



## EARNINGS RELEASE

## EBITDA GREW 9.4% WITH REVENUE UP 7.1% IN 4Q22

Monterrey, Mexico, February 9, 2023 – 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 2022 (“4Q22” and “12M22”).

**Table 1: Financial Highlights**

| DATA IN MILLIONS OF MEXICAN PESOS |        |        |             |            |            |             |
|-----------------------------------|--------|--------|-------------|------------|------------|-------------|
|                                   | 4Q22   | 4Q21   | Variation % | Jan-Dec'22 | Jan-Dec'21 | Variation % |
| Total Beverage Volume (MUC)       | 594.3  | 593.7  | 0.1         | 2,372.1    | 2,280.3    | 4.0         |
| Net Sales                         | 52,635 | 49,138 | 7.1         | 207,785    | 183,366    | 13.3        |
| EBITDA                            | 9,983  | 9,127  | 9.4         | 39,622     | 35,406     | 11.9        |
| Net Income                        | 3,956  | 3,187  | 24.2        | 15,503     | 12,282     | 26.2        |

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

### 4Q22 HIGHLIGHTS

- Net Sales were 7.1% higher than 4Q21, reaching Ps. 52,635 million.
- EBITDA increased 9.4% to Ps. 9,983 million for a margin of 19.0%.
- Net Income reached Ps. 3,956 million for an increase of 24.2% and a margin of 7.5%.

### 12M22 HIGHLIGHTS

- Net Sales grew 13.3% versus 12M21 to Ps. 207,785 million.
- EBITDA totaled Ps. 39,622 million for a margin of 19.1%, 11.9% higher than 12M21.
- Net Income increased 26.2% to Ps. 15,503 million for a margin of 7.5%.

### COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“In 2022 we surpassed Ps. 200 billion in annual net sales for the first time in our company’s history, closing the year at Ps. 207,785 billion, 13.3% higher than in 2021, with an 11.9% increase in EBITDA, as a result of the efforts and professionalism of our associates, who responded in an agile and effective manner to an environment of macroeconomic volatility, and, given every opportunity, boosted commercial execution with excellence, portfolio innovation and digitalization strategies to improve our service and attention to customers and consumers”, stated Arturo Gutiérrez, CEO of Arca Continental.

“In 2023 we will continue implementing initiatives that create value and take advantage of the growth opportunities within our new collaboration framework with The Coca-Cola Company signed in 2022, including the expansion into new beverage categories while we advance on our route for sustainable growth, always seeking to make a positive difference in the communities we serve”, he added.

## CONSOLIDATED RESULTS

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

### TABLE 2: CONSOLIDATED DATA

|                                  | 4Q22         | 4Q21         | Variation % | Jan-Dec'22     | Jan-Dec'21     | Variation % |
|----------------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| <b>Volume by category (MUC)</b>  |              |              |             |                |                |             |
| Colas                            | 307.0        | 313.7        | -2.1        | 1,223.3        | 1,187.6        | 3.0         |
| Flavors                          | 115.4        | 117.7        | -1.9        | 441.8          | 428.9          | 3.0         |
| <b>Sparkling Total Volume</b>    | <b>422.4</b> | <b>431.3</b> | -2.1        | <b>1,665.2</b> | <b>1,616.5</b> | 3.0         |
| Water*                           | 68.3         | 60.0         | 13.9        | 267.5          | 240.3          | 11.3        |
| Still Beverages**                | 50.0         | 49.5         | 0.9         | 206.5          | 196.7          | 5.0         |
| <b>Volume excluding Jug</b>      | <b>540.7</b> | <b>540.8</b> | 0.0         | <b>2,139.1</b> | <b>2,053.5</b> | 4.2         |
| Jug                              | 53.6         | 52.9         | 1.3         | 233.0          | 226.9          | 2.7         |
| <b>Total Volume</b>              | <b>594.3</b> | <b>593.7</b> | 0.1         | <b>2,372.1</b> | <b>2,280.3</b> | 4.0         |
| <b>Income Statement (MM MXP)</b> |              |              |             |                |                |             |
| Net Sales***                     | 52,635       | 49,138       | 7.1         | 207,785        | 183,366        | 13.3        |
| EBITDA                           | 9,983        | 9,127        | 9.4         | 39,622         | 35,406         | 11.9        |
| EBITDA Margin                    | 19.0%        | 18.6%        | 40 bp       | 19.1%          | 19.3%          | -20 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

- Net sales for 4Q22 increased 7.1% to Ps. 52,635 million compared to 4Q21. For the full year of 2022, net sales increased 13.3% to Ps. 207,785 million compared to 2021.
- In 4Q22 consolidated total sales volume rose 0.1%. In the twelve months of 2022, consolidated volume grew 4.2%, excluding jug water, to 2,139 MUC and was driven by volume growth across all our operations.
- Cost of sales in the fourth quarter increased 8.1% due to higher prices of raw materials, mainly PET and aluminum. In 12M22, cost of sales rose 14.5%.



