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EARNINGS RELEASE

EBITDA GREW 14.1% WITH REVENUE UP 6.7% IN 2Q21

Monterrey, Mexico, July 16, 2021 – 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 second quarter and first half of 2021 (“2Q21” and “6M21”).

Table 1: Financial Highlights

| DATA IN MILLIONS OF MEXICAN PESOS | | | | | | |
|-----------------------------------|--------|--------|-------------|------------|------------|-------------|
| | 2Q21 | 2Q20 | Variation % | Jan-Jun'21 | Jan-Jun'20 | Variation % |
| Total Beverage Volume (MUC) | 577.8 | 527.1 | 9.6 | 1,091.8 | 1,039.0 | 5.1 |
| Net Sales | 45,808 | 42,945 | 6.7 | 86,282 | 81,837 | 5.4 |
| EBITDA | 9,399 | 8,235 | 14.1 | 17,081 | 14,872 | 14.9 |
| Net Income | 3,130 | 2,335 | 34.0 | 5,715 | 5,013 | 14.0 |

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

2Q21 HIGHLIGHTS

- Net Sales reached Ps. 45,808 million, up 6.7% when compared to 2Q20.
- EBITDA rose 14.1% to Ps. 9,399 million, for an EBITDA margin of 20.5%, up 130 basis points.
- Net Income reached Ps. 3,130 million, up 34.0% and representing a net margin of 6.8%.

6M21 HIGHLIGHTS

- Net Sales reached Ps. 86,282 million, representing an increase of 5.4%.
- EBITDA rose 14.9% to Ps. 17,081 million for margin of 19.8%, 160 basis points higher than in 6M20.
- Net Income grew 14.0% to Ps. 5,715 million, representing a net margin of 6.6%, up 50 basis points.

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“Thanks to our efforts to support customers during the pandemic, we capitalized on the recovery of consumption in key segments, as mobility restrictions and lockdowns were partially lifted, delivering sound financial results in the second quarter of 2021, with sales and EBITDA growing 6.7% and 14.1%, respectively,” said Arturo Gutiérrez, Chief Executive Officer of Arca Continental.

“Our operational flexibility and the commitment of our associates were key factors to further improve our performance, adapting our portfolio to the needs of our customers and consumers, combined with a dynamic digital transformation. In the second half of the year, we will continue to face significant challenges in the market, and we are confident that our price-pack architecture, product portfolio, and financial discipline will continue to drive value creation,” he added.

CONSOLIDATED RESULTS

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

TABLE 2: CONSOLIDATED DATA

| | 2Q21 | 2Q20 | Variation % | Jan-Jun'21 | Jan-Jun'20 | Variation % |
|----------------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| Volume by category (MUC) | | | | | | |
| Colas | 300.1 | 291.6 | 2.9 | 564.6 | 546.6 | 3.3 |
| Flavors | 103.8 | 89.4 | 16.1 | 201.5 | 189.3 | 6.5 |
| Sparkling Total Volume | 403.8 | 381.0 | 6.0 | 766.1 | 735.9 | 4.1 |
| Water* | 61.5 | 45.7 | 34.4 | 115.9 | 105.8 | 9.5 |
| Still Beverages** | 50.7 | 39.2 | 29.3 | 94.3 | 80.7 | 16.9 |
| Volume excluding Jug | 516.0 | 465.9 | 10.7 | 976.3 | 922.5 | 5.8 |
| Jug | 61.8 | 61.1 | 1.1 | 115.5 | 116.5 | -0.8 |
| Total Volume | 577.8 | 527.1 | 9.6 | 1,091.8 | 1,039.0 | 5.1 |
| Income Statement (MM MXP) | | | | | | |
| Net Sales*** | 45,808 | 42,945 | 6.7 | 86,282 | 81,837 | 5.4 |
| EBITDA | 9,399 | 8,235 | 14.1 | 17,081 | 14,872 | 14.9 |
| EBITDA Margin | 20.5% | 19.2% | 134 bp | 19.8% | 18.2% | 162 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 2Q21 reached Ps. 45,808 million, and for the first six months of 2021 reached Ps. 86,282 million, increasing 6.7% and 5.4%, respectively (16.5% and 10.9% on a currency neutral basis), when compared to the same periods in 2020.
- Total volume (excluding jug water) for 2Q21 continued its positive trend, increasing 10.7% and driven by 34.4% and 29.3% growth in water and stills, respectively. In 6M21, consolidated volume grew 5.8%, excluding jug water.
- Cost of sales for 2Q21 increased 5.9%, mainly due to the increase in sales volume, which was partially offset by the effect of the dollar and Peruvian sol exchange rates.



