Sustainable Evolution

2024 Integrated Annual Report

ARCACONTINENTAL

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How to read **this report**

The 2024 Integrated Annual Report is an essential tool for communicating Arca Continental's global performance during the last fiscal year. This document highlights the actions that have allowed the company to maintain its profitable growth through the transformation reflected in its Sustainable Business Model.

Verified[1] information about the company's financial performance is closely linked to its commitment to creating shared value. This is achieved by fostering customer development, offering high-quality products for every consumption occasion, strengthening the supply chain and operating with excellence, all under a vision of environmental leadership and a positive social impact. The report also includes some of the indicators most requested by international rating agencies in terms of sustainability, reaffirming Arca Continental's commitment as a signatory of the United Nations Global Compact. In addition, it confirms the continued alignment with international reporting frameworks and standards, such as those defined by the Value Reporting Foundation, which integrates the principles of the International Integrated Reporting Framework (IR) and the Sustainability Accounting Standards Board (SASB). It also adheres to the standards of the Global Reporting Initiative (GRI) methodology in its most recent version and addresses the impact that climate change has or could have on operations, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Through this report, Arca Continental ratifies its leadership by disclosing information that brings it closer to the general provisions of the new International Sustainability Standards.

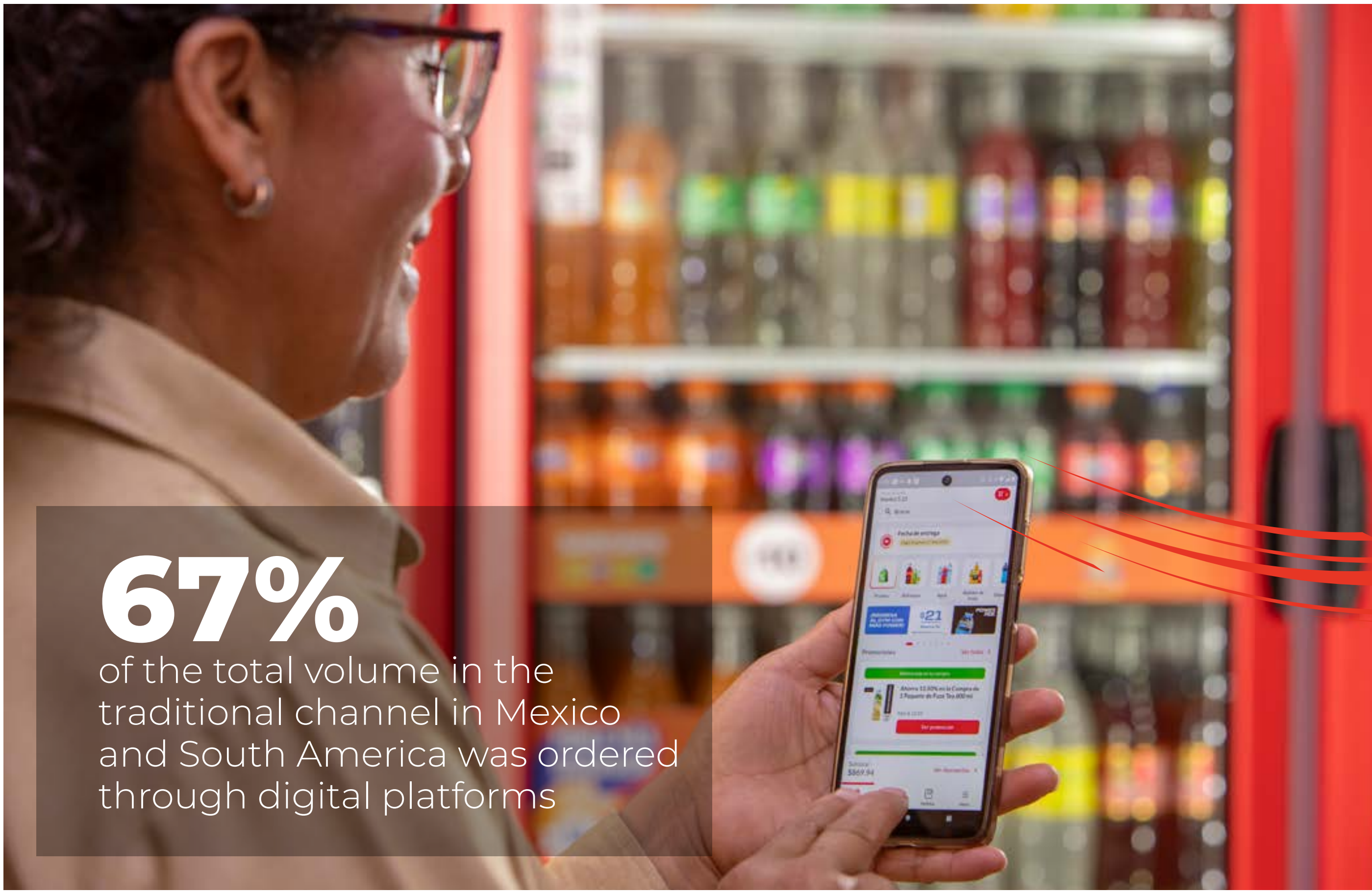
1) Non financial information contained in this report is currently in the process of being externally verfied, not expecting major changes.

Message from the Chairman of the Board and the Chief Executive Officer

To our shareholders:

Guided by the unwavering commitment of our employees, a profitable growth strategy, and investments in cutting-edge infrastructure and technologies, we continue to transform all areas of the company towards a sustainable evolution with a clear vision of generating and sharing value.

237.004 billion pesos
Annual Net Sales
+10.9%
vs 2023



67%
of the total volume in the traditional channel in Mexico and South America was ordered through digital platforms

In 2024, this approach enabled us to achieve the highest consolidated margin in the past eight years, set a new volume record in Mexico, and reach a historic margin in our U.S. operations.

Consolidated volume surpassed 2.466 billion unit cases (MCU), while Annual Net Sales reached 237.004 billion pesos, representing a 10.9% increase compared to the previous year.

With significant capital investment in infrastructure and state-of-the-art technology, we enhanced our production and commercial execution capabilities with high-speed filling lines, new distribution centers, and additional delivery routes to meet the growing demand in our markets.

The implementation of digital transformation initiatives continued successfully with the launch of Tuali, the next generation of AC Digital. This new B2B platform developed by our Digital Nest offers a more intuitive user experience and powerful features, including financial services, multi-category capabilities, and a loyalty program that strengthens our relationship with nearly one million customers. During 2024, 67% of the total volume in the traditional channel in Mexico and South America was ordered through digital platforms.

Highest EBITDA margin in the last 8 years

Net Income

+11.8%

vs 2023 exceeded
19.563 billion pesos

Arca Continental's Sustainable Business Model continued to support the ongoing evolution of our business areas and was reflected in significant advancements in international standards. In 2024, we successfully entered the Dow Jones Sustainability World Index, which includes the 300 leading companies in the world in this field.

Additionally, we were included for the third consecutive year in the S&P Global Sustainability Yearbook, which features close to 700 companies leading their respective industries in corporate sustainability.

The combination of these and other initiatives to strengthen the competitiveness of the business contributed to solid financial results for 2024, which closed with a significant increase in operating cash flow of 14.9%, reaching a margin of 20.5%, the highest in the last 8 years.

Net Income for the year exceeded 19.563 billion pesos, an increase of 11.8% compared to 2023, with a net margin of 8.3%.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Arca Continental, S.A.B. de C.V.
Beverages Industry
Sustainability Yearbook Member
S&P Global Corporate Sustainability Assessment (CSA) Score 2024

In the last 3 years, the value of Arca Continental's stock **delivered a total return of 48.24%** to its shareholders on the Mexican Stock

+9.6%

Net Sales vs 2023
reaching 110.043 billion pesos

5 beverage production lines installed in 2024

Mexico

Operations in Mexico once again delivered outstanding results, with a 9.6% increase in net sales, reaching 110.043 billion pesos. This was driven by an effective pricing strategy, combined with excellent execution of our commercial capabilities across all channels, with particular emphasis on the accelerated adoption of digital tools.

In 2024, EBITDA increased by 12.6% to 26.474 billion pesos, resulting in a margin of 24.1%.

Total volume for the year increased by 2.1%, totaling 1.406-billion-unit cases (MUC) and we recorded the highest volume in history for a fourth quarter in Mexico.

The Coca-Cola brand achieved its seventh consecutive year of growth, bolstered by outstanding double-digit volume growth in Coca-Cola Zero Sugar.

Non-carbonated beverages reported volume growth of 13.1%, primarily driven by tea and sports drink segments, consolidating their market presence.

Advertising campaigns have strengthened connections with younger generations through innovations such as Coca-Cola Marvel and limited editions of the Coca-Cola Creations program, such as Coca-Cola K-Wave and Coca-Cola Oreo.

Among the most notable investments to increase our production and distribution capacities are five beverage production lines installed in 2024, and five distribution centers that, once operational, will allow us to handle an additional 200 million boxes in the coming years, enabling 600 delivery routes.

As an example, the new Tonalá distribution center has the capacity for 240 delivery routes, while the Santa Catarina distribution center has 135. The Guadalupe Plant incorporates a new line specialized in the production of single-serve packaging, as well as an additional line for the production of PET multi-serve presentations for this region.

New volume record:
1,406
billion unit cases
in 2024

To strengthen the traditional channel, we installed 71,000 cooling systems, and thanks to excellence in execution, we achieved a historic Execution Quality Index of 95.

We also advanced in packaging design, producing 355 ml bottles with only 13.5 grams in weight, the lightest in the Coca-Cola system globally.

United States

The year marked a milestone in the growth and profitability of operations in the United States.

Net Sales increased by 10.6% to 84.452 billion pesos. This exceptional performance was supported by outstanding commercial execution, which led to significant/major recognitions within the Coca-Cola System in the region and from strategic partners.

In the energy drink segment, Monster brand has awarded us “Bottler of the Year” for achieving the highest volume increase among all major bottlers in the U.S.

We accumulated 27 consecutive quarters of EBITDA growth, reaching the highest annualized margin since acquiring the business in 2017.

In 2024, operating cash flow increased by 19.8%, totaling 14.174 billion pesos, obtaining a margin of 16.8%. Revenue growth was driven by effective pricing management, optimized promotions, and a focus on executing more profitable packaging per unit case, backed by our advanced digital capabilities.

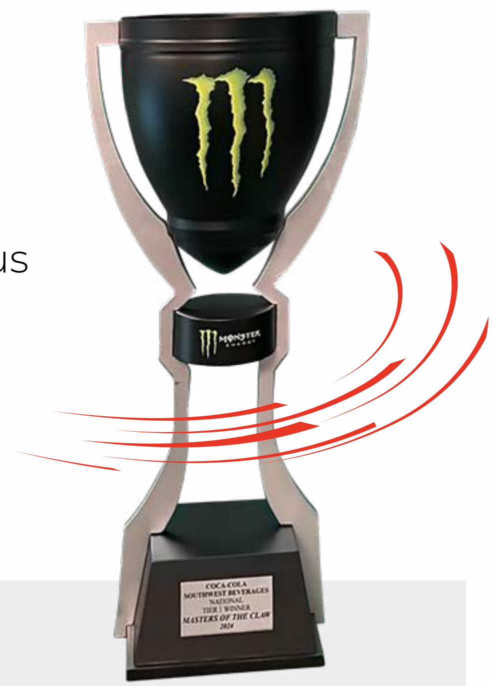
Outstanding performances by brands such as Topo Chico, Monster, and Fairlife, along with the launch of more than 70 new SKUs, also contributed to these results.

Regarding the digital ecosystem in this country, the expansion and renewal of the B2B platform MyCoke.com improved the purchasing experience, extending its reach to more than 27,000 customers and contributing to the growth of our beverages business.

As part of our commitment to the circular economy in these operations, we maintained an average use of 50% recycled resin in our packaging.

Looking ahead, we announced the expansion of our facilities in Texas, featuring the addition of two production lines in Fort Worth and one in San Antonio. This project will enhance our operational efficiency through the use of advanced technology.

Monster brand has awarded us “Bottler of the Year”



19%

Operating Cash Flow reaching 14.174 billion pesos

South America

The implementation of affordability strategies, the promotion of returnable packaging, and portfolio diversification were the keys to strengthening our position in the region, achieving a 15.4% increase in Net Sales to 42.509 billion pesos

EBITDA for the South America region increased by 14.1% compared to the previous year, reaching 8 billion pesos with a margin of 18.9%.

Peru: growth in non-carbonated beverages

Peru stood out for the growth in non-carbonated beverage categories. Flavored waters tripled their volume compared to the previous year, while energy drinks grew by 68%.

We introduced Monster Ultra Paradise, a new sugar-free flavor aimed at maintaining our leadership in the premium energy drink segment, and Flashlyte in the advanced hydration category.

We reinforced our multi-category strategy by signing an agreement with Diageo for the sale and distribution of alcoholic drinks in Peru, marking the start of a series of strategic alliances.

In addition, the Association of Bodegas of Peru (ABP) recognized us as Supplier of the Year, highlighting our commitment to the development of the traditional channel.

Ecuador: strengthening the portfolio and returnable packaging

In Ecuador, commercial strategies included increasing the mix of returnable packaging and installing 30,000 cooling systems, achieving 64.1% coverage in the traditional channel. These actions allowed us to gain market share in key categories such as colas and non-carbonated beverages, adjusting the portfolio to meet consumer needs.

The returnability platform was developed, adding a new production line at the Guayaquil plant, as well as achieving significant results in volume and category mix.

Argentina: boosting returnable packaging and portfolio diversification

In Argentina, our actions to promote affordability, expand returnable packaging, and diversify the portfolio contributed to volume recovery, showcasing a 13.1% growth in the traditional channel in the last quarter of 2024.

Returnable packaging increased its share in the sales mix, and new alliances were formed with leading brands in the alcoholic beverages, craft beers, and value-added dairy segments.

Annual Net Sales reached 42.509 billion pesos

+15.4%

vs 2023

Food and Snacks

The Food and Snacks division maintained consistent growth in sales and margins, leveraging innovation strategies, operational efficiency, and logistics optimization.

The EBITDA margin grew double digits across all operations in the last quarter of the year, resulting from efforts in pricing initiatives, productivity, and cost efficiency.

Bokados achieved its seventh consecutive year of revenue growth, highlighting the integration of its sales teams with Charras in Mexico. Additionally, operational costs and production for export were optimized.

This company established strategic agreements with major retail chains, adding 10,000 new customers by the end of 2024.

In the United States, Wise Snacks implemented a packaging renewal strategy, sponsorships, and sampling, featuring more than 200 events in New York and New Jersey. Furthermore, it began operations at a new distribution center in Ashley, Pennsylvania, to serve the eastern United States.

In Ecuador, Inalecsa presented margin expansion for the quarter and the year, resulting from price increases, new customer development, and cost optimization, along with new products to drive demand and expand participation in new consumption occasions.

7th year of consecutive revenue growth in Bokados

100

schools equipped with rainwater harvesting systems in Mexico

Sustainability

In 2024, we reaffirmed our leadership in sustainability with significant advancements in water security, climate action, and the circular economy, alongside our ongoing commitment to the integral development of the communities we serve.

Among the efforts to provide access to water, we established the 100th school equipped with rainwater harvesting systems in collaboration with Coca-Cola Mexico and Coca-Cola Foundation, capturing 27 million liters of rainwater annually and providing access to this resource for more than 44,000 students.

In replenishment efforts, we inaugurated a wetland in Baja California with a capacity to clean 70 liters of water per second, benefiting more than 28,000 inhabitants of the Mexicali Valley. In Argentina, we consolidated partnerships to optimize the use of this resource in agriculture.

We increased the recycling rate, recovering 74% of the bottles we put into the market in Mexico, thanks to the expansion of PetStar and five new PET collection facilities.

In Mexico, we also promoted a recycling culture with the launch of the campaign “Con Todo, Por Favor (With Everything, Please)”, engaging the community in Nuevo León and civil society organizations. In Peru, we led programs in this area in partnership with customer chains and schools. In 2024, we increased the average recycled resin content in our PET packaging portfolio to 30.3%, positioning us among the leading companies in the industry.

Arca Continental, in Ecuador, was certified by Quito Electric Company for our self-generation electricity project at the El Inca industrial plant. This initiative will reduce the consumption of energy from the conventional electric grid.

Through the Wise brand, we reaffirmed our alliance with One Tree Planted to plant 25,000 trees as part of a summer campaign focused on sustainability.

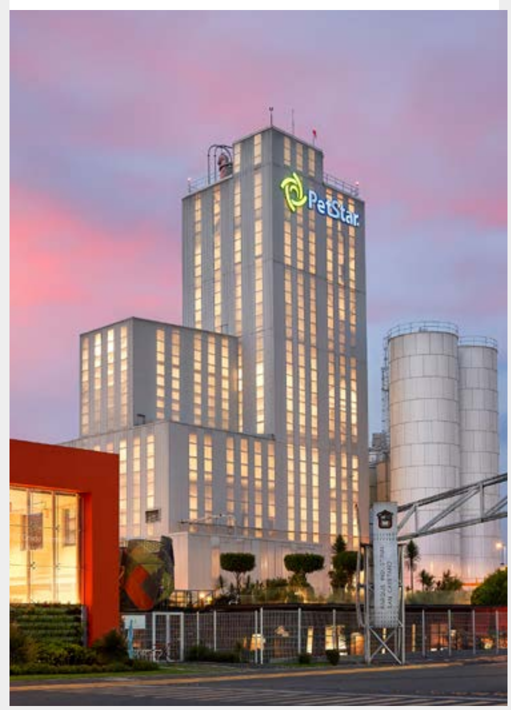
Additionally, we joined the Tent Coalition Mexico to create job opportunities for refugees and migrants, promoting their economic integration.

Towards Sustainable Evolution

The results achieved in 2024 are a testimony to Arca Continental’s commitment to its own transformation.

30.3%

average recycled resin content in PET packaging



A sustainable and profitable growth is a key pillar for Arca Continental

Every accomplishment, from organic growth across all regions to the company's inclusion in the most prestigious international sustainability indices, reflects our ongoing efforts to generate and share value.

We thank our Board of Directors, The Coca-Cola Company, and each of our associates who, with their trust, commitment, and effort, have been key to achieving these results and continuing to create a positive impact on everyone who interacts with our company.

The achievements of this year not only demonstrate our ability to stay ahead of change and thrive in a challenging environment but also reaffirm our conviction to continue evolving in all areas of the organization, with our associates as the central focus of everything we do.

We recognize that we have made progress, but we always have new goals and objectives to pursue towards a future where profitable and sustainable growth is the fundamental pillar for making Arca Continental an increasingly stronger organization, better prepared to continue delivering positive results.

,

C.P. Jorge Humberto Santos Reyna
Chairman of the Board of Directors

Lic. Arturo Gutiérrez Hernández
Chief Executive Officer

We are Arca Continental

Arca Continental is a company engaged in the production, distribution, and sale of beverages under The Coca-Cola Company brands, as well as the production of savory snacks under the Bokados brand in Mexico, Inalecsa in Ecuador, and Wise in the United States. With a distinguished trajectory spanning over 99 years, Arca Continental is the second-largest Coca-Cola bottler in the Americas and one of the most significant worldwide. In its Coca-Cola franchise, the company serves a population of over 128 million across northern and western Mexico, Ecuador, Peru, northern Argentina, and the southwestern United States. Arca Continental is publicly traded on the Mexican Stock Exchange under the ticker symbol "AC."

99 years
of outstanding history

2nd largest
Coca-Cola Bottler in the American Continent

Serving
+ 128 million people

Mission

To generate maximum value for our customers, associates, communities and stockholders, satisfying our consumers' expectations at all times with the highest quality products and services.

Vision

To be leaders in beverages and snack food consumption for every occasion in all the markets in which we participate, focusing on profitability and sustainability.

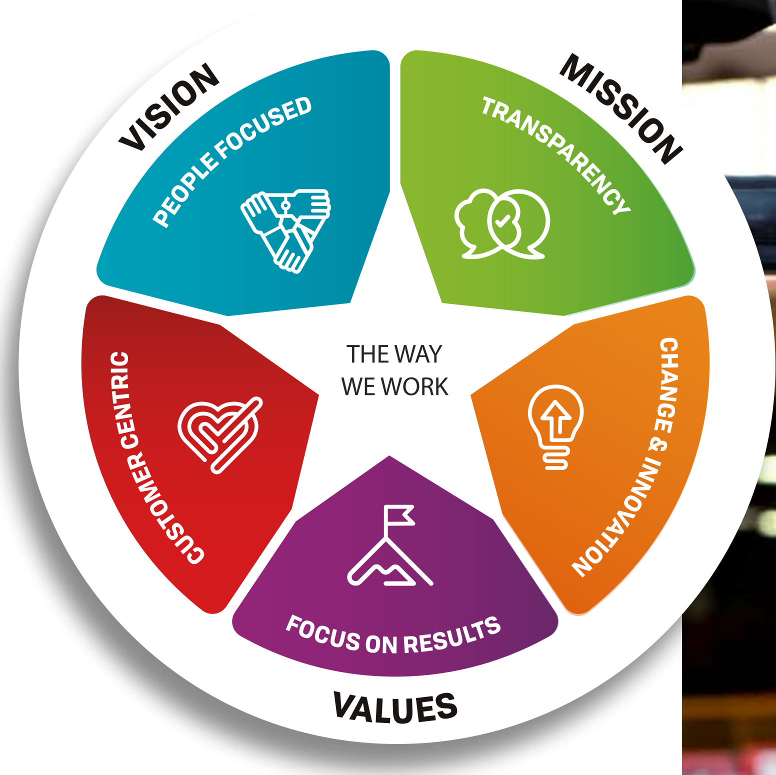
Values

Focus on customer service:
We are committed to meeting the needs of our customers and consumers, driven by our constant desire to satisfy and surpass their expectations with world-class service.

Integrity based on respect:
Our commitment to integrity is unwavering. As a result, what we do is consistent with what we think and say. We take care of the assets and resources of the company, its associates and the community. We value and endorse diversity in all our working relationships to better serve our customers and consumers.

Comprehensive associate development:
We strive to foster an atmosphere of motivation, productivity and recognition, which drives us towards success. We support the professional aspirations and personal goals of our associates, and encourage them to actively participate in their own growth and development plans. At our company, opportunities for growth and development are a direct outcome of our strong business performance.

Sustainability:
We are totally convinced that we play a role in changing our environment. Consequently, in our daily activities we assume the commitment of meeting the needs of the present without compromising the ability of future generations to meet their own needs, guided by Corporate Governance that leads us on a permanent quest to achieve a better quality of life for everyone.



Cultural principles

Employee-centered approach:
We value our associates as individuals, prioritizing their well-being and development to drive business success.

Transparency:
We promote open and honest communication, ensuring that information flows with clarity even in challenging situations.

Change and Innovation:
We support an environment that promotes adaptation and the implementation of new ideas as part of our daily culture.

Results-driven focus:
Delivering on commitments is essential for long-term corporate sustainability.

Customer focus:
Our daily actions revolve around our customers.

Presence

SASB FB-NB-000.A, FB-NB-000.B, FB-PF-000.A, FB-PF-000.B

Ecuador
Production facilities: 6
· Snacks: 2 y 1 Tonicorp
· Beverages: 3
Distribution facilities: 54
· Snacks: 3
· Beverages: 32 beverages, 20 Tonicorp (lacteos)
Associates: +10 mil
Beverage volume:
157 million Unit Cases (MUC)

Peru
Production facilities: 6
· Beverages: 6
Distribution facilities: 66
· Beverages: 66
Associates: +5 mil
Bebidas Peru y Vendomatica
Beverage volume:
325 million Unit Cases (MUC)

Argentina
Production facilities: 3
· Beverages: 3
Distribution centers: 20
· Beverages: 20
Associates: +2 mil
Bebidas Argentina e Ingenio
Beverage volume:
128 million Unit Cases (MUC)

United States
Production facilities: 8
· Snacks: 1
· Beverages: 7
Distribution facilities: 42
· Snacks: 11
· Beverages: 31
Associates: +9 mil
Beverage volume:
449 million Unit Cases (MUC)

Mexico
Production facilities: 22
· Snacks: 3
· Beverages: 19
Distribution facilities: 177
· Snacks: 58
· Beverages: 119
Associates: +42 mil
Bebidas México, Corporativo, Yomp, Procesa, Bbox,IPASA,Topo Chico, Bokados y Charras
Beverage volume:
1,406 million Unit Cases (MUC)

Net sales:

$237,004 billion pesos [MXN]

This year the company achieved historial profitability records since 2017, reaching a margin of 20.5%.

At the same time, significant investments in infrastructure upgrades and digital transformation positioned Arca Continental as the bottler with the highest mix of on-line sales in Latin America.

Changing development of **Arca Continental**: 2024

Key figures

- **Market presence: 5 countries** (Mexico, USA, Peru, Ecuador and Argentina)
- Associates: **+70,400**
- Workplaces: **405**
- Customers served: More than **128 million**
- Customers: **+1.5 million**

- Millions of Unit Cases (MUC): **2,466 million**
- Net sales: **$237,004 million**
- EBITDA: **$48,695 million**
- Net income: **$19,563 million**
- Operational profit: **$39,152 million**

- Water usage per liter of beverage produced: **1.53 L**
- Recycled bottles: **7 out of every 10**
- Energy intensity per beverage produced: **0,24 MJ / L**
- **33%** of the portfolio with low or zero-calory products
- **+67%** oof the total volume in the traditional channel in Mexico and South America was ordered through digital platforms

Datos consolidados en Pesos Mexicanos.

Awards and affiliations

Inclusion in the Dow Jones Sustainability World Index 2024.

Only 10% of the 2,500 companies evaluated by S&P Global BMI manage to be included in this list, which is based on criteria of long-term economic, environmental and social sustainability.

For the third consecutive year, Arca Continental was included in The Sustainable Yearbook published annually by Standard & Poor's Global (S&P Global) that recognizes the leading companies in the world in corporate sustainability for their impact on environmental, social and corporate governance.

Also, the company has been included for six years in a row in the DJSI MILA and FTSE4Good, and was recognized by the Mexican Stock Exchange (BMV) for having the best sustainability score in 2024. This distinction reflects Arca Continental's unwavering commitment to a Sustainable Business Model, fostering not only corporate growth but also generating value for the communities it serves.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

Arca Continental, S.A.B. de C.V. Beverages Industry Sustainability Yearbook Member S&P Global Corporate Sustainability Assessment (CSA) Score 2024

FTSE4Good

ESR Empresa Socialmente Responsable

CDP Discloser

Science Based Targets

Empresa Sustentable

Women's Empowerment Principles Established by UN Women and the UN Global Compact Office

We Support UN Global Compact

Evolving through a **Sustainable Business Model**

Sustainable Business Model

At Arca Continental, sustainability is a key driver for ensuring business continuity and long-term growth. Through experience, innovation, and a vision of a more sustainable model, the company has transformed its value creation pathway, turning challenges into opportunities and generating positive impact for its stakeholders.

Creating and sharing value is a top priority for the organization, which seeks to strengthen its value chain by aligning commercial objectives with positive social impact while maintaining its environmental leadership.

Strategic priorities

Arca Continental's strategic focus is on achieving business objectives while ensuring sustainable long-term growth. The company's strategic priorities mark the path forward:

- **Ensure profitable** growth through a diversified portfolio and effective management.
- **Drive digital transformation** and leverage advanced analytics and generative artificial intelligence across all processes.
- **Implement the AC Digital Ecosystem** to enhance RTM evolution across Latin America.
- **Expand capacity in production facilities and warehouses** while optimizing resource utilization to create value across the supply chain.
- **Optimize operational expenses** by standardizing processes and platforms.
- **Ensure the safety and well-being** of associates, contractors, customers, and communities.
- **Increase profitable growth** in the snacks and food businesses.
- **Focus on the expansion of direct-to-consumer businesses,** including home delivery and self-service retail.
- **Attracting and developing talent** by fostering performance, retention, and mutual respect among associates.
- **Promote sustainable development** through effective risk management, reputation building, and public policy engagement.

SPOTLIGHT STORY

AC VENTURES

Arca Continental is strengthening its Corporate Venture Capital strategy to find innovative solutions to current challenges by investing in emerging startups and creating a positive impact on the countries in which it operates.

The fund focuses on five key investment areas:

1. **Digital transformation of the commercial ecosystem:** driving initiatives that modernize how the business operates and interacts with customers.

2. **Evolution of community channels:** strengthening local sales points and adapting strategies to community needs.

3. **Development of a sustainable model:** investing in solutions that promote responsible practices across the value chain.

4. **Supply chain transformation:** incorporating technologies to improve efficiency and reduce environmental impact.

5. **Talent acquisition and retention:** optimizing hiring and training processes to attract top professionals.

This venture capital fund reaffirms Arca Continental's commitment to leading sector transformation by fostering collaboration, innovation, and sustainability as core business pillars. With this initiative, Arca Continental positions itself not only as a key player, but also as an **agent of change**.

Risk management

As Arca Continental has grown and expanded across multiple communities, it also has faced risks that could impact its operations. Managing this dynamic environment requires identifying and assessing social, economic, political, and environmental factors that could influence business performance.

To address these challenges, the company has developed a **Comprehensive Risk Management** Model, designed to anticipate, mitigate, and respond effectively to potential threats. This model operates through **three lines of defense** in which every area of the company plays a strategic role:

- **First line:** measures and controls risks in day-to-day operations.
- **Second line:** identifies emerging threats and establishes preventive controls.
- **Third line:** audits compliance and evaluates the effectiveness of risk management processes.

This structure not only enhances the company's ability to navigate risks, but also transforms challenges into opportunities, creating value, and securing sustainable growth.

Climate-related risks and opportunities strategy

Arca Continental's Risk Management Model identifies and evaluates sustainability and climate-related risks across all its operations.

In collaboration with FM Global, Arca Continental categorized the financial exposure of its operations into short-term (2030) and long-term (2050) climate risks, reinforcing resilience for the future. Through this qualitative and quantitative analysis, the company has identified climate-related physical and transition risks, prioritizing them for proactive management.

Among the physical risks, acute events such as extreme rainfall and intense winds, and chronic risks such as rising temperatures and prolonged droughts stand out. For the analysis of transition risks, it evaluated climate transition scenarios, considering political, legal and market factors that could affect its operations. Through the implementation of corrective strategies and the supervision of the Financial Risk Committee and the Risk Management Committee, the company strengthens its capacity for long-term adaptation and sustainability.

We measure the risk and monitor its causes and effects over time, generating the worst and best impact scenarios for the business..

Lean more about Arca Continental's risk management:

Focus on priorities for business growth

Arca Continental has developed a strategic framework to identify and prioritize factors that ensure business sustainability over the long term. This process begins with an external analysis and its impact on business objectives, which identifies relevant factors and categorizes them into various categories.

Once these elements have been identified, stakeholder mapping is carried out to identify key stakeholders based on the impact on social factors and their access to strategic resources, ensuring that their concerns are considered in the decision-making process.

Through structured weighting, values are assigned to potential impacts based on their probability and consequences, which minimizes subjectivity and defines clear priorities to monitor. Subsequently, communication channels and participation methodologies are established to strengthen dialogue and commitment with stakeholders, ensuring that their expectations are effectively met.

All of this information is consolidated into an array of priorities that align risk management with the nine themes for business sustainability:

1. Water stewardship
2. Circular economy
3. Climate action
4. Associate wellbeing
5. Community development
6. Product portfolio
7. Small business support
8. Multisector agreements
9. Responsible sourcing

This approach effectively connects the Comprehensive Risk Management Model and the priority issues with the greatest impact at Arca Continental, allowing us to move forward with a solid, well-informed strategy aimed at driving the company's sustainable growth.

The priority themes identified are essential for the company's transformation, and are deeply embedded into its Sustainable Business Model, always with a focus on shared value. This synergy allows operations to be more efficient, responsible and aligned with the needs and realities of the communities in which Arca Continental operates.

Throughout this report, Arca Continental describes how priority issues are integrated into the entire management and operation of the business, and how they contribute to achieving results.

Guiding principles of decision-making

Corporate governance

The governance structure at Arca Continental focuses on a solid framework that guarantees transparency and effectiveness in decision-making. The Board of Directors, composed of 20 members with an average seniority of 9.4 years, includes 30% independent members who do not have prior employment relationships with the organization and provide an external perspective. Additionally, the chairmanship of the body is held by a person independent of the General Management.

The company has a Diversity Policy for the Board of Directors that aims to provide an inclusion framework to promote diversity of skills and experiences from different industries, as well as a variety of gender, age, nationality and cultural background on its Board.

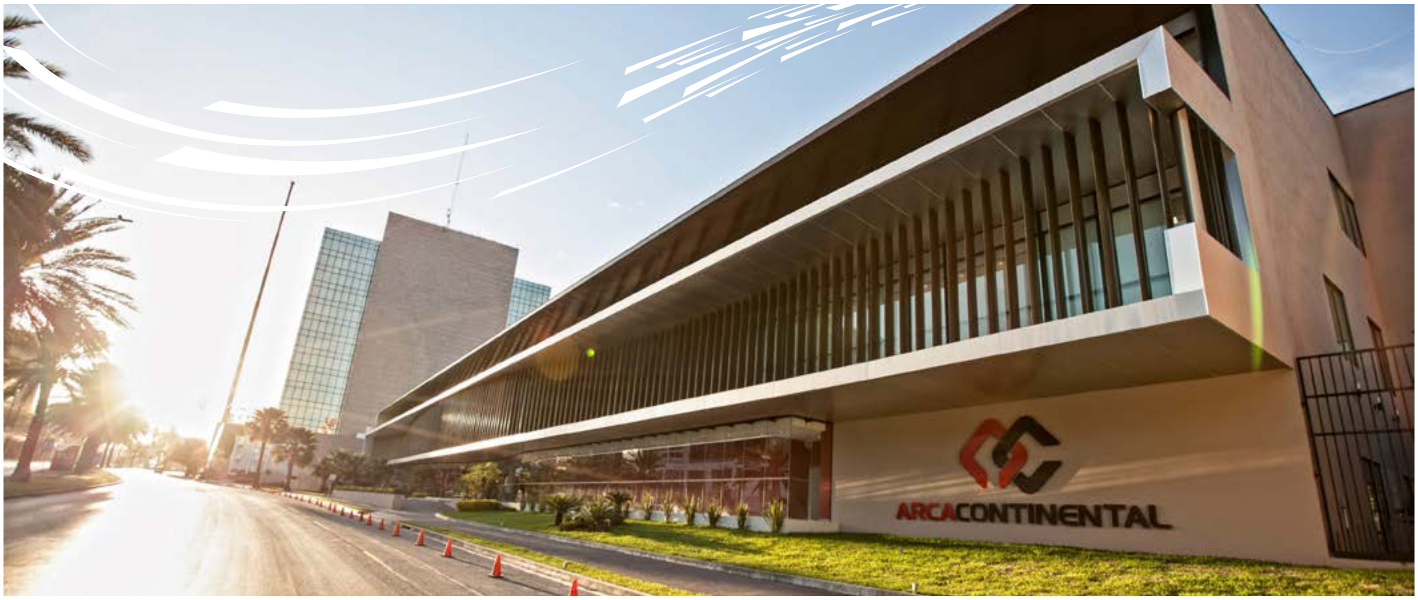
Appointments to the Board are designed under these assumptions, seeking to ensure that they have the skills, experience, independence and knowledge necessary for its effectiveness.

The Board's primary responsibility is to approve Arca Continental's business strategy, ensuring that it is aligned with operations and market expectations. This approach allows the company to navigate effectively in a dynamic environment, aligning with the corporate governance policy.

In 2024, Arca Continental received the highest level of PRIME Certification, reaffirming the strength of our corporate governance model, while ensuring compliance with stock market standards for the issuance of debt and securities.

NOMBRE	CARGO	CATEGORÍA	ANTIGÜEDAD	GÉNERO	E	C	P	A
Jorge Humberto Santos Reyna	Presidente del Consejo de Administración	Patrimonial	17	Masculino	X	X	X	
Manuel L. Barragán Morales	Presidente Honorario Vitalicio	-	24	Masculino				
Roberto Garza Velázquez	Vicepresidente	Patrimonial	5	Masculino	X		X	
Miguel Ángel Rábago Vite	Vicepresidente	Patrimonial	13	Masculino	X	X	X	
Luis Arizpe Jiménez	Vicepresidente	Patrimonial	21	Masculino	X		X	
Joaquin Arizpe Dávila	Miembro	Patrimonial	0	Masculino			X	
Alfonso Javier Barragán Rodríguez	Miembro	Patrimonial	5	Masculino		X		
Carlos Bracho González	Miembro	Patrimonial	1	Masculino				
Juan Carlos Correa Ballesteros	Miembro	Independiente	8	Masculino		X		
Alejandro M. Elizondo Barragán	Miembro	Patrimonial	20	Masculino			X	
Bernardo González Barragán	Miembro	Patrimonial	4	Masculino		X		
Sergio Eugenio González Barragán*	Miembro	Patrimonial	2	Masculino			X	
Cynthia H. Grossman	Miembro	Patrimonial	13	Femenino				
Sanjuana Herrera Galván	Miembro	Independiente	2	Femenino				X
Johnny Robinson Lindley Suárez	Miembro	Patrimonial	6	Masculino				
Ernesto López De Nigris	Miembro	Independiente	23	Masculino		X		X
Adrián Jorge Lozano Lozano	Miembro	Independiente	5	Masculino				
Brian Smith	Miembro	Independiente	13	Masculino			X	
Armando Solbes Simón	Miembro	Independiente	13	Masculino				X
Jesús Viejo González	Miembro	Patrimonial	17	Masculino			X	
Marcela Villareal Fernández	Miembro	Patrimonial	5	Femenino		X		
Jaime Sánchez Fernández	Secretario	-	15	Masculino				

1) The members of the Board of Directors are appointed during the Annual Shareholders' Meeting and hold their position for one year. They can be re-elected annually at the meeting.
2) An independent member is considered to be one who meets the independence criteria established by the Mexican Stock Exchange Law.
3) E = Executive Committee, C = Human Capital and Sustainability Committee, P = Planning and Finance Committee, A = Audit and Corporate Practices Committee.
4) Independent Director, in terms of the Mexican Securities Market Law.
5) Jaime Sánchez Fernández does not serve as a member of the Board, only as its secretary.



