

# Financial Highlights

<i>Millions of pesos</i>	Million of dollars 2023 <sup>1</sup>	2023	2022	% Change	2021	% Change
Total revenues	<b>41,580</b>	702,692	597,008	17.7	505,460	18.1
Income from operations <sup>2</sup>	<b>3,490</b>	58,985	63,870	-7.6	53,770	18.8
Operating margin		8.4%	10.7%		10.6%	
Consolidated net income	<b>4,536</b>	76,677	34,743	120.7	37,678	-7.8
Controlling interest net income <sup>3</sup>	<b>3,886</b>	65,689	23,909	174.7	28,495	-16.1
Controlling interest earnings per BD unit <sup>4</sup>	<b>1.1</b>	18.4	6.7	174.6	8.0	-16.3
Controlling interest earnings per ADS <sup>5</sup>	<b>10.9</b>	183.6	66.8	174.9	79.6	-16.1
EBITDA	<b>5,672</b>	95,864	94,491	1.5	82,422	14.6
EBITDA margin		13.6%	15.8%		16.3%	
Total assets	<b>47,687</b>	805,856	798,815	0.9	737,500	8.3
Total liabilities	<b>25,295</b>	427,487	461,014	-7.3	402,383	14.6
Total equity	<b>22,392</b>	378,369	337,801	12.0	335,117	0.8
Capital expenditures	<b>2,305</b>	38,958	32,854	18.6	24,055	36.6
Total cash and cash equivalents <sup>6</sup>	<b>9,770</b>	165,112	83,439	97.9	97,407	-14.3
Short-term debt	<b>500</b>	8,451	18,341	-53.9	4,640	295.3
Long-term debt	<b>7,596</b>	128,373	173,400	-26.0	185,945	-6.7
Headcount <sup>7</sup>		392,968	354,344	10.9	320,618	10.5

1 U.S. dollar figures are converted from Mexican pesos using the noon-buying rate published by U.S. Federal Reserve Board, which was Ps. 16.8998 per US\$1.00 as of December 31, 2023.

2 Company's key performance indicator.

3 Represent the net income that is assigned to the controlling shareholders of the entity.

4 "BD" units each of which represents one series "B" share, two series "D-B" shares and two series "D-L" shares. Data based on outstanding 2,161,177,770 BD units and 1,417,048,500 B units.

5 American Depositary Shares, a U.S. dollar-denominated equity share of a foreign-based company available for purchase on an American stock exchange.

6 Cash consists of non-interest bearing bank deposits and cash equivalents consist principally of short-term bank deposits and fixed rate investments.

7 Includes headcount from Coca-Cola FEMSA, Proximity, Fuel and Health Division, and Other Business of FEMSA.

# Financial Summary

Amounts expressed in millions of Mexican pesos (Ps.) as of December 31.

Income Statement	2023	2022	2021	2020	2019
Net sales	<b>Ps. 699,640</b>	Ps. 595,543	Ps. 504,122	Ps. 490,425	Ps. 504,059
Total revenues	<b>702,692</b>	597,008	505,460	492,966	506,711
Cost of goods sold	<b>423,185</b>	355,490	299,276	303,313	315,230
Gross profit	<b>279,507</b>	241,518	206,184	189,653	191,481
Operating expenses	<b>220,522</b>	177,648	152,414	148,150	144,329
Income from operations <sup>1</sup>	<b>58,985</b>	63,870	53,770	41,503	47,152
Other non-operating expenses (income), net	<b>(6,568)</b>	1,227	(2,263)	7,656	1,573
Financing expenses, net	<b>7,502</b>	15,955	13,043	14,911	13,492
Income before income taxes and share of the profit of equity accounted investees	<b>58,051</b>	46,688	42,990	18,936	32,087
Income taxes	<b>12,971</b>	13,275	13,566	14,819	10,476
Share of the profit of equity accounted investees, net of taxes	<b>(641)</b>	(93)	(10)	(361)	6,437
Net income from continuing operations	<b>44,439</b>	33,320	29,414	3,756	28,048
Net income from discontinuing operations	<b>32,238</b>	1,423	8,264	-	-
Consolidated net income	<b>76,677</b>	34,743	37,678	3,756	28,048
Controlling interest	<b>65,689</b>	23,909	28,495	(1,930)	20,699
Non-controlling Interest	<b>10,988</b>	10,834	8,264	5,686	7,349
Financial ratios (%)					
Gross margin	<b>39.8%</b>	40.5%	40.8%	38.5%	37.8%
Operating margin	<b>8.4%</b>	10.7%	10.6%	8.4%	9.3%
Consolidated net income	<b>6.3%</b>	5.6%	5.8%	0.8%	5.5%
Other information					
Depreciation	<b>31,378</b>	26,109	25,294	25,006	23,344
Amortization and other non cash charges to income from operations	<b>5,502</b>	4,512	5,134	5,464	4,944
Operative Cash Flow (EBITDA)	<b>95,864</b>	94,491	82,422	71,973	75,440
Capital expenditures <sup>2</sup>	<b>38,958</b>	32,854	24,055	20,893	25,579

