COCA-COLA FEMSA 2024

FINANCIAL STATEMENTS

ANNUAL REPORT OF THE AUDIT COMMITTEE

February 19th, 2025

To the Board of Directors
Coca-Cola FEMSA, S.A.B. de C.V.

In conformity with the provisions of the Securities Market Act, the corporate charter of this Company and the charter of the Audit Committee of Coca-Cola FEMSA, S.A.B. de C.V. (hereafter "the Committee and the Company"), I am pleased to present our Audit Committee Report for the year ended December 31, 2024. In carrying out our work, we abided by the regulations established by the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE) of the United States of America, the applicable provisions established by the National Banking and Securities Commission (CNBV) of Mexico, as well as the Code of Best Corporate Practices issued by the Business Coordinating Council of Mexico.

The Audit Committee's primary role is to assist the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management framework and system of internal controls as well as consideration of ethics and compliance matters. We are responsible for assessing the quality of the audit performed by, and the independence and objectivity of the external auditor. The Audit Committee also makes a recommendation to the Board on the appointment or reappointment of the external auditor. In addition, we oversee the work and quality of the internal audit function.

In accordance with the approved work program, the Committee formally convened four times on a quarterly basis and held additional meetings as needed. These meetings were convened to address a range of matters that required significant judgment and were of high importance to Coca-Cola FEMSA's consolidated financial statements. The most pertinent activities undertaken by the Committee are outlined below:

Risk Assessment

Based on the information presented by Management and the External and Internal Auditors, the Committee evaluated the effectiveness of the risk management system established for the identification, assessment, and management of business risks of the Company, as well as for the implementation of measures to ensure its effective and efficient operation.

The Committee, in conjunction with Management, and both External and Internal Auditors, reviewed the critical risk factors which may affect the operations and assets of the Company, assessing whether they have been properly identified and managed.

The Committee receives regular reports from Management on the status of the organization's cybersecurity program, including any identified risks and the steps being taken to mitigate them. The Committee also reviews with Management the effectiveness of the organization's cybersecurity controls and considers whether additional measures are necessary to address any emerging threats. In addition, the Committee works closely with the organization's Internal and External Auditors to ensure that cybersecurity risks are properly assessed and monitored as part of the audit process.

The Audit Committee considers the Company's ESG risk management framework and regularly receives reports from Management as to ESG-related risk assessments, including climate impact, social responsibility, and governance practices, integrating these considerations into the overall enterprise risk management strategy, to ensure alignment with regulatory requirements, investor expectations and corporate sustainability goals. The Committee works with the Company's Internal Auditors to monitor the progress of ESG initiatives and evaluate the effectiveness of internal controls and the appropriate disclosure of ESG activities.

Internal Control

The Committee oversaw that Management, in conformity with its responsibilities regarding internal control, had established the general guidelines and the necessary procedures for their appropriate application and compliance. This process included presentations to the Audit Committee by the responsible areas of the most important subsidiaries. Additionally, the Committee properly followed on the comments and remarks made in this regard by the External and Internal Auditors, as a result of their findings.

The Committee observed the actions carried out by the Company in order to comply with section 404 of Sarbanes-Oxley Act and similar provisions issued by the CNBV, both related to the internal control system. During this process, the Committee carried out follow up reviews on implemented main preventive and corrective actions concerning internal control issues, as well as effectuated the presentation of the required information to the authorities.

External Audit

The Committee recommended to the Board of Directors the appointment of the External Auditors of the Company for the fiscal year 2024. For this purpose, The Committee verified their independence, under the criteria and rules applicable and established by the SEC and NYSE, as well as by the requirements established in the Law and in the general provisions applicable to entities and issuers supervised by the CNBV that engage in external audit services of financial statements, which entered into force on August 1st, 2019. The Committee analyzed the approach and work program of the External Auditors, as well as their coordination with the Internal Audit area.

The Committee reviewed, and submitted for approval of the Board of Directors, the Audit Committee Charter, in order to comply with the new provisions and regulations contained in the Single Circular of External Auditors, issued by the CNBV. Also, the Committee verified the proper compliance with these provisions, particularly those related to the responsibilities of the Committee and the requirements currently applicable to external auditors.

The Committee kept frequent and direct communication with the External Auditors regarding the progress of their work and the observations they presented. The Committee was timely informed of the External Auditor conclusions and reports concerning the annual and quarterly financial statements, and it followed up on the implementation of the observations and recommendations they developed during their work.

The Committee authorized the fees paid to the External Auditors for audit services and other permitted services, ensuring that they do not interfere with their independence and that they comply with the provisions established in this regard by this Committee and by the Board of Directors.

The Committee conducted an annual evaluation of the External Auditors, which included an assessment of all additional services provided. The results of this evaluation were reported to the Board of Directors.

Internal Audit

To preserve its independence and objectivity, the Internal Audit group reports directly to the Audit Committee. In terms of interaction between the Committee and the Internal Auditors, the following can be noted:

The Committee reviewed and approved appropriately, the Internal Audit annual program and the budget for the fiscal year. For its preparation, Internal Audit participated in the risk assessment process and in the validation of the internal control system.

The Committee received periodic reports regarding the progress of the approved work program, including the variations that may have existed, as well as the corresponding causes.

The Committee followed up on the observations and suggestions that Internal Auditors developed, as well as their timely correction.

The Committee oversaw that an annual training plan for internal auditors had properly been carried out.

The Committee reviewed and discussed with the Chief Audit Executive the results of the performance appraisal of the Internal Audit service, performed by the business units under the oversight of the Committee itself.

Financial Information, Accounting Policies And Reports To Third Parties

The Committee reviewed with the responsible officials the reasonableness and consistency of quarterly and annual financial statements of the Company and recommended to the Board of Directors its approval and authorization for its publication. As part of this process, the Committee took into account the opinion and observations of the External Auditors, and validated that the criteria, accounting policies, and information used by Management to prepare the financial information for the fiscal year 2024 were adequate, sufficient, and that they had been applied consistently with respect to the previous year.

The review performed by the Committee also included the reports and any other financial information required by regulatory authorities in Mexico and in the United States of America, which, based on the results, the Committee recommended to the Board of Directors for their approval and authorization for publication.

Compliance With Applicable Laws And Regulations, Legal Issues And Contingencies

The Committee confirmed the existence and reliability of the controls implemented by the Company related to compliance with the different legal provisions to which it is obligated, assuring, when applicable, that appropriate disclosures were made in the financial statements. In that sense we monitor the progress of the Global Integrity and Compliance Program implemented by the Company.

The Committee periodically reviewed the existing fiscal, legal, and labor contingencies in the Company and its most important Subsidiaries, overseeing the effectiveness of the procedure implemented for its identification and monitoring, as well as its adequate disclosure and recording.

Management presented the main guidelines that govern the anti-corruption policy, as well as the dissemination and validation plan for compliance, which the Committee found adequate.

Code Of Ethics

The Committee reviewed the updated version of the Company's Code of Ethics, which incorporates changes in light of the social environment in which the Company operates, and the Committee also validated that the Code has provisions regarding compliance with the laws against money laundering and anti-corruption applicable in the countries where the Company operates. Subsequently, the Committee recommended the approval of the Company's Code of Ethics to the Board of Directors.

With the support of Internal Audit, the Committee verified that the Company Code of Ethics had been acknowledged by all employees and Board members as well as the existence of adequate processes to update and disseminate it among employees, including the application of sanctions in those cases where violations were detected.

The Committee reviewed the complaints received through the Company´s whistle-blowing system and followed up on their correct and timely attention.

Training

To comply with the training requirements of Committee´s charter, during the year, its members attended specific courses on relevant topics, such as Internal Controls, Risk Management, Cybersecurity, ESG, Regulatory Compliance, Financial Information and Auditing.

Administrative Activities

In addition to the formal sessions of the Audit Committee, its members held additional sessions with Management to stay informed of the Company's progress and the relevant and unusual activities and events. The Committee also met with both External and Internal Auditors as a specific topic on the agenda, without the presence of Management, to discuss the progress of their work, limitations they could have had and to facilitate any private communication they wished to have with the Committee.

In this fiscal year, The Committee did not consider necessary to request the support and opinion of independent experts as the matters dealt in each session were duly supported by the information presented and therefore the conclusions reached were satisfactory for its members.

The Chairman of the Audit Committee reported quarterly to the Board of Directors the relevant issues arising from the work of the Committee.

The Committee verified the compliance with the requirements of education and experience by the financial expert of the Committee and the independence requirements for each member in accordance with the rules applicable in this matter.

The work carried out by the Committee was documented in the minutes for each meeting, which were reviewed and approved by the Committee members. These minutes are accessible for the Board of Directors' consultation and review.

The Committee performed the annual self-assessment and delivered the results to the Chairman of the Board of Directors. The results of the self-assessment were very satisfactory.

Sincerely

Alberto Tiburcio Celorio
Chairman of the Audit Committee
Coca-Cola FEMSA, S.A.B. de C.V.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Coca-Cola FEMSA, S.A.B. de C.V.

Opinion

We have audited the accompanying consolidated financial statements of Coca-Cola FEMSA, S.A.B. de C.V. and its subsidiaries ("the Company"), which comprise the Consolidated Statement of Financial Position as at December 31, 2024, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, as well as their consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board *("IASB") ("IFRS Accounting 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 for 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Tests for Cash Generating Units (CGU) Containing Goodwill, Distribution Rights, and Other Indefinite Lived Intangible Assets – Colombia

Description and why matter is of most significance

As at December 31, 2024, the Company has distribution rights, goodwill, and other indefinite lived intangible assets with an aggregate carrying value of approximately $3,638 million allocated to Colombia. The related disclosures are included in Note 2.3.1.1, Note 3.14, and Note 11 to the consolidated financial statements and distribution rights, goodwill, and other indefinite lived intangible assets are tested for impairment annually at the cash generating unit (CGU) level. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of (i) its fair value less costs to sell and (ii) its value-in-use.

Auditing management's annual distribution rights, goodwill, and other indefinite lived intangible assets impairment test for the Colombia CGU was complex and highly judgmental due to the significant estimation required to determine the value in use of the CGU. In particular, the value-in-use estimates were sensitive to significant assumptions, such as the discount rate (weighted average cost of capital), revenue growth rates, and operating margins.

How our audit addressed the key audit matter
We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's distribution rights, goodwill, and other indefinite lived intangible assets impairment review processes, including controls over management's review of the significant assumptions described above, projected financial information, and the valuation model used to develop such estimates.

We performed procedures to assess the significant assumptions used in the determination of the value in use of the CGU that included, among others, evaluating the methodology applied by management in performing the impairment test, testing the completeness and accuracy of the projected financial information included in the impairment model, reconciling the carrying value to the general ledger and comparing the prospective financial information to Board approved business plans. We also involved our internal valuation specialists to assist with the evaluation of the discount rate and revenue growth rates used in the discounted cash flow model. We compared the revenue growth rates included in the cash flow projections to external sources of information and actual prior year revenue growth rates. We assessed the historical accuracy of management's estimates by comparing the forecast to actual results. We evaluated management's sensitivity analyses of the discount rate and revenue growth rates to evaluate the change in the VIU of the CGU that would result from changes in the assumptions.

Furthermore, we assessed the adequacy of the related disclosures provided in Notes 2.3.1.1, 3.14, and 11 to the consolidated financial statements.

Centralized Information Systems (IT) and Controls over Financial Reporting

Description and why matter is of most significance
The Company's accounting and consolidated financial reporting processes are highly dependent on automated controls over centralized Information Technology systems (IT). Consequently, there is a risk that gaps in the IT control environment, including automated controls, IT-dependent manual controls, and controls preventing unauthorized access to systems and data, could lead to material misstatements in the accounting records and the presentation of the consolidated financial statements.

During the year 2024, the Company migrated certain centralized information systems, resulting in changes to its centralized IT environment, and given the high volume of transactions combined with the inherent complexities of the Company's business, which affect financial reporting and the generation of centralized financial reports, systems and related IT controls were identified as a key audit matter in our evaluation of the IT general controls of the information. Additionally, our audit approach was significantly modified due to the ineffective operation of IT controls in certain centralized technology systems used by the Company to process financial information which is relevant to the preparation of its consolidated financial statements.

How our audit addressed the key audit matter
We performed audit procedures to evaluate the Company's centralized IT systems and controls over financial reporting, which included, among others, the following:

- Testing the design, observation, and operating effectiveness of IT general controls.
- Testing a sample of key controls operating over information systems, related to financial accounting and reporting systems, including access to the system , change management process, program development process, and IT operations.
- Performing substantive procedures focused on the review of the access monitoring and changes made, for risks not mitigated by key general access controls and change management process, as well as mitigating the risk of manipulating financial information that could have resulted from granting and accessing of privileged accounts.
- Assessing the operating effectiveness of controls over the granting, dismissal, and appropriateness of access rights.
- Evaluating key application controls related to the generation of financial information.

Additionally, we performed incremental substantive procedures, which included, among others, the following:

- Identifying and testing compensating controls implemented by the Company in the financial statement close processes, cash receipts and disbursements, among others.
- Modifying the nature of journal entry testing procedures to include the identification and subsequent analysis of journal entries posted by users with privileged accounts, selecting a sample of such entries.
- Analyzing modifications to key terms and conditions in vendor master's data and performing detailed testing in cases where significant changes were identified that required additional review procedures.

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.

In connection with our audit of the consolidated financial statements, our responsibility is to read 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 materially misstated.

When we read 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 CNBV which will describe the matter.

Responsibilities of management and the audit committee for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS Accounting 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 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 matters that were of 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. Member of Ernst & Young Global Limited

L.C.C. Juan Carlos Castellanos López
Mexico City, Mexico
March 20, 2025

COCA-COLA FEMSA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position

At December 31, 2024 and 2023
In millions of U.S. dollars ($) and in millions of Mexican pesos (Ps.)

	Note	December 2024 (1)	December 2024	December 2023
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4	**$ 1,572**	**Ps. 32,779**	Ps. 31,060
Trade receivables, net	5	**893**	**18,620**	17,749
Inventories	6	**674**	**14,059**	11,880
Recoverable income tax	23	**112**	**2,340**	2,244
Other recoverable taxes	23	**213**	**4,443**	3,181
Other current financial assets	7	**45**	**946**	567
Other current assets	7	**93**	**1,945**	1,057
Total current assets		**3,602**	**75,132**	67,738
NON CURRENT ASSETS				
Investments accounted for using the equity method	8	**491**	**10,233**	9,246
Right-of-use assets, net	9	**143**	**2,989**	2,388
Property, plant and equipment, net	10	**4,765**	**99,381**	78,730
Intangible assets, net	11	**4,885**	**101,876**	101,162
Deferred tax assets	23	**298**	**6,209**	7,771
Other non-current financial assets	12	**321**	**6,702**	792
Other non-current assets	12	**262**	**5,464**	5,693
Total non-current assets		**11,165**	**232,854**	205,782
TOTAL ASSETS		**$ 14,767**	**Ps. 307,986**	Ps. 273,520
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Bank loans and notes payable	17	**$ 69**	**Ps. 1,443**	Ps. 88
Current portion of non-current debt	17	**90**	**1,871**	52
Current portion of lease liabilities	9	**43**	**889**	752
Interest payable		**40**	**835**	764
Suppliers		**1,619**	**33,774**	27,351
Other current liabilities	24	**771**	**16,080**	13,589
Income tax payable		**65**	**1,354**	2,139
Other taxes payable		**442**	**9,213**	8,142
Other current financial liabilities	24	**82**	**1,712**	2,039
Total current liabilities		**3,221**	**67,171**	54,916
NON-CURRENT LIABILITIES				
Bank loans and notes payable	17	**3,375**	**70,383**	65,074
Post-employment and other non-current employee benefits	15	**233**	**4,867**	3,560
Non-current portion of lease liabilities	9	**110**	**2,295**	1,769
Deferred tax liabilities	23	**207**	**4,317**	3,321
Other non-current financial liabilities	24	**184**	**3,831**	5,464

Provisions	24	**134**	**2,788**	3,270
Other non-current liabilities	24	**86**	**1,793**	2,441
Total non-current liabilities		**4,329**	**90,274**	84,899
TOTAL LIABILITIES		**7,549**	**157,445**	139,815
EQUITY				
Common stock		**99**	**2,060**	2,060
Additional paid-in capital		**2,185**	**45,560**	45,560
Retained earnings		**5,129**	**106,959**	96,003
Other equity instruments		**(120)**	**(2,505)**	(2,283)
Accumulated other comprehensive income		**(415)**	**(8,646)**	(14,315)
Equity attributable to equity holders of the parent		**6,877**	**143,428**	127,025
Non-controlling interest in consolidated subsidiaries	20	**341**	**7,113**	6,680
TOTAL EQUITY		**7,218**	**150,541**	133,705
TOTAL LIABILITIES AND EQUITY		**$ 14,767**	**Ps. 307,986**	Ps. 273,520

(1) Convenience translation to U.S. dollars ($) – See Note 2.2.3

The accompanying notes are an integral part of these consolidated statements of financial position.

Consolidated Income Statements

For the years ended December 31, 2024, 2023 and 2022
In millions of U.S. dollars ($) and in millions of Mexican pesos (Ps.) except for earnings per share amounts

	Note		2024 (1)		2024		2023		2022
Net sales		**$**	**13,379**	**Ps.**	**279,030**	Ps.	244,264	Ps.	226,222
Other operating revenues			**37**		**763**		824		518
Total revenues			**13,416**		**279,793**		245,088		226,740
Cost of goods sold			**7,243**		**151,057**		134,228		126,440
Gross profit			**6,173**		**128,736**		110,860		100,300
Administrative expenses			**656**		**13,678**		12,820		11,263
Selling expenses			**3,568**		**74,423**		63,278		57,718
Other income	18		**202**		**4,217**		1,981		1,473
Other expenses	18		**237**		**4,936**		3,253		2,456
Interest expense	17		**361**		**7,532**		7,102		6,500
Interest income			**146**		**3,040**		3,188		2,411
Foreign exchange gain (loss), net			**15**		**304**		(1,046)		(324)
Gain on monetary position for subsidiaries in hyperinflationary economies			**10**		**216**		93		536
Market value gain (loss) on financial instruments	19		**3**		**67**		169		(672)
Income before income taxes and share of the profit of associates and joint ventures accounted for using the equity method			**1,727**		**36,011**		28,792		25,787
Income taxes	23		**564**		**11,768**		8,781		6,547
Share in the profit of equity accounted investees, net of income taxes	8		**15**		**306**		215		386
Consolidated net income		**$**	**1,177**	**Ps.**	**24,549**	Ps.	20,226	Ps.	19,626
Attributable to:									
Equity holders of the parent			**1,138**	**Ps.**	**23,729**	Ps.	19,536	Ps.	19,034
Non-controlling interest			**39**		**820**		690		592
Consolidated net income		**$**	**1,177**	**Ps.**	**24,549**	Ps.	20,226	Ps.	19,626
Earnings per share- Equity holders of the parent (U.S. dollars and Mexican pesos):									
Basic controlling interest net income	22		**0.07**		**1.41**		1.16		1.13
Diluted controlling interest net income	22		**0.07**		**1.41**		1.16		1.13

(1) Convenience translation to U.S. dollars ($) – See Note 2.2.3

The accompanying notes are an integral part of these consolidated income statements.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024, 2023 and 2022
In millions of U.S. dollars ($) and in millions of Mexican pesos (Ps.)

	Note	2024 (1)	2024	2023	2022
Consolidated net income		**$ 1,177**	**Ps. 24,549**	Ps. 20,226	Ps. 19,626
Other comprehensive income, net of income tax					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Valuation of the effective portion of derivative financial instruments, net of income tax	19	**72**	**1,512**	(389)	(1,448)
Financial instruments held to maturity		**2**	**38**	101	—
Exchange differences on the translation of foreign operations and associates		**229**	**4,774**	(5,789)	(2,685)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		**303**	**6,324**	(6,077)	(4,133)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Loss from equity financial asset classified at FVOCI		**(12)**	**(260)**	(198)	(54)
Re-measurements of the net defined benefit liability, net of income taxes	15	**(43)**	**(907)**	153	328
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(56)**	**(1,167)**	(45)	274
Total other comprehensive (loss), net of income tax		**247**	**5,157**	(6,122)	(3,859)
Attributable to:					
Equity holders of the parent		**261**	**5,447**	(5,711)	(3,792)
Non-controlling interest		**(14)**	**(290)**	(411)	(67)
Total other comprehensive (loss), net of income tax		**247**	**5,157**	(6,122)	(3,859)
Consolidated comprehensive income for the year, net of income tax		**$ 1,424**	**Ps. 29,706**	Ps. 14,104	Ps. 15,767
Attributable to:					
Equity holders of the parent		**$ 1,399**	**Ps. 29,176**	Ps. 13,825	Ps. 15,242
Non-controlling interest		**25**	530	279	525
Consolidated comprehensive income for the year, net of income tax		**$ 1,424**	**Ps. 29,706**	Ps. 14,104	Ps. 15,767

(1) Convenience translation to U.S. dollars ($) – See Note 2.2.3

The accompanying notes are an integral part of these consolidated statements of comprehensive income.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos (Ps.)

	Note	Common stock	Additional paid-in capital	Retained earnings	Other equity instruments	Valuation of the effective portion of derivative financial instruments	Exchange differences on translation of foreign operations and associates	Remeasure ments of the net defined benefit liability	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balances as of January 1, 2022		2,060	45,560	81,037	(2,133)	1,224	(4,958)	(1,240)	121,550	6,022	127,572
Consolidated net income		—	—	19,034	—	—	—	—	19,034	592	19,626
Other comprehensive (loss) income, net of income tax		—	—	—	(54)	(1,344)	(2,722)	328	(3,792)	(67)	(3,859)
Total comprehensive (loss) income, net of income tax		—	—	19,034	(54)	(1,344)	(2,722)	328	15,242	525	15,767
Dividends declared	21	—	—	(11,407)	—	—	—	—	(11,407)	(56)	(11,463)
Balances as of December 31, 2022		2,060	45,560	88,664	(2,187)	(120)	(7,680)	(912)	125,385	6,491	131,876
Consolidated net income		—	—	19,536	—	—	—	—	19,536	690	20,226
Other comprehensive (loss) income, net of income tax		—	—	(12)	(96)	(343)	(5,425)	165	(5,711)	(411)	(6,122)
Total comprehensive (loss) income, net of income tax		—	—	19,524	(96)	(343)	(5,425)	165	13,825	279	14,104
Dividends declared	21	—	—	(12,185)	—	—	—	—	(12,185)	(90)	(12,275)
Balances as of December 31, 2023		2,060	45,560	96,003	(2,283)	(463)	(13,105)	(747)	127,025	6,680	133,705
Consolidated net income		—	—	**23,729**	—	—	—	—	**23,729**	**820**	**24,549**
Other comprehensive (loss) income, net of income tax		—	—		**(222)**	**1,410**	**5,166**	**(907)**	**5,447**	**(290)**	**5,157**
Total comprehensive (loss) income, net of income tax		—	—	**23,729**	**(222)**	**1,410**	**5,166**	**(907)**	**29,176**	**530**	**29,706**
Dividends declared	21	—	—	**(12,773)**	—	—	—	—	**(12,773)**	**(97)**	**(12,870)**
Balances as of December 31, 2024		**Ps. 2,060**	**Ps.45,560**	**Ps.106,959**	**Ps.(2,505)**	**Ps.947**	**Ps.(7,939)**	**Ps.(1,654)**	**Ps.143,428**	**Ps.7,113**	**Ps.150,541**

The accompanying notes are an integral part of these consolidated statements of changes in equity.

Consolidated Statements of Cash Flows

For the years ended December 31, 2024, 2023 and 2022
In millions of U.S. dollars ($) and in millions of Mexican pesos (Ps.)

	Note	2024 (1)	2024	2023	2022
OPERATING ACTIVITIES:					
Income before income taxes		$ 1,741	Ps. 36,317	Ps. 29,007	Ps. 26,173
Adjustments for:					
Non-cash operating expenses		111	2,325	79	471
Depreciation	10	490	10,221	8,919	8,997
Depreciation right-of-use assets	9	44	921	776	660
Amortization	11	47	985	836	768
Amortization prepaid expenses		41	852	887	890
Gain on sale of long-lived assets, net	18	(7)	(137)	(94)	(250)
Loss on the retirement of long-lived assets	18	23	482	186	177
Loss on the retirement of intangible assets		2	50	1	—
Share of the (profit) of associates and joint ventures accounted for using the equity method, net of income taxes	8	(15)	(306)	(215)	(386)
Interest income		(146)	(3,040)	(3,188)	(2,411)
Interest expense	17	361	7,532	7,102	6,500
Foreign exchange loss (income), net		(15)	(304)	1,046	324
Non-cash movements in post-employment and other non-current employee benefits obligations		15	310	338	299
Impairment on equity investments		—	—	143	—
Monetary position gain, net		(10)	(216)	(93)	(536)
Market value (gain) loss on financial instruments	19	(3)	(67)	(169)	672
Increase / decrease:					
Accounts receivable and other current assets		(110)	(2,299)	(1,605)	(3,420)
Other current financial assets		(91)	(1,897)	(573)	(514)
Inventories		(106)	(2,215)	(779)	(179)
Suppliers and other accounts payable		247	5,146	3,742	3,420
Other liabilities		(54)	(1,132)	403	(424)
Employee benefits paid	15	(28)	(585)	(544)	(483)
Other taxes		(40)	(829)	1,384	41
Income taxes paid		(464)	(9,672)	(5,300)	(5,298)
Net cash flows generated from operating activities		Ps. 2,035	Ps. 42,442	Ps. 42,289	Ps. 35,491
INVESTING ACTIVITIES:					
Business acquisition and mergers, net of cash acquired		—	—	—	(2,356)
Interest collected		146	3,040	3,188	2,411
Acquisitions of property, plant and equipment	10	(1,148)	(23,944)	(19,613)	(16,756)
Proceeds from insurance recoveries and sale of long-lived assets [(2)]		23	476	178	323
Acquisitions of intangible assets	11	(89)	(1,848)	(1,019)	(979)
Other non-current assets		(18)	(384)	(1,603)	(1,698)
Dividends received from investments in associates and joint ventures	8	1	19	79	16
Investments in other entities and financial assets		(36)	(751)	(1,280)	(558)
Net cash flows used in investing activities		$ (1,122)	Ps. (23,392)	Ps. (20,070)	Ps. (19,597)
FINANCING ACTIVITIES:					
Proceeds from borrowings	17	67	1,394	151	6,089
Repayments of borrowings	17	(1)	(28)	(8,401)	(8,432)

Interest paid		**(223)**	**(4,660)**	(4,537)	(4,724)
Dividends paid		**(617)**	**(12,870)**	(12,275)	(11,463)
Interest paid on lease liabilities	17	**(17)**	**(349)**	(278)	(139)
Payments of leases	17	**(41)**	**(856)**	(690)	(631)
Financing instruments		**(109)**	**(2,273)**	(322)	(1,547)
Net cash flows used in financing activities		**$ (942)**	**Ps. (19,642)**	Ps. (26,352)	Ps. (20,847)
Net (decrease) in cash and cash equivalents		**(28)**	**(592)**	(4,133)	(4,953)
Cash and cash equivalents at the beginning of the period		**1,489**	**31,060**	40,277	47,248
Effects of exchange rate changes and inflation effects on cash and cash equivalents held in foreign currencies		**111**	**2,311**	(5,084)	(2,018)
Cash and cash equivalents at the end of the period		**$ 1,572**	**Ps. 32,779**	Ps. 31,060	Ps. 40,277

(1) Convenience translation to U.S. dollars ($) – See Note 2.2.3

(2) As of December 31, 2024, the Company recognized an insurance collection of Ps. 245 related to the write-offs of long-lived assets.