The Board is supported by four essential committees:

- **Executive Committee:** This committee streamlines decision-making related to strategic projects, analyzing and authorizing decisions delegated by the Board to optimize administrative processes.
- **Human Capital and Sustainability Committee:** It is responsible for evaluating and ensuring compliance with compensation and human capital guidelines, in addition to proposing criteria for the selection and evaluation of the management team. This committee also oversees the implementation of the sustainability vision and monitors the progress of related programs and indicators.
- **Planning and Finance Committee:** Evaluates and suggests investment and financing policies, as well as monitoring compliance with the annual budget. Its role includes identifying risks and proposing policies to mitigate them.
- **Audit and Corporate Practices Committee:** Ensures that all operations are carried out within the applicable regulatory framework, verifying the veracity of the financial information reported and supervising compliance with the principles established by law.

Learn more about our Corporate Governance model here

Arca Continental's management team is made up of professionals with extensive experience in the industry, many of whom have contributed to the organization for decades. These leaders interact constantly with the various committees that report to the Board of Directors.

Arturo Gutiérrez Hernández
Chief Executive Officer

José Borda Noriega
Executive Director of Arca Continental Mexico

Jesús García Chapa
Chief Strategic Planning Officer

Guillermo Garza Martínez
Chief Public Affairs, Communications, and Sustainability Officer

Santiago Herrera Varon
Chief Commercial and Digital Officer

Emilio Marcos Charur
Chief Financial Officer

Denise Martínez Aldana
Chief Human Resources Officer

Alejandro Molina Sánchez
Chief Technical and Supply Chain Officer

Enrique Pérez Barba
Executive Director of South America Beverages

Jaime Sánchez Fernández
General Counsel

Jean Claude Tissot
President of Arca Continental Coca-Cola Southwest Beverages

Principles of Ethics

GRI 2-23, 2-24, 2-26

Ethics management at Arca Continental is fundamental to the day-to-day operation of the organization and constitutes an essential pillar to operate a Sustainable Business Model. This is based on an Ethics and Compliance System that is integrated into every aspect of the company's operations and decisions. This system reinforces cultural principles such as transparency, results-based orientation, and employee focus.

The Code of Ethics establishes the procedures that guide the conduct and decisions of the organization and employees. It reflects the position and principles of action in accordance with the values and cultural principles of AC. It is known and accessible to employees and related third parties, ensuring that everyone understands the expectations and guidelines that govern the company's actions.

In addition, Arca Continental has a Transparency Mailbox, an essential tool that is available 24 hours a day throughout the year. This mechanism allows anyone, including stakeholders – associates, suppliers and consumers – to anonymously report inappropriate behavior. Managed by a specialized and independent company, the mailbox guarantees impartiality in the treatment of complaints and protects the confidentiality of the whistleblower.

In 2024, **more than 7,000 employees were trained in "With Respect, We All Win."** In 2025, the rollout of this program will continue across all operations.

The ways to access the Transparency Mailbox include:

- **Corporate intranet**
- **Company website Transparency Mailbox**
- **Toll-free hotlines:**
  - Argentina: 0800-345-5478
  - Ecuador: 1-800-001-135
  - Mexico: 800 8228966
  - Peru: 1-705-2233
  - United States: 1-888-303-8442
- **Email:** report@transparencymailboxac.com

Once a complaint is received, it is assigned to the appropriate Local Committee, which contacts the whistleblower to keep them informed of the status. The Committee investigates the case within 30 days, with the possibility of a further extension of 30 days, and then makes an appropriate decision if it is determined that there was a violation of the Code.

Sustainable management

Sustainability at Arca Continental is managed from senior management to each business unit through a structure headed by the Human Capital and Sustainability Committee, made up of members of the Board of Directors. This committee guides the Sustainability Steering Committee, led by the CEO and Executive Directors, who design strategies and actions aligned with corporate priorities.

The Human Capital and Sustainability Committee guides the sustainability strategy at the Board level and oversees the monitoring of results. This committee regularly evaluates the strategy and monitors progress through key indicators.

The Sustainability Steering Committee is responsible for implementing these strategies and managing priority issues. It facilitates the alignment of efforts in all areas of the company, generating effective solutions that address the needs of the business.

The Country Committees on Sustainability and Business are responsible for adapting initiatives to local realities. They develop action plans that address relevant issues in their regions, ensuring that sustainability is embedded in every aspect of the operation.

Likewise, since 2023 Arca Continental has implemented a variable compensation structure aligned with 1,241 sustainability objectives for its associates, from coordination to executive management. These incentives, linked to the sustainability model, were calculated based on performance and compliance with strategic goals.

Key initiatives included managing transformational risks in water, waste and the value chain; improving sustainability performance through country operating committees; and the mitigation of reputational and regulatory threats through community projects and strategic alliances.

Generation and distribution of **economic value**

GRI 201-1

In terms of value generation, Arca Continental has managed to exceed expectations in all the territories where it operates.

During periods of high volatility, the company has managed to achieve positive results, which reinforce its commitment to the comprehensive development of the communities where it operates.

The high level of market confidence and the ability to meet commitments and objectives are fundamental to supporting these results. Its healthy financial balance, with low leverage and high liquidity, allows it to maintain strategic flexibility to seize opportunities without compromising stability. The company's operational strength and sustainable growth prospects, which drive the generation of shared value with its stakeholders, are reflected in the main financial indicators, detailing the economic value generated (revenues), distributed (costs and expenses), and retained.

	2024		2023		2022	
	Million of pesos	Million of dollars	Million of pesos	Million of dollars	Million of pesos	Million of dollars
Economic Value: Generation						
Total income	$ 237,004	$ 12,772	$ 213,632	$ 12,131	$ 209,961	$ 10,477
Financial Products	4,828	260	5,354	304	3,615	180
Sale of assets	222	12	90	5	175	9
Total	**$ 242,054**	**$ 13,044**	**$ 219,076**	**$ 12,440**	**$ 213,752**	**$ 10,666**
Economic Value: Distribution						
Sales cost	$ 125,297	$ 6,752	$ 114,621	$ 6,509	$ 116,703	$ 5,824
Operational expenses, includes salaries and benefits	73,776	3,976	65,954	3,745	63,858	3,187
Taxes	11,187	603	9,849	559	8,703	434
Dividends	10,681	576	9,780	555	10,717	535
Interests	9,210	496	9,138	519	7,122	355
Community investment	242	13	139	8	157	8
Total	**$ 232,392**	**$ 12,416**	**$ 209,481**	**$ 11,895**	**$ 207,260**	**$ 10,343**
Economic Value: Retention						
Total	**$ 9,662**	**$ 628**	**$ 9,595**	**$ 545**	**$ 6,492**	**$ 323**

Arca Continental strengthens its Sustainable Business Model by setting goals on priority issues. With that in mind, they seek to promote strategic investments supported by financial mechanisms, aspiring to maintain the positive trajectory that has allowed the company to advance in meeting its objectives.

Sustainability-Linked Bond

On April 8, 2024, the issuance of Ps. 7,400 million in Sustainability-Linked Certificates was successfully concluded. The placement consisted of two tranches, one for Ps. 6,400 million (ACBE 24-2L) with a term of 8 years at a fixed rate of 9.85%, and another for Ps. 1,000 million (ACBE 24L) at 3.2 years at a variable rate equal to the Interbank Interest Rate plus ten basis points.

The Sustainability-Linked Bond Framework for such issuance has been established in accordance with (i) the 2023 Sustainability-Linked Bond Principles ("SLBP"), published by the International Capital Markets Association ("ICMA") with the aim of covering future issuances in the capital markets and (ii) the 2023 Sustainability-Linked Lending Principles ("SLLP")*, published by the Loan Markets Association ("LMA"), the Asia Pacific Loan Market Association ("APLMA"), and the Loan Syndications and Trading Association ("LSTA"). The Sustainability-Linked Bond Framework acts as a holistic document that includes 4 environmental KPIs, which support sustainability initiatives, objectives and goals. Regarding the inaugural SLB of Ps. 7,400 million, the company determined to use the KPI referring to the increase in the percentage of food-grade recycled PET resin in the packaging of products produced.

Objective: Food-grade recycled PET resin used in the packaging of products produced will represent 39.0% of total PET resin by 2026 (ACBE: 24L) and 50% by 2030 (ACBE: 24-2L), compared to a 24.7% baseline in 2019.

KPI[1]	2019	2020	2021	2022	2023	2024	2026[1]	2030[2]
Tonnes of recycled PET as a percentage of total tonnes of PET used.	24.7%	26.9%	27.8%	23.6%	24.9%	30.3%	39.0%	50%

[1] ACBE 24L: In the event that this goal is not met by the stipulated date – which will be verified by an accredited external party – there will be an increase in principal payment by 0.2% on the due date.

[2] ACBE 24-2L: In the event that this goal is not met by the stipulated date – which will be verified by an accredited external party – the interest rate will be increased by 25 basis points.

Learn here about the ***Framework*** *and the* ***Second Opinion from S&P***

Customer Innovations

Customer Relations

With every decision, Arca Continental reaffirms its goal of being the best business partner of its customers. The company integrates this vision into its strategic priorities and sees it as one of the drivers of the organization's sustainable development. Every interaction is aimed at cultivating strong bonds that foster trust and mutual growth.

Active listening allows Arca Continental to understand the needs and expectations of its customers, ensuring that its approach is aligned with market realities. This is vital, as it allows the company to offer innovative solutions that improve customer experience and effectively respond to their needs.

Nurturing these relationships implies a continuous commitment by Arca Continental to evolve and adapt, using tools and strategies that optimize customer service through different communication channels. This year, the company continues its evolution on the path of digital transformation, reinforcing its proximity to customers and generating value for its stakeholders.

For the second time since 2017, AC-CCSWB has won the "Coca-Cola North America Market Street Challenge", the most prestigious award in the Coca-Cola System in the United States, recognizing the best bottler in the market for excellence in execution.

This achievement reaffirms Arca Continental's leadership in the markets where it operates, thanks to the dedication and commitment of its associates, driven by a culture of shared values and principles.

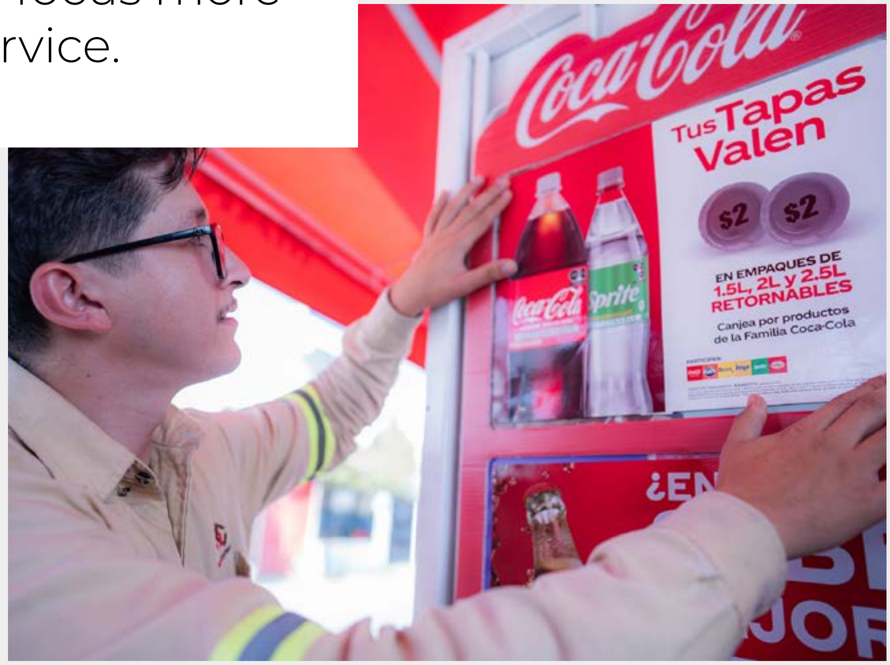
Evolution of Service Models in LATAM

In 2024, Arca Continental implemented a standardized service model for Latin America.

This new model not only seeks to optimize operations, it also redirect the time that advisors spent taking sales orders towards opening new market opportunities, allowing them to conduct higher-value activities to continue their professional development.

The downsizing of routes **reduced the time spent on transfers within the day by 13%**, allowing advisors to focus more on attention and service.

The reorganization of the advisors' sales territories has optimized their working hours, generating efficiencies in customer service.



Ecosystem transformation

SPOTLIGHT STORY:

TUALI

TUALI, which represents the evolution of the AC Digital platform, was launched in October 2024 to completely transform sales order operations in the traditional channel.

This second-generation B2B platform is specifically designed to serve the needs of **one million traditional channel customers** in Mexico, Peru, Ecuador and Argentina. With its ability to offer personalized suggestions for orders based on sales history, TUALI allows grocers to make efficient purchases with just a few clicks.

TUALI improves communication with customers, not only through sales advisors, but also by sending promotions adapted to the needs of each store.

Customers say that the platform is one of the best in the retail sector in Mexico, strengthening our relationship with millions of families who depend on sales through this channel. With its focus on personalization, Tuali has driven a 5.6% growth in customers who use it compared to those who are not in digital sales.

+$2.9

billion dollars

in digital sales managed in 2024, representing 67% of the total volume in the traditional channel

The evolution of digital distribution channels is a strategic pillar in Arca Continental's sustainable business model, focused on strengthening the relationship with customers and optimizing service. In the face of a dynamic market and rapid technological advancement, the company has integrated solutions across all its operations to improve its competitiveness and efficiency.

In 2024, the company continued to bet on this commitment with a strategic investment in technology, which allowed it to reach 93% of the total customers in the traditional channel using the digital platform as its method of contact.

One of the most important strategies to achieve this remarkable growth is the effective use of the TUALI platform, which has proven to be crucial for customers to place orders more efficiently, with innovations including a loyalty program, financial services, and AI-powered predictive ordering. The digitalization of the channel has allowed merchants to have tools that make it easier to manage their inventories and benefit from an optimized shopping experience.

93%

of the total customers in the traditional channel are registered on digital platforms

Customers using TUALI in Mexico have experienced **5.6% growth in volume** compared to those who do not use digital platforms.

+$649
million pesos
in sales related to products that are part of the strategic alliances within Tuali platform

These results highlight the importance of digitalization in the competitiveness of small businesses.

The digital ecosystem in the United States also evolved to offer a better experience to customers.

In 2024, the new B2B platform, **mycoke360**, was launched, expanding its reach to more than 27,000 customers. This platform improves the digital shopping experience, offering more efficient and personalized solutions for our business partners in the American market.

With these strategies, Arca Continental aims not only to expand its market share and transform operational processes but also to uphold its commitment to creating a positive impact in the communities it serves.

MyCoke reached
+27,000
active customers through the revamped B2B platform

SPOTLIGHT STORY:

DIGITAL NEST

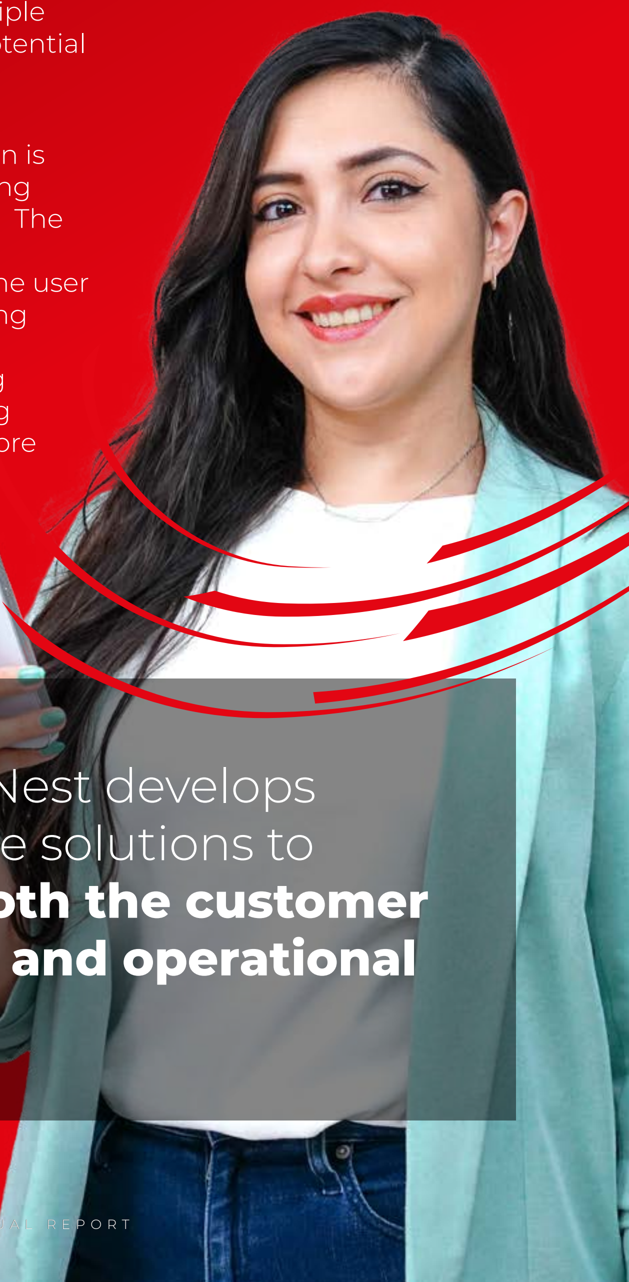
Arca Continental's Digital Nest is an engine of innovation and a key component in the implementation of the organization's digital transformation.

This team, comprised of around 200 experts in digital technology, data science, and business strategy, is dedicated to turning every challenge into an opportunity to create extraordinary digital experiences.

Implementing the way of working of the future, the Digital Nest streamlines deployment every three weeks, allowing a reduction in product launch times and fostering greater collaboration between teams. Thanks to this agile methodology, advanced solutions are developed to enhance the customer experience while boosting operational efficiency.

The Digital Nest offers customers advanced analytics strategies, creating a unique DNA per customer that enables multiple use cases and maximizes potential by category.

A clear example of this commitment to digitalization is the transformation of ordering through the TUALI platform. The new "Suggested Orders and Promos" service enhances the user experience by recommending additional products based on location and highlighting relevant promotions, making the user experience even more personalized.



The Digital Nest develops cutting-edge solutions to **optimize both the customer experience and operational efficiency.**

Cybersecurity

With the progress in digital transformation, Arca Continental has implemented a solid cybersecurity strategy that aligns with its vision of protecting both its technological infrastructure and its customers' sensitive information. In an increasingly digitized business environment, cybersecurity is not only a necessity, but also an essential component to strengthen confidence in its value proposal.

Incident response procedures have been implemented to ensure an efficient reaction to any information security threats. This global process identifies critical processes, establishes clear lines of communication, and assigns specific tasks to each team for effective containment and resolution.

In 2024, two tabletop exercises were conducted to enhance preparedness for critical cybersecurity incidents, which are key scenarios within the crisis management process.

To verify the effectiveness of its security systems, the company performs monthly scans of vulnerabilities in its critical infrastructure, prioritizing the closure of high-risk vulnerabilities. Additionally, it conducts at least one external penetration test per year, supplemented by external monitoring services that alert regarding potential threats. Arca Continental's cybersecurity infrastructure is comprised of a total of 13 systems, including Perimeter Firewalls, WAF, EDR, PAM, SIEM, and others. These systems are essential for the protection of the organization, and their effective implementation guarantees a high level of security in operations.

Arca Continental also implements annual training programs in Information Security, deploying training to 25,497 associates in 2024, where 87% compliance was obtained by the participants, representing an increase of 18 points compared to the previous year.

Continuous cybersecurity education empowers associates, allowing them to identify and prevent potential risks that could affect the company and its value chain.

Zero

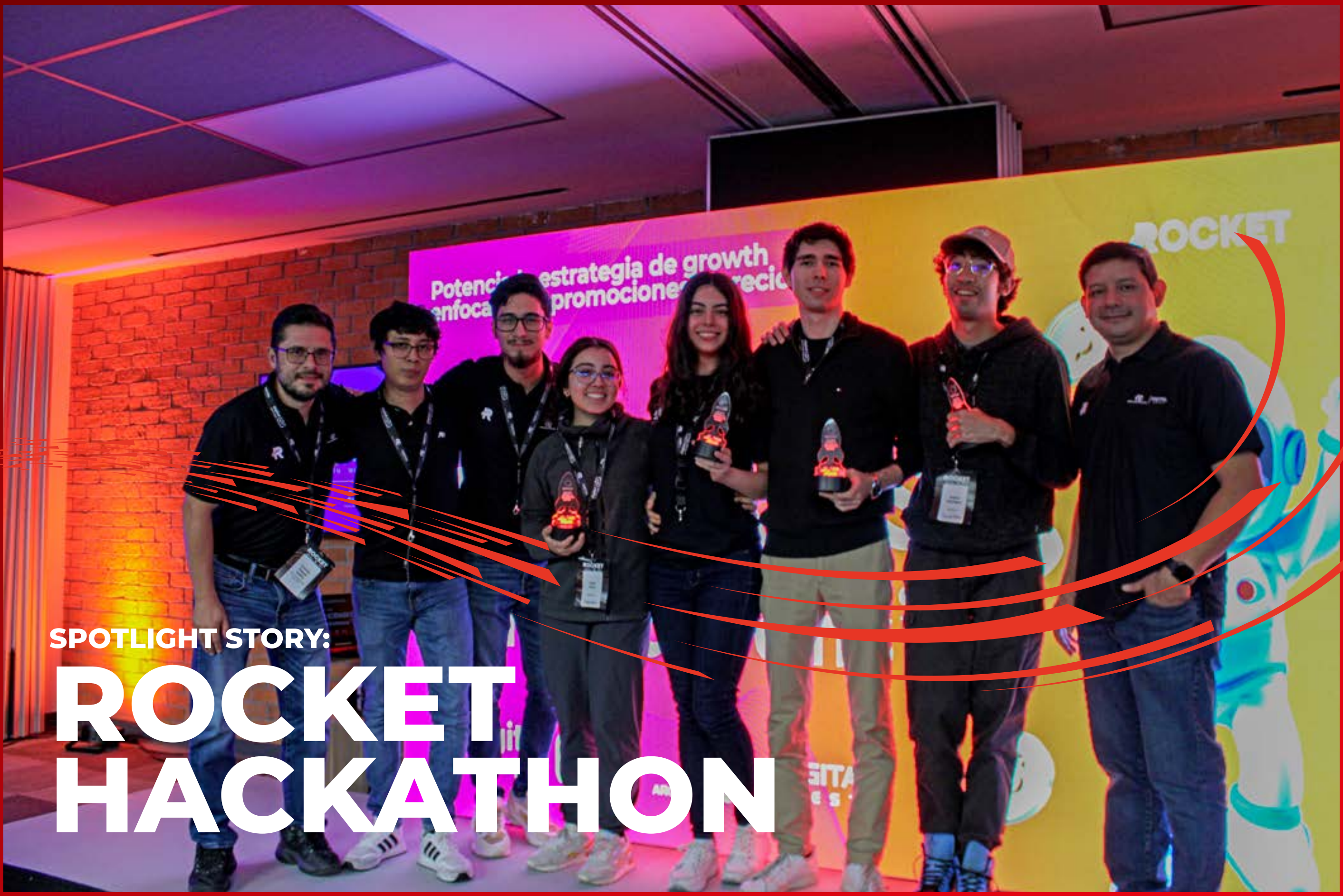
complaints and claims received about violations of customer privacy.

Cybersecurity month adds significant value to this strategy, as it included:

21 Conferences

Participant rating of **9.7/10 in satisfaction**

100% increase in participation, **reaching 8,862 associates**



SPOTLIGHT STORY:

ROCKET HACKATHON

Arca Continental's "Rocket Hackathon" event stood out for bringing together the talent of more than 200 university students from Nuevo León State to address three key challenges:

1) **Enhance the growth strategy focused on promos and prices;**

2) **Identify cybersecurity vulnerabilities; and**

3) **Anticipate and identify the possible loss of customers.**

This initiative not only reinforces Arca Continental's capacity in the digital field, but also promotes collaboration between young talent and the company.

Allies of the **traditional channel**

More than one million families run small businesses served by Arca Continental.

The Traditional Channel represents 40% of sales, a unique opportunity to strengthen small businesses and, at the same time, to generate positive social impact in communities. Through a series of programs specifically designed to train and empower its customers, Arca Continental drives its evolution through digitalization and innovation, contributing to the sustainable growth of local businesses.

The Traditional Channel represents **40%** of sales

Traditional channel trainning

ARGENTINA

“Impulsa tu negocio” or **“Boost your business”** 1,444 customers with an average of 6.9 hours of training.

ECUADOR

“Emprendamos Juntos” or **“Shared entrepreneurship”** people in 1,679

PERU

“Coca-Cola Business School” 100,000 customers in the traditional channel

MEXICO

The **“AVANTE”** or **“Move forward”** program is dedicated to the modernization of points of sale through differentiated facades with a total of **8,196 beneficiaries.**

SPOTLIGHT STORY:

INSTALLATION OF REFRIGERATION EQUIPMENT

As part of its strategy to strengthen the traditional channel, Arca Continental has continued with the installation of cooling systems, a vital component to improve the availability and freshness of its products at points of sale.

In 2024**, more than 120,358 coolers** were introduced to the market.

The expansion of refrigeration infrastructure not only improves the consumer experience by providing access to a variety of cool beverages but also supports customers in the traditional channel by helping them reduce costs and attract more traffic to increase their sales.

The newest equipment **requires 40% less energy on average** than those installed in 2023.

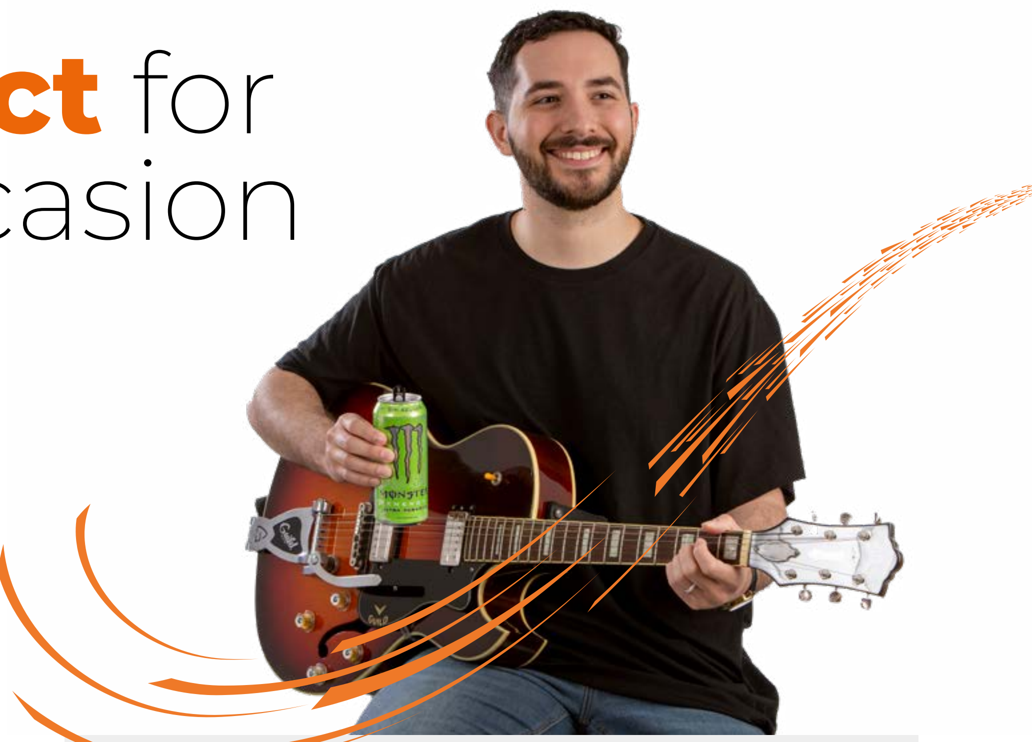
Connecting with **Consumers**

Connecting with consumers

Arca Continental is constantly evolving its portfolio to ensure the highest profitability, offering options for every consumer and every occasion. The diversification of their products allows them to increase loyalty while continuing to innovate for venturing into new categories.

Alongside The Coca-Cola Company, the company connect with consumers, ensuring products that have the quality that characterized them during their nearly 100 years of society.

A product for every occasion



Current portfolio

Arca Continental connects with its consumers through a diverse and accessible portfolio , which allows it to always be present for every occasion and in multiple locations.

With more than 140 food and beverage brands and more than 1,800 SKUs, Arca Continental meets the dynamic preferences of the market, ensuring that each consumer finds the specific product that meets their choices.

The company improves affordability, integrating price-packaging strategies and a differentiated portfolio that responds to consumer expectations.

33% sales volume comes from low or non caloric products

140 food and beverage brands and **+1,800** SKUs

+4.3%
in sales in stills

Sales levels and releases

Arca Continental has demonstrated solid performance in its sales levels, reaffirming its commitment to innovation and adaptability in the market.

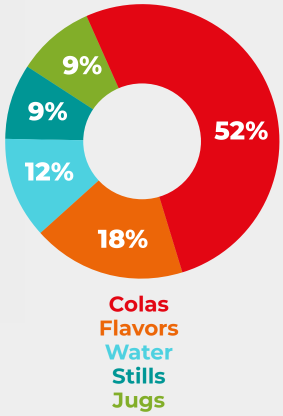
This shows how innovation in partnerships positively impacts product consumption, strengthening the relationship between brands.

In addition, the successful Coca-Cola Creations campaign, which offers limited-edition flavors, attracted the attention of consumers, cementing the brand's relevance in the market. This diversified approach reaffirms Arca Continental's commitment to innovation and its readiness to adapt to market trends.

+1.4
million new Coca-Cola consumers

Coca-Cola Zero Sugar continued to grow, **increasing sales by 19.1%**.

Volume by segment



A collaboration with Marvel was released with differentiated packaging.

In Peru, the energy drink segment saw remarkable **growth of 59%**, primarily driven by the Fury brand

Arca Continental maintains keeps moving forward the three snack businesses operating in Mexico, Ecuador and the United States United. Through the launch of new products and the renewal in image Bokados, Inalecsa and Wise Snacks maintain their sustainable evolution path in the market.

Evolution of formulas, design and image of the packaging of the **top 12 Bokados SKUs**

Inalecsa launched more than eight new savory and sweet products on the market during 2024

Wise Snacks renewed the image of more than eight of its top products and enhanced the Cheez Doodles formula to continue connecting with its consumers

Strengthening the relationship **with consumers**

As of 2024, Arca Continental offers more than 140 brands that appeal to a wide range of consumers. From those who start the day with a good coffee or a natural juice, to those looking for functional hydration drinks during a workout session, or a Coca-Cola on a hot day.

50%
of vending machines in Peru accept cashless payments.

Arca Continental has enhanced its business model to offer a direct and personalized experience, reaching its consumers through the digital platform Coca-Cola en tu Hogar (Coca-Cola home delivery service), available in Mexico, Peru and Ecuador.

This tool not only offers greater visibility of the extensive product portfolio, but also allows consumers to choose their preferred payment method, further enriching their shopping experience.

With the aim of strengthening the direct relationship with consumers, Arca Continental expands its offering in the self-service retail channel by being present in the market with vending machines and self-checkout micromarkets in the United States, Mexico, and Peru.

.

In 2024, BBOX's operations in Mexico had a **27.3% increase in revenue and 17.7% in volume growth**

In Peru, the Vendomatica platform reported a **growth of 1.5% in volume and 2.0% in revenue**

This growth is primarily driven by machine renovations and the implementation of cashless payments, underscoring the importance of digitalization in the consumer experience.

Additionally, the expansion of micro markets, which consist of small "24/7" self-service stores in controlled environments such as companies or apartment buildings, resulted in 270 new locations in Peru and Mexico, significantly increasing accessibility for consumers while also facilitating the use of digital payment methods.

Two new Self-Service Retail businesses acquired.

Quality and **labeling**

Food quality, safety and security management system

Arca Continental maintains a firm commitment to consumer care throughout its operations, prioritizing quality in each of its processes. The company not only adheres to regulations but strives to exceed these standards by using high-quality ingredients and implementing processes that comply with international regulations.

Every effort is made to exceed regulatory regulations in all areas of its operation, including the use of high-quality ingredients and adherence to international processes and standards that ensure an optimal level of quality in its products and services.

Responsible labeling

Arca Continental's commitment to transparency and accountability in labeling practices is critical for consumer confidence. Its labeling policy complies with the advertising and communication regulations of the countries where it operates, ensuring transparency through product labels.

The Front-of-Pack Labeling Manual establishes the guidelines that packaging must follow, ensuring that **100% of Arca Continental's beverage operations comply with Coca-Cola's Responsible Marketing Guidelines.**

Since 2008, the company has voluntarily adopted the self-regulatory Food and Beverage Advertising Code (FBA Code), aligning itself with best practices in the industry and ensuring that its advertising promotes informed and balanced consumption. Through rigorous internal guidelines, Arca Continental ensures that its commercial outreach respects the principles of transparency and responsibility, avoiding the targeting of its advertising to inappropriate segments and contributing to a responsible advertising environment.

Zero labeling/advertising non-compliance incidents in which the organization was involved.

The relevant policies that Arca Continental has established together with The Coca-Cola Company, ensure that internationally known best practices are applied everywhere it operates:

- **Responsible Marketing Policy:** Underscores the importance of respecting parents and caregivers by not marketing directly to minors. It prohibits relying on celebrities, influencers or public figures whose target audiences are children under 13 years of age.
- **Global Policy on the Sale of Beverages in Schools:** Establishes restrictions on the products that can be sold in educational establishments, with periodic validation of compliance.
- **Global Alcohol Sales Policy:** Ensures that all marketing practices are focused on the responsible consumption of products.

Post-consumption

Arca Continental, in partnership with strategic allies and consumers, promotes the circularity of its packaging, focusing on increasing the use of returnable and recyclable packaging, which gained significant momentum in 2024.

Through PetStar **7 out of evey 10 bottles** that the company puts in the market are recovered

Arca Continental is committed to ensuring affordability for consumers through an accessible portfolio that includes family-sized returnable packaging.

At the regional level, sales of returnable containers exceed 20% in countries such as Mexico, Ecuador and Peru However, Argentina stands out as a leader in this market, where **returnable containers represent more than 40% of sales**, establishing itself as the principle type of packaging in the country.

AC-CCSWB managed to **recover 100% of the bottles** that were introduced into the market.

22.63%

of volume from returnables

SPOTLIGHT STORY:

ALLIES FOR RECYCLING

Arca Continental understands that end-to-end solutions require everyone's collaboration. That is why it is constantly evolving its collection and environmental culture programs to collaborate with consumers on strategies to achieve a circular economy.

In Mexico, the "Con Todo por Favor" program began, seeking to promote the culture of recycling with the installation of 65 containers in different parts of Monterrey, Nuevo León, and at the same time, benefit the social causes of Fundación UANL, AMANEC, Cáritas de Monterrey, Club de Niños y Niñas de N.L. and Fundación Dibujando un Mañana.

Arca Continental, together with PetStar, collect the PET bottles from the installed containers, donating the economic value of the recovered bottles to the participating non-profit organizations.

65 "Con Todo por Favor" containers installed

Also noteworthy are the alliances with Cinépolis, through the **installation of PET containers in 33 cinemas in Nuevo León**, and with Rappi for the collection of PET bottles at home in Monterrey and Guadalajara.

Recycling with Rappi, powered by Coca-Cola Mexico, was recognized at the UN Global Compact's LOGRA Awards as an innovative recycling culture platform with more than 4,000 collection orders.

In Argentina, the Green Route has allowed the connection between municipalities to ensure collection networks, optimizing logistics and increasing the collection of materials. In addition, with programs such as Ciudad Posible, the role of grassroots collectors continues to be strengthened.

5 collection points installed

In Peru, in partnership with the NGO Recicla LATAM and Tambo Convenience Stores, a recycling campaign was launched in 20 Tambo stores in Lima, collecting more than 1 ton of PET bottles.

In Ecuador and Peru, through strategic alliances, The Coca-Cola Company and Grupo SMI carried out programs to promote the recycling of PET bottles and improve the conditions of recyclers, as well as the strengthening of environmental awareness programs and promotion of recycling for the general population.

In the United States, more than 30 environmental culture initiatives focused on circular economy were carried out, including 10 clean-up activations, 9 environmental education programs in schools and highlighting the installation of bottle recycling modules at the "Sips & Sounds" music festival in Austin, Texas with more than 9 thousand attendees.

+20 thousand bottles recovered during "Sips & Sounds" music festival

These actions reaffirm Arca Continental's commitment, and highlight the importance of transformational alliances, reminding that each action contributes to the circular economy and a sustainable future.

Empowering **Suppliers**

Resilient **supply chain**

In its ongoing evolution towards sustainability, Arca Continental has implemented a resilient supply chain model that responds to current demand and to the expansion of its product portfolio.

The focus on continuous improvement allows the organization to grow along with its value chain. The synergy established between the company and its suppliers not only optimizes operations but also enhances the ability to respond to environmental and business challenges.

