2023, EBITDA reached Ps. 11,827 million, an increase of 6.3% (20.7% in local currency) for a margin of 15.5%, a 120-bps expansion.
- Our price-pack strategy to achieve high-margin SKUs enabled us to post solid financial results for 4Q23, which led to a net price increase of 6.3% with a true rate increase of 4.7%, cycling last year's price increases, by focusing on 20-oz packages and optimizing promotional spend.
- In 4Q23, the convenience and on-premise channels delivered positive performance, up 8% and 2.8%, respectively. Growth was mainly driven by strategic investments in initiatives to drive volume which led to increases in immediate consumption packages, generating higher revenue per unit case.
- During the quarter we strengthened our market leadership, maintaining solid value share driven by the non-alcoholic, sparkling and stills categories.



- We were awarded, for the second consecutive year, by DFW Airport as the most valued supplier, with similar recognitions received from IBC, 7-Eleven and Walgreens.
- During the quarter, the stills category grew 3.2% driven by Monster with 13.6%, Gold Peak 1.4% and Fairlife 52.1%, as a result of improved availability of these brands aligned with their higher demand.
- During 2023, our Trade Promotion Optimization tool underwent significant improvements to perfect the user experience, to further enhance the precision of our promotions while optimizing execution of our most profitable packages.
- Sales Growth in 4Q23 through the myCoke digital platform increased 11.5% compared to the previous year. This growth was due to the greater number of monthly customers that use this platform. At the end of December 2023, 93% of eligible customers in the on-premise and convenience store channels adopted our platform.
- Wise, our snack business in the U.S., posted EBITDA growth, due to a specialized marketing campaign launched during the quarter to increase product recognition and connect with consumers via social networks, TV shows and new formulas.

## South America

South America includes beverage operations in Peru, Argentina, Ecuador and the Inalecsa snacks business.

TABLE 4: SOUTH AMERICA DATA

	4Q23	4Q22	Variation %	Jan-Dec'23	Jan-Dec'22	Variation %
<b>Volume by Category (MUC)</b>						
Colas	75.5	74.3	1.7	277.6	269.8	2.9
Flavors	54.1	52.5	3.1	200.8	189.3	6.1
<b>Sparkling Total Volume</b>	<b>129.6</b>	<b>126.7</b>	<b>2.3</b>	<b>478.4</b>	<b>459.1</b>	<b>4.2</b>
Water*	24.0	22.9	5.2	92.6	76.9	20.3
Still Beverages**	17.4	16.3	6.5	65.7	58.5	12.2
<b>Volume excluding jug</b>	<b>171.0</b>	<b>165.9</b>	<b>3.1</b>	<b>636.6</b>	<b>594.6</b>	<b>7.1</b>
Jug	2.1	2.0	4.8	8.7	7.6	14.5
<b>Total Volume</b>	<b>173.1</b>	<b>167.9</b>	<b>3.1</b>	<b>645.4</b>	<b>602.2</b>	<b>7.2</b>
<b>Mix (%)</b>						
Returnable	27.7	27.7	0.0	29.0	29.3	-0.3
Non Returnable	72.3	72.3	0.0	71.0	70.7	0.3
Multi-serve	68.1	69.3	-1.2	67.2	68.9	-1.8
Single-serve	31.9	30.7	1.2	32.8	31.1	1.8
<b>Income Statement (MM MXP)</b>						
Net Sales	6,652	10,358	-35.8	36,837	40,550	-9.2
EBITDA	1,673	2,131	-21.5	7,051	7,908	-10.8
EBITDA Margin	25.2%	20.6%	460 bp	19.1%	19.5%	-40 bp

\* Includes all single-serve presentations of purified, flavored, and mineral water.

\*\* Includes teas, isotonic, energy drinks, juices, nectars, fruit, and alcoholic beverages

Note: the effect of inflation and devaluation of Argentina is included.