- In 2Q21, consolidated gross profit rose 7.6% to Ps. 20,821 million, representing a gross margin of 45.5%, 40 basis points higher than 2Q20. In 6M21, gross profit reached Ps. 39,228 million for a margin of 45.5%, 60 basis points higher than 6M20.
- Selling and administrative expenses remained at the same levels as 2Q20 at Ps. 13,847 million. The ratio of expenses to revenues was 30.2%, 200 basis points lower than 2Q20, reflecting our financial discipline. In 6M21, selling and administrative expenses reached Ps. 27,069 million, or 31.4% ratio of expenses to revenues.
- In 2Q21, consolidated operating income reached Ps. 6,985 million for an increase of 27.3% versus 2Q20, and an operating margin of 15.2%, 240 basis points higher than the previous year. In 6M21, operating income rose 30.0% to Ps. 12,244 million and an operating margin of 14.2%, up 370 basis points compared to 2020.
- Consolidated EBITDA in 2Q21 increased 14.1% to Ps. 9,399 million for an EBITDA margin of 20.5%, 130 basis points higher than 2Q20. In 6M21, EBITDA reached Ps. 17,081 million, up 14.9% and representing an EBITDA margin of 19.8%, 160 basis points higher than in 6M20. On a currency-neutral basis, EBITDA grew 21.1% in 2Q21 and 19.1% in 6M21.
- Comprehensive financing result for 2Q21 was a cost of Ps. 1,220 million, as a result of a higher foreign exchange loss when compared to the previous year due to the peso appreciation versus the dollar in 2021 vs 2020. In 6M21, the cost reached Ps. 1,803 million.
- In 2Q21, income tax reflected an effective tax rate of 30.7% to reach Ps. 1,736 million. In 6M21, the the income tax was Ps. 3,170 million.
- Net income for 2Q21 was Ps. 3,130 million, 34.0% higher than 2Q20, reflecting a net margin of 6.8%, or 140 basis points above last year. In 6M21, it reached Ps. 5,715 million, reflecting a net margin of 6.6%, 50 basis points higher when compared to 2020.

BALANCE SHEET & CASH FLOW STATEMENT

- As of June 30, 2021, cash balance was Ps. 30,613 million and total debt was Ps. 52,114 million, for a net debt position of Ps. 21,501 million. The Net Debt/EBITDA ratio was 0.6x.
- Net operating cash flow reached Ps. 13,619 million as of June 30, 2021.
- CAPEX for the period totaled Ps. 2,381 million, mainly allocated towards market investments, such as returnable packaging, coolers and distribution capabilities.

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 the beverage and complementary businesses.

TABLE 3: MEXICO DATA

| | 2Q21 | 2Q20 | Variation % | Jan-Jun'21 | Jan-Jun'20 | Variation % |
|----------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Volume by Category (MUC) | | | | | | |
| Colas | 192.5 | 190.9 | 0.8 | 349.9 | 343.5 | 1.9 |
| Flavors | 37.2 | 33.8 | 9.8 | 65.3 | 62.8 | 4.1 |
| Sparkling Total Volume | 229.7 | 224.8 | 2.2 | 415.2 | 406.3 | 2.2 |
| Water* | 34.0 | 26.0 | 30.6 | 58.4 | 49.8 | 17.2 |
| Still Beverages** | 20.2 | 16.0 | 26.2 | 36.3 | 31.9 | 13.8 |
| Volume excluding jug | 283.9 | 266.8 | 6.4 | 509.9 | 488.0 | 4.5 |
| Jug | 60.1 | 59.9 | 0.5 | 111.5 | 112.2 | -0.6 |
| Total Volume | 344.1 | 326.7 | 5.3 | 621.4 | 600.2 | 3.5 |
| Mix (%) | | | | | | |
| Returnable | 32.2 | 34.3 | -2.0 | 32.6 | 33.4 | -0.8 |
| Non Returnable | 67.8 | 65.7 | 2.0 | 67.4 | 66.6 | 0.8 |
| Multi-serve | 57.0 | 63.7 | -6.8 | 57.9 | 59.5 | -1.5 |
| Single-serve | 43.0 | 36.3 | 6.8 | 42.1 | 40.5 | 1.5 |
| Income Statement (MM MXP) | | | | | | |
| Net Sales | 20,723 | 17,938 | 15.5 | 37,284 | 33,072 | 12.7 |
| EBITDA | 5,451 | 4,891 | 11.5 | 9,296 | 8,000 | 16.2 |
| EBITDA Margin | 26.3% | 27.3% | -100 bp | 24.9% | 24.2% | 70 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 FOR MEXICO

- In 2Q21, net sales for Mexico reached Ps. 20,723 million, an increase of 15.5%. Average price per unit case, excluding jug water, increased 8.2% to Ps. 68.63, mainly driven by recovery of mix in packages and channels.
- Sales volume grew 6.4% to 283.9 MUC (excluding jug water), signaling a recovery to pre-pandemic levels. When compared to 2Q19, volume rose 1.4% (excluding jug water).
- The positive volume performance for 2Q21 was mainly due to promotions and execution plans to boost the traditional channel, as well as the recovery of other channels such as supermarkets, on-premise, at work and entertainment, as stores reopened, and mobility restrictions were lifted.
- In 2Q21, EBITDA for Mexico increased 11.5% to Ps. 5,451 million, representing a margin of 26.3%, 100 basis points lower than 2Q20.