By fostering strong relationships between Arca Continental and its suppliers, **opportunities for innovation and efficiency** are created, benefiting all parties involved.

Collaboration and adaptation

Arca Continental's sustainability vision is reflected in its transformational partnerships with its supply chain, based on collaboration and adaptability. The company prioritizes working with local suppliers, which not only strengthens regional economies but also generates a positive impact on the communities where it operates.

Additionally, effective management of raw material prices and costs is one of Arca Continental's main competitive advantages. The company's sourcing strategy is based on the availability of materials, consistent quality of inputs, and a robust environmental agenda.

Likewise, the company maintains a hedging strategy for key inputs, protecting the profitability of the business and helping to navigate price pressures in a volatile market.

Furthermore, initiatives such as the Cross Enterprise Procurement Group (CEPG) allow Arca Continental and the Coca-Cola System to work together with suppliers in more than 140 countries, seeking solutions that optimize the supply process. This collaborative model not only strengthens partnerships but also ensures that sales costs remain competitive.

Contract renegotiations drive investments in technology by suppliers, which increases environmental performance and results in improved prices. This synergy between supply chain and technology not only contributes to responsible procurement management but also creates an environment in which all parties can thrive, ensuring an efficient operation that encourages development on all fronts.

95.3%

of supply chain spending going to local suppliers

Sustainable sourcing

Arca Continental operates with a vision of responsible sourcing that emphasizes environmental stewardship and respect for others.

Thus, the company advocates for a sourcing model that incorporates sustainability at every stage of the process.

Sustainable Sourcing Program (PAS)

Arca Continental's Sustainable Sourcing Program (or PAS, the acronym in Spanish for Programa de Abastecimiento Sostenible) not only focuses on the comprehensive development of the supply chain, but also promotes a cooperation model that generates tangible benefits promoting the growth and sustainable development of strategic suppliers.

Assessment through EcoVadis plays a crucial role in this strategy, allowing the identification and management of risks associated with the supply chain. To date, 198 critical suppliers have been evaluated, representing 69% of the total.

Of these suppliers, 60% comply with the established criteria, thus reflecting a tangible commitment to best practices in sustainability.

This tool provides Arca Continental with a detailed view of its suppliers' sustainability practices and enables it to detect areas for improvement. By working together in these areas, suppliers are better positioned in the market, increasing their competitiveness.

198
critical suppliers
have been evaluated

100%
de los proveedores firman los Principios Rectores de Proveedores

Supplier evaluation is carried out through various pillars that ensure compliance with sustainability and responsibility standards:

- **Environment:** energy consumption and greenhouse gases (GHG), water use, biodiversity, local and accidental pollution, as well as the management of materials, chemicals and waste are all analyzed.

- **Workplace practices and human rights:** the health and safety of associates, working conditions, social dialogue, and career management and training are evaluated.

- **Business ethics:** aspects such as child labor, forced labor, human trafficking, corruption, anti-competitive practices and responsible information management are assessed.

- **Sustainable sourcing:** Suppliers' environmental and social practices, product lifecycle, consumer health and safety, as well as actions to promote environmental protection and address issues of diversity, discrimination and harassment, and the human rights of external stakeholders are all reviewed.

The results of PAS reflect its positive impact. The consequential improvement in supplier performance not only strengthens the supply chain, but also reduces risks for Arca Continental, by ensuring more reliable and responsible partners.

37%

of suppliers have provided reports on CO_2 emissions

42%

of suppliers have reported on health and safety indicators

Suppliers Guiding Principles

As part of the long-term partnership with The Coca-Cola Company, Arca Continental promotes alignment with the Suppliers Guiding Principles. These principles are essential pillars for human rights and workplace responsibility programs, promoting fair and responsible practices in all areas of the supply chain. By ensuring that these guidelines are met, AC guarantees that business relationships remain aligned with corporate standards and innovation, strengthening the development of its supply chain.

The principles highlight AC's commitment to human rights, recognizing the various legal, cultural, and economic conditions that can affect business practices globally. The basis of these relationships lies in shared values, which are key to achieving a high performance in the business environment.

These principles articulate clear expectations for suppliers, emphasizing the need to adopt policies and practices that not only comply with local laws, but also foster a respectful and productive workplace.

Suppliers are expected to ensure freedom of association and respect the rights of employees, allowing them to decide whether or not to join unions without fear of reprisals. In addition, child and forced labor is categorically prohibited, ensuring that all labor practices are fair and ethical.

All suppliers are selected under sustainable management criteria, complying with all the requirements contemplated in Due Diligence standards, ensuring that they do not present an inherent risk that cannot be mitigated.

Arca Continental also promotes a work environment free of discrimination and harassment, where hiring and promotion decisions for suppliers are based on performance and skillsets.

The commitment to workplace health and safety is reflected in the obligation for suppliers to maintain safe conditions, while promoting practices that protect the environment. Expectations regarding corporate integrity are equally clear, requiring suppliers to operate ethically and transparently, free from corrupt practices or fraud.

100%
of sugar and palm oil suppliers have sustainability certifications

Sustainable agriculture

Arca Continental promotes Sustainable Agriculture Principles in collaboration with The Coca-Cola Company, seeking to ensure that its suppliers of critical raw materials follow responsible practices, including:

Sustainable water management, minimization of environmental pollution, protection of soil conditions, prevention of the destruction of ecosystems and reduction of greenhouse gas (GHG) emissions.

SPOTHLIGHT STORY:

LEADERSHIP IN RESPONSIBLE SOURCING

Sustainable sourcing of strategic resources at Arca Continental is strengthened through vertical integration and collaboration with suppliers such as **Grupo PIASA, PetStar and IPASA**. These companies lead initiatives that ensure responsible and efficient sourcing, generating value for both the bottom line as well as for communities and the environment.

PIASA Group

A sugar supplier for Arca Continental, excels in its commitment to sustainability. It uses 100% of the wastewater generated in its production process for agricultural irrigation, which not only optimizes the use of this resource, but also reduces the consumption of fresh water and avoids the discharge of pollutants, thus protecting local ecosystems. In addition, it is a pioneer in the cogeneration of clean energy, using sugarcane bagasse as fuel, which has reduced fuel oil consumption by 20 million liters in the last five years, aligning with global sustainability goals.

PIASA Group uses **100%** the wastewater generated in its production process for agricultural irrigation

IPASA

Is dedicated to the manufacture and marketing of plastic products through injection molding. With a focus on quality and market satisfaction, IPASA recycles 7,000 tons of plastic material per year, including the way Arca Continental's delivery boxes are made, promoting responsible recycling practices. Through modern technology, it contributes to the conservation of the environment and creates circles of sustainability and value in collaboration with its customers.

IPASA recycles **7,000** tons of plastic material per year

PetStar

PetStar, the world's largest food-grade PET recycling plant, supports the recycling chain in Mexico, benefiting more than 30 thousand urban waste collectors through its Inclusive PET Collection Model.

The company recovers 74% of the bottles that Arca Continental introduces into the market.

The investment in PetStar has focused on expanding collection capabilities as well as recycling technology. As part of this strategy, five new collection facilities were installed in Mexico in 2024.

PetStar supplies Arca Continental and other bottlers in the Coca-Cola System in Mexico with Cradle-to-Cradle Platinum certified recycled resin, evaluated for its safety for health and the environment, material reuse, renewable energy, efficient water use, and social fairness.

This certification in the packaging category confirms Arca Continental's commitment to the circular economy, offering products that are safe for people and the planet, and that can be efficiently reused or recycled.

Driven by PetStar's recycled resin, Arca Continental has managed to integrate an average of 30.3% recycled material into its packaging.

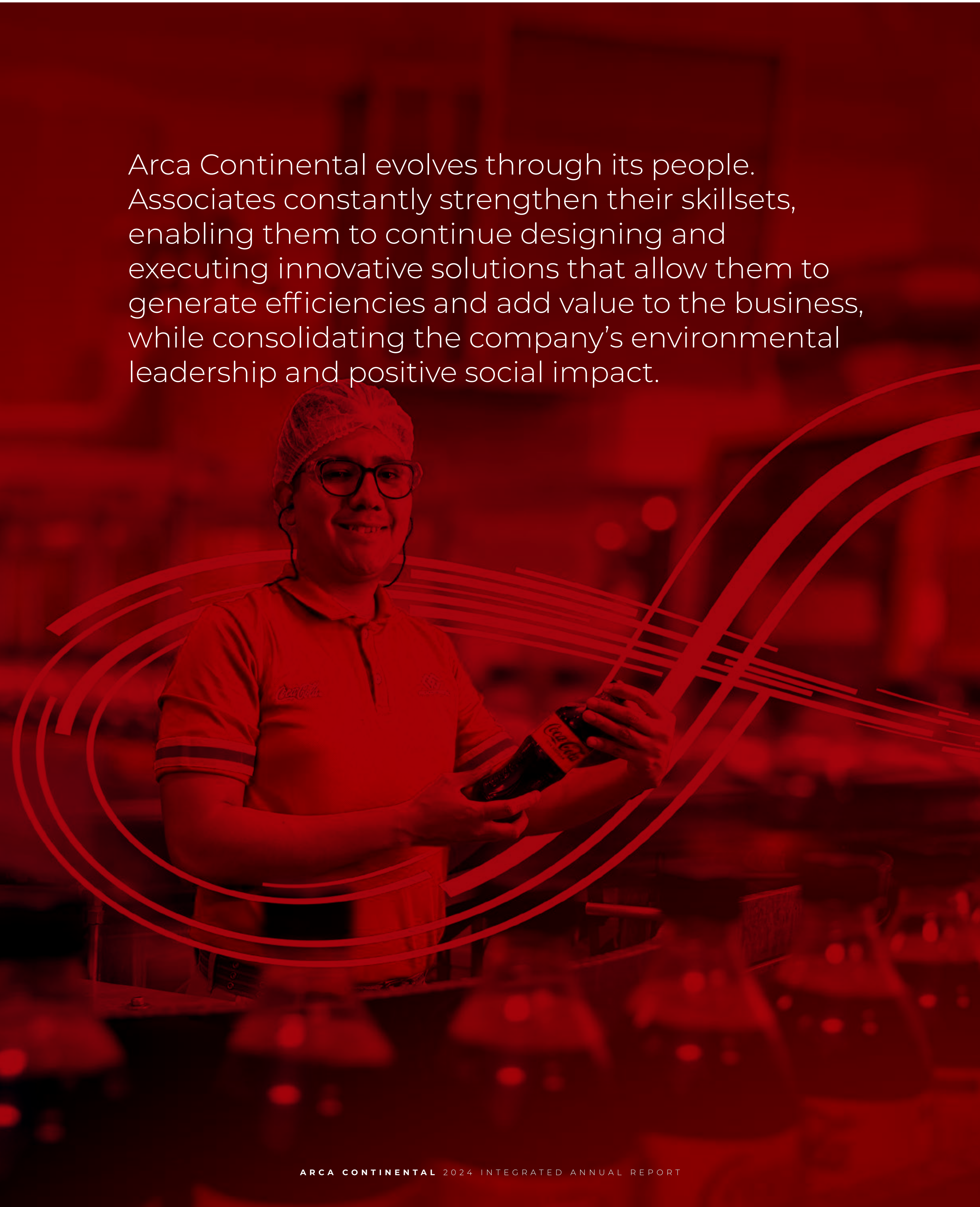
+30 thousand urban waste collectors benefited under a PetStar's Inclusive Collection Model

Arca Continental's supply chain is characterized by its focus on resilience and sustainability, ensuring efficient and responsible sourcing of strategic materials. Close collaboration with local suppliers and the implementation of responsible practices allows the company to optimize costs and mitigate risks.

By strengthening its supplier network and committing to sustainability standards, Arca Continental not only improves its business performance, but also makes a positive impact on the communities and the environment that surrounds them.

Evolving business

Arca Continental evolves through its people. Associates constantly strengthen their skillsets, enabling them to continue designing and executing innovative solutions that allow them to generate efficiencies and add value to the business, while consolidating the company’s environmental leadership and positive social impact.

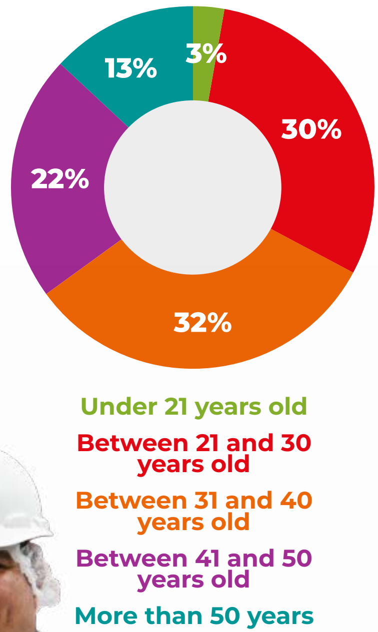


Associates as a **key factor of value**

Arca Continental's associates are the driving force behind the company's evolution and sustainable growth. The company recognizes that investing in its human capital not only improves internal performance but also reinforces its commitment to the communities it serves.

The company is dedicated to cultivating a work environment that enhances the development and well-being of each associate. This approach ensures that each person is aligned with the company's mission and vision, maximizing their ability to generate positive results

Associates by age



Recruitment of the best talent

Attracting and retaining talent are essential priorities for Arca Continental. The company understands that a diversity of visions and experiences enriches organizational culture and generates significant value. Thus, investment in its human talent has evolved into a fundamental pillar to face a complex global context and ensure a sustainable future.

Arca Continental has established a talent management strategy based on four pillars that has allowed it to reduce its turnover, thus reflecting the company's commitment to retaining talent:

- **An Exciting Career Path:** The company seeks long-term legacies that reflect the mutual commitment between the company and its associates.
- **An inspiring environment:** The company aims to create an environment of respect and personal connection, where each associate feels fully incorporated in the organizational culture.
- **A Life of Benefits:** Well-being programs and perks are offered that continuously improved to motivate and enhance the conditions of the team.
- **Experience of Success:** Associates take pride in the results generated by the company.

In a complex and fast-changing labor market, the integration of diverse talent is key to promoting the organization's vision. In line with this approach, the company also reinforces its commitment to inclusion by partnering with Tent Mexico, an alliance that brings together 46 large companies with the aim of creating new job opportunities for refugees and migrants. This partnership provides a platform to train and empower them, aligning with Arca Continental's vision of fostering an inclusive environment.

20%

of vacancies were filled with in-house talent, strengthening the commitment to the professional development of associates

Training and development

With the goal of maintaining the best talent, Arca Continental reaffirms its commitment to keep its associates updated through a wide range of training programs that promote both professional development and an inclusive work environment.

In addition, training in new technologies and digitalization is promoted to optimize processes and improve performance, allowing workplace procedures such as payroll and vacations to be carried out from mobile devices.

Arca Continental has **more than 100 training programs**

Among the training programs is **"Con Respeto Ganamos Todos"** or "With Respect We All Win". This program aims to ensure that all associates understand the behaviors that should be encouraged, relearned, or avoided, transforming respect into a distinctive element of the company's culture.

Following its inception in all the countries where Arca Continental operates, 7,394 associates have been trained for around a total of 49,300 hours. This effort has produced outstanding results, reflected in leadership favorability surveys with an evaluation above 90%, and more than 95% in the culture of respect.

The **Multiplying Leadership** program strengthens associates' skills

123
leaders trained in Mexico

In 2024

+71 thousand
associates received training

+1 million
hours in training

This data reflects the impact of the Schools in strengthening the team's skillsets and in meeting business objectives.

A fundamental element in training is the TWI (Training Within Industry) program, which trains and certifies the operational personnel in the most critical production processes through technology that allows the mobility of supervisors and trainers within the plants and Distribution Centers, thus improving the training and certification of personnel in all countries.

In addition, LinkedIn Learning provides access to online courses, allowing 13 thousand associates to acquire new skills in a flexible way, contributing to continuous learning in all areas of the business.

The impact of training is evaluated through third parties, guaranteeing cultural, productivity and economic benefits. In addition, the development programs, which are applied globally, are based on the **70/20/10** methodology, a learning and development framework that is based on the premise that associates learn more by working and interacting with other people.

According to the 70/20/10 model:

- **70%** of learning comes from practical experience and job performance;
- **20%** is achieved through social interaction and collaboration with colleagues; whereas
- The remaining **10%** is based on formal instruction, such as training, courses, or structured educational programs.

The benefits of this approach include continuous learning and development, helping associates to constantly improve their skills and adapt to new challenges. This offers a comprehensive learning experience that aligns with the company's strategic priorities.

Through the **Technical School** in Mexico, awards White, Yellow and Green Belt certifications, empowering associates to lead continuous improvement initiatives and promote operational excellence in supply chain processes.

Evaluation: promoting high performance with leadership in proximity

The performance appraisal model has been revamped to align with annual strategic priorities. Its goal is to continue promoting a high-performance culture in each of its associates and leaders, defining strategic objectives that impact the organization. It includes a 360-degree assessment process, which focuses on developing key skills and behaviors, ensuring that the system is clear and understandable to everyone.

Additionally, more frequent one-on-one conversations are promoted between leaders and associates to address issues such as career plans, performance and concerns, strengthening human and direct leadership within teams.

Prioritizing well-being

Arca Continental considers that the well-being of associates, including their health and satisfaction, is a key factor for the success of the organization.

The integral well-being of the team is a priority, promoting a culture that balances quality of life and personal development

To support this philosophy, Arca Continental offers benefits that seek to meet the diverse needs of its associates. Among them are life insurance, which provides protection to their families; health insurance, which ensures access to timely and quality medical care; and disability and invalidity coverage, guaranteeing economic support in unexpected situations.

The company also considers retirement benefits to be essential, providing a dignified and secure future for its associates when they retire from the workplace. Other initiatives, such as childcare and food vouchers, demonstrate the company's commitment to facilitating work-life balance, allowing associates to manage their family and work responsibilities effectively.

Work Environment

A positive work environment is key to the well-being of its associates and organizational success.

In 2024, the participation of almost 100% of associates in the organizational environment survey reflects a significant commitment to the company's culture.

87.9%
of associates feel satisfied with their work environment

This exercise allows the company to identify areas of opportunity and maintain continuity with action plans focused on these issues.

Arca Continental is committed to promoting initiatives that positively impact the organizational climate of the teams and improve the associate experience.

-8.6%
of incidents of work injuries

Occupational Health and Safety

To safeguard the integrity of associates, Arca Continental has implemented a management structure that includes programs at each workplace to ensure compliance with safety and welfare policies.

These programs define general guidelines, roles and responsibilities of the Executive Committee, Strategic Committee and Country/Region Committee, ensuring that all hazard prevention and mitigation processes are managed systematically.

The five main pillars in occupational health management are:

1. **On boarding** with first admission medical exams.
2. **Hygiene Assessment:** Noise, lighting, ergonomics, and exposure to gases or inhalation hazards.
3. **Identification of health** status through annual medical examinations for all associates.
4. **Ergonomic Risk Assessment** to ensure adequate working conditions.
5. **Comprehensive Health Strategy:** Focus on psychosocial hazards.

100%
of Arca Continental's associates work under the Occupational Health and Safety System

Arca Continental implements an Annual Occupational Health and Safety Preventive Program to identify and control risks, adopting new technologies to improve safety.

In addition, the company seeks continuous improvement in the health and safety of associates through initiatives such as:

- **Machine Safety Program:** Standardizes procedures and reviews hazardous energy in machinery on a weekly basis.

- **HOP (Human Organization Performance) Program:** Provides knowledge about HOP philosophy with root cause analysis promoting cultural changes. It meets weekly.

- **Digital Contractor Management Program:** Collaborates with other bottlers and The Coca-Cola Company team in monthly meetings to share best practices in digital contractor management.

- **Route to Market (RTM) Program:** Works biweekly with leaders in each country on initiatives that focus on transportation safety, including the investigation of road incidents.

Arca Continental has been recognized in Mexico with the **National Road Safety Award, granted by the National Association of Private Transport** (ANTP, Spanish acronym), thanks to its good practices and exemplary policies in Road Safety Management, aligned with the ISO39001 standard.

In its process of prevention and mitigation of negative impacts on health and safety, Arca Continental identifies hazards related with each activity through interviews and oversight, as well as legal requirements, development of HOP learning equipment, Occupational Health and Safety policies, occupational exposures, medical examinations, incident records and prior audits.

During 2024, in Ecuador, an innovative application was launched that allows associates to carry out Safety Talks on a weekly basis.

Participation of

+96% of associates

52 short videos on:

- **Life-Saving Rules**
- **Safe Work in Powered Systems**
- **Calls to Action**
- **Modes of Intervention**
- **Road Safety**
- **Health and Safety Policy**
- **Motorcycle Riding Safety**

SPOTLIGHT STORY:

SAFER ROUTE FOR EVERYONE

Putting the safety of associates as a priority, the **Control Tower** program was implemented in Monterrey during the last four months of 2024.

This program operates through a real-time monitoring system, managed by an external company, which follows the driving conditions of the trucks and the behavior of the drivers. This system includes telemetry futures that allow detecting signs of fatigue through facial recognition of the driver, as well as monitoring the truck's speed, generating alerts in cases where speed limit is exceeded. The time the engine is running or idle is also monitored, optimizing both emissions and transport efficiency.

A key feature of the Control Tower is its active communication. In critical situations, such as speeding or failure to wear a seatbelt, an operator communicates directly with the driver by phone, providing real-time suggestions to improve their safety.

Since its implementation in September, an **average reduction of 40.2% in the monthly accident rate** has been registered, with peaks of up to **53%** in recent months. These actions have contributed to improving driver safety and reducing incidents while driving.

Supported by this system, which will seek to be replicated in various sites during 2025, a **12% reduction** in the 2024 Crash Rate was achieved

Innovation to grow and improve: commitment in action

Innovation is a central part of Arca Continental's actions, embodied in one of its five cultural principles.

The company consistently promotes this principle with all its associates and in the countries where it has a presence. This way of working has allowed it to maintain its leadership and successfully adapt to market dynamics, seeking more efficient resource use and ways to operate.

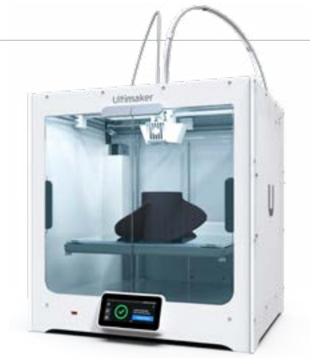
Through three main mechanisms, Arca Continental maintains this momentum for innovation:

- **I-Card System, Innovations and Projects:** The areas develop initiatives that are evaluated locally, regionally and nationally, culminating in the Value Generation Cup program.
- **Technology Surveillance:** Participation in the Innovation Summit to learn about innovations in the sector, and on-going monitoring of trends and best practices.
- **Center for Operational Innovation in Mexico:** This center identifies and enhances the most successful innovations, facilitating their implementation throughout the organization.

Value Generation Cup Program

Within this framework, the Value Generation Cup stands out as a key platform to promote and recognize innovative initiatives in the organization. This program focuses on identifying and rewarding the most efficient projects that add value to both the operation and the communities where Arca Continental operates. Some examples of the winners in 2024 are:

- **3D printer:** This project seeks to print spare parts, tools and new parts directly on site. **This approach allows for up to a 70% reduction in material costs by manufacturing** them instead of buying them from suppliers, in addition, it allows for a reduction in delivery times and optimizes storage.



- **Cyclone AC-80:** The Cyclone AC-80 initiative is dedicated to the creation of a specially designed air purifier. This purifier is very effective as it can filter particles that are larger than 6 microns, which helps reduce the time and cost of maintenance. In addition, equipment using this purifier no longer leaks, which also improves safety by preventing workers from having to make repairs in high spaces. In addition, a **100% decrease in leaks caused by the presence of particles in the installed equipment has been achieved**

- **Allotropes in Condensers:** The Proteo Project focuses on a special type of cells for condensers that do not need chemicals in the water. Instead, they use a method that naturally treats the water. Not only does this help the condensers work better, but it also reduces the amount of water that has to be purged, which means it's an **easier option for maintenance and doesn't require additional energy.**

Food Quality, safety and security management system

Arca Continental maintains a firm commitment to consumer care starting with operations, prioritizing quality in each of its processes.

It strictly complies with regulations across all areas of its operations, including the use of high-quality ingredients and adherence to international processes and standards that ensure an optimal level of quality in its products and services.

SPOTLIGHT STORY:

100 DAYS TO REACH THE GOAL

100 Days to Reach the Goal is one of the projects that position Arca Continental as a benchmark in operational efficiency among The Coca-Cola Company's bottlers, focused on the identification and improvement of underutilized production lines or those operating with low levels of efficiency in all the countries where it operates.

This innovative program aims to implement an action plan in a period of 100 days, designed to regularize and increase productivity in these strategic areas.

Through the active collaboration of associates, workshops are held in which problems are identified, and solutions are developed. This participatory approach has allowed workers to feel empowered and contribute to the improvement of operational efficiency, fostering a sense of belonging and commitment to the results of the program.

Since its launch in 2023, the program has been implemented in the five countries where the company operates. In 2024 alone, it was implemented in **20 production lines with average efficiency increases of 4.64%**, and in some cases reaching efficiency increases of up to 10%. The solutions implemented have remained effective after the intervention is completed, ensuring that efficiency is sustained in the long term.

100 Days to Reach the Goal has been selected as one of the three best practices by The Coca-Cola Company in its Supply Chain Best Practice Sharing Event 2024

Environmental **efficiency and leadership**

Arca Continental continually strives to sustain growth through its environmental leadership.

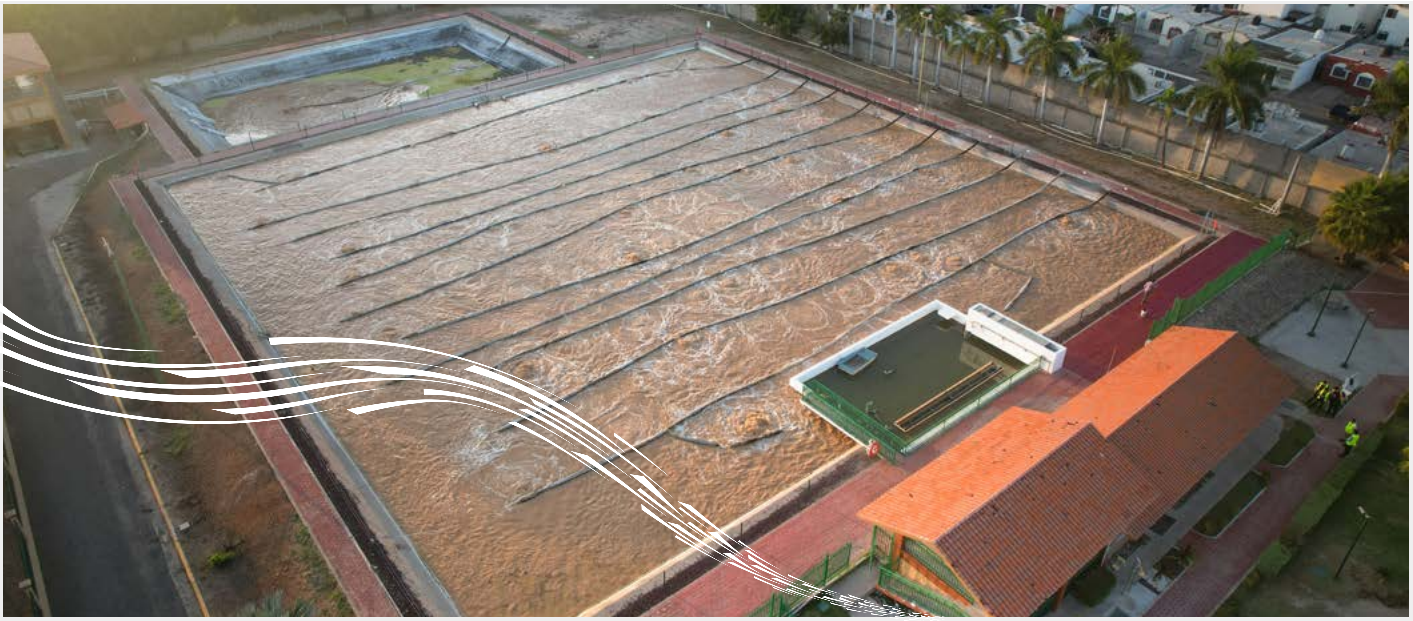
With this in mind, the company's operations evolve to become more efficient, reducing both costs and impacts. This strategy not only ensures the company's economic viability but also secures its long-term sustainability.

Every business decision is driven by a sustainability vision, enabling Arca Continental to progress within the most rigorous environmental frameworks. This commitment to sustainability does not come at the expense of operational performance but is seamlessly integrated into daily management, strengthening the company's ability to create value for both its associates and the communities where it operates.

Objectives	Beverage strategies	Unit	YEAR TO BE MET	GOAL	AC 2024 PERFORMANCE
Reduce the water footprint	Water consumption efficiency for each liter of beverage produced[1]	LA/LB	2026	1.48	1.53
Reduce the carbon footprint	Energy use efficiency for each liter of beverage produced	MJ/LB	2026	0.23	0.243
	Percentage of electricity consumption from renewable sources.	%	2026	65%	43.33%
	Reduction of Scope 1 and 2 GHG emissions	%	2030	33.9	32.59%
Reduce the waste footprint	Percentage of recycling of waste generated in the Production Centers.	%	2026	98	92%
	Percentage of food-grade recycled PET and BioPET in our packaging.[2]	%	2030	50	30.30%

[1] The consumption efficiency goal of 1.45 liters of water/liter of beverage produced was presented in previous reports for the year 2026. It has been adjusted since 2023 to be achieved by 2028 because (i) the diversification of the product portfolio has an impact on operating and maintenance, and (ii) the need to increase water treatment processes due to changes in the quality of the water in our sources.

[2] In previous reports, it was projected to reach 50% recycled PET and BioPET in packaging by 2026. Given the market dynamics, where limitations have been experienced in the amount of material available, this goal will be reached by 2030.



Water security

Arca Continental recognizes water security as a key element not only for the growth and continuity of its operations, but also as a responsibility to the communities where it operates. The company seeks to establish a resilient production network both inside and outside its facilities.

It makes investments that promote growth in operations that meet market demands and community needs. In addition, partnerships are promoted that optimize the use and management of water resources throughout its value chain.

The company approaches water security from a holistic approach that ease access to water, structuring its actions in four fundamental pillars: responsible use, conservation of sources, access and culture.

Responsible use of water

As its main raw material, the company pays special attention to the efficient use of water. Seeking the availability of resources, Arca Continental promotes the reduction of water use per liter of beverage produced, reducing costs and environmental impacts throughout its production.

Arca Continental replenishes 100% of the water used in its production processes back to nature.

Ensuring optimal conditions under the highest quality standards, the company uses quality treated water in activities such as bottle cleaning and other production processes.

AC treats
100%
of the water used in its production processes

Conservation of sources

Together with The Coca-Cola Company, the state of the wells that supply the company's operation is monitored to maintain responsible production, identifying the most vulnerable facilities to ensure business continuity plans, as well as risk mitigation actions.

Water extraction and discharge [1]

Business	Extraction (Mega Liters or thousand m³)	Discharges (Mega Liters or thousand m³)
Beverages	20,164.84874	4,769.004797
Snacks	575.79325	393.2983
Other Business	7,540.90406	7,946.11456
Total	**28,281.55**	**13,108.41**

[1)] A more detailed breakdown of water extraction, discharges and consumption can be found at the annexes to the Integrated Annual Report.

Access to water

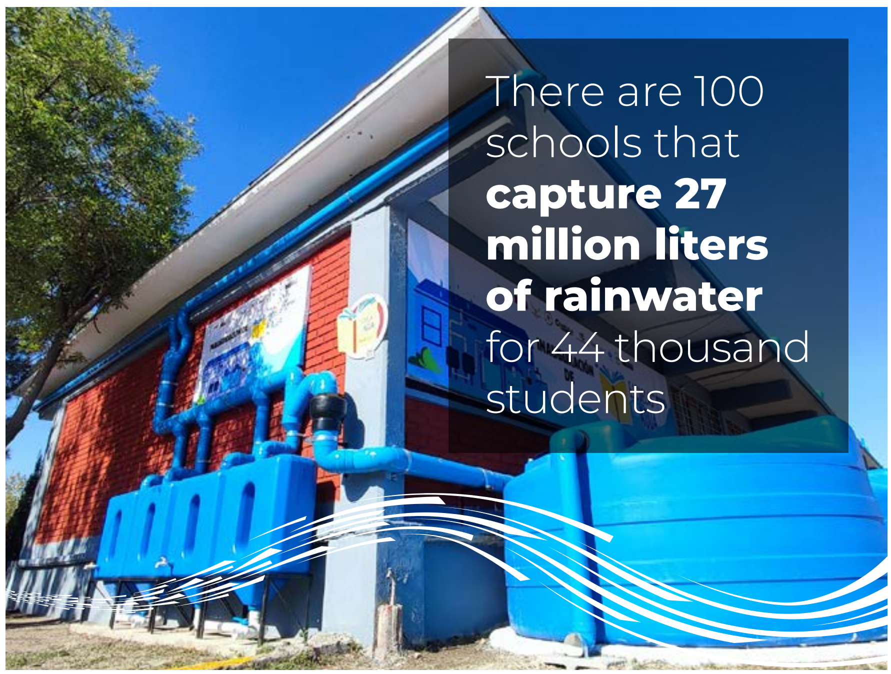
For Arca Continental, water security includes promoting access to water in the territories where it operates. Thus, it promotes infrastructure and programs focused on allowing that more people have access to clean and safe water sources.

In 2024, 261 water storage barrels were donated to families in Texas, USA. To date, through this program, 3,471 barrels have been distributed with the potential to save more than 100 million liters of water per year.

In Mexico, the company has promoted infrastructure with artificial wetlands inspired by nature to clean water sources in different communities.

The purification truck travels through vulnerable areas in Nuevo León, **supplying up to 80,000 liters of water daily**

The Mexicali wetland **cleans 70 liters of water per second**, benefiting 28,000 inhabitants



There are 100 schools that **capture 27 million liters of rainwater** for 44 thousand students

In South America, through the **Safe Water program, more than 300 filters and storage solutions were installed** with the potential to provide over one and a half million liters of water to various communities in Argentina, Ecuador, and Peru.

Circular economy

Arca Continental is committed to elevating circular economy principles in the design of its packaging mix and in its commercial strategy, with the aim of maximizing sustainable options and adapting to market trends.

To achieve this objective, various lines of action are being implemented. Work is being done on the design of sustainable packaging, which includes the use of recycled content, the promotion of returnables, the reduction of materials use and the improvement in the recyclability of packaging through the appropriate selection of colors and inputs. In addition, it has a robust value chain that includes the strengthening of collection infrastructure and an inclusive recycling system, which allows all those involved to actively participate in the recovery and reuse process.

The company also seeks to foster a culture of recycling, supported by awareness programs and various actions that inspire communities to adopt sustainable practices.

+7 out of every 10

bottles that Arca Continental introduces into the market are recovered

Collection rate of 100% in US and of 97% in Peru

Sustainable packaging

In its quest to offer options for consumers while reducing its environmental impact, Arca Continental adopts solutions based on the circular economy in the design of its portfolio. This approach seeks to have an efficient and recyclable package design, as well as being more affordable for the consumer.

With these goals in mind, the company has managed to reduce weight in plastic bottles, as well as increase the use of recycled content, reaching **30.3% of recycled PET in packaging.**

In addition, Arca Continental maintains the evolution in its way of working to promote a culture of recycling in its value chain.

This includes actions such as the recovery and recycling of all the packaging, including labels and the lids of PET and HDPE containers.

This year the lightest bottles in the worldwide Coca-Cola System were launched in 600 ml, 500 and 355 ml formats in territories in Mexico and Ecuador

In its drive to find solutions for consumers, Arca Continental implemented two new returnable bottle production lines in Mexico and Ecuador, reinforcing its capacity and commitment to meet the growing demand.

A key component of the returnability strategy is the universal bottle, used for different flavors, allowing for washing and reuse, reducing the use of new materials and extending its shelf life.

In addition, **all Arca Continental packaging is 100% recyclable or reusable,** which ensures that the materials used in its products can be reincorporated into the life cycle of the material, minimizing the environmental impact.

Development of the recycling value chain

SPOTLIGHT STORY:

PETSTAR SHARED VALUE IN THE CIRCULAR ECONOMY MODEL

PetStar, the world's largest PET recycling plant, led by Arca Continental, is focused on collection and recycling, generating a significant impact on both the business and the communities.

With a clear focus on the circular economy,

PetStar has managed to **recover 74% of the PET bottles** that Arca Continental introduces into the Mexican market

Through various socially-focused initiatives, PetStar improves the conditions of **more than 35,000 collecting partners**

139,000
tons collected in 2024

5 new collection plants or centers in AC territories during 2024

The strategy of decentralization in collection not only improves operational efficiency but also allows for greater social and economic inclusion.

The new collection center in Los Cabos, which together with the one at La Paz has the capacity to collect 110 tons of PET per month, will generate more than 1,000 indirect jobs, benefiting those who depend on this activity to support their families and improve their quality of life. The implementation of a national PET collection network ensures that the positive impact of recycling is spread throughout the country, facilitating the inclusion of everyone involved in the process.

With a capacity to recycle more than 140,000 tons of PET per year, equivalent to filling the Autonomous University of Nuevo Leon's (UANL) soccer stadium 9.5 times, PetStar not only maintains the evolution of a profitable business model but also creates a legacy of sustainable shared value.