## OPERATING RESULTS IN SOUTH AMERICA

- Net Sales for the South America division posted a 35.8% decline in 4Q23, to Ps. 6,652 million. This was mainly due to the depreciation of all the currencies in the region versus the Mexican peso. For the full year 2023, Net Sales decreased to Ps. 36,837 million.
- During 4Q23, Sales Volume in South America, excluding jug water, grew 3.1% to 171 MUC, led by the stills and personal water categories, up 6.5% and 5.2%, respectively.
- EBITDA in the South America region declined 21.5% to Ps. 1,673 million in 4Q23, reflecting a margin of 25.2%. In 12M23, EBITDA declined 10.8% to Ps. 7,051 million.





## Peru

- In 4Q23, Sales Volume in Peru increased 4.7%, excluding jug water, due to growth in the stills and colas categories, up 18.5% and 7%, respectively. For full year 2023, Volume rose 9.8%, excluding jug water, reaching the highest volume in its history.
- Net Price in the fourth quarter increased 2.7%, considering a true rate of 4.3% from price adjustments, partially offset by adjustments in discounts and rebates.
- In 12M23, the water category grew 20%, driven by the 3-liter Benedictino and 750-ml San Luis packaging strategy, as well as regional plans to capture volume.
- Peru posted solid volumes in 4Q23 as a result of new packages, launching of new flavors, an increase in returnability, and expansion in coverage.
- In the sparkling category, colas and flavors grew 7.4% and 6.5%, respectively, boosted by the strategy in returnable packages and driven mainly by the *Sin Azucar* portfolio, which increased 28.4% in the year.

## Ecuador

- In Ecuador, Sales Volume increased 4.8% in 4Q23, driven by growth mainly flavors and stills, up 9.1% and 6.6%, respectively. For 12M23, Volume grew 8.1%, which is a record number that surpasses the volume reported in 2015 prior to the tax imposed on sugary beverages.
- In 4Q23, the still beverage category increased mainly driven by teas, energy drinks and sports drinks with double-digit growth in the traditional and modern channels.
- The mix of single-serve packages increased 0.7 percentage points in 4Q23. Growth stemmed from almost all categories, mainly from stills, as a result of the reopening of the on-premise channel.
- In 2023, traditional trade maintained its leadership at the point of sale, as a result of the introduction of bottles and cooler equipment, as well as securing an affordable portfolio with returnable packages.
- Inalecsa, our snacks business in Ecuador, reported margin expansion, as a result of price increases in different categories and expense optimization initiatives.
- Tonicorp maintained profitability in 4Q23, as a result of pricing, operating discipline and the positive performance of high value-added categories such as premium yogurt and ice cream, as well as efficiencies captured in volume stemming from new consumer trends.



## Argentina

- During 4Q23, Sales Volume in Argentina declined 1.4%, primarily from the adverse economic environment that prevailed in the last part of 2023. For 12M23, Sales Volume grew 0.8%.
- The water category posted double-digit growth driven by multi-serve packages and increased coverage. Benedictino brand continues to grow and capitalize on opportunities.
- The mix of single-serve increased 0.4%, driven by the flavors category.
- At the close of 4Q23, AC Digital reached 100% coverage of our customers on the traditional channel. Furthermore, close to 62% of volume for this channel was captured through this platform.

## ESG

- In line with our commitment to sustainable water management, we launched our *2030 Water Strategy* and signed the *Business Leaders' Open Call to Accelerate Action on Water*, which seeks collective leadership in the protection of water.
- As part of efforts to promote the circular economy and create a “World Without Waste” together with The Coca-Cola Company and PetStar, we tripled our recycling capacity in the state of Nuevo Leon in 2023 to collect the equivalent of every PET bottle that we place in the market. With an investment of US\$3 million, PetStar expanded its PET collection capacity from 6 thousand to more than 18 thousand tons per year.
- In terms of climate action, and as part of our commitment to stop global warming, our greenhouse gas emissions targets were validated by the *Science Based Target Initiative*. We are committed to reducing by 33.9% our absolute emissions of Scope 1 and 2 GHG, as well as a 15% decrease in Scope 3 absolute emissions of GHG in our value chain by 2030.