- Consolidated gross profit for 4Q22 grew 5.9% to Ps. 23,893 million, reflecting a gross margin of 45.4% for a dilution of 50 bps, primarily from increases in key input prices, which was partially offset by price increases and raw material hedging. In 12M22, gross profit reached Ps. 93,259 million for a margin of 44.9%, 50 basis points lower than in 12M21.
- Selling and administrative expenses rose 5.5% to Ps. 16,686 million in 4Q22, maintaining our discipline in expense control, decreasing the expenses to sales ratio 50 basis points when compared to 4Q21. For 12M22, selling and administrative expenses increased 11.0% to Ps. 63,858 million, representing 30.7% in relation to sales, 70 basis points below 12M21.
- In 4Q22, consolidated operating income reached Ps. 7,759 million, an increase of 23.0% compared to 4Q21, for an operating margin of 14.7%, 190 basis points above 4Q21. In 12M22, operating income rose 20.6% to Ps. 30,587 million for an operating margin of 14.7%, 90 basis points above 12M21 mainly from growth in sales and efficiencies in operating expenses.
- Consolidated EBITDA for 4Q22 increased 9.4% to Ps. 9,983 million representing an EBITDA margin of 19.0%, 40 bps above 4Q21. For 12M22, EBITDA increased to Ps. 39,622 million, 11.9% higher than 2021, representing a margin of 19.1%.
- Comprehensive cost of financing for 4Q22 was a loss of Ps. 836 million, from a higher exchange rate loss due to the appreciation of the peso versus the dollar. In 12M22, it reached Ps. 3,506 million, an increase of 6.5% due to higher interest expenses and a greater loss on monetary position in Argentina.
- Income tax for 4Q22 reflected an effective tax rate of 32.9% and totaled Ps. 2,315 million, 30.7% higher when compared to 4T21. For 12M22, the effective tax rate was 31.7%, for a total of Ps. 8,703 million.
- In 4Q22, net income increased 24.2% to Ps. 3,956 million for a net margin of 7.5%. For 12M22 net income reached Ps. 15,503 million, an increase of 26.2% and a net margin of 7.5%.

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

- As of December 31, 2022, the cash balance was Ps. 27,761 million and total debt was Ps. 46,917 million, for a net debt position of Ps. 19,156 million. Net Debt/EBITDA ratio was 0.5x.
- Net operating cash flow reached Ps. 30,745 million as of December 31, 2022.
- CAPEX for 2022 was Ps. 9,755 million, mainly allocated towards improving execution at the point of sale with coolers and returnable packaging, while also strengthening production capabilities and logistics.

## 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

|                                  | 4Q22         | 4Q21         | Variation % | Jan-Dec'22     | Jan-Dec'21     | Variation % |
|----------------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| <b>Volume by Category (MUC)</b>  |              |              |             |                |                |             |
| Colas                            | 180.0        | 185.4        | -2.9        | 747.9          | 730.8          | 2.3         |
| Flavors                          | 33.1         | 34.7         | -4.6        | 135.9          | 137.1          | -0.8        |
| <b>Sparkling Total Volume</b>    | <b>213.1</b> | <b>220.2</b> | <b>-3.2</b> | <b>883.8</b>   | <b>867.9</b>   | <b>1.8</b>  |
| Water*                           | 31.4         | 28.5         | 10.4        | 134.9          | 119.9          | 12.5        |
| Still Beverages**                | 18.1         | 19.0         | -4.9        | 77.9           | 75.8           | 2.8         |
| <b>Volume excluding jug</b>      | <b>262.7</b> | <b>267.7</b> | <b>-1.9</b> | <b>1,096.6</b> | <b>1,063.6</b> | <b>3.1</b>  |
| Jug                              | 51.6         | 50.9         | 1.4         | 225.4          | 219.2          | 2.8         |
| <b>Total Volume</b>              | <b>314.2</b> | <b>318.5</b> | <b>-1.4</b> | <b>1,322.0</b> | <b>1,282.9</b> | <b>3.0</b>  |
| <b>Mix (%)</b>                   |              |              |             |                |                |             |
| Returnable                       | 28.4         | 30.6         | -2.3        | 29.4           | 32.0           | -2.5        |
| Non Returnable                   | 71.6         | 69.4         | 2.3         | 70.6           | 68.0           | 2.5         |
| Multi-serve                      | 57.7         | 58.1         | -0.5        | 56.7           | 57.9           | -1.1        |
| Single-serve                     | 42.3         | 41.9         | 0.5         | 43.3           | 42.1           | 1.1         |
| <b>Income Statement (MM MXP)</b> |              |              |             |                |                |             |
| Net Sales                        | 22,231       | 20,252       | 9.8         | 89,334         | 78,642         | 13.6        |
| EBITDA                           | 4,698        | 4,556        | 3.1         | 20,591         | 19,252         | 7.0         |
| EBITDA Margin                    | 21.1%        | 22.5%        | -140 bp     | 23.0%          | 24.5%          | -150 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

- Net sales for Mexico increased 9.8% in 4Q22 reaching Ps. 22,231 million. For 12M22, net sales rose 13.6% to Ps. 89,334 million primarily due to selective price increases and the deployment of commercial initiatives which boosted volume growth.
- Sales volume for 4Q22 reached Ps. 262.7 MUC, excluding jug water, driven by the water category which grew 10.4%. For 12M22, volume, excluding jug water, reached 1,096.6 MUC, 3.1% higher than 12M21. Average price per unit case, excluding jug water, reached Ps. 78.04 in 4Q22, an increase of 10.0% driven by selective price adjustments and the execution of RGM initiatives.