The accompanying notes are an integral part of these consolidated statements of cash flows.

Notes to the Consolidated Statements

For the years ended December 31, 2024, 2023 and 2022

Amounts expressed in millions of U.S. dollars ($) and in millions of Mexican pesos (Ps.)

Note 1. Activities of the Company

Coca-Cola FEMSA, S.A.B. de C.V. ("Coca-Cola FEMSA") is a Mexican corporation, mainly engaged in acquiring, holding and transferring all types of bonds, shares and marketable securities. Coca-Cola FEMSA and its subsidiaries (the "Company"), are mainly engaged in the production, distribution and marketing of certain Coca-Cola trademark beverages in Mexico, Central America (Guatemala, Nicaragua, Costa Rica and Panama), Colombia, Brazil, Uruguay, Argentina. The Coca-Cola trademark beverages include: sparkling beverages (colas and flavored sparkling beverages), waters and other beverages (including juice drinks, coffee, teas, milk, value-added dairy, sports drinks, energy drinks, alcoholic beverages and plant-based drinks). In addition, the Company distributes and sells Heineken-owned brand beer products, Estrella Galicia and Therezópolis beer products in our Brazilian territories and Monster products in all of the countries where we operate. Additionally, we started testing distribution of leading spirits, consumer brands and other alcoholic products in some of the countries where the Company operates.

Coca-Cola FEMSA is indirectly owned by Fomento Economico Mexicano, S.A.B. de C.V. ("FEMSA"), which holds 47.2% of its capital stock and 56% of its voting shares and The Coca-Cola Company ("TCCC"), which indirectly owns 27.8% of its capital stock and 32.9% of its voting shares. The remaining Coca-Cola FEMSA shares trade on the Bolsa Mexicana de Valores, S.A.B. de C.V. ("BMV: KOF UBL") as series "L" shares which represents 15.6% of our common equity and its American Depositary Shares ("ADS") (equivalent to ten series "L" shares) trade on the New York Stock Exchange, Inc ("NYSE: KOF") as series "B" which represents 9.4% of the Company´s common equity. The address of its registered office and principal place of business is Mario Pani No. 100, Colonia Santa Fe Cuajimalpa, Alcaldía Cuajimalpa de Morelos, 05348, Mexico City, Mexico.

As of December 31, 2024 and 2023 the most significant subsidiaries which the Company controls are:

Company	**Activity**	**Country**	**Ownership percentage 2024**	Ownership percentage 2023
Propimex, S. de R.L. de C.V.	Distribution	Mexico	**100.0%**	100.0%
Controladora Interamericana de Bebidas, S. de R. L. de C.V.	Holding	Mexico	**100.0%**	100.0%
Spal Industria Brasileira de Bebidas, S.A.	Production and distribution	Brazil	**84.4%**	84.4%
Servicios Refresqueros del Golfo y Bajio, S. de R.L. de C.V.	Production	Mexico	**100.0%**	100.0%
Embotelladora Mexicana de Bebidas Refrescantes, S. de R.L. de C.V.	Production	Mexico	**100.0%**	100.0%

Note 2. Basis of Preparation

2.1 Statement of compliance

The consolidated financial statements of the Company as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The Company's consolidated financial statements and notes were authorized for issuance by the Company's Chief Executive Officer Ian Marcel Craig García and Chief Financial Officer Gerardo Cruz Celaya. These consolidated financial statements and notes were then approved by the Company's Board of Directors on March 20, 2025, subsequent events have been considered through that date (see Note 27). These consolidated financial statements will be presented to the Company's shareholders on April 8, 2025. The Company's Shareholders have the authority to approve or modify the Company's consolidated financial statements.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of measurement and presentation

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments
- Trust assets of post-employment and other non-current employee benefit plans

The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

The financial statements of subsidiaries in a hyperinflationary economy are stated in terms of the measuring unit current at the end of the reporting period.

2.2.1 Presentation of consolidated income statements

The Company classifies its costs and expenses by function in the consolidated income statements in order to conform to industry practices.

2.2.2 Presentation of consolidated statements of cash flows

The Company presents its consolidated statement of cash flows using the indirect method.

2.2.3 Convenience translation to U.S. dollars ($)

The consolidated financial statements are stated in millions of Mexican pesos ("Ps. ") and rounded to the nearest million unless stated otherwise. However, solely for the convenience of the readers, the consolidated statement of financial position as of December 31, 2024 and the consolidated income statement, the consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2024 were converted into U.S. dollars at the exchange rate of Ps. 20.8557 per U.S. dollar as published by the Federal Reserve Bank of New York at the last date in 2024 for which information is available. This arithmetic conversion should not be construed a representation that the amounts expressed in Mexican pesos may be converted into U.S. dollars at that or any other exchange rate, in addition, numeric figures shown as dollar totals may not be an arithmetic aggregation of preceding figures due to rounding. As of March 14, 2025 (the last date for which information is available before the issuance of these financial statements) such exchange rate was Ps. 19.8545 per U.S. dollar, an appreciation of 5.0% since December 31, 2024.

2.3 Critical accounting judgments and estimates

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily observable from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.3.1.1 Impairment of indefinite lived intangible assets, goodwill and other depreciable long-lived assets

Intangible assets with indefinite life as well as goodwill are subject to impairment tests annually or whenever indicators of impairment are present. Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales agreements in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. In order to determine whether such assets are impaired, the Company calculates an estimation of the value in use of the cash-generating units to which such assets have been allocated. Impairment losses are recognized in current earnings for the excess of the carrying amount of the asset or CGU and its value in use in the period the related impairment is determined.

The Company assesses at each reporting date or annually whether there is an indication that a depreciable long-lived asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. When the carrying amount of an asset or CGU in which the asset is assigned exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount, which is determined based on its value in use. In assessing value in use, the estimated future cash flows expected to be generated from the use of an asset or CGU are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, recent market transactions are considered, if available. If recent market transactions are not available, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples or other available fair value indicators. The key assumptions used to determine the recoverable amount for the Company's CGUs, including a sensitivity analysis, are further explained in Notes 3.14 and 11.

2.3.1.2 Tax, labor and legal contingencies and provisions

The Company is subject to various claims and contingencies related to tax, labor and legal proceedings as described in Note 24.5. Due to their nature, such legal proceedings involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. Management periodically assesses the probability of loss for such contingencies, accrues a provision and/ or discloses the relevant circumstances, as appropriate. If the potential loss of any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a provision for the estimated loss. Management's judgment must be exercised to determine the likelihood of such a loss and an estimate of the amount, due to the subjective nature of the loss.

The Company operates in numerous tax jurisdictions and is subject to periodic tax audits, in the normal course of business, by local tax authorities on a range of tax matters in relation to corporate tax, transfer pricing and indirect taxes. The impact of changes in local tax regulations and ongoing inspections by local tax authorities could materially impact the amounts recorded in the financial statements. Where the amount of tax payable is uncertain, the Company recognizes related tax provisions based on management's estimates with respect to the likelihood of material tax exposures and the probable amount of the liability.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

The amount of uncertain income tax positions is included in Note 24.7.

2.3.1.3 Business combinations

Businesses combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities assumed by the Company from the former owners of the acquiree, the amount of any non-controlling interest in the acquiree and the equity interests issued by the Company in exchange for control of the acquiree.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized and measured at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12, Income Taxes and IAS 19, Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2, Share- based Payment at the acquisition date, see Note 3.22;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- Indemnifiable assets are recognized at the acquisition date on the same basis as the indemnifiable liability subject to any contractual limitations.

For each acquisition, management's judgment is exercised to determine the fair value of the assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, applying estimates or judgments in techniques used, especially in forecasting CGUs' cash flows, in the computation of weighted average cost of capital ("WACC") and estimation of inflation during the operation of intangible assets with indefinite life, mainly, distribution rights.

2.4 Changes in accounting policies

The Company has applied the following amendments to the standards on January 1, 2024.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Company has provided additional disclosures about its supplier finance arrangement. Please refer to Note 19.8.5.

2.5 Financial impacts arising from Floods and Hurricanes in Mexico and Brazil

For the years ended on December 31, 2024 and 2023, the Company encountered significant impacts because some natural disasters such as hurricanes and flooding, which affected its operations in certain plants of Mexico and Brazil. These natural disasters had repercussions on both its facilities including inventories and property, plant and equipment, supply chain and therefore business activity, which have influenced the reported financial outcomes of both years.

In Mexico, the effects of Hurricane Otis in 2023 and Hurricane John in 2024 affected the Company's facilities located in Acapulco, Guerrero. The consequences of these natural disasters included material damage to inventories of raw material and finished products as well as property, plant and equipment and buildings, that needed to be restore. In Brazil, the heavy rainfall and flooding in Rio Grande do Sul affected the facilities at the Porto Alegre plant, resulting in temporary interruptions in production and distribution, the material damage to inventories of raw material and finished products as well as property, plant and equipment and buildings, that needed to be restore.

In both cases, to maintain product supply in the region, operations were restructured, leading to an increase in logistical costs. For both events, insurance claims were activated, and the progress of agreements led to the recognition of recoveries that partially mitigated the economic impacts.

As of December 31, 2024, write-offs originated by damaged assets, additional expenses incurred, as well as the insurance recoveries received until as of December 31, 2024 are recorded as follows:

	Note	Write-off for damaged assets
Inventories	6	613
Property, plant & equipment	10	1,081
Additional expense & losses		1,612
Subtotal		3,306
Insurance recovery [1]	18	(1,669)
Total		1,637

[1] As of December 31, 2024, the Company recorded an accounts receivable of Ps. 334 in then "other sundry accounts receivable" caption, reflecting the outstanding cash flow from the insurance recovery, the net cash flow received was of Ps. 1,335, of which Ps. 1,090 are associated to operating activities and Ps. 245 to investing activities.

Note 3. Material Accounting Policies

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

3.1.1 Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore they are recognized entirely in equity without applying acquisition accounting. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are measured at carrying amount and reflected equity as part of additional paid-in capital.

3.2 Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Company. When evaluating control, the Company considers substantive potential voting rights. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Company's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets of the acquiree and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Company's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in consolidated net income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete and discloses that its allocation is preliminary in nature. Those provisional amounts are adjusted during the measurement period (not greater than 12 months from the acquisition date), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Sometimes obtaining control of an acquiree in which equity interest is held immediately before the acquisition date is considered as a business combination achieved in stages also referred to as a step acquisition. The Company re-measures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in profit or loss. Also, the changes in the value of equity interest in the acquiree recognized in other comprehensive income shall be recognized on the same basis as required if the Company had disposed directly of the previously held equity interest.

The Company sometimes obtains control of an acquiree without transferring consideration. The acquisition method of accounting for a business combination applies to those combinations, which may take the following forms:

i. The acquiree repurchases a sufficient number of its own shares for the Company to obtain control.
i. Minority veto rights expire that previously kept the Company from controlling an acquiree in which it held the majority voting rights.
ii. The Company and the acquiree agree to combine their businesses by contract in which it transfers no consideration in exchange for control and no equity interest is held in the acquiree, either on the acquisition date or previously.

3.3 Foreign currencies and consolidation of foreign operations investments in associates and joint ventures

In preparing the financial statements of each individual foreign operation, associate and joint venture, transactions in currencies other than the individual entity's functional currency (foreign currencies) are recognized at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are remeasured at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-measured.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- The variations in the net investment in foreign operations generated by exchange rate fluctuation are included in other comprehensive income, which is recorded in equity as part of the cumulative exchange differences on translation of foreign operations and associates within the accumulated other comprehensive income.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Foreign exchange differences on monetary items are recognized in profit or loss. Their classification in the consolidated income statement depends on their nature. Differences arising from fluctuations related to operating activities are presented in the "other expenses" line (see Note 18) while fluctuations related to non-operating activities such as financing activities are presented as part of "foreign exchange income (loss)" line in the consolidated income statement.

For incorporation into the Company's consolidated financial statements, each foreign operation, associate or joint venture's individual financial statements are translated into Mexican pesos, as follows:

- For hyperinflationary economic environments, the inflation effects of the origin country are recognized pursuant to IAS 29 Financial Reporting in Hyperinflationary Economies, and subsequently translated into Mexican pesos using the year-end exchange rate for the consolidated statements of financial position and consolidated income statement and comprehensive income; and
- For non-hyperinflationary economic environments, assets and liabilities are translated into Mexican pesos using the year-end exchange rate, equity is translated into Mexican pesos using the historical exchange rate, and the consolidated income statement and comprehensive income is translated using the exchange rate at the date of each transaction. The Company uses the average exchange rate of each month only if the exchange rate does not fluctuate significantly.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of exchange differences on translation of foreign operations and associates are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint ventures that do not result in the Company losing significant influence or joint control), the proportionate share of the exchange differences on translation of foreign operations and associates is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Foreign exchange differences are recognized in equity as part of the exchange differences on translation of foreign operations and associates.

The translation of assets and liabilities denominated in foreign currencies into Mexican pesos is for consolidation purposes and does not indicate that the Company could realize or settle the reported value of those assets and liabilities in Mexican pesos. Additionally, this does not indicate that the Company could return or distribute the reported Mexican peso value in equity to its shareholders.

		Exchange Rates of Local Currencies Translated to Mexican Pesos (1)				
		Average Exchange Rate for			Exchange Rate as of December 31,	
Country or Zone	**Functional currency**	**2024**	**2023**	**2022**	**2024**	**2023**
Mexico	Mexican peso	**Ps. 1.00**	Ps. 1.00	1.00	**Ps. 1.00**	Ps. 1.00
Guatemala	Quetzal	**2.36**	2.27	2.60	**2.63**	2.16
Costa Rica	Colon	**0.04**	0.03	0.03	**0.04**	0.03
Panama	Balboa	**18.30**	17.77	20.13	**20.27**	16.89
Colombia	Colombian peso	**0.005**	0.004	0.005	**0.005**	0.004
Nicaragua	Cordoba	**0.50**	0.49	0.56	**0.55**	0.46
Argentina	Argentine peso	**0.02**	0.07	0.16	**0.02**	0.02
Brazil	Real	**3.39**	3.56	3.90	**3.27**	3.49
Uruguay	Uruguayan peso	**0.45**	0.46	0.49	**0.46**	0.43

(1) Exchange rates published by the central bank of each country

3.4 Recognition of the effects of inflation in countries with hyperinflationary economic environments

The Company recognizes the effects of inflation on the financial information of its subsidiaries that operate in hyperinflationary economic environments (when cumulative inflation of the three preceding years is approaching, or exceeds, 100% or more in addition to other qualitative factors), which consists of:

- Using inflation factors to restate non-monetary assets, such as inventories, property, plant and equipment, net, intangible assets, net, including related costs and expenses when such assets are consumed or depreciated.

- Applying the appropriate inflation factors to restate capital stock, additional paid-in capital, net income, retained earnings and items of other comprehensive income by the necessary amount to maintain the purchasing power equivalent in the currency of the subsidiary on the dates such capital was contributed, or income was generated up to the date the consolidated financial statements are presented; and

- Recognizing the monetary position gain or loss in the consolidated income statement in the caption "Gain on monetary position for subsidiaries in hyperinflationary economies".

Beginning on July 1, 2018, Argentina became a hyperinflationary economy because, among some other economic factors, the last three years' cumulative inflation in Argentina exceeded 100% according to the several economic indexes that exist in the country. The financial information for our Argentine subsidiary has been adjusted to recognize the inflationary effects since January 1, 2018.

The Company restates the financial information of its Argentinian subsidiary using the Consumer Price Index ("CPI") of such country.

The ("FACPCE") (Federacion Argentina de Consejos Profesionales de Ciencias Economicas) approved on September 29, 2018 and published on October 5, 2018, a resolution which defines, among other things, that the index price to determine the restatement coefficient (Based on a series that applies the ("CPI") from January with the Wholesale Domestic Price Index ("WDPI) until this date, and computing November and December 2015 using the CPI- of Ciudad del Gran Buenos Aires ("CGBA") variation).

As of December 31, 2024, 2023, and 2022, the operations of the Company are classified as follows:

Country	**Cumulative Inflation 2022-2024**	**Type of Economy**	Cumulative Inflation 2021-2023	Type of Economy	Cumulative Inflation 2020-2022	Type of Economy
Mexico	**17.6%**	**Non-hyperinflationary**	21.1%	Non-hyperinflationary	19.4%	Non-hyperinflationary
Guatemala	**15.7%**	**Non-hyperinflationary**	17.3%	Non-hyperinflationary	18.0%	Non-hyperinflationary
Costa Rica	**6.9%**	**Non-hyperinflationary**	9.5%	Non-hyperinflationary	12.4%	Non-hyperinflationary
Panama	**3.8%**	**Non-hyperinflationary**	6.7%	Non-hyperinflationary	3.1%	Non-hyperinflationary
Colombia	**30.0%**	**Non-hyperinflationary**	30.6%	Non-hyperinflationary	21.4%	Non-hyperinflationary
Nicaragua	**21.2%**	**Non-hyperinflationary**	26.3%	Non-hyperinflationary	23.1%	Non-hyperinflationary
Argentina	**1221.0%**	**Hyperinflationary**	815.6%	Hyperinflationary	300.3%	Hyperinflationary
Brazil	**16.0%**	**Non-hyperinflationary**	21.8%	Non-hyperinflationary	21.7%	Non-hyperinflationary
Uruguay	**20.1%**	**Non-hyperinflationary**	22.9%	Non-hyperinflationary	27.9%	Non-hyperinflationary

3.5 Cash and cash equivalents

Cash consists of deposits in bank accounts which generate interest on the available balance. Cash equivalents are mainly represented by short-term bank deposits and fixed income investments (overnight), both with maturities of three months or less and their carrying values approximate fair value.

The Company also maintains restricted cash held as collateral to meet certain contractual obligations (see Note 7.2). Restricted cash is presented within other current financial assets given that the restrictions are short-term in nature.

3.6 Financial assets

Financial assets are classified within the following business models depending on Management's objective: (i) "held to maturity to collect contractual cash flows", (ii) "held to collect contractual cash flows and sell financial assets" and (iii) "Others or held for trading" or as derivatives assigned in hedging instruments with an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company performs a portfolio – level assessment of the business model objective for which a financial asset is held to reflect the best way in which the business manages the financial asset and the way the information is provided to the management of the Company. The information that is considered within the evaluation includes:

- The policies and objectives of the Company in relation to the portfolio and the practical implementation of said policies;
- Performance and evaluation of the Company's portfolio including accounts receivable;
- Risks that affect the performance of the business model and how those risks are managed;
- Any compensation related to the performance of the portfolio; and
- Frequency, volume and timing of sales of financial assets in previous periods together with the reasons for said sales and expectations regarding future sales activities.

The Company's financial assets include cash, cash equivalents and restricted cash, investments with maturities of more than three months and accounts receivable, derivative financial instruments and other financial assets.

For the initial recognition of a financial asset, the Company measures it at fair value plus the transaction costs that are directly attributable to the purchase, unless the asset is measured at fair value through profit or loss, in which case, transaction costs are booked in the consolidation income statement. Accounts receivable that do not have a significant financing component are measured and recognized at the transaction price. The rest of the financial assets are recognized only when the Company is a party to the contractual provisions of the instrument.

The fair value of a financial asset is measured using assumptions that would be used by market participants when valuing the asset, assuming that market participants act in their best economic interest.

The financial assets are classified at initial recognition as measured at: amortized cost, fair value with changes in other comprehensive income – debt or equity investments – and fair value through profit or loss. The classification depends on the objective by which the financial asset is acquired.

Financial assets are not reclassified after their initial recognition unless the Company changes the business model to manage the financial assets; in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3.6.1 Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets the following two conditions and is not designated as fair value through profit and loss ("FVTPL"):

- Its business model is to hold it to maturity to collect contractual cash flows; and
- The contractual terms are only payments at specified dates of the principal and interest on the amount of the outstanding principal, or solely payments of principal and interest ("SPPI").

The amortized cost of a financial asset is the amount of the initial recognition minus the principal payments, plus or minus the accumulated amortization using the effective interest rate method of any difference between the initial amount and the amount as of the maturity and, adjusted for impairment loss. The financial product, exchange fluctuation and impairment are recognized in results. Any profit or loss is also recognized in the same way in results.

3.6.1.1 Effective interest rate method ("ERR")

The effective interest rate method is a method to calculate the amortized cost of loans, accounts receivable and other financial assets (designated as held-to-maturity) and to allocate interest income / expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that represents an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on the initial recognition.

3.6.2 Financial assets at fair value with changes in other comprehensive income ("FVOCI")

A financial asset is measured as FVOCI if it meets the following two conditions and isn't designated as FVTPL:

- Its business model is to hold it to maturity to collect contractual cash flows and sells; and
- The contractual terms are solely principal and interest payment.

These assets are subsequently measured at fair value. The financial product calculated using the Internal Rate of return ("IRR"), the exchange rate fluctuation and the impairment are recognized in profit and loss. Other gains and losses, related to changes in fair value are recognized in OCI. In cases of derecognition or reclassification, the accumulated gains and losses in OCI are reclassified to profit and loss.

In the initial recognition of an equity instrument that is not held for trading, under the "other" business model, the Company may irrevocably choose to present changes in the fair value of the investment in OCI. This choice is made at the level of each investment. Equity instruments are subsequently measured at fair value. Dividends are recognized as profit in profit and loss unless the dividend clearly represents a recovery part of the investment cost. Other net gains and losses, related to changes in fair value, are recognized in OCI and are not reclassified to consolidated net income in subsequent periods.

3.6.3 Financial assets at fair value through profit and loss ("FVTPL")

Financial assets designated as FVTPL include financial assets held for trading and financial assets designated at initial recognition as FVTPL. Financial assets are classified as held for trading if they are acquired to be sold in the short term. Derivatives, including embedded derivatives are also designated as held for trading unless they are designated as effective hedging instruments as defined in IFRS 9. Financial assets as FVTPL are recorded in the consolidated statements of financial position at fair value with the net changes in the fair value presented as interest expense (negative changes in fair value) or interest income (positive net changes in fair value) in the consolidated income statement.

3.6.4 Evaluation that contractual cash flows are SPPI

In order to classify a financial asset within one of the three different categories, the Company determines whether the contractual cash flows of the asset are solely principal and interest payments. The Company considers the contractual terms of the financial instrument and whether the financial asset contains any contractual term that could change the timing or amount of the contractual cash flows in such a way that it would not meet the SPPI criteria. To make this evaluation, the Company considers the following:

- Contingent events that would change the cash flows amount or timing;
- Terms that can adjust the contractual coupon rate, including variable interest rate characteristics;
- Payment and extension features; and
- Characteristics that limit the Company's right to obtain cash flows from certain assets.

A prepayment feature is consistent with the characteristics of SPPIs if the prepayment amount substantially represents the amounts of the unpaid principal and interest, which can include reasonable compensation for early termination of the contract. Additionally, a financial asset with a prepayment feature that is acquired or originated with a premium or discount to its contractual amount is consistent with the characteristics of SPPI if at initial recognition the fair value of the prepaid characteristic is insignificant and the prepayment amount represents substantially the contractual amount and accrued interest (but not paid); which may include additional compensation for the early contract termination..

3.6.5 Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Loans and receivables with a stated term (including trade and other receivables) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. For the years ended December 31, 2024, 2023 and 2022 the interest income on loans and receivables recognized in the interest income line item within the consolidated income statements is Ps. 1, Ps. 1 and Ps. —, respectively.

3.6.6 Other financial assets

Other financial assets include investments in other entities and derivative financial instruments. Other financial assets with a stated term are measured at amortized cost using the effective interest method, less any impairment.

3.6.7 Financial assets impairment

The Company recognizes impairment due to expected credit loss (“ECL”) for financial assets measured at amortized cost and reduces the carrying amount.

Impairment losses on accounts receivable are always measured at an amount equal to ECL for the remaining life, whether or not it has a significant financing component.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and estimating the ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes qualitative and quantitative information and analysis, based on historical experience and an informed credit assessment of the Company.

The impairment loss is a weighted estimate of the probability of expected loss. The amount of impairment loss is measured as the present value of any lack of liquidity (the difference between the contractual cash flows that correspond to the Company and the cash flows that management expects to receive). The expected credit loss is discounted using the original financial asset effective interest rate.

The Company annually evaluates the reasonableness to determine if there was objective evidence of impairment. Some objective evidence that financial assets were impaired includes:

- Non-payment or delinquency of a debtor;
- Restructuring of an amount corresponding to the Company under terms that the Company would not otherwise consider;
- Indicators that a debtor or client will enter into bankruptcy;
- Adverse changes in the status of debtor or client payments;
- The disappearance of an active market for an instrument due to financial difficulties; or
- Evident information indicating that there was a measurable decrease in the expected cash flows of a group of financial assets.

For an investment in an equity instrument, objective evidence of impairment includes a significant or prolonged decrease in its fair value lower than the carrying amount.

The impairment loss on financial assets measured at amortized cost is recognized in the consolidated income statement reducing the carrying amount, and for financial assets measured at FVOCI, the impairment loss is recognized within OCI.

3.6.8 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the financial asset have expired; or
- The Company has transferred its rights to receive the asset cash flows or has assumed an obligation to pay the full received cash flows without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred or retained substantially all the asset risks and benefits, but has transferred control of the asset.

3.6.9 Offsetting of financial instruments

Financial assets are required to be offset against financial liabilities and the net amount reported in the consolidated statement of financial position if, and only if the Company:

- Currently has an enforceable legal right to offset the recognized amounts; and
- Intends to settle on a net basis, or to realize the assets and settle the liabilities simultaneously

3.7 Derivative financial instruments

The Company is exposed to different risks related to cash flows, liquidity, market and third-party credit. As a result, the Company contracts different derivative financial instruments in order to reduce its exposure to the risk of exchange rate fluctuations between the U.S. Dollar and other currencies, and interest rate fluctuations associated with its borrowings denominated in foreign currencies and the exposure to the risk of fluctuation in the costs of certain raw materials.