## RECENT EVENTS

- On November 22, 2023, AC paid an extraordinary cash dividend of Ps. 2.22 per share, in one single payment, reaching a total dividend payment of Ps. 5.72 per share for the year for a dividend yield of close to 3.7% and a dividend payout ratio of 63% of retained earnings.
- On January 24, 2024, AC successfully completed the issuance of Ps. 6,050 million in *Certificados Bursátiles*, or local notes. The issuance consisted of two tranches, one for Ps. 3,050 million with a 10-year term at a fixed rate of 9.66%, and the other for Ps. 3,000 million with a 3-year term at a variable rate equivalent to TIIE plus 10 basis points. This transaction registered one of the lowest spreads in the Corporate Mexican market in recent years, generating excess demand of 2.5 times the amount placed. Both issuances received Mexico's highest credit ratings of "AAA.mx" by Moody's and "AAA(mex)" by Fitch Ratings.

## CONFERENCE CALL INFORMATION

Arca Continental will host a conference call to discuss these results on February 8, 2024, at 10:00 am Mexico/Monterrey time, 11:00 am New York time. A live webcast of this event will be available at [www.arcacontal.com](http://www.arcacontal.com) or via telephone using the following numbers:

To participate, please dial:  
+1-800-225-9448 (U.S. participants)  
+1-203-518-9765 (International participants)  
Passcode: 36151

### About Arca Continental

Arca Continental produces, distributes, and markets beverages under The Coca-Cola Company brand, as well as snacks under the Bokados brand in Mexico, Inalecsa in Ecuador, and Wise and Deep River in the United States. With an outstanding history spanning more than 97 years, Arca Continental is the second-largest Coca-Cola bottler in Latin America, and one of the largest in the world. Through its Coca-Cola franchise, the company serves more than 128 million people in the Northern and Western regions in Mexico, as well as in Ecuador, Peru, in the Northern region of Argentina, and in the Southwestern United States. Arca Continental is listed on the Mexican Stock Exchange under the ticker "AC". For more information about Arca Continental, please visit [www.arcacontal.com](http://www.arcacontal.com)

This material may contain forward-looking statements regarding Arca Continental and its subsidiaries based on management's expectations. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility, tax rates, the demand for and the price of carbonated beverages, water, and the price of sugar and other raw materials used in the production of sparkling beverages, weather conditions and various others. As a result of these risks and factors, actual results could be materially different from the estimates provided; therefore, Arca Continental does not accept responsibility for any variations or for the information provided by official sources.