- During 4Q22, EBITDA for Mexico increased 3.1% to Ps. 4,698 million, representing a margin of 21.1%, a dilution of 140 basis points from the continued pressure in PET prices. For 12M22, EBITDA reached Ps. 20,591 million, an increase of 7.0% and representing a margin of 23.0%.
- In 2022, Mexico posted a 3.0% increase in volume versus 2021 and 4.9% versus 2019, reaching record volumes of 1,322 MUC. This was driven by the continuous innovation in products and packaging with the launch of 250-ml formats in the sparkling category, which contributed 41% of the growth in this category.
- During the fourth quarter, the supermarket and on-premise channels reported increases of 11.9% and 3.9%, respectively, primarily driven by commercial initiatives to promote product affordability and capturing new consumption occasions with a differentiated portfolio.
- The expansion of digital capabilities resulted in an increase of the number of customers that utilize our AC Digital platform, reaching a total of 214 thousand active customers, up 17% when compared to the previous quarter. By the end of 2022, this platform had captured approximately 38% of traditional channel volume.
- We continued our efforts to strengthen our analytics capabilities, which focused on optimizing promotional spend and improving key indicators in promotions and discounts and resulted in a higher ROI.
- During 4Q22 we launched Lemon Dou brand in the flavored alcoholic beverages category. In addition, we introduced new flavors of Topo Chico Hard Seltzer and continued the expansion in new territories.
- During the quarter, we deployed promotional activities of the 2022 FIFA World Cup that boosted growth of brand Coca-Cola, which increased 2.3%, posting its 5th consecutive year of volume growth at a compound annual rate of 1.4%.
- In 2022, we enhanced our advanced analytics capabilities for suggested order by identifying the potential of each customer. These modifications led to a 1.3% volume growth and a 3.3% increase in coverage of the suggested portfolio for customers where the use case was implemented.
- Bokados in Mexico posted single-digit sales growth and double-digit EBITDA growth in 4Q22, driven by our flexible pricing strategy, launching of new flavors of brand Prispas, and enhanced management of promotions and discounts. These initiatives drove growth in the traditional and modern channels of 7.3% and 2.2%, respectively.



## 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**

|                                  | 4Q22         | 4Q21         | Variation % | Jan-Dec'22   | Jan-Dec'21   | Variation % |
|----------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| <b>Volume by Category (MUC)</b>  |              |              |             |              |              |             |
| Colas                            | 52.7         | 53.0         | -0.6        | 205.6        | 204.1        | 0.7         |
| Flavors                          | 29.8         | 29.5         | 1.2         | 116.6        | 116.1        | 0.4         |
| <b>Sparkling Total Volume</b>    | <b>82.6</b>  | <b>82.5</b>  | <b>0.1</b>  | <b>322.2</b> | <b>320.2</b> | <b>0.6</b>  |
| Water*                           | 14.1         | 12.3         | 14.6        | 55.7         | 53.8         | 3.5         |
| Still Beverages**                | 15.5         | 16.0         | -2.7        | 70.1         | 70.7         | -0.9        |
| <b>Total Volume</b>              | <b>112.2</b> | <b>110.7</b> | <b>1.3</b>  | <b>447.9</b> | <b>444.7</b> | <b>0.7</b>  |
| <b>Mix (%)</b>                   |              |              |             |              |              |             |
| Multi-serve                      | 69.5         | 68.0         | 1.5         | 67.4         | 67.1         | 0.2         |
| Single-serve                     | 30.5         | 32.0         | -1.5        | 32.6         | 32.9         | -0.2        |
| <b>Income Statement (MM MXP)</b> |              |              |             |              |              |             |
| Net Sales***                     | 20,046       | 18,666       | 7.4         | 77,902       | 69,323       | 12.4        |
| EBITDA                           | 3,154        | 2,300        | 37.1        | 11,124       | 9,250        | 20.3        |
| EBITDA Margin                    | 15.7%        | 12.3%        | 340 bp      | 14.3%        | 13.3%        | 100 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.

- In 4Q22, net sales for the U.S. grew 7.4% to Ps. 20,046 million. Sales volume reached 112.2 MUC, an increase of 1.3% compared to 4Q21, led by our pricing strategy which was followed by a price increase of 14% in the quarter. For 12M22, sales volume was 447.9 MUC, 0.7% higher than 12M21, mainly driven by a 3.5% growth in the water category.
- EBITDA for the U.S. reached Ps. 3,154 million with an EBITDA margin of 15.7%, for a 340-basis point expansion when compared to 4Q21. In 12M22, EBITDA rose 20.3% to Ps. 11,124 million when compared to 2021.
- 2022 marked the fifth-consecutive year of EBITDA growth for the beverage business in the U.S., with a CAGR of 12.9% and reaching a margin of 15.1%. These outstanding results were driven by the synergy and efficiency initiatives that were deployed since its acquisition and which will continue contributing to the profitable growth of this operation.
- The positive volume trend for the quarter was supported by 2.2% growth in the large stores channel and 0.7% in small stores. The implementation of various initiatives to boost volume trends also benefited growth in multi-serve packages, up 1.5% in 4Q22.