The Company recognizes derivative financial instruments and hedging activities in the consolidated statement of financial position as either an asset or liability measured at fair value, considering quoted prices in recognized markets. If such instruments are not traded in a formal market, fair value is determined by applying techniques based upon technical models supported by sufficient, reliable and verifiable market data, recognized in the financial sector. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments. Changes in the fair value of derivative financial instruments are recorded each year in current earnings or otherwise as a component of cumulative other comprehensive income based on the item being hedged and the effectiveness of the hedge.

3.7.1 Hedge accounting

The Company designates certain hedging instruments, which include derivatives to cover foreign currency risk, as either cash flow hedges, fair value hedges or hedges of net investment in a foreign business. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship, and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

3.7.2 Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI under the heading "valuation of the effective portion of derivative financial instruments". The gain or loss relating to the ineffective portion is recognized immediately in consolidated net income and is included in the "market value gain (loss) on financial instruments" line item within the consolidated income statements.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to consolidated net income in the periods when the hedged item is recognized in profit and loss, in the same line of the consolidated statement of income as the recognized hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in consolidated net income. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in consolidated net income.

3.7.3 Fair value hedge

For hedge items carried at fair value the change in the fair value of a hedging derivative is recognized in profit and loss as foreign exchange gain or loss, as they relate to foreign currency risk. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated income statement as "foreign exchange gain or loss".

For fair value hedges relating to items carried at amortized cost, change in the fair value of the effective portion of the hedge is recognized first as an adjustment to the carrying value of the hedged item and then any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the effective interest rate (EIR) method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

3.7.4 Hedge of net investment in a foreign business

The Company designates certain derivatives as a hedge of its net investment in foreign operations and applies hedge accounting to foreign currency differences arising between the functional currency of its investments abroad and the functional currency of the holding company (Mexican peso), regardless of whether the net investment is held directly or through a sub-holding. Differences in foreign currency that arise in the conversion of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income in the exchange differences on the translation of foreign operations and associates, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognized as market value gain or loss on financial instruments within the consolidated income statements. When part of the hedge of a net investment is disposed, the corresponding accumulated foreign currency translation effect is recognized as part of the gain or loss on disposal within the consolidated income statement. During 2022, the Company designated certain derivatives as a hedge for its net investment in foreign operations and applied hedging accounting to foreign currency differences that arose between the functional currency of its foreign investments and the controlling company's functional currency (Mexican peso). As of December 31, 2024 and 2023, the Company does not have net investment hedges in foreign operations.

3.8 Fair value measurement

The Company measures financial instruments, such as derivatives, and certain non-financial assets such as trust assets of labor obligations at fair value at each balance sheet date. Also, fair values of bank loans and notes payable measured at amortized cost are disclosed in Note 17.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- **Level 2**: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3**: unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as those described in Note 19 and unquoted liabilities such as debt described in Note 17.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.9 Inventories and cost of goods sold

Inventories represent the acquisition or production cost that is incurred when purchasing or producing a product, and are based on the weighted average cost formula.

Inventories are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs of goods sold includes expenses related to the purchase of raw materials used in the production process, as well as labor costs (wages and other benefits), depreciation of production facilities, equipment and other costs, including fuel, electricity, equipment maintenance and inspection.

Management makes judgments regarding write-downs to determine the net realizable value of the inventory. These write-downs consider factors such as age and condition of goods as recent market data to assess the estimated future demand for goods.

3.10 Other current assets

Other current assets, which will be realized within a period of less than one year from the reporting date, are comprised of prepaid assets, and agreements with customers.

Prepaid assets principally consist of, advertising, promotional and insurance premiums paid in advance, and are recognized as other current assets at the time of the cash disbursement, and are derecognized from the consolidated statement of financial position and recognized in the appropriate consolidated income statement caption when the risks and rewards of the related goods have been transferred to the Company or services have been received, respectively.

The Company has prepaid advertising costs which consist of television and radio advertising airtime paid in advance. These prepaid costs are generally amortized over the period based on the transmission of the television and radio spots. The related production costs are recognized in the consolidated income statement as incurred.

The Company has agreements with customers for the right to sell and promote the Company’s products over a certain period. The majority of these agreements have terms of more than one year, and the related costs are amortized using the straight-line method over the term of the contract and deducted from the Net sales as consideration payable to customers. During the years ended December 31, 2024, 2023 and 2022, such amortization aggregated to Ps. 258, Ps. 304 and Ps. 295, respectively.

3.11 Investments accounted for using the equity method

3.11.1 Investments in associates

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control over those policies. Upon loss of significant influence over the associate, the Company remeasures the related asset and any gain or loss is recognized in the consolidated net income. Any residual amount is recognized at fair value.

Investments in associates are accounted for using the equity method and initially recognized at cost, which comprises the investment's purchase price and any directly attributable expenditure necessary to acquire it. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. The financial statements of the associates are prepared for the same reporting period as the Company.

If the Company holds, directly or indirectly, 20% or more of the voting power of the investee, it is presumed that it has significant influence, unless it can be clearly demonstrated that this is not the case. If the Company holds, directly or indirectly, less than 20% of the voting power of the investee, it is presumed that the Company does not have significant influence, unless such influence can be clearly demonstrated. Decisions regarding the propriety of utilizing the equity method of accounting for a less than 20% owned corporate investee require a careful evaluation of voting rights and their impact on the Company's ability to exercise significant influence. Management considers the existence of the following circumstances, which may indicate that the Company is able to exercise significant influence over a less than 20% owned corporate investee:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the Company and the investee;
- interchange of managerial personnel; or
- provision to the investee of essential technical information.

Management also considers the existence and effect of potential voting rights that are currently exercisable or currently convertible when assessing whether the Company has significant influence.
In addition, the Company evaluates the following indicators that provide evidence of significant influence:

- the Company's extent of ownership is significant relative to other shareholdings (i.e. a lack of concentration of other shareholders);
- the Company's significant shareholders, its parent, fellow subsidiaries, or officers of the Company, hold additional investment in the investee; and
- the Company is a part of an investee's board of director committees, such as the executive committee or the finance committee.

When the Company's share of losses exceeds the carrying amount of the investment in the associate, including any advances, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Company has a legal or constructive obligation or has made payments on behalf of the associate.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Company determines the impairment as the difference between the recoverable amount of the investment and its carrying value and recognizes the amount in other expenses line in the consolidated statements of income.

3.11.2 Joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Company classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Company recognizes its interest in joint ventures as investments and accounts for those investments using the equity method.

Upon loss of joint control over the joint venture, the Company remeasures the related asset and any gain or loss is recognized in the consolidated net income. Any residual amount is recognized at fair value.

As of December 31, 2024 and 2023 the Company did not have any interests in joint operations.

3.11.3 Investment in Venezuela

The Company accounts for its investment in Venezuela using fair value through OCI using Level 3 inputs. In 2024, the Company recognized a fair value loss on the investment of Ps. 296. As of December 31, 2024, 2023 and 2022 the fair value of Venezuela investment was Ps. 0. and the accumulated losses recognized in the "other equity instruments" amounted for Ps. 2,073, Ps. 1,777 and Ps. 1,613 respectively.

3.12 Property, plant and equipment

Property, plant and equipment are initially recorded at their cost of acquisition and/or construction and are presented net of accumulated depreciation and accumulated impairment losses if any.

Major maintenance costs are capitalized as part of total acquisition cost, which implies an increase of the assets' useful life. Routine maintenance and repair costs are expensed as incurred.

Construction in progress consists of long-lived assets not yet in service, in other words, that are not yet ready for the purpose that they were bought, built or developed. The Company expects to complete those investments during the following 12 months.

Depreciation is computed using the straight-line method. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for and depreciated separately.

Property, plant and equipment, including returnable bottles which are expected to provide benefits over a period of more than one year, as well as intangible assets with definite useful lives are depreciated/amortized over their estimated useful lives. The Company bases its estimates on the experience of its technical personnel as well as its experience in the industry for similar assets.

During 2022, the Company reviewed the useful lives of its property, plant and equipment, and determined changes in its estimated useful lives of these assets. The financial impact of this change for 2022 was immaterial. Changes in these estimations were applied prospectively.

The estimated useful lives of the Company's principal assets are as follows:

	2024	2023
Buildings	**20 - 50**	20 - 50
Machinery and equipment	**5 - 25**	5 - 25
Distribution equipment	**4 - 14**	4 - 14
Refrigeration equipment	**7 - 10**	7 - 10
Returnable bottles	**1.5 - 4**	1.5 - 4
Other equipment	**3 - 10**	3 - 10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (if any) and the carrying amount of the asset and is recognized in the consolidated income statement.

Returnable and non-returnable bottles:

The Company has two types of bottles: returnable and non-returnable.

- Non-returnable: bottles are expensed in the consolidated income statement at the time of the sale of the product.
- Returnable: bottles are classified as long-lived assets as a component of property, plant and equipment. Returnable bottles are recorded at acquisition cost. Depreciation of returnable bottles is computed using the straight-line method over their estimated useful lives.

There are two types of returnable bottles:

- Those that are in the Company's control within its facilities, plants and distribution centers; and
- Those that are in the Company's control but have been placed in the hands of customers.

Returnable bottles that have been placed in the hands of customers are subject to an agreement with a retailer pursuant to which the Company retains control and ownership. These bottles are monitored by sales personnel during periodic visits to customers and the

Company has the right to charge any breakage identified to the customer. Bottles that are not subject to such agreements are expensed when placed in the hands of customers.

The Company's returnable bottles are depreciated according to their estimated useful lives: 4 for glass bottles and 1.5 years for PET bottles. Deposits received from customers are amortized over the same estimated useful lives of the bottles.

3.13 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance and represent payments whose benefits will be received in future years. Intangible assets acquired separately are measured at initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition (see Note 3.2). Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite, in accordance with the period over which the Company expects to receive the benefits.

Intangible assets with finite useful lives are amortized and mainly consist of information technology and management system costs incurred during the development stage which are currently in use. Such amounts are capitalized and then amortized using the straight-line method over their expected useful lives. Expenditures that do not fulfill the requirements for capitalization are expensed as incurred.

Amortized intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable through its expected future cash flows.

Intangible assets with an indefinite life are not amortized and are subject to impairment tests on an annual basis as well as whenever certain circumstances indicate that the carrying amount of those intangible assets exceeds their recoverable value. The Company's intangible assets with an indefinite life mainly consist of rights to produce and distribute Coca-Cola trademark products in the Company's territories. These rights are contained in agreements that are standard contracts that The Coca-Cola Company has with its bottlers. These bottler agreements are treated as indefinite-lived intangible assets because the Company has determined they are perpetual in nature, considering the following factors: i) the past records of renewals, ii) bottler agreements are automatically renewable for ten-year terms at no cost, and iii) the renewal process does not require any action from either party (only non-renewal requires an action, among others).

As of December 31, 2024, the Company had four bottler agreements in Mexico: (i) Valley of Mexico territory, which is up for renewal in June 2033, (ii) Southeast territory, which is up for renewal in June 2033, (iii) Bajio territory, which is up for renewal in May 2025 and (iv) Golfo territory, which is up for renewal in May 2025. As of December 31, 2024, the Company had one bottler agreement in Brazil, which is up for renewal in October 2027. As of December 31, 2024, the Company had three bottler agreements in Guatemala, which are up for renewal in March 2035 (one contract) and April 2028 (two contracts).

In addition the Company had one bottler agreement in each country which is up for renewal as follows: Argentina, which is up for renewal in September 2034; Colombia, which is up for renewal in June 2034; Panama, which is up for renewal in November 2034; Costa Rica, which is up for renewal in September 2027; Nicaragua, which is up for renewal in May 2026, and Uruguay, which is up for renewal in June 2028.

As of December 31, 2024 the Venezuela investee had one bottler agreement, which is up for renewal in August 2026.

The bottler agreements are automatically renewable for ten-year terms, subject to the right of either party to give prior notice that it does not wish to renew a specific agreement. In addition, these agreements generally may be terminated in the case of material breach. Termination would prevent the Company from selling Coca-Cola trademark beverages in the affected territory and would have an adverse effect on the Company´s business, financial conditions, results from operations and prospects.

3.14 Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest CGUs for which a reasonable and consistent allocation basis can be identified.

For goodwill and other indefinite lived intangible assets, the Company tests for impairment on an annual basis and whenever certain circumstances indicate that the carrying amount of the related CGU might exceed its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted, as discussed in Note 2.3.1.1.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated net income.

Where the conditions leading to an impairment loss no longer exist, it is subsequently reversed. That is, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in consolidated net income. Impairment losses related to goodwill are not reversible. For the years ended December 31, 2024, 2023 and 2022 there was no impairment related to goodwill recognized.

3.15 Leases

The Company evaluates whether a contract is, or contains a lease when the contract transfers the right to control an identified asset during a period in exchange for consideration.

The Company evaluates whether a contract is a lease agreement when:

- The contract involves the use of an identified asset - this can be specified explicitly or implicitly, and must be physically distinct or represent substantially the entire capacity of a physically distinct asset. If the lessor has substantive substitution rights, the asset is not identified;
- The Company has the right to receive substantially all the economic benefits of the use of the asset throughout the period of use;
- The Company has the right to direct the use of the asset when it has the right to make the most relevant decisions about how, and for what purpose the asset is used. When the use of the asset is predetermined, the Company has the right to direct the use of the asset if it: i) it has the right to operate the asset; or ii) it designed the asset in a way that pre-determines for what purpose it will be used.

As a leasee

Initial measurement

On the start date of the lease, the Company recognizes a right-of-use asset and a leasing liability. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payment made during or before the initial application date. The right-of-use asset considers the incurred initial direct costs and an estimate of the costs to dismantle and eliminate the underlying asset, or to restore the underlying asset or the place where it is located, less any lease incentive received.

The lease liability is initially measured at the present value of future lease payments to be made over the lease term. Such payments are discounted using the incremental borrowing rate ("IBR") of the Company, when the Company cannot readily determine the interest rate implicit in its leases. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Lease payments included in the measurement of the lease liability include the following:

- Fixed payments, including payments that are substantially fixed;
- Variable lease payments that depend on an index or a rate, initially measured using the index or the rate as of the lease commencement date;
- The price related to a purchase option that the Company is reasonably certain it will exercise an option to extend the contractual agreement and penalties for early termination of the lease agreement, unless the Company has reasonable certainty of not terminating early, considering all the facts and circumstances that create an economic incentive for the Company to exercise, or not, such options;
- Amounts payable for residual value guarantees.

The Company does not recognize a right-of-use asset and lease liability for those short-term agreements with a contractual period of 12 months or less and leases of low-value assets, mainly information technology equipment used by employees, such as laptops and desktops, handheld devices and printers. The Company recognizes the lease payments associated with these agreements as an expense in the consolidated statement of income as they are incurred.

Subsequent Measurement

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the lease term. In addition, the right-of-use asset is periodically evaluated for impairment losses, if any, and evaluated for some lease liability remeasurements.

Lease liabilities are subsequently measured at amortized cost using the effective interest rate method. The Company re-measures the lease liability without modifying the discount rate when there is a modification in future lease payments under a residual value guarantee or if the modification arises from a change in the index or rate when there are variable payments. The lease liability is measured again using a new incremental borrowing rate at the date of modification when:

- An option to extend or terminate the agreement is exercised by modifying the non-cancelable period of the contract; or
- The Company changes its assessment of whether it will exercise a purchase option of the underlying asset.

When the lease liability is re-measured, an adjustment is made to the corresponding carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the asset has been reduced to zero.

A modification to the lease agreement is accounted for as a separate agreement if the following two conditions are met:

i) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
ii) The consideration of the lease is increased by an amount proportional to the independent price of the increase in scope and by any adjustment to that independent price to reflect the contract circumstances.

In the consolidated income statement, the interest expense of the lease liability is presented as a component of the interest expense, unless they are directly attributable to qualified assets, in which case they are capitalized according to the Company's financing cost accounting policy.

Improvements in leased properties are recognized as part of property, plant and equipment in the consolidated statement of financial position and amortized using the straight-line method, over the shorter of the useful life of the asset and the term of the related lease.

3.16 Financial liabilities and equity instruments

3.16.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized when the proceeds are received, net of direct issue costs.

Repurchase of the Company's own equity instruments are recognized and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.16.3 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortized cost, except for derivative instruments designated as hedging instruments in an effective hedge, which are recognized at FVTPL. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value less, in the case of loans and borrowings, directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments, see Note 3.7.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated income statements when the liabilities are derecognized.

Amortized cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortization is included in interest expense in the consolidated statements of income.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated income statements.

3.17 Provisions

Provisions are recognized when the Company has a present obligation (contractual or implied) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reasonable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, the amounts are discounted to present value where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The Company recognizes a provision for a loss contingency when it is probable (i.e. more likely than not) that certain effects related to past events, would materialize and can be reasonably quantified. These events and their financial impact are also disclosed as loss contingencies in the consolidated financial statements when the risk of loss is deemed to be other than remote. The Company does not recognize an asset for a gain contingency until the gain is realized, see Note 24.5.

Restructuring provisions are recognized only when the recognition criteria for provisions are satisfied. The Company has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected and there is a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected must have been notified of the plan's main features.

3.18 Post-employment and other short and long-term employee benefits

Post-employment and other non-current employee benefits include obligations for pension and post-employment plans and seniority premiums.

In Mexico, the economic benefits and retirement pensions are granted to employees with 10 years of service and minimum age of 60. In addition, in accordance with Mexican Labor Law, the Company provides seniority premium benefits to its employees under certain circumstances. The seniority premium benefits consist of a one-time payment equivalent to 12 days' wages for each year of service (at the employee's most recent salary, but not to exceed twice the legal minimum wage), payable to all employees with 15 or more years of service, as well as to certain employees terminated involuntarily prior to the vesting of their seniority premium benefit.

For defined benefit retirement plans and other non-current employee benefits, such as the Company's sponsored pension and retirement plans and seniority premiums, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. All re-measurements effects of the Company's defined benefit obligation such as actuarial gains and losses and return on plan assets are recognized directly in "OCI". The Company presents service costs within cost of goods sold, administrative and selling expenses in the consolidated income statements. The Company presents net interest cost within interest expense in the consolidated income statements. The projected benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation as of the end of each reporting period. Certain subsidiaries of the Company have established plan assets for the payment of pension benefits and seniority premiums through irrevocable trusts of which the employees are named as beneficiaries, which serve to decrease the funded status of such plans' related obligations.

Costs related to compensated absences, such as vacations and vacation premiums, are recognized on an accrual basis.

A settlement occurs when the Company enters into a transaction that eliminates all further legal or constructive obligations or part or all of the benefits provided under a defined benefit plan. A curtailment arises from an isolated event such as closing of a plant, discontinuance of an operation or termination or suspension of a plan. Gains or losses on the settlement or curtailment of a defined benefit plan are recognized when the settlement or curtailment occurs.

Profit sharing to employees ("PTU" for its acronym in Spanish) is paid by the Mexican subsidiaries to its eligible employees. PTU is computed at the rate of 10% of the individual company taxable income. PTU in Mexico is calculated from the same taxable income for income tax, except for the following: a) neither tax losses from prior years nor the PTU paid during the year are deductible; and b) payments exempt from taxes for the employees are fully deductible in the PTU computation.

The Federal Labor Law establishes a limit on the amount to be paid for profit sharing to employees, which indicates that the amount of PTU assigned to each employee may not exceed the equivalent of three months of the employee's current salary, or the average PTU received by the employee in the previous three years, whichever is greater. If the PTU determined is less than or equal to this limit, the PTU will be determined by applying 10% of the individual company taxable income. If the PTU determined exceeds this limit, the limit would apply and this should be considered the PTU for the period.

3.19 Revenue recognition

The Company recognizes revenue when it has transferred to the customer control over the good sold or the service rendered. Control refers to the ability of the customer to direct and obtain substantially all the transferred product's benefits. Also, it implies that the customer has the ability to prevent a third-party from directing the use and obtaining substantially all the benefits of the transferred product. Coca-Cola FEMSA's management applies the following considerations to analyze the moment in which the control of the good sold or the service is transferred to the customer:

- Identify the contract (written, oral or an implied contract in accordance with to the customary business practices).
- Evaluate the goods and services promised in the customer's contract and identify the related performance obligations.
- Consider the contract terms and the commonly accepted practices in the business to determine the transaction price. The transaction price is the consideration that the Company expects to be entitled to for transferring the goods and services to the customer, excluding the amount collected for third parties, such as taxes directly related to the sales. The consideration promised in a customer's contract may include a fixed amount, variable amounts or both.
- Allocate the transaction price to each performance obligation (to each good or service that is different) for an amount that represents the part of the benefit that the Company expects to receive in exchange for the right of transferring the promised goods or services to the customer.
- Recognize revenue when (or while) it satisfied the performance obligation through the transfer of the promised goods or services engaged.

All the conditions mentioned above are accomplished normally when the goods are delivered to the customer, usually payment terms varies from 0 to 90 days.

The Company generates revenues from the following principal activities:

Sale of goods.

Includes the sales of goods by all the subsidiaries of the Company, mainly the sale of beverages of the leading brand of Coca-Cola in which the revenue is recognized at the point of time those products were sold to the customers.

Rendering of services.

Includes the revenues of distribution services that the Company recognizes as revenues as the related performance obligation is satisfied. The Company recognizes revenues for rendering of services over time in which the performance obligation is satisfied according with the following conditions:

- The customer receives and consumes simultaneously the benefits, as the Company satisfies the performance obligation;
- The customer controls the related assets, even if the Company improves them;
- The revenues can be measured reliably; and
- It is probable that economic benefits will flow to the Company.

Sources of Revenue	For the year ended December 31, 2024	For the year ended December 31, 2023	For the year ended December 31, 2022
Sale of products	**Ps. 279,030**	Ps. 244,264	Ps. 226,222
Services rendered	**77**	23	15
Other operating revenues	**686**	801	503
Revenue from contracts with customers	**Ps. 279,793**	Ps. 245,088	Ps. 226,740

Variable consideration

The Company estimates the amount of consideration to which it be entitled in exchange for transferring the goods to the customer. Some contracts include promotions, discounts or any other variable payments that may be granted to the customers. These estimates are based on the commercial agreements entered with the customers and on the historical performance for the customer.

Sales discounts are considered variable consideration and are reflected in the customer's invoice. Discounts are recorded at the moment of sale (sales are recorded net of discounts).

In the wholesaler channel, products are sold at a discount based on volume, considering total sales during certain period. Revenues on these sales are recognized based on the price established in the agreement, net of variable consideration for discounts for estimated volume. The Company uses its accumulated experience to estimate discounts, using the expected value method.

Significant financing component

There is not a significant financing component due to the fact that the majority of sales are made in cash for the retail channel or on credit period of 0-90 days for the wholesalers.

Contracts costs.

As disclosed on Note 3.10, the incremental costs for obtaining a customer contract are recognized as an asset if the Company expects to recover those costs. The incremental costs are those incurred to obtain a contract and that would not be incurred if the contract had not been obtained. The Company recognizes these costs as incurred in the consolidated income statement when the associated revenue is realized in a period equal to or less than one year. The contract costs, are amortized on a straight-line basis over the terms of the related revenue contracts, reflecting how the goods and services are transferred to the client.

3.20 Administrative and selling expenses

Administrative expenses include labor costs (salaries and other benefits, like PTU of employees not directly involved in the sale of the Company's products, as well as professional service fees, the depreciation of office facilities, amortization of capitalized information technology system implementation costs and any other similar costs.

Selling expenses include:

- Distribution: labor costs (salaries and other related benefits), outbound freight costs, warehousing costs of finished products, depreciation of returnable bottles in the distribution process, depreciation and maintenance of trucks and other distribution facilities and equipment.
- Sales: labor costs (salaries and other benefits including "PTU") and sales commissions paid to sales personnel;
- Marketing: promotional expenses and advertising costs.

3.21 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes are charged to consolidated income statements as they are incurred, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

3.21.1 Current income taxes

Current income taxes are recorded in the results of the year they are incurred.

3.21.2 Deferred income taxes

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, including tax loss carryforwards and certain tax credits, to the extent that it is probable that future taxable profits, and reversal of existing taxable temporary differences will be available. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In the case of Brazil, where goodwill is deductible for tax purposes, the Company recognizes as part of the acquisition method a deferred tax asset for the tax effect of the excess of the tax basis over the related carrying value.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits and reversal of existing taxable temporary differences will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred income taxes are classified as a non-current asset or liability, regardless of when the temporary differences are expected to reverse.

Deferred tax relating to items recognized in other comprehensive income is recognized in correlation to the underlying transaction in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In Mexico, the income tax rate was 30% for 2024, 2023 and 2022, and currently Management has no reason to believe that the tax rate will change in the foreseeable future. The tax rates for other countries is disclosed in Note 23.3.

3.21.3 Uncertain tax positions

The Company operates in numerous tax jurisdictions and is subject to periodic tax inspections, in the normal course of business, by local tax authorities on a range of tax matters in relation to corporate income tax.

Where the amount of tax payable is uncertain, the Company establishes income tax provisions based on management's estimates with respect to the likelihood of material tax exposures and the probable amount of the liability.

3.22 Share-based payments transactions

Senior executives of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments. Under this stock incentive plan, eligible executive officers and senior management are entitled to receive a special annual bonus in cash, after withholding applicable taxes, to purchase FEMSA and Coca-Cola FEMSA shares traded in the Mexican Stock Exchange. This plan uses the Economic Value Added "EVA" result achieved, and their individual performance as its main evaluation metric. The Company makes a cash contribution to the administrative trust (which is controlled and consolidated by FEMSA) in the amount of the individual executive's special bonus. The administrative trust then uses the funds to purchase FEMSA and Coca-Cola FEMSA shares or options (as instructed by the Corporate Practices Committee). The acquired shares are deposited in a trust, and the executive officers and senior management can access them one year after they are vested at 33% per year over a three-year period. Seventy percent of the annual executive bonus under the Company's stock incentive plan must be used to purchase our company's shares and the remaining thirty percent must be used to purchase FEMSA shares. During the years ended December 31, 2024, 2023 and 2022, no stock options were granted to executives.

This incentive plan is accounted for as equity settled transaction, net of cash contributions made by the Company. The award of equity instruments is granted for a fixed monetary value.

Share-based payments to employees are measured at the fair value of the equity instruments at the grant date and accounted as equity contributions from FEMSA. The cash contributions made by the Company are accounted as reduction to the equity contributions. Any excess of cash contributions made is recorded as a financial asset (See Note 12.1). The fair value determined at the grant date of the share-based payments is recognized as expense based on the graded vesting method over the three-year vesting period.