## Financial Summary

Amounts expressed in millions of Mexican pesos (Ps.) as of December 31.

<i>Balance Sheet</i>	2023	2022	2021	2020	2019
<b>Assets</b>					
Current assets	<b>Ps. 356,159</b>	Ps. 226,449	Ps. 230,718	Ps. 201,269	Ps. 172,579
Equity accounted investees	<b>26,247</b>	103,669	107,299	98,270	97,470
Property, plant and equipment, net <sup>3</sup>	<b>141,530</b>	134,001	115,147	113,106	114,513
Intangible assets, net	<b>143,218</b>	190,772	158,138	155,501	146,562
Right-of-use asset	<b>87,941</b>	83,966	56,994	54,747	52,684
Other assets, net	<b>50,761</b>	59,958	69,204	61,955	54,227
<b>Total assets</b>	<b>805,856</b>	798,815	737,500	684,848	638,035
<b>Liabilities</b>					
Short-term bank loans and current portion of long-term bank loans and notes payable	<b>8,451</b>	18,341	4,640	8,801	16,204
Current portion of leases	<b>12,236</b>	12,095	7,306	6,772	7,387
Other current liabilities	<b>161,694</b>	146,486	124,777	102,840	112,943
Long-term bank loans and notes payable	<b>128,373</b>	173,400	185,945	179,864	101,747
Long-term lease liabilities	<b>83,837</b>	81,222	55,049	51,536	47,292
Employee benefits	<b>6,920</b>	7,048	7,600	7,253	6,347
Deferred tax liabilities	<b>7,371</b>	6,823	6,042	6,033	7,440
Other non-current liabilities	<b>18,605</b>	15,599	11,024	14,562	12,924
<b>Total liabilities</b>	<b>427,487</b>	461,014	402,383	377,661	312,284
<b>Total equity</b>	<b>378,369</b>	337,801	335,117	307,187	325,751
Controlling interest	<b>303,860</b>	262,604	262,601	237,743	251,989
Non-controlling interest	<b>74,509</b>	75,197	72,516	69,444	73,762

## Financial Summary

Amounts expressed in millions of Mexican pesos (Ps.) as of December 31.

<b>Balance Sheet</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Financial ratios (%)					
Liquidity	<b>2.093</b>	1.374	1.783	1.803	1.336
Leverage	<b>1.127</b>	1.365	1.201	1.229	0.959
Capitalization	<b>0.27</b>	0.38	0.37	0.39	0.28
Data per share					
Controlling interest book value <sup>4</sup>	<b>16.984</b>	14.678	14.678	13.288	14.085
Net controlling interest income <sup>5</sup>	<b>3.672</b>	1.336	1.593	(0.108)	1.157
Dividends paid <sup>6</sup>					
Series B shares	<b>0.566</b>	0.383	0.517	0.517	0.483
Series D shares	<b>0.709</b>	0.479	0.646	0.646	0.604
Number of employees <sup>7</sup>	<b>354,344</b>	320,808	320,618	(2,924)	314,656
Number of outstanding shares <sup>8</sup>	<b>17,891.13</b>	17,891.13	17,891.13	17,891.13	17,891.13

1 Company's key performance indicator.

2 Includes investments in property, plant and equipment, as well as deferred charges and intangible assets.

3 Includes bottles and cases.

4 Controlling interest divided by the total number of shares outstanding at the end of each period.

5 Net controlling interest income divided by the total number of shares outstanding at the end of the each period.

6 Expressed in nominal pesos of each period.

7 Includes incremental employees resulting from mergers & acquisitions made during the period.

8 Total number of shares outstanding at the end of each period expressed in millions.

# Management Discussion & Analysis

Audited Financial Results for the twelve months ended December 31, 2023. Compared to the twelve months ended December 31, 2022.

Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) is a Mexican holding company. Set forth below is certain audited financial information for FEMSA and its subsidiaries (the “Company” or “FEMSA Consolidated”) (NYSE: FMX; BMV: FEMSA UBD, FEMSA BD). The principal activities of the Company are grouped mainly under the following subholding companies (the “Subholding Companies”): Coca-Cola FEMSA, S.A.B de C.V. (“Coca-Cola FEMSA” or “KOF”), (NYSE: KOF, BMV: KOFL) which engages in the production, distribution and marketing of beverages, a Proximity Division operating OXXO, a small-format store chain, OXXO Gas, a chain of retail service stations, and Valora, an operator of convenience and foodvenience formats present in 5 countries in Europe. It also operates a Health Division, which includes all drugstores and related operations and Digital@FEMSA, which includes Spin by OXXO and OXXO PREMIA, among other loyalty and digital financial services initiatives. The consolidated financial information included

in this annual report was prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The 2023 and 2022 results are stated in nominal Mexican pesos (“pesos” or “Ps.”). Translations of pesos into US dollars (“US\$”) are included solely for the convenience of the reader and are determined using the noon buying rate for pesos as published by the U.S. Federal Reserve Board in its H.10 Weekly Release of Foreign Exchange Rates as of December 31, 2023, which was 16.8998 pesos per US dollar. This report may contain certain forward-looking statements concerning the Company’s future performance that should be considered good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company’s actual performance.

## FEMSA Consolidated

2023 amounts in millions of Mexican pesos

	Total Revenues	% Growth vs'22	Gross Profit	% Growth vs'22
FEMSA Consolidated	702,692	17.7	279,507	15.7
Coca-Cola FEMSA	245,088	8.1	110,860	10.5
FEMSA Proximity Americas	278,520	19.0	117,062	20.0
FEMSA Proximity Europe	43,552	NA	18,622	NA
Fuel	58,499	12.9	7,344	12.0
FEMSA Health	75,358	0.7	22,499	2.3

FEMSA's consolidated total revenues increased 17.7% to Ps. 702,692 million in 2023 compared to Ps. 597,008 million in 2022 reflecting growth across all our business units. On an organic<sup>27</sup> basis, total revenues grew 17.4%. Coca-Cola FEMSA's total revenues increased 8.1% to Ps. 245,088 million, mainly as a result of volume growth, revenue management initiatives, and favorable price-mix effects. FEMSA Proximity Americas Division's revenues increased 19.0% to Ps. 278,520 million, driven by an average increase of 14.2% in OXXO's same-store sales and the addition of 1,408 net new stores during 2023. Proximity Europe Division's revenues amounted to Ps. 43,552 million, for the consolidated period of 2023. FEMSA Health Division's revenues increased 0.7% to Ps. 75,358 million, reflecting the addition of 379 net locations across territories, reflecting an increase of 6.1% in same-store sales. The Fuel Division's revenues increased 12.9% to Ps. 58,499 million in 2023, driven by 7.8% increase in same-station sales.

Consolidated gross profit increased 15.7% to Ps. 279,507 million in 2023 compared to Ps. 241,518 million in 2022. Gross margin decreased 70 basis points to 39.8% of total revenues compared to 2022, reflecting gross

margin contraction at Fuel, as well as the consolidation of Proximity Europe.

Consolidated operating expenses increased 24.1% to Ps. 220,522 million in 2023 compared to Ps. 177,648 million in 2022. As a percentage of total revenues, consolidated operating expenses increased from 29.8% in 2022 to 31.4% in 2023.

Consolidated administrative expenses increased 15.1% to Ps. 32,307 million in 2023 compared to Ps. 28,077 million in 2022. As a percentage of total revenues, consolidated administrative expenses decreased 10 basis points, from 4.7% in 2022 to 4.6% in 2023.

Consolidated selling expenses increased 26.5% to Ps. 188,732 million in 2023 as compared to Ps. 149,145 million in 2022. As a percentage of total revenues, selling expenses increased 190 basis points, from 25.0% in 2022 to 26.9% in 2023.