- We launched a limited edition of Sprite during the December holiday season, which became one of the main factors for the positive performance of the sparkling flavors category, posting 1.2% growth in the quarter.
- At the end of the year, the Trophy Tour of the 2022 FIFA World Cup arrived in Dallas. We executed several World Cup themed activations which supported 3.6% volume growth.
- In 2022 we completed implementing the tool *Trade Promotion Optimization*, seeking to enhance management of promotions using advanced analytics.
- In 4Q22, sales for myCoke.com platform grew 34% compared to 4Q21. As of December, 84% of customers placed their orders through this platform. We accelerated the digitalization of our customers, optimizing cost to serve and maximizing profitability.
- We deployed a new technology tool called *Distribution Order Management* that enables the automation of distribution planning based on the characteristics of the orders.
- Wise, our snacks business in the U.S., posted double digit sales growth mainly driven by our strategy of adjusting prices and optimizing promotions. In addition, we conducted various initiatives focusing on improving productivity and generating efficiencies in operating expenses.



## South America

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

**TABLE 4: SOUTH AMERICA DATA**

|                                  | 4Q22         | 4Q21         | Variation % | Jan-Dec'22   | Jan-Dec'21   | Variation % |
|----------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| <b>Volume by Category (MUC)</b>  |              |              |             |              |              |             |
| Colas                            | 74.3         | 75.2         | -1.2        | 269.8        | 252.7        | 6.8         |
| Flavors                          | 52.5         | 53.5         | -1.9        | 189.3        | 175.7        | 7.7         |
| <b>Sparkling Total Volume</b>    | <b>126.7</b> | <b>128.7</b> | -1.5        | <b>459.1</b> | <b>428.4</b> | 7.2         |
| Water*                           | 22.9         | 19.3         | 18.5        | 76.9         | 66.6         | 15.5        |
| Still Beverages**                | 16.3         | 14.5         | 12.6        | 58.5         | 50.2         | 16.7        |
| <b>Volume excluding jug</b>      | <b>165.9</b> | <b>162.4</b> | 2.1         | <b>594.6</b> | <b>545.1</b> | 9.1         |
| Jug                              | 2.0          | 2.0          | -0.4        | 7.6          | 7.6          | 0.3         |
| <b>Total Volume</b>              | <b>167.9</b> | <b>164.4</b> | 2.1         | <b>602.2</b> | <b>552.7</b> | 8.9         |
| <b>Mix (%)</b>                   |              |              |             |              |              |             |
| Returnable                       | 27.7         | 29.3         | -1.6        | 29.3         | 31.1         | -1.8        |
| Non Returnable                   | 72.3         | 70.7         | 1.6         | 70.7         | 68.9         | 1.8         |
| Multi-serve                      | 69.3         | 71.5         | -2.2        | 68.9         | 71.8         | -2.9        |
| Single-serve                     | 30.7         | 28.5         | 2.2         | 31.1         | 28.2         | 2.9         |
| <b>Income Statement (MM MXP)</b> |              |              |             |              |              |             |
| Net Sales                        | 10,358       | 10,220       | 1.3         | 40,550       | 35,402       | 14.5        |
| EBITDA                           | 2,131        | 2,271        | -6.2        | 7,908        | 6,903        | 14.6        |
| EBITDA Margin                    | 20.6%        | 22.2%        | -160 bp     | 19.5%        | 19.5%        | -           |

\* 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 reached Ps. 10,358 million in 4Q22, an increase of 1.3%. In 12M22, net sales grew 14.5% versus 12M21 to Ps. 40,550 million.
- Total sales volume for South America in 4Q22 increased 2.1% to 165.9 MUC, excluding jug water, driven growth in single serve water and still beverages categories, up 18.5% and 12.6%, respectively. At the end of 2022, volume in this region rose 9.1%, excluding jug water, to 594.6 MUC.
- EBITDA for South America reached Ps. 2,131 million in 4Q22, down 6.2% and representing a margin of 20.6%. In 12M22, EBITDA reached Ps. 7,908 million, an increase of 14.6% and a margin of 19.5%, in line with 12M21.





## Peru

- In 4Q22, volume in Peru grew 0.9%, excluding jug water, due to the growth in single-serve water and stills categories, up 11.2% and 8.0%, respectively. In 12M22, volume grew 8.2%.
- For the quarter, average price rose 6.3% from the combination of a 3.5% true rate increase from selective price adjustments and a positive mix effect of 2.8%.
- At the close of 2022, the sparkling category grew 7.8%, driven by the strong performances of Coca-Cola and Inca Kola brands, as well as the development of zero sugar soft drinks within our sparkling portfolio which grew 31.4% during the year.
- The roll-out of AC Digital, registered 207 thousand customers at the end of 4Q22, representing 35% of the mix of the traditional channel.