3.23 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its shares. As described in Note 22, the Company has potentially dilutive shares and therefore presents its basic and diluted earnings per share. Basic EPS is calculated by dividing the consolidated net income attributable to controlling interest by the weighted average number of shares outstanding during the period adjusted for the weighted average of own shares purchased in the year. Diluted EPS is calculated by dividing the consolidated net income attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Earnings per share for all periods are adjusted to give effect to capital contributions, debt issuance, share splits or reverse share splits if they occur during any of periods presented and subsequent to the latest balance sheet date until the issuance date of the consolidated financial statements.

Note 4. Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash includes cash on hand and in banks and cash equivalents, including short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, with a maturity date of three months or less at their acquisition date. Cash and cash equivalents at the end of the reporting period consist of the following:

	2024	2023
Cash and bank balances	**Ps. 3,300**	Ps. 6,101
Cash equivalents (see Note 3.5)	**29,479**	24,959
Total	**Ps. 32,779**	Ps. 31,060

Note 5. Trade Receivables, Net

	2024	2023
Trade receivables	**Ps. 15,912**	Ps. 15,022
The Coca-Cola Company (related party) (See Note 13)	**491**	378
Loans to employees	**85**	76
FEMSA and subsidiaries (related parties) (See Note 13)	**867**	1,460
Other sundry accounts receivable [(1)]	**2,134**	1,390
Allowance for expected credit losses	**(869)**	(577)
	Ps. 18,620	Ps. 17,749

[(1)] This amount includes Ps. 334 from the pending insurance recovery.

5.1 Trade receivables

Trade receivable representing rights arising from sales and loans to employees or any other similar concept, are presented on the consolidated statement of financial position net of discounts and the allowance for expected credit losses.

Coca-Cola FEMSA has accounts receivable from The Coca-Cola Company primarily arising from the latter's participation in advertising and promotional programs.

Because less than 1.7% of the trade receivables is unrecoverable, the Company does not have any customers classified as "high risk" which would be eligible to have special management conditions for the credit risk. As of December 31, 2024, the Company does not have a representative group of customers directly related to the expected credit loss.

The allowance for expected credit losses is calculated with an expected losses model that recognizes the impairment losses through all the contract life. Because they are generally short-term trade receivables, the Company defined a model with a simplified expected loss focus through a parametric model. The parameters used in the model are:

- Breach probability;
- Losses severity;
- Financing rate;
- Special recovery rate; and
- Breach exposure.

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The carrying value of trade receivables approximates its fair value as of December 31, 2024 and 2023.

The Company recognizes an allowance for expected credit losses at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit loss patterns.

5.2 Changes in the allowance for expected credit losses

For the years ended as of December 31, 2024, 2023 and 2022, the Company had an allowance for Ps. 869, Ps. 577 and Ps. 538, respectively.

For the years ended as of December 31, 2024, 2023 and 2022, changes in allowance for expected credit losses are comprised of the following:

	2024	2023	2022
Balance at the beginning of the year	Ps. 577	Ps. 538	Ps. 531
Allowance for the year	117	29	14
Charges and write-offs of uncollectible accounts	170	23	38
Effects of changes in foreign exchange rates	5	(13)	(45)
Balance at the end of the year	Ps. 869	Ps. 577	Ps. 538

5.3 Payments from The Coca-Cola Company:

The Coca-Cola Company participates in certain marketing and promotional programs through contributions that are recognized as a reduction of selling expenses. For the years ended December 31, 2024, 2023 and 2022 contributions received were Ps. 2,012, Ps. 2,450, and Ps. 1,170, respectively.

Note 6. Inventories

	2024	2023
Finished products	**Ps. 7,124**	Ps. 6,293
Raw materials	**4,452**	3,624
Non strategic spare parts	**1,538**	1,004
Inventories in transit	**210**	107
Packing materials	**400**	538
Other	**335**	314
	Ps. 14,059	Ps. 11,880

For the years ended as of December 31, 2024, 2023 and 2022, the Company recognized write-downs of its inventories for Ps. 660, Ps. 165 and Ps. 80, respectively to net realizable value. Please refer to Note 2.5 for further information regarding the impacts of the flooding events in Mexico and Brazil.

For the years ended as of December 31, 2024, 2023 and 2022, changes in inventories are comprised of the following and included in the consolidated income statement under the cost of goods sold caption:

	2024	2023	2022
Finished goods and work in progress	**Ps. 35,313**	Ps. 28,682	Ps. 25,073
Raw materials and packing materials	**96,847**	90,919	85,171
Total	**Ps. 132,160**	Ps. 119,601	Ps. 110,244

Note 7. Other Current Assets and Other Current Financial Assets

7.1 Other Current Assets:

	2024	2023
Prepaid expenses	**Ps. 1,775**	Ps. 902
Agreements with customers, net of accumulated amortization	**132**	126
Others	**38**	29
	Ps. 1,945	Ps. 1,057

Prepaid expenses as of December 31, 2024 and 2023 are as follows:

	2024	2023
Advances to suppliers	**Ps. 1,720**	Ps. 789
Advertising and promotional expenses paid in advance	**30**	96
Prepaid insurance	**25**	17
	Ps. 1,775	Ps. 902

Advertising and promotional expenses recorded in the consolidated income statements for the years ended December 31, 2024, 2023 and 2022, were Ps. 4,827 Ps. 4,691 and Ps. 3,983 respectively.

7.2 Other Current Financial Assets:

	2024	2023
Restricted cash (1)	**Ps. 349**	Ps. 304
Derivative financial instruments (See Note 19)	**597**	263
	Ps. 946	Ps. 567

(1) Restricted cash in Brazil is held in U.S. dollars and relates to short term deposits in order to fulfill the collateral requirements for accounts payable.

Note 8. Investments in Other Entities

As of December 31, 2024 and 2023 the investment in other entities is comprised of the following:

	2024	2023
Investment in Associates and Joint Ventures	**Ps. 10,233**	Ps. 9,246

Details of the investment in associates and joint ventures accounted for under the equity method at the end of the reporting period are as follows:

			Ownership Percentage		Carrying Amount	
Investee	**Principal Activity**	**Place of Incorporation**	**2024**	2023	**2024**	2023
Joint ventures:						
Planta Nueva Ecología de Tabasco, S.A. de C.V.	Recycling	Mexico	**50.0%**	50.0%	**Ps. 1,392**	Ps. 1,139
Fountain Agua Mineral, LTDA	Beverages	Brazil	**50.0%**	50.0%	**818**	808
Dispensadoras de Café, S.A.P.I. de C.V.	Services	Mexico	**50.0%**	50.0%	**239**	223
Associates:						
Promotora Industrial Azucarera, S.A. de C.V. (“PIASA”) [1]	Sugar production	Mexico	**36.4%**	36.4%	**3,654**	3,454
Jugos del Valle, S.A.P.I. de C.V. [1]	Beverages	Mexico	**28.2%**	28.2%	**3,466**	2,831
Leao Alimentos e Bebidas, LTDA [1]	Beverages	Brazil	**25.1%**	25.1%	**212**	298
Industria Envasadora de Querétaro, S.A. de C.V. (“IEQSA”) [1]	Canned bottling	Mexico	**26.5%**	26.5%	**195**	215
Industria Mexicana de Reciclaje, S.A. de C.V. (“IMER”) [1]	Recycling	Mexico	**35.0%**	35.0%	**91**	99
Alimentos de Soja S.A.U.	Beverages	Argentina	**10.7%**	10.7%	**48**	23
Others	Various	Various	Various	Various	**118**	156
					Ps. 10,233	Ps. 9,246

Accounting method:

[1] The Company has significant influence due to the fact that it has power to participate in the financial and operating policy decisions of the investee.

During 2024 the Company received dividends from Industria Envasadora de Querétaro, S.A. de C.V. ("IEQSA") for an amount of Ps. 19.

During 2024 and 2023 the Company made capital contributions to Jugos del Valle, S.A.P.I. de C.V. for an amount of Ps. 482, and Ps. 466 and sold shares for an amount of Ps. 24 on 2023. Also our ownership decreased due to a corporate restructuring.

During 2024 and 2023 the Company made capital contributions to Planta Nueva Ecología de Tabasco S.A. de C.V. for an amounts of Ps. 320, and Ps. 506, respectively. There were no changes in the ownership percentage as a result of capital contributions made by the other shareholders.

During 2023 the Company received dividends from Promotora Mexicana de Embotelladores, S.A. de C.V. ("PIASA") for an amount of Ps. 79.

During 2023, the Company recognized an impairment on its investment in Alimentos de Soja S.A.U. for an amount of Ps. 143 recognized in the South America segment.

During 2022 the Company received dividends from Industria Envasadora de Querétaro, S.A. de C.V. ("IEQSA") for the amount of Ps. 16.

For the years ended December 31, 2024, 2023 and 2022 the equity earnings recognized for associates were Ps. 294, Ps. 25, and Ps. 194, respectively.

For the years ended December 31, 2024, 2023 and 2022 the equity earnings recognized for joint ventures were Ps.12 Ps. 190 and Ps. 192, respectively.

Note 9. Leases

For the years ended as of December 31, 2024 and 2023, the change in the Company's right-of-use assets, is as follows:

	2024	2023
Balance at beginning of the period	**Ps. 2,388**	Ps. 2,069
Additions	**1,046**	586
Remeasurements	**792**	812
Disposals	**(417)**	(271)
Depreciation	**(921)**	(776)
Hyperinflationary economies effect	**11**	6
Effects of changes in foreign exchange rates	**90**	(38)
Balance at end of the period	**Ps. 2,989**	Ps. 2,388

As of December 31, 2024 and 2023, the lease liabilities are integrated as follows:

	2024	2023
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**Ps. 1,175**	Ps. 966
One to three years	**1,811**	1,386
More than three years	**1,294**	1,353
Total undiscounted lease liabilities on December 31	**Ps. 4,280**	Ps. 3,705
Lease liabilities included in the statement of financial position on December 31	**3,184**	2,521
Current	**Ps. 889**	Ps. 752
Non-Current	**Ps. 2,295**	Ps. 1,769

For the years ended as of December 31, 2024 and 2023, the change in the Company's lease liabilities, is as follows:

	2024	2023
Balance at beginning of the period	**Ps. 2,521**	Ps. 2,135
Additions	**1,046**	586
Remeasurements	**792**	812
Disposals	**(417)**	(277)
Payments	**(856)**	(690)
Foreign exchange effects	**7**	(20)
Effects of changes in foreign exchange rates	**91**	(25)
Balance at end of the period	**Ps. 3,184**	Ps. 2,521

The total lease payments during 2024, 2023 and 2022 were Ps. 1,205, Ps. 968, and Ps. 763, respectively; out of which, Ps. 349, Ps. 278, and Ps. 132, represented the interest expense reported in the consolidated income statements for the years ended on December 31, 2024, 2023 and 2022, respectively.

The expenses for the low value assets and short-term leases reported in the consolidated income statements recognized in operating expenses for the years ended on December 31, 2024, 2023 and 2022 were Ps. 238, Ps. 190 and Ps. 116, respectively.

As of December 31, 2024, 2023 and 2022 the weighted average incremental borrowing rate was 11.25%, 10.18% and 9.29%, respectively.

Note 10. Property, plant & equipment.

Cost	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
Cost as of January 1, 2022	Ps. 5,230	Ps. 19,074	Ps. 41,177	Ps. 20,129	Ps. 19,433	Ps. 6,734	Ps. 886	Ps. 1,298	Ps. 113,961
Additions [(1)]	267	38	399	939	4,123	12,641	26	294	18,727
Additions from business combinations	36	289	365	126	8	482	—	—	1,306
Transfer of completed projects in progress	139	1,477	4,248	2,485	645	(9,023)	27	2	—
Disposals	(18)	(209)	(858)	(1,072)	(381)	—	(27)	(9)	(2,574)
Effects of changes in foreign exchange rates	(424)	(1,157)	(3,225)	(1,277)	(1,708)	(438)	(15)	(172)	(8,416)
Changes in value on the recognition of inflation effects	Ps. 222	Ps. 735	Ps. 2,474	Ps. 536	Ps. 849	Ps. 7	Ps. —	Ps. —	Ps. 4,823
Cost as of December 31, 2022	**Ps. 5,452**	**Ps. 20,247**	**Ps. 44,580**	**Ps. 21,866**	**Ps. 22,969**	**Ps. 10,403**	**Ps. 897**	**Ps. 1,413**	**Ps. 127,827**

Cost	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
Cost as of January 1, 2023	Ps. 5,452	Ps. 20,247	Ps. 44,580	Ps. 21,866	Ps. 22,969	Ps. 10,403	Ps. 897	Ps. 1,413	Ps. 127,827
Additions [(1)]	1	27	211	855	2,782	15,939	—	297	20,112
Transfer of completed projects in progress	72	1,506	5,415	2,346	2,110	(11,109)	(331)	(9)	—
Disposals	(8)	(44)	(1,071)	(1,245)	(270)	(2)	—	(3)	(2,643)
Effects of changes in foreign exchange rates	(475)	(1,908)	(4,788)	(1,298)	(2,155)	(550)	(51)	(116)	(11,341)
Changes in value on the recognition of inflation effects	177	592	1,895	400	655	128	—	—	3,847
Cost as of December 31, 2023	Ps. 5,219	Ps. 20,420	Ps. 46,242	Ps. 22,924	Ps. 26,091	Ps. 14,809	Ps. 515	Ps. 1,582	Ps. 137,802

Cost	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
Cost as of January 1, 2024	**Ps. 5,219**	**Ps. 20,420**	**Ps. 46,242**	**Ps. 22,924**	**Ps. 26,091**	**Ps. 14,809**	**Ps. 515**	**Ps. 1,582**	**Ps. 137,802**
Additions [(1)]	**492**	**644**	**646**	**1,670**	**2,619**	**21,023**	**7**	**346**	**27,447**
Transfer of completed projects in progress	**360**	**995**	**7,753**	**1,565**	**2,215**	**(12,897)**	**7**	**2**	**—**
Disposals [(2)]	**(8)**	**(82)**	**(1,591)**	**(1,042)**	**(455)**	**—**	**(17)**	**(186)**	**(3,381)**
Effects of changes in foreign exchange rates	**100**	**234**	**840**	**485**	**1,112**	**289**	**(1)**	**(16)**	**3,043**
Changes in value on the recognition of inflation effects	**278**	**978**	**3,141**	**813**	**1,325**	**188**	**—**	**—**	**6,723**
Cost as of December 31, 2024	**Ps. 6,441**	**Ps. 23,189**	**Ps. 57,031**	**Ps. 26,415**	**Ps. 32,907**	**Ps. 23,412**	**Ps. 511**	**Ps. 1,728**	**Ps. 171,634**

[(1)] Total includes Ps. 3,503, Ps. 499 and Ps. 1,971 outstanding payment to suppliers, as of December 31, 2024, 2023 and 2022 respectively.
[(2)] This amount includes write-off for damaged assets. For more information see note 2.5

Accumulated Depreciation	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
Accumulated depreciation as of January 1, 2022	Ps. —	Ps. (5,498)	Ps. (20,378)	Ps. (12,300)	Ps. (12,676)	Ps. —	Ps. (395)	Ps. (531)	Ps. (51,778)
Depreciation for the year	—	(835)	(3,331)	(1,437)	(3,234)	—	(25)	(135)	(8,997)
Disposals	—	194	854	936	306	—	26	7	2,323
Effects of changes in foreign exchange rates	—	340	2,193	860	1,274	—	7	143	4,817
Changes in value on the recognition of inflation effects	—	(244)	(1,605)	(354)	(745)	—	(5)	(34)	(2,987)
Accumulated depreciation as of December 31, 2022	Ps. —	Ps. (6,043)	Ps. (22,267)	Ps. (12,295)	Ps. (15,075)	Ps. —	Ps. (392)	Ps. (550)	Ps. (56,622)

Accumulated Depreciation	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
Accumulated depreciation as of January 1, 2023	Ps. —	Ps. (6,043)	Ps. (22,267)	Ps. (12,295)	Ps. (15,075)	Ps. —	Ps. (392)	Ps. (550)	Ps. (56,622)
Depreciation for the year	—	(555)	(3,101)	(1,844)	(3,256)	—	(15)	(148)	(8,919)
Disposals	—	26	825	1,260	261	—	—	1	2,373
Effects of changes in foreign exchange rates	—	640	3,087	793	1,783	—	117	114	6,534
Changes in value on the recognition of inflation effects	—	(218)	(1,264)	(291)	(649)	—	(2)	(14)	(2,438)
Accumulated depreciation as of December 31, 2023	Ps. —	Ps. (6,150)	Ps. (22,720)	Ps. (12,377)	Ps. (16,936)	Ps. —	Ps. (292)	Ps. (597)	Ps. (59,072)

Accumulated Depreciation	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
Accumulated depreciation as of January 1, 2024	**Ps. —**	**Ps. (6,150)**	**Ps. (22,720)**	**Ps. (12,377)**	**Ps. (16,936)**	**Ps. —**	**Ps. (292)**	**Ps. (597)**	**Ps. (59,072)**
Depreciation for the year	**—**	**(584)**	**(3,538)**	**(2,029)**	**(3,878)**	**—**	**(12)**	**(180)**	**(10,221)**
Disposals	**—**	**67**	**1,233**	**940**	**365**	**—**	**14**	**185**	**2,804**
Effects of changes in foreign exchange rates	**—**	**(183)**	**(281)**	**(316)**	**(818)**	**—**	**—**	**(13)**	**(1,611)**
Changes in value on the recognition of inflation effects	**—**	**(382)**	**(2,105)**	**(494)**	**(1,122)**	**—**	**(6)**	**(44)**	**(4,153)**
Accumulated depreciation as of December 31, 2024	**Ps. —**	**Ps. (7,232)**	**Ps. (27,411)**	**Ps. (14,276)**	**Ps. (22,389)**	**Ps. —**	**Ps. (296)**	**Ps. (649)**	**Ps. (72,253)**

Carrying Amount	Land	Buildings	Machinery and Equipment	Refrigeration Equipment	Returnable Bottles	Investments in Fixed Assets in Progress	Leasehold Improvements	Other	Total
As of December 31, 2022	Ps. 5,452	Ps. 14,204	Ps. 22,313	Ps. 9,571	Ps. 7,894	Ps. 10,403	Ps. 505	Ps. 863	Ps. 71,205
As of December 31, 2023	Ps. 5,219	Ps. 14,270	Ps. 23,522	Ps. 10,547	Ps. 9,155	Ps. 14,809	Ps. 223	Ps. 985	Ps. 78,730
As of December 31, 2024	**Ps. 6,441**	**Ps. 15,957**	**Ps. 29,620**	**Ps. 12,139**	**Ps. 10,518**	**Ps. 23,412**	**Ps. 215**	**Ps. 1,079**	**Ps. 99,381**

Note 11. Intangible Assets

	Rights to Produce and Distribute Coca-Cola trademark Products	Goodwill	Other indefinite lived intangible assets	Technology costs and management systems	Development systems	Other amortizable	Total
Balance as of January 1, 2022	Ps. 76,139	Ps. 22,909	Ps. 1,192	Ps. 6,960	Ps. 375	Ps. 1,102	Ps. 108,677
Purchases [1]	—	—	—	46	1,138	4	1,188
Additions from business combinations	1,116	205	—	17	—	—	1,338
Transfer	—	—	—	65	(158)	93	—
Disposals	—	—	—	(775)	—	—	(775)
Effect of movements in exchange rates	(756)	144	(150)	(51)	(13)	(70)	(896)
Changes in value on the recognition of inflation effects	—	—	—	—	—	80	80
Cost as of December 31, 2022	Ps. 76,499	Ps. 23,258	Ps. 1,042	Ps. 6,262	Ps. 1,342	Ps. 1,209	Ps. 109,612
Balance as of January 1, 2023	Ps. 76,499	Ps. 23,258	Ps. 1,042	Ps. 6,262	Ps. 1,342	Ps. 1,209	Ps. 109,612
Purchases [1]	—	—	4	385	963	25	1,377
Transfer	(224)	—	224	307	(708)	401	—
Disposals	—	(2)	—	(1)	—	(61)	(64)
Effect of movements in exchange rates	(1,568)	(916)	44	(77)	(30)	(158)	(2,705)
Changes in value on the recognition of inflation effects	—	—	—	—	—	70	70
Cost as of December 31, 2023	Ps. 74,707	Ps. 22,340	Ps. 1,314	Ps. 6,876	Ps. 1,567	Ps. 1,486	Ps. 108,290
Balance as of January 1, 2024	**Ps. 74,707**	**Ps. 22,340**	**Ps. 1,314**	**Ps. 6,876**	**Ps. 1,567**	**Ps. 1,486**	**Ps. 108,290**
Purchases [1]	**—**	**—**	**30**	**223**	**1,224**	**628**	**2,105**
Transfer	**—**	**—**	**—**	**637**	**(835)**	**198**	**—**
Disposals	**—**	**—**	**(50)**	**(21)**	**—**	**—**	**(71)**
Effect of movements in exchange rates	**(85)**	**(328)**	**15**	**39**	**3**	**25**	**(331)**
Changes in value on the recognition of inflation effects [2]	**—**	**—**	**—**	**256**	**(5)**	**(118)**	**133**
Cost as of December 31, 2024	**Ps. 74,622**	**Ps. 22,012**	**Ps. 1,309**	**Ps. 8,010**	**Ps. 1,954**	**Ps. 2,219**	**Ps. 110,126**

	Rights to Produce and Distribute Coca-Cola trademark Products	Goodwill	Other indefinite lived intangible assets	Technology costs and management systems	Development systems	Other amortizable	Total
Accumulated amortization							
Balance as of January 1, 2022	Ps. (745)	Ps. —	Ps. —	Ps. (4,946)	Ps. —	Ps. (812)	Ps. (6,503)
Amortization expense	—	—	—	(522)	—	(246)	(768)
Disposals	—	—	—	775	—	—	775
Effect of movements in exchange rate	—	—	—	96	—	5	101
Changes in value on the recognition of inflation effects	—	—	—	(94)	—	(1)	(95)
Balance as of December 31, 2022	Ps. (745)	Ps. —	Ps. —	Ps. (4,691)	Ps. —	Ps. (1,054)	Ps. (6,490)
Amortization expense	—	—	—	(518)	—	(318)	(836)
Disposals	—	—	—	—	—	59	59
Effect of movements in exchange rate	—	—	—	205	—	12	217
Changes in value on the recognition of inflation effects	—	—	—	(78)	—	—	(78)
Balance as of December 31, 2023	Ps. (745)	Ps. —	Ps. —	Ps. (5,082)	Ps. —	Ps. (1,301)	Ps. (7,128)
Amortization expense	**—**	**—**	**—**	**(778)**	**—**	**(207)**	**(985)**
Disposals	**—**	**—**	**—**	**21**	**—**	**—**	**21**
Effect of movements in exchange rate	**—**	**—**	**—**	**(68)**	**—**	**39**	**(29)**
Changes in value on the recognition of inflation effects - amortization	**—**	**—**	**—**	**(129)**	**—**	**—**	**(129)**
Balance as of December 31, 2024	**Ps. (745)**	**Ps. —**	**Ps. —**	**Ps. (6,036)**	**Ps. —**	**Ps. (1,469)**	**Ps. (8,250)**
Balance as of December 31, 2022	Ps. 75,754	Ps. 23,258	Ps. 1,042	Ps. 1,571	Ps. 1,342	Ps. 155	Ps. 103,122
Balance as of December 31, 2023	Ps. 73,962	Ps. 22,340	Ps. 1,314	Ps. 1,794	Ps. 1,567	Ps. 185	Ps. 101,162
Balance as of December 31, 2024	**Ps. 73,877**	**Ps. 22,012**	**Ps. 1,309**	**Ps. 1,974**	**Ps. 1,954**	**Ps. 750**	**Ps. 101,876**

The Company's intangible assets such as technology costs and management systems are subject to amortization with a range in useful lives from 3 to 12 years.

For the year ended December 31, 2024, the amortization of intangible assets is recognized in cost of goods sold, selling expenses and administrative expenses and amounted to Ps. 17, Ps.147 and Ps. 821, respectively.

For the year ended December 31, 2023, the amortization of intangible assets is recognized in cost of goods sold, selling expenses and administrative expenses and amounted to Ps. 12, Ps.93 and Ps.731, respectively.

For the year ended December 31, 2022, the amortization of intangible assets is recognized in cost of goods sold, selling expenses and administrative expenses and amounted to Ps. 13, Ps.84 and Ps.671, respectively.

(1) Total includes Ps. 257, Ps. 359 and Ps. 209 outstanding payment to suppliers, as of December 31, 2024, 2023 and 2022 respectively.

(2) Until closing of 2023, the changes in value on the recognition of inflation effects were recognized in other amortizable. Starting in 2024, it is correctly assigned to the corresponding asset, therefore, the accumulated effect that had in other amortizable and that corresponded to technology costs and management systems is reversed. The net effect of inflation on total assets does not change.

Impairment Tests for Cash-Generating Units Containing Goodwill, Distribution Rights and Other indefinite lived intangible assets

For the purpose of impairment testing, goodwill, distribution rights, and other indefinite lived intangible assets are allocated and monitored on an individual country basis, which is considered to be the CGU.

The aggregate carrying amounts of goodwill, distribution rights, and other indefinite lived intangible assets allocated to each CGU are as follows:

	2024	2023
Mexico	**Ps. 57,689**	Ps. 56,662
Guatemala	**1,695**	1,684
Nicaragua	**404**	404
Costa Rica	**1,439**	1,418
Panama	**1,170**	1,169
Colombia	**3,638**	3,635
Brazil	**28,199**	30,018
Argentina	**512**	245
Uruguay	**2,452**	2,381
Total	**Ps. 97,198**	Ps. 97,616

The foregoing forecasts were projected based on actual operating results and the five- year business plan that reflect the most likely outcomes based on the current conditions of each Cash-Generating Unit ("CGU"), including macroeconomic factors. However, these forecasts may differ from actual results as time progresses. The value in use of CGUs is determined using discounted cash flows, with key assumptions including volume, long-term inflation, and the weighted average cost of capital ("WACC"). The discount rate, calculated using the WACC for each CGU, incorporates market risks, time value of money, and specific asset risks not captured in the cash flows. The WACC considers both debt and equity costs, with the cost of equity based on investor returns and the cost of debt reflecting the Company's obligations. Market participant assumptions, including growth rates and competitive positioning, are used to estimate future performance.