- Mix of single serve packages increased 6.8 percentage points explained mainly by the increase in mobility which helped to capture additional volume across all channels, the most significant were on-premise, supermarket and traditional channels.
- In 2Q21, Topo Chico Hard Seltzer obtained positive results, capturing incremental volume and achieving coverage of over 66% at points of sale with alcoholic beverages. We continued capitalizing on new markets in Aguascalientes, San Luis Potosi, Los Cabos and Nuevo Laredo.
- We launched the new flavor Apple-Peach for the brands Joya and Sidral Mundet. Main packages launched were 600ml NRP, 2L NRP and 2.5L NRP.
- Mix of returnables in 2Q21 declined 2.0 percentage points explained by the strong performance of non-returnable categories, such as water and sports drinks. Performance of returnable flavors and still beverages continued their positive trend driven by the Universal Bottle initiative.
- During the quarter, we extended the reach of our AC Digital platform to all channels. This innovation provides our customers an easy to use and accessible platform to purchase our products directly from the platform (including Bokados), while receiving direct information regarding promotions, new offers and suggested orders.
- During 2Q21, Bokados snacks in Mexico posted a significant recovery with double-digit growth in both sales and EBITDA. Results were mainly driven by double-digit growth in the traditional channel, leveraged by the distribution of other packaged products, strong performance of the modern trade, and effective management of discounts and promotions.



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

| | 2Q21 | 2Q20 | Variation % | Jan-Jun'21 | Jan-Jun'20 | Variation % |
|----------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Volume by Category (MUC) | | | | | | |
| Colas | 52.3 | 53.0 | -1.5 | 99.8 | 99.4 | 0.4 |
| Flavors | 30.4 | 28.1 | 8.1 | 56.2 | 53.5 | 5.0 |
| Sparkling Total Volume | 82.6 | 81.1 | 1.8 | 156.0 | 152.9 | 2.0 |
| Water* | 14.0 | 12.4 | 13.6 | 26.4 | 27.5 | -4.3 |
| Still Beverages** | 19.7 | 17.1 | 15.5 | 34.4 | 32.1 | 7.1 |
| Total Volume | 116.4 | 110.6 | 5.3 | 216.8 | 212.6 | 2.0 |
| Mix (%) | | | | | | |
| Multi-serve | 66.1 | 70.5 | -4.4 | 67.5 | 68.3 | -0.8 |
| Single-serve | 33.9 | 29.5 | 4.4 | 32.5 | 31.7 | 0.8 |
| Income Statement (MM MXP) | | | | | | |
| Net Sales*** | 17,539 | 18,142 | -3.3 | 32,701 | 32,606 | 0.3 |
| EBITDA | 2,739 | 2,519 | 8.7 | 4,739 | 4,145 | 14.3 |
| EBITDA Margin | 15.6% | 13.9% | 170 bp | 14.5% | 12.7% | 180 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 FOR THE U.S.

- Net sales in the U.S. decreased 3.3% to Ps. 17,539 million in 2Q21, mainly due to a negative FX effect. Sales volume rose 5.3% to 116.4 MUC compared to 2Q20 and 0.8% compared to 2Q19.
- EBITDA in the U.S. reached Ps. 2,739 million in 2Q21, up 8.7% and representing a margin of 15.6%, up 170 basis points when compared to 2Q20. Accumulated in 2021, EBITDA was Ps. 4,739 million, 14.3% higher compared to 2020, representing an expansion of 180 basis points.
- Net price in 2Q21 increased 7.3% driven mainly by a true rate increase of 4.1% and a positive mix effect of 3.3%.
- During 2Q21, we completed the rollout of the new service models in the modern trade channel. These models allowed us to improve execution at the point of sale. In 2Q21, store visits increased by 28%, generating incremental orders.
- The e-commerce platform mycoke.com continued its positive trend reaching nine thousand active customers. Currently over 53% of on-premise customers are already placing orders through this platform, generating cost-to-serve savings.
- We completed the implementation of the new "Sales Force Customer Relationship Management" tool. This has enhanced our on-premise routing strategy, as it allows us to prioritize visits and have more valuable conversations with customers. There has been a 16% increase in visits completed compared to 1Q21 and a decrease of miles driven by 11,000.