## Ecuador

- In Ecuador, sales volume increased 5.8% in 4Q22, mainly from growth across all channels and driven by the single-serve water and still beverage categories, which rose 14.5% and 24.7%, respectively. In 12M22, sales volume increased 6.6%.
- All channels reported positive results for the quarter and full year, driven by the strategy of promoting portfolio affordability and improved execution of promotions. In 4Q22, the modern channel increased 16.5%, led by the recovery of single-serve presentations and expanding our product offering.
- Growth in still beverages continued during the quarter and full year, posting double-digit increases, as a result of greater coverage in the traditional channel of the juice and nectars categories.
- In 4Q22, the mix of single-serve packages increased 2.8 percentage points reaching 34.4%, above 2019 levels by 1.3%, stemming from the continued recovery of the on-premise channel.
- Inalecsa, our snacks business in Ecuador posted double-digit sales and EBITDA growth in the quarter and the full year 2022. This resulted from the deployment of selective price adjustments and product innovation to serve new consumption occasions.
- Tonicorp posted double-digit growth in net sales and EBITDA in 4Q22 and 12M22, boosted by growth in the modern and traditional channels, supported by campaigns and promotions focusing on the high value-added categories.

## Argentina

- In 4Q22, sales volume for Argentina rose 1.3% mainly due to growth in the modern channel of 16.8% and in the on-premise channel of 7.5%. In 12M22, volume grew 13.5%, primarily from increases in the single-serve water, stills and sparkling categories, as well as a double-digit recovery in the on-premise channel.



- Growth in the still beverage category was led by a solid performance of Cepita brand which increased double-digits, supported by greater availability of multi-serve packages and the introduction of returnable packages in the traditional channel to maintain affordability.
- As part of the celebrations for Argentina's victory at the 2022 FIFA World Cup in Qatar, and of an innovation strategy for the category, we launched a commemorative package of Coca-Cola Sin Azúcar.
- At the end of 2022, customers using AC Digital represented 80% of all customers of the traditional channel. Furthermore, nearly 30% of volume for the channel was captured through this platform.

## ESG

- As a result of its positive performance in ESG, Arca Continental was ratified for the fourth consecutive year as a member of the Dow Jones Sustainability Index for Latin America (MILA).
- The company was selected for the first time to be part of the S&P Global Sustainability Yearbook for 2023, one of the most extensive annual publications in terms of corporate sustainability, which aims to recognize the leading companies in sustainable business practices in their respective industries.
- In the environmental arena, Arca Continental entered the Climate Change A-List published by the Carbon Disclosure Project, which recognizes companies that are leading the way in reducing emissions, mitigating climate-related risks, and contributing to the low-carbon economy. This select group includes 282 of the 15,000 organizations evaluated worldwide.
- Furthermore, as evidence of our commitment to our communities, we deployed more than 120 shared-value initiatives to support the communities we serve, through various socially focused associations. Among the main projects were those focused on re-establishing water supply, supplying in 2022 alone more than 2 billion liters of water to these communities to contribute to their availability of water.

## RECENT EVENTS

- On November 29, 2022, an extraordinary cash dividend was paid in the amount of \$3.00 pesos per share, in one single payment, equivalent to a total amount of Ps. 5,233 million. With the payment of this extraordinary dividend, the payout ratio was approximately 88%.
- On November 15, 2022, we completed the process of cancelling the listing of investment shares of AC Lindley in the Lima Stock Exchange (Bolsa de Valores de Lima).
- For 2023 we expect consolidated sales growth in the high-single digits, continuing with price adjustments at least in line with inflation at each of our operations. Additionally, the company will invest between 6% to 7% of total sales in CAPEX.



## CONFERENCE CALL INFORMATION

Arca Continental will host a conference call to discuss these results on February 9, 2023 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 96 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 125 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)