The key assumptions by CGU for impairment test as of December 31, 2024 were as follows:

CGU	**Pre-tax WACC**	**Post –tax WACC**	**Expected Annual Long-Term Inflation 2025-2029**	**Expected Volume Growth Rates 2025-2029**
Mexico	**9.0 %**	**6.3 %**	**4.1 %**	**5.4 %**
Brazil	**10.9 %**	**6.8 %**	**3.6 %**	**4.1 %**
Colombia	**12.0 %**	**7.9 %**	**3.1 %**	**6.6 %**
Argentina	**16.0 %**	**12.0 %**	**35.1 %**	**4.5 %**
Guatemala	**9.5 %**	**7.2 %**	**4.0 %**	**11.9 %**
Costa Rica	**12.0 %**	**8.5 %**	**2.8 %**	**6.6 %**
Nicaragua	**23.0 %**	**13.1 %**	**3.5 %**	**6.5 %**
Panama	**11.7 %**	**9.1 %**	**1.8 %**	**6.3 %**
Uruguay	**9.5 %**	**7.1 %**	**5.1 %**	**4.2 %**

The key assumptions by CGU for impairment test as of December 31, 2023 were as follows:

CGU	Pre-tax WACC	Post –tax WACC	Expected Annual Long-Term Inflation 2024-2028	Expected Volume Growth Rates 2024-2028
Mexico	9.0 %	6.3 %	4.3 %	4.4 %
Brazil	10.1 %	6.8 %	3.8 %	3.8 %
Colombia	12.2 %	7.7 %	4.2 %	6.8 %
Argentina	20.8 %	16.1 %	70.8 %	4.8 %
Guatemala	9.3 %	7.3 %	4.0 %	14.9 %
Costa Rica	11.4 %	8.8 %	2.9 %	6.6 %
Nicaragua	23.3 %	16.4 %	2.6 %	6.5 %
Panama	11.6 %	8.6 %	2.0 %	7.8 %
Uruguay	9.7 %	7.4 %	5.7 %	3.7 %

Sensitivity to Changes in Assumptions

As of December 31, 2024, the Company performed impairment sensitivity calculation, taking into account an adverse change in post-tax WACC, according to the country risk premium, using for each country the relative standard deviation between equity and sovereign bonds and an additional sensitivity to the volume of 100 basis points and concluded that no impairment would be recorded.

Goodwill, Distribution Rights and Other indefinite lived intangible assets

CGU	Change in WACC	Change in Volume Growth CAGR(1)	Effect on Valuation
Mexico	**+0.4p.p**	**-1.0 p.p.**	Passes by 5.0x
Brazil	**+0.5p.p**	**-1.0 p.p.**	Passes by 1.9x
Colombia	**+0.7p.p**	**-1.0 p.p.**	Passes by 2.5x
Argentina	**+1.7p.p**	**-1.0 p.p.**	Passes by 5.0x
Guatemala	**+0.5p.p**	**-1.0 p.p.**	Passes by 7.3x
Costa Rica	**+0.5p.p**	**-1.0 p.p.**	Passes by 3.9x
Nicaragua	**+1.7p.p**	**-1.0 p.p.**	Passes by 1.1x
Panama	**+0.6p.p**	**-1.0 p.p.**	Passes by 3.6x
Uruguay	**+0.1p.p**	**-1.0 p.p.**	Passes by 3.0x

(1) Compound Annual Growth Rate (“CAGR”)

The values assigned to the key assumptions represent management’s assessment of future trends in the industry and are based on both external sources and internal sources (historical data). The Company consistently applied its methodology to determine CGU specific WACC’s to perform its annual impairment testing.

Note 12. Other non-current assets and other non-current financial assets

12.1 Other Non-Current Assets:

	2024	2023
Non-current prepaid advertising expenses	**Ps. 228**	Ps. 238
Guarantee deposits [(1)]	**917**	1,111
Prepaid bonuses	**451**	400
Advances to acquire property, plant and equipment	**1,744**	1,432
Shared based payment in excess of capital contribution (See Note 3.22 and Note 16.2)	**414**	534
Indemnifiable contingencies from business combinations [(2)]	**714**	1,030
Recoverable tax	**860**	809
Other	**136**	139
	Ps. 5,464	Ps. 5,693

[(1)] Mainly in Brazil, the Company is required to guarantee tax, legal and labor contingencies with guarantee deposits. See Note 24.6.

[(2)] Corresponds to indemnification of certain tax contingencies in Brazil that are warranted by former Vonpar owners (a subsidiary acquired in 2016) in accordance with the share purchase agreement. The Company has also recognized these tax contingencies as liabilities in the same amount, see Note 24.6.1

12.2 Other Non-Current Financial Assets:

	2024	2023
Long-term notes receivable [(1)]	**Ps. 2,000**	Ps. 696
Derivative financial instruments (See Note 19)	**4,702**	96
	Ps. 6,702	Ps. 792

[(1)] The 2024 amount includes tax credit recovery from a former shareholders and the offsetting party is recorded as a Other non-current financial liabilities. See Note 18 and Note 24.4

Long-term notes receivable are held to maturity and derivative financial instruments are recognized at fair value.

Note 13. Balances and Transactions with Related Parties and Affiliated Companies

The consolidated statements of financial position and income include the following balances and transactions with related parties and affiliated companies:

	2024	2023
Balances:		
Assets (current included in accounts receivable)		
Due from FEMSA and its subsidiaries (See Note 5) [(1)] [(3)]	**Ps. 867**	Ps. 1,460
Due from The Coca-Cola Company (See Note 5) [(1)]	**491**	378
	Ps. 1,358	Ps. 1,838

	2024	2023
Liabilities (current included in suppliers and other liabilities and loans)		
Due to FEMSA and its subsidiaries [(2)] [(3)]	**Ps. 654**	Ps. 1,275
Due to The Coca-Cola Company [(2)]	**784**	1,196
Other payables [(2)]	**400**	802
	Ps. 1,838	Ps. 3,273

[(1)] Presented within trade receivables
[(2)] Recorded within accounts payable and suppliers
[(3)] Parent

Balances due from related parties are considered to be recoverable. Accordingly, for the years ended December 31, 2024, 2023 and 2022, there was no expense resulting from the uncollectibility of balances due from related parties.

Details of transactions between the Company and other related parties are disclosed as follows:

Transactions	2024	2023	2022
Income:			
Sales to affiliated parties	**10,185**	8,459	6,546
Heineken	—	—	2
Expenses:			
Purchases and other expenses from FEMSA	**7,196**	9,547	10,129
Purchases of concentrate from The Coca-Cola Company	**54,502**	46,461	43,717
Purchases of raw material, beer and operating expenses from Heineken	—	—	5,036
Advertisement expense paid to The Coca-Cola Company	**948**	869	545
Purchases from Jugos del Valle	**4,763**	3,718	3,234
Purchase of sugar from Promotora Industrial Azucarera, S.A. de C.V.	**2,718**	2,841	2,841
Purchase of sugar from Beta San Miguel	**722**	917	724
Purchase of canned products from Industria Envasadora de Queretaro, S.A. de C.V...	**989**	843	577
Purchase of inventories from Fountain Agua Mineral Ltda	**1,143**	**638**	—
Purchase of inventories from Leao Alimentos e Bebidas, LTDA	**112**	181	215
Purchase of resine from Industria Mexicana de Reciclaje, S.A. de C.V.	**356**	458	504
Donations to Instituto Tecnologico y de Estudios Superiores de Monterrey, A.C. (1) (2)	—	1	**110**
Donations to Fundación Femsa, A.C.	—	285	173
Other expenses with related parties	—	—	—

(1) One or more members of the Board of Directors or senior management of the Company are also members of the Board of Directors or senior management of the counterparties to these transactions.

(2) These donations were made to ITESM through Fundación FEMSA.

The aggregate compensation paid to executive officers and senior management of the Company, recognized as an expense during the reporting period were as follows:

	2024	2023	2022
Current compensation and employee benefits	**Ps. 1,159**	Ps. 1,091	Ps. 1,071
Termination benefits	**5**	539	18
Shared based payments (See Note 16.2)	**369**	319	326

Note 14. Balances and Transactions in Foreign Currencies

Assets, liabilities and transactions denominated in foreign currencies are those realized in a currency different from the functional currency of the Company. As of December 31, 2024 and 2023, assets and liabilities denominated in foreign currencies, expressed in Mexican pesos (contractual amounts) are as follows:

	Assets		Liabilities	
Balances	Current	Non-current	Current	Non-current
As of December 31, 2024				
U.S. dollars	**10,472**	**80**	**6,480**	**45,431**
Euros			**312**	
As of December 31, 2023				
U.S. dollars	15,850	97	4,053	37,892
Euros			180	

For the years ended December 31, 2024, 2023 and 2022 transactions denominated in foreign currencies, expressed in Mexican pesos (contractual amounts) are as follows:

Transactions	Revenues	Purchases of Raw Materials	Interest Expense	Other
Year ended December 31, 2024 U.S. dollars	**1,882**	**24,065**	**1,383**	**4,941**
Year ended December 31, 2023 U.S. dollars	1,468	18,075	1,257	4,065
Year ended December 31, 2022 U.S. dollars	830	17,285	1,148	2,973

Note 15. Post-Employment and Other Non-current Employee Benefits

The Company has various labor liabilities for employee benefits in connection with pension and retirement plans, seniority premiums. Benefits vary depending upon the country where the individual employees are located. Presented below is a discussion of the Company's labor liabilities in Mexico, which comprise the substantial majority of those recorded in the consolidated financial statements.

15.1 Assumptions

The Company annually evaluates the reasonableness of the assumptions used in its labor liability for post-employment and other non-current employee benefits computations. In Mexico, actuarial calculations for pension and retirement plans and seniority premiums, as well as the associated cost for the period, were determined using the following long-term assumptions:

Mexico	2024	2023	2022
Financial:			
Discount rate used to calculate the defined benefit obligation and the net interest on the net defined benefit liability (asset)	**10.5 %**	10.2 %	9.9 %
Salary increase: (Non-Union/Union)	**4.8 %**	4.8 %	4.8 %
Future pension increase	**3.8 %**	3.8 %	3.8 %
Biometric:			
Mortality	**EMSSA 2009 (1)**	EMSSA 2009 (1)	EMSSA 2009 (1)
Disability	**IMSS 97 (2)**	IMSS 97 (2)	IMSS 97 (2)
Normal retirement age	**60 years**	60 years	60 years
Rest of employee turnover	**BMAR2007 (3)**	BMAR2007 (3)	BMAR2007 (3)

(1) EMSSA. Mexican Experience of Social Security (for its initials in Spanish)
(2) IMSS. Mexican Experience of Instituto Mexicano del Seguro Social (for its initials in Spanish)
(3) BMAR. Actuary experience

In Mexico the methodology used to determine the discount rate was the yield or Internal Rate of Return ("IRR") which involves a yield curve. In this case, the expected rates for each period were taken from a yield curve of the Mexican Federal Government Treasury Bond (known as "CETES" in Mexico) because there is no deep market in high quality corporate obligations in Mexico.

Based on these assumptions, the amounts of benefits expected to be paid out in the following years are as follows:

	Pension and Retirement Plans	Seniority Premiums
2025	Ps. 455	Ps. 117
2026	237	82
2027	366	92
2028	294	101
2029	320	113
2030-2033	2,107	675

15.2 Balances of the liabilities for post-employment and other non-current employee benefits

	2024	2023
Pension and Retirement Plans:		
Vested benefit obligation	**Ps. 978**	Ps. 653
Non-vested benefit obligation	**2,506**	2,091
Accumulated benefit obligation	**3,484**	2,744
Excess of projected defined benefit obligation over accumulated benefit obligation	**1,600**	1,284
Defined benefit obligation	**5,084**	4,028
Pension plan funds at fair value	**(1,429)**	(1,303)
Net defined benefit liability	**Ps. 3,655**	Ps. 2,725
Seniority Premiums:		
Vested benefit obligation	**Ps. 500**	Ps. 320
Non-vested benefit obligation	**445**	344
Accumulated benefit obligation	**945**	664
Excess of projected defined benefit obligation over accumulated benefit obligation	**393**	294
Defined benefit obligation	**1,338**	958
Seniority premium plan funds at fair value	**(126)**	(123)
Net defined benefit liability	**Ps. 1,212**	Ps. 835
Total post-employment and other non-current employee benefits	**Ps. 4,867**	Ps. 3,560

15.3 Trust assets

Trust assets consist of fixed and variable return financial instruments recorded at fair value, which are invested as follows:

Type of instrument	2024	2023
Fixed return:		
Traded securities	**19 %**	27 %
Life annuities	**17 %**	18 %
Bank instruments	**5 %**	5 %
Federal government instruments	**42 %**	36 %
Variable return:		
Publicly traded shares	**17 %**	14 %
	100 %	100 %

In Mexico, the regulatory framework for pension plans is established in the Income Tax Law and its Regulations, the Federal Labor Law and the Mexican Social Security Institute Law. None of these laws establish minimum funding levels or a minimum required level of contributions.

In Mexico, the Income Tax Law requires that, in the case of private plans, certain notifications must be submitted to the authorities and a certain level of fund assets must be invested in Federal Government instruments, among others.

The Company's various pension plans have a technical committee that is responsible for verifying the correct operation of the plan with regard to the payment of benefits, actuarial valuations of the plan, and the monitoring and supervision of the benefit trust. The committee is responsible for determining the investment portfolio and the types of instruments the fund will be invested in. The technical committee is also responsible for verifying the correct operation of the plan in all of the countries in which the Company has these benefits.

The risks related to the Company's employee benefit plans are primarily attributable to the plan assets. The Company's plan assets are invested in a diversified portfolio, which considers the term of the plan so as to invest in assets whose expected return coincides with the estimated future payments.

Since the Mexican Tax Law limits the plan's asset investment in related parties to 10% this risk is not considered to be significant for purposes of the Company's Mexican subsidiaries.

In Mexico, the Company's policy is to invest at least 30% of the fund assets in Mexican Federal Government instruments. Guidelines for the target portfolio have been established for the remaining percentage and investment decisions are made to comply with these guidelines insofar as the market conditions and available funds allow.

As of December 31, 2024 and 2023, the average duration of the Pension and Retirement Plan was of 18.7 years and 20.1 years, respectively; and the average duration of the Seniority Premiums Plan was of 16.3 years and 16.8 years, respectively.

During the years ended December 31, 2024, 2023 and 2022, the Company did not make significant contributions to the plan assets and does not expect to make material contributions to the plan assets during 2025.

15.4 Amounts recognized in the consolidated income statements and the consolidated statements of changes in equity

	Consolidated income statement				Accumulated OCI
2024	**Current Service Cost**	**Past Service Cost**	**(Gain) or Loss on Settlement or curtailment**	**Net Interest on the Net Defined Benefit Liability**	**Remeasurements of the Net Defined Benefit Liability net of taxes**
Pension and retirement plans	**Ps. 235**	**Ps. 93**	**Ps. (107)**	**Ps. 224**	**Ps. 1,299**
Seniority premiums	**96**	**39**	**(8)**	**81**	**355**
Total	**Ps. 331**	**Ps. 132**	**Ps. (115)**	**Ps. 305**	**Ps. 1,654**

	Consolidated Income statement				Accumulated OCI
2023	**Current Service Cost**	**Past Service Cost**	**(Gain) or Loss on Settlement or curtailment**	**Net Interest on the Net Defined Benefit Liability**	**Remeasurements of the Net Defined Benefit Liability net of taxes**
Pension and retirement plans	Ps. 233	Ps. 155	Ps. (126)	Ps. 222	Ps. 625
Seniority premiums	87	8	(7)	75	122
Total	Ps. 320	Ps. 163	Ps. (133)	Ps. 297	Ps. 747

	Consolidated Income statement				Accumulated OCI
2022	**Current Service Cost**	**Past Service Cost**	**(Gain) or Loss on Settlement or curtailment**	**Net Interest on the Net Defined Benefit Liability**	**Remeasurements of the Net Defined Benefit Liability net of taxes**
Pension and retirement plans	Ps. 246	Ps. 47	Ps. (85)	Ps. 141	Ps. 804
Seniority premiums	94	6	(9)	145	108
Total	Ps. 340	Ps. 53	Ps. (94)	Ps. 286	Ps. 912

Remeasurements of the net defined benefit liability recognized in other comprehensive income are as follows (amounts are net of tax):

	2024	**2023**	**2022**
Amount accumulated in other comprehensive income as of the beginning of the periods	**Ps. 747**	Ps. 912	Ps. 1,240
Recognized during the year (obligation liability and plan assets)	**931**	101	124
Actuarial (gains) losses arising from changes in financial assumptions	**(185)**	(148)	(375)
Actuarial gains arising from changes in demographic assumptions	—	(5)	1
Foreign exchange rate valuation (gain) loss	**161**	(101)	(78)
Effect on settlement	**—**	(12)	—
Amount accumulated in other comprehensive income as of the end of the period, net of tax	**Ps. 1,654**	Ps. 747	Ps. 912

Remeasurements of the net defined benefit liability include the following:

- The return on plan assets, excluding amounts included in net interest expense.
- Actuarial gains and losses arising from changes in demographic assumptions.
- Actuarial gains and losses arising from changes in financial assumptions.

15.5 Changes in the balance of the defined benefit obligation for post-employment and other non-current employee benefits

	2024	2023	2022
Pension and Retirement Plans:			
Balance at beginning of year	**Ps. 4,028**	Ps. 4,199	Ps. 4,515
Current service cost	**235**	233	246
Effect of curtailment	**(108)**	(144)	(86)
Interest expense	**361**	346	317
Actuarial (gains) or losses	**726**	(214)	(355)
Foreign exchange (gain) loss	**203**	(151)	(134)
Benefits paid	**(462)**	(378)	(355)
Past service cost	**101**	137	47
Business acquisitions	**—**	—	4
Balance at end of year	**Ps. 5,084**	Ps. 4,028	Ps. 4,199
Seniority Premiums:			
Balance at beginning of year	**Ps. 958**	Ps. 926	Ps. 978
Current service cost	**96**	87	94
Effect of curtailment	**(8)**	(14)	(9)
Interest expense	**97**	88	76
Actuarial (gains) or losses	**339**	29	(97)
Benefits paid	**(183)**	(166)	(128)
Past service cost	**39**	8	6
Business acquisitions	**—**	—	6
Balance at end of year	**Ps. 1,338**	Ps. 958	Ps. 926

15.6 Changes in the balance of trust assets

	2024	2023	2022
Pension and retirement plans:			
Balance at beginning of year	**Ps. 1,303**	Ps. 1,288	Ps. 1,234
Actual return on trust assets	**142**	41	50
Foreign exchange gain	**6**	(4)	—
Life annuities	**(22)**	9	—
Benefits paid	**—**	—	4
Plan amendments	**Ps. —**	Ps. (31)	Ps. —
Balance at end of year	**Ps. 1,429**	Ps. 1,303	Ps. 1,288
Seniority premiums			
Balance at beginning of year	**Ps. 123**	Ps. 128	Ps. 133
Actual return on trust assets	**3**	(5)	(5)
Balance at end of year	**Ps. 126**	Ps. 123	Ps. 128

As a result of the Company's investments in life annuities plans, management does not expect the Company will need to make material contributions to the trust assets in order to meet its future obligations.

15.7 Variation in assumptions

The Company considers that the relevant actuarial assumptions that are subject to sensitivity are the discount rate and the salary increase rate because they have the most significant impact:

- Discount rate: The rate that determines the value of the obligations over time.
- Salary increase rate: The rate that considers the salary increase which implies an increase in the benefit payable.

The following table presents the impact in absolute terms of a variation of 1.0% in the assumptions on the net defined benefit liability associated with the Company's defined benefit plans for post-employment and other non-current employee benefits. The sensitivity of this 1.0% on the significant actuarial assumptions is based on projected long-term discount rates for Mexico and yield curve projections of long-term Mexican government bonds - CETES:

+1.0%			Consolidated income statement		Accumulated OCI
Discount rate used to calculate the defined benefit obligation and the net interest on the net defined benefit liability (asset)	Current Service Cost	Past Service Cost	Gain or Loss on Settlement or curtailment	Net Interest on the Net Defined Benefit Liability	Remeasurements of the Net Defined Benefit Liability
Pension and retirement plans	Ps. 218	Ps. 97	Ps. (117)	Ps. 187	Ps. 1,501
Seniority premiums	Ps. 86	Ps. 36	Ps. (7)	Ps. 76	Ps. 440
Total	Ps. 304	Ps. 133	Ps. (124)	Ps. 263	Ps. 1,941
Expected salary increase	Current Service Cost	Past Service Cost	Gain or Loss on Settlement or curtailment	Net Interest on the Net Defined Benefit Liability	Remeasurements of the Net Defined Benefit Liability
Pension and retirement plans	Ps. 252	Ps. 108	Ps. (128)	Ps. 250	Ps. 1,677
Seniority premiums	Ps. 113	Ps. 41	Ps. (8)	Ps. 86	Ps. 486
Total	Ps. 365	Ps. 149	Ps. (136)	Ps. 336	Ps. 2,163

- 1.0%			Consolidated income statement		Accumulated OCI
Discount rate used to calculate the defined benefit obligation and the net interest on the net defined benefit liability (asset)	Current Service Cost	Past Service Cost	Gain or Loss on Settlement or curtailment	Net Interest on the Net Defined Benefit Liability	Remeasurements of the Net Defined Benefit Liability
Pension and retirement plans	Ps. 211	Ps. 144	Ps. (118)	Ps. 173	Ps. 634
Seniority premiums	Ps. 80	Ps. 7	Ps. (6)	Ps. 67	Ps. 117
Total	Ps. 291	Ps. 151	Ps. (124)	Ps. 240	Ps. 751
Expected salary increase	Current Service Cost	Past Service Cost	Gain or Loss on Settlement or curtailment	Net Interest on the Net Defined Benefit Liability	Remeasurements of the Net Defined Benefit Liability
Pension and retirement plans	Ps. 253	Ps. 171	Ps. (134)	Ps. 249	Ps. 681
Seniority premiums	Ps. 93	Ps. 9	Ps. (8)	Ps. 82	Ps. 143
Total	Ps. 346	Ps. 180	Ps. (142)	Ps. 331	Ps. 824

15.8 Employee benefits expense

For the years ended December 31, 2024, 2023 and 2022, employee benefits expenses recognized in the consolidated income statements are as follows:

	2024	2023	2022
Included in cost of goods sold:			
Wages and salaries	**Ps. 6,100**	Ps. 5,204	Ps. 4,956
Social security costs	**1,989**	1,628	1,522
Employee profit sharing	**242**	139	145
Pension and seniority premium costs (See Note 15.4)	**22**	24	2
Share-based payment expense (See Note 16.2)	**1**	8	6
Included in selling and distribution expenses:			
Wages and salaries	**23,389**	20,090	18,403
Social security costs	**7,079**	5,912	5,272
Employee profit sharing	**1,315**	756	862
Pension and seniority premium costs (See Note 15.4)	**223**	232	250
Share-based payment expense (See Note 16.2)	**65**		—
Included in administrative expenses:			
Wages and salaries	**4,213**	3,090	3,250
Social security costs	**913**	750	710
Employee profit sharing	**92**	164	62
Pension and seniority premium costs (See Note 15.4)	**65**	95	47
Share-based payment expense (See Note 16.2)	**302**	311	320
Total employee benefits expense	**Ps. 46,010**	Ps. 38,403	Ps. 35,807

Note 16. Bonus Programs

16.1 Quantitative and qualitative objectives

The bonus program for executives is based on achieving certain goals established annually by management and directors, which include quantitative and qualitative objectives and special projects.

Until 2022, the quantitative objectives had a weight of 50% (the other 50% based on qualitative objectives) and were based on the EVA methodology. Starting in 2023, the quantitative objective is based on a combination on certain EBIT and working capital objectives for each entity and the EBIT and working capital generated by FEMSA, the Company parent. The qualitative objectives and special projects represent the remaining 50% of the annual bonus and are based on the critical success factors established at the beginning of the year for each executive.

The bonus amounts are determined based on each eligible participant considering the level of responsibility within the organization, the employees' evaluation and competitive compensation in the market.

The incentive plan target is expressed in months of salary, and the final amount payable is computed based on a percentage of achievement of the goals established every year. The bonuses are recognized in the consolidated income statement in the year earned and are paid in cash the following year. During the years ended December 31, 2024, 2023 and 2022 the bonus expense recorded amounted to Ps. 1,611, Ps. 964 and Ps. 1,527, respectively.

16.2 Share-based payment bonus plan

The Company has a stock incentive plan for the benefit of its senior executives. This plan uses the EVA as its main evaluation metric. Under the EVA stock incentive plan, eligible executives are entitled to receive a special annual bonus (fixed amount), to purchase FEMSA and Coca-Cola FEMSA shares or options, based on the executive's responsibility in the organization, their business' EVA result achieved, and their individual performance. The acquired shares or options are deposited in a trust, and the executives may access them one year after they are vested at 33% per year. Fifty percent of Coca-Cola FEMSA's annual executive bonus is to be used to purchase FEMSA shares or options and the remaining 50% to purchase Coca-Cola FEMSA shares or options. During the years ended December 31, 2024, 2023 and 2022, no stock options were granted to executives.

The special bonus is granted to the eligible executive on an annual basis and after withholding applicable taxes. The Company contributes the individual executive's special bonus (after taxes) in cash to the Administrative Trust (which is controlled and consolidated by FEMSA), which then uses the funds to purchase FEMSA and Coca-Cola FEMSA shares (as instructed by the Corporate Practices Committee), which are then allocated to such executive.

Coca-Cola FEMSA accounts for its share-based payment bonus plan as an equity-settled share-based payment transaction, since it is its parent company, FEMSA, who ultimately grants and settles with shares these obligations due to executives.

At December 31, 2024 the shares granted under the Company's executive incentive plans are as follows:

	Number of shares		
Incentive Plan	**FEMSA**	**KOF**	**Vesting period**
2020	666,281	956,926	2020-2022
2021	780,524	1,197,820	2021-2023
2022	856,664	1,289,204	2022-2024
2023	926,288	1,134,810	2023-2025
2024	646,583	888,512	2024-2026
Total	3,876,340	5,467,272	

For the years ended December 31, 2024, 2023 and 2022, the total expense recognized for the period arising from share-based payment transactions, using the grant date model, was of Ps. 369 Ps. 319 and Ps. 326, respectively.

As of December 31, 2024 and 2023, the asset related to the excess of the contributions paid by the Company in comparison to the equity contribution from FEMSA is recorded by the Company in its consolidated statements of financial position amounted to Ps. 414 and Ps. 534 respectively, these amounts have been fully contributed to the trust. see Note 12.