Consolidated income from operations decreased 7.6% to Ps. 58,985 million in 2023 as compared to Ps. 63,870 million in 2022. On an organic<sup>26</sup> basis, consolidated income from operations decreased 7.6%. As a percentage of total revenues, operating margin decreased 230 basis points, from 10.7%

in 2022 to 8.4% in 2023, reflecting margin expansion at Coca-Cola FEMSA, flat margin in FEMSA's Fuel Division, offset by margin contractions in Proximity Americas and Health Divisions, as well as by the consolidation of Proximity Europe Division.

Some of our subsidiaries pay management fees to us in consideration of the corporate services we provide to them. These fees are recorded as administrative expenses in the respective business segments. Our subsidiaries' payments of management fees are eliminated in consolidation and, therefore, have no effect on our consolidated operating expenses.

Net financing expenses decreased to Ps. 7,502 million from Ps. 15,995 million in 2022, reflecting a decrease in interest expenses, offset by a Ps. 9,849 non-cash, foreign exchange loss, related to FEMSA's U.S. dollar-denominated cash position as impacted by the appreciation of the Mexican peso.

Our accounting provision for income taxes in 2023 was Ps. 12,971 million, as compared to Ps. 13,275 million in 2022, resulting in an effective tax rate of 22.3% in 2023 as compared to 28.4% in 2022.

Consolidated net income was Ps. 76,677 million in 2023 compared to Ps. 34,743 million in 2022, reflecting: i) higher net income from discontinued operations, mostly reflecting the accounting re-measurement from historical cost to fair value of FEMSA's investment in HEINEKEN, and the Solistica and Alpunto businesses, ii) higher other non-operating income, mainly related to the divestment of FEMSA's minority stake in Jetro Restaurant Depot, and iii) a non-cash financial product, that mostly reflects the repurchase of US\$ 1.7 billion of FEMSA's outstanding debt at favorable price levels during 1Q23. These were partially offset by a Ps. 9,849 non-cash foreign exchange loss, related to FEMSA's U.S. dollar-denominated cash position as impacted by the appreciation of the Mexican peso.

Controlling interest income amounted to Ps. 65,689 million in 2023 compared to Ps. 23,909 million in 2022. Controlling interest income in 2023 per FEMSA Unit<sup>28</sup> was Ps. 18.36 (US\$ 10.86 per ADS).

### Coca-Cola FEMSA

Coca-Cola FEMSA total revenues increased 8.1% to Ps. 245,088 million in 2023 compared to Ps. 226,740 million in 2022, mainly as a result of volume

<sup>27</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>28</sup> FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of December 31, 2023, was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

growth, revenue management initiatives, and favorable price-mix effects. These effects were partially offset by an unfavorable currency translation effect from most of its operating currencies into Mexican pesos.

Total sales volume increased by 7.8% to 4.0 billion unit cases in 2023 as compared to 2022, driven mainly by growth in all of our territories, including a strong performance in Mexico, Brazil, Colombia and Guatemala in 2023.

Coca-Cola FEMSA gross profit increased 10.5% to Ps. 110,860 million in 2023, compared to Ps. 100,300 million in 2022, with a gross margin increase of 100 basis points as compared to 2022 to reach 45.2%. This gross margin increase was mainly driven by top-line growth, declining packaging costs, and favorable raw material hedging initiatives. These effects were partially offset by higher sweetener costs across territories.

The components of cost of goods sold include raw materials (principally concentrate, sweeteners, and packaging materials), depreciation costs attributable to production facilities, wages and other labor costs associated with labor force employed at Coca-Cola FEMSA production facilities, and certain overhead costs. Concentrate prices are determined as a percentage of the retail price of Coca-Cola FEMSA's products in local currency, net of applicable taxes. Packaging materials, mainly PET resin

and aluminum, and HFCS, used as a sweetener in some countries, are denominated in U.S. dollars.

Operating expenses increased by 10.3% to Ps. 76,098 million in 2023 compared to Ps. 68,981 million in 2022. Administrative and selling expenses as a percentage of total revenues increased by 60 basis points to 31.0% in 2023 as compared to 2022, mainly driven by increased marketing, maintenance, and labor expenses. These effects were partially offset by an operating foreign exchange gain in Mexico as a result of the appreciation of the Mexican Peso. In 2023, Coca-Cola FEMSA continued investing across territories to support marketplace execution, increase cooler coverage, and production capacity.