|  | 4Q22          |     | 4Q21          |     | Variation |        | Jan-Dec'22     |     | Jan-Dec'21     |   | Variation |        |
|--|---------------|-----|---------------|-----|-----------|--------|----------------|-----|----------------|---|-----------|--------|
|  | MM            | MXP | MM            | MXP | MM MXP    | %      | MM             | MXP | MM MXP         | % | MM MXP    | %      |
| <b>Net Sales</b>                               | <b>52,635</b> |     | <b>49,138</b> |     | 3,497     | 7.1    | <b>207,785</b> |     | <b>183,366</b> |   | 24,419    | 13.3   |
| Cost of Sales                                  | 28,742        |     | 26,584        |     | 2,157     | 8.1    | 114,527        |     | 100,034        |   | 14,493    | 14.5   |
| <b>Gross Profit</b>                            | <b>23,893</b> |     | <b>22,553</b> |     | 1,339     | 5.9    | <b>93,259</b>  |     | <b>83,333</b>  |   | 9,926     | 11.9   |
|  | 45.4%         |     | 45.9%         |     |           |        | 44.9%          |     | 45.4%          |   |           |        |
| Selling Expenses                               | 14,329        |     | 13,583        |     | 747       | 5.5    | 54,567         |     | 48,504         |   | 6,063     | 12.5   |
| Administrative Expenses                        | 2,357         |     | 2,233         |     | 124       | 5.5    | 9,291          |     | 9,032          |   | 259       | 2.9    |
| <b>Total Costs</b>                             | <b>16,686</b> |     | <b>15,816</b> |     | 870       | 5.5    | <b>63,858</b>  |     | <b>57,536</b>  |   | 6,322     | 11.0   |
|  | 31.7%         |     | 32.2%         |     |           |        | 30.7%          |     | 31.4%          |   |           |        |
| Non Recurring Expenses                         | -3            |     | 229           |     | -233      | -101.4 | 92             |     | 544            |   | -452      | -83.1  |
| <b>Operating Income before other income</b>    | <b>7,210</b>  |     | <b>6,508</b>  |     | 702       | 10.8   | <b>29,308</b>  |     | <b>25,252</b>  |   | 4,056     | 16.1   |
| Other Income (Expenses) <sup>1,2</sup>         | 549           |     | -199          |     | 748       | 375.9  | 1,279          |     | 109            |   | 1,170     | 1076.9 |
| <b>Operating Income</b>                        | <b>7,759</b>  |     | <b>6,309</b>  |     | 1,449     | 23.0   | <b>30,587</b>  |     | <b>25,361</b>  |   | 5,226     | 20.6   |
|  | 14.7%         |     | 12.8%         |     |           |        | 14.7%          |     | 13.8%          |   |           |        |
| Interest Expense Net                           | -470          |     | -739          |     | 269       | 36.4   | -2,274         |     | -2,922         |   | 648       | 22.2   |
| Exchange Gain (Loss)                           | -184          |     | -30           |     | -154      | -517.6 | -299           |     | -80            |   | -218      | -271.4 |
| Monetary position result                       | -183          |     | -95           |     | -88       | -92.6  | -934           |     | -291           |   | -643      | -220.8 |
| <b>Comprehensive Financial Results</b>         | <b>-836</b>   |     | <b>-864</b>   |     | 28        | 3.2    | <b>-3,506</b>  |     | <b>-3,293</b>  |   | -213      | -6.5   |
| Share of net income of associates <sup>3</sup> | 108           |     | 122           |     | -14       | -11.4  | 413            |     | 4              |   | 408       | 9165.5 |
| <b>Earnings Before Taxes</b>                   | <b>7,031</b>  |     | <b>5,568</b>  |     | 1,463     | 26.3   | <b>27,494</b>  |     | <b>22,072</b>  |   | 5,421     | 24.6   |
| Profit Taxes                                   | -2,315        |     | -1,771        |     | -544      | -30.7  | -8,703         |     | -6,983         |   | -1,720    | -24.6  |
| Non-controlling interest                       | -760          |     | -610          |     | -150      | -24.5  | -3,287         |     | -2,807         |   | -480      | -17.1  |
| <b>Net Profit</b>                              | <b>3,956</b>  |     | <b>3,187</b>  |     | 770       | 24.2   | <b>15,503</b>  |     | <b>12,282</b>  |   | 3,221     | 26.2   |
|  | 7.5%          |     | 6.5%          |     |           |        | 7.5%           |     | 6.7%           |   |           |        |
| Depreciation and amortization                  | 2,228         |     | 2,588         |     | -360      | -13.9  | 8,943          |     | 9,500          |   | -558      | -5.9   |
| <b>EBITDA</b>                                  | <b>9,983</b>  |     | <b>9,127</b>  |     | 857       | 9.4    | <b>39,622</b>  |     | <b>35,406</b>  |   | 4,216     | 11.9   |
| EBITDA / Net Sales                             | 19.0%         |     | 18.6%         |     |           |        | 19.1%          |     | 19.3%          |   |           |        |

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 |       |
|---|----------------|----------------|-----------|-------|
|   | 2022           | 2021           | MM MXP    | %     |
| <b>ASSETS</b>                                     |                |                |           |       |
| Cash and cash equivalents                         | 27,761         | 32,117         | (4,356)   | -13.6 |
| Accounts receivable; Net                          | 17,983         | 15,089         | 2,894     | 19.2  |
| Inventories                                       | 11,643         | 9,640          | 2,003     | 20.8  |
| Prepayments                                       | 950            | 586            | 365       | 62.3  |
| <b>Total Current Assets</b>                       | <b>58,338</b>  | <b>57,432</b>  | 906       | 1.6   |
| Investments in shares and other investments       | 9,188          | 8,614          | 574       | 6.7   |
| Property, plant and other equipment               | 68,317         | 68,790         | (473)     | -0.7  |
| Assets right of use                               | 1,202          | 1,083          | 119       | 10.9  |
| Other non current assets                          | 119,256        | 122,108        | (2,853)   | -2.3  |
| <b>Total Assets</b>                               | <b>256,300</b> | <b>258,027</b> | (1,727)   | -0.7  |
| <b>LIABILITIES</b>                                |                |                |           |       |
| Short term bank loans                             | 6,195          | 7,547          | (1,351)   | -17.9 |
| Suppliers   | 14,078         | 12,330         | 1,748     | 14.2  |
| Short term lease                                  | 546            | 407            | 140       | 34.3  |
| Accounts payable and taxes                        | 21,848         | 18,593         | 3,255     | 17.5  |
| <b>Total Current Liabilities</b>                  | <b>42,667</b>  | <b>38,876</b>  | 3,791     | 9.8   |
| Bank Loans and long term liabilities              | 40,722         | 43,527         | (2,805)   | -6.4  |
| Long term lease                                   | 715            | 745            | (30)      | -4.0  |
| Deferred income tax and others                    | 24,342         | 24,742         | (400)     | -1.6  |
| <b>Total Liabilities</b>                          | <b>108,446</b> | <b>107,890</b> | 557       | 0.5   |
| <b>SHAREHOLDER'S EQUITY</b>                       |                |                |           |       |
| Non controlled participation                      | 30,229         | 29,760         | 469       | 1.6   |
| Capital Stock                                     | 971            | 982            | (11)      | -1.1  |
| Retained Earnings                                 | 101,151        | 107,113        | (5,962)   | -5.6  |
| Net Profit  | 15,503         | 12,282         | 3,221     | 26.2  |
| <b>Total Shareholders' Equity</b>                 | <b>147,854</b> | <b>150,137</b> | (2,283)   | -1.5  |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>256,300</b> | <b>258,027</b> | (1,727)   | -0.7  |