- In 2Q21, there was a significant change in single-serve mix, growing 4.1%, as the on-premise channel continued to recover, and consumers began to resume their normal activities. Our focus has also shifted in this specific channel, adding more active customers and securing the positioning of key products.
- After launching Coke with Coffee earlier this year, coverage of over 70% was achieved in the large stores channel and 60% in convenience stores. This launch has helped to gain 1.3 percentage points of value share in the RTD coffee category.
- In March we announced our commitment to reach an average 50% recycled content across our entire portfolio of beverages. We will be the first bottler in the U.S. to make this commitment and will achieve this goal in 2021, enabling us to reach one of the World Without Waste goals nine years in advance.
- In Wise snacks, 2Q21 continued to present challenging operating conditions, thus posting declines in revenues and EBITDA. Special plans are in place to leverage the recovery in sales and profitability, including the launch of new products, achieve closer ties with current distributors, while expanding to new retail chains.



South America

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

TABLE 4: SOUTH AMERICA DATA

| | 2Q21 | 2Q20 | Variation % | Jan-Jun'21 | Jan-Jun'20 | Variation % |
|----------------------------------|--------------|-------------|-------------|--------------|--------------|-------------|
| Volume by Category (MUC) | | | | | | |
| Colas | 55.3 | 47.6 | 16.1 | 114.9 | 103.7 | 10.8 |
| Flavors | 36.3 | 27.5 | 31.9 | 80.0 | 73.0 | 9.6 |
| Sparkling Total Volume | 91.6 | 75.1 | 21.9 | 194.9 | 176.7 | 10.3 |
| Water* | 13.4 | 7.3 | 82.5 | 31.1 | 28.5 | 9.2 |
| Still Beverages** | 10.7 | 6.1 | 76.2 | 23.6 | 16.7 | 41.8 |
| Volume excluding jug | 115.7 | 88.5 | 30.6 | 249.6 | 221.9 | 12.5 |
| Jug | 1.7 | 1.3 | 31.8 | 4.1 | 4.3 | -6.5 |
| Total Volume | 117.4 | 89.8 | 30.6 | 253.7 | 226.2 | 12.2 |
| Mix (%) | | | | | | |
| Returnable | 32.1 | 35.2 | -3.0 | 32.0 | 33.5 | -1.5 |
| Non Returnable | 67.9 | 64.8 | 3.0 | 68.0 | 66.5 | 1.5 |
| Multi-serve | 72.7 | 83.7 | -11.0 | 72.6 | 74.4 | -1.8 |
| Single-serve | 27.3 | 16.3 | 11.0 | 27.4 | 25.6 | 1.8 |
| Income Statement (MM MXP) | | | | | | |
| Net Sales | 7,545 | 6,865 | 9.9 | 16,297 | 16,159 | 0.9 |
| EBITDA | 1,209 | 825 | 46.5 | 3,045 | 2,726 | 11.7 |
| EBITDA Margin | 16.0% | 12.0% | 400 bp | 18.7% | 16.9% | 180 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 FOR SOUTH AMERICA

- Net sales for the South America division increased 9.9% to Ps. 7,545 million in 2Q21 mainly driven by the volume recovery across all three operations. In 6M21, net sales reached Ps. 16,297 million, an increase of 0.9% when compared to 6M20. In Peru and Ecuador, volumes have not yet fully recovered to 2019 levels due to lockdowns and mobility restrictions still enforced.
- In 2Q21, total sales volume for South America increased 30.6% to 115.7 MUC. In 6M21, volume excluding jug water for this region increased 12.5%.
- EBITDA for South America in 2Q21 increased 46.5% to Ps. 1,209 million, reflecting a margin of 16.0% for an expansion of 400 basis points versus 2Q20.



Peru

- In Peru, sales volume rose 41.5% as a result of the recovery in all categories, particularly single-serve water and still beverages. For 6M21, volume presented growth of 15.0%.
- Our strong volume performance was driven mainly by our price/pack strategy, which addresses the new consumption trends, such as the growth of the direct-to-home channel and increase in demand for multi-serve formats. Therefore, we increased the availability of water via a dual strategy with San Luis and Benedictino, launched new multi-serve packages of the brand Frugos Fresh, and expanded coverage of key packages of Powerade in the traditional channel.
- Sparkling category posted a 32.6% recovery in 2Q21, mainly driven by Inca Kola brand which grew by 37.4%, followed by Coca-Cola brand up 29.9%, and flavors, mainly Fanta and Sprite, posting increases as well. This growth resulted from various plans implemented, such as the launch of new packages and promoting affordability via returnable packages.
- Growth in the still beverages category was driven mainly by sports drinks as a result of the new 473ml package at competitive prices, which resulted in a 2.1 percentage point increase in market share.
- The direct-to-home channel increased 10% in 6M21 when compared to last year as a result of promotional activity communicated continuously through social media networks.
- During 2Q21, the customer base for AC Digital continued increasing and reached 80 thousand active customers, up 30% when compared to 1Q21. This platform enables additional orders for customers which resulted in approximately 115 thousand orders, representing nearly 2% of total sales for the traditional channel in Peru.