**Arca Continental, S.A.B. de C.V. and Subsidiaries**  
**Consolidated Income Statement**  
(millions of Mexican pesos)

	4Q23		4Q22		Variation		Jan-Dec'23		Jan-Dec'22		Variation	
	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%
<b>Net Sales</b>	<b>49,986</b>		<b>52,635</b>		-2,649	-5.0	<b>213,632</b>		<b>207,785</b>		5,847	2.8
Cost of Sales	26,022		28,742		-2,719	-9.5	114,621		114,527		94	0.1
<b>Gross Profit</b>	<b>23,964</b>		<b>23,893</b>		71	0.3	<b>99,011</b>		<b>93,259</b>		5,753	6.2
	47.9%		45.4%				46.3%		44.9%			
Selling Expenses	13,299		14,329		-1,030	-7.2	55,791		54,567		1,224	2.2
Administrative Expenses	2,788		2,357		431	18.3	10,163		9,291		872	9.4
<b>Total Costs</b>	<b>16,088</b>		<b>16,686</b>		-599	-3.6	<b>65,954</b>		<b>63,858</b>		2,096	3.3
	32.2%		31.7%				30.9%		30.7%			
Non Recurring Expenses	-539		-3		-536	16637.6	-407		92		-499	-541.5
<b>Operating Income before other income</b>	<b>8,415</b>		<b>7,210</b>		1,205	16.7	<b>33,465</b>		<b>29,308</b>		4,156	14.2
Other Income (Expenses) <sup>1,2</sup>	280		549		-269	-49.0	1,093		1,279		-186	-14.5
<b>Operating Income</b>	<b>8,695</b>		<b>7,759</b>		936	12.1	<b>34,557</b>		<b>30,587</b>		3,970	13.0
	17.4%		14.7%				16.2%		14.7%			
Interest Expense Net	-919		-470		-449	-95.6	-2,292		-2,274		-18	-0.8
Exchange Gain (Loss)	-107		-184		77	41.7	-793		-299		-495	-165.5
Monetary position result	142		-183		325	177.6	-699		-934		235	25.1
<b>Comprehensive Financial Results</b>	<b>-884</b>		<b>-836</b>		-48	-5.7	<b>-3,784</b>		<b>-3,506</b>		-278	-7.9
Share of net income of associates <sup>3</sup>	50		108		-58	-54.0	231		413		-182	-44.1
<b>Earnings Before Taxes</b>	<b>7,861</b>		<b>7,031</b>		830	11.8	<b>31,004</b>		<b>27,494</b>		3,510	12.8
Profit Taxes	-2,487		-2,315		-172	-7.4	-9,849		-8,703		-1,146	-13.2
Non-controlling interest	-830		-760		-70	-9.3	-3,651		-3,287		-364	-11.1
<b>Net Profit</b>	<b>4,544</b>		<b>3,956</b>		587	14.8	<b>17,504</b>		<b>15,503</b>		2,001	12.9
	9.1%		7.5%				8.2%		7.5%			
Depreciation and amortization	1,852		2,228		-376	-16.9	8,231		8,943		-711	-8.0
<b>EBITDA</b>	<b>10,008</b>		<b>9,983</b>		24	0.2	<b>42,382</b>		<b>39,622</b>		2,760	7.0
EBITDA / Net Sales	20.0%		19.0%				19.8%		19.1%			

EBITDA = Operating Income + Depreciation and Amortization + Non Recurring Expenses

<sup>1</sup>Includes equity method from our participation in operational companies like Jugos del Valle, IEQSA and Bebidas Refrescantes de Nogales

<sup>2</sup>Includes net effect from Revenues outside the territory (OT) in USA

<sup>3</sup>Includes equity method from our participation in non-operational companies like PIASA, PetStar, Beta San Miguel, among others

## Arca Continental, S.A.B. de C.V. and Subsidiaries

### Consolidated Balance Sheet

(millions of Mexican pesos)

	December 31	December 31	Variation	
	23	22	MM MXP	%
<b>ASSETS</b>				
Cash and cash equivalents	22,128	27,761	-5,633	-20.3
Accounts receivable; Net	20,218	17,984	2,235	12.4
Inventories	10,844	11,643	-799	-6.9
Prepayments	1,283	950	333	35.0
<b>Total Current Assets</b>	<b>54,473</b>	<b>58,338</b>	-3,865	-6.6
Investments in shares and other investments	10,304	9,188	1,116	12.1
Property, plant and other equipment	66,311	68,317	-2,006	-2.9
Assets right of use	913	1,202	-289	-24.1
Other non current assets	106,938	119,255	-12,317	-10.3
<b>Total Assets</b>	<b>238,939</b>	<b>256,300</b>	-17,360	-6.8
<b>LIABILITIES</b>				
Short term bank loans	11,864	6,195	5,668	91.5
Suppliers	14,199	14,078	121	0.9
Short term lease	507	546	-39	-7.1
Accounts payable and taxes	20,553	21,848	-1,295	-5.9
<b>Total Current Liabilities</b>	<b>47,123</b>	<b>42,667</b>	4,455	10.4
Bank Loans and long term liabilities	33,374	40,722	-7,348	-18.0
Long term lease	457	715	-259	-36.2
Deferred income tax and others	23,669	24,342	-673	-2.8
<b>Total Liabilities</b>	<b>104,623</b>	<b>108,446</b>	-3,823	-3.5
<b>SHAREHOLDER'S EQUITY</b>				
Non controlled participation	28,823	30,229	-1,407	-4.7
Capital Stock	958	971	-13	-1.3
Retained Earnings	87,031	101,151	-14,120	-14.0
Net Profit	17,504	15,503	2,001	12.9
<b>Total Shareholders' Equity</b>	<b>134,316</b>	<b>147,854</b>	-13,538	-9.2
<b>Total Liabilities and Shareholders' Equity</b>	<b>238,939</b>	<b>256,300</b>	-17,361	-6.8