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

### Cash Flow Statement

(millions of Mexican pesos)

|   | as of December 31 |                 |
|---|-------------------|-----------------|
|   | 2022              | 2021            |
| <b>Earnings Before Taxes</b>                    | <b>27,494</b>     | <b>22,072</b>   |
| Depreciation and amortization                   | 8,943             | 9,500           |
| Foreign exchange / Monetary position result     | 1,233             | 371             |
| Accrued interests                               | 2,274             | 2,922           |
| Gain on sale and fixed assets impairment        | 203               | 1,107           |
| <b>Operating cash flow before taxes</b>         | <b>40,145</b>     | <b>35,973</b>   |
| Cashflow generated/used in the operation        | (9,400)           | (5,253)         |
| <b>Operating cashflow after working capital</b> | <b>30,745</b>     | <b>30,720</b>   |
| Investment Activities:                          |                   |                 |
| Capital Expenditures and Investments (Net)      | (9,669)           | (7,147)         |
| Financing Activities:                           |                   |                 |
| Dividends paid                                  | (12,621)          | (12,181)        |
| Share repurchase program                        | (3,098)           | (1,312)         |
| Debt amortization                               | (3,022)           | (363)           |
| Paid interests                                  | (4,129)           | (3,250)         |
| Capital increase                                | 0                 | (1,560)         |
| Other   | (641)             | (591)           |
| <b>Net cash flow</b>                            | <b>(23,511)</b>   | <b>(19,257)</b> |
| Net increase of cash and equivalents            | (2,436)           | 4,316           |
| Change in Cash                                  | (1,920)           | 465             |
| <b>Initial cash and equivalents balance</b>     | <b>32,117</b>     | <b>27,336</b>   |
| <b>Final cash and equivalents balance</b>       | <b>27,761</b>     | <b>32,117</b>   |



## Additional Financial Information

### Information by Segments 4Q22

|                                     | Beverage Segments |                |               |               |               | Other         | Eliminations    | Total          |
|-------------------------------------|-------------------|----------------|---------------|---------------|---------------|---------------|-----------------|----------------|
|                                     | Mexico            | USA            | Peru          | Argentina     | Ecuador       | Business*     |                 |                |
| <b>Volume by Segment</b>            | <b>314.2</b>      | <b>112.2</b>   | <b>83.7</b>   | <b>44.4</b>   | <b>39.8</b>   |               |                 | <b>594.3</b>   |
| <b>Sales by Segment</b>             | <b>20,753</b>     | <b>18,860</b>  | <b>4,398</b>  | <b>2,242</b>  | <b>3,215</b>  | <b>3,732</b>  | <b>(564)</b>    | <b>52,635</b>  |
| Intersegment Sales                  | (273)             | 0              | (46)          | 0             | (6)           | (239)         | 564             | 0              |
| <b>Net Sales from intersegments</b> | <b>20,480</b>     | <b>18,860</b>  | <b>4,351</b>  | <b>2,242</b>  | <b>3,209</b>  | <b>3,493</b>  | <b>0</b>        | <b>52,635</b>  |
| Operating Income                    | 3,717             | 2,533          | 785           | 241           | 328           | 154           | 0               | 7,759          |
| <b>EBITDA</b>                       | <b>4,474</b>      | <b>3,088</b>   | <b>1,058</b>  | <b>376</b>    | <b>585</b>    | <b>402</b>    | <b>0</b>        | <b>9,983</b>   |
| EBITDA / Net Sales                  | 21.8%             | 16.4%          | 24.3%         | 16.8%         | 18.2%         | 11.5%         | 0.0%            | 19.0%          |
| Non Recurring Expenses              | (12)              | (31)           | 7             | (2)           | 1             | 34            | 0               | (3)            |
| Depreciation and amortization       | 769               | 585            | 267           | 138           | 255           | 214           | 0               | 2,228          |
| Financial Income and Expenses       | (754)             | (14)           | 19            | (25)          | (52)          | (11)          | 0               | (836)          |
| Share of net income of associates   | 101               | 7              | 0             | 0             | 0             | 0             | 0               | 108            |
| Earnings Before Taxes               | 2,938             | 2,654          | 803           | 216           | 277           | 143           | 0               | 7,031          |
| <b>Total Assets</b>                 | <b>82,115</b>     | <b>101,757</b> | <b>37,919</b> | <b>12,132</b> | <b>21,637</b> | <b>13,063</b> | <b>(12,323)</b> | <b>256,300</b> |
| Investment in associates companies  | 8,068             | 659            | 0             | 461           | 0             | 0             | 0               | 9,188          |
| Total Liabilities                   | 56,388            | 35,480         | 11,478        | 2,220         | 5,837         | 4,886         | (7,843)         | 108,446        |
| CAPEX                               | 5,142             | 1,693          | 886           | 569           | 1,029         | 436           | 0               | 9,755          |