Ecuador

- In 2Q21, sales volume increased 27.1% mainly driven by growth in the water and still beverages categories, as well as a significant recovery of the on-premise channel. In 6M21, volume grew 10.7% with the stills and flavors categories posting the highest recoveries with 22.6% and 20.7% growth, respectively.
- Mix of returnable packages increased by 3 percentage points in 2Q21, driven by the continuous strategy of affordability and returnability, among which stood out the performances of multi-serve Coca-Cola and flavors Fanta, Sprite and Fioravanti.
- During 2Q21, specialized service models were implemented, aimed at strengthening execution at the point of sale and supporting the reactivation of customers.
- During the quarter, the new Coca-Cola Sin Azucar was launched in all channels, posting positive results and achieving the highest coverage of the last 18 months in the traditional channel of over 70%.
- Tonicorp maintained its leadership in value-added single-serve packages and continued diversifying its portfolio towards affordable categories and multi-packs. In 2Q21, sales volume improved double-digits, capturing incremental points in market share in core categories, such as yogurt, flavored milk and ice cream.



- In Inalecsa, sales grew by a high single-digit while EBITDA declined by double-digits, mainly impacted by the increase in expenses associated with new territories and the volatility in raw materials. The new portfolio of Mix snacks was launched in the quarter with positive results and achieving six percentage points of market share. In addition, more than 4 thousand new customers in the traditional channel were captured in territories we serve directly.

Argentina

- Sales volume in 2Q21 increased 15.1% mostly driven by the sparkling category, mainly Coca-Cola, Cola-Cola Sin Azucar, Fanta and Sprite. In 6M21, volume grew 9.3%.
- During the quarter, Coca-Cola Sin Azucar was relaunched with a new formula, resulting in 40% coverage in the traditional channel and 16.8% growth when compared to 2Q20.
- The AC Digital platform added more than 4 thousand new customers, reaching an adoption level of 31.6% at the end of June.
- The affordability strategy continued through the Universal Bottle initiative; to date, 700 thousand bottles have been placed in the market.

ESG

- As part of World Recycling Day, Arca Continental together with the Coca-Cola Industry in Mexico announced a three-year plan to invest \$11 billion pesos in infrastructure projects, aimed at the country's sustainable development. The main objective is to increase job opportunities in the recycling chain and supply of recoverable waste by 51%, directly impacting the economic growth and well-being of thousands of Mexican families.
- Under the framework of World Earth Day, Arca Continental participated in the new campaign #JuntosParaAlgoMejor ("Together for Something Better") with the goal of fostering the use of returnable products as an option for the circular economy in order to reach the objectives set forth by "World Without Waste".
- Our beverage operation in the U.S. recently announced its commitment to double the amount of recycled content across the entire plastic packaging portfolio and significantly reduce the use of virgin plastic. By the end of 2021, recycled PET will account for 50% of every new plastic bottle that we produce.
- In Ecuador, the program "Mi Tienda, Mi Futuro" (*My Store, My Future*) was launched, which is focused on providing virtual workshops so store owners develop commercial and skills that will support growth for their businesses and enhance relations with consumers. In the first phase, over 1,000 customers in Guayaquil were trained using modern digital tools. In addition, thanks to live streaming tools, more than 17,000 entrepreneurs were reached throughout the country.
- In Peru, together with The Coca-Cola Company, the second version of the program #BodegaSinResiduos (*Store Without Waste*) was launched, seeking to convert stores and minimarkets in Lima into spaces where neighbors can recycle PET plastics. Collection containers were installed in stores eligible for this program.
- Also, for the 8th consecutive year the socially responsible company distinction was obtained in Peru and achieved the highest score among companies that participated from the sector.



- In Argentina, recycling stations were installed in schools in Iguazu. A virtual environmental workshop was conducted for more than 2,500 children, aimed at promoting the importance of separating recyclable material at homes and at school.

RECENT EVENTS

- Arca Continental was ratified to the Sustainability Index of Standard & Poor's Dow Jones Index and the Bolsa Mexicana de Valores. The goal of this index is to give greater exposure to Mexican companies that promote best practices in environmental, social and corporate governance matters.
- On May 11, 2021, AC Bebidas successfully completed the issuance of Ps. 4,650 million in local green bonds ("Certificados Bursátiles"). The bonds are one of the first issued in pesos by a beverage company in Mexico. AC Bebidas placed two tranches, Ps. 3,000 million for 7 years accruing an annual fixed rate of 6.75% and Ps. 1,650 million for 4 years accruing a variable rate of TIIE plus 7 basis points. The transaction drew a high level of interest from a diverse investor base and was oversubscribed by nearly 4.3 times. Both bonds received "mxAAA" by S&P and "AAA (mex)" by Fitch Ratings.
- On April 15, 2021, Arca Continental's Annual Shareholders' Meeting approved the payment of a cash dividend for Ps. 2.94 per share in one single payment beginning April 27, 2021, equivalent to a total amount of Ps. 5,187 million, representing a payout ratio of 50%, in line with its historical average.



CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on July 16, 2021 to discuss these results 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 or connect via telephone.

To participate, please dial:

+1-877-712-5080 (U.S. participants)

+1-334-245-3009 (International participants)

0-1-800-062-2650 (Mexico 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 95 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 123 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

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)

| | 2Q21 | | 2Q20 | | Variation | | Jan-Jun'21 | Jan-Jun'20 | Variation | |
|--|---------------|---------------|------|--|-----------|-------|---------------|---------------|-----------|--------|
| | | | | | MM MXP | % | | | MM MXP | % |
| Net Sales | 45,808 | 42,945 | | | 2,863 | 6.7 | 86,282 | 81,837 | 4,445 | 5.4 |
| Cost of Sales | 24,987 | 23,595 | | | 1,391 | 5.9 | 47,054 | 45,054 | 2,001 | 4.4 |
| Gross Profit | 20,821 | 19,349 | | | 1,472 | 7.6 | 39,228 | 36,784 | 2,444 | 6.6 |
| | 45.5% | 45.1% | | | | | 45.5% | 44.9% | | |
| Selling Expenses | 11,605 | 11,608 | | | -3 | 0.0 | 22,602 | 22,736 | -134 | -0.6 |
| Administrative Expenses | 2,242 | 2,218 | | | 25 | 1.1 | 4,468 | 4,409 | 59 | 1.3 |
| Total Costs | 13,847 | 13,825 | | | 22 | 0.2 | 27,069 | 27,144 | -75 | -0.3 |
| | 30.2% | 32.2% | | | | | 31.4% | 33.2% | | |
| Non Recurring Expenses | 110 | 192 | | | -81 | -42.4 | 275 | 524 | -250 | -47.6 |
| Operating Income before other income | 6,863 | 5,332 | | | 1,531 | 28.7 | 11,884 | 9,115 | 2,769 | 30.4 |
| Other Income (Expenses) ^{1,2} | 122 | 155 | | | -33 | -21.3 | 360 | 306 | 55 | 17.8 |
| Operating Income | 6,985 | 5,487 | | | 1,498 | 27.3 | 12,244 | 9,421 | 2,823 | 30.0 |
| | 15.2% | 12.8% | | | | | 14.2% | 11.5% | | |
| Interest Expense Net | -723 | -947 | | | 224 | -23.6 | -1,443 | -1,811 | 368 | -20.3 |
| Exchange Gain (Loss) | -426 | -370 | | | -56 | 15.0 | -227 | 982 | -1,210 | -123.2 |
| Monetary position result | -71 | -9 | | | -62 | | -133 | -15 | -118 | |
| Comprehensive Financial Results | -1,220 | -1,326 | | | 106 | -8.0 | -1,803 | -844 | -959 | 113.6 |
| Share of net income of associates ³ | -112 | 7 | | | -118 | | -125 | 30 | -155 | -517.2 |
| Earnings Before Taxes | 5,653 | 4,167 | | | 1,486 | 35.6 | 10,316 | 8,606 | 1,709 | 19.9 |
| Profit Taxes | -1,736 | -1,252 | | | -485 | 38.7 | -3,170 | -2,569 | -602 | 23.4 |
| Non-controlling interest | -787 | -581 | | | -207 | 35.6 | -1,430 | -1,025 | -406 | 39.6 |
| Net Profit | 3,130 | 2,335 | | | 794 | 34.0 | 5,715 | 5,013 | 702 | 14.0 |
| | 6.8% | 5.4% | | | | | 6.6% | 6.1% | | |
| Depreciation and amortization | 2,304 | 2,556 | | | -252 | -9.9 | 4,562 | 4,927 | -365 | -7.4 |
| EBITDA | 9,399 | 8,235 | | | 1,165 | 14.1 | 17,081 | 14,872 | 2,209 | 14.9 |
| EBITDA / Net Sales | 20.5% | 19.2% | | | | | 19.8% | 18.2% | | |