## Arca Continental, S.A.B. de C.V. and Subsidiaries

### Cash Flow Statement

(millions of Mexican pesos)

	as of December 31	
	23	22
<b>Earnings Before Taxes</b>	<b>31,004</b>	<b>27,494</b>
Depreciation and amortization	8,231	8,943
Foreign exchange / Monetary position result	1,492	708
Accrued interests	2,292	2,274
Gain on sale and fixed assets impairment	654	971
<b>Operating cash flow before taxes</b>	<b>43,673</b>	<b>40,390</b>
Cashflow generated/used in the operation	-13,151	-10,546
<b>Operating cashflow after working capital</b>	<b>30,522</b>	<b>29,844</b>
Investment Activities:		
Capital Expenditures and Investments (Net)	-10,736	-9,832
Financing Activities:		
Dividends paid	-11,238	-12,679
Share repurchase program	-4,879	-3,098
Debt financing (amortization)	802	-2,652
Paid interests	-4,739	-3,378
Other	-646	-641
Net cash flow from financing activities	-20,700	-22,448
<b>Net increase of cash and equivalents</b>	<b>-914</b>	<b>-2,436</b>
Change in Cash	-4,719	-1,920
<b>Initial cash and equivalents balance</b>	<b>27,761</b>	<b>32,117</b>
<b>Final cash and equivalents balance</b>	<b>22,128</b>	<b>27,761</b>

## Additional Financial Information

### Information by Segments 4Q23

	Beverage Segments					Other		Total
	Mexico	USA	Peru	Argentina <sup>(1)</sup>	Ecuador	Business <sup>(2)</sup>	Eliminations	
<b>Volume by Segment</b>	<b>321.3</b>	<b>114.0</b>	<b>87.6</b>	<b>43.8</b>	<b>41.7</b>			<b>608.4</b>
<b>Sales by Segment</b>	<b>22,663</b>	<b>18,187</b>	<b>4,555</b>	<b>2,973</b>	<b>2,964</b>	<b>3,513</b>	<b>-4,869</b>	<b>49,986</b>
Intersegment Sales	-293	0	-57	0	-1	-200	551	0
<b>Net Sales from intersegments</b>	<b>22,371</b>	<b>18,187</b>	<b>4,498</b>	<b>2,973</b>	<b>2,962</b>	<b>3,313</b>	<b>-4,318</b>	<b>49,986</b>
Operating Income	5,097	2,290	960	-12	361	95	-96	8,695
<b>EBITDA</b>	<b>5,108</b>	<b>3,000</b>	<b>1,214</b>	<b>222</b>	<b>598</b>	<b>318</b>	<b>-453</b>	<b>10,008</b>
EBITDA / Net Sales	22.8%	16.5%	27.0%	7.5%	20.2%	9.6%	0.0%	20.0%
Non Recurring Expenses	-810	263	2	43	4	16	-58	-539
Depreciation and amortization	821	446	252	191	233	208	-299	1,852
Financial Income and Expenses	2,001	163	227	144	77	54	-124	2,542
Share of net income of associates	24	26	0	0	0	0	0	50
Earnings Before Taxes	4,279	2,428	993	-184	314	83	-52	7,861
<b>Total Assets</b>	<b>83,243</b>	<b>93,452</b>	<b>34,478</b>	<b>6,484</b>	<b>19,120</b>	<b>12,321</b>	<b>-10,159</b>	<b>238,939</b>
Investment in associates companies	9,450	641	0	213	0	0	0	10,304
Total Liabilities	72,897	30,771	9,860	1,058	4,899	5,173	-20,034	104,623
CAPEX	7,258	1,756	995	730	1,011	873	0	12,622

(1) The eliminations column includes the effect on the income statement accounts of the December devaluation and inflation in Argentina corresponding to the first nine months of the year.