Towards zero-waste operations

Actions based on circular economy also have a significant boost within the workplace. The company has a Comprehensive Waste Management Plan within the Zero Waste program, which is constantly updated according to the needs of the countries. Each Production Center periodically tracks the amount of waste generated and recycled, ensuring compliance with, and in some markets exceeding, current legal regulations.

Operations are managed under strict rules, ensuring that there is no direct negative impact on environmental quality. Through the implementation of utilization programs, the company maximizes the recovery of materials, guaranteeing that 92% of the waste generated by the operation is repurposed.

18
production centers
in Mexico received Zero Waste certification granted by The Coca-Cola Company

92%
of the waste generated by the operation is repurposed

Climate action

Arca Continental works on a comprehensive Climate Action model, which includes :

Energy efficiency

Use of renewable energy

Reduction of emissions across the value chain

Climate change adaptation measures

Aligned with this decarbonization approach, the company encourages the use of alternative and renewable energy sources by collaborating with key suppliers and stakeholders. By adopting more efficient production processes, Arca Continental is committed to reducing the emissions generated during its operations.

In addition, it focuses on reducing the use of materials and ingredients in the production of final products, optimizing resources and aligning with the principles of the circular economy. This commitment includes the certification of sustainable ingredients and the improvement of existing infrastructure to ensure responsible and environmentally friendly practices.

In this context, the commitment to reduce absolute greenhouse gas (GHG) emissions in scopes 1 and 2 by 33.9% by 2030, with respect to the 2019 baseline, is maintained.

To contribute to climate action, Arca Continental has implemented a Carbon Footprint Reduction Plan for direct and indirect emissions, endorsed by the Science Based Targets Initiative, contributing to the mitigation of global warming.

32.59% reduction in Scope 1&2 emissions was achieved in 2024

Learn more about SBTi plan

SPOTLIGHT STORY:

OPTIMIZED CARBONIZATION

The Optimized Carbonation project is a milestone in Arca Continental's innovation. After a successful pilot, this project has been taken up in other plants in Mexico, Ecuador, Peru, Argentina and the United States in 2024, highlighting its scalability as one of its greatest achievements.

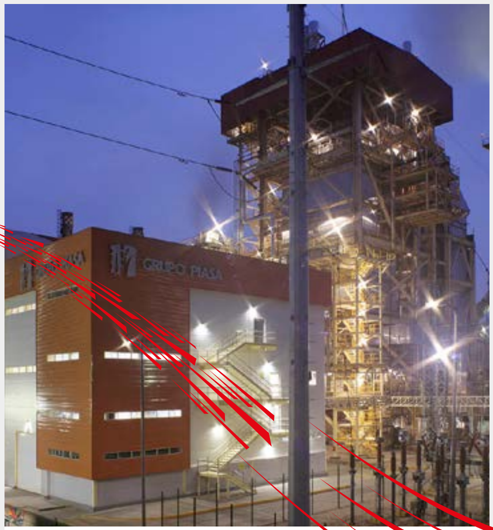
The key to the project lies in the installation of 98 injectors that allow the carbon dioxide in beverages to be diluted at higher temperatures than usual. This change not only improves product quality, but also reduces energy consumption, generating significant operational savings and reducing emissions associated with the process.

This project, recognized in the Value Generation Cup, reinforces the company's commitment to operational efficiency and the reduction of environmental impacts. These types of initiatives, which can be replicated in various operations, contribute to a more responsible and innovative future in the beverage industry.

Savings of

+$40.9

Million Pesos in 2024



Energy Efficiency

By optimizing processes and adopting energy efficient practices, Arca Continental seeks to minimize its carbon footprint across its operations.

In 2024, the company achieved an **intensity of .24 MJ/L in energy use per liter** of beverage produced.

Reducing Emissions throughout the Value Chain

To reduce CO_2 emissions, Arca Continental is bringing suppliers closer to its production plants, optimizing transport and logistics. This collaborative approach not only contributes to reducing the carbon footprint but also improves operational efficiency and strengthens the supply chain.

Use of Renewable Energy

A relevant example of this plan is the NorthPoint Production Center in the United States, which operates with **100% renewable energy.**

In Mexico, 39% of the energy used by Arca Continental is generated by renewable sources.

Climate change adaptation measures

Arca Continental has taken decisive action to adapt to climate change and promote the resilience of its operations. Through FM Global, the insurer of the company's facilities, a qualitative and quantitative analysis of climate-related physical risks was carried out. This analysis assessed the level of exposure of operations in financial terms to chronic and acute climate risks, both in the short term (2030) and in the long term (2050).

The assessment has the principal goal of creating a resilient future for Arca Continental, ensuring that the company is prepared to face the challenges that climate change might present, and strengthening its commitment to the sustainability and safety of its operations.

Biodiversity

During 2024, Arca Continental carried out a diagnosis of relations with the nature according to the "Locate" stage of the LEAP methodology of the Taskforce on Nature-related Financial Disclosures (TNFD) for its beverage plants in Mexico.

The objective of the study was to identify the sectors, value chains and geographic locations that could have dependencies and significant impacts in nature.

For 2025, the company will expand its analysis as part of its commitment to the preservation of ecosystems and biodiversity.

Social impact and networks of change

Volunteering and social action

Arca Continental aims for all its actions to have positive social impacts. This vision strengthens its sustainable growth, strengthens its bond with communities and ensures operational continuity in an increasingly challenging environment. Through initiatives aligned with its strategic objectives, the company promotes solutions on critical issues such as access to water and circular economy, ensuring benefits for both society and its business model.

Associates play a key role in this outcome, integrating sustainability into their daily work and actively participating in a robust corporate volunteering program. Through the program, Arca Continental's associates amplify this impact by getting directly involved in initiatives that promote access to water, recycling, and other key actions for sustainable development.

Their participation reinforces the company's commitment to communities and demonstrates that sustainability is a shared responsibility, where every action contributes to a more resilient and prosperous future.

This synergy between business, associates and community strengthens Arca Continental's ability to generate shared value, promoting initiatives that not only address social and environmental challenges, but also consolidate its leadership in sustainability.

In 2024, the company achieved a total of

+22 thousand

volunteer hours, with the participation of

+6 thousand

volunteers in all the countries where it operates

Board of Directors

Jorge Humberto Santos Reyna
Alternate: Samira Barragán Juárez de Santos

Chairman of the Board of Directors of Arca Continental, S.A.B. de C.V., since 2019 and of the Board of the subsidiary AC Bebidas. Chief Executive Officer of Grupo SanBarr and member of the Board of Directors of Regional S.A.B. de C.V. Chairman of the Board of Directors of Regio Engordas, S.A. de C.V., and Chariman of the Chamber of the Transformation Industry of Nuevo Leon (CAINTRA). He is also Vice Chaiman of the Consejo Nacional Agropecuario (CAN, or National Agricultural Council). Previously, he was Vice Chairman of the Board of Directors of Arca Continental from 2007 to 2019. Former Chairman of the Board of Directors of Arca Continental South America. Former Chairman of the Consejo Estatal Agropecuario de Nuevo Leon, A.C. (State Agricultural Board), former Chariman of the Asociacion de Enogordadores de Ganado Bovino del Noreste A.C. (Northeastern Mexico Beef Association). Former Treasurer of the Asociacion Mexicana de Engordadores de Ganado Bovino (Mexican Beef Association); former President of the Union Social de Empresarios de Mexico en Monterrey, (USEM or Mexico Entrepreneur Union Monterrey). Former Board member of Grupo Procor, CAINTRA Nuevo Leon and Papas y Fritos Monterrey.

Manuel L. Barragán Morales

Honorary Lifetime Chairman of the Board of Directors of Arca Continental since 2019. He served as Chairman of the Board of Directors of AC from 2005 to 2019. Board Member since 2001.

Roberto Garza Velázquez
Alternate: Miguel C. Barragán Villarreal

Vice Chairman of the Board of Directors of AC since 2019. Board Member of Arca Continental since 2001. Shareholder at Industria Carrocera San Roberto, S.A. de C.V., as well as Board Member of Grupo Index, Afirme Grupo Financiero, and AMANEC, A.C. He has been a member of the Grupo Autofin Monterrey Board of Directors since 2017.

Miguel Ángel Rábago Vite
Alternate: Roberto Martínez Garza

Vice Chairman of the Board of Directors of Arca Continental since 2011. Current member of the Board of AC Beverages, and AC Alimentos y Botanas, subsidiaries of Arca Continental. Former CEO and member of the Board of Directors of Grupo Continental, where he also served in various positions for more than 35 years. He is a Public Accountant and Auditor from the Autonomous University of Tamaulipas.

Luis Arizpe Jiménez
Alternate: Ana Sofía Arizpe Saldivar

Member of the Board of Directors of AC since 2003 and Vice Chairman since 2008. Currently, he is a member of the Board of Directors of AC Bebidas, Member of the Bord and Chairman of the Audit Committee of Grupo Industrial Saltillo, S.A.B. de C.V., Chairman of the Board of Directors of AC Alimentos y Botanas, SA de CV, Chairman of the Board of Directors of Saltillo Kapital, S.A. de C.V., Inversiones del Norte, S.A. de C.V., and Inmobiliaria BIRARMA, S.A. de C.V., Member of the Advisory Board of Grupo MERCO, Chairman of the Board of Directors of the Tecnológico de Monterrey Campus Saltillo, Director of the Civic Council of Institutions of Coahuila, is also Chairman of Cáritas de Saltillo, Board Member of the Red Cross of Saltillo and Member of the Advisory Board of Grupo Financiero Banorte Zona Norte (however, none of these entities has any kind of relationship with AC).

Joaquin Arizpe Dávila
Alternate: Blas Gentiloni Arizpe

Board Member of AC since 2024. He is currently General Manager of Grupo Agropecuario ARDA, S. de R.L. de C.V., Chairman of the Board of Directors of Corrales de Engorda El Potrero, S.A. de C.V., Member of the Board of Directors of Arco Décimo, S.A. de C.V., Member of the Board of Directors of Aguas de Saltillo, S.A. de C.V., Member of the Advisory Council Christus Muguerza de Saltillo, Member of COPARMEX Southeast Coahuila, and Member of the Boards of the Food Bank and the Red Cross of Saltillo; however, none of these entities has any relationship with AC. He was Chairman of the Regional Livestock Union of Coahuila and of the Local Livestock Association of Saltillo. He holds a degree in Financial Administration from Tecnológico de Monterrey and an Executive MBA in Business Management from IPADE.

Alfonso J. Barragán Rodríguez
Alternate: Juan Manuel Barragán Treviño

Member of the Board of Directors of AC since 2019, alternate director of the Board of AC Bebidas and member of the Human Capital and Sustainability Committee, where he contributes to the development of talent strategies and sustainable impact. He has more than 15 years of experience in technology, innovation, intellectual property, corporate governance and strategic planning. He serves on the board of several technology and retail companies in the United States and Mexico, as well as non-profit organizations, including the Nuevo León Red Cross. He holds a degree in Industrial and Systems Engineering from Tecnológico de Monterrey, graduated from IPADE's AD2 Senior Management Program, and has complemented his executive training in international institutions.

Carlos Bracho González
Alternate: Brett E. Grossman

Board Member of Arca Continental. He is currently Chairman of a Patrimonial Trust with assets of one billion dollars and a member of the Boards of Directors of Fibra Vía. He has held various Senior Management positions in banking institutions, Private Equity Funds and Financial Consulting and Investment Banking firms. He holds a Bachelor's degree in Public Accounting from the Universidad Iberoamericana and a Master's degree in Finance from the University of Rhode Island.

Juan Carlos Correa Ballesteros
Alternate: Javier Ponce de León Martínez

Independent Member of the Board of Directors of AC since 2016. Former member of the Executive Committee and the Human Capital Committee of the Board of Directors at Arca Continental South America since 2010. He worked for 14 years at Ecuador Bottling Company, the Coca-Cola bottler in Ecuador (subsequently AC Ecuador), holding several positions, including COO and Corporate Vice-President. He is currently Executive Vice-President at CorMa Holding Family Office (however, this entity has no relation to AC). He has an MBA in Finance from the University of Miami.

Alejandro M. Elizondo Barragán
Alternate: Alberto Javier Elizondo Barragán

Member of the Board of Directors of Arca Continental since 2004. He was Director of Development, CEO of Alpek and CEO of Hylsamex throughout more than 43 years of experience at Alfa. He is currently a member of the board of directors of Grupo Stiva, Axtel and the Steel Museum (however, none of these entities has any kind of relationship with AC).

Bernardo González Barragán
Alternate: Eduardo Manuel Treviño Barragán

Member of the Board of Directors of Arca Continental since 2020. He was an alternate director in 2019. Since 2011 he has been a professor at the University of Monterrey in Accounting and Finance. He worked as an analyst in the corporate finance area at Fitch Ratings covering the retail and housing sectors. He has been following the non-alcoholic beverage industry for more than 25 years.

Sergio Eugenio González Barragán

Alternate: Roberto Miguel González Barragán

Member of the Board of Directors of AC since 2024. In addition, he is currently a Member of the Boards of directors of Grupo Logístico Intermodal Porturario, EDG Desarrollos and Corporativo Eddy; however, none of these entities has any relationship with AC. Former Member of the Board of Directors of Regional, S.A.B. de C.V. He holds a degree in Industrial and Systems Engineer from Tecnológico de Monterrey, from where he also obtained a Master's Degree in Information Systems. He holds a Master's Degree in Business Administration from the University of Texas at Austin and completed IPADE's AD2 Senior Business Management Program.

Cynthia H. Grossman

Alternate: Herman Goettsch Amigot

Board Member of Arca Continental since 2011. She was Chairman of the Board of Directors of Grupo Continental (which merged with AC) since 2000 and a Board Member since 1983.

Sanjuana Herrera Galván

Alternate: Ulrich Guillermo Fiehn Rice

Director of Administration at Banco Regional, S.A., Banregio Grupo Financiero, where, since 1994 she has held various positions in senior and middle management in administration, finance, comptroller and tax areas. Former Tax Manager at Corporativo Monterrey, S.A. She is Chairwoman of the Executive Committe at the Academia de Derecho Fiscal de Nuevo León (Nuevo Leon Academy of Tax Law) and was Chairwoman of Instituto Mexicano de Ejecutivos de Finanzas Grupo Monterrey (Mexican Institute of Finance Executives – Monterrey Group) and Instituto de Contadores Públicos de Nuevo León (Nuevo Leon Institute of Public Accountants). She graduated as Public Accounting Auditor from Universidad Autónoma de Nuevo León, CPA from Instituto Mexicano de Contadores Públicos, Masters in Tax Law from Universidad Regiomontana and took Senior Management courses at IPADE.

Johnny Robinson Lindley Suárez

Alternate: Manuel Guadalupe Gutiérrez Espinoza

Board Member of Arca Continental since 2018. He was CEO of Corporación Lindley (currently controlled by AC) from 2007 to 2014 and has served as its Chairman of the Board since 2013. He is the Chairman of the Board of Directors for Lindcorp since 2015. He holds a Degree in Business Administration, specializing in Marketing, from Bentley College. He also graduated from the OPM program at Harvard Business School in 2016.

Ernesto López de Nigris

Alternate: Juan Carlos López Villarreal

Independent Board Member of Arca Continental since 2001. Currently serves on the Board of Directors of Grupo Industrial Saltillo, where he also served as Vice-Chairman of the Board of Directors and Operations. Additionally, he is a member of the Advisory Board at Teléfonos de México, as well as a Regional Director for Nafinsa and Grupo Financiero Banorte (however, none of these entities has a relationship with AC).

Adrián Jorge Lozano Lozano

Alternate: Julián Guzmán Luna

Independent Board Member of AC since 2019 and of the Financial Risk Committee since 2010. He is currently a member of the Board of Directors, Founding Partner and General Manager of Banco Bancrea, S.A. and Arrendadora Bancrea, S.A. de C.V., SOFOM, E.R. since 2013; however, AC has no relationship with any of these entities. Member of the Associates Committee of the Association of Banks of Mexico for more than 20 years. He holds a Law Degree from Tecnológico de Monterrey, a Master's Degree in International Law and Finance from Tulane University, and a Master's Degree in Business and Finance from Tecnológico de Monterrey. He was CEO of Afirme Grupo Financiero and all its subsidiaries; Proprietary Board Member and Secretary of GE Capital Bank, S.A.

Brian Smith
Alternate: José Roberto Gavilano Ramírez

Independent Board Member of AC since 2023. Served for over 26 years at The Coca-Cola Company, having senior leadership roles including President and Chief Operating Officer, President of the European, Middle East, Africa and Latin America Divisions, of the Mexico and Brazil Business Units, as well as the area of mergers and acquisitions. Currently Member of the Boards of Coca-Cola Europacific Partners and Evertec, Inc. He has BA and MBA degrees from the University of Chicago.

Armando Solbes Simón
Alternate: José Luis Fernández Fernández

Independent Board Member of Arca Continental since 2011. He was a Director of Grupo Continental, S.A.B. de C.V., from 2008 to 2011. He served until December 2022 and for 13 years, as Director of the Tampico office of Grupo Financiero Base, I.B.M. He is currently a member of the Boards of Directors of Promotora Turística Punta Bete, S.A.P.I. de C.V. and Vista Inn, S.A. de C.V. Associate of the I.E.S.T. Anahuac University, and of the Bene Hospital of the Spanish Center of Tampico A. C. de B. P., the latter institution where he served as Chairman of the Board in the period 2001-2008. He is also an Associate and Board Member of ProSurTam, A. C. He was Chairman of the Board and Chief Executive Officer of Central de Divisas Casa de Cambio, S.A. de C.V., between 1985 and 2009. From 1979 to 1985, he worked in various positions in the financial area of the Corporate of Grupo Cydsa, S.A.B., and previously, in External Audit services at Gossler, Navarro, Ceniceros y Cía.

Jesús Viejo González
Alternate: Magda Cristina Barragán Garza de Viejo

Board Member of Arca Continental since 2007. Currently, he is Executive President of Trefilia Capital, and serves as Chairman of the Board of the Nuevo León Strategic Planning Board and is a Board Member of the Universidad de Monterrey (UDEM), the John F. Kennedy School of Government, the Center for International Development at Harvard, and Grupo Topaz. He was Vice-President of Economic Research for Emerging Markets at Goldman Sachs and Chief Economist at Grupo Alfa. He holds a Degree in Economics from ITESM, and a Master's Degree in Public Policy from Harvard University. He also holds a PhD in Economics from Boston University.

Marcela Villareal Fernández
Alternate: Miguel Antonio Panetta Villareal

Board Member of Arca Continental since 2019. Former Board Member of Embotelladoras Arca from 2001 to 2010 (now AC). Advisor at Tulane University's School of Public Health and Tropical Medicine, Research Project (however, none of these entities are associated with AC). Board Member of Sistema Axis and Argos, and President of the El Paso Museum of Art.

Jaime Sánchez Fernández (Non-Member Secretary)
Alternate: Daniel Martínez González

Secretary not Board Member of AC since 2009 to date. He has also been the Company's Chief Legal Officer since 2011 and, prior to the merger with Grupo Continental, he served as Legal Director of Embotelladoras Arca since December 2008. He worked at Grupo Alfa as a corporate lawyer and practiced his profession independently. He holds a Law Degree from the University of Monterrey and a Master's Degree in Law from the University of Michigan.

Senior **Management**

Arturo Gutiérrez Hernández
Chief Executive Officer
Chief Executive Officer since 2019. Formerly served as Deputy Chief Executive Officer. His career at Arca Continental spans more than 23 years, holding several positions including Chief Operating Officer, Director for the Mexico Beverages Division, Director of Human Resources, Head of Planning, and General Counsel. He serves on the Board of Directors of KKR & Co and the Board of Directors of CPKC (however, these entities have no relationship with AC). He holds a Law Degree from the Escuela Libre de Derecho and a Master's Degree in Law from Harvard University.

José Borda Noriega
Executive Director of Arca Continental Mexico
He has worked in the Coca-Cola System for over 33 years, in various leadership roles. Former Chief Executive Officer of Corporación Lindley in Peru, Chief Executive Officer of Coca-Cola Central America and Vice President of Operations for Sparkling Beverages at Coca-Cola de México. He is an Industrial Engineering from the Pontificia Universidad Católica del Perú and an MBA from J.L. Kellogg School of Management.

Jesús García Chapa
Chief Planning Officer

Previously he was Director of Arca Continental Lindley and Director of Venture Capital at Arca Continental. Formerly the Deputy Financial Officer for Farmacias del Ahorro. He has ample experience in Mexico and abroad in areas such as logistics, finance, management, strategic planning, and IT. He holds a degree in Mechanical Engineering from ITESM, and a Master's Degree in Industrial Engineering and Management from Stanford University.

Guillermo Garza Martínez
Chief Public Affairs, Communications and Sustainability Officer
He formerly held the position of Communications and Social Responsibility Director. He serves on several Boards of institutions at the local and international level such as Council of the Americas, International Council of Beverages Associations LATAM, U.S.-Mexico Border Philanthropy Partnership, and The United Nations Global Compact in Mexico, among others. He has over 30 years' experience in sustainability, communications, social responsibility, and public affairs with bachelor's and master's degrees in communications, as well as specialized executive studies at Harvard, Stanford, IMD, Boston College and IPADE.

Santiago Herrera Varon

Chief Commercial and Digital Officer

He previously served as the Commercial VP of AC/CCSWB, held several positions such as RGM & Analytics Director, and was the General Manager at Dipor. He holds a Bachelor's Degree in Administration from Pontificia Universidad Javeriana and a Master's Degree in Marketing, along with an MBA from the Instituto de Alta Dirección Empresarial (INALDE). He has 26 years of experience in the Coca-Cola system, serving in various management positions at The Coca-Cola Company.

Emilio Marcos Charur

Chief Financial Officer

He was formerly Director for Beverage Operations Mexico and for the Complementary Businesses Division, in addition to leading the Treasury and Procurement divisions. He holds a Degree in Industrial Engineering and Computer Systems from ITESM and an MBA from the University of Illinois.

Denise Martinez Aldana

Chief Human Resources Officer

Chief Human Resources Officer since December 2021, prior to which she was Talent and Culture Director for Arca Continental and Human Resources Director for Arca Continental Coca-Cola Southwest Beverages. She has worked for more than 20 years within the Coca-Cola System in various roles in the human resources area, including Human Resources Director at The Coca-Cola Company corporate offices in Atlanta. She has an MBA from the University of Texas.

Alejandro Molina Sánchez

Chief Technical and Supply Chain Officer

He is a member of the Technical Innovation and Supply Chain Committee for the Coca-Cola System, for which he formerly served as President. He worked for Coca-Cola de México for more than 15 years in the Quality Control, Environmental Sustainability, and Supply Chain divisions. He holds a degree in Chemical Engineering from Universidad La Salle, and a post-graduate certificate in Supply Chain from the Instituto Tecnológico Autónomo de México (ITAM).

Enrique Pérez Barba

Executive Director of Beverages South America

He is a systems engineer from Tecnológico de Monterrey and has a master's degree in marketing from the same institution. Since 1988 he has been part of Arca Continental, having served in recent years as Director of Beverages Mexico.

Jaime Sánchez Fernández

General Counsel

Secretary of the Board of Directors. Formerly held the positions of Legal Director, Secretary of the Board of Directors and Legal Corporate Manager at Embotelladoras Arca, prior to the merger with Grupo Continental. He worked for Alfa, S.A.B. de C.V. as corporate lawyer and also worked independently.
He holds a degree in Law from the Universidad de Monterrey and a Master's Degree in Law from the University of Michigan.

Jean Claude Tissot Ruiz

President of Arca Continental Coca-Cola Southwest Beverages

He formerly held the position of Chief Operating Officer at Coca-Cola Southwest Beverages and Chief Marketing Officer of Arca Continental. He spent more than 15 years at The Coca-Cola Company in various geographies, including CEO of Mexico and Central America, as well as various executive roles in Colombia, and at Warner Lambert in the commercial area for five years. He completed the Advanced Management Program as an Alumnus of the Harvard Business School, has a Bachelor's Degree in Business Administration from Universidad ICESI in Colombia, and Master´s degrees in Marketing and Finance from Colegio de Estudios Superiores de Administración, also in Colombia.

Consolidated financial statements

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

As of and for the years ended December 31, 2024 and 2023 with independent auditor's report

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Independent **auditor's report**

To the General Stockholders Meeting of Arca Continental, S.A.B. de C.V.

Opinion

We have audited the accompanying consolidated financial statements of Arca Continental, S.A.B. de C.V. and its subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the consolidated statements of income, the consolidated statements of comprehensive income, the consolidawted statements of changes in stockholders' equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the "International Code of Ethics for Professional Accountants (including International Independence Standards)" ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico according with the "Código de Ética Profesional del Instituto Mexicano de Contadores Públicos" ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities in Relation to the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Assessment of Impairment of Goodwill and Indefinite-Lived Intangible Assets

Description and why it was considered a key audit matter

We have considered the assessment of impairment of goodwill and indefinite-lived intangible assets as a key audit matter because the determination of their recoverable amount involves significant judgments and estimates by management regarding inputs whose sensitivity may have a significant impact on that recoverable amount, such as the weighted average cost of capital for each cash-generating unit (CGU), revenue growth rates, and operating margins, which are affected by economic and market conditions, among others. Additionally, the calculation of the recoverable amount involves uncertainty that the projected cash flows used in its determination may differ from expectations, and therefore the results may be different from the estimated values.

In Notes 4 "Accounting Estimates and Judgments" and 11 "Goodwill and Intangible Assets, Net" of the attached consolidated financial statements, a more detailed description of the analysis carried out by the Company's management regarding the assessment of impairment of goodwill and indefinite-lived intangible assets is provided, which includes the annual estimation of the recoverable amounts of the CGUs to which these assets are assigned, to identify and recognize any potential impairment.

How our audit addressed the key audit matter

Among other procedures, we involved our internal valuation specialists, who assisted us in evaluating certain key assumptions and the methodology used by the Company's management in their impairment analyses. We also assessed the assumptions and hypotheses used by the Company's management for the identification and grouping of long-lived assets in each cash-generating unit (CGU). Regarding the recoverable amount of goodwill and indefinite-lived intangible assets, we evaluated the cash flow projections prepared by management and inspected the information from those projections for each identified CGU, analyzing their consistency with historical trends and the long-term business plans approved by the Board of Directors for the period 2025 – 2029.

We compared the results of the recoverable amount calculations with the carrying value of the CGUs, discussed with management the variations between the methodologies used for calculating the recoverable amount, and verified that they had been applied consistently with the previous fiscal year.

We assessed the reasonableness of the disclosures included in the Company's consolidated financial statements regarding whether they are adequate according to the International Financial Reporting Standards.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report presented to the Comisión Nacional Bancaria y de Valores ("CNBV") and the annual report presented to stockholders, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon that would provide a degree of assurance about it.

In connection with our audit of the consolidated financial statements, our responsibility is to read and consider the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be a materially misstated.

When we read and consider the Annual Report presented to the CNBV and the annual report presented to stockholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and issuing the declaratory on the annual report requested by the CNBV which will describe the matter.

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

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those that were od most significance in the audit of the consolidated financial statements of the current period and are, therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is who signs it.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

C.P.C. Aldo A. Villarreal Robledo

Monterrey, N. L.
February 18, 2025.

ARCA CONTINENTAL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements **of financial position**

(Thousands of Mexican pesos)

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents (Note 6)	**$ 29,544,599**	$ 22,127,959
Account receivables from clients and others, net (Note 7a)	**20,182,845**	17,528,535
Related parties (Note 26)	**3,090,061**	2,601,047
Inventories (Note 8)	**13,181,790**	10,844,196
Derivative financial instruments (Note 19)	**278,625**	87,798
Prepayments	**1,384,778**	1,283,301
Total current assets	**67,662,698**	54,472,836
Non-current assets:		
Investment in shares of associates (Note 9)	**13,517,775**	10,304,235
Property, plant and equipment, net (Note 10)	**83,097,090**	66,310,573
Goodwill and intangible assets, net (Note 11)	**121,371,960**	101,940,937
Right-of-use assets, net (Note 12)	**1,566,665**	912,592
Deferred income taxes (Note 16)	**4,267,962**	4,114,968
Derivative financial instruments (Note 19)	**10,258**	4,327
Other assets	**1,141,780**	878,999
Total non-current assets	**224,973,490**	184,466,631
Total assets	**$ 292,636,188**	$ 238,939,467
Liabilities and stockholders' equity		
Current liabilities:		
Current debt (Note 13)	**$ 3,364,716**	$ 11,863,818
Suppliers	**15,484,710**	13,970,803
Related parties (Note 26)	**6,728,307**	3,337,937
Derivative financial instruments (Note 19)	**84,345**	1,126,518
Income tax payable	**1,717,560**	2,263,098
Lease liabilities (Note 12)	**649,274**	507,202
Other liabilities (Note 14)	**17,438,386**	13,980,559
Total current liabilities	**45,467,298**	47,049,935
Non-current liabilities:		
Non-current debt (Note 13)	**45,149,241**	33,373,712
Lease liabilities (Note 12)	**916,549**	456,639
Employee benefits (Note 15)	**7,805,437**	7,289,433
Derivative financial instruments (Note 19)	**23,791**	53,771
Deferred income taxes (Note 16)	**17,546,292**	14,713,420
Other liabilities (Note 14)	**1,823,376**	1,685,913
Total non-current liabilities	**73,264,686**	57,572,888
Total liabilities	**118,731,984**	104,622,823
Stockholders' equity (Note 17):		
Controlling interest:		
Capital stock	**945,174**	957,761
Share premium	**35,064,505**	35,098,268
Retained earnings	**94,565,240**	85,683,352
Other comprehensive loss (Note 18)	**7,220,266**	16,245,452)
Total controlling interest	**137,795,185**	105,493,929
Non – controlling interest	**36,109,019**	28,822,715
Total stockholders' equity	**173,904,204**	134,316,644
Total liabilities and stockholders' equity	**$ 292,636,188**	$ 238,939,467

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

Arturo Gutiérrez Hernández
Chief Executive Officer

Emilio Marcos Charur
Chief Financial Officer

ARCA CONTINENTAL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements **of income**

(Thousands of Mexican pesos)

	For the years ended December 31,	
	2024	2023
Net sales (Note 5)	**$ 237,004,456**	$ 213,631,944
Income related NPSG (Notes 5 and 26)	**2,568,271**	2,140,279
Cost of sales (Note 20)	**(127,865,116)**	(116,760,901)
Gross profit	**111,707,611**	99,011,322
Operating expenses:		
Selling expenses (Note 20)	**(62,594,377)**	(55,790,909)
Administrative expenses (Note 20)	**(11,181,463)**	(10,162,789)
Equity in the results of strategic associates (Note 9)	**133,041**	94,176
Other income, net (Note 21)	**1,086,935**	1,405,480
Operating profit	**39,151,747**	34,557,280
Financial income (Note 23)	**5,653,260**	6,052,917
Financial expenses (Note 23)	**(10,035,063)**	(9,837,132)
Financial costs, net	**(4,381,803)**	(3,784,215)
Equity in the results of associates (Note 9)	**217,204**	230,944
Profit before income tax	**34,987,148**	31,004,009
Income tax (Note 24)	**(11,187,441)**	(9,848,848)
Net consolidated profit	**23,799,707**	21,155,161
Net consolidated profit attributable to:		
Equity holders of the parent	**19,562,768**	17,504,232
Non-controlling interest	**4,236,939**	3,650,929
	$ 23,799,707	$ 21,155,161
Basic earnings per share, in pesos	**$ 11.49**	$ 10.14
Diluted earnings per share, in pesos	**$ 11.49**	$ 10.14
Weighted average of outstanding shares (thousands)	**1,701,961**	1,726,682

The above consolidated statements of income should be read in conjunction with the accompanying notes.

Arturo Gutiérrez Hernández
Chief Executive Officer

Emilio Marcos Charur
Chief Financial Officer

ARCA CONTINENTAL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements **of comprehensive income**

(Thousands of Mexican pesos)

	For the years ended December 31,	
	2024	2023
Net consolidated profit	**$ 23,799,707**	$ 21,155,161
Other consolidated comprehensive income items, net of income tax:		
Items that will not be reclassified to profit or loss:		
Remeasurement loss of defined benefit plans, net (Note 18)	**64,483**	(232,314)
Equity in other comprehensive loss of associated companies accounted for using equity method, net (Note 18)	**(71,783)**	(54,488)
	(7,300)	(286,802)
Items that may be reclassified to profit or loss:		
Effect of derivative financial instruments contracted as cash flow hedges, net (Note 18)	**1,249,447**	(920,895)
Associate's translation effect (Note 18)	**317,933**	(321,444)
Exchange differences on translation of foreign operations (Note 18)	**27,416,936**	(17,045,687)
	28,984,316	(18,288,026)
Total consolidated other comprehensive income (loss) for the year	**28,977,016**	(18,574,828)
Total consolidated comprehensive income	**$ 52,776,723**	$ 2,580,333
Attributable to:		
Equity holders of the parent	**$ 43,028,486**	$ 2,528,677
Non-controlling interest	**9,748,237**	51,656
Total consolidated comprehensive income	**$ 52,776,723**	$ 2,580,333

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Arturo Gutiérrez Hernández
Chief Executive Officer

Emilio Marcos Charur
Chief Financial Officer

ARCA CONTINENTAL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of **changes in stockholders' equity**

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

	Controlling interest						
	Capital stock	**Share premium**	**Retained earnings**	**Other comprehensive income (loss)**	**Total controlling interest**	**Non-controlling interest**	**Total stockholders' equity**
Balances at January 1, 2023	$ 970,841	$ 39,964,289	$ 77,959,326	$ (1,269,897)	$ 117,624,559	$ 30,229,280	$ 147,853,839
Transactions with stockholders:							
Capital reduction (Note 17)	(13,080)	13,080	-	-	-	-	-
Dividends declared in cash, net (Note 17)	-	-	(9,780,206)	-	(9,780,206)	(1,458,221)	(11,238,427)
Repurchase of own shares (Note 17)	-	(4,879,101)	-	-	(4,879,101)	-	(4,879,101)
	(13,080)	(4,866,021)	(9,780,206)	-	(14,659,307)	(1,458,221)	(16,117,528)
Net consolidated profit	-	-	17,504,232	-	17,504,232	3,650,929	21,155,161
Total other comprehensive loss for the year (Note 18)	-	-	-	(14,975,555)	(14,975,555)	(3,599,273)	(18,574,828)
Comprehensive income (loss)	-	-	17,504,232	(14,975,555)	2,528,677	51,656	2,580,333
Balances at December 31, 2023	957,761	35,098,268	85,683,352	(16,245,452)	105,493,929	28,822,715	134,316,644
Balances at January 1, 2024	**957,761**	**35,098,268**	**85,683,352**	**(16,245,452)**	**105,493,929**	**28,822,715**	**134,316,644**
Transactions with stockholders:							
Capital reduction (Note 17e)	**(12,587)**	**12,587**	**-**	**-**	**-**	**-**	**-**
Transaction under common control	**-**	**124,275**	**-**	**-**	**124,275**	**(124,275)**	**-**
Dividends declared in cash, net (Note 17)	**-**	**-**	**(10,680,880)**	**-**	**(10,680,880)**	**(2,337,658)**	**(13,018,538)**
Repurchase of own shares (Note 17)	**-**	**(170,625)**	**-**	**-**	**(170,625)**	**-**	**(170,625)**
	(12,587)	**(33,763)**	**(10,680,880)**	**-**	**(10,727,230)**	**(2,461,933)**	**(13,189,163)**
Net consolidated profit	**-**	**-**	**19,562,768**	**-**	**19,562,768**	**4,236,939**	**23,799,707**
Total other comprehensive loss for the year (Note 18)	**-**	**-**	**-**	**23,465,718**	**23,465,718**	**5,511,298**	**28,977,016**
Comprehensive income (loss)	**-**	**-**	**19,562,768**	**23,465,718**	**43,028,486**	**9,748,237**	**52,776,723**
Balances at December 31, 2024	**$ 945,174**	**$ 35,064,505**	**$ 94,565,240**	**$ 7,220,266**	**$ 137,795,185**	**$ 36,109,019**	**$ 173,904,204**

The above consolidated statements of changes in stockholders' equity should be read in conjunction with the accompanying notes.