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

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

² Includes net effect from Revenues outside the territory (OT) in USA

³ 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)

| | June 30 2021 | December 31 2020 | Variation | |
|---|-----------------|---------------------|---------------|-------------|
| | | | MM MXP | % |
| ASSETS | | | | |
| Cash and cash equivalents | 30,613 | 27,336 | 3,278 | 12.0 |
| Accounts receivable; Net | 13,717 | 11,062 | 2,655 | 24.0 |
| Inventories | 8,118 | 8,251 | -133 | -1.6 |
| Prepayments | 908 | 451 | 457 | 101.3 |
| Total Current Assets | 53,356 | 47,099 | 6,256 | 13.3 |
| Investments in shares and other investments | 8,258 | 8,308 | -50 | -0.6 |
| Property, plant and other equipment | 66,940 | 69,659 | -2,719 | -3.9 |
| Assets right of use | 957 | 1,190 | -233 | -19.5 |
| Other non current assets | 117,920 | 119,717 | -1,797 | -1.5 |
| Total Assets | 247,431 | 245,974 | 1,458 | 0.6 |
| LIABILITIES | | | | |
| Short term bank loans | 9,367 | 7,132 | 2,235 | 31.3 |
| Suppliers | 9,362 | 8,044 | 1,318 | 16.4 |
| Short term lease | 326 | 358 | -32 | -9.0 |
| Accounts payable and taxes | 16,574 | 15,245 | 1,329 | 8.7 |
| Total Current Liabilities | 35,629 | 30,779 | 4,850 | 15.8 |
| Bank Loans and long term liabilities | 42,747 | 43,445 | -698 | -1.6 |
| Long term lease | 677 | 853 | -176 | -20.6 |
| Deferred income tax and others | 23,007 | 23,476 | -470 | -2.0 |
| Total Liabilities | 102,059 | 98,553 | 3,506 | 3.6 |
| SHAREHOLDER'S EQUITY | | | | |
| Non controlled participation | 28,807 | 30,566 | -1,760 | -5.8 |
| Capital Stock | 982 | 982 | 0 | 0.0 |
| Retained Earnings | 109,869 | 105,596 | 4,273 | 4.0 |
| Net Profit | 5,715 | 10,276 | -4,561 | -44.4 |
| Total Shareholders' Equity | 145,372 | 147,420 | -2,048 | -1.4 |
| Total Liabilities and Shareholders' Equity | 247,431 | 245,974 | 1,458 | 0.6 |



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

Cash Flow Statement

(millions of Mexican pesos)

| | as of June 30 | |
|---|---------------|---------------|
| | 2021 | 2020 |
| Earnings Before Taxes | 10,316 | 8,606 |
| Depreciation and amortization | 4,562 | 4,927 |
| Gain on sale and fixed assets impairment | 404 | 427 |
| Foreign exchange / Monetary position result | 360 | -967 |
| Accrued interests (Net) | 1,443 | 1,811 |
| Operating cash flow before taxes | 17,086 | 14,805 |
| Cashflow generated/used in the operation | -3,467 | -1,153 |
| Operating cashflow after working capital | 13,619 | 13,651 |
| Investment Activities: | | |
| Capital Expenditures and Investments (Net) | -3,597 | -2,285 |
| Financing Activities: | | |
| Dividends paid | -6453 | -4270 |
| Share repurchase program | 219 | -106 |
| Debt amortization | 1,836 | 371 |
| Paid interests | -1,870 | -2,227 |
| Other | -290 | -311 |
| Net cash flow | -6,557 | -6,543 |
| Net increase of cash and equivalents | 3,465 | 4,823 |
| Change in Cash | -187 | 3,680 |
| Initial cash and equivalents balance | 27,336 | 22,051 |
| Final cash and equivalents balance | 30,613 | 30,554 |



Additional Financial Information

Information by Segments 2Q21

| | Beverage Segments | | | | | Other | | Total |
|-------------------------------------|-------------------|---------------|---------------|--------------|---------------|---------------|----------------|----------------|
| | Mexico | USA | Peru | Argentina | Ecuador | Business* | Eliminations | |
| Volume by Segment | 344.1 | 116.4 | 59.0 | 25.8 | 32.5 | | | 577.8 |
| Sales by Segment | 19,785 | 16,443 | 3,153 | 1,414 | 2,657 | 2,746 | -390 | 45,808 |
| Intersegment Sales | -267 | 0 | -19 | 0 | -2 | -102 | 390 | 0 |
| Net Sales from intersegments | 19,518 | 16,443 | 3,134 | 1,414 | 2,656 | 2,644 | 0 | 45,808 |
| Operating Income | 4,609 | 2,173 | 279 | -26 | 163 | -213 | 0 | 6,985 |
| EBITDA | 5,359 | 2,780 | 573 | 178 | 419 | 90 | 0 | 9,399 |
| EBITDA / Net Sales | 27.5% | 16.9% | 18.3% | 12.6% | 15.8% | 3.4% | 0.0% | 20.5% |
| Non Recurring Expenses | 11 | 11 | 3 | 66 | 1 | 17 | 0 | 110 |
| Depreciation and amortization | 739 | 596 | 290 | 137 | 255 | 287 | 0 | 2,304 |
| Financial Income | 346 | 5 | 886 | -12 | 19 | 12 | 0 | 1,256 |
| Financial Expenses | 1,211 | 180 | 1,002 | 26 | 38 | 19 | 0 | 2,476 |
| Share of net income of associates | -112 | 0 | 0 | 0 | 0 | 0 | 0 | -112 |
| Earnings Before Taxes | 3,631 | 1,998 | 163 | -64 | 144 | -220 | 0 | 5,653 |
| Total Assets | 82,794 | 99,663 | 37,595 | 8,509 | 22,051 | 11,921 | -15,102 | 247,431 |
| Investment in associates companies | 7,304 | 585 | 0 | 370 | 0 | 0 | 0 | 8,258 |
| Total Liabilities | 52,799 | 33,989 | 12,516 | 1,189 | 5,246 | 3,047 | -6,726 | 102,059 |
| CAPEX | 1,362 | 458 | 220 | 149 | 172 | 140 | 0 | 2,500 |