Note 17. Bank Loans and Notes Payables

Expressed in millions of Mexican pesos. (1)	2025	2026	2027	2028	2029	2030 and following years	Carrying value as of December 31, 2024	Fair value as of December 31, 2024	Carrying value as of December 31, 2023
Short- term debt:									
Fixed rate debt:									
Colombian pesos									
Bank loans	345	—	—	—	—	—	345	345	—
Interest rate	10.39%						10.39%	10.39%	—
Argentine pesos									
Bank loans	638	—	—	—	—	—	638	638	73
Interest rate	50.11%						50.11%		130.00%
Uruguayan pesos									
Bank loans	46	—	—	—	—	—	46	46	—
Interest rate	10.75%						10.75%	10.75%	
Euros									
Bank loans	—	—	—	—	—	—	—	—	15
Interest rate									17.60%
Subtotal	**1,029**	—	—	—	—	—	**1,029**	**1,029**	**88**
Variable rate debt:									
Colombian pesos									
Bank loans	414	—	—	—	—	—	414	414	—
Interest rate	10.36%						10.36%	10.36%	
Short- term debt	**1,443**	—	—	—	—	—	**1,443**	**1,443**	**88**
Long term debt:									
Fixed rate debt:									
U.S. Dollar									
Yankee bonds (2)	—	—	—	—	—	43,504	43,504	39,586	36,352
Interest rate						3.06%	3.06%		3.05%
Bank loans	138	—	—	—	—	—	138	138	140
Interest rate	6.73%						6.73%		6.74%
Mexican pesos									
Senior notes	—	—	8,495	9,961	5,492	—	23,948	22,490	23,946

Expressed in millions of Mexican pesos. [1]	2025	2026	2027	2028	2029	2030 and following years	Carrying value as of December 31, 2024	Fair value as of December 31, 2024	Carrying value as of December 31, 2023
Interest rate	—	—	7.87%	7.36%	9.95%	0.00%	8.13%		8.13%
Brazilian reais									
Bank loans	—	—	—	—	—	—	—	—	21
Interest rate									6.90%
Subtotal	**138**	—	**8,495**	**9,961**	**5,492**	**43,504**	**67,590**	**62,214**	**60,459**
Variable rate debt:									
Mexican pesos									
Senior notes	1,727	2,928	—	—	—	—	4,655	4,659	4,653
Interest rate	10.53%	10.45%					10.48%		11.57%
Brazilian reais									
Bank loans	6	3	—	—	—	—	9	8	14
Interest rate	9.08%	9.08%					9.08%		8.88%
Subtotal	**1,733**	**2,931**	**—**	**—**	**—**	**—**	**4,664**	**4,667**	**4,667**
Long term debt	**1,871**	**2,931**	**8,495**	**9,961**	**5,492**	**43,504**	**72,254**	**66,881**	**65,126**
Current portion of long term debt	**1,871**	—	—	—	—	—	**1,871**	—	**52**
Long- term debt	—	**2,931**	**8,495**	**9,961**	**5,492**	**43,504**	**70,383**	**66,881**	**65,074**

[1] All interest rates shown in this table are weighted average contractual annual rates.

[2] Interest rate derivatives that have been designated as fair value hedge relationships have been used by the Company to mitigate the volatility in the fair value of existing financing instruments due to changes in floating interest rate benchmarks. Gains and losses on these instruments are recorded in "market value gain (loss) in financial instruments" in the period in which they occur. Since 2022, the Company is applying fair value hedging to the hedged portion of the Senior Notes of US$705, which are linked to an interest rate swap. The hedging gain or loss will adjust the carrying amount of the hedged item and will be recognized in the consolidated income statements under "market value gain (loss) in financial instruments". For the years ended on December 31, 2024, and 2023, the Company recorded in the consolidated income statements a gain of Ps. 383 and a loss of Ps. 371, respectively. As of December 31, 2024, and 2023 the carrying value of the Senior Note of US$705 is being reduced by an amount of Ps. 1,659 and 1,277 respectively, stemming from the impacts of fair value hedging.

The fair value of bank loans is calculated based on the discounted value of contractual cash flows whereby the discount rate is estimated using rates currently offered for debt of similar amounts and maturities, which is considered to be level 2 in the fair value hierarchy. The fair value of the Company's publicly traded debt is based on quoted market prices as of December 31, 2024 and 2023, which is considered to be level 1 in the fair value hierarchy.

For the years ended December 31, 2024, 2023 and 2022, the interest expense related to the bank loans and notes payable is comprised as follows and included in the consolidated income statement under the interest expense caption:

	2024	2023	2022
Interest on debts and borrowings	**Ps. 4,361**	Ps. 4,215	Ps. 4,104
Finance charges for employee benefits (See Note 15.4)	**305**	297	286
Derivative instruments (Interest)	**2,147**	2,086	1,706
Interest expense for leases (See Note 9)	**349**	278	132
Finance operating charges	**370**	226	272
	Ps. 7,532	Ps. 7,102	Ps. 6,500

The Company has the following debt bonds: a) registered with the Mexican stock exchange: i) Ps. 8,500 (nominal amount) with a maturity date in 2027 and fixed interest rate of 7.87%, ii) Ps. 1,727 (nominal amount) with a maturity date in 2025 and floating interest rate of Equilibrium Interbank Interest Rate (TIIE) + 0.08%, iii) Ps. 3,000 (nominal amount) with a maturity date in 2028 and fixed interest rate of 7.35%, iv) Ps. 6,965 (nominal amount) on a Sustainability-Linked Bond ("SLB") with a maturity date in 2028 and fixed rate of 7.36%, and v) Ps. 2,435 (nominal amount) on an SLB with a maturity date in 2026 and floating rate of TIIE + 0.05%, vi) Ps.5,500 (nominal amount) with a maturity date in 2029 and a fixed rate of 9.95%, vii) Ps. 500 (nominal amount) with a maturity date in 2026 and a floating rate of TIIE + 0.05% and b) registered with the SEC: i) Senior notes of US. $ 1,041 with interest at a fixed rate of 2.75% and maturity date on January 22, 2030, ii) Senior notes of US. $ 705 with interest at a fixed rate of 1.85% and maturity date on September 1, 2032 and iii) Senior notes of US. $ 489 with interest at a fixed rate of 5.25% and maturity date on November 26, 2043 all of which are guaranteed by the Company´s subsidiaries: Propimex, S. de R.L. de C.V., Comercializadora La Pureza de Bebidas, S. de R.L. de C.V., Controladora Interamericana de Bebidas, S. de R.L. de C.V., Grupo Embotellador Cimsa, S. de R.L. de C.V., Refrescos Victoria del Centro, S. de R.L. de C.V., and Yoli de Acapulco, S. de R.L. de C.V. ("Guarantors").

In September 2021, the Company issued the first SLB in the Mexican Market on a dual-tranche transaction for an amount of Ps. 9,400; such bonds were used to prepay bank loans in Mexico with maturity dates in 2025 and 2026. The bond's interest rate depends on the Company achieving key performance indicators, and in the event that such indicators are not met by the dates established in the offering documents (2024 and 2026), the interest rate on the bonds will increase by 25 basis points. As of December 31, 2024 based on our external consulting firm review and the evidence presented by the Company, the indicator was met and was reliably obtained, is fairly presented, has no significant deviations or omissions, and was prepared based on the requirements set forth in the supplement to the notes.

During 2022, the Company repurchased a portion of the following notes registered with the SEC i) Senior notes of US. $ 209 with maturity date on January 2030, and ii) Senior notes of US. $111 with maturity date on November 2043, representing a net savings of Ps. 408 (nominal amounts). The amounts shown on the first paragraph already consider these repurchases

Additionally, during 2022, the Company issued a social and sustainable bond in the Mexican Market on a dual-tranche transaction for an amount of Ps. 6,000.

During the second quarter of 2023, the Company paid on the maturity date May 12, 2023 a Certificado Bursátil for i) Ps. 7,500 (nominal value) and a fixed interest rate of 5.46%

Additionally, during 2024 and 2023, the Company obtained bank loans in Argentina for Ps. 657 and 73 respectively.

17.1 Reconciliation of liabilities arising from financing activities.

		Cash flows		Non-cash impact					
	Carrying Value at December 31, 2023	**Repayments**	**Proceeds**	**New leases**	**Others**	**Fair value in Hedge Instruments**	**Foreign Exchange movement**	**Translation Effect**	**Carrying Value at December 31, 2024**
Short-term bank loans	**Ps. 88**	**Ps. —**	**Ps. 1,394**	**Ps. —**	**Ps. —**	**Ps. —**	**Ps. —**	**Ps. (39)**	**Ps. 1,443**
Total short-term from financing activities	**Ps. 88**	**Ps. —**	**Ps. 1,394**	**Ps. —**	**Ps. —**	**Ps. —**	**Ps. —**	**Ps. (39)**	**Ps. 1,443**
Long-term bank loans	**175**	**(28)**	**—**	**—**	**—**	**—**	**—**	**—**	**147**
Long-term notes payable	**64,951**		**—**	**—**	**(3)**	**(383)**	**7,542**	**—**	**72,107**
Total long-term from financing activities	**Ps. 65,126**	**Ps. (28)**	**Ps. —**	**Ps. —**	**Ps. (3)**	**Ps. (383)**	**Ps. 7,542**	**Ps. —**	**Ps. 72,254**
Lease liabilities	**Ps. 2,521**	**Ps. (856)**	**Ps. —**	**Ps. 1,046**	**Ps. 464**	**Ps. —**	**Ps. 11**	**Ps. (2)**	**Ps. 3,184**
Total from financing activities	**Ps. 67,735**	**Ps. (884)**	**Ps. 1,394**	**Ps. 1,046**	**Ps. 461**	**Ps. (383)**	**Ps. 7,553**	**Ps. (41)**	**Ps. 76,881**

		Cash flows		Non-cash impact					
	Carrying Value at December 31, 2022	Repayments	Proceeds	New leases	Others	Fair value in Hedge Instruments	Foreign Exchange movement	Translation Effect	Carrying Value at December 31, 2023
Short-term bank loans	Ps. —	Ps. (1)	Ps. 87				Ps. 24	Ps. (22)	Ps. 88
Total short-term from financing activities	Ps. —	Ps. (1)	Ps. 87	Ps. —	Ps. —	Ps. —	Ps. 24	Ps. (22)	Ps. 88
Long-term bank loans	1,152	(900)	64				152	(293)	175
Long-term notes payable	77,517	(7,500)	—		78	371	(5,515)		64,951
Total long-term from financing activities	Ps.78,669	Ps.(8,400)	Ps.64	Ps.—	Ps.78	Ps.371	Ps.(5,363)	Ps.(293)	Ps.65,126
Lease liabilities	Ps. 2,135	Ps. (690)	Ps. —	Ps. 586	Ps. 538	Ps. —	Ps. (20)	Ps. (28)	Ps. 2,521
Total from financing activities	Ps. 80,804	Ps. (9,091)	Ps. 151	Ps. 586	Ps. 616	Ps. 371	Ps. (5,359)	Ps. (343)	Ps. 67,735

Note 18. Other Income and Expenses

	2024	2023	2022
Other income:			
Gain on sale of long-lived assets	**Ps. 232**	Ps. 178	Ps. 324
Cancellation of contingencies (See Note 24.6)	**417**	1,079	641
Tax credit recovery [1]	**1,154**	—	—
Foreign exchange gain related to operating activities	**—**	339	105
Insurance recovery (See Note 2.5) [3]	**1,744**	2	—
Other	**670**	383	403
	Ps. 4,217	Ps. 1,981	Ps. 1,473
Other expenses:			
Provisions for contingencies (See Note 24.6)	**Ps. 593**	Ps. 1,306	Ps. 1,146
Loss on the retirement of long-lived assets [4]	**482**	186	177
Loss on sale of long-lived assets	**95**	84	74
Insurance expenses (See Note 2.5) [4]	**400**	2	2
Impairment on equity investments (See Note 8)	**—**	143	—
Severance payments	**244**	202	224
Donations	**39**	345	302
Foreign exchange losses related to operating activities	**893**	—	—
Tax credit recovery payment to former shareholders [2]	**998**	—	—
Other	**1,192**	985	531
	Ps. 4,936	Ps. 3,253	Ps. 2,456

[1] This amount is presented in other non-current financial assets. See Note 12.2
[2] This amount is presented in other non-current financial liabilities. See Note 24.4
[3] The 2024 amount includes the recovery of write-off for damaged assets by the hurricanes in Mexico and floods in Brazil.
[4] The 2024 amount includes the impacts of the write-off for damaged assets by the hurricanes in Mexico and floods in Brazil.These impacts represent only a portion of the total recognized in the Consolidated Income Statements. For further information See Note 2.5

Note 19. Financial Instruments

Fair Value of Financial Instruments

The Company measures the fair value of its financial assets and liabilities using level 1 and 2 inputs. The following table summarizes the Company's financial assets and liabilities measured at fair value, as of December 31, 2024 and 2023:

	2024		2023	
	Level 1	Level 2	Level 1	Level 2
Derivative financial instruments asset (See Note 7.2, Note 12.2)	**Ps. 40**	**Ps. 5,259**	Ps. 228	Ps. 131
Derivative financial instruments liability (See Note 24.2, Note 24.4)	**335**	**2,085**	202	5,146
Trust assets of labor obligations (See Note 15.2)	**1,555**	**—**	1,426	—

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Foreign exchange forward contracts	Foreign currency option	Cross-currency swaps	Commodity price contracts	Total holders of the parent	Non-controlling interest	Total
As at December 31, 2022	**Ps. (266)**	**Ps. —**	**Ps. 100**	**Ps. 46**	**Ps. (120)**	**Ps. (14)**	**Ps. (134)**
Financial instruments – purchases	(502)	—	(228)	(124)	(854)	(55)	**(909)**
Change in fair value of financial instruments recognized in OCI	(1,454)	—	(2,667)	271	(3,850)	(148)	**(3,998)**
Amount reclassified from OCI to profit or loss	1,807	—	—	(363)	1,444	(16)	**1,428**
Foreign currency revaluation of the net foreign operations	—	—	2,703	—	2,703	150	**2,853**
Effects of changes in foreign exchange rates	5	—	(1)	(2)	2	(1)	**1**
Income tax effect	78	—	64	70	212	24	**236**
As at December 31, 2023	**Ps. (332)**	**Ps. —**	**Ps. (29)**	**Ps. (102)**	**Ps. (463)**	**Ps. (60)**	**Ps. (523)**
Financial instruments – purchases	87	166	91	187	531	52	**583**
Change in fair value of financial instruments recognized in OCI	732	(43)	5,898	(282)	6,305	551	**6,856**
Amount reclassified from OCI to profit or loss	(98)	(38)	—	(2)	(138)	(52)	**(190)**
Foreign currency revaluation of the net foreign operations	—	—	(4,645)	—	(4,645)	(390)	**(5,035)**
Effects of changes in foreign exchange rates and hyperinflationary economies effects	28	—	(29)	(1)	(2)	(7)	**(9)**
Income tax effect	(232)	(28)	(412)	31	(641)	(52)	**(693)**
As at December 31, 2024	**Ps. 185**	**Ps. 57**	**Ps. 874**	**Ps. (169)**	**Ps. 947**	**Ps. 42**	**Ps. 989**

19.1 Forward agreements to purchase foreign currency

The Company enters into forward agreements to reduce its exposure to the risk of exchange rate fluctuations of the Mexican peso and other currencies.

The forward agreements have been designated as cash flow hedges and are recognized in the consolidated statement of financial position at their estimated fair value which is determined based on prevailing market exchange rates to terminate the contracts at the end of the period. Changes in the fair value of these forwards agreements are recorded as part of "cumulative other comprehensive income". Net gain or loss on expired forward agreements is recognized as part of foreign exchange or cost of goods sold, depending on the nature of the hedge in the consolidated income statements.

Net changes in the fair value of forward agreements that do not meet the criteria for hedge accounting are recorded in the consolidated income statements under the caption "market value gain (loss) on financial instruments".

At December 31, 2024, the Company had the following outstanding forward agreements to purchase foreign currency:

		Fair Value	
Maturity Date	**Notional Amount**	**(Liability)**	**Asset**
2025	**Ps. 4,035**	**Ps. (72)**	**Ps. 310**

At December 31, 2023, the Company had the following outstanding forward agreements to purchase foreign currency:

		Fair Value	
Maturity Date	Notional Amount	(Liability)	Asset
2024	Ps. 10,700	Ps. (550)	Ps. 36

19.2 Cross-currency swaps

The Company has cross-currency swaps contracts to reduce the risk of interest rate and exchange rate fluctuation in its debt denominated in USD. Cross-currency swaps are designated as hedge instruments when the Company changes the debt profile to the functional currency to reduce the exchange rate fluctuation risk.

The fair value is estimated using market prices that would apply to terminate the contracts at the end of the period. For accounting purposes, the cross-currency swaps are recorded as either, cash flow hedges or fair value hedges. The exchange rate fluctuations of the notional amount of those cross-currency swaps and the accrued interest are recorded in the consolidated income statements. The fair value changes excluding exchange rate fluctuation and accrued interest, when designated as cash flow hedges, are recorded in the consolidated statement of financial position in "cumulative other comprehensive income". If the swaps are designated as fair value hedges the changes, are recorded in the consolidated income statements in "market value gain (loss) on financial instruments".

At December 31, 2024, the Company had the following outstanding cross-currency swap agreements:

		Fair Value	
Maturity Date	**Notional Amount**	**(Liability)**	**Asset**
2026	**Ps. 6,251**	**Ps. —**	**Ps. 461**
2027	**9,121**	**(137)**	**433**
2030	**16,357**	**(68)**	**3,114**
2032	**608**	**—**	**53**
2043[1]	**—**	**—**	**641**

[1] Consider in 2043 a forward starting cross-currency swap that starts in 2027.

At December 31, 2023, the Company had the following outstanding cross-currency swap agreements:

		Fair Value	
Maturity Date	Notional Amount	(Liability)	Asset
2026	Ps. 5,210	Ps. (984)	Ps. 96
2027	7,602	(1,377)	—
2030	13,633	(803)	—
2032	507	(51)	—

19.3 Interest Rate swaps

The Company has entered into various interest rate swaps associated with its debt denominated in USD. These interest rate swaps are designated as fair value hedges and the fair value changes are recorded in the consolidated income statement in the "market value gain (loss) on financial instruments". Since 2022, the Company is applying fair value hedging to the hedged portion of the Senior Notes of US$705, which are linked to an interest rate swap. The hedging gain or loss will adjust the carrying amount of the hedged item and will be recognized in the consolidated income statements under "market value gain (loss) in financial instruments". For the years ended on December 31, 2024, and 2023, the Company recorded in the consolidated income statements a gain of Ps. 383 and a loss of Ps. 371, respectively. As of December 31, 2024, and 2023 the carrying value of the Senior Note of US$705 is being reduced by an amount of Ps. 1,659 and 1,277 respectively, stemming from the impacts of fair value hedging.

At December 31, 2024, the Company had the following outstanding interest rate swap agreements:

		Fair Value	
Maturity Date	**Notional Amount**	**(Liability)**	**Asset**
2032	**Ps. 10,134**	**Ps. (1,784)**	**Ps. —**

At December 31, 2023, the Company had the following outstanding interest rate swap agreements:

Maturity Date	Notional Amount	Fair Value (Liability)	Asset
2032	Ps. 8,447	Ps. (1,381)	Ps. —

19.4 Commodity price contracts

The Company has entered into various commodity price contracts to reduce its exposure to the risk of fluctuation in the costs of certain raw materials. The fair value is estimated based on the prevailing market conditions to terminate the contracts at the end of the period. These instruments are designated as cash flow hedges and the changes in their fair value are recorded as part of "cumulative other comprehensive income".

The fair value of expired or sold commodity contracts is recorded in cost of goods sold with the hedged raw materials.

As of December 31, 2024, the Company had the following aluminum price contracts:

Maturity Date	**Notional Amount**	**Fair Value (Liability)**	**Asset**
2025	**Ps. 828**	**Ps. (2)**	**Ps. 33**

As of December 31, 2024, the Company had the following sugar price contracts:

Maturity Date	**Notional Amount**	**Fair Value (Liability)**	**Asset**
2025	**Ps. 3,108**	**Ps. (183)**	**Ps. 6**
2026	**2,214**	**(118)**	**—**
2027	**440**	**(27)**	

As of December 31, 2024, the Company had the following diesel price contracts:

Maturity Date	**Notional Amount**	**Fair Value (Liability)**	**Asset**
2025	**Ps. 22**	**Ps. —**	**Ps. —**

As of December 31, 2024, the Company had the following PX + MEG price contracts:

Maturity Date	**Notional Amount**	**Fair Value (Liability)**	**Asset**
2025	**72**	**(5)**	**—**

As of December 31, 2023, the Company had the following aluminum price contracts:

Maturity Date	Notional Amount	Fair Value (Liability)	Asset
2024	Ps. 647	Ps. —	Ps. 20

As of December 31, 2023, the Company had the following sugar price contracts:

Maturity Date	Notional Amount	Fair Value (Liability)	Asset
2024	Ps. 2,593	Ps. (128)	Ps. 206
2025	745	(72)	—

19.5 Options to purchase foreign currency

The Company has executed collar strategies to reduce its exposure to the risk of exchange rate fluctuations. A collar is a strategy that combines call and put options, limiting the exposure to the risk of exchange rate fluctuations in a similar way as a forward agreement.

These instruments have been designated as cash flow hedges and are recognized in the consolidated statement of financial position at their estimated fair value which is determined based on prevailing market exchange rates to terminate the contracts at the end of the period. Throughout the term of the contract, changes in the fair value of these options are recorded as part of "cumulative other comprehensive income". Net gain/(loss) on expired contracts including the net premium paid, is recognized as part of cost of goods sold when the hedged item is recorded in the consolidated income statements.

As of December 31, 2024, the Company had the following outstanding option agreements to purchase foreign currency:

Maturity Date	Notional Amount	(Liability)	Asset
2025	**Ps. 3,701**	**Ps. (24)**	**Ps. 248**

19.6 Net effects of expired contracts that met hedging criteria

Derivative	Impact in consolidated income statement - Gain (Loss)	2024	2023	2022
Cross currency swaps	Interest expense	**Ps. —**	Ps. (392)	Ps. (1)
Cross currency swaps	Foreign exchange	**—**	(747)	(5)
Interest rate swap	Interest expense	**—**	—	—
Option to purchase foreign currency	Cost of good sold	**39**	—	—
Forward agreements to purchase foreign currency	Cost of good sold	**136**	(1,834)	(681)
Commodity Price contracts	Cost of good sold	**(15)**	430	614

19.7 Net effect of changes in fair value of derivative financial instruments that are designated as a Fair Value Hedge

Derivative	Impact in consolidated income statement	2024	2023	2022
Cross currency swaps and interest rate swaps	Market value (loss) on financial instruments	**Ps. 938**	Ps. 141	Ps. (2,270)

19.8 Financial Risk management

The Company has exposure to the following financial risks:

- Market risk;
- Interest rate risk;
- Liquidity risk; and
- Credit risk

19.8.1 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and commodity prices. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rates risk and commodity prices risk including:

- Forward Agreements to Purchase Foreign Currency in order to reduce its exposure to the risk of exchange rate fluctuations.
- Options to purchase foreign currency in order to reduce its exposure to the risk of exchange rate fluctuations.
- Cross-Currency Swaps in order to reduce its exposure to the risk of exchange rate fluctuations and interest rate changes.

• Commodity price contracts in order to reduce its exposure to the risk of fluctuation in the costs of certain raw materials.

The Company tracks the fair value (mark to market) of its derivative financial instruments and its possible changes using scenario analyses. The following disclosures provide a sensitivity analysis of the market risks, which the Company is exposed to as it relates to foreign exchange rates, interest rates and commodity prices, which it considers in its existing hedging strategy:

Forward agreements to purchase U.S. Dollar (MXN/USD)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(13)%**	**Ps. (203)**	**Ps. —**
2023	(11)%	(465)	—
2022	(10)%	(512)	—

Forward agreements to purchase U.S. Dollar (BRL/USD)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(13)%**	**Ps. (50)**	**Ps. —**
2023	(12)%	(521)	—
2022	(18)%	(550)	—

Forward agreements to purchase U.S. Dollar (COP/USD)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(11)%**	**Ps. (34)**	**Ps. —**
2023	(16)%	(225)	—
2022	(17)%	(112)	—

Forward agreements to purchase U.S. Dollar (ARS/USD)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(2)%**	**Ps. (11)**	**Ps. —**
2023	(55)%	(140)	—
2022	(3)%	(10)	—

Forward agreements to purchase U.S. Dollar (UYU/USD)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(5)%**	**Ps. (13)**	**Ps. —**
2023	(5)%	(20)	—
2022	(7)%	(25)	—

Forward agreements to purchase U.S. Dollar (CRC/USD)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(5)%**	**Ps. (14)**	**—**
2023	(7)%	(15)	—
2022	(7)%	(24)	—

Cross currency swaps (USD to MXN)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(13)%**	**Ps. (1,863)**	**Ps. —**
2023	(11)%	(1,314)	—
2022	(10)%	(1,220)	—

Cross currency swaps (USD to BRL)	Change in USD rate	Effect on equity	Profit and loss effect
2024	**(13)%**	**Ps. (2,396)**	**Ps. —**
2023	(12)%	(1,683)	—
2022	(18)%	(2,893)	—

Sugar price contracts	Change on sugar Price	Effect on equity	Profit and loss effect
2024	**(29)%**	**Ps. (1,578)**	**Ps. —**
2023	(29)%	(765)	—
2022	(22)%	(333)	—

Aluminum price contracts	Change on Aluminum price	Effect on equity	Profit and loss effect
2024	**(22)%**	**Ps. (189)**	**Ps. —**
2023	(22)%	(147)	—
2022	(35)%	(189)	—

Options to purchase foreign currency (MXN to USD)	Change on USD rate	Effect on equity	Profit and loss effect

2024	**(13)%**	**Ps. (136)**	**Ps. —**
2023	— %	—	—
2022	— %	—	—

Options to purchase foreign currency (BRL to USD)	Change on USD rate	Effect on equity	Profit and loss effect
2024	**(13)%**	**Ps. (119)**	**Ps. —**
2023	— %	—	—
2022	— %	—	—

Options to purchase foreign currency (COP to USD)	Change on USD rate	Effect on equity	Profit and loss effect
2024	**(11)%**	**Ps. (54)**	**Ps. —**
2023	— %	—	—
2022	— %	—	—

19.8.2 Interest rate risk

Interest rate risk is the risk that the expected cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk because it and its subsidiaries borrow funds at both fixed and variable interest rates. The risk is managed by the Company by trying to maintain a mix between fixed and variable rate borrowings, and by the use of the different derivative financial instruments. In addition, the Company regularly evaluates its hedging activities according to its interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following disclosures provide a sensitivity analysis of the interest rate risks considered reasonably possible for the following fiscal year, according with its existing floating rate borrowings and derivative financial floating rate instruments at the end of the reporting period:

Interest Rate Risk	Change in rate	Effect on profit or (loss)
2024	**+100 bps**	**Ps. (204)**
2023	+100 bps	(187)
2022	+100 bps	(203)

19.8.3 Liquidity risk

The Company's principal source of liquidity has generally been cash generated from its operations. A significant majority of the Company's sales are on a cash basis. The Company has traditionally been able to rely on cash generated from operations to fund its capital requirements and its capital expenditures. The Company's working capital benefits from the fact that most of its sales are made on a cash basis, while it generally pays its suppliers on credit. In recent periods, the Company has mainly used cash generated from operations to fund business acquisitions. The Company has also used a combination of borrowings from Mexican and international banks and public debt issuances in the Mexican and international capital markets to fund business acquisitions.