Arturo Gutiérrez Hernández
Chief Executive Officer

Emilio Marcos Charur
Chief Financial Officer

ARCA CONTINENTAL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements **of cash flows**

(Thousands of Mexican pesos)

	For the year ended December 31,	
	2024	2023
Profit before income tax	**$ 34,987,148**	$ 31,004,009
Adjustments arising from:		
Depreciation and amortization (Note 20)	**9,351,133**	8,231,435
Disposals of property, plant and equipment	**1,052,161**	979,221
Allowance for impairment of accounts receivables from clients (Notes 7 and 20)	**81,997**	52,906
Gain on disposal on property, plant and equipment (Note 21)	**(189,501)**	(41,184)
Costs related to employee benefits (Note 15)	**1,082,645**	940,252
Share in the results of associates companies (Note 9)	**(350,245)**	(325,120)
Financial result, net (Note 23)	**3,753,224**	3,245,300
	49,768,562	44,086,819
Changes in working capital:		
Clients and other accounts receivable, net	**516,283**	(4,913,286)
Inventories	**(1,262,636)**	(789,772)
Suppliers and related parties	**(189,798)**	1,604,633
Derivative financial instruments	**(1,268,911)**	976,761
Employee benefits	**653,669**	585,812
Other liabilities	**1,614,637**	220,957
	63,244	(2,314,895)
Income taxes paid	**(11,501,393)**	(11,202,962)
Net cash flows provided by operating activities	**38,330,413**	30,568,962
Investing activities		
Acquisition of property, plant and equipment (Note 10)	**(16,255,089)**	(12,622,496)
Disposal of property, plant and equipment	**222,049**	89,623
Purchase of intangible assets (Note 11)	**(310,181)**	(317,361)
Investment of shares of associates (Note 9)	**(1,597,414)**	(1,100,030)
Dividends received from associates (Note 9)	**43,499**	127,049
Interest received and other financial income (Note 23)	**2,185,531**	2,326,420
Business acquisition, net of cash received	**(368,616)**	-
Net cash flows used in investing activities	**(16,080,221)**	(11,496,795)
Financing activities		
Current and non-current debt obtained (Note 13)	**13,530,694**	6,262,486
Payment of current and non-current debt (Note 13)	**(13,814,576)**	(5,460,323)
Interest paid and other financial expense (Note 23)	**(4,448,224)**	(4,025,171)
Repurchase of own shares (Note 17)	**(170,625)**	(4,879,101)
Payment of principal portion of lease liabilities (Note 12)	**(722,912)**	(645,677)
Dividends paid to non-controlling interest	**(2,337,658)**	(1,458,221)
Dividends paid to equity holders (Note 17)	**(10,680,880)**	(9,780,206)
Net cash flows used in financing activities	**(18,644,181)**	(19,986,213)
Net increase (decrease) in cash and cash equivalents	**3,606,011**	(914,046)
Effects of exchange rate changes on cash and cash equivalents	**3,810,629**	(4,719,303)
Cash and cash equivalents at beginning of year	**22,127,959**	27,761,308
Cash and cash equivalents at end of year	**$ 29,544,599**	$ 22,127,959
Investing activities that did not required the use of cash flows:		
Additions of right-of-use assets (Note 12)	**$ 982,464**	$ 341,483

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Arturo Gutiérrez Hernández
Chief Executive Officer

Emilio Marcos Charur
Chief Financial Officer

ARCA CONTINENTAL, S.A.B. DE C.V. AND SUBSIDIARIES

Notas a los **estados financieros consolidados**

Al 31 de diciembre de 2024 y 2023 (Cifras en miles de pesos mexicanos, excepto donde se indique lo contrario)

1. THE ENTITY AND ITS OPERATIONS

Arca Continental, S.A.B. de C.V. and subsidiaries (AC or the Company) is mainly engaged in the production, distribution and sale of soft drinks pertaining to the brands owned by or licensed from The Coca-Cola Company (TCCC). AC shares are registered at the National Securities Registry of the National Banking and Securities Commission (NBSC) and are quoted on the Mexican Stock Exchange.

According to the bottler's agreement signed between AC and the bottler, authorization is granted by TCCC to the latter, AC holds the exclusive right to conduct this type of activity with Coca-Cola products in different territories in Mexico, Argentina, Ecuador, Peru and the United States (U.S.) (see note 26). The Company's portfolio of beverages includes cola and flavored soft drinks, purified and flavored water, dairy products and other carbonated and non-carbonated beverages in sundry presentations. Additionally, the Company produces, distributes and sells food and snacks through its own brands; as well as dairy products with high added value.

AC conducts its activities through subsidiary companies of which it is the owner or in which it holds, either directly or indirectly, the majority of substantive voting rights (see Note 28).

Arca Continental, S.A.B. de C.V. is a variable capital publicly traded stock company incorporated in Mexico, domiciled at Ave. San Jerónimo 813 Poniente, in Monterrey, Nuevo León, Mexico.

The symbol "$" in the following notes to the consolidated financial statements refers to thousands of Mexican pesos. The acronym "U.S." refers to thousands of US dollars, unless otherwise indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes thereto were authorized for issuance on February 18, 2025 by the undersigned officers. The consolidated financial statements and their notes will be presented to the Board of Directors for approval of issuance and will then be submitted to the consideration of the General Assembly of Shareholders which will be held within the period established by law. The Company considers that the consolidated financial statements for the year ended December 31, 2024, will be approved by the stockholders without modifications.

Following is a summary of the most significant accounting policies followed by the Company, which have been applied consistently in preparing its financial information in the years presented, unless otherwise specified.

a) Basis for preparation

The consolidated financial statements of Arca Continental, S.A.B. de C.V. and subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). IFRS include all International Accounting Standards ("IAS") in effect, as well as all the related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), including those issued previously by the Standing Interpretations Committee ("SIC").

The consolidated financial statements have been prepared based on historical cost, except for:

(i) Derivative financial instruments designated as hedges which are measured at fair value,
(ii) net assets and the results of the operations conducted by the Company in Argentina, a hyperinflationary economy, which are stated in the terms of the current unit of measure at the closing date of the period reported on (see Note 2d).

Preparation of the consolidated financial statements in accordance with IFRS require the use of certain critical accounting estimations. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a greater degree of judgment or complexity and those involving assumptions and estimations that are significant for the consolidated financial statements are described in Note 4.

b) Changes in accounting policies and disclosures

i. New standards and changes adopted by the Company

The Company has applied the following standards and modifications for the first time for the annual reporting period beginning on January 1, 2024:

- Amendments to IAS 1: Classification of liabilities as current and non-current.
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback Transaction.
- Amendments to IAS 1 and IFRS 7: Supplier Financing Agreements

The aforementioned modifications had no significant impact on the Company's consolidated financial statements.

ii. New standards and interpretations issued but not yet effective

The Company has identified the following standards and interpretations that are not yet effective and adopted, however, the Company does not expect an impact in current and future reporting periods and in foreseeable future transactions.

- Amendments to IAS 21: Lack of exchangeability, effective on or after January 1, 2025.

c) Consolidation

i. Subsidiaries

Subsidiaries are entities over which the Company exercises control in accordance with IFRS 10. The Company controls an entity when it is exposed or is entitled to variable yields arising from an interest in the entity and can affect yields through its power over the entity. Subsidiaries consolidate as from the date on which control is transferred to the Company. They cease consolidating as from the date on which said control ceases (see Note 27).

ii. Business combinations

The Company uses the purchase method of accounting to record business combinations. The consideration transferred in the acquisition of an independent entity is the fair value of the assets transferred, the liabilities incurred, and the equity issued by the Company. The consideration transferred includes the fair value of all assets and liabilities resulting from a contingent consideration agreement.

Acquisition-related costs related to the acquisition are recorded as expenses as they are incurred. The identifiable assets acquired, and contingent liabilities assumed in a business combination are initially valued at their fair value at the acquisition date. The Company recognizes any non-controlling interest in the acquired entity based on fair values or in proportion to the non-controlling interest in the net assets of the acquired entity, as opted for in each particular case. The surplus of the transferred consideration, the amount of any non-controlling interest in the acquired entity and the fair value at the acquisition date of any previous interest held in the equity of the acquired entity over the fair value of the identifiable net assets acquired is recognized as goodwill.

Unrealized balances and profits on transactions between entities belonging to the Company are eliminated in consolidation. Unrealized losses are also eliminated. The subsidiaries' accounting policies are standardized.

iii. Associate companies

The Company considers as associates the entities in which it has significant influence but not control. This generally occurs when the Company holds from 20% to 50% of the voting rights in the entity. The investment in these associates includes the goodwill related to the acquisition, net of accumulated impairment losses. If there are potential voting rights exercisable or convertible, they are taken into account when assessing whether the Company controls another entity. The Company also evaluates control in cases with less than 50% of voting rights but the ability to direct financial and operational policies; or in cases with more than 50% of voting rights but without the ability to control such associates.

The investment in shares of associated companies is valued using the equity method. Initially, they are recorded at acquisition cost and subsequently adjusted for gains or losses and distributions of profits after the acquisition.

The results of associates are presented in the consolidated financial statements, and post-acquisition movements, other than results, are reflected in other consolidated comprehensive income. Losses are recognized only if they exceed the investment unless the Company has additional liabilities.

The investment in associates is evaluated regularly to identify indicators of impairment. If so, the company calculates the impairment amount as the difference between the recoverable value of the associate and its book value and records that figure in “Equity in the results of associates” by the equity method in the consolidated statements of income.

Unrealized gains on transactions between the Company and its associates are eliminated according to the interest the Company has in each. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. When the Company no longer exercises significant influence over an associate, any difference between the fair value of the investment retained, including any consideration received from disposal of a portion of the interest, and the book value of the investment is recognized in income for the year.

iv. Joint agreements

The Company has applied IFRS 11 to all its joint agreements described in Note 27 iv). Under IFRS 11, investments in joint arrangements are classified either as a joint operation or a joint business, depending on the contractual rights and obligations of each investor. The Company has assessed the nature of the operation and has determined that it constitutes a joint operation. In joint operations, each joint operator records its assets, liabilities, income, and expenses in the percentages specified in the contractual agreement.

Sales arising from the joint operation regarding goods or services acquired by the Company as joint operator, as well as any unrealized profit with third parties are eliminated as part under consolidation and reflected in the consolidated financial statements until they are realized with third parties.

d) Foreign currency translation

i. Functional and reporting currency

The amounts included in each of the financial statements of the Company’s entities must be measured in the currency of the primary economic environment in which the entity operates (functional currency). AC, as ultimate holding entity, defined the Mexican peso as its functional and reporting currency, which represents the primary economic environment where it operates as an independent legal entity. Therefore, its management determined that the consolidated financial statements are to be presented in Mexican pesos. Note 27 provides descriptions of the functional currency of the Company and its main subsidiaries.

ii. Transactions and balances

Foreign currency operations are recorded in the respective functional currencies of the Company’s entities at the exchange rate of on the dates they are incurred. Foreign currency is considered to be any currency other than the functional currency of each subsidiary of the company.

Exchange rate differences arising from the translation are recognized in the consolidated statements of income and presented as net foreign exchange fluctuation, except when they are considered cash flow hedges.

iii. Translation of foreign subsidiaries

Results of operations and the financial position of the Company entities whose functional currency differs from the Company’s reporting currency are translated to the reporting currency as follows, depending on whether the subsidiary’s functional currency is in a hyperinflationary economy:

Non-hyperinflationary economy

- Assets and liabilities on each statement of financial position presented are converted at the closing exchange rate in effect at the date of the statement of financial position.
- The stockholders' equity of each statement of financial position presented is converted using the historical exchange rate.
- Sales, costs, and expenses shown in each statement of income are converted at the average exchange rate (unless this average is not a reasonable approximation of the accumulated effect of transaction rates, in which case, the exchange rate in effect on the transaction date is used).
- All resulting exchange differences are recorded under comprehensive income as exchange differences on translation of foreign entities.

Goodwill and adjustments to fair value arising at acquisition date of a foreign transaction that are to be measured at fair value are recognized as assets or liabilities of the foreign entity and converted at the closing exchange rate. Exchange differences are recorded in comprehensive income.

Hyperinflationary economy

- Assets, liabilities (including goodwill and fair value adjustments arising at the acquisition date) and stockholders' equity of the financial position, as well as the income and expenses shown in the statement of income, are translated to the exchange rate prevailing at the close of the statement of financial position, after being restated to their functional currency; and
- Assets, liabilities, capital, income and expenses for the comparative period are maintained according to the amounts obtained from the translation of the year in question, which are, the financial statements of the preceding period. Such amounts are not adjusted to subsequent exchange rates, as the Company presents its financial information in Mexican pesos, which correspond to a currency of a non-hyperinflationary economy.

The exchange rates used in preparing these consolidated financial statements are as follows:

		2024		2023
Pesos to the US dollar	**$**	**20.51**	$	16.89
Pesos to the Peruvian sol		**5.46**		4.55
Pesos to the Argentine peso		**0.02**		0.02

The average exchange rates used in preparing these consolidated financial statements are as follows:

		2024		2023
Pesos to the US dollar	**$**	**18.56**	$	17.61
Pesos to the Peruvian sol		**4.94**		4.72
Pesos to the Argentine peso		**0.02**		0.07

Translation of consolidated financial statements

Prior to its translation to pesos, the reporting currency of the consolidated financial statements, the financial statements of foreign subsidiaries whose functional currency is that of a hyperinflationary economy are adjusted for inflation to reflect changes in the purchasing power of the functional currency. In order to determine whether an economy is hyperinflationary, the Company evaluates the qualitative features of the economic environment, as well as the quantitative features established by IFRS, when an inflation rate accumulated over the most recent three-year period is equal to or greater than 100%.

Inflation in Argentina

As of July 1, 2018, the accumulated inflation of the last 3 years in Argentina exceeded levels of 100%, so the Argentine peso was qualified as the currency of a hyperinflationary economic environment. As of December 31, 2024, the accumulated inflation for the last 3 years was 1,220.96%. As a result of this situation, the financial statements of the subsidiaries located in that country, whose functional currency is the Argentine peso, have been expressed in accordance with the requirements of International Accounting Standard 29 Financial

Reporting in Hyperinflationary Economies ("IAS 29") and have been consolidated in accordance with the requirements of IAS 21 "Effects of Variations in Foreign Currency Exchange Rates". The purpose of applying these requirements is to consider changes in the general purchasing power of the Argentine peso and thus present the financial statements in the current unit of measurement as of the reporting date. The financial statements of those transactions prior to the statement were prepared using the historical cost method.

The adjustment for inflation was calculated considering the indexes established by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) based on the price indices published by the National Institute of Statistics and Census (INDEC).

The price indexes used for expressed are:

Year	Index
2024	**7,694.0075**
2023	3,533.1922

The financial information pertaining to the subsidiaries in Argentina are expressed as follows:

a. The amounts corresponding to non-monetary items of each statement of financial position, that are not measured at the date of the statement of financial position at fair value or net realization value, as applicable, are restated applying the change in the general price index to the historical cost, from the date of acquisition or the date of the last measurement at fair value, to the date of the statement of financial position;

b. the monetary items shown in the statement of financial position are not restated;

c. the components of capital of each statement of financial position are restated:

    1) At the start of the first period in which IAS 29 is applied, subsequently adjusted applying a general price index from the date on which the items originated to the date of restatement, except for retained earnings, which arise from other balances in the statement of financial position.
    2) At the end of the first application period, in subsequent periods, all the elements of capital are restated, utilizing a general price index, from the beginning of the period, or from the date of the contribution, if subsequent.

d. Sales and expenses are restated applying the change of the general price index, from recognition until the date of the report.

e. Gains and losses in purchasing power arising from the net monetary position are recognized in the statements of income as part of the financial costs (see Note 24).

Initial recognition of hyperinflation in the consolidated financial statements where the reporting currency does not pertain to a hyperinflationary economy does not require changing the comparative balances.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits available for operations and other highly liquid short-term investments with original maturities of three months or less, all subject to immaterial risk of change in value or country risk.

f) Financial instruments

Financial assets

The Company's financial assets include cash and cash equivalents, accounts receivable from clients, loans, derivative financial instruments and other financial assets.

i. Classification

The Company classifies its financial assets in the following measurement categories:

- Those subsequently measured at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of cash flows and where these cash flows are consistent with the definition of solely payments of principal and interest.

For assets measured at fair value, gains and losses are applied to the year's gain or loss.

ii. Recognition and disposal

Purchase and sale transactions of financial assets are recorded on the trade date, the date on which the Company agrees to purchase or sell the asset. Financial assets are written off when the rights to receive cash flows from financial assets expire or are transferred and when the Company has transferred the risks and rewards.

iii. Measurement

At the initial recognition, financial assets are measured at fair value plus, in the case of a financial asset not at fair value profit and loss (FVPL), transaction costs directly attributable to the acquisition of the financial asset. The transaction costs of financial assets carried at FVPL are expensed in profit and loss.

Subsequent measurement of these instruments depends on the Company's business model to manage the asset and the cash flow characteristics of the asset. There are three measurement categories on which the Company classifies its financial assets:

- Amortized cost: Assets held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at their amortized cost. Interest income from these financial assets is included in the financial income, using the effective interest rate method. Any gain or loss, arising on disposal is recognized directly in statements of income and presented in financial income or expense. Impairment losses are presented as a separate line in the consolidated statements of income.

- Fair value through Other Comprehensive Income (FV-OCI): Assets held for collection of contractual cash flows and for the sale of financial assets, when the cash flows are payments of principal and interest, are measured at FV-OCI. Movements in book value are recognized through other comprehensive income (OCI), except as concerns recognition of impairment gains or losses, interest income and exchange rate gains and losses applied to income. When financial assets are disposed of, the accumulated gain or loss previously recognized in the OCI is reclassified from capital to income and recognized in other income (expenses). Interest income from said financial assets are included in the financial income, using the effective interest rate method. Exchange gains and losses are shown in financial income and expenses, and impairment expenses are shown as a separate item in the consolidated statements of income.

- Fair Value through Profit or Loss (FVPL): Assets failing to meet the amortized cost or FV-OCI criteria are measured at FVPL. A gain or loss in a debt instruments subsequently measured at FVPL is applied to income and shown in net terms in other (expenses, net in the period in which it arises.

iv. Impairment

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments at amortized cost and FV-OCI. The impairment methodology applied depends on whether a significant increase in credit risk has arisen.

The Company applies the simplified method permitted by IFRS 9, which requires expected lifetime losses to be recorded recognized as from initial recognition of accounts receivables and uses judgment in making these assumptions and in selecting data for further details and impairment calculation, based on the Company's historical information, existing market conditions, as well as future estimates at the end of each year.

Financial liabilities

i. Recognition and disposal

Financial liabilities that are not derivatives are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Liabilities are classified as current (to be settled within the next 12 months) and non-current.

Trade payables are obligations to pay for goods or services that have been purchased or received from suppliers in the ordinary course of business. The debt is initially recognized at fair value, net of transaction costs incurred. The debt is subsequently recognized at amortized cost; any difference between the resources received (net of transaction costs) and the settlement value is recognized in the consolidated statement of income during the loan's term using the effective interest method.

The Company disposes financial liabilities if the obligations of the Company are fulfilled, cancelled or have expired. The difference between the carrying amount of the financial liability and the consideration paid and payable is recognized in profit or loss.

ii. Measurement

After initial recognition, interest-bearing loans and financings are measured at amortized cost using the effective interest rate method. Gains and losses are recorded in the statement of income when liabilities are no longer recognized, including the amortization process of the effective interest rate method that is reflected in financial expenses in the statement of income.

Amortized cost is calculated by considering any acquisition discounts or premiums and commissions or costs that are integral to the effective interest rate method. The amortization of the effective interest rate method is included in the financial expense in the consolidated statement of income.

g) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date on which the contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Recognition of changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the item hedged. The Company designates certain derivatives as:

- Fair value coverage of recognized assets and liabilities or of a firm commitment (fair value hedges).

- Hedging of a particular risk related to the cash flows of assets and liabilities recognized.

At the inception of the hedge relationship, the Company documents the economic relationship between hedge instruments and the items hedged, the risk-management objective and the strategy for conducting hedging transactions.

The fair values of derivative financial instruments designated in hedge relationships are described in Note 19. Movements in the hedge reserve in the OCI is shown in Note 18. The complete fair value of derivative hedging instruments is classified as a non-current asset or liability, when maturity of the remaining hedge item exceeds 12 months, and as a current asset or liability when maturity of the remaining hedge amount is under 12 months.

i. Cash flow hedging qualifying for hedge accounting

The effective portion of changes in the fair value of derivatives designated and qualified as cash flow hedging is recognized in the cash flow hedge reserve in other comprehensive income (OCI). The gain or loss related to the non-effective portion is immediately applied to income under financial income and expense.

When forward contracts are used to hedge forecasted transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses related to the effective portion of the change in the spot component of forward contracts are recognized in the cash flow hedge reserve under OCI. The change in the forward element of the contract that refers to the hedged item ("aligned forward element") is recognized in other comprehensive income in the costs of the hedge reserve in capital stock. In some cases, the Company can designate the total change in the fair value of the forward contract (including forward points) as a hedging instrument. In those cases, gains or losses related to the effective portion of the change in the fair value of the overall forward contract are recognized in the cash flow hedge reserve under OCI.

The amounts accumulated in capital stock are reclassified in the periods in which the hedged item is applied to income, as follows:

- When, subsequently, the hedged item gives rise to recognition of a non-financial asset, both deferred hedging gains and losses, and the value of the time deferral of options contracts or forwards (if any) are included in the initial cost of the asset. Deferred amounts are ultimately applied to income for the period, as the hedged item affects the gain or loss.

- The gain or loss related to the effective portion of interest rate swaps that cover variable interest rates of loans is applied to income under "financial expenses", at the same time as the interest expense of the hedged loans.

When a hedge instrument matures, it is sold or terminated, or when a hedge no longer meets hedge accounting criteria, any deferred accumulated gain or loss and hedging costs deferred in OCI remain at that time in capital until the forecasted transaction occurs, giving rise to recognition of a non-financial asset. When the forecasted transaction is no longer expected to occur, the accumulated gain or loss and the deferred hedging costs reported in OCI are immediately reclassified to income.

ii. Derivatives no qualifying for hedge accounting

Changes in fair value of any derivative instrument that does not qualify for hedge accounting are immediately applied to income and included in other income (expenses).

h) Inventories

Inventory is shown at the lesser of cost and net realizable value. Cost is determined using the average cost method. The cost of finished products and of products in progress includes design, raw materials and direct labor costs and other direct costs and general manufacturing expenses (based on regular operating capacity). Net realizable value is the sales price estimated in the normal course of Company operations less the respective variable selling expense.

i) Property, plant and equipment

Property, plant and equipment are recorded at cost, except for the assets in Argentina, which is considered an hyperinflationary economy, that are expressed in terms of the current unit of measure at the closing date of the period reported; less accumulated depreciation. The cost includes expenses directly attributable to acquisition of the asset.

Repair and maintenance expenses are recognized in the consolidated statements of income in the year in which they are incurred. Significant improvements are depreciated over the remaining useful life of the asset in question.

Depreciation is calculated by the straight-line method, considering each component separately. Following are the ranges of estimated useful lives of the families of assets:

Buildings	30 – 70 years
Machinery and equipment	10 – 25 years
Transportation equipment	10 – 15 years
Furniture and other equipment	3- 10 years
Returnable bottles and delivery containers	2 – 7 years
Refrigerators and sales equipment	10 years
Computer equipment	4 years

Land and investments in process are valued at cost and are not depreciated.

Spares and parts for use over more than a year attributable to specific machinery are classified as property, plant and equipment under furniture and other equipment.

The residual value and useful lives of assets are reviewed at least at the end of each reporting period and if expectations differ from prior estimates, the changes are recorded as a change in accounting estimate.

Assets classified as property, plant and equipment are subject to impairment testing when there are events or circumstances that indicate that the carrying value of the assets may not be recovered.

Returnable and non-returnable containers (bottles)

Company operations involve both returnable and non-returnable containers. Returnable containers are recorded as property, plant and equipment and are depreciated by the straight-line method, based on their estimated useful lives.

Under certain historic operating practices in certain territories, returnable containers provided to customers are subject to agreements whereby the Company retains ownership of the containers and requires the customer to pay a deposit. The containers are controlled by the Company via its commercial distribution network and the Company is entitled to charge customers for identifiable breakage.

Non-returnable containers are expensed, as part of cost of sales, at the time of sale.

j) Leases

The Company leases various offices, warehouses, machinery, equipment and vehicles. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as guarantee for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement date.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

IFRS 16 offers practical expedients, therefore, payments associated with short-term leases and leases of insignificant value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise computer and telecommunication equipment and small items of office furniture.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments and
- variable lease payments that are based on an index or a rate

Lease payments to be made under reasonably certain extension options to be exercised are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if readily determined, or the incremental interest rate of the Company, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, guarantee and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by those subsidiaries, which does not have recent third-party financing, and
- adjusts specific to the lease, i.e., term, country, currency and security.

The Company is exposed to possible future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and is adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease terms if there is a reasonable certainty that the leases will be extended (or not terminated).

k) Goodwill and intangible assets

Goodwill is shown separately in the consolidated statements of financial position under “Goodwill and intangible assets, net” and is recorded at cost, except for those assets in Argentina considered an hyperinflationary economy that are expressed in terms of the current unit of measure at the closing date of the period reported, less accumulated impairment losses, which are not reversed. Gains or losses on the disposal of an entity include the book value of goodwill related to the entity sold.

For impairment testing purposes, goodwill is assigned to the cash-generating units (CGU). The assignment is made to CGUs or groups of CGUs expected to benefit from the business combination from which the goodwill arises, identified in accordance with the respective operating segment (see Note 12).

Intangible assets are identifiable non-monetary assets without physical substance and represent expenditures whose benefits will be received in the future.

Intangible assets are classified as follows:

i. Indefinite life intangible assets are not amortized and are subject to annual impairment testing. To date, no factors have been determined that might limit the useful life of these intangible assets.

   Indefinite life intangible assets consist mainly of: a) bottler agreements entered into by the Company with TCCC, which grant rights to product, bottle and distribute TCCC brands products in the territories in which the Company operates, b) entity’s trademarks of food, which are considered of high positioning in the market with which their products are traded and c) distribution rights of dairy products and other beverage. The aforementioned bottler agreements have specific expiration dates and do not guarantee they are perpetual; however, based on Company experience and market evidence, the Company considers it will continue to renew these agreements and has thus assigned them as indefinite life intangible assets (see Notes 4, 11, and 25). Brands and distribution rights have no expiration and are those used by the Company to operate its snack and dairy product segments. Those indefinite life intangible assets are assigned to the CGU for impairment-testing purposes.

ii. Defined useful life assets are recognized at cost, less accumulated amortization and impairment losses recognized. They are amortized by the straight-line method, according to their useful life, determined based on expected future economic benefits, and are subject to testing when there is evidence of impairment. These intangible assets correspond to the non-compete agreements of some business combinations and to certain distribution rights, certain brands and software, which are amortized over 5-30 years periods according to each asset’s features (see Note 11).

The estimated useful lives of definite-life and indefinite life intangible assets are reviewed annually.

l) Impairment of non-financial assets

Assets with an undefined useful life, such as goodwill, are not depreciated or amortized and are subject to impairment testing once a year or before that when there are indicators of impairment. Assets subject to amortization are tested for impairment when events or changes in circumstances indicate that the book value might not be recoverable. An impairment loss is recognized by the amount by which the carrying value of the asset exceeds its recovery value. The recovery value of an asset is defined as the higher between the value in use and the fair value of an asset less the related sales costs. In order to evaluate impairment, assets are grouped based on the minimum levels of cash flows that can be identified separately (CGU). Impaired non-financial assets other than goodwill are reviewed in search of possible impairment reversal on each reporting date.

m) Income taxes

Income taxes reflected in the consolidated statements of income represents tax incurred in the year, as well as the effects of deferred taxes on income determined by the method of assets and liabilities, applying the rate established in current legislation or substantially enacted and in effect on the statement of financial position date in the location in which the Company operates, and generate taxable income from all temporary differences determined by comparing the book and tax values of assets and liabilities expected to apply when the deferred tax asset is realized or the deferred tax liability is settled, considering any unamortized tax losses prior to analysis of recovery. Tax is applied to income, except to the extent it relates to other comprehensive income, in which case, tax is recorded in other comprehensive income, based on the considerations taken by Management for the accumulation or deductibility of the corresponding items.

Management periodically evaluates positions declared in tax returns with respect to situations in which applicable legislation is subject to interpretation at the end of each reporting period. To this effect, Management applies its professional judgement to determine the probability that the positions it has adopted are subject to payment, considering the documentation of each position and the expectations of the authorities in their review faculties. Therefore, the Company recognizes provisions when necessary based on the amounts expected to be paid to the tax authorities.

A deferred tax asset is recorded only when there is likely to be future taxable income against which to apply deductions arising from temporary differences.

Deferred taxes on income applicable to temporary differences arising from investments in subsidiaries, associates and joint agreements is recorded, except when the temporary difference reversal period is controlled by the Company and temporary differences may not reverse in the foreseeable future.

n) Employee benefits

The Company has the following employee plans:

i. Pension plans

Defined contribution plans:

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity. The Company has no legal or assumed obligations to pay additional contributions if the fund fails to maintain sufficient assets with which to pay all employees the benefits related to service in the current and past periods. Contributions are recorded as employee benefit expenses on the date on which the contribution is due.

Defined benefit plans:

A defined benefit plan is defined as the pension benefit to be received by an employee upon retirement, which usually depends on one or more factors, such as age, years of service and compensation.

The liability recognized in the consolidated statements of financial position with respect to defined benefit plans is the present value of the defined benefit obligation at the end of the accounting period, less the fair value of plan assets. Obligations for defined benefits are calculated annually by independent actuaries via the projected unit credit method. The present value of defined benefit obligations is determined by discounting estimated future cash flows using discount rates (per IAS 19) denominated in the currency in which the benefits are to be paid and with maturity dates similar to those of the pension liability. In countries with no in-depth market for said instruments, market rates for government bonds are used.

Remeasurements of the liability caused by gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to stockholders' equity in other comprehensive income in the period in which they occur.

The cost of past services is recognized immediately in income.

ii. Termination benefits

Termination benefits are paid when the Company terminates employment prior to the regular retirement date or when an employee accepts termination of employment in exchange for those benefits. The Company recognizes termination benefits when there is a verifiable commitment to conclude the work relationship of certain employees and a formal detailed plan providing so and that cannot be surrendered. In the event there is an offer that encourages employee resignation, the related termination benefits are valued based on the number of employees expected to accept the offer. The benefits payable over the long-term are discounted at present value.

iii. Short-term benefits

The Company provides short-term employee benefits, which can include wages, salaries, annual bonuses, employee profit sharing, gratifications and bonuses payable over the following 12 months. The Company recognizes a provision when it is contractually obligated or when the former practice has created an obligation.

o) Provisions

Liability provisions represent a present legal obligation, or an obligation assumed as a result of past events where resources are likely to be required to comply with the obligation, when the amount in question has been reliably estimated. No provisions are recorded for future operating losses.

Provisions are measured at the present value of the amount necessary to cover the obligation at the date of the consolidated financial statements and are recorded based on Management's best estimation.

p) Other comprehensive income

Other comprehensive income is composed of net consolidated profit or loss, plus remeasurement of the defined benefit plans and other capital reserves, net of taxes, which are composed of the effects of translation of foreign entities, the effects of derivative financial instruments for cash flow hedging and interest in other items of the comprehensive income of associates, as well as other items required by a specific provision to be reflected in stockholders' equity, which do not constitute capital contributions, reductions or distributions.

q) Revenue recognition

The Company produces and sells carbonated and non-carbonated beverages under TCCC's trademarks, dairy products, foodstuff and snacks wholesale, in the markets in which it operates, based on formal and informal agreements entered into with different customers in the Modern and Traditional Channel (supermarkets, convenience stores and others), in which prices are negotiated continually, given the turnover of products and the competitiveness it must maintain in the market. Revenue from these sales is recognized at the fair value of the consideration collected or to be collected and represents the amounts receivable on the sale of products, net of discounts, returns and taxes. The Company recognizes sales when control of the products is transferred, which is when the products are delivered to the customer, and there is unsatisfied obligation that could affect acceptance of the products by the customer. Delivery is effective when the products are delivered to the specific location, the risk of loss has been transferred to the customer and the customer has accepted the products. Further to the above, it is concluded that the Company's sales are generated at a specific point in time.

In the Modern Channel, retail products are sold at a discount for volume, based in the total sales during the period, which is usually under 12 months, given the dynamics of displacement of the products in the market. Revenue on these sales is recognized based in the price established in the agreements, net of discounts for estimated volume. Accumulated experience is used to estimate and foresee discounts, using the expected value method. No element of financing is considered present, due to the fact that sales are, for the most part, made in cash for the Traditional Channel, or with a credit term for the Modern Channel.

An accounts receivable is recognized when the products are delivered and the payment is not in cash, and only the passage of time is required before the payment is made.

Sales discounts are considered variable consideration and are reflected in the client's invoices; therefore, discounts are recorded at the time of sale, that is, sales are recorded net of discounts. In the list price is already discounted and therefore, making a discount estimate is not needed.

r) Earnings per share

The basic earnings per share is calculated dividing the net consolidated profit attributable to the controlling interest by the weighted average of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net income attributable to the controlling interest, after the adjustment to reflect interest in the potentially convertible shares, by the number resulting from adding the weighted average of the common shares outstanding during the year and the weighted average of the common shares that would be issued by converting all the potentially dilutive shares.

s) Bottler incentive agreement

At its discretion, and as per the bottler's incentive agreement, TCCC provides the Company several incentives, including contributions for the maintenance of equipment of cold drinks, advertising and marketing expenses, and others. The terms and conditions of those agreements require reimbursement when certain stipulated conditions are not met, including minimum volume performance requirements. Incentives provided by TCCC for maintenance of beverage refrigeration equipment and/or advertising and marketing expenses are deducted from the respective expense.

3. RISK AND CAPITAL MANAGEMENT

i. Risk management

The Company's operations are exposed to different financial risks: market risk (including exchange rate risk, interest rate risk and risk for price of production materials and other production materials), credit risk and liquidity risk. It is Company policy to contract derivative financial instruments, held only for hedging, in order to reduce the risks related to its financial liabilities, and to cover certain purchases, projected operations and firm commitments set in foreign currencies.

The exposure to credit, market and liquidity financial risks is managed through the Company's Financial Risk Committee.

The Company's main exposure to financial risk is mainly related to the security liabilities at variable interest rates and to present or future currency commitments, all related to its line of business or certain forecasted operations, such as prices of raw material and other production materials, accounts receivable from customers and liquidity.

The Company has current Master Agreements for Derivative Financial Instrument Operations or ISDA Master Agreements in order to ensure that a number of quotations are available when deciding whether to carry out transactions with instruments of that type, which are used only for raw material exchange rate price hedge and are documented in simple instruments such as swaps and forwards. The Company's operations with swaps allow only the translation of different currencies or interest rates (variable or fixed or vice versa).

All the Company's derivative financial instrument operations are analyzed, approved and periodically monitored by the Financial Risk Committee. That committee submits proposals to the Chief Executive Officer, who in turn periodically informs the Board of Directors. Both the Financial Risk Committee and the Chief Executive Officer review the performance of those instruments on a quarterly basis, and make any required advance cancellations, changes in term, etc.

The Company operates that type of agreement with recognized banking and financial entities with a robust operating and financial structure.

Market risk

a. Foreign currency risk (exchange rate)

The foreign currency risk is related to the risk of the fair value of future cash flows from a financial instrument fluctuating due to changes in the exchange rate. The Company is exposed to exchange rate risks stemming from: a) its net exposure of foreign currency assets and liabilities, b) income from export sales; c) purchases of raw materials, production materials and capital investments made in foreign currencies, and d) the net investment in subsidiaries and joint operations held abroad. The Company's greatest exchange risk exposure is the exchange rate of the Mexican peso to the US dollar, the Peruvian sol and the Argentine peso for translation of investments to the reporting currency.

It is Company policy to operate mainly in the markets in which its subsidiaries reside. Accordingly, debt is contracted in said markets' local currency, except Peru (see Note 14).

Net sales are expressed in Mexican pesos, US dollars, Peruvian soles and Argentinian pesos. During 2024 and 2023, 46.18% and 46.76% of sales were generated in Mexican pesos, 41.48% and 42.10% in US dollars, 8.04% and 8.42% in Peruvian soles, and 4.30% and 2.72% in Argentinian pesos. Those are the functional currencies of each of the consolidating entities (see Note 27).

Following is the Company's exposure to exchange risk at December 31, 2024 and 2023, respectively. The following tables show the book value of the Company's monetary assets and liabilities denominated in foreign currency.

	Figures in thousands of Mexican pesos At December 31,					
	2024			2023		
	US dollar	Argentine peso	Peruvian sol	US dollar	Argentine peso	Peruvian sol
Monetary assets	**$ 39,882,724**	**$ 2,339,859**	**$ 5,407,474**	$ 33,595,864	$ 1,118,407	$ 3,751,494
Monetary liabilities	**(17,748,831)**	**(1,276,280)**	**(6,268,213)**	(14,920,691)	(711,051)	(4,366,497)
Non-current monetary liabilities	**(19,014,427)**	**(122,000)**	**(1,186,925)**	(14,695,900)	(8,499)	(1,992,244)
Net position	**$ 3,119,466**	**$ 941,579**	**$ (2,047,664)**	$ 3,979,273	$ 398,857	$ (2,607,247)

The following is a sensitivity analysis related to the positive (negative) impact on the comprehensive income the Company would have due to its exposure to the net foreign currency position at December 31, 2024 and 2023, respectively:

	Hypothetical variation maintaining all other variables constant	
	2024	2023
One Mexican peso increase/(decrease) to the US dollar	**$ 152,093**	$ 235,551
One cent of Mexican peso decrease with respect to the Argentine peso	**(473,156)**	(196,481)
A 50-cent of Mexican peso increase with respect to the Peruvian sol	**187,515**	286,454

This exposure corresponds to the movements in exchange rates related to translation from US dollars, Argentine pesos and Peruvian soles to Mexican pesos of the results, assets and liabilities of subsidiaries in the US, Argentina, Ecuador and Peru. As detailed later in this note, the Company also contracts derivative financial instruments to cover certain commitments in foreign currency involving the purchase of raw materials and other production materials. The Company does not cover the risks related to translation of its subsidiaries and joint operations, the effects of which are recorded in stockholders' equity.

See Note 19 for further information on foreign currency risk hedging instruments.

b. Interest rate risk

The interest rate risk arises mainly from the Company's sources of financing. The main exposure comes from variable interest rate obligations based on the TIIE (Interbank interest rate). Fixed rates expose the Company to the fair value risk.

The Company occasionally enters into derivative financial instrument agreements with a view to minimizing the market risk and the potential effects arising from a significant rise in interest rates.