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

Information by Segments Jan-Jun'21

| | Beverage Segments | | | | | Other | | Total |
|-------------------------------------|-------------------|---------------|---------------|--------------|---------------|---------------|----------------|----------------|
| | Mexico | USA | Peru | Argentina | Ecuador | Business* | Eliminations | |
| Volume by Segment | 621.4 | 216.8 | 131.4 | 56.1 | 66.2 | | | 1,091.8 |
| Sales by Segment | 35,490 | 30,617 | 7,184 | 3,059 | 5,433 | 5,248 | -749 | 86,282 |
| Intersegment Sales | -489 | 0 | -44 | 0 | -3 | -213 | 749 | 0 |
| Net Sales from intersegments | 35,001 | 30,617 | 7,140 | 3,059 | 5,429 | 5,036 | 0 | 86,282 |
| Operating Income | 7,610 | 3,512 | 955 | 133 | 404 | -371 | 0 | 12,244 |
| EBITDA | 9,158 | 4,821 | 1,556 | 475 | 931 | 139 | 0 | 17,081 |
| EBITDA / Net Sales | 26.2% | 15.7% | 21.8% | 15.5% | 17.2% | 2.8% | | 19.8% |
| Non Recurring Expenses | 65 | 95 | 4 | 71 | 20 | 19 | 0 | 275 |
| Depreciation and amortization | 1,482 | 1,213 | 597 | 271 | 507 | 491 | 0 | 4,562 |
| Financial Income | 1,018 | 12 | 1,316 | -17 | 39 | 26 | 0 | 2,394 |
| Financial Expenses | 2,080 | 355 | 1,590 | 57 | 76 | 38 | 0 | 4,197 |
| Share of net income of associates | -125 | 0 | 0 | 0 | 0 | 0 | 0 | -125 |
| Earnings Before Taxes | 6,423 | 3,169 | 680 | 59 | 368 | -383 | 0 | 10,316 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 82,794 | 99,663 | 37,595 | 8,509 | 22,051 | 11,921 | -15,102 | 247,431 |
| Investment in associates companies | 7,304 | 585 | 0 | 370 | 0 | 0 | 0 | 8,258 |
| Total Liabilities | 52,799 | 33,989 | 12,516 | 1,189 | 5,246 | 3,047 | -6,726 | 102,059 |
| CAPEX | 1,362 | 458 | 220 | 149 | 172 | 140 | 0 | 2,500 |

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



Total Debt AC

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | ... | 2032 | Total |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-------|--------|
| Debt Maturity Profile | 4,684 | 7,647 | 5,462 | 3,223 | 3,587 | 2,344 | 6,326 | 2,998 | 7,921 | | 7,921 | 52,114 |
| % of Total | 9.0% | 14.7% | 10.5% | 6.2% | 6.9% | 4.5% | 12.1% | 5.8% | 15.2% | | 15.2% | 100.0% |

| Credit Rating | Local | Global | Outlook |
|---------------|----------|--------|----------|
| Fitch | AAA(mex) | A | Stable |
| Moody's | Aaa.mx | A2 | Negative |
| S&P | mxAAA | - | Stable |

Average exchange rate

| | 2Q21 | 2Q20 | YoY | | Jan-Jun'21 | Jan-Jun'20 | YoY |
|-----|-------|-------|--------|-----|------------|------------|--------|
| MXN | 20.08 | 23.30 | -13.8% | MXN | 20.27 | 21.61 | -6.2% |
| PEN | 5.28 | 6.79 | -22.3% | PEN | 5.43 | 6.32 | -14.0% |
| ARS | 0.21 | 0.35 | -38.1% | ARS | 0.22 | 0.33 | -33.4% |

End of period exchange rate

| | 2Q21 | 1Q21 | 2Q20 |
|-----|-------|-------|-------|
| MXN | 19.82 | 20.60 | 23.13 |
| PEN | 5.13 | 5.48 | 6.54 |
| ARS | 0.21 | 0.22 | 0.33 |

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>