Income from operations increased 10.8% to Ps. 34,180 million in 2023 compared to Ps. 30,838 million in 2022.

### FEMSA Proximity Americas

Proximity Americas total revenues increased 19.0% to Ps. 278,520 million in 2023 compared to Ps. 233,958 million in 2022, reflecting an average increase in same-store sales of 14.2%. As of December 31, 2023, there was a total of 22,866 OXXO stores. As referenced above, OXXO same-store sales increased an average of 14.2% compared to 2022, driven by a 8.0% increase in average customer ticket, and by a 5.8% increase in store traffic.

Cost of goods sold increased 18.4% to Ps. 161,458 million in 2023 compared to Ps. 136,372 million in 2022. Gross margin increased 30 basis points to reach 42.0% of total revenues. This increase reflects higher income from financial services, and a healthy commercial income dynamic. As a result, gross profit increased 20.0% to Ps. 117,062 million in 2023 compared to 2022.

Operating expenses increased 22.6% to Ps. 90,791 million in 2023 compared to Ps. 74,073 million in 2022. The increase in operating expenses was driven by higher labor expenses resulting from labor reforms implemented in Mexico during this year.

Administrative expenses increased 7.4% to Ps. 6,514 million in 2023 compared to Ps. 6,066 million in 2022; as a percentage of sales, administrative expenses decreased to 2.3% in 2023.

Selling expenses increased 24.5% to Ps. 84,493 million in 2023 compared with Ps. 67,842 million in 2022; as a percentage of sales, they reached 30.4% in 2023.

Income from operations increased 11.7% to Ps. 26,271 million in 2023 compared to Ps. 23,513 million in 2022, resulting in an operating margin dilution of 70 basis points to 9.4% as a percentage of total revenues for the year, compared with 10.1% in 2022.

### FEMSA Proximity Europe

Proximity Europe total revenues amounted to Ps. 43,552 million in 2023, reflecting sustained growth of foodvenience sales and the positive effect of vertical integration, particularly through the B2B pretzel business. As of the end of the period Proximity Europe had 2,808 points of sale.

Cost of goods sold increased amounted to Ps. 24,930 million in 2023. Gross margin amounted to 42.8% of total revenues, reflecting a positive performance of the foodvenience category, which has a structurally higher margin as well as higher promotional income. As a result, gross profit amounted to Ps. 18,622 million in 2022.

Operating expenses amounted to Ps. 17,223 million in 2023.

Administrative expenses amounted to Ps. 3,231 million in 2023; as a percentage of sales, administrative expenses amounted to 7.4% in 2023.

Selling expenses amounted to Ps. 14,371 million in 2023; as a percentage of sales, they reached 33.1%.

Income from operations amounted to Ps. 1,399 million in 2023, resulting in an operating margin of 3.2% as a percentage of total revenues, driven by an increase in labor expenses which was partially offset by lower administrative expenses.

## Fuel

Fuel total revenues increased 12.9% to Ps. 58,499 million in 2023 compared to Ps. 51,813 in 2022, reflecting a 7.8% average increase in same-station sales. As of December 31, 2023, there were a total of 571 OXXO GAS service stations. As referenced above, same-station sales increased an average of 7.8% compared to 2022, reflecting a 3.5% increase in the average price per liter, coupled with a 4.1% increase in average volume.

Cost of goods sold increased 13.0% to Ps. 51,155 million in 2023 compared with Ps. 45,253 million in 2022. Gross margin decreased 10 basis points to 12.6% of total revenues. Gross profit increased 12.0% to Ps. 7,344 million in 2023 compared with 2022.

Operating expenses increased 12.4% to Ps. 4,846 million in 2023 compared with Ps. 4,310 million in 2022. This increase was driven by OXXO GAS organic growth partially offset by tight expense control and operational efficiencies.

Administrative expenses increased 31.7% to Ps. 299 million in 2023 compared with Ps. 227 million in 2022; as a percentage of sales, administrative expenses increased to 0.5%. Selling expenses increased 11.4% to Ps. 4,548 million in 2023 compared with Ps. 4,084 million in 2022; as a percentage of sales, selling expenses decreased 20 basis points to 7.8% in 2023.