Ultimate responsibility for liquidity risk management rests with the Company's Finance Committee, which has established what it believes is an appropriate liquidity risk management framework for the evaluation of the Company's short-, medium- and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining what it believes is adequate reserves, and continuously monitoring forecasted and actual cash flows and by maintaining a conservative debt maturity profile.

The Company has access to credit from local and international banking institutions in order to face treasury needs. The Company has the highest rating for Mexican companies (AAA) given by independent rating agencies, allowing the Company to access capital markets in case it needs resources.

As part of the Company's financing policy, management expects to continue financing its liquidity needs with cash from operations. Nonetheless, as a result of regulations in certain countries in which the Company operates, it may not be beneficial or, practicable to remit cash generated in local operations to fund cash requirements in other countries. In the event that cash from operations in such countries would not be enough to fund future working capital requirements and capital expenditures, management may decide, or be required, to fund cash requirements in such countries through local borrowings rather than remitting funds from another country. In the future management may finance the Company´s our working capital and capital expenditure needs with short-term or other borrowings.

The Company's management continuously evaluates opportunities to pursue acquisitions or engage in strategic transactions. The Company would expect to finance any significant future transactions with a combination of cash from operations, long-term indebtedness and capital stock.

See Note 17 for a disclosure of the Company's maturity dates associated with its non-current financial liabilities as of December 31, 2024.

The following table reflects all contractually fixed and variable payoffs for settlement, repayments and interest resulting from recognized financial liabilities. It includes expected net cash outflows and inflows from derivative financial liabilities (assets) that are in place as of December 31, 2024.

Such expected net cash outflows are determined based on each particular settlement date of an instrument. The amounts disclosed are net cash outflows for the respective upcoming fiscal years, based on the earliest date on which the Company could be required to pay. Cash outflows for financial liabilities without fixed amounts or timing are based on economic conditions (like interest rates and foreign exchange rates) existing at December 31, 2024.

(In millions of Ps)	2025	2026	2027	2028	2029	2030 and thereafter
Notes and bonds	**Ps. 1,727**	**Ps. 2,928**	**Ps. 8,495**	**Ps. 9,961**	**Ps. 5,492**	**Ps. 43,504**
Loans from banks	**1,587**	**3**	**—**	**—**	**—**	**—**
Derivatives financial liabilities (assets)	**(312)**	**(343)**	**(268)**	**—**	**—**	**(1,956)**

The Company generally makes payments associated with its financial liabilities with cash generated from its operations.

19.8.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

The Company has a high receivable turnover, hence management believes credit risk is minimal due to the nature of its businesses, which have a large portion of their sales settled in cash. The Company's maximum exposure to credit risk for the components of the consolidated statement of financial position at December 31, 2024 and 2023 is the carrying amounts (see Note 5).

The credit risk for liquid funds and derivative financial instruments is limited because the counterparties are highly rated banks as designated by international credit rating agencies.

The Company manages the credit risk related to its derivative portfolio by only entering into transactions with reputable and credit-worthy counterparties as well as by maintaining a Credit Support Annex ("CSA") that establishes margin requirements. As of December 31, 2024 the Company concluded that the maximum exposure to credit risk related with derivative financial instruments is not significant given the high credit rating of its counterparties.

19.8.5 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

A substantial portion of the Company's trade payables are included in the Company's supplier finance arrangement and are, thus, with a single counterparty rather than individual suppliers. This results in the Company being required to settle a significant amount with a single counterparty, rather than less significant amounts with several counterparties. However, the Company's payment terms for trade payables covered by the arrangement are identical to the payment terms for other trade payables, payment terms are normally settled by the Company from 30 to 60 day terms. Management does not consider the supplier finance arrangement to result in excessive concentrations of liquidity risk, and the arrangement has been established to ease the administrative burden of managing invoices from a significant number of suppliers, rather than to obtain financing.

The Company has established a supplier finance arrangement that is offered to some of the Company's non strategic suppliers mainly in Mexico and Brazil. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Company from the Company's external finance provider. If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Company is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Company. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Company settles the original invoice by paying the finance provider in line with the original invoice maturity date described above. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Company provides no security to the finance provider.

All trade payables subject to the supplier finance arrangement, included in the table below, are recorded as suppliers in the consolidated statement of financial position.

	2024	**2023**	**2022**
Carrying amount of trade payables that are part of a supplier finance arrangement	**Ps. 4,973**	**Ps. 2,416**	**Ps. 3,697**
Of which suppliers have received payment	**Ps. 680**	**Ps. 823**	**Ps. 2,831**

There were no significant non-cash changes in the carrying amounts of the financial liabilities disclosed above.

19.9 Cash Flow hedges

The Company determines the existence of an economic relationship between the hedging instruments and the hedged items based on the currency, amount and timing of their respective cash flows. The Company evaluates whether the derivative designated in each hedging relationship is expected to be effective and that it has been effective to offset changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedging relationships, the main sources of ineffectiveness are:

- The effect of the credit risk of the counterparty and the Company on the fair value of foreign currency forward contracts, which is not reflected in the change in the fair value of the hedged cash flows; and
- Changes in the expected exposure amount.

As of December 31, 2024, the Company's financial instruments used to hedge its exposure to foreign exchange rates, interest rates and commodity risks were as follows:

	Maturity		
	1-6 months	6-12 months	More than 12
Foreign exchange currency risk			
Foreign exchange currency forward contracts			
Notional amount (in millions of pesos)	**1,451**	**126**	—
Average exchange rate MXN/USD	**18.79**	**20.71**	—
Notional amount (in millions of pesos)	**951**	**45**	—
Average exchange rate BRL/USD	**5.50**	**6.07**	—
Notional amount (in millions of pesos)	**275**	**22**	—
Average exchange rate COP/USD	**4,133.57**	**4,163.63**	—
Notional amount (in millions of pesos)	**517**	**60**	—
Average exchange rate ARS/USD	**1,197.76**	**1,286.00**	—
Notional amount (in millions of pesos)	**169**	**113**	—
Average exchange rate UYU/USD	**41.59**	**44.13**	—
Notional amount (in millions of pesos)	**240**	**152**	—
Average exchange rate CRC/USD	**531.13**	**540.05**	**—**
Foreign exchange currency swap contracts			
Notional amount (in millions of pesos)	—	—	**14,330**
Average exchange rate MXN/USD	—	—	**19.37**
Notional amount (in millions of pesos)	—	—	**16,823**
Average exchange rate BRL/USD	—	—	**5.05**
Notional amount (in millions of pesos)	—	—	**1,184**
Average exchange rate COP/USD	—	—	**3,550.00**
Foreign exchange currency option contracts			
Notional amount (in millions of pesos)	**568**	**1,127**	—
Average exchange rate MXN/USD	**19.55**	**20.61**	—
Notional amount (in millions of pesos)	**472**	**928**	—
Average exchange rate BRL/USD	**5.77**	**6.04**	—
Notional amount (in millions of pesos)	**307**	**299**	—
Average exchange rate COP/USD	**4,313.00**	**4,361.66**	—
Interest rate risk			
Interest rate swaps			
Notional amount (in millions of pesos)	**—**	**—**	**10,134**
Average interest rate	**—**	**—**	**0.16 %**
Commodities risk			
Aluminum (in millions of pesos)	440	389	—
Average price (USD/Ton)	**2,480.15**	**2,542.39**	—
Diesel (in millions of pesos)	11	11	—
Average price (USD/Gallons)	**2.14**	**2.14**	—
PX+MEG (in millions of pesos)	72	—	—
Average price (USD /Ton)	**950.00**	—	—
Sugar (in millions of pesos)	3,476	1,500	787
Average price (USD cent/Lb)	**19.38**	**19.14**	**17.94**

As of December 31, 2023, the Company's financial instruments used to hedge its exposure to foreign exchange rates, interest rates and commodity risks were as follows:

	Maturity		
	1-6 months	6-12 months	More than 12
Foreign exchange currency risk			
Foreign exchange currency forward contracts			
Notional amount (in millions of pesos)	**3,045**	**1,781**	**—**
Average exchange rate MXN/USD	**18.42**	**18.40**	—
Notional amount (in millions of pesos)	**2,486**	**1,370**	**—**
Average exchange rate BRL/USD	**5.10**	**5.07**	—
Notional amount (in millions of pesos)	**757**	**334**	**—**
Average exchange rate COP/USD	**4,435.64**	**4,316.13**	—
Notional amount (in millions of pesos)	**150**	**—**	**—**
Average exchange rate ARS/USD	**668.06**	—	—
Notional amount (in millions of pesos)	**344**	**163**	**—**
Average exchange rate UYU/USD	**40.18**	**40.66**	—
Notional amount (in millions of pesos)	**154**	**117**	**—**
Average exchange rate CRC/USD	**558.89**	**556.00**	**—**
Foreign exchange currency swap contracts			
Notional amount (in millions of pesos)	**—**	**—**	**11,944**
Average exchange rate MXN/USD	**—**	**—**	**19.37**
Notional amount (in millions of pesos)	**—**	**—**	**14,022**
Average exchange rate BRL/USD	**—**	**—**	**5.05**
Notional amount (in millions of pesos)	**—**	**—**	**987**
Average exchange rate COP/USD	**—**	**—**	**3,550.00**
Interest rate risk			
Interest rate swaps			
Notional amount (in millions of pesos)	**—**	**—**	**8,447**
Average interest rate	**—**	**—**	**0.16 %**
Commodities risk			
Aluminum (in millions of pesos)	**298**	**349**	**—**
Average price (USD/Ton)	**2,304.43**	**2,363.73**	—
Sugar (in millions of pesos)	**1,703**	**890**	**745**
Average price (USD cent/Lb)	**22.43**	**22.18**	**22.62**

Note 20. Non-Controlling Interest in Consolidated Subsidiaries

An analysis of Coca-Cola FEMSA's non-controlling interest in its consolidated subsidiaries as of December 31, 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Mexico	**Ps. 5,757**	Ps. 5,459	Ps. 5,337
Colombia	**19**	80	16
Brazil	**1,337**	1,141	1,138
	Ps. 7,113	Ps. 6,680	Ps. 6,491

Non-controlling interests in Mexico primarily represent the individual results of a Mexican holding company Kristine Overseas, S.A.P.I. de C.V. This entity also has non-controlling stakes in certain Brazilian subsidiaries.

The changes in Coca-Cola FEMSA's non-controlling interest were as follows:

	2024	2023	2022
Balance at beginning of the period	**Ps. 6,680**	Ps. 6,491	Ps. 6,022
Net income of non-controlling interest	**820**	690	592
Exchange differences on translation of foreign operations	**(392)**	(365)	37
Valuation of the effective portion of derivative financial instruments, net of taxes	**102**	(46)	(104)
Dividends paid	**(97)**	(90)	(56)
Balance at end of the period	**Ps. 7,113**	Ps. 6,680	Ps. 6,491

Note 21. Equity

21.1 Equity accounts

As of December 31, 2024 and 2023, the common stock of Coca-Cola FEMSA is represented by 16,806,658,096 common shares, with no par value. Fixed capital stock is Ps. 934 (nominal value) and variable capital is unlimited.

The characteristics of the common shares are as follows:

- Series "A" and series "D" shares are ordinary, have all voting rights and are subject to transfer restrictions;
- Series "A" shares may only be acquired by Mexican individuals and may not represent less than 50.1% of the ordinary shares.
- Series "D" shares have no foreign ownership restrictions and may not represent more than 49.9% of the ordinary shares.
- Series "B" and series "L" are free of transference jointly as long as they are listed as linked units. In case the related units are unlinked, the types B shares and the types L share will each be free transfer.

The capital stock of the Company is as follows:

Series of shares	**Shareholders**	**Outstanding shares**	**% of the capital stock**	**% of ordinary shares with full voting rights**
A	Wholly-owned subsidiary of Fomento Económico Mexicano, S.A.B. de C.V.	7,936,628,152	47.22%	55.97%
D	Wholly-owned subsidiaries of The Coca-Cola Company	4,668,365,424	27.78%	32.92%
B	Public float	1,575,624,195	9.37%	11.11%
L	Public float	2,626,040,325	15.63%	0%
Total		16,806,658,096	100.00%	100.00%

As of December 31, 2024, 2023 and 2022, the number of each share series representing Coca-Cola FEMSA's common stock is comprised as follows:

	Outstanding Shares		
Series of shares	**2024**	2023	2022
A	**7,936,628,152**	7,936,628,152	7,936,628,152
D	**4,668,365,424**	4,668,365,424	4,668,365,424
B	**1,575,624,195**	1,575,624,195	1,575,624,195
L	**2,626,040,325**	2,626,040,325	2,626,040,325
	16,806,658,096	16,806,658,096	16,806,658,096

The net income of the Company is subject to the legal requirement that 5% thereof be transferred to a legal reserve until such reserve amounts to 20% of common stock at nominal value. This reserve may not be distributed to shareholders during the existence of the Company. As of December 31, 2024, 2023 and 2022, this reserve was Ps.412, Ps.412 and Ps.412, respectively, and included in retained earnings.

Retained earnings and other reserves distributed as dividends, as well as the effects derived from capital reductions, are subject to income tax at the rate in effect at the date of distribution, except for restated shareholder contributions (Cuenta de Capital de Aportación CUCA) and when the distributions of dividends come from net taxable income, denominated "Cuenta de Utilidad Fiscal Neta" (CUFIN).

Dividends paid in excess of CUFIN are subject to income tax at a grossed-up rate based on the current statutory rate. This tax may be credited against the income tax of the year in which the dividends are paid, and in the following two years against the income tax and estimated tax payments. The Company's consolidated balances of CUFIN at December 31, 2024, that are not subject to withholding tax, amounted to Ps. 10,061 .

For the years ended December 31, 2024, 2023 and 2022 the dividends declared and paid per share by the Company are as follows:

Series of shares [1]	**2024**	2023	2022
A	**6,032**	5,754	5,387
D	**3,548**	3,385	3,169
L	**1,996**	1,904	1,782
B	**1,197**	1,142	1,069
	12,773	12,185	11,407

[1] At an ordinary shareholders' meeting of Coca-Cola FEMSA held on March 19, 2024, the shareholders declared a dividend of Ps. 12,773 that was paid on April 16, 2024, July 16, 2024, October 15, 2024 and December 9, 2024. This represents a dividend of Ps.0.7600 per share.

Under Mexican income tax law, dividends, either in cash or in kind, paid to individuals that are Mexican residents, and to individuals and companies that are non-Mexican residents, on the Company´s shares, including the Series L shares and the Series B shares underlying our units, including units represented by ADSs, are subject to a 10.0% Mexican withholding tax, or a lower rate if covered by a tax treaty. Profits that were earned and subject to income tax before January 1, 2014 are exempt from this withholding tax. For 2022 and onwards most of the dividends will correspond to income tax earned after January 1, 2014 therefore will be subject to withholding tax.

21.2 Capital management

The Company manages its capital to ensure that its subsidiaries will be able to continue as going concerns while maximizing the return to shareholders through the optimization of its debt and equity balances in order to obtain the lowest cost of capital available. The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during 2024 and 2023.

The Company is not subject to any externally imposed capital requirements, other than the legal reserve (see Note 21.1).

The Company's Finance and Planning Committee reviews the capital structure of the Company on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In conjunction with this objective, the Company seeks to maintain the highest credit rating both nationally and internationally, currently rated AAA and A/A3/A- respectively, which requires us to comply, among others, with the financial metrics that each rating agency considers. As a result, prior to entering new business ventures, acquisitions or divestitures, management evaluates the impact that these transactions can have on its credit rating.

Note 22. Earnings per Share

Basic earnings per share amounts are calculated by dividing consolidated net income for the year attributable to controlling interest by the weighted average number of shares outstanding during the period adjusted for the weighted average of own shares purchased in the period.

Diluted earnings per share amounts are calculated by dividing consolidated net income for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the period plus the weighted average number of shares for the effects of dilutive potential shares.

Earnings amounts per share type are as follows:

	2024				
	Per series "A" shares	**Per series "D" shares**	**Per series "B" shares**	**Per series "L" shares**	**Total**
Consolidated net Income	**11,593**	**6,819**	**2,301**	**3,836**	**24,549**
Consolidated net income attributable to equity holders of the parent	**11,205**	**6,591**	**2,225**	**3,708**	**23,729**
Weighted average number of shares for basic earnings per share (millions of shares)	**7,937**	**4,668**	**1,576**	**2,626**	**16,807**
Earnings per share					**1.41**

	2023				
	Per series "A" shares	**Per series "D" shares**	**Per series "B" shares**	**Per series "L" shares**	**Total**
Consolidated net Income	Ps. 9,551	Ps. 5,618	Ps. 1,896	Ps. 3,161	Ps. 20,226
Consolidated net income attributable to equity holders of the parent	9,225	5,426	1,831	3,054	19,536
Weighted average number of shares for basic earnings per share (millions of shares)	7,937	4,668	1,576	2,626	16,807
Earnings per share					**1.16**

	2022				
	Per series "A" shares	**Per series "D" shares**	**Per series "B" shares**	**Per series "L" shares**	**Total**
Consolidated net Income	Ps. 9,268	Ps. 5,451	Ps. 1,840	Ps. 3,067	Ps. 19,626
Consolidated net income attributable to equity holders of the parent	8,989	5,287	1,784	2,974	19,034
Weighted average number of shares for basic earnings per share (millions of shares)	7,937	4,668	1,576	2,626	16,807
Earnings per share					**1.13**

Note 23. Income Taxes

23.1 Income Tax

The breakdown of the income tax expense by Mexico and Foreign countries for the years ended December 31, 2024, 2023 and 2022, is as follows:

	2024	2023	2022
Current tax expense:			
Current year	**Ps. 9,569**	Ps. 7,604	Ps. 5,658
Deferred tax expense:			
Origination and reversal of temporary differences	**394**	(44)	860
Utilization (benefit) of tax losses recognized	**1,805**	1,221	29
Total deferred tax income expense	**2,199**	1,177	889
Total income tax expense in consolidated net income	**Ps. 11,768**	Ps. 8,781	Ps. 6,547

2024	**Mexico**	**Foreign**	**Total**
Current tax expense:			
Current year	**Ps. 6,918**	**Ps. 2,651**	**Ps. 9,569**
Deferred tax expense:			
Origination and reversal of temporary differences	**(1)**	**395**	**394**
Utilization (benefit) of tax losses recognized	**1,019**	**786**	**1,805**
Total deferred tax	**1,018**	**1,181**	**2,199**
Total income tax expense in consolidated net income	**Ps. 7,936**	**Ps. 3,832**	**Ps. 11,768**

2023	Mexico	Foreign	Total
Current tax expense:			
Current year	Ps. 5,474	Ps. 2,130	Ps. 7,604
Deferred tax expense:			
Origination and reversal of temporary differences	(322)	278	(44)
Utilization (benefit) of tax losses recognized	238	983	1,221
Total deferred tax	(84)	1,261	1,177
Total income tax expense in consolidated net income	Ps. 5,390	Ps. 3,391	Ps. 8,781

2022	Mexico	Foreign	Total
Current tax expense:			
Current year	Ps. 3,522	Ps. 2,136	Ps. 5,658
Deferred tax expense:			
Origination and reversal of temporary differences	197	663	860
Utilization (benefit) of tax losses recognized	(4)	33	29
Total deferred tax	193	696	889
Total income tax expense in consolidated net income	Ps. 3,715	Ps. 2,832	Ps. 6,547

Recognized in Consolidated Statement of Other Comprehensive Income (OCI)

Income tax related to items charged or recognized directly in OCI during the year:	**2024**	2023	2022
Unrealized loss (gain) on derivative financial instruments	**Ps. 693**	Ps. (236)	Ps. (590)
Remeasurements of the net defined benefit liability	**(318)**	24	173
Total income tax recognized in OCI	**Ps. 375**	Ps. (212)	Ps. (417)

Balance of income tax included in Accumulated Other Comprehensive Income (AOCI) as of:

Income tax related to items charged or recognized directly in OCI as of year-end:	2024	2023	2022
Unrealized loss (gain) on derivative financial instruments	**Ps. 455**	Ps. (241)	Ps. (13)
Comprehensive income to be reclassified to profit or loss in subsequent periods	**455**	(241)	(13)
Remeasurements of the net defined benefit liability	**(524)**	(153)	(205)
Balance of income tax in AOCI	**Ps. (69)**	Ps. (394)	Ps. (218)

A reconciliation between effective income tax rate and Mexican domestic statutory tax rate for the years ended December 31, 2024, 2023 and 2022 follows:

	2024	2023	2022
Mexican statutory income tax rate	**30 %**	30 %	30 %
Income tax from prior years	**(0.03)%**	(0.37) %	0.19 %
Income on monetary position for subsidiaries in hyperinflationary economies	**1.19 %**	2.03 %	1.18 %
Annual inflation tax adjustment	**1.21 %**	2.08 %	5.63 %
Non-deductible expenses	**2.89 %**	1.99 %	2.17 %
Income taxed at a rate other than the Mexican statutory rate	**1.28 %**	1.49 %	1.68 %
Effect of restatement of tax values	**(2.85)%**	(3.50) %	(4.69) %
Effect of change in statutory rate	**(0.03)%**	(0.60) %	(0.39) %
Tax loss (recognition) [(1)]	**0.02 %**	(1.40) %	(8.50) %
Other	**(1.00)%**	(1.22) %	(1.89) %
	32.68 %	**30.50 %**	**25.38 %**

[(1)] During 2022 the Company recognized an amount of Ps. (2,194) corresponding to favorable effects for deferred tax assets of the Company's subsidiaries, taking into account that there was certainty of recoverability of such deferred tax assets. In addition, in 2023 an effect of Ps. (409) of deferred tax assets was recognized, for which the Company also has certainty of recoverability.

Deferred income tax

An analysis of the temporary differences giving rise to deferred income tax liabilities (assets) is as follows:

	Consolidated Statement of Financial Position as of		Consolidated Income Statement		
	2024	2023	**2024**	2023	2022
Expected credit losses	**Ps. (135)**	Ps. (64)	**Ps. (70)**	Ps. 15	Ps. (15)
Inventories	**100**	53	**58**	5	18
Prepaid expenses	**22**	20	**2**	(4)	(32)
Property, plant and equipment, net	**(443)**	(1,150)	**455**	314	(118)
Other assets	**35**	(190)	**203**	45	86
Finite useful lived intangible assets	**(121)**	(10)	**(120)**	1	48
Indefinite lived intangible assets	**1,386**	1,509	**260**	591	123
Post-employment and other non-current employee benefits	**(388)**	(438)	**45**	(2)	15
Derivative financial instruments	**(50)**	75	**(126)**	73	(3)
Contingencies	**(607)**	(921)	**290**	(96)	(23)
Employee profit sharing payable	**(667)**	(533)	**134**	174	(85)
Tax loss carryforwards	**(3,717)**	(5,726)	**1,805**	1,221	29
Tax credits to recover [1]	**(399)**	(726)	**326**	342	327
Cumulative other comprehensive income	**(69)**	(394)	**375**	(211)	(417)
Liabilities of amortization of goodwill of business acquisition	**5,322**	5,574	**(252)**	(543)	—
Leases liabilities, net	**(75)**	(43)	**(39)**	(28)	(37)
Other	**(2,086)**	(1,487)	**(1,147)**	(720)	973
Deferred tax (income)			**Ps. 2,199**	Ps. 1,177	Ps. 889
Deferred tax, asset	**Ps. (6,209)**	Ps. (7,772)			
Deferred tax, liability	**4,317**	3,321			
Deferred income taxes, net	**Ps. (1,892)**	Ps. (4,451)			

[1] Corresponds to income tax credits from dividends received from foreign operations to be recovered within the next ten years accordingly to the Mexican Income Tax law.

The changes in the balance of the net deferred income tax assets are as follows:

	2024	2023	2022
Balance at beginning of the period	**Ps. (4,451)**	Ps. (5,136)	Ps. (5,632)
Deferred tax provision for the period	**2,199**	1,177	889
Change in the statutory rate	**—**	—	(82)
Effects in equity:			
Unrealized loss (gain) on derivative financial instruments	**693**	(236)	(591)
Cumulative translation effect and inflation adjustment	**(15)**	(280)	107
Remeasurements of the net defined benefit liability	**(318)**	24	173
Balance at end of the period	**Ps. (1,892)**	Ps. (4,451)	Ps. (5,136)

The Company has determined that undistributed profits of its subsidiaries where the tax basis is lower than the net profits will not be distributed in the foreseeable future. The unrecognized deferred tax liabilities associated with the undistributed profits are as of December 31, 2024: Ps.4,200, and December 31, 2023: Ps. 5,792.

Tax Loss Carryforwards

Some subsidiaries in Mexico, Colombia and Brazil have tax loss carryforwards. Unused tax loss carryforwards, for which a deferred income tax asset has been recognized, may be recovered provided certain requirements are fulfilled. The tax loss carryforwards for which a deferred tax asset has been recorded and their corresponding years of expiration are as follows:

	Tax Loss Carryforwards amounts in millions
2030	Ps. 2,872
2031	2
2032	1
2033	2
2034 and thereafter	31
No expiration (Brazil and Colombia)	8,363
	Ps. 11,271

During 2013, the Company completed certain business acquisitions in Brazil. In connection with these acquisitions the Company recognized certain goodwill balances that are deductible for Brazilian income tax reporting purposes. The deduction of such goodwill amortization has resulted in the creation of Net Operating Losses ("NOLs") in Brazil for which deferred tax assets have recorded, which have no expiration, but their usage is limited to 30% of Brazilian taxable income in any given year. As of December 31, 2024 and 2023 the Company believes that it is more likely than not that it will ultimately recover such NOLs through the reversal of temporary differences and future taxable income. Accordingly, the related deferred tax assets have been fully recognized.