(2) Others includes Food & Snacks Division, Vending and other subsidiaries not related to Beverage segments

Note: Derived from the political-economic changes in Argentina during the month of December, a significant devaluation of its local currency and a substantial increase in inflation was observed. Due to this extraordinary situation, the effect on the results of the period January to September of the year is shown in the eliminations column, seeking that the Argentine segment is not affected by macroeconomic impacts.

### Information by Segments Jan-Dec'23

	Beverage Segments					Other		Total
	Mexico	USA	Peru	Argentina <sup>(1)</sup>	Ecuador	Business <sup>(2)</sup>	Eliminations	
<b>Volume by Segment</b>	<b>1,377.4</b>	<b>450.8</b>	<b>333.0</b>	<b>153.5</b>	<b>158.9</b>			<b>2,473.5</b>
<b>Sales by Segment</b>	<b>94,398</b>	<b>71,986</b>	<b>17,340</b>	<b>5,819</b>	<b>11,754</b>	<b>14,470</b>	<b>-2,135</b>	<b>213,632</b>
Intersegment Sales	-1,202	0	-144	0	-8	-781	2,135	0
<b>Net Sales from intersegments</b>	<b>93,197</b>	<b>71,986</b>	<b>17,196</b>	<b>5,819</b>	<b>11,746</b>	<b>13,689</b>	<b>0</b>	<b>213,632</b>
Operating Income	20,237	9,396	3,114	51	1,095	665	0	34,557
<b>EBITDA</b>	<b>22,716</b>	<b>11,462</b>	<b>4,131</b>	<b>521</b>	<b>2,034</b>	<b>1,518</b>	<b>0</b>	<b>42,382</b>
EBITDA / Net Sales	24.4%	15.9%	24.0%	9.0%	17.3%	11.1%	0.0%	19.8%
Non Recurring Expenses	-803	263	6	81	13	32	0	-407
Depreciation and amortization	3,282	1,803	1,010	388	927	821	0	8,231
Financial Income and Expenses	-3,596	243	12	-201	-145	-97	0	-3,784
Share of net income of associates	205	26	0	0	0	0	0	231
Earnings Before Taxes	16,846	9,664	3,126	-150	949	568	0	31,004
<b>Total Assets</b>	<b>83,243</b>	<b>93,452</b>	<b>34,478</b>	<b>6,484</b>	<b>19,120</b>	<b>12,321</b>	<b>-10,159</b>	<b>238,939</b>
Investment in associates companies	9,450	641	0	213	0	0	0	10,304
Total Liabilities	72,897	30,771	9,860	1,058	4,899	5,173	-20,034	104,623
CAPEX	7,258	1,756	995	730	1,011	873	0	12,622

(1) The Argentina column includes the effect on the income statement accounts of the December devaluation and inflation corresponding to the twelve months of the year.

(2) Others includes Food & Snacks Division, Vending and other subsidiaries not related to Beverage segments

## Total Debt AC

	2024	2025	2026	2027	2028	2029	...	2032	Total
<b>Debt Maturity Profile</b>	11,864	4,122	5,296	6,325	2,997	7,892	0	6,742	45,238
% of Total	26.2%	9.1%	11.7%	14.0%	6.6%	17.4%	0.0%	14.9%	100.0%

Credit Rating	Local	Global	Outlook
Fitch	AAA(mex)	A	Stable
Moody's	Aaa.mx	A3	Stable
S&P	mxAAA	-	Stable

## Average exchange rate

	4Q23	4Q22	YoY		Jan-Dec'23	Jan-Dec'22	YoY
MXN	17.50	19.61	-10.7%	MXN	17.61	20.04	-12.1%
PEN	4.68	5.01	-6.6%	PEN	4.72	5.22	-9.7%
ARS	0.05	0.12	-62.7%	ARS	0.07	0.15	-57.7%

## End of period exchange rate

	4Q23	3Q23	4Q22
MXN	16.89	17.62	19.36
PEN	4.55	4.65	5.08
ARS	0.02	0.05	0.11

Note: The information in these tables is available for download in MS Excel format at the following link:

<http://www.arcacontal.com/investors/financial-reports.aspx>