Income from operations increased 11.0% to Ps. 2,498 million in 2023 compared with Ps. 2,250 million in 2022, resulting in an operating margin of 4.3% as a percentage of total revenues for the year.

## FEMSA Health

FEMSA – Health total revenues increased 0.7% to Ps. 75,358 million in 2023 compared to Ps. 74,800 million in 2022, driven by an average increase of 6.1% in same-store sales for drugstores, reflecting positive trends in most of our territories in local currency, the addition of 379 net new drugstores during the period, which was offset by a challenging macroeconomic environment in Colombia and Ecuador. As of December 31, 2023, the Health Division had a total of 4,474 drugstores across its geographies.

Cost of goods sold increased 0.1% to Ps. 52,859 million in 2023, compared with Ps. 52,817 million in 2022. Gross margin increased 50 basis points to 29.9% of total revenues largely reflecting efficiencies and more effective collaboration and execution with key suppliers, which was partially offset by a negative price-mix effect resulting from an increase in the contribution of our institutional sales channel in Colombia. Gross profit increased 2.3% to Ps. 22,499 million in 2023 compared with 2022.

Operating expenses increased 6.2% to Ps. 19,170 million in 2023 compared with Ps. 18,045 million in 2022. This increase was driven by organic growth, which was partially offset by cost efficiencies and tight expense control throughout our territories.

Administrative expenses decreased 4.5% to Ps. 2,788 million in 2023 compared with Ps. 2,918 million in 2022; as a percentage of sales, they reached 3.7% in 2023. Selling expenses increased 8.3% to Ps. 16,402 million in 2023 compared with Ps. 15,139 million in 2022; as a percentage of sales, they reached 21.8% in 2023.

Income from operations decreased 15.5% to Ps. 3,329 million in 2023 compared with Ps. 3,938 million in 2022, resulting in an operating margin dilution of 90 basis points to 4.4% as a percentage of total revenues for the year, compared with 5.3% in 2022.

## Key Events during 2023

The following text reproduce our press releases as they were published.

### FEMSA signs agreement with Volaris to become the initial partner of FEMSA's new coalition loyalty program

On January 23, 2023, FEMSA announced that it signed, an agreement with Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V. (“Volaris”), the ultra-low-cost carrier serving Mexico, the United States, Central, and South America to become the first third-party partner of FEMSA's coalition loyalty program (the “Program”). This Program will offer exclusive benefits for its users, allowing them to accrue and redeem reward points with OXXO, Volaris and future allies.

### FEMSA Forward: Announcing results of strategic review

On February 15, 2023, FEMSA announced that its Board of Directors had approved a new long-range plan to maximize value creation, as well as a series of decisions resulting from its strategic review process.

During 2022 FEMSA carried out a thorough strategic review of its business platform, including the bottom-up definition of long-range plans for each business unit, as well as the top-down analysis of the optimal corporate and capital structure, to



ensure full alignment between the Board and management as to how to pursue and maximize value creation. Consistent with this vision, FEMSA determined that the best path to maximize long term value creation is by focusing on its core business verticals which have the highest strategic relevance, growth potential, and financial and competitive strength:

- ▶ Retail, with excellent long-term growth opportunities, comprised of Proximity, Health, and Fuel.
- ▶ Coca-Cola FEMSA, leveraging its leading competitive position and excellent execution, combined with significant financial strength and strategic opportunities.
- ▶ Digital, building a powerful value-added financial ecosystem, while playing a key role in leveraging the connection among FEMSA's core business units.

### **FEMSA announces the pricing of the offering of shares of HEINEKEN N.V. and HEINEKEN Holding N.V. and the concurrent offering of exchangeable bonds exchangeable into shares of HEINEKEN Holding N.V.**

On February 17, 2023, FEMSA announced the pricing of the sale by its wholly-owned subsidiary CB Equity LLP of existing issued ordinary shares (the "Shares") of

both HEINEKEN N.V. and HEINEKEN Holding N.V. (together, the "HEINEKEN Group") in the total amount of EUR 3.2 billion (approximately 7% of the combined interest in the HEINEKEN Group) (the "Equity Offering"). The Company also announced the pricing of an offering of senior unsecured exchangeable bonds in the aggregate principal amount of EUR 500 million (the "Bonds"), exchangeable into Shares of HEINEKEN Holding N.V. (the "Exchangeable Offering" and together with the Equity Offering, the "Offering").