The derivative financial instruments occasionally contracted by the Company are interest rate swaps on bank loans subject to variable interest rates. At December 31, 2023, the Company maintained two interest rate swaps to hedge $490,000, respectively, from variable rate to a fixed rate at 7.225%.

At December 31, 2024 and 2023, a large part of the debt, considering its value in pesos, was referred to a fixed interest rate. At December 31, 2024 and 2023, $38,676,099 and $29,264,570 representing 80% and 65% of the overall debt, respectively.

In order to manage interest rate risks, Company policy is designed to reduce volatility of its financial expenses and keep an ideal percentage of debt in fixed rate instruments. The financial position is mainly fixed as a result of the use of short and long-term debt and the occasional use of derivative instruments such as interest rate swaps.

The terms and conditions of the Company's obligations at December 31, 2024 and 2023, including exchange rates, interest rates, maturities and effective interest rates, are described in detail in Note 13.

At December 31, 2024 and 2023, if the TIIE, LIBOR and/or SOFR rates have risen by more than 100 base points (1.00%), all other risk factors remaining constant, the detrimental impact on comprehensive income would have been $301,313, $4,942 and $701 in 2024 ($217,440, $2,339 and $1,251 in 2023), respectively.

c. Risk of price of raw materials

The main exposure to variations in the prices of raw materials and other production materials has to do with the supply of sweeteners, diesel, aluminum for cans and plastic containers used in the production of soft drinks. Additionally, the Company is exposed to the risk of exchange fluctuations related to the prices of sweeteners, diesel, aluminum for cans and plastic containers, in US dollars mainly, which, in the aggregate, represent approximately 17% of the cost of sales at December 31, 2024 (approximately 18% in 2023). The Company contracts hedges for the purchase of these raw materials and other production materials with a view to offset the effect of variations in the price (see Note 19).

As of December 31, 2024 and 2023, an appreciation of 1 Mexican peso or 1 Peruvian sol against the U.S. dollar and keeping all other variables constant, would have impacted the valuation of derivative financial instruments, favorably (unfavorably) on stockholders' equity by ($9,614) and ($49,155) in 2024 (($1,437) and ($96) in 2023), respectively. The impact on net income for the year would be negligible because the instruments that expose the Company to these risks are under highly effective cash flow hedges.

See Note 19 for more information on hedging instruments for the price of commodities and other inputs.

Credit risk

Regular operations expose the Company to potential default when its customers and counterparties are unable to comply with their financial or other commitments. The Company mitigates this risk by entering transactions with a wide range of counterparties and considers that third parties that could affect its operations are unlikely to give rise to unexpected financial difficulties.

The Company has established conservative policies for the cash management and temporary investments which make it possible to minimize the risk arising from that type of financial asset, aside from which, operations are conducted only with highly accredited financial entities.

The risk exposure related to accounts receivable is limited, given the large number of customers located in different parts of Mexico, Peru, Argentina, Ecuador and the US; however, the Company maintains certain reserves for impairment losses of accounts receivable from customers. Risk control includes determining the credit standing of the customer, considering its financial situation, past experience and other factors.

Given the fact that a significant portion of the Company's customers have no independent rating of their credit standing, Management determines the maximum rated risk for each, considering their financial position and past experiences, among other factors. Credit limits are set in accordance with policies established by Management, which applies controls to ensure compliance.

For the year ended December 31, 2024 and 2023, 35.09% and 49.73%, respectively, of the Company's net sales corresponded to cash transactions and 45.49% and 30.58% of net sales in 2024 and 2023, respectively, were made to institutional customers.

See Note 7 for further information on credit risk.

Liquidity risk

The Company finances its liquidity requirements and capital resources mainly through the cash generated from its own operations and from the debt and private bonds issued at short, medium and long term. The Company has access to local and international bank credit to cover its treasury requirements, aside from which, it has been assigned the highest rating for Mexican issuers (AAA) and a rating of A and A2, both issued by independent rating agencies, which makes it possible to evaluate local and international capital markets in the event that resources are needed.

The Company cash surpluses are invested according to the guidelines established by the Board of Directors, based on the recommendation of the Planning and Finance Committee. The Financial Risk Committee, comprising basically executives from the Financial and Planning Management areas, decides on a series of custodian entities of proven prestige and liquidity. Foreign-currency investments in specific projects are authorized only in US dollars or euros.

The Company does not invest in capital markets or investment companies and repurchase operations are entered into only with federal Mexican, Argentinian and US government paper. Those operations are conducted with the largest and most prestigious banks in Mexico. The foreign banks in which investments can be made are those with the greatest international coverage. Investments are made in federal government and bank debt securities. AC does not invest in private and/or corporate paper.

The factors that could reduce the sources of liquidity include a significant reduction in demand or the price of its products, which could limit the amount of cash generated from its operations, and a reduction in the corporate credit rating, which could impair the Company's liquidity and increase its new debt costs. The Company's liquidity may also be affected by factors such as depreciation or appreciation of the Mexican peso and changes in interest rates. Company settles obligations with cash flows arising from operations.

The Company's remaining contractual maturities of financial liabilities, which include basically principal and interest payable in the future up to the date of maturity at December 31, 2024 and 2023, are:

At December 31, 2024	**Under 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
Current non-current debt	**$ 5,701,981**	**$ 31,521,128**	**$ 1,393,992**	**$ 24,929,877**	**$ 63,546,978**
Suppliers, related parties, derivative financial instruments and sundry creditors	**24,338,983**	**-**	**-**	**-**	**24,338,983**
Lease liabilities current and non-current	**681,737**	**671,462**	**300,933**	**155,198**	**1,809,330**
	$ 30,722,701	**$ 32,192,590**	**$ 1,694,925**	**$ 25,085,075**	**$ 89,695,291**

Al 31 de diciembre de 2023	Under 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Current non-current debt	$ 13,559,956	$ 18,095,711	$ 14,472,311	$ 21,443,535	$ 67,571,513
Suppliers, related parties, derivative financial instruments and sundry creditors	20,362,236	-	-	-	20,362,236
Lease liabilities current and non-current	532,562	332,559	149,045	76,866	1,091,032
	$ 34,454,754	$ 18,428,270	$ 14,621,356	$ 21,520,401	$ 89,024,781

ii. Capital management

The Company goal in managing its capital (which includes stockholders' equity, debt, working capital, and cash and cash equivalents) is to maintain a flexible capital structure that will reduce the capital cost to an acceptable level of risk, protect the Company's ability to continue operating as a going concern, and to take advantage of strategic opportunities that will allow it to generate returns for the shareholders.

The Company manages its capital structure and adjusts it when changes arise in economic conditions and in the risk features of the underlying assets. The Company monitors its capital based on the net debt to consolidated EBITDA ratio.

That ratio is calculated by dividing the net debt by the EBITDA, which is the way in which the Company measures is operating cash flow. The net debt is calculated by subtracting the cash and cash equivalents balance from the total debt (including the current and non-current portions, as shown in the consolidated statements of financial position).

The net debt to EBITDA ratio at December 31, 2024 and 2023 was as follows:

	2024	2023
Total debt (Note 13)	**$ 48,513,957**	$ 45,237,530
Less: Cash and cash equivalents (Note 6)	**(29,544,599)**	(22,127,959)
Net debt	**18,969,358**	23,109,571
EBITDA (Note 5)	**48,695,154**	42,381,807
Net debt ratio	**0.39**	0.55

The index resulting from the calculation of these financial ratios is within the compliance parameters of the Company.

4. ACCOUNTING ESTIMATIONS AND JUDGMENTS

The Company has identified certain key accounting estimations on which its financial condition and results of operations depend. Those accounting estimations normally involve an analysis or are based on subjective judgments or decisions that require Management to make estimations and assumptions affecting the figures reported in these consolidated financial statements. The Company's estimates are based on historical information when applicable, and other assumptions considered reasonable in the circumstances.

Current results can differ from those estimated under different assumptions or conditions. Furthermore, estimations normally require adjustments based on changing circumstances and on securing more recent or more accurate information.

When preparing these consolidated financial statements, the most critical accounting estimations under IFRS are those requiring Management to prepare estimations and assumptions affecting the reported figures involved in determining the value in use for identification of impairment of indefinite life intangible assets, fair value accounting for financial instruments, goodwill and other indefinite life intangible assets such as the result of business acquisitions and pension benefits.

a) Estimations and assumptions involving the risk of significant adjustments to the figures in the consolidated financial statements are as follows:

i. Estimated impairment of indefinite life intangible assets

The identification and measurement of impairment in indefinite life intangible assets, including goodwill, involves the estimation of fair value (value in use or fair value). Those estimations and assumptions could have a significant impact on the decision as to whether to recognize a charge for impairment and on the magnitude of that charge. The Company analyzes valuation considering relevant internal information as well as public market information. Fair value estimations are mainly determined based on discounted cash flows and market comparisons. Those approaches use significant estimations and assumptions, including projected future cash flows (including terms), discount rates reflecting the risk inherent in future cash flows, multiples of exit cash flows, perpetual growth rates, determination of appropriate market comparable and determination of whether a premium or discount should be applied to comparable.

Certain level of risk inherent in these estimates and assumptions that the Company considers has been made in its valuations is possible, since in case the actual results were lower than the estimates an impairment charge would have to be recorded.

ii. Pension benefits

The present value of pension-related obligations depends on the number of factors determined on an actuarial basis, using several different assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions impact the carrying amount of pension obligations.

The Company determines the proper discount rate at each year end. That rate is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle pension plan obligations. To determine the proper discount rate, the Company considers the discount interest rate as per IAS 19 “Employee benefits”, expressed in the currency in which the benefits are to be paid, at maturity dates approximating the dates pertaining to the pension obligation (see Note 15).

b) Critical accounting judgments in applying the Company's accounting policies are as follows:

i. Investments in associates

Management has evaluated the level of influence exercised by the Company on its investment in Jugos del Valle, S.A.P.I. de C.V. and has determined that it holds significant influence, although its shareholding is below 20%, given its representation on the Board of Directors and certain contractual terms. Consequently, that investment has been classified as an associate.

Furthermore, the administration has also evaluated the classification of the investment that the Company holds in Petstar, S.A.P.I. de C.V., due to the fact that, since October 2, 2023, it has maintained a shareholding of more than 50% (previously it was 49.90%) and has determined that it maintains significant influence but does not maintain control over it even with its representation on the Board of Directors, the foregoing, in accordance with the contractual terms. Consequently, this investment has been classified as an associate.

ii. Interest in joint operation

Management has evaluated the terms and conditions contained in the stockholders' agreement for joint agreement of JV Toni, S.L. in Holding Tonicorp, S.A. (Tonicorp) and has concluded that it should be classified as a joint operation because it considers that the design and purpose require AC's beverage business in Ecuador to acquire, distribute and market the Tonicorp production, thus transferring to the two stockholders jointly controlling the agreement substantially the rights to the benefits and liability obligations of Tonicorp and its subsidiaries, which according to IFRS 11 ,"Joint Agreements", requires the agreement to be classified as such (see Note 27).

iii. Useful lives of intangible assets

The Company's indefinite life intangible assets include the aforementioned bottler agreements entered into between AC and TCCC, which have specific expiration dates and do not guarantee they are perpetual; however, based on Company experience, during the business relationship of over 90 years with TCCC, and to the market evidence, the Company considers it will continue to renew these agreements and has thus assigned them as indefinite life intangible assets (see Note 25).

5. SEGMENT REPORTING

Segment reporting is presented consistently with the internal reports provided to the Chief Executive Officer, who is the highest authority for making operating decisions, allocation the resources and evaluating the operating segments' yield. An operating segment is defined as a component of an entity on which there is separate financial information which is evaluated on a regular basis.

The Company controls and evaluates its continuous operations from both a geographic and product perspective. Management considers performance in Mexico, the US, Ecuador, Argentina and Peru. From the perspective of the product, Management considers beverages and other products in those geographic areas separately.

Segments, by product to be reported by the Company, are:

- Beverages (including carbonated, non-carbonated, dairy beverages and carboy and individual format purified water): This segment produces, distributes and sells TCCC brand beverages in different territories in Mexico, US, Argentina, Ecuador and Peru as well as Santa Clara dairy beverages in Mexico and Toni in Ecuador. The Company's portfolio of beverages and dairy products includes cola and flavored soft drinks, individual purified and flavored water, dairy beverages and other carbonated and non-carbonated beverages in sundry presentations.

- Other segments - complementary businesses: This section represents operating segments that are not considered reportable segments on an individual basis, as they do not meet the quantitative limits, as established by the IFRS 8 to any of the years reported on. In accordance with this standard, the operating segments whose total net sales is equal to or less than 10% of the Company's total net sales need not be reported individually and can be grouped with other operating segments that do not meet the 10% limit, provided the sum of these grouped operating segments does not exceed 25% of total net sales. These segments comprise the following complementary businesses:

  a. Beverages in the individual format that are marketed in vending machines (Mexico and Peru).
  b. Snack food (Mexico, Ecuador, Peru and US).

The Company evaluates the performance of each of the operating segments based on profits before the net financial results, taxes, depreciation and amortization (operating cash flow or EBITDA), considering that said indicator represents a good measure for evaluating the operating performance and the capability to satisfy capital and interest obligations with respect to the Company's debt, as well as the capability to fund capital investments and working capital requirements. However, the EBITDA is not a financial performance measure under IFRS and should not be considered an alternative to net profit when measuring operating performance, or to cash flows when measuring liquidity.

The Company has defined the EBITDA or operating cash flow as a consolidated operating profit (loss) after adding or subtracting the following, as the case may be: (1) depreciation, amortization, and (2) non-recurring expenses incurred (such as severance, business combination expenses among others, classified in the other expenses, net in the consolidated statements of income). Operations between operating segments are carried out at market value and accounting policies used in preparing information per segment are consistent with those described in Note 3.

Following is condensed financial information on the operating segments to be reported on:

	Year ended December 31, 2024							
	Beverages					**Others**		**Total**
	Mexico	**Argentina**	**Ecuador**	**Peru**	**US**	**Mexico and others**	**Eliminations**	
Statement of income:								
Sales per segment	$ 103,449,402	$ 10,188,293	$ 11,928,946	$ 18,291,541	$ 82,785,986	$ 15,252,567	$ (2,324,008)	$ 239,572,727
Inter-segment sales	$ (1,406,301)	$ -	$ (7,110)	$ (127,343)	$ -	$ (783,254)	$ 2,324,008	$ -
Sales to external customers	$ 102,043,101	$ 10,188,293	$ 11,921,836	$ 18,164,198	$ 82,785,986	$ 14,469,313	$ -	$ 239,572,727
Operating profit	$ 22,014,189	$ 322,647	$ 1,058,970	$ 3,023,656	$ 11,829,045	$ 903,240	$ -	$ 39,151,747
Operating cash flow [1]	$ 25,498,830	$ 1,252,773	$ 2,111,200	$ 4,318,846	$ 13,722,889	$ 1,790,616	$ -	$ 48,695,154
Non-recurring (income) expenses	$ 21,083	$ 54,913	$ 28,058	$ 21,993	$ -	$ 66,228	$ -	$ 192,275
Depreciation and amortization	$ 3,463,558	$ 875,213	$ 1,024,172	$ 1,273,197	$ 1,893,844	$ 821,148	$ -	$ 9,351,132
Financial income (loss)	$ 3,250,816	$ 444,753	$ 65,286	$ 399,215	$ 1,074,154	$ 419,036	$ -	$ 5,653,260
Financial expenses	$ 7,292,501	$ 1,152,582	$ 211,466	$ 354,645	$ 675,161	$ 348,708	$ -	$ 10,035,063
Equity in the results of associates	$ 183,774	$ -	$ -	$ -	$ 33,430	$ -	$ -	$ 217,204
Profit before taxes	$ 18,156,278	$ (385,182)	$ 912,790	$ 3,068,226	$ 12,261,468	$ 973,568	$ -	$ 34,987,148
Statement of financial position:								
Total assets	$ 89,554,588	$ 13,336,168	$ 23,649,821	$ 42,541,751	$ 118,573,693	$ 15,033,552	$ (10,053,385)	$ 292,636,188
Investment in shares of associates [2]	$ 12,538,023	$ 88,766	$ -	$ -	$ 890,986	$ -	$ -	$ 13,517,775
Total liabilities	$ 105,375,697	$ 2,098,267	$ 6,047,341	$ 11,819,330	$ 38,696,971	$ 5,346,721	$ (50,652,343)	$ 118,731,984
Investment in fixed assets (Capex) [3]	$ 9,489,639	$ 604,322	$ 1,183,716	$ 1,214,621	$ 2,580,051	$ 1,182,740	$ -	$ 16,255,089

[1] Corresponds to how AC measures its operating cash flow (EBITDA).
[2] In addition to the Mexico segment, there are investments in associates in other geographic segments (see Note 9).
[3] Indicates the additions for the year presented in the consolidated statements of cash flows.

Following is condensed financial information on the operating segments to be reported on:

	Year ended December 31, 2023							
	Beverages					Others		Total
	Mexico	Argentina	Ecuador	Peru	US	Mexico and others	Eliminations	
Statement of income:								
Sales per segment	$ 94,398,402	$ 5,818,546	$ 11,753,895	$ 17,340,081	$ 74,126,195	$ 14,469,778	$ (2,134,674)	$ 215,772,223
Inter-segment sales	$ (1,201,806)	$ -	$ (7,531)	$ (144,208)	$ -	$ (781,129)	$ 2,134,674	$ -
Sales to external customers	$ 93,196,596	$ 5,818,546	$ 11,746,364	$ 17,195,873	$ 74,126,195	$ 13,688,649	$ -	$ 215,772,223
Operating profit	$ 20,236,569	$ 50,949	$ 1,094,557	$ 3,114,394	$ 9,395,511	$ 665,300	$ -	$ 34,557,280
Operating cash flow [1]	$ 22,715,552	$ 520,770	$ 2,034,312	$ 4,131,212	$ 11,462,285	$ 1,517,676	$ -	$ 42,381,807
Non-recurring (income) expenses	$ (802,859)	$ 81,460	$ 13,107	$ 6,377	$ 263,299	$ 31,708	$ -	$ (406,908)
Depreciation and amortization	$ 3,281,842	$ 388,361	$ 926,648	$ 1,010,441	$ 1,803,475	$ 820,668	$ -	$ 8,231,435
Financial income (loss)	$ 3,098,487	$ 723,930	$ 66,162	$ 1,069,974	$ 903,758	$ 190,606	$ -	$ 6,052,917
Financial expenses	$ 6,694,167	$ 924,559	$ 211,220	$ 1,058,251	$ 660,993	$ 287,942	$ -	$ 9,837,132
Equity in the results of associates	$ 205,047	$ -	$ -	$ -	$ 25,897	$ -	$ -	$ 230,944
Profit before taxes	$ 16,845,936	$ (149,680)	$ 949,499	$ 3,126,117	$ 9,664,173	$ 567,964	$ -	$ 31,004,009
Statement of financial position:								
Total assets	$ 83,243,029	$ 6,484,026	$ 19,120,108	$ 34,478,078	$ 93,451,647	$ 12,321,222	$ (10,158,643)	$ 238,939,467
Investment in shares of associates [2]	$ 9,450,273	$ 212,552	$ -	$ -	$ 641,410	$ -	$ -	$ 10,304,235
Total liabilities	$ 72,896,994	$ 1,057,525	$ 4,898,812	$ 9,860,128	$ 30,771,277	$ 5,172,555	$ (20,034,468)	$ 104,622,823
Investment in fixed assets (Capex) [3]	$ 7,258,005	$ 729,722	$ 1,011,365	$ 994,719	$ 1,755,553	$ 873,132	$ -	$ 12,622,496

[1] Corresponds to how AC measures its operating cash flow (EBITDA).
[2] In addition to the Mexico segment, there are investments in associates in other geographic segments (see Note 9).
[3] Indicates the additions for the year presented in the consolidated statements of cash flows.

Following are sales to external customers, as well as property, plant and equipment, goodwill and intangible assets per geographic area:

	Year ended December 31, 2024			
	Sales to external customers	**Property plant and equipment**	**Goodwill**	**Intangible assets**
Mexico	**$ 110,042,847**	**$ 35,649,776**	**$ 9,267,995**	**$ 12,126,994**
US	**87,020,770**	**21,554,361**	**23,992,264**	**31,619,758**
Peru	**19,058,639**	**13,863,408**	**10,272,645**	**12,203,148**
Ecuador	**13,262,178**	**7,942,669**	**12,192,451**	**4,442,221**
Argentina	**10,188,293**	**4,086,876**	**4,018,428**	**1,236,056**
Total	**$ 239,572,727**	**$ 83,097,090**	**$ 59,743,783**	**$ 61,628,177**

	Year ended December 31, 2023			
	Sales to external customers	Property plant and equipment	Goodwill	Intangible assets
Mexico	$ 100,447,739	$ 29,570,433	$ 8,765,731	$ 12,372,860
US	78,487,040	16,860,591	19,939,168	26,123,764
Peru	17,993,175	11,716,800	8,562,231	10,138,360
Ecuador	13,025,723	6,188,654	10,042,398	3,668,720
Argentina	5,818,546	1,974,095	1,884,240	443,465
Total	$ 215,772,223	$ 66,310,573	$ 49,193,768	$ 52,747,169

For the years ended December 31, 2024 and 2023, none of AC's customers contributed individually or in the aggregate more than 10% of Company's net sales.

Company customers are commercial establishments classified as institutional customers and general customers, including supermarkets, convenience stores, institutions, businesses and particularly small to large grocery stores.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed as follows:

		2024		2023
Cash on hand	**$**	**82,677**	$	103,461
Short-term bank deposits		**6,245,036**		5,654,463
Short-term investments (under three months)		**23,216,886**		16,370,035
Total cash and cash equivalents	**$**	**29,544,599**	$	22,127,959

7. ACCOUNT RECEIVABLES FROM CLIENTS AND OTHERS, NET

a) Clients and other account receivables are comprised as follows:

		2024		2023
Clients	**$**	**15,056,657**	$	12,227,660
Allowance for impairment of accounts receivablesform clients		**(204,033)**		(214,676)
Clients, net		**14,852,624**		12,012,984
Income tax and other taxes recoverable		**2,616,156**		3,349,598
Notes and other accounts receivable		**1,388,548**		898,803
Sundry debtors		**1,325,517**		1,267,150
	$	**20,182,845**	$	17,528,535

Accounts receivable are denominated in the following currencies:

		2024		2023
US dollars	**$**	**9,351,290**	$	7,488,284
Mexican pesos		**8,348,679**		8,187,711
Peruvian soles		**1,607,298**		1,327,719
Argentinian pesos		**875,578**		524,821
	$	**20,182,845**	$	17,528,535

Impairment of clients

Clients, notes and other accounts receivable are subject to the expected credit losses model.

The Company applies the simplified approach contained in IFRS 9 for measuring expected credit losses, using an expected loss provision over the lifetime of the instrument for all accounts receivable from customers.

In order to measure expected credit losses, accounts receivable from customers have been grouped based on their shared credit risk features and days past due.

The expected loss rates are based on the profiles for payment of sales in a 24-month period prior to December 31, 2024 or December 31, 2023, respectively, and on historical credit losses experienced within that period. Historical loss rates are adjusted to reflect current and prospective information on macroeconomic factors affecting client capacity to settle the accounts receivable.

On that basis, the allowance for impairment of clients at December 31, 2024 and 2023 was determined as follows for accounts receivable from customers:

	Other current	**Current**	**1 to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**91 t0 180 days past due**	**More than 180 days past due**	**Total**
As of December 31, 2024								
Average rate of expected loss		**0.57%**	**1.48%**	**7.27%**	**18.90%**	**1.00%**	**76.57%**	**-**
Gross book amount of accounts receivable	**$ 222,023**	**$ 13,009,293**	**$ 1,266,421**	**$ 148,145**	**$ 85,270**	**$ 96,588**	**$ 228,917**	**$ 15,056,657**
Allowance for impairment of accounts receivables from clients	**$ -**	**$ (104,338)**	**$ (6,181)**	**$ (1,145)**	**$ (1,323)**	**$ (5,491)**	**$ (85,555)**	**$ (204,033)**

	Other current	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 t0 180 days past due	More than 180 days past due	Total
As of December 31, 2023								
Average rate of expected loss		0.85%	0.97%	13.02%	12.92%	1.00%	77.09%	-
Gross book amount of accounts receivable	$ 193,554	$ 10,251,031	$ 1,276,464	$ 150,659	$ 85,856	$ 90,788	$ 179,308	$ 12,227,660
Allowance for impairment of accounts receivables from clients	$ -	$ (126,528)	$ (9,873)	$ (1,202)	$ (231)	$ (2,546)	$ (74,296)	$ (214,676)

The final balances of the allowance for impairment of account receivables from clients at December 31, 2024 and 2023 are adjusted to the allowance for initial losses as follows:

	2024	2023
Loss allowance at January 1	**$ 214,676**	$ 312,263
Increase in the allowance for impairment of clients applied to income for the year	**81,997**	52,906
Accounts receivable canceled during the year as uncollectible	**(92,640)**	(37,160)
Unused reversed amount	**-**	(113,333)
Loss allowance at December 31	**$ 204,033**	$ 214,676

Account receivables from customers are canceled when there is no reasonable expectation of recovery. Indicators showing that there is no reasonable expectation of recovery include, among others, the fact that the debtor suggests no payment plan to the Company and the impossibility of making contractual payments over a period of more than 180 days past due.

Impairment losses of account receivables from clients is shown as provision for impairment of clients under operating profit. Subsequent recovery of amounts previously canceled are credited to the same line.

b) Financial assets at amortized cost

Other assets at amortized cost, which includes accounts receivable from related parties, are also subject to impairment requirements under IFRS 9. At December 31, 2024 and 2023, no impairment loss has been identified.

8. INVENTORIES

Inventories are analyzed as follows:

	2024	2023
Raw materials	**$ 4,661,244**	$ 3,877,645
Finished products	**5,743,008**	4,954,445
Materials and spare parts	**2,665,356**	1,921,300
Products in process	**112,182**	90,806
	$ 13,181,790	$ 10,844,196

For the years ended December 31, 2024 and 2023, $111,395,313 and $103,302,739 was applied to income, respectively, corresponding to inventories consumed (including $79,831 and $28,600, respectively, corresponding to the increase in the impairment allowance of damaged, slow-moving and obsolete inventories).

9. INVESTMENT IN SHARES OF ASSOCIATES

Investments in the shares of associates are comprised as follows

		2024		2023
Opening Balance	**$**	**10,304,235**	$	9,188,259
Additions		**2,660,644**		1,293,837
Efecto de la IAS 29 (hyperinflationary economies)		**244,940**		164,345
Dividends received		**(43,499)**		(127,049)
Participation in the results of associates		**350,245**		325,120
Participation in other comprehensive results of associates		**1,210**		(540,277)
Ending balance	**$**	**13,517,775**	$	10,304,235

Following are the Company's associated companies at December 31, 2024 and 2023, which, in Management's judgement, are considered material primarily because they relate to the Company's main activity. The capital stock of the following entities consists exclusively of ordinary voting shares held directly by the Company, and in the case of Jugos del Valle, S.A.P.I. de C.V., also includes non-voting shares. The country in which an associate is incorporated and registered is also its main place of business and the percentage of shareholding is the same as the percentage of votes held. The Company exercises significant influence over its associates since it is empowered to participate in the making of financial and operating policies without exercising control over them (see Note 4b i).

Participation movements per share for the years ended December 31, 2024 and 2023, are analyzed as follows:

Associate name	**Country of incorporation**	**Nature**	**Valuation method**	**Balance**	**Gain (loss)**	**Shareholding interest**
December 31, 2024						
Promotora Industrial Azucarera, S.A. de C.V. (PIASA) [1]	**Mexico**	**Associate**	**Equity Method**	**$ 4,378,661**	**$ 273,654**	**49.1849%**
Jugos del Valle, S.A.P.I. de C.V. (JDV) [2]	**Mexico**	**Associate**	**Equity Method**	**1,824,100**	**64,566**	**14.7258%**
PetStar, S.A.P.I. de C.V. (PETSTAR) [3]	**Mexico**	**Associate**	**Equity Method**	**1,742,519**	**(96,998)**	**58.8200%**

Associate name	Country of incorporation	Nature	Valuation method	Balance	Gain (loss)	Shareholding interest
December 31, 2023						
Promotora Industrial Azucarera, S.A. de C.V. (PIASA) [1]	Mexico	Associate	Equity Method	$ 4,106,723	$ 270,630	49.1849%
Jugos del Valle, S.A.P.I. de C.V. (JDV) [2]	Mexico	Associate	Equity Method	1,478,809	47,483	14.7863%
PetStar, S.A.P.I. de C.V. (PETSTAR) [3]	Mexico	Associate	Equity Method	1,430,079	(84,930)	59.3500%

[1] PIASA is a company mainly engaged in marketing the sugar it produces or acquires, among its stockholders and to third parties, and the electric power it generates, as a byproduct. That investment allows the Company to supply itself with sugar for production while at the same time reducing its exposure to the risk of sugar prices.
[2] JDV is a strategic investment mainly engaged in the production, bottling, purchase, sale, distribution and marketing of juices, nectars, fruit drinks, other drinks and dairy products sold under the Santa Clara brand name. JDV also markets products of third parties.
[3] PETSTAR is engaged in collecting and recycling PET (Polyethylene Terephthalate) waste and its conversion to food grade resin and sale, mainly but not exclusively to its stockholders.

There are no contingent liabilities relating to the Company's interest in its associates.

The following tables include summarized financial information for those associates considered material for the Company as mentioned earlier:

	PIASA		JDV		PETSTAR	
	2024	2023	**2024**	2023	**2024**	2023
Summary statement of financial position						
Current assets	**$ 2,437,215**	$ 2,627,080	**$ 9,958,515**	$ 9,010,291	**$ 1,539,620**	$ 1,060,515
Non-current assets	**8,992,023**	8,627,746	**11,890,632**	10,196,169	**3,003,952**	2,281,461
Current liabilities	**1,840,270**	1,797,592	**7,450,167**	7,154,542	**1,456,774**	829,913
Non-current liabilities	**686,519**	1,107,674	**2,011,880**	2,050,708	**124,338**	102,494
Stockholders' equity	**$ 8,902,449**	$ 8,349,560	**$ 12,387,100**	$ 10,001,210	**$ 2,962,460**	$ 2,409,569

	PIASA		JDV		PETSTAR	
	2024	2023	**2024**	2023	**2024**	2023
Reconciliation of book balances:						
Opening Balance	**$ 8,349,560**	$ 8,000,308	**$ 10,001,210**	$ 7,848,850	**$ 2,409,569**	$ 1,154,065
Capital increase	**-**	-	**1,780,141**	2,128,468	**724,000**	1,661,433
Dividends	**-**	(217,158)	**-**	-	**-**	-
Result for the year	**556,379**	550,231	**438,458**	321,130	**(164,906)**	(143,100)
Other comprehensive results	**(3,490)**	16,179	**167,291**	(297,238)	**(6,203)**	(262,829)
Ending balance	**8,902,449**	8,349,560	**12,387,100**	10,001,210	**2,962,460**	2,409,569
% of ownership	**49.1849%**	49.1849%	**14.7258%**	14.7863%	**58.8200%**	59.3500%
Book balance	**$ 4,378,661**	$ 4,106,723	**$ 1,824,100**	$ 1,478,809	**$ 1,742,519**	$ 1,430,079

	PIASA		JDV		PETSTAR	
	2024	2023	**2024**	2023	**2024**	2023
Summary Statement of ResultsIntegral						
Revenue	**$ 10,404,162**	$ 10,843,464	**$ 30,644,643**	$ 28,448,270	**$ 3,165,983**	$ 2,219,823
Result for the year	**$ 556,379**	$ 550,231	**$ 438,458**	$ 321,130	**$ (164,906)**	$ (143,100)
Other comprehensive utility	**(3,490)**	16,179	**167,291**	(297,238)	**(6,203)**	(262,829)
Total comprehensive income	**$ 552,889**	$ 566,410	**$ 605,749**	$ 23,892	**$ (171,109)**	$ (405,929)

In addition to the aforementioned interest in associated companies, AC also has interests in some other associated companies that are not considered material in accordance with the parameters mentioned above, and which are recognized by the equity method; for the fiscal year ended December 31, 2024, AC, through one of its subsidiaries, carried out a capital increase in an associated company related to complementary businesses for an amount of $1,886,550, therefore the value, recognized in AC, of its investments in said associated companies is as follows:

	2024	2023
Aggregate balance of individual immaterial entities	**$ 5,572,495**	$ 3,288,624
Increased amounts of AC's share by:		
Gains (loss) of the year and total comprehensive income from associates	**$ 109,023**	$ 91,937

None of the associated companies' shares is publicly traded, therefore, there are no published market prices. There are no contingent liabilities related to the Company's interest in its associates.

10. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2024 and 2023 are analyzed as follows:

	Assets subject to depreciation								Assets not subject to depreciation		
	Buildings	**Machinery and equipment**	**Transportation equipment**	**Refrigerators and sales equipment**	**Returnable bottles and distribution crates**	**Computer equipment**	**Furniture and other**	**Subtotal**	**Land**	**Investments in process**	**Total**
For the year ended December 31, 2024											
Reclassified balances as of January 1, 2024	**$ 13,159,125**	**$ 12,862,360**	**$ 5,968,209**	**$ 7,129,803**	**$ 3,583,206**	**$ 732,381**	**$ 648,954**	**$ 44,084,038**	**$ 15,675,016**	**$ 6,551,519**	**$ 66,310,573**
Effect of IAS 29 (hyperinflationary economy)	**512,867**	**965,380**	**30,173**	**167,472**	**458,959**	**10,833**	**55,716**	**2,201,400**	**189,105**	**11**	**2,390,516**
Effects of translation	**1,746,895**	**1,384,855**	**519,269**	**742,514**	**297,351**	**52,989**	**31,489**	**4,775,362**	**2,031,352**	**627,191**	**7,433,905**
Acquisitions through business combinations	**-**	**-**	**2,513**	**39,258**	**-**	**-**	**-**	**41,771**	**-**	**-**	**41,771**
Additions	**378,969**	**1,019,222**	**1,827,626**	**1,831,912**	**2,327,067**	**184,798**	**80,495**	**7,650,089**	**147,741**	**8,457,259**	**16,255,089**
Transfers	**452,674**	**1,747,296**	**1,054,126**	**957,685**	**-**	**175,792**	**289,289**	**4,676,862**	**215,086**	**(4,891,948)**	**-**
Disposals	**(26,013)**	**(68,399)**	**(215,368)**	**(160,468)**	**(551,735)**	**(1,214)**	**(6,577)**	**(1,029,774)**	**(77,090)**	**(21,135)**	**(1,127,999)**
Depreciation charges recognized in the year	**(736,220)**	**(1,950,384)**	**(1,188,953)**	**(1,693,347)**	**(2,078,348)**	**(397,174)**	**(162,339)**	**(8,206,765)**	**-**	**-**	**(8,206,765)**
Ending balance	**$ 15,488,297**	**$ 15,960,330**	**$ 7,997,595**	**$ 9,014,829**	**$ 4,036,500**	**$ 758,405**	**$ 937,027**	**$ 54,192,983**	**$ 18,181,210**	**$ 10,722,897**	**$ 83,097,090**
December 31, 2024											
Cost	**$ 5,571,939**	**40,083,069**	**$ 18,000,915**	**$ 24,116,141**	**$ 10,211,513**	**$ 4,162,985**	**$ 2,517,540**	**$ 124,664,102**	**$ 18,181,210**	**$ 10,722,897**	**$ 153,568,209**
Accumulated depreciation	**(10,083,642)**	**(24,122,739)**	**(10,003,320)**	**(15,101,312)**	**(6,175,013)**	**(3,404,580)**	**(1,580,513)**	**(70,471,119)**	**-**	**-**	**(70,471,119)**
Ending balance	**$ 15,488,297**	**$ 15,960,330**	**$ 7,997,595**	**$ 9,014,829**	**$ 4,036,500**	**$ 758,405**	**$ 937,027**	**$ 54,192,983**	**$ 18,181,210**	**$ 10,722,897**	**$ 83,097,090**
For the year ended December 31, 2023											
Reclassified balances as of January 1, 2023	$ 15,197,123	$ 15,325,055	$ 5,373,464	$ 7,664,904	$ 3,427,949	$ 896,690	$ 642,236	$ 48,527,421	$ 16,410,682	$ 3,550,472	$ 68,488,575
Effect of IAS 29 (hyperinflationary economy)	291,449	597,767	10,089	116,240	285,874	7,072	25,998	1,334,489	109,578	7	1,444,074
Effects of translation	(1,824,696)	(2,342,321)	(325,547)	(740,440)	(843,111)	(64,580)	(74,582)	(6,215,277)	(1,535,593)	(216,332)	(7,967,202)
Additions	135,466	550,475	1,414,543	1,698,249	2,599,425	260,164	126,686	6,785,008	712,384	5,125,104	12,622,496
Transfers	34,269	977,151	537,741	184,466	-	61,315	75,490	1,870,432	5,155	(1,875,587)	-
Disposals	(6,637)	(508,077)	(22,681)	(159,503)	(367,932)	(8,901)	(27,871)	(1,101,602)	(27,190)	(32,145)	(1,160,937)
Depreciation charges recognized in the year	(667,849)	(1,737,690)	(1,019,400)	(1,634,113)	(1,518,999)	(419,379)	(119,003)	(7,116,433)	-	-	(7,116,433)
Ending balance	$ 13,159,125	$ 12,862,360	$ 5,968,209	$ 7,129,803	$ 3,583,206	$ 732,381	$ 648,954	$ 44,084,038	$ 15,675,016	$ 6,551,519	$ 66,310,573
December 31, 2023											
Cost	$ 21,250,866	$ 32,674,434	$ 14,460,211	$ 19,576,298	$ 7,398,801	$ 3,466,290	$ 1,799,497	$ 100,626,397	$ 15,675,016	$ 6,551,519	$ 122,852,932
Accumulated depreciation	(8,091,741)	(19,812,074)	(8,492,002)	(12,446,495)	(3,815,595)	(2,733,909)	(1,150,543)	(56,542,359)	-	-	(56,542,359)
Ending balance	$ 13,159,125	$ 12,862,360	$ 5,968,209	$ 7,129,803	$ 3,583,206	$ 732,381	$ 648,954	$ 44,084,038	$ 15,675,016	$ 6,551,519	$ 66,310,573

Of the depreciation expense for 2024 of $8,206,765 ($7,116,433 in 2023), $2,655,191 ($2,155,397 in 2023) was recorded in cost of sales, $4,952,555 ($4,334,885 in 2023) in selling expenses and $599,019 ($626,151 in 2023) in administration expenses, respectively.