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

### Information by Segments Jan-Dec'22

|                                     | Beverage Segments |                |               |               |               | Other         | Eliminations    | Total          |
|-------------------------------------|-------------------|----------------|---------------|---------------|---------------|---------------|-----------------|----------------|
|                                     | Mexico            | USA            | Peru          | Argentina     | Ecuador       | Business*     |                 |                |
| <b>Volume by Segment</b>            | <b>1,322.0</b>    | <b>447.9</b>   | <b>303.0</b>  | <b>152.3</b>  | <b>146.9</b>  |               |                 | <b>2,372.1</b> |
| <b>Sales by Segment</b>             | <b>84,041</b>     | <b>72,931</b>  | <b>16,270</b> | <b>10,130</b> | <b>12,287</b> | <b>14,117</b> | <b>(1,991)</b>  | <b>207,785</b> |
| Intersegment Sales                  | (1,105)           | 0              | (121)         | 0             | (12)          | (753)         | 1,991           | 0              |
| <b>Net Sales from intersegments</b> | <b>82,936</b>     | <b>72,931</b>  | <b>16,149</b> | <b>10,130</b> | <b>12,275</b> | <b>13,364</b> | <b>0</b>        | <b>207,785</b> |
| Operating Income                    | 16,839            | 8,731          | 2,552         | 1,142         | 1,027         | 297           | 0               | 30,587         |
| <b>EBITDA</b>                       | <b>19,896</b>     | <b>11,025</b>  | <b>3,693</b>  | <b>1,815</b>  | <b>2,051</b>  | <b>1,141</b>  | <b>0</b>        | <b>39,622</b>  |
| EBITDA / Net Sales                  | 24.0%             | 15.1%          | 22.9%         | 17.9%         | 16.7%         | 8.5%          | 0.0%            | 19.1%          |
| Non Recurring Expenses              | 34                | (30)           | 28            | 15            | 6             | 40            | 0               | 92             |
| Depreciation and amortization       | 3,024             | 2,324          | 1,114         | 658           | 1,019         | 805           | 0               | 8,943          |
| Financial Income and Expenses       | (2,416)           | (404)          | (139)         | (389)         | (134)         | (24)          | 0               | (3,506)        |
| Share of net income of associates   | 406               | 7              | 0             | 0             | 0             | 0             | 0               | 413            |
| Earnings Before Taxes               | 14,828            | 8,334          | 2,413         | 753           | 893           | 273           | 0               | 27,494         |
| <b>Total Assets</b>                 | <b>82,115</b>     | <b>101,757</b> | <b>37,919</b> | <b>12,132</b> | <b>21,637</b> | <b>13,063</b> | <b>(12,323)</b> | <b>256,300</b> |
| Investment in associates companies  | 8,068             | 659            | 0             | 461           | 0             | 0             | 0               | 9,188          |
| Total Liabilities                   | 56,388            | 35,480         | 11,478        | 2,220         | 5,837         | 4,886         | (7,843)         | 108,446        |
| CAPEX                               | 5,142             | 1,693          | 886           | 569           | 1,029         | 436           | 0               | 9,755          |

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



### Total Debt AC

|                       | 2022 | 2023  | 2024  | 2025  | 2026  | 2027  | 2028  | 2029  | ... | 2032  | Total  |
|-----------------------|------|-------|-------|-------|-------|-------|-------|-------|-----|-------|--------|
| Debt Maturity Profile | 0    | 6,193 | 5,214 | 4,217 | 5,372 | 6,324 | 2,997 | 8,874 |     | 7,725 | 46,917 |
| % of Total            | 0.0% | 13.2% | 11.1% | 9.0%  | 11.5% | 13.5% | 6.4%  | 18.9% |     | 16.5% | 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

|     | 4Q22  | 4Q21  | YoY    |
|-----|-------|-------|--------|
| MXN | 19.61 | 20.86 | -6.0%  |
| PEN | 5.01  | 5.16  | -3.0%  |
| ARS | 0.12  | 0.21  | -41.3% |

|     | Jan-Dec'22 | Jan-Dec'21 | YoY    |
|-----|------------|------------|--------|
| MXN | 20.04      | 20.39      | -1.7%  |
| PEN | 5.22       | 5.23       | -0.2%  |
| ARS | 0.15       | 0.21       | -27.3% |

### End of period exchange rate

|     | 4Q22  | 3Q22  | 4Q21  |
|-----|-------|-------|-------|
| MXN | 19.36 | 20.19 | 20.52 |
| PEN | 5.08  | 5.07  | 5.15  |
| ARS | 0.11  | 0.14  | 0.20  |

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>