The changes in the balance of tax loss carryforwards are as follows:

	2024	2023	2022
Balance at beginning of the period	**Ps. 17,557**	Ps. 22,000	Ps. 22,129
Increase [1]	**266**	2,002	10,610
Usage of tax losses	**(5,939)**	(5,685)	(10,706)
Effect of foreign currency exchange rates	**(613)**	(760)	(33)
Balance at end of the period	**Ps. 11,271**	Ps. 17,557	Ps. 22,000

[1]The recognition of tax loss carryforwards from previous years is shown under the item of increases, together with the tax loss carryforwards generated in the same years

23.2 Recoverable taxes

Recoverable taxes result mainly from higher advanced payments made during the year of income tax during 2024 in México in comparison to current year income tax, and other indirect tax, which will be compensated or recovered in future years.

23.3 Tax Reforms

In October 2021, the Organization Economic Cooperation and Development ("OECD") and the G20 agreed to a Statement related to the "Base erosion and profit shifting" plan based on two Pillars to attend tax challenges that arise from the digital era in the global economy. The Second Pillar, through the "Global Anti-Base Erosion" rules ("GloBe rules") attempts to establish a taxation system that guarantees that Multinational Groups reaching the threshold of 750 million euros of income, pay a minimum tax of 15% in each jurisdiction where they maintain their operations. An additional income tax should be calculated and paid by the "Ultimate Parent Entity ("UPE") of the group to reach such 15% by entity and by jurisdiction.

According to the analysis of the standard GloBe rules performed together with FEMSA, considering it is the Company´s controlling shareholder and consolidates for financial purposes the total Company´s results, it is concluded that FEMSA is the UPE and is the entity obligated to determine any complementary tax corresponding to its hold businesses including the Company.

As of December 31, 2024, the tax authorities of the countries where the Company operates, except for Brasil, have not published the proper regulations to attend this Second Pillar. Brazilian tax reform related to GloBe rules is described in the following section.The Company is monitoring the publication of such regulations for the rest of the countries.

Brazil

In early 2017, the Brazilian Federal Supreme Court ruled that the value-added tax would not be used as the basis for calculating the federal sales tax, resulting in a reduction of the federal sales tax. Our Brazilian subsidiaries commenced legal proceedings to ascertain their ability to calculate federal sales tax without using the value-added tax as a basis, in accordance with the Brazilian Federal Supreme Court's first ruling, and obtained a final favorable resolution in 2019. However, the Brazilian tax authorities appealed the Brazilian Federal Supreme Court's decision and such appeal was denied in May 2021. Pursuant to our final favorable resolution of 2019, the federal production and sales taxes together resulted in an average of 14.6% tax over net sales in 2023 and 2024.

In December 2022, the Brazilian government published new transfer pricing rules which became effective as of January 1, 2024 aiming to align the Brazilian transfer pricing system with the transfer pricing guidelines recommended by the Organization for Economic Cooperation and Development ("OECD"). During 2023, the Brazilian government issued regulations to establish the guidelines required to comply with the transfer pricing rules. As of the date of this annual report, no further regulation has been issued.

In March 2023, the value added tax rate in the state of Parana increased from 16.0% to 18.0%. As of January 1, 2024, the value added tax rate in the state of Rio Grande do Sul decreased from 20.0% to 18%. In April 2024, the value added tax rate in the state of Goias increased from 17.0% to 19.0%. The state of Minas Gerais started to apply as of January 1, 2024 an additional charge of 2.0% on sales as a contribution to a poverty eradication fund.

In December 2023, the Brazilian government published a provisional measure, to establish the amount of tax credits subject to offset as determined by a final and unappealable court decision that says any credit exceeding the value of 10 million Brazilian reais (approximately Ps.32.7 million as of December 31, 2024) must observe the monthly limitation to be offset by 1/60 of the total value of the tax credit. This measure, which became effective on a provisional basis on January 1, 2024, was converted into law in May 2024.

In December 2023, the Brazilian government published a law, which became effective on January 1, 2024, that establishes that any subsidies granted by municipalities or the states will be taxed by the income tax and social contribution at the combined tax rate of 34.0% and will be subject to other contributions at a combined tax rate of 9.25%. In addition, the federal Brazilian government will grant an income tax credit of 25.0% on the municipality or state subsidy, limited to the lower of: (i) the amount of 25.0% of the tax benefit itself and (ii) 25.0% of the depreciation of such assets applied on development or expansion approved projects which caused such subsidy, provided that certain conditions are met. Our Brazilian subsidiary filed a legal recourse that resulted in a federal court granting a favorable temporary injunction preventing the imposition of taxes of such subsidies by the income tax and other contributions, until a final resolution is granted.

Furthermore, in December 2023, the Brazilian government published a constitutional amendment enacting a broad tax reform in Brazil that will replace the current indirect tax system with a new one, to be phased in starting in January 1, 2026, and fully adopted by 2033. The municipal service tax, state value-added tax and federal sales tax will be replaced by a dual value-added tax, composed of the federal "CBS" and the state and municipal "IBS". This dual value-added tax will apply to all tangible and intangible goods, rights, and services and will be calculated based on the amount charged at the location where goods are consumed or the rights or services are provided. The system will be non-cumulative, allowing tax credits from previous transactions. Initially, there will be a standard rate for all goods and services, with reductions ranging from 100.0% to a 30.0% discount for sectors such as education, health, public transportation, and food products. Federal, state, and municipal governments may define specific rates, and the final rate will be the sum of the IBS and CBS rates.

In December, 2024, Congress approved the complementary law establishing the foundation of the new regulations, which was approved by the President in January, 2025, with some vetoes yet to be reviewed.
The reform also includes the creation of a Selective Tax ("IS") on products such as sugary beverages, starting in 2027. This tax will be single-phase (charged only once), will not generate tax credits, and will be included in the tax base of other levies. The federal production and sales tax will be reduced to zero, except for products from the Manaus Free Trade Zone, which has remained at a rate of 8.0% since May 2022. In 2025, further regulations detailing the dual value-added tax and Selective Tax rates will be issued. Additionally, the reform establishes five-year reviews of the combined CBS and IBS rates. If the total exceeds 26.5%, the government must propose a reduction to Congress.

In December 2024, the Brazilian government published a new law introducing an Additional Social Contribution on Net Profit (the "Additional CSLL") and the Qualified Domestic Minimum Top-Up Tax ("QDMTT") method, to ensure a minimum effective taxation of 15.0% on multinational groups operating in Brazil. The Additional CSLL is the mechanism through which Brazil implements the QDMTT, adapting its tax system to the rules of Pillar Two of the OECD. This Additional CSLL became effective in January 2025, and will apply to the first payment of such tax to be made in 2026.

Argentina
In June 2021 (with retroactive effects as of January 2021), the Argentine government increased the income tax rate to 35.0% for 2021 onwards and imposed a tax rate of 7.0% on dividends paid to non-resident stockholders and resident individuals.

In December 2023, the Argentine government issued an executive decree (Decree 29/2023) that increased the PAIS (*Programa para una Argentina Inclusiva y Solidaria*) tax rate to 17.5%. This tax was in effect for five fiscal periods, from December 2019 to December 2024, and it was not renewed by the Argentine government.

Mexico

In accordance with amendments to Mexican tax laws in effect from January 1, 2022, Mexican issuers are joint and severally liable for taxes payable on gains derived from the sale or disposition of its shares or securities representing its shares, such as ADSs, by major shareholders who are non-Mexican residents with no permanent establishment in Mexico for tax purposes, to other non-Mexican residents with no permanent establishment in Mexico for tax purposes, to the extent that such Mexican issuer fails to provide certain information with respect to such sale or disposition to the Mexican tax authorities. For purposes of these regulations, "major shareholders" are shareholders that are identified in reports submitted by the Mexican issuer to the CNBV on an annual basis as a result of being (i) directors or officers who directly or indirectly own 1.0% or more of the Mexican issuer's capital stock, (ii) shareholders who directly or indirectly own 5.0% or more of the Mexican issuer's capital stock or (iii) within the ten largest shareholders of the Mexican issuer based on direct ownership of shares of capital stock. Although in some instances Mexican tax authorities have indicated that this reporting obligation would only apply to transfers of shares or securities representing shares that result in a change of control, there are no established criteria or general interpretations to that effect issued by the Mexican tax authorities. There is currently no obligation by non-Mexican residents to inform Mexican issuers about their sales or dispositions of shares or securities representing shares, which limits our ability to comply with our reporting obligations to the Mexican tax authorities. Therefore, the amount of a potential tax liability is uncertain and difficult to determine given inherent mechanics and procedures, including the application of any tax treaties available, applicable to the trading of publicly-traded securities.

Colombia

Starting in 2022 a tax reform in Colombia increased the income tax rate from 30.0% to 35.0% and limited the ability to discount or deduct the municipality sales taxes against income taxes to 50.0%.

In December 2022, a new tax reform was approved in Colombia, which became effective during 2023. The main changes are the following:

Introduction of an excise tax for beverages with added sugar based on the following schedule:

- From November 1, 2023 to December 31, 2023 a tax of 18 Colombian pesos (approximately Ps. 0.08 as of December 31, 2024) will apply to beverages that contain 6 to 10 grams of added sugar per 100 ml and a tax of 35 Colombian pesos (approximately Ps. 0.16 as of December 31, 2024) for beverages with more than 10 grams of added sugar per 100 ml;

- From January 1, 2024 to December 31, 2024, a tax of 28 Colombian pesos (approximately Ps. 0.13 as of December 31, 2024) for beverages that contain 6 to10 grams of added sugar per 100 ml and a tax of 55 Colombian pesos (approximately Ps. 0.25 as of December 31, 2024) for beverages with more than 10 grams of added sugar per 100 ml; and

- From January 1, 2025 to December 31, 2025, a tax of 38 Colombian pesos (approximately Ps. 0.17 as of December 31, 2024) for beverages that contain between 5 grams and 9 grams of added sugar per 100ml and a tax of 65 Colombian pesos (approximately Ps. 0.30 as of December 31, 2024) for beverages with more than 9 grams of added sugar per 100 ml.

Introduction of a new tax on single-use plastics, with a rate of 0,00005 on one Unit of Fiscal Value per gram of plastic. One Tax Value Unit is equivalent to 47,065 Colombian pesos (approximately Ps.216.35 as of December 31, 2024). This new tax is applicable to our products which are not considered part of the basic shopping basket (currently two of our products fall in this category). However, this tax can be exempted with a circular economy certification to be issued should case recycled resin be incorporated into the packaging. In 2023, the Constitutional Court of Colombia issued a resolution (Resolution C-526/23) requiring that the producer of single-use plastics be responsible for the payment of this tax.

Increase of the income tax rate as of January 1, 2023, from 20.0% to 35.0% on taxable income obtained from free trade zones within Colombia. This change will take effect on January 1, 2026 if a free trade zone company can demonstrate a 60.0% income increase in 2022 in comparison with 2019 fiscal year. However, the Constitutional Court of Colombia ruled that this law will not apply to the entities that obtained its approval to be considered as a free trade zone company prior to December 13, 2022. Our Colombian subsidiary obtained such approval and was considered a free trade zone company prior to such date.

Elimination of the possibility of taking as a tax discount the municipality sales taxes against income taxes.

Increase of the occasional income tax rate from 10.0% to 15.0% applicable on sales of fixed assets; and introduction of a stamp tax at a rate between 0.0% to 3.0%, over sales price of real estate and other assets.

Introduction of a minimum income tax rate of 15.0%, which must be calculated considering an adjusted financial profit or "adjusted income". The entities that are required to calculate such minimum income tax and if such calculation results in a tax rate higher than 15.0%, such entity shall pay only the regular income tax rate and if the result is lower than 15.0%, such entity shall pay an additional amount to reach the 15.0% rate.

The rules of the Effective Headquarters of Administration are expanded to consider day-to-day activities in Colombia instead of testing only the place where concrete and key decisions are made.

The income tax rate corresponding to dividends or shares received by (i) foreign companies or other entities without a principal domicile in the country, (ii) natural persons without residence in Colombia and (iii) illiquid successions of deceased persons who were not residents in Colombia, is increased from 10% to 20%.

The discount in income tax for investments made in research, technological development or innovation is increased from 25% to 30%, in each case of the value invested in such projects in the taxable period in which the investment was made.

In February 2025, the Colombian government issued a decree containing temporary tax measures applicable from February 22, 2025 to December 31, 2025. Such decree imposes a stamp tax rate of 1.0% for public and private documents exceeding 6,000 Tax Value Units (approximately Ps. 1,373,517.90 as of December 31, 2024) that are subscribed, modified or extended and are granted or accepted in Colombia, or granted abroad but executed with Colombian jurisdiction. Several exemptions are applicable under certain circumstances. If the Colombian government decides to implement such tax measures on a permanent basis, relevant tax regulations will have to be reformed accordingly.

Costa Rica

Until December 31, 2022, the producer or importer was responsible for collecting value-added taxes on carbonated beverages from supply chain participants, with an effective value-added tax rate for carbonated beverages of 15.8%. On January 1, 2023, a new tax reform became effective to reintroduce the standard debt and credit system for producers, wholesalers, and retailers with a tax rate of 13.0%. Accordingly, our Costa Rican subsidiary is no longer responsible for collecting such tax throughout the entire supply chain.

Uruguay

Starting in January 2022, an increase to excise tax of between 19.0% to 20.0% for energy drinks became effective in Uruguay.

Note 24. Other Liabilities, Provisions and Commitments

24.1 Other current liabilities

	2024	2023
Short-term employee benefits	**Ps. 7,493**	Ps. 6,567
Accrued expenses	**7,117**	6,288
Other	**1,470**	734
Total	**Ps. 16,080**	Ps. 13,589

24.2 Other current financial liabilities

	2024	2023
Sundry creditors	**Ps. 1,196**	Ps. 1,150
Derivative financial instruments (See Note 19)	**320**	680
Dividends payable	**196**	209
Total	**Ps. 1,712**	Ps. 2,039

24.3 Other non-current liabilities

	2024	2023
Taxes payable	**Ps. 38**	Ps. 38
Debt with former shareholders	**1,514**	1,578
Other	**241**	825
Total	**Ps. 1,793**	Ps. 2,441

24.4 Other non-current financial liabilities

	2024	2023
Derivative financial instruments (See Note 19)	**Ps. 2,100**	Ps. 4,668
Success fee to pay	**432**	460
Security deposits	**196**	184
Other [1]	**1,103**	152
Total	**Ps. 3,831**	Ps. 5,464

[1] The 2024 amount includes tax credit recovery payment to former shareholders. See Note 18.

24.5 Provisions

The Company has various loss contingencies and has recognized provisions for legal proceedings it believes an unfavorable resolution is probable and the amount can be reasonably estimated. The following table presents the nature and amount of the provisions as of December 31, 2024 and 2023:

	2024	2023
Taxes	**Ps. 940**	Ps. 1,348
Labor	**1,180**	1,308
Legal	**668**	614
Total [1]	**Ps. 2,788**	Ps. 3,270

[1] In Brazil, the Company is required to guarantee tax, legal and labor contingencies with guarantee deposits. See Note 12.

24.6 Changes in the balance of provisions

24.6.1 Taxes

	2024	2023	2022
Balance at beginning of the period	**Ps. 1,348**	Ps. 1,823	Ps. 2,066
Penalties and other charges (See Note 18)	**69**	228	109
New contingencies (See Note 18)	**4**	4	306
Cancellation and adjustments [1] (See Note 18)	**(283)**	(447)	(177)
Payments	**(107)**	(155)	(473)
Effect of foreign currency exchange rates	**(91)**	(105)	(8)
Balance at end of the period	**Ps. 940**	Ps. 1,348	Ps. 1,823

[1] Cancellation and adjustments includes Ps.240 related to reduction of contingencies guaranteed by former shareholders.

24.6.2 Labor

	2024	2023	2022
Balance at beginning of the period	**Ps. 1,308**	Ps. 1,385	Ps. 1,472
Penalties and other charges (See Note 18)	**71**	64	80
New contingencies (See Note 18)	**361**	843	516
Cancellation and expiration (See Note 18)	**(340)**	(523)	(385)
Contingencies added in business combinations	**—**	—	65
Payments	**(181)**	(308)	(301)
Effects of foreign currency exchange rates	**(39)**	(153)	(62)
Balance at end of the period	**Ps. 1,180**	Ps. 1,308	Ps. 1,385

24.6.3 Legal

	2024	2023	2022
Balance at beginning of the period	**Ps. 614**	Ps. 679	Ps. 612
Penalties and other charges (See Note 18)	**52**	50	57
New contingencies (See Note 18)	**36**	117	75
Cancellation and expiration (See Note 18)	**(35)**	(109)	(79)
Contingencies added in business combinations	**—**	—	149
Payments	**(5)**	(68)	(110)
Effect of foreign currency exchange rates	**6**	(55)	(25)
Balance at end of the period	**Ps. 668**	Ps. 614	Ps. 679

While provision for these claims has already been made, the actual outcome of the disputes and the timing of the resolution cannot be estimated by the Company at this time.

24.7 Unsettled lawsuits

The Company has entered into several proceedings with its labor unions, tax authorities and other parties. These proceedings have arisen in the ordinary course of business and are common to the industry in which the Company operates. Such contingencies were assessed by the Company as less than probable but more than remote, and the estimated amount including uncertain tax position as of December 31, 2024 of these lawsuits is Ps. 164,577, however, the Company believes that the ultimate resolution of such proceedings will not have a material effect on its consolidated financial position or result of operations.

The Company has tax disputes, most of which are related to its Brazilian and Mexican operations, with loss expectations assessed by management and supported by the analysis of legal counsel considered as possible. The main possible tax contingencies of Brazilian and Mexican operations amount to approximately Ps. 110,752. This refers to various tax disputes related primarily to: (i) Ps. 10,454 of credits for ICMS ("VAT"); (ii) Ps. 37,219 related to tax credits of "IPI" (Tax on Industrial Products by its Portuguese acronym) over raw materials acquired from Free Trade Zone Manaus; (iii) Claims of Ps. 30,115 related to compensation of federal taxes not approved by the Tax authorities; (iv) Ps. 12,263 relating to questions about the amortization of goodwill generated in acquisitions operations; (v) Ps. 2,621 relating to liability over the operations of a third party, former distributor, in the period from 2001 to 2003; and (vi) Ps. 706 related to the exclusion of ICMS ("VAT") from the PIS/COFINS taxable basis and (vii) Ps. 17,374 regarding disputes on tax deductions of ongoing business. The Company is defending its position in these matters and final decision is pending in court.

In recent years in its Mexican and Brazilian territories, Coca-Cola FEMSA has been requested to present certain information regarding possible monopolistic practices. These requests are commonly generated in the ordinary course of business in the soft drink industry where these subsidiaries operate. The Company does not expect any material liability to arise from these contingencies.

24.8 Collateralized contingencies

As is customary in Brazil, the Company has been required by the tax authorities to collateralize tax contingencies currently in litigation amounting to Ps. 15,700, Ps. 13,692 and Ps. 13,728 as of December 31, 2024, 2023 and 2022, respectively, by pledging fixed assets and entering into available lines of credit covering the contingencies. Also as disclosed in Note 7.2 there is some restricted cash in Brazil that relates to short term deposits in order to fulfill the collateral requirements for accounts payable.

24.9 Commitments

The Company has signed commitments for the purchase of property, plant and equipment of Ps. 9,166 and Ps. 3,394 as December 31, 2024 and 2023, respectively.

Note 25. Information by segment

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer, who periodically reviews financial information at the country level. Thus, each of the separate countries in which the Company operates is considered an operating segment.

The Company has aggregated operating segments into the following reporting segments for the purposes of its consolidated financial statements: (i) Mexico and Central America division (comprising the following countries: Mexico (including corporate operations), Guatemala, Nicaragua, Costa Rica and Panama), and (ii) the South America division (comprising the following countries: Brazil, Argentina, Colombia, and Uruguay).

The Company determined that the quantitative and qualitative aspects of the aggregated operating segments are similar in nature for all periods presented. In evaluating the appropriateness of aggregating operating segments, the key indicators considered included but were not limited to:(i) similarities of customer base, products, production processes and distribution processes and (ii) historical and projected financial and operating statistics, historically and according to the Company´s estimates the financial trends of the countries aggregated into an operating segment have behaved in similar ways and are expected to continue to do so.

Inter-segment revenues are not material and are eliminated upon consolidation. Each operating segment reported reflects figures net of intersegment revenues.

Segment disclosure for the Company's consolidated operations is as follows:

2024	Mexico and Central America [1]	South America [2]	Consolidated
Total revenues	Ps. 166,996	Ps. 112,797	Ps. 279,793
Intercompany revenue	10,180	5	10,185
External Revenues	Ps. 156,816	Ps. 112,792	Ps. 269,608
Cost of goods sold	86,214	64,843	151,057
Gross profit	Ps. 80,782	Ps. 47,954	Ps. 128,736
Administrative Expenses	9,715	3,963	13,678
Selling Expenses	44,095	30,328	74,423
Income before income taxes and share of the profit or loss of associates and joint ventures accounted for using the equity method	25,037	10,974	36,011
Depreciation and amortization	Ps. 7,597	Ps. 4,530	Ps. 12,127
Non-cash items other than depreciation and amortization	2,341	1,596	3,937
Equity in earnings (loss) of associated companies and joint ventures	Ps. 255	Ps. 51	Ps. 306
Total assets	187,417	120,569	307,986
Investments in associate companies and joint ventures	Ps. 9,037	Ps. 1,196	Ps. 10,233
Total liabilities	118,616	38,829	157,445
Capital expenditures, net [3]	Ps. 19,772	Ps. 9,644	Ps. 29,416

2023	Mexico and Central America [1]	South America [2]	Consolidated
Total revenues	Ps. 149,362	Ps. 95,726	Ps. 245,088
Intercompany revenue	8,427	26	8,453
External Revenues	Ps. 140,935	Ps. 95,700	Ps. 236,635
Cost of goods sold	77,698	56,531	134,229
Gross profit	Ps. 71,665	Ps. 39,195	Ps. 110,860
Administrative Expenses	9,500	3,320	12,820
Selling Expenses	38,843	24,435	63,278
Income before income taxes and share of the profit or loss of associates and joint ventures accounted for using the equity method	18,152	10,640	28,792
Depreciation and amortization	Ps. 6,788	Ps. 3,743	Ps. 10,531
Non-cash items other than depreciation and amortization	864	843	1,707
Equity in earnings (loss) of associated companies and joint ventures	Ps. 206	Ps. 9	Ps. 215
Total assets	168,011	105,509	273,520
Investments in associate companies and joint ventures	Ps. 7,963	Ps. 1,283	Ps. 9,246
Total liabilities	104,898	34,917	139,815
Capital expenditures, net [3]	13,415	7,981	21,396

2022	Mexico and Central America [1]	South America [2]	Consolidated
Total revenues	Ps. 131,002	Ps. 95,738	Ps. 226,740
Intercompany revenue	6,487	2	6,489
External Revenues	Ps. 124,515	Ps. 95,736	Ps. 220,251
Cost of goods sold	68,967	57,473	126,440
Gross profit	Ps. 62,035	Ps. 38,265	Ps. 100,300
Administrative Expenses	7,872	3,391	11,263
Selling Expenses	32,956	24,762	57,718
Income before income taxes and share of the profit or loss of associates and joint ventures accounted for using the equity method	15,797	9,990	25,787
Depreciation and amortization	Ps. 6,424	Ps. 4,001	Ps. 10,425
Non-cash items other than depreciation and amortization	957	781	1,738
Equity in earnings (loss) of associated companies and joint ventures	Ps. 417	Ps. (31)	Ps. 386
Total assets	172,711	105,284	277,995
Investments in associate companies and joint ventures	Ps. 6,925	Ps. 1,527	Ps. 8,452
Total liabilities	113,554	32,565	146,119
Capital expenditures, net [3]	11,759	7,906	19,665

(1) Central America includes Guatemala, Nicaragua, Costa Rica and Panama. Domestic (Mexico only) revenues were Ps. 135,906, Ps. 122,615 and Ps. 106,911 during the years ended December 31, 2024, 2023 and 2022, respectively. Domestic (Mexico only) total assets were Ps. 159,498, Ps. 146,253 and Ps. 152,236 as of December 31, 2024, 2023 and 2022, respectively. Domestic (Mexico only) total liabilities were Ps. 109,855, Ps. 98,652 and Ps. 108,073 as of December 31, 2024, 2023 and 2022, respectively.

(2) South America includes Brazil, Argentina, Colombia and Uruguay. South America revenues include Brazilian revenues of Ps. 74,126, Ps. 66,963 and Ps. 63,944 during the years ended December 31, 2024, 2023 and 2022, respectively. Brazilian total assets were Ps. 83,899, Ps. 77,513 and Ps. 77,026 as of December 31, 2024, 2023 and 2022, respectively. Brazilian total liabilities were Ps. 26,629, Ps. 26,571 and Ps. 24,003 as of December 31, 2024, 2023 and 2022, respectively. South America revenues also include Colombian revenues of Ps. 20,995 Ps. 17,680 and Ps. 16,799 during the years ended December 31, 2024, 2023 and 2022, respectively. Colombian total assets were Ps. 19,835, Ps. 17,753 and Ps. 14,607 as of December 31, 2024, 2023 and 2022, respectively. Colombian total liabilities were Ps. 6,150, Ps. 5,337 and Ps. 3,902 as of December 31, 2024, 2023 and 2022, respectively. South America

revenues also include Argentine revenues of Ps. 12,557, Ps. 6,668 and Ps. 10,917 during the years ended December 31, 2024, 2023 and 2022, respectively. Argentine total assets were Ps. 9,324, Ps. 4,304 and Ps. 7,344 as of December 31, 2024, 2023 and 2022, respectively. Argentine total liabilities were Ps. 3,677, Ps. 1,456 and Ps. 2,378 as of December 31, 2024, 2023 and 2022, respectively. South America revenues also include Uruguay revenues of Ps. 5,119, Ps. 4,415 and Ps. 4,078 during the years ended on December 31, 2024, 2023 and 2022, respectively. Uruguay total assets were Ps. 7,511, Ps. 5,939 and Ps. 6,307 as of December 31, 2024, 2023 and 2022, respectively. Uruguay total liabilities were Ps. 2,374, Ps. 1,553 and Ps. 2,282, as of December 31, 2024, 2023 and 2022, respectively.

(3) Includes disposals of property, plant and equipment, intangible assets and other long-lived assets of 2024 is Ps. 137, 2023 Ps. 93 and 2022 Ps. 250

Note 26. Future Impact of Recently Issued Accounting Standards not yet in Effect:

The Company has not applied the following standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's consolidated financial statements.

Presentation and Disclosure in Financial Statements - IFRS 18

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the consolidated financial statements.

Subsidiaries without Public Accountability: Disclosures - IFRS 19

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Note 27. Subsequent Events

The Company has evaluated the existence of subsequent events and determined that there have not been events that requires a disclosure in this consolidated financial statements.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted.

As the Company’s equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Note 27. Subsequent Events

The Company has evaluated the existence of subsequent events and determined that there have not been events that requires a disclosure in this consolidated financial statements.