Investments in process at December 31, 2024 and 2023 correspond mainly to investments in production equipment, distribution and building improvements.

11. GOODWILL AND INTANGIBLE ASSETS, NET

Movements in intangible assets for the years ended December 31, 2024 and 2023, are as follows:

	Intangible assets acquired					
	Goodwill	Bottling contracts	Trademarks	Software licenses	Other	Total
December 31, 2024						
Beginning balances as of January 1, 2024	**$ 49,193,768**	**$ 43,605,578**	**$ 3,362,354**	**$ 279,711**	**$ 5,499,526**	**$ 101,940,937**
Effect of translation	**8,092,164**	**7,066,897**	**576,875**	**51,060**	**625,094**	**16,412,090**
Acquisitions through business combinations	**286,535**	**-**	**-**	**-**	**261,216**	**547,751**
Additions	**-**	**-**	**-**	**10,475**	**299,706**	**310,181**
IAS 29 (hyperinflationary economy) effect	**2,171,316**	**506,537**	**-**	**-**	**6,451**	**2,684,304**
Disposals	**-**	**-**	**(2,500)**	**(2,408)**	**(6,208)**	**(11,116)**
Amortization charges	**-**	**-**	**(2,814)**	**(94,700)**	**(414,673)**	**(512,187)**
Final balances	**$ 59,743,783**	**$ 51,179,012**	**$ 3,933,915**	**$ 244,138**	**$ 6,271,112**	**$ 121,371,960**
December 31, 2024						
Attributed cost	**$ 59,743,783**	**$ 51,179,012**	**$ 3,955,218**	**$ 1,025,985**	**$ 11,486,084**	**$ 127,390,082**
Accumulated amortization	**-**	**-**	**(21,303)**	**(781,847)**	**(5,214,972)**	**(6,018,122)**
Net book value	**$ 59,743,783**	**$ 51,179,012**	**$ 3,933,915**	**$ 244,138**	**$ 6,271,112**	**$ 121,371,960**
December 31, 2023						
Beginning balances as of January 1, 2023	$ 55,785,036	$ 48,577,600	$ 3,755,644	$ 414,150	$ 5,796,920	$ 114,329,350
Effect of translation	(7,896,490)	(5,265,537)	(390,519)	(48,065)	(164,605)	(13,765,216)
Additions	-	-	-	-	317,361	317,361
IAS 29 (hyperinflationary economy) effect	1,305,222	293,515	-	-	1,482	1,600,219
Disposals	-	-	-	-	(10,587)	(10,587)
Amortization charges	-	-	(2,771)	(86,374)	(441,045)	(530,190)
Final balances	$ 49,193,768	$ 43,605,578	$ 3,362,354	$ 279,711	$ 5,499,526	$ 101,940,937
December 31, 2023						
Attributed cost	$ 49,193,768	$ 43,605,578	$ 3,383,425	$ 851,643	$ 9,648,918	$ 106,683,332
Accumulated amortization	-	-	(21,071)	(571,932)	(4,149,392)	(4,742,395)
Net book value	$ 49,193,768	$ 43,605,578	$ 3,362,354	$ 279,711	$ 5,499,526	$ 101,940,937

Of the 2024 amortization expense of $512,187 ($530,190 in 2023), $13,048 ($12,663 in 2023) were recorded in cost of sales, $71,069 ($79,181 in 2023) in selling expenses and $428,070 ($438,346 in 2023) in administrative expenses, respectively.

Goodwill acquired in business combinations is allocated on the acquisition date to the CGUs that are expected to benefit from the synergies of such combinations.

The book value of goodwill and bottling agreement assigned to the different CGUs or groups of CGUs are as follows:

		2024		2023
Unidad generadora de efectivo:				
Beverages United States	**$**	**50,191,761**	$	41,340,912
Beverages Peru		**21,779,841**		18,153,457
Beverages Mexico		**15,051,194**		15,446,199
Beverages Ecuador		**11,724,685**		9,657,146
Beverages Argentina		**4,955,870**		2,323,806
Wise Foods		**2,738,485**		2,255,578
Toni		**1,723,280**		1,419,396
Grupo Fiesta Charras		**747,949**		709,933
Inalecsa		**984,475**		810,844
Vend		**340,213**		283,567
Nayhsa		**256,773**		256,773
Others		**428,269**		141,735
	$	**110,922,795**	$	92,799,346

At December 31, 2024 and 2023, the estimation of the recovery value of the CGUs identified was conducted through the value in use discounting future cash flows generated by the continuous use of the CGUs, using the following key assumptions, among others:

	Range among CGUs			
	2024		2023	
Rate of growth in volume	**0.4%**	**5.8%**	0.5%	5.0%
Rate of growth in sales [1]	**3.3%**	**9.6%**	3.2%	67.6%
Operating margin (as a % of sales)	**6.6%**	**21.4%**	5.6%	20.3%
Other operating costs (as a % of sales)	**6.4%**	**22.0%**	5.2%	20.9%
Annual CAPEX (as a % of sales)	**2.3%**	**10.1%**	1.8%	11.3%

[1] Including the hyperinflation effects.

The average discount rates by country for the impairment test as of December 31, 2024 and 2023 are as follows:

	2024	2023
United States	**9.7%**	7.1%
Peru	**10.7%**	8.5%
Ecuador	**12.0%**	14.9%
Mexico	**10.7%**	9.4%
Argentina	**17.2%**	21.7%

At December 31, 2024 and 2023:

- The determination of cash flows is based on the financial projections approved by Management for a five-year period and considering a multiple of operating cash flow to perpetuity and are dependent on the expected growth rates of the volume, which are based in historical performances and the expectation of growth of the industry in which AC operates.

- The discount rate was calculated based on the weighted average of the capital (at market value) of the cost of all sources of financing that form part of the capital structure of CGUs (liabilities with cost and shareholding capital) and reflect the specific risks related to AC's relevant operating segments.

- The volume of sales is the average growth rate over the five years projection period. It is based on past performance and Management expectations for market development.

- The sales price is the average growth rate over the five years projection period. It is based on actual industry trends and includes long-term inflation forecasts for each territory.

- The operating margin corresponds to the average margin as a percentage of sales over the five-year projection period. It is based on actual sales margin levels and product mixture. Given the nature of the operation, no increases are expected in the cost of raw materials that cannot be passed on to customers, which may have required an adjustment in the determination of future margins.

- Other operating costs are fixed costs of CGUs, as a percentage of sales, which do not differ significantly from sales volumes and prices. Management projected those costs based on the current business structure, and adjusted increases for inflation. They do not reflect any future restructuring or cost reduction measures. The percentages disclosed above are the average of other operating costs for the five-year projected period with respect to sales.

- Annual CAPEX represents the percentage of sales for investing in machinery and equipment in order to maintain operations at current levels. It is based on historical Management experience and on plans for machinery and equipment replacement as required in accordance with the Coca-Cola system. No incremental sales or cost reductions are assumed in the value in use model as a result of these investments.

Sensitivity to changes in assumptions

Management considers that a possible change in the key assumptions used, within a reasonable range around them, would not cause the carrying amount of the CGUs to materially exceed their use value.

As of December 31, 2024, the Company made a sensitivity of the impairment calculation, taking into account an adverse change in the after-tax discount rate, according to the country risk premium, using for each country the related deviation between capital and public securities, an adverse change in the perpetuity of future flows by 50 basis points and an additional sensitivity to volume of 100 basis points.

After modeling and valuing the different CGUs in the annual impairment process that the company carries out, it is possible to conclude that, as a result of the tests carried out as of December 31, 2024, no indications of impairment were identified in any of the CGUs listed above, assuming conservative EBITDA margin projections in line with the history of the markets. Thus, despite the deterioration of macroeconomic conditions experienced by the economic conditions of the countries in which it operates, the impairment test yielded recovery values higher than the book values of the assets, even for the sensitivity calculations to which the model for after-tax discount rates and volume growth rates was stressed. variables mentioned above, so Management considers that a possible change in the key assumptions used, within a reasonable range around them, would not cause the carrying amount of the CGUs to materially exceed their use value.

As a result of the annual impairment tests, the Company did not recognize impairment losses in the years ended December 31, 2024 and 2023.

12. LEASES

This note provides information for leases where the Company is a lessee.

i. Amounts recognized in the consolidated statements of financial position

The consolidated statements of financial position present the following amounts relating to leases:

	2024	2023
Right-of-use assets:		
Buildings	**$ 2,188,894**	$ 1,446,695
Transportation equipment	**498,184**	411,685
Machinery and equipment	**355,778**	261,194
Land	**14,547**	16,881
	3,057,403	2,136,455
Accumulated depreciation of right-of-use assets	**(1,490,738)**	(1,223,863)
Right-of-use assets	**$ 1,566,665**	$ 912,592

Additions to the right-of-use assets during the 2024 and 2023 financial years were $982,464 and $341,483, respectively.

		2024		2023
Lease liabilities:				
Current	**$**	**649,274**	$	507,202
Non-current		**916,549**		456,639
	$	**1,565,823**	$	963,841

b) Amounts recognized in the consolidated statements of income

The consolidated statement of income shows the following amounts relating to leases:

		2024		2023
Depreciation expense of right-of-use assets:				
Buildings	**$**	**331,952**	$	266,396
Transportation equipment		**202,274**		210,629
Machinery and equipment		**90,044**		85,538
Land		**7,911**		22,249
	$	**632,181**	$	584,812
Interest expense (included in financial expenses)(Note 23)	**$**	**89,361**	$	89,970
Expense relating to short-term leases, low value assets and variable lease payments (included in cost of goods sold, sale and administrative expenses) (Note 20)	**$**	**498,279**	$	343,599

The total cash outflow for leases in 2024 and 2023 was $722,912 and $645,677, respectively.

13. DEBT

a) As of December 31, 2024 and 2023, the debt is analyzed as follows:

		2024		2023
Debt instruments and bonds	**$**	**45,283,125**	$	28,881,055
Bank of America, N.A.		**1,272,326**		1,050,776
Scotiabank		**773,500**		5,497,714
Banco de Crédito del Perú		**773,500**		773,653
Citibank México		**256,294**		135,148
Banco Internacional Ecuador		**102,552**		168,935
Banco Bolivariano		**52,660**		25,357
Banamex		**-**		3,424,211
HSBC México		**-**		2,000,000
BBVA México		**-**		1,730,000
Santander México		**-**		1,500,000
Banco Rabobank		**-**		50,681
Total debt		**48,513,957**		45,237,530
Current portion of debt		**(3,364,716)**		(11,863,818)
Non-current debt	**$**	**45,149,241**	$	33,373,712

b) The terms, conditions and book value of non-current debt are as follows:

	Country	Currency	Contractual Rate	Effective Rate	Maturity date	Frequency interest payment	2024	2023
Private bond 12 years	U.S.	USD	3.49%	3.54%	28/12/2029	Semiannual	**$ 8,187,936**	$ 6,742,223
Private bond 15 years	U.S.	USD	3.64%	3.69%	28/12/2032	Semiannual	**8,187,936**	6,742,223
ACBE 24 2L	Mexico	MXN	9.85%	9.99%	29/03/2032	Semiannual	**6,388,643**	-
CEBUR ACBE 17	Mexico	MXN	7.84%	7.98%	03/09/2027	Semiannual	**5,996,607**	5,995,504
CEBUR AC 22-2	Mexico	MXN	TIIE 28 + 0.04%	10.81%	09/06/2026	Monthly	**3,199,300**	3,198,862
Cebur AC 24-2	Mexico	MXN	9.66%	9.80%	13/01/2034	Semiannual	**3,044,096**	-
CEBUR ACBE 21 2V	Mexico	MXN	6.75%	6.91%	02/05/2028	Semiannual	**2,996,116**	2,995,108
Cebur AC 24	Mexico	MXN	TIIE 28 + 0.10%	9.95%	22/01/2027	Monthly	**2,995,425**	-
CEBUR ACBE 21V	Mexico	MXN	TIIE 28 + 0.070%	7.32%	06/05/2025	Monthly	**-**	1,649,923
CEBUR AC 22	Mexico	MXN	9.32%	9.56%	05/06/2029	Semiannual	**1,147,984**	1,147,632
ACBE 24L	Mexico	MXN	TIIE 28 + 0.10%	9.76%	31/05/2027	Monthly	**997,705**	-
Private bond	Peru	PEN	7.50%	7.67%	09/12/2026	Semiannual	**491,400**	409,580
Stock certificates and bonds							**$ 43,633,148**	$ 28,881,055
Bank of America, N.A.	Ecuador	USD	4.96%	5.03%	16/07/2029	Semiannual	**$ 603,349**	$ -
Bank of America, N.A.	Ecuador	USD	SOFR 6M+ 1.00%	5.32%	16/07/2029	Semiannual	**603,344**	-
Banco de Crédito del Perú	Peru	PEN	3.57%	3.57%	19/03/2026	Quaterly	**154,700**	322,355
Scotiabank	Peru	PEN	3.57%	3.57%	19/03/2026	Quaterly	**154,700**	322,355
Scotiabank Inverlat, S.A.	Mexico	MXN	TIIE 91 + 0.45	12.14%	22/06/2027	Quaterly	**-**	1,524,607
Banco Nacional de México, S.A.	Mexico	MXN	TIIE 91 + 0.45	12.14%	22/06/2027	Quaterly	**-**	1,524,607
Banco de Crédito del Perú	Peru	PEN	3.57%	3.57%	19/03/2026	Quaterly	**-**	322,355
Scotiabank	Peru	PEN	3.57%	3.57%	19/03/2026	Quaterly	**-**	322,355
Banco Internacional	Ecuador	USD	ECTPASBCEN + 2.75%	6.53%	07/04/2025	Monthly	**-**	85,471
Bank of America, N.A.	U.S.	USD	SOFR 3 meses + 0.85%	6.34%	27/07/2025	Monthly	**-**	53,052
Banco Bolivariano	Ecuador	USD	ECTPASBCEN + 2.97%	7.33%	25/09/2025	Semiannual	**-**	15,500
Total bank loans							**$ 1,516,093**	$ 4,492,657
Total							**$ 45,149,241**	$ 33,373,712

c) At December 31, 2024, annual maturities of the non-current debt are comprised as follows:

	2026	2027	2028	2029 onward	Total
Debt instruments and bonds	**$ 3,690,700**	**$ 9,989,737**	**$ 2,996,116**	**$ 26,956,595**	**$ 43,633,148**
Bank loans	**309,400**	**-**	**-**	**1,206,693**	**1,516,093**
	$ 4,000,100	**$ 9,989,737**	**$ 2,996,116**	**$ 28,163,288**	**$ 45,149,241**

At December 31, 2023, annual maturities of the non-current debt are comprised as follows:

	2025	2026	2027	2028 onward	Total
Debt instruments and bonds	$ 1,649,923	$ 3,608,442	$ 5,995,504	$ 17,627,186	$ 28,881,055
Bank loans	154,023	1,289,420	3,049,214	-	4,492,657
	$ 1,803,946	$ 4,897,862	$ 9,044,718	$ 17,627,186	$ 33,373,712

d) Following is an analysis and movements of net debt during the years ended December 31, 2024 and 2023:

		2024		2023
Cash and cash equivalents	**$**	**29,544,599**	$	22,127,959
Current debt		**(3,364,716)**		(11,863,818)
Non-current debt		**(45,149,241)**		(33,373,712)
Net debt	**$**	**(18,969,358)**	$	(23,109,571)
Cash and cash equivalents	**$**	**29,544,599**	$	22,127,959
Debt at fixed rate		**(38,676,099)**		(29,264,570)
Debt at variable rate		**(9,837,858)**		(15,972,960)
Net debt	**$**	**(18,969,358)**	$	(23,109,571)

	Financial liabilities			
	Short term		**Long term**	
	Bonds	**Financial debt**	**Bonds**	**Financial debt**
Net debt at January 1, 2024	**$ -**	**$ (11,863,818)**	**$ (28,881,055)**	**$ (4,492,657)**
Cash inflow	**-**	**(80,694)**	**(13,450,000)**	**-**
Cash outflow	**-**	**13,814,576**	**-**	**-**
Exchange rate effects	**-**	**(100,549)**	**(2,968,754)**	**(290,545)**
Other movements not requiring cash flows	**(1,649,977)**	**(3,484,254)**	**1,666,661**	**3,267,109**
Net debt at December 31, 2024	**$ (1,649,977)**	**$ (1,714,739)**	**$ (43,633,148)**	**$ (1,516,093)**

	Financial liabilities			
	Short term		Long term	
	Bonds	Financial debt	Bonds	Financial debt
Net debt at January 1, 2023	$ (2,329,768)	$ (3,865,629)	$ (30,891,184)	$ (9,830,625)
Cash inflow	-	(6,262,486)	-	-
Cash outflow	2,288,032	963,106	-	2,209,185
Exchange rate effects	41,736	386,310	885,200	413,113
Other movements not requiring cash flows	-	(3,085,119)	1,124,929	2,715,670
Net debt at December 31, 2023	$ -	$ (11,863,818)	$ (28,881,055)	$ (4,492,657)

e) Main features of the debt:

Significant debts agreed in 2024

Arca Continental, S.A.B de C.V. (Holding) in Mexico subscribed a stock certificate with slate identification AC 24-2 on January 28, 2024 for $3,050,000 with a term of 20 semi-annual payments at a fixed rate of 9.66%.

Arca Continental, S.A.B de C.V. (Holding) in Mexico signed a stock certificate with identification on slate AC 24 on January 26, 2024 for $3,000,000 with a term of 52 monthly payments at a variable rate of TIIE 28 + 0.10 percentage points.

AC Bebidas, S. de R.L. C.V. (Holding) in Mexico subscribed a stock certificate with identification on slate ACBE 24-2L on April 8, 2024 for $6,400,000 with a term of 16 semi-annual payments at a fixed rate of 9.85%.

AC Bebidas, S. de R.L. C.V. (Holding) in Mexico signed a stock certificate with slate identification ACBE 24L on April 8, 2024 for $1,000,000 with a term of 41 monthly payments at a variable rate TIIE 28 + 0.10 percentage points.

Significant debts agreed in 2023

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on December 28, 2023 with Banco Santander México, S.A., for $1,500,000 with a term of 5 months at a nominal rate of TIIE 28 days + 0.15 percentage points.

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on June 19, 2023 with BBVA México, S.A., for $180,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.19 percentage points.

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on May 31, 2023 with Scotiabank Inverlat, S.A., for $520,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.15 percentage points.

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on May 25, 2023 with Scotiabank Inverlat, S.A., for $500,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.15 percentage points.

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on May 18, 2023 with HSBC Mexico, S.A., for $300,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.14 percentage points.

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on April 24, 2023 with BBVA México, S.A., for $1,350,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.19 percentage points.

Arca Continental, S.A.B. de C.V. (Holding) in Mexico entered into a loan agreement on March 10, 2023 with HSBC Mexico, S.A., for $1,700,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.14 percentage points.

AC Bebidas, S. de R.L. C.V. (Holding) in Mexico entered into a loan agreement on June 20, 2023 with Scotiabank Inverlat, S.A., for $580,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.15 percentage points.

AC Bebidas, S. de R.L. C.V. (Holding) in Mexico entered into a loan agreement on June 20, 2023 with BBVA México, S.A., for $400,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.19 percentage points.

Bebidas Mundials, S. de R.L. de C.V. in Mexico entered into a loan agreement on June 15, 2023 with Scotiabank Inverlat, S.A., for $400,000 with a term of 12 months at a nominal rate of TIIE 28 days + 0.15 percentage points.

Industrias Lácteas Toni, S.A. in Ecuador entered into a loan agreement on May 31, 2023 with Citibank, N.A. for $270,296 (USD $16,000), in the proportion that corresponds to AC for $135,148 (USD $8,000), with a term of 12 months at a nominal rate of SOFR + 3.75 percentage points.

AC Bebidas, Distribuidora Arca Continental, S.A. de C.V. and Bebidas Mundiales, S.A. de C.V. serve as guarantors of the debt in Mexico, and AC Bebidas is a guarantor of the private bonds issued by its subsidiary CCSWB in the United States.

Debt Restrictions:

Furthermore, long-term debt certificates are subject to certain restrictive obligations, which, among other things, unless authorized in writing by the holders of the debt certificates, limit the capacity to:

- Change or modify the main line of business or operations of the Company and of its subsidiaries.
- Incur or assume any guaranteed debt on a lien, including the subsidiaries, unless: i) simultaneously at the time of creating any lien, the issuer (the Company in this case) guarantees in the same manner its obligations pertaining to the debt certificates, or ii) the liens are permitted as described in dual revolving debt certificate programs.
- In the case of mergers in which the Company is merged, the surviving company must expressly assume the Company obligations as issuer of the debt.

Furthermore, certain bank loan agreements and the private bonds of CCSWB contain obligations similar to the foregoing and require compliance with of financial ratios, interest coverage and maximum debt over cash flow ratios, noncompliance with which requires dispensation by the respective bank.

The fair value of the non-current debt is disclosed in Note 19. The fair value of current debt is equivalent to book value, as the discount impact is not significant. Fair values at December 31, 2024 and 2023 are based on several different discount rates, which fall within level 2 of the fair value hierarchy.

At December 31, 2024 and 2023, and at the date of these consolidated financial statements, the Company and its subsidiaries had duly complied with the obligations set down in the loan agreements.

14. OTHER LIABILITIES

Other liabilities are comprised as follows:

		2024		2023
Current:				
Sundry creditors	**$**	**2,297,459**	$	1,926,978
Federal and state taxes payables [1]		**2,523,591**		2,225,043
Accrued expenses payable		**8,057,233**		6,610,761
Employees' statutory profit sharing payable		**1,996,244**		1,646,058
Bonuses		**71,253**		42,211
Contingent liabilities		**2,409,317**		1,461,117
Dividends payable		**77,213**		63,526
Other		**6,076**		4,865
Total current liabilities	**$**	**17,438,386**	$	13,980,559

	2024	2023
Non-current:		
Guarantee deposits per bottle	$ **409,380**	$ 331,483
Contingent liabilities	**278,871**	222,804
Other	**1,135,125**	1,131,626
Total other non-current liabilities	$ **1,823,376**	$ 1,685,913

[1] Sales in Mexico, Peru and Ecuador of beverages containing added sugar, as well as snack food with a certain caloric density defined by law are subject to special taxes. These are indirect taxes where the Company acts as a collection agent by charging the amount in question to the end consumer. That tax is paid to the authorities on a monthly basis.

Movements in the contingent liabilities are as follows.

	2024	2023
Beginning balance	$ **1,683,921**	$ 1,716,974
Debit (credit) to income:		
Additional provisions	**1,233,763**	133,083
Provisions used	**(285,028)**	(113,105)
Exchange rate differences	**55,532**	(53,031)
Ending balance	$ **2,688,188**	$ 1,683,921

15. EMPLOYEE BENEFITS

The Company has several labor liabilities for employee benefits related to pensions, seniority premiums, major medical expenses and long-term benefits.

The Company operates defined benefit pension plans based on compensation at retirement and length of service. Most plans have been funded by the Company. Plan assets are held in trust and governed by local regulations and practices, such as the nature of the relationship between the Company and the trust beneficiaries (or equivalents) and the composition thereof. The recording method, assumptions and frequency of valuation are similar to those used for pension benefit plans. The major medical expense plan for a group of employees complying with certain requirements, mainly related to previous defined obligation plans; The recording method, assumptions and frequency of valuation are similar to those used in long-term employee benefit plans. Certain Company subsidiaries have defined contribution plans.

The following table shows the payments or contributions of the plans expect to make in the next few years:

	Pension benefits	Seniority remium	Major medical expenses	Termination benefits	Total
2025	$ **1,787,764**	$ **193,097**	$ **70,359**	$ **116,035**	$ **2,167,255**
2026	**1,864,246**	**205,589**	**75,891**	**123,412**	**2,269,138**
2027	**1,945,000**	**224,141**	**79,932**	**131,539**	**2,380,612**
2028	**2,013,639**	**241,124**	**84,685**	**140,543**	**2,479,991**
2029	**2,076,595**	**257,920**	**91,026**	**150,478**	**2,576,019**
2030-2034	**11,507,086**	**1,362,467**	**546,789**	**921,379**	**14,337,721**

The Company's main subsidiaries in Mexico have set up funds for the payment of pensions, seniority premiums and medical expenses, which are handled through irrevocable trusts. In 2024 and 2023, no contributions were made.

In United States, Argentina and Peru, there is no obligation to provide long-term employee benefits, which are covered by the government of each country. In Ecuador, there are pension plans in place for retirement and long-term benefits (benefits upon termination of employment). In a termination of employment, whether voluntary or involuntary, the employer pays the employee 25% of the equivalent of the most recent monthly remuneration for each year worked.

a) Balances of employee benefit plan liabilities:

		2024		2023
Pension benefits:				
Present value of defined benefit obligations	$	(6,480,996)	$	(6,006,983)
Fair value of plan assets		1,379,813		1,256,931
Liabilities in the consolidated statements of financial position		(5,101,183)		(4,750,052)
Seniority premium:				
Present value of defined benefit obligations		(1,649,524)		(1,300,166)
Fair value of plan assets		8,370		7,625
Liabilities in the consolidated statements of financial position		(1,641,154)		(1,292,541)
Major medical expenses:				
Present value of defined benefit obligations		(1,082,590)		(1,328,354)
Fair value of plan assets		313,155		285,267
Liabilities in the consolidated statements of financial position		(769,435)		(1,043,087)
Long-term benefits:				
Present value of defined benefit obligations		(293,665)		(203,753)
Liabilities in the consolidated statements of financial position		(293,665)		(203,753)
Employee benefits	$	(7,805,437)	$	(7,289,433)

b) Movement in the employee benefit obligation:

		2024		2023
Pension benefits:				
As of January 1	$	(6,006,983)	$	(6,141,815)
Labor cost		(280,300)		(266,935)
Interest cost		(528,215)		(442,197)
Remeasurements from changes in assumptions		61,003		341,898
Benefits paid		449,986		440,009
Labor cost for past services		(47,324)		(47,519)
Personnel transfers		-		(12,093)
Reductions		(129,163)		121,669
As of December 31	$	(6,480,996)	$	(6,006,983)

		2024		2023
Seniority premium:				
As of January 1	$	(1,300,166)	$	(1,193,323)
Labor cost		(84,129)		(78,319)
Interest cost		(118,531)		(100,308)
Remeasurement - for changes in assumptions		(283,541)		(32,755)
Benefits paid		135,881		104,539
Personnel transfers		962		-
As of December 31	$	(1,649,524)	$	(1,300,166)

		2024		2023
Major medical expenses:				
As of January 1	$	(1,328,354)	$	(1,195,316)
Current service cost		(4,975)		(8,227)
Interest cost, net		(126,413)		(108,843)
Remeasurement - for changes in assumptions		334,063		(41,546)
Benefits paid		43,089		25,578
As of December 31	$	(1,082,590)	$	(1,328,354)

		2024		2023
Long-term benefits:				
As of January 1	**$**	**(203,753)**	$	(67,620)
Current service cost		**(26,398)**		(18,289)
Interest cost, net		**(10,995)**		(8,713)
Remeasurement from changes in assumptions		**(19,677)**		(127,838)
Benefits paid		**24,713**		15,686
Labor cost for past services		**(12,630)**		(2,853)
Personnel transfers		**-**		(4,062)
Reductions		**(44,925)**		9,936
As of December 31	**$**	**(293,665)**	$	(203,753)

c) Changes in the fair value of plan assets:

		2024		2023
As of January 1	**$**	**1,549,823**	$	1,905,391
Return on plan assets		**151,108**		121,146
Remeasurements from changes in assumptions		**407**		(476,714)
As of December 31	**$**	**1,701,338**	$	1,549,823

Plan assets include the following:

		2024			2023	
Equity instruments	**$**	**119,095**	**7%**	$	108,488	7%
Debt instruments		**1,582,243**	**93%**		1,441,335	93%
Total	**S**	**1,701,338**		$	1,549,823	

d) Amounts recognized in the consolidated statements of income and comprehensive income:

		2024		2023
Pension benefits:				
Labor cost	**$**	**327,624**	$	314,454
Interest cost, net		**377,107**		321,051
Remeasurements and other		**(5,212)**		(19,564)
Total included in personnel costs		**699,519**		615,941
Seniority premium:				
Labor cost		**84,129**		78,319
Interest cost, net		**118,531**		100,308
Remeasurement and other		**(892)**		-
Total included in personnel costs		**201,768**		178,627
Major medical expenses:				
Labor cost		**4,975**		8,227
Interest cost, net		**126,413**		108,843
Total included in personnel costs		**131,388**		117,070
Long-term benefits:				
Labor cost		**39,028**		21,142
Interest cost, net		**10,995**		8,713
Remeasurements and other		**(53)**		(1,241)
Total included in personnel costs		**49,970**		28,614
	$	**1,082,645**	$	940,252

Total expenses recognized for the years ended December 31 were prorated as follows:

		2024		2023
Cost of sales (See Notes 20 and 22)	**$**	**64,543**	$	60,852
Sales expenses (See Notes 20 and 22)		**280,761**		212,695
Administrative expenses (See Notes 20 and 22)		**104,295**		127,790
Financial result (Note 23)		**633,046**		538,915
Total	**$**	**1,082,645**	$	940,252

		2024		2023
Actuarial gains – Financial assumptions	**$**	**(377,345)**	$	(197,961)
Actuarial losses – Adjustments to the minimum wage		**284,942**		84,963
Actuarial losses – Experience adjustments		**(24,853)**		395,412
Actuarial losses – Demographic assumptions and past services		**25,001**		54,541
Remeasurements recognized in other comprehensive income for the period	**$**	**(92,255)**	$	336,955

e) Actuarial assumptions and associated risks:

The main actuarial assumptions were as follows:

	2024	2023
Discount rate Mexican pesos	**10.50%**	9.75%
Discount rate U.S. dollars	**4.45%**	5.59%
Inflation rate	**4.00%**	5.00%
Wage growth rate	**6.00%**	5.50%
Future pension increase	**6.00%**	5.50%
Expected return on plan assets	**7.00%**	7.00%
Life expectancy	**28.23 años**	28.17 años

The sensitivity of the pension benefit plans to change in key assumptions at December 31, 2024 is as follows:

		Percentage impact on the plan	
	Change in the assumption	**Increase in the assumption**	**Decrease in the assumption**
Discount rate	**1.00%**	**(5.79)%**	**6.56%**
Wage growth rate	**1.00%**	**3.20%**	**(2.98)%**
Future pension increase	**1.00%**	**3.20%**	**(2.98)%**

The above sensitivity analyses are based on a change in one assumption with all other assumptions remaining constant. In practice, these are very unlikely to occur, and there could be changes in other related assumptions. When calculating the sensitivity of pension benefit plans based on the main actuarial assumptions, the same method has been used as for calculating pension benefit plan liabilities recorded in the consolidated statements of financial position. The methods and type of assumptions used in preparing the sensitivity analysis was consistent with respect to the prior period.

As concerns the defined benefit pension plan and major medical expense plans, the Company is exposed to a number of risks, the most significant of which are listed below:

Asset volatility – Labor liability obligations are calculated at a discount rate determined as per IAS 19. If plan assets show returns below that rate, the difference is recorded as a deficit. The Company intends to reduce the risk level to a minimum, through investment in assets with a profile similar to the liabilities in question and considers that due to the long-term nature of the labor obligations and to AC strength, the level of investment in capital instruments is a relevant element that forms part of the Company's long-term strategy, with a view to managing the plans efficiently.

Changes in the discount rate – A decrease in the discount rate would result in an increase in plan obligations. However, that would be partially offset by the increase in value of bonds held by those plans.

Inflation risk – Certain labor obligations are linked to inflation and higher inflation would result in an increase in plan obligations.

Life expectancy – Most plan obligations give rise to benefits for their members, which means that an increase in life expectancy would lead to an increase in plan obligations.

The Company has not modified the processes and activities involved in managing the aforementioned risks in relation to prior years. Investments are diversified, and therefore, circumstances relating to any investment would have no significant impact on the value of plan assets.

16. DEFERRED INCOME TAXES

The analysis of the deferred tax asset and the deferred tax liability is as follows:

		2024		2023
Deferred tax asset	**$**	**4,267,962**	$	4,114,968
Deferred tax liability		**(17,546,292)**		(14,713,420)
Deferred tax liability, net	**$**	**(13,278,330)**	$	(10,598,452)

The net movement in the deferred taxes, without this representing that the balances of deferred tax assets and liabilities meet the compensation criteria, is as follows:

		2024		2023
As of January 1	**$**	**(10,598,452)**	$	(12,361,298)
Adjustment for business combination final values		**-**		(251,787)
As of January 1 adjusted		**(10,598,452)**		(12,613,085)
Credit to the consolidated statements of income		**557,831**		499,601
Favorable tax pertaining to components on other comprehensive income items		**(58,536)**		148,130
Effect of translation		**(3,179,173)**		1,366,902
As of December 31	**$**	**(13,278,330)**	$	(10,598,452)

Deferred tax liability details are explained below:

	Asset (liability) At December 31,			
		2024		2023
Employee benefits	**$**	**2,283,170**	$	2,245,621
Unamortized tax losses		**281,051**		231,490
Provisions and employees' statutory profit sharing (ESPS)		**1,863,165**		1,637,857
Deferred tax asset		**4,427,386**		4,114,968
Property, plant and equipment – net		**(4,616,263)**		(4,335,496)
Intangible assets		**(12,976,631)**		(10,310,834)
Prepayments		**(112,822)**		(67,090)
Deferred tax liability		**(17,705,716)**		(14,713,420)
Deferred tax liability – net	**$**	**(13,278,330)**	$	(10,598,452)

The following are the movements in temporary differences over the years without this representing that the balances of deferred tax assets and liabilities meet the compensation criteria:

	Balance at December 31, 2023	**Applied to income**	**Applied to other comprehensive income**	**Translation effect**	**Balance at December 31, 2024**
Employee benefits	$ 2,245,621	**$ 314,472**	**$ (27,772)**	**$ (249,151)**	**$ 2,283,170**
Unamortized tax losses	231,490	**-**	**-**	**49,561**	**281,051**
Provisions and (ESPS)	1,637,857	**(117,153)**	**(30,764)**	**373,225**	**1,863,165**
	4,114,968	**197,319**	**(58,536)**	**173,635**	**4,427,386**
Property, plant and equipment net	(4,335,496)	**707,180**	**-**	**(987,947)**	**(4,616,263)**
Intangible assets	(10,310,834)	**(316,225)**	**-**	**(2,349,572)**	**(12,976,631)**
Prepaid expenses	(67,090)	**(30,443)**	**-**	**(15,289)**	**(112,822)**
	(14,713,420)	**360,512**	**-**	**(3,352,808)**	**(17,705,716)**
Deferred tax liability	$ (10,598,452)	**$ 557,831**	**$ (58,536)**	**$ (3,179,173)**	**$ (13,278,330)**

	Balance at December 31, 2022	Applied to income	Applied to other comprehensive income	Translation effect	Balance at December 31, 2023
Employee benefits	$ 1,992,514	$ 151,043	$ 104,641	$ (2,577)	$ 2,245,621
Unamortized tax losses	248,219	(5,089)	-	(11,640)	231,490
Provisions and (ESPS)	1,774,353	110,522	43,489	(290,507)	1,637,857
	4,015,086	256,476	148,130	(304,724)	4,114,968
Property, plant and equipment net	(4,926,213)	48,768	-	541,949	(4,335,496)
Intangible assets	(11,610,939)	173,587	-	1,126,518	(10,310,834)
Prepaid expenses	(91,019)	20,770	-	3,159	(67,090)
	(16,628,171)	243,125	-	1,671,626	(14,713,420)
Deferred tax liability	$ (12,613,085)	$ 499,601	$ 148,130	$ 1,366,902	$ (10,598,452)

The deferred income tax asset arising from unamortized tax losses from Company's subsidiaries is recorded when the respective tax benefit to be realized via future tax profits becomes likely. The Company and its subsidiaries recognized a deferred tax asset of $281,051 for 2024 and $231,490 for 2023, with respect to remaining tax losses of $1,376,434 for 2024 and $1,102,333 for 2023, which can be amortized against future tax profits.

At December 31, 2024, accrued unamortized tax losses of the Mexican entities abroad totaling $1,376,434 do not have an expiration date.

At December 31, 2024, the Company has not recorded estimated deferred tax liabilities of approximately $6,585 million ($6,576 million in 2023) arising from the difference between the tax cost of the shares of subsidiaries and the value of net consolidated assets, mainly due to undistributed profits and exchange effect, among others, because based on the exception applicable to the Company, it considers that it will not sell its investments in subsidiaries any time in the near future and has the policy of paying dividends to its subsidiaries only up to the amounts on which tax has been paid.

17. STOCKHOLDERS' EQUITY

At Ordinary General Shareholders' Meetings, the decree and payment of cash dividends corresponding to the controlling interest from the Net Tax Profit Account (CUFIN) was authorized as shown below:

Assembly date	**Dividends per share**	**Amount**
August 20, 2024	**$ 2.50**	**$ 4,239,511**
March 21, 2024	**3.80**	**6,441,369**
Total 2024		**$ 10,680,880**
October 24, 2023	$ 2.22	3,763,115
March 30, 2023	3.50	6,017,091
Total 2023		$ 9,780,206

Such dividends were paid to their holders immediately after their approval.

As of December 31, 2024 and 2023, the equity is comprised as follows:

		2024		
Shares	**Description**	**Historical**	**Update**	**Total**
902,816,289	Single series shares representing the fixed portion of the capital without the right to withdraw	**$ 61,360**	**$ 441,127**	**$ 502,487**
795,375,772	Single series shares representing the variable portion of the capital entitled to withdrawal	**54,058**	**388,629**	**442,687**
1,698,192,061	Stockholders' equity at December 31, 2024	**$ 115,418**	**$ 829,756**	**$ 945,174**

		2023		
Shares	Description	Historical	Update	Total
902,816,289	Single series shares representing the fixed portion of the capital without the right to withdraw	$ 61,360	$ 441,127	$ 502,487
817,990,425	Single series shares representing the variable portion of the capital entitled to withdrawal	55,595	399,679	455,274
1,720,806,714	Stockholders' equity at December 31, 2023	$ 116,955	$ 840,806	$ 957,761

The Company's capital stock consists of a single series of ordinary, nominative shares with no par value and no restrictions on holding. They confer the same rights to their holders.

In accordance with the Mexican Corporations Law, the net profit for the year is subject to the legal provision that requires that at least 5% of the net profit of each year be allocated to increase the legal reserve until it is equal to one fifth of the social capital paid. As of December 31, 2024 and 2023, the legal reserve amounts to $23,710 and is included in retained earnings.

The Shareholders' Meeting periodically authorizes the payment of a maximum amount for the acquisition of their own shares. When the shares are repurchased, they are converted into treasury shares and the amount is recorded to stockholders' equity at their purchase price. These amounts are expressed at their historical value.

At December 31, 2024 and 2023, 4,266,630 and 25,709,653 Company shares are retained in the repurchasing fund, respectively.

At the Annual Ordinary Shareholders' Meeting held on March 21, 2024, the cancellation of 22,614,653 shares was approved, which were acquired through the share buyback fund.

At the Annual Ordinary Shareholders' Meeting held on March 30, 2023, the cancellation of 23,500,000 shares was approved, which were acquired through the share buyback fund.

The Mexican Income Tax Law establishes a 10% tax on profits generated as from 2014 paid to parties resident abroad and to Mexican individuals in the form of dividends. That tax must be withheld by the Company and is considered a definitive tax. However, the Company's retained earnings up to December 31, 2013 are supported by the balance of the CUFIN (previously taxed retained earnings account) and will therefore not be subject to said withholding.

Dividends are not subject to income tax if paid from the aforementioned CUFIN. Dividends in excess of that account they will be subject to the payment of corporate income tax at the rate in force at the time of their distribution; will cause a tax equivalent of 42.86% if they are paid in 2024. Tax is payable by the Company and may be credited against income tax for the current period or in the following two periods.

According to the Mexican Income Tax Law, in the event of a capital reduction, any excess of stockholders' equity over capital contributions restated for inflation (CUCA for its acronym in Spanish), is accorded the same tax treatment as dividends, provided the Company lacks sufficient CUFIN balances to offset the deemed dividend.

At December 31, 2024, the tax values of CUFIN and CUCA are $24,844,425 and $39,688,613(*), respectively.

(*) Proceeding from earnings in 2013 of $138,405 and rest from subsequent years of $24,706,020.

18. OTHER COMPREHENSIVE INCOME (OCI)

As of December 31, 2024 and 2023, the OCI is composed as follows

	Effect of translation of foreign entities	**Remeasurement of defined benefit plans**	**Effect of cash flow hedging**	**Total**
Balance at December 31, 2023	**$ (11,739,270)**	**$ (3,829,761)**	**$ (676,421)**	**$ (16,245,452)**
Remeasurement loss of defined benefit plans	**-**	**92,255**	**-**	**92,255**
Effect of deferred taxes	**-**	**(27,772)**	**-**	**(27,772)**
Equity in other comprehensive income of associated companies accounted for using equity method	**317,933**	**(71,783)**	**-**	**246,150**
Effect of derivative financial instruments contracted as cash flow hedges	**-**	**-**	**1,280,211**	**1,280,211**
Effect of deferred taxes	**-**	**-**	**(30,764)**	**(30,764)**
Exchange differences on translation of foreign operations	**27,416,936**	**-**	**-**	**27,416,936**
Effect of translation of foreign entities of non-controlling interest	**(5,511,298)**	**-**	**-**	**(5,511,298)**
Balance at December 31, 2024	**$ 10,484,301**	**$ (3,837,061)**	**$ 573,026**	**$ 7,220,266**

	Effect of translation of foreign entities	Remeasurement of defined benefit plans	Effect of cash flow hedging	Total
Balance at December 31, 2022	$ 2,028,588	$ (3,542,959)	$ 244,474	$ (1,269,897)
Remeasurement loss of defined benefit plans	-	(336,955)	-	(336,955)
Effect of deferred taxes	-	104,641	-	104,641
Equity in other comprehensive income of associated companies accounted for using equity method	(321,444)	(54,488)	-	(375,932)
Effect of derivative financial instruments contracted as cash flow hedges	-	-	(964,384)	(964,384)
Effect of deferred taxes	-	-	43,489	43,489
Exchange differences on translation of foreign operations	(17,045,687)	-	-	(17,045,687)
Effect of translation of foreign entities of non-controlling interest	3,599,273	-	-	3,599,273
Balance at December 31, 2023	$ (11,739,270)	$ (3,829,761)	$ (676,421)	$ (16,245,452)

19. FINANCIAL INSTRUMENTS

This note provides information on the Company's financial instruments, including a summary of all financial instruments held, specific information on each type of financial instrument and information on the determination of the fair value of said instruments.

The Company holds the following financial instruments:

	December 31, 2024		
	Current	**Non-current**	**Total**
Financial assets			
Cash and cash equivalents	**$ 29,544,599**	**$ -**	**$ 29,544,599**
Financial assets at amortized cost:			
Clients and other accounts receivable, net	**17,566,689**	**-**	**17,566,689**
Related parties	**3,090,061**	**-**	**3,090,061**
Financial assets at fair value with changes in OCI:			
Derivative hedging instruments [1]	**278,625**	**10,258**	**288,883**
	$ 50,479,974	**$ 10,258**	**$ 50,490,232**
Financial liabilities			
Financial liabilities at amortized cost:			
Debt	**$ 3,364,716**	**$ 45,149,241**	**$ 48,513,957**
Suppliers, related parties, sundry creditors	**24,510,476**	**-**	**24,510,476**
Lease liabilities	**649,274**	**916,549**	**1,565,823**
Financial liabilities at fair value with changes in OCI:			
Derivative hedging instruments [1]	**84,345**	**23,791**	**108,136**
	$ 28,608,811	**$ 46,089,581**	**$ 74,698,392**

	December 31, 2023		
	Current	Non-current	Total
Financial assets			
Cash and cash equivalents	$ 22,127,959	$ -	$ 22,127,959
Financial assets at amortized cost:			
Clients and other accounts receivable, net	14,178,937	-	14,178,937
Related parties	2,601,047	-	2,601,047
Financial assets at fair value with changes in OCI:			
Derivative hedging instruments [1]	87,798	4,327	92,125
	$ 38,995,741	$ 4,327	$ 39,000,068
Financial liabilities			
Financial liabilities at amortized cost:			
Debt	$ 11,863,818	$ 33,373,712	$ 45,237,530
Suppliers, related parties, sundry creditors	19,235,718	-	19,235,718
Lease liabilities	507,202	456,639	963,841
Financial liabilities at fair value with changes in OCI:			
Derivative hedging instruments [1]	1,126,518	53,771	1,180,289
	$ 32,733,256	$ 33,884,122	$ 66,617,378

[1] Classified in level 2 of the fair value hierarchy.

i. Fair value of financial assets and liabilities

Due to the short-term nature of cash and cash equivalents, clients and other accounts receivable, suppliers, sundry creditors included in other accounts payable, current debt and other current liabilities, their book value is considered equal to their fair value. For most non-current accounts receivable and payable, fair values are also not significantly different from their book values.

The estimated book value and fair value of other financial assets and liabilities are shown below:

	December 31, 2024			
	Book value		Fair value	
Assets:				
Derivative financial instruments	**$**	**288,883**	**$**	**288,883**
Liabilities:				
Derivative financial instruments	**$**	**108,136**	**$**	**108,136**
Non-current debt		**45,149,241**		**45,468,000**

	December 31, 2023			
	Book value		Fair value	
Assets:				
Derivative financial instruments	$	92,125	$	92,125
Liabilities:				
Derivative financial instruments	$	1,180,289	$	1,180,289
Non-current debt		33,373,712		33,529,233

ii. Impairment and exposure to risks

Note 7 contains information on impairment of financial assets on the Company's exposure to the credit risk.

iii. Fair value hierarchy

The Company applies the three-level hierarchy in measuring and disclosing fair value. Classification of an instrument within the fair value hierarchy is based on the lowest value of significant data used in the valuation. Following is a description of the three levels of hierarchy:

- Level 1 - Prices quoted for identical instruments on active markets.

The fair value of financial instruments traded in active markets is based on prices quoted in the markets at the date of the consolidated statements of financial position. A market is considered to be active if quoted prices are clearly and regularly available through a stock exchange, trader, broker, industry group, price setting service or regulating body, and those prices currently and regularly reflect market transactions in conditions of independence.

- Level 2 - Prices quoted for similar instruments on active markets; prices quoted for identical or similar instruments on non-active markets; and valuations through models where all significant data are observable on active markets.

The fair value of financial instruments not traded in an active market is determined via valuation methods. Those valuation techniques maximize the use of observable market information in cases where it is available and depends as little as possible on the entity's specific estimations. If all significant data required to measure an instrument at fair value are observable, the instrument is classified in this Level.

- Level 3 - Valuations performed through techniques whereby one or more of the significant data are not observable.

This hierarchy requires the use of observable market data when available. Company valuations consider relevant and observable market data to the extent possible.

If one or more relevant variables is/are not based on observable market information, the instrument is included in Level 3.

iv. Determination of fair value and measurement

The Company generally uses quotations of market prices (when available) to determine fair value and classifies said data as Level 1. If market quotations are not available, fair value is determined using standard valuation models.

When applicable, those models project future cash flows and discount future figures at observable data set at present value, including interest rates, exchange rates, volatility, etc. Items valued using said data are classified according to the lowest level of data that is significant for the valuation. Therefore, an item can be classified as Level 3, even when some of the significant data are observable. Additionally, the Company considers assumptions for its own credit risk, as well as for the risk of its counterparty.

Assets and liabilities measured at amortized cost and at fair value are summarized at the top of this note.

There were no transfers between levels 1 and 2 nor between levels 2 and 3 in the periods shown.

v. Derivative financial instruments

The Company's derivative financial operations have been privately concentrated at several financial entities whose financial soundness is supported by high ratings assigned by rating securities and credit risks entities. The documentation used to formalize operations is common documentation, as specified in the following contracts: Framework Contract For Derivative Financial Operations or ISDA Master Agreement, drawn up by the "International Swaps & Derivatives Association" (ISDA), accompanied by accessory documents used in this type of operations, generally known as "Schedule", "Credit Support Annex" and "Confirmation".

At December 31, 2024 and 2023, the following derivative financial instruments exist in Mexico: foreign currency forwards and interest rate swaps; and in Peru, forward of currency, swaps, sugar hedge futures and coverage cross currency swap and in the US were held, currency forwards, aluminum, diesel hedges and natural gas.

Classification of derivatives

Derivatives are only used for economic hedging and not as speculative investments. However, when derivatives fail to meet hedge accounting requirements, they are classified as held for trade for accounting purposes and are recognized at fair value with changes in income. They are shown as current assets and liabilities to the extent they are expected to be settled within the 12 months following the end of the reporting period.

The Company holds the following derivative financial instruments:

a) Positions in derivative financial instruments of raw materials and other production materials:

		December 31, 2024						
		Value of underlying Asset			Maturities per year (US)			
Contract	Contractual amount	Units	Average Price	Fair Value US	2025	2026	2027 +
Swaps of sugar	589,187	US Dollar/ Ton.	491 - 509	$ (62,628)	$ (61,757)	$ -	$ -
Swaps of aluminum LME	1,966,999	US Dollar/Lb.	2534 - 2570	120,467	122,416	-	-
Swaps of aluminum MWP	244,864	US Dollar/Tm.	494 - 595	30,763	31,259	-	-
Swaps of diesel	561,857	US Dollar/Tm.	2.1 - 2.24	(45,507)	(22,209)	(25,025)	-
Swaps of natural gas	5,025	US Dollar/Gal.	3.07 - 3.63	589	595	-	-
				$ 43,684	$ 70,304	$ (25,025)	$ -

December 31, 2023								
		Value of underlying Asset			Maturities per year (US)			
Contract	Contractual amount	Units	Average Price	Fair Value US	2024	2025	2026 +	
Swaps of sugar	608,647	US Dollar/ Ton.	566-595	$ (19,731)	$ (21,092)	$ -	$ -	
Swaps of sugar	554,685	US Dollar/Lb.	0.19-0.21	(18,837)	(15,333)	(5,781)	806	
Swaps of aluminum LME	1,690,925	US Dollar/Tm.	2,166-2,501	30,777	31,989	-	-	
Swaps of aluminum MWP	310,850	US Dollar/Tm.	414-482	2,898	3,225	-	-	
Swaps of diesel	266,017	US Dollar/Gal.	2.27-2.39	(7,202)	(7,151)	-	-	
Swaps of natural gas	9,549	US Dollar/ mmBTU	2.3-3.5	(2,148)	(2,183)	-	-	
				$ (14,243)	$ (10,545)	$ (5,781)	$ 806	

b) Positions in derivative financial instruments for hedging purposes of exchange rates:

December 31, 2024							
		Value of underlying Asset			**Maturities per year (US)**		
Contract	**Contractual amount**	**Units**	**Average Price**	**Fair Value US**	**2025**	**2026**	**2027 +**
Exchange rate forwards	**3,957,621**	**Soles/US Dollar**	**3.76**	**$ 56,869**	**$ 47,422**	**$ 10,911**	**$ -**
Exchange rate forwards	**797,770**	**Pesos/US Dollar**	**20.51**	**64,896**	**68,184**	**-**	**-**
Swaps of interest rate	**393,568**	**Pesos/Euro**	**21.24**	**15,298**	**15,696**	**-**	**-**
				$ 137,063	**$ 131,302**	**$ 10,911**	**$ -**

December 31, 2023							
		Value of underlying Asset			Maturities per year (US)		
Contract	Contractual amount	Units	Average Price	Fair Value US	2024	2025	2026 +
Exchange rate forwards	2,301,323	Soles/US Dollar	3.71	$ (45,234)	$ (45,537)	$ -	$ -
Exchange rate forwards	9,410,646	Pesos/US Dollar	16.89	(1,038,560)	(1,006,813)	(60,448)	-
Swaps of interest rate	490,000	Interest rate	11.50%	9,873	10,200	-	-
				$ (1,073,921)	$ (1,042,150)	$ (60,448)	$ -

Ineffective hedging portion

Hedging effectiveness is determined at the beginning of the hedge relationship, through periodic prospective assessments of effectiveness to ensure that is an economic relationship between the hedged item and the hedging instrument. At December 31, 2024 and 2023, the Company held cash flow hedging financial instruments corresponding to forwards and swaps, as well as sugar futures for hedging, aluminum and diesel swaps, which were determined to be highly effective.

For foreign currency hedges, the Company generates hedge relationships where the critical terms of the hedging instrument match the terms of the hedged item exactly. Therefore, the Company conducts a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item to the extent that the critical terms no longer match the critical terms of the hedging instrument exactly, the Company uses the hypothetical derivative method to evaluate effectiveness.

In foreign currency hedges, ineffectiveness can arise if the moment of the forecast transaction changes from that originally estimated, or if there are changes in Mexico's credit risk or of the counterpart.

The Company contracts interest rate swaps with critical terms similar to those of the hedged item, such as the reference rate, the starting date, payment dates, maturities and the nominal amount. The Company does not hedge 100% of its loans, which means that the hedged item is identified as a portion of current loans in effect up to the nominal amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedging ineffectiveness for interest rate swaps is evaluated using the same principles as those for hedging of purchases of foreign currencies. Can occur due to:

- The adjustment to the creditor/debtor value in interest rate swaps that does not correspond to the loan, and the differences in critical terms between interest rate swaps and the loans.

There was no ineffectiveness during 2024 and 2023 regarding the derivative financial instruments contracted by the Company.

vi. Guarantees

At December 31, 2024 and 2023, the Company and its subsidiaries have provided guarantees through credit letters issued by financial institutions relating to the claims mentioned on Note 25 for $6,617,640 and $3,357,031, respectively.

20. COSTS AND EXPENSES BY NATURE

Cost of sales and selling and administrative expense classified by nature for the years ended December 31, 2024 and 2023 are as follows:

		2024		2023
Raw materials and other production materials [1]	**$**	**111,395,313**	$	103,302,739
Personnel expenses		**38,440,474**		33,757,034
Variable selling expenses		**14,501,229**		12,839,322
Depreciation (Notes 10 and 12)		**8,838,946**		7,701,245
Advertising, promotion and public relations		**6,147,074**		5,246,602
Maintenance and conservation		**5,934,706**		5,192,258
Transportation and freight		**4,453,515**		3,747,992
Professional fees		**3,629,325**		3,348,331
Spillage, breakage and shortages		**1,111,620**		985,332
Insurance premiums		**888,120**		725,188
Taxes (2)		**775,075**		658,427
Revaluation of operating expenses		**703,794**		922,923
Suppliers (electricity, gas, telephone, etc.)		**667,922**		627,656
Travel expenses		**625,020**		591,795
Amortization (Note 11)		**512,187**		530,190
Leases (Note 12)		**498,279**		343,599
Employee benefit expenses (Note 15 and 22)		**449,599**		401,337
Consumption of materials and production materials		**236,525**		205,477
Allowance for impairment of clients (Note 7)		**81,997**		52,906
Other expenses		**1,750,236**		1,534,246
Total	**$**	**201,640,956**	$	182,714,599

[1] Includes damaged, slow-moving and obsolete inventory.
[2] Taxes different than income taxes, value added taxes and special tax on production and services.

21. OTHER INCOME, NET

Other income/expenses for the years ended December 31, 2024 and 2023 are comprised as follows:

		2024		2023
Expenses related to new projects	**$**	**(22,244)**	$	(10,065)
Indemnities		**(106,280)**		(129,286)
Income from secondary taxes, rights and dues		**1,449,392**		2,271,462
Write-off of fixed assets and disposals		**(339,233)**		(680,457)
Gain on disposal of property, plant and equipment		**189,501**		41,184
Other		**(84,201)**		(87,358)
Total	**$**	**1,086,935**	$	1,405,480

22. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses incurred in the years ended December 31, 2024 and 2023 are as follows:

		2024		2023
Salaries, wages and benefits	**$**	**33,927,795**	$	29,939,050
Termination benefits		**172,290**		132,778
Social security costs		**4,340,389**		3,685,206
Employee benefits (Note 15 and 20)		**449,599**		401,337
Total	**$**	**38,890,073**	$	34,158,371

23. FINANCIAL INCOME (EXPENSES)

Financial income and expenses for the years ended December 31, 2024 and 2023 are as follows:

		2024		2023
Financial income:				
Interest income from short-term bank deposits	**$**	**2,006,667**	$	2,007,201
Other financial income		**178,864**		319,219
Financial income, excluding exchange gains		**2,185,531**		2,326,420
Gain from exchange fluctuations		**3,467,729**		3,726,497
Total financial income		**5,653,260**		6,052,917
Financial expenses:				
Interest on debt instruments		**(2,501,717)**		(1,909,173)
Interest on bank loans		**(1,240,059)**		(1,710,728)
Interest on leases due to adoption of IFRS 16		**(89,361)**		(89,970)
Financial cost (employee benefits) (Note 15)		**(633,046)**		(538,915)
Taxes pertaining to financial operations		**(98,651)**		(54,121)
Result on monetary position		**(824,882)**		(699,007)
Other financial expenses		**(612,620)**		(315,300)
Financial expenses, excluding exchange losses		**(6,000,336)**		(5,317,214)
Losses on exchange fluctuations		**(4,034,727)**		(4,519,918)
Total financial expenses		**(10,035,063)**		(9,837,132)
Financial result, net	**$**	**(4,381,803)**	$	(3,784,215)

24. INCOME TAXES

i. Profit before taxes on income

Following are the domestic and foreign components of pretax profits:

		2024		2023
Domestic	**$**	**20,296,133**	$	18,144,372
Foreign		**14,691,015**		12,859,637
	$	**34,987,148**	$	31,004,009

ii. Components of income tax expense

Components of income tax expense include:

		2024		2023
Current tax:				
Current tax incurred on taxable profits for the year	**$**	**(11,745,272)**	$	(10,348,449)
Deferred tax:				
Origin and reversal of temporary differences		**557,831**		499,601
Total income tax	**$**	**(11,187,441)**	$	(9,848,848)

Domestic federal income tax and foreign federal income tax expense shown in the consolidated statements of income are comprised as follows:

		2024		2023
Current tax:				
Domestic	**$**	**(7,649,095)**	$	(6,787,492)
Foreign		**(4,096,177)**		(3,560,957)
		(11,745,272)		(10,348,449)
Deferred tax:				
Domestic		**47,212**		227,353
Foreign		**510,619**		272,248
		557,831		499,601
Total	**$**	**(11,187,441)**	$	(9,848,848)

iii. Book / tax reconciliation

For the years ending December 31, 2024 and 2023, the reconciliation between the statutory tax rate and the effective income tax rate is as follows:

		2024		2023
Tax at the statutory rate (30%)	**$**	**(10,496,145)**	$	(9,301,203)
Tax effects of inflation		**(1,040,665)**		(360,486)
Differences due to the tax rate of foreign subsidiaries		**896,494**		655,526
Non-deductible expenses		**(404,066)**		(396,649)
Other tax deductions		**38,661**		18,145
Other non-taxable income		**72,773**		(11,863)
Other		**(254,493)**		(452,318)
Total income tax expense	**$**	**(11,187,441)**	$	(9,848,848)
Effective rate		**32.0%**		31.8%

iv. Tax pertaining to the components of other comprehensive income

The debit / (credit) of tax related to other comprehensive income components is as follows:

	2024			2023		
	Before taxes	**Tax payable (receivable)**	**After taxes**	Before taxes	Tax payable (receivable)	After taxes
Effect of derivative financial instruments contracted as cash flow hedging	**$ 1,280,211**	**$ (30,764)**	**$ 1,249,447**	$ (964,384)	$ 43,489	$ (920,895)
Remeasurement of defined benefit plans	**92,257**	**(27,772)**	**64,485**	(336,955)	104,641	(232,314)
Other comprehensive income	**$ 1,372,468**	**$ (58,536)**	**$ 1,313,932**	$ (1,301,339)	$ 148,130	$ (1,153,209)
Effect of translation of initial balances with respect to the ending balancesfrom translation of foreign subsidiaries			**(3,179,173)**		1,287,196	
Deferred tax			**$ (3,237,709)**		$ 1,435,326	

25. COMMITMENTS AND CONTINGENCIES

Commitments

Bottling agreements

The current bottling contracts and authorizations held by AC for the bottling and distribution of Coca-Cola products in the different regions are as follows:

Region	Date of signing / renewal	Maturity date
Mexico (North)	July 1, 2017	June 30, 2027
Mexico (West) (1)	July 1, 2017	June 30, 2027
Argentina (North)	April 1, 2023	January 1, 2033
Ecuador (2)	January 1, 2023	December 31, 2033
Peru	May 1, 2020	April 30, 2025
Southwest US (3)	April 1, 2017	April 1, 2027
Oklahoma US (3)	August 25, 2017	April 1, 2027

(1) Correspond to the agreements held by AC to which AC Bebidas has delegated in the agreement contemplating the payment of royalties with respect to the total net sales generated in the western territory of Mexico.
(2) Corresponds to the agreement owned by AC Bebidas Branch Ecuador to carry out the sales and the operation performed by the subsidiary Bebidas Arca Continental Ecuador Arcador, S. A. in this country.
(3) In the US there are two agreements for bottling, selling and marketing products in the Southwest US, including Oklahoma City and Tulsa. These contracts are called “Comprehensive Beverage Agreement” and “Regional Manufacturing Agreement” and have a term of 10 years with the possibility of renewing for another 10 years.

During the more than 90 years of business relations with TCCC, the latter has never refused to renew bottling agreements with AC or to enter into new agreements to replace previous ones. As a result, indefinite useful lives were assigned to those intangibles (see Note 5). Management considers that TCCC will continue renewing contracts and extending bottling permits when they expire or will enter into new agreements or issue new permits to replace those currently in effect, although there is not an absolute certainty that this will be the case. If that were not the case, the AC business and operating results would be adversely affected.

Additionally, bottling agreements signed with TCCC establish that AC may bottle no beverages other than those of the Coca-Cola brand, except for those specifically authorized in the aforementioned agreements.

Concentrate supply

TCCC provides the concentrates used in producing the products sold and is unilaterally entitled to set prices on said raw materials. If TCCC significantly increases concentrate prices, AC operating results could be negatively affected.

Contingencies

As of December 31, 2024, a number of claims have been filed for judicial, tax, labor and administrative processes of the Company and its subsidiaries for a total of approximately $8,063,736 (approximately $4,147,866 at December 31, 2023) pending definitive judicial resolution. Management and the Company's legal advisors consider that those processes could have an unfavorable result for the Company in the approximate amount of $2,688,188, for which the Company registered the corresponding provision (approximately $1,683,921 at December 31, 2023).

26. RELATED PARTIES AND ASSOCIATES

The Company is controlled by a Fideicomiso de Control (Controlling Trust), which holds approximately 48% at December 31, 2024 and 2023 of the Company's outstanding shares. The remaining 52% of the shares are widely distributed. The parties ultimately controlling the group are integrated by the Barragán, Grossman, Fernández and Arizpe families, who also hold shares outside the Controlling Trust.

Operations with related parties were carried out at market value.

a) Remuneration of key management personnel

Key personnel include key management staff or directors that are relevant to the entity. Compensation paid to key personnel for their services are shown below:

		2024		2023
Salaries and other short-term benefits	**$**	**426,140**	$	374,945
Pension plans		**494,992**		457,290
Seniority premium		**1,268**		863
Post-retirement medical expenses		**44,896**		34,713

b) Related party balances and transactions

Current related parties accounts receivable:

		2024		2023
Other related parties:				
The Coca Cola Export Corporation	**$**	**985,772**	$	576,037
Coca-Cola Servicios del Perú, S.A.		**285,950**		160,270
Embotelladores NPSG y otros		**136,647**		128,866
Coca Cola North America (CCNA)		**128,261**		187,825
Servicios Integrados de Administracion y Alta Gerencia, S.A. de C.V.		**105,071**		993,115
Monster Energy Bebidas Ecuador Cia. L.T.D.A.		**7,283**		7,429
Fevisa Industrial, S.A. de C.V. (FEVISA)		**1,395**		-
Criotec, S.A. de C.V.		**814**		-
Coca Cola del Ecuador, S.A.		**22**		13
Corporación Inca Kola Perú, S.R.L.		**-**		122,590
Monster Energy México, S. de R.L. de C.V.		**-**		27,136
Associates:				
Promotora Industrial Azucarera, S.A. de C.V. (PIASA)		**1,176,930**		286,903
Petstar, S.A.P.I. de C.V. (PETSTAR)		**171,308**		24,734
Tiendas Tambo, S.A.C. (TAMBO)		**68,064**		45,656
Jugos del Valle, S.A.P.I. de C.V.		**22,421**		33,479
Santa Clara Mercantil de Pachuca, S.A. de C.V.		**123**		6,615
Bebidas Refrescantes de Nogales, S.A.P.I. de C.V.		**-**		379
Total current accounts receivables from related parties	**$**	**3,090,061**	$	2,601,047

Current related party liability balances:

		2024		2023
Other related parties:				
Coca-Cola North America (TCCNA)	**$**	**1,625,339**	$	1,210,988
Monster Beverage Corporation		**1,032,837**		-
Servicios Integrados de Administracion y Alta Gerencia, S.A. de C.V.		**875,486**		611,462
The Coca-Cola Company (TCCC)		**415,070**		-
Criotec, S.A. de C.V.		**359,668**		96,727
Coca Cola Industrias, L.T.D.A.		**240,280**		234,849
Corporación Inca Kola Perú, S.R.L.		**135,657**		139,614
Plantas Industriales, S.A.		**124,933**		93,917
Coca Cola Servicios del Perú, S.A.		**114,553**		129,492
Fevisa Industrial, S.A. de C.V. (FEVISA)		**113,785**		73,723
Body Armor Sports Nutrition, L.L.C.		**87,427**		82,560
Monster Energy México, S. de R.L. de C.V.		**66,867**		99,753
Agencies (NPSG Companies)		**35,945**		27,351
Monster Beverage Company Perú, S.C.R.L.		**21,666**		32,813
The Coca-Cola Export Corporation (TCCEC)		**15,913**		12,222
Grupo San Barr, S.A. de C.V.		**-**		86,507
Servicios y Productos para Bebidas Refrescantes, S.R.L.		**-**		82,905
Coca Cola del Ecuador, S.A.		**-**		6,150
Associates:				
Tiendas Tambo, S.A.C.		**896,586**		5,111
Gre Ica, S.A.C.		**248,096**		-
Western Container, Co.		**117,735**		103,876
Jugos del Valle, S.A.P.I. de C.V. (JDV)		**94,900**		161,833
Industria Envasadora de Querétaro, S.A. de C.V. (IEQSA)		**93,954**		43,699
Santa Clara Mercantil de Pachuca, S.A. de C.V.		**8,168**		-
Promotora Industrial Azucarera, S.A. de C.V. (PIASA)		**3,442**		-
Alimentos de Soja, S.A.U.		**-**		2,385
Current accounts payable from related parties	**$**	**6,728,307**	$	3,337,937

The main transactions with related parties and associates were the following:

		2024		2023
Sales:				
Other related parties:				
Sale of products and services to CCNA	**$**	**4,176,307**	$	2,900,994
Sales to NPSG [1]		**2,568,271**		2,140,279
Sale of products called Nostalgia		**1,578,235**		1,456,686
Associates:				
Sale of products to Tambo		**303,559**		244,760
Other income		**163,122**		143,881
	$	**8,789,494**	$	6,886,600
Expenses:				
Other related parties:				
Purchase of concentrate (CCNA, TCCC, TCCEC, CCCH and CCI)	**$**	**44,476,383**	$	40,936,782
Purchase of product (Body Armor)		**10,745,152**		9,085,063
Royalties (TCCC y TCCEC)		**1,504,366**		1,457,215
Purchase of Monster products		**1,332,682**		1,124,528
Purchase of containers (FEVISA)		**1,065,589**		384,995
Management services and others		**778,740**		446,258
Purchase of refrigerators (CRIOTEC)		**530,566**		571,412
NPSG purchases		**386,018**		311,366
Air taxi		**85,336**		91,175
Associates:				
Purchase of juice and nectar (JDV)		**5,041,705**		4,424,137
Purchase of sugar (PIASA)		**2,848,007**		2,957,218
Purchase of containers (Western Container)		**1,635,285**		1,440,988
Purchase of canned goods (IEQSA)		**1,279,709**		1,236,164
Purchase of Kolact and Santa Clara products		**1,159,399**		696,602
Purchase of resin (PETSTAR)		**1,104,057**		978,196
Management services and others		**559,140**		772,406
	$	**74,532,134**	$	66,914,505

[1] National Product Supply Group (NPSG) in the US.

As part of the Framework Agreement and other agreements signed for the acquisition and operation of the Territory, as described in Note 2, on April 1, 2017, CCSWB signed the NPSG Governance Agreement, which was also signed by eight other Coca-Cola bottlers in the US, including Coca-Cola North America, which are considered to be Regional Producing Bottlers (RPBs) in the TCCC national supply system in the US. According to the NPSG Governance Agreement, TCCC and the RPBs have formed a national product supply group (the NPSG Board) composed of a CCSWB representative, a TCCC representative and one representative each of the remaining RPBs. That NPSG Board now has the maximum number of members (nine).

Due to the NPSG agreements, the Company must comply with a product supply program to other RPBs, which responds to the supply needs of the system in the United States and where the Company does not unilaterally decide on the operation of the associated volumes and therefore these production volumes may present volatility in NPSG revenues.

27. SUBSIDIARIES, JOINT OPERATIONS AND TRANSACTIONS WITH NON-CONTROLLING PARTIES

i. Interest in subsidiaries

The Company's main subsidiaries at December 31, 2024 and 2023 are as follows unless otherwise indicated. The subsidiaries hold capital stock consisting exclusively of ordinary shares or equity units, which are the direct property of the Company, and the ownership interest held in each is equal to the voting shares held by the Company.

The country of incorporation or registration is also the main place of business.

			Shareholding of controlling company [1]		Shareholding non controlling interest		
Company	**Country**	**Activities**	**2024**	**2023**	**2024**	**2023**	**Functional currency**
Arca Continental, S.A. B. de C.V. (Tenedora)	**Mexico**	**A / B**					Mexican peso
AC Bebidas, S. de R.L. de C.V. (AC Bebidas)	**Mexico**	**A**	**80.00**	80.00	**20.00**	20.00	Mexican peso
Bebidas Mundiales, S. de R.L. de C.V.	**Mexico**	**C**	**80.00**	80.00	**20.00**	20.00	Mexican peso
Distribuidora Arca Continental, S. de R.L. de C.V.	**Mexico**	**C**	**80.00**	80.00	**20.00**	20.00	Mexican peso
Compañía Topo Chico, S. de R.L. de C.V.	**Mexico**	**C**	**80.00**	80.00	**20.00**	20.00	Mexican peso
Coca Cola Southwest Beverages, L.L.C. y Subsidiarias	**US**	**C**	**80.00**	80.00	**20.00**	20.00	US Dollar
Salta Refrescos, S.A.	**Argentina**	**C**	**80.00**	80.00	**20.00**	20.00	Argentine peso
Arca Continental Lindley S.A. (antes Corporación Lindley, S.A.) y subsidiarias	**Peru**	**A / C**	**79.83**	79.83	**20.17**	20.17	Peruvian sol
Bebidas Arca Continental Ecuador ARCADOR, S.A.	**Ecuador**	**C**	**80.00**	80.00	**20.00**	20.00	US Dollar

[1] The controlling interest is determined according to the shares that confer corporate rights to AC, such as voting rights, the right to attend stockholders' meetings, and the right to appoint members to the Board of Directors.

Operations per group:

A. Holding shares.
B. The rendering of administrative, corporate and shared services.
C. Production and/or distribution of carbonated and non-carbonated beverages.

ii. Summary of financial information of subsidiaries with significant non-controlling interest before eliminations due to consolidation:

	AC Bebidas and subsidiaries	
	2024	2023
Consolidated statements of financial position - Summary:		
Current asset	**$ 73,176,125**	$ 59,086,309
Non-current assets	**192,617,216**	156,948,892
Current liabilities	**(41,739,444)**	(37,380,069)
Non-current liabilities	**(60,686,104)**	(51,017,726)
Net assets	**$ 163,367,793**	$ 127,637,406
Consolidated statements of income - Summary:		
Net sales	**$ 224,169,927**	$ 201,346,657
Net profit	**21,376,570**	18,277,229
Total comprehensive income	**26,800,457**	1,209,697
Consolidated statements of cash flows – Summary:		
Operating activities	**33,749,969**	24,649,684
Investment activities	**(12,949,659)**	(9,343,492)
Financing activities	**(16,814,040)**	(16,584,949)

iii. Transactions with non-controlling interests

During the years ended December 31, 2024 and 2023, there were no transactions with non-controlling interests and no conflicts of interest to be disclosed.

iv. Interest in joint operation

At December 31, 2024 and 2023, the Company holds a 50% investment in JV Toni, S.L., a Spanish company, for the purpose of joint operation of its investment in Holding Tonicorp, S. A. and its subsidiaries, which operate in Ecuador:

According to an evaluation conducted by AC, that joint agreement states that its design and purpose requires the AC beverage business in Ecuador to acquire, distribute and market the Tonicorp production. The rights to the benefits and the obligations for the liabilities of Tonicorp and its subsidiaries were therefore transferred to the two stockholders jointly and substantially controlling the agreement. Consequently, the agreement has been classified as a joint operation (see Notes 2 and 4). The AC consolidated financial statements therefore include its interest in the assets and liabilities of that joint operation as from the date of contribution.

The clauses of the joint partner agreement contemplate options for the purchase/sale of the portion pertaining to the other partner in the event of a change of control or change of business strategy of either of the two partners.

28. SUBSEQUENT EVENTS

When preparing these consolidated financial statements, the Company has evaluated events and transactions for subsequent recognition or disclosure at December 31, 2024 and up to February 18, 2025 (date of issuance of these consolidated financial statements) and has identified no significant subsequent events affecting them other than those referred to in these financial statements and notes thereto.

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