### **FEMSA Announces commencement of tender offer**

On February 17, 2023, FEMSA announced that it had commenced offers to purchase for cash FEMSA's outstanding debt issuances for an aggregate purchase price, excluding Accrued Interest and Additional Amounts, if any, of up to US\$ 2.0 billion.

For more information, please see [here](#).

### **Coca-Cola FEMSA included for the third consecutive year in the S&P Global Sustainability Yearbook 2023**

On February 28, 2023, Coca-Cola FEMSA announced its inclusion for the third consecutive year in the 2023 edition of S&P Global Sustainability Yearbook, due to its strong performance on S&P Global Corporate Sustainability Assessment.

This year, a record number of more than 7 thousand companies were evaluated, and just 59 were included from the global beverage sector, with Coca-Cola FEMSA being one of the two Mexican companies in this sector selected for the 2023 edition of S&P Global Sustainability Yearbook. Additionally, the Company ranked in the top 15% of the global beverage sector, complying with the highest standards of environmental, social, and corporate governance (ESG) dimensions of S&P Global evaluation criteria.

Coca-Cola FEMSA's deep commitment to sustainability is highlighted by its industry-leading ambitions and initiatives. These include the Company's public commitments to make all consumer packaging 100% recyclable by 2030, reach an industry benchmark water use ratio of 1.26 liters of water per liter of beverage produced by 2026, and achieve 100% renewable energy for its bottling operations by 2030.

In addition, Coca-Cola FEMSA continues making history in sustainable financing by becoming the first company in the consumer sector in the Americas and the first in the Coca-Cola system to successfully issue social bonds, highlighting the Company's profound commitment to the communities it serves.

### **FEMSA Announces final tender results and acceptance of notes for its previously announced tender offers**

On March 17, 2023, FEMSA announced the final tender results and acceptance for its previously announced offers to purchase for cash FEMSA's notes for an aggregate purchase price, excluding accrued and unpaid interest and additional amounts, if any of up to US\$ 2.0 billion, from registered holders of the notes. The offers were made pursuant to the terms and subject to the conditions set forth in the amended and restated offer to purchase dated February 17, 2023. As of the end of the offer, FEMSA retired US\$ 1.7 billion of outstanding debt.

For more information on this, please see [here](#).

### **FEMSA successfully finalizes the acquisition of Net Pay**

On April 3, 2023, FEMSA announced that it had successfully closed the acquisition of the remaining 85.18% shares of NET PAY S.A.P.I DE C.V. ("Net Pay"), a merchant aggregator that offers several payment services and solutions to micro, small and medium-sized businesses in Mexico, as previously announced on November 7, 2022, after receiving the necessary regulatory approvals.

**FEMSA announces an offering of shares of HEINEKEN N.V. and HEINEKEN Holding N.V. and a Concurrent Tap issuance of FEMSA's existing Exchangeable Bonds due 2026 exchangeable into shares of HEINEKEN Holding N.V.**

On May 30, 2023, FEMSA announced the offering by the Company and its wholly-owned subsidiaries Compañía Internacional de Bebidas, S.A. de C.V. and Grupo Industrial Emprex, S. de R.L. de C.V. of existing issued ordinary shares of both HEINEKEN N.V. and HEINEKEN Holding N.V. (together, the "HEINEKEN Group") in the total amount of approximately EUR 3.3 billion (approximately 5.9% of the combined interest in the HEINEKEN Group) (the "Equity Offering"). The Company also announced a tap issuance of euro denominated senior unsecured bonds in the aggregate principal amount of up to EUR 250 million (the "New Bonds"), exchangeable into ordinary shares of HEINEKEN Holding N.V. (the "Exchangeable Offering" and together with the Equity Offering, the "Offering"). The New Bonds will be consolidated and form a single series with the Company's EUR 500 million 2.625% senior unsecured Exchangeable Bonds due 2026, originally issued on 24 February 2023 (the "Original Bonds" and together with the New Bonds, the "Bonds") with effect from on or about 18 July 2023 (the "Consolidation Date").

**FEMSA announces the pricing of the offering of shares of HEINEKEN N.V. and HEINEKEN Holding N.V.**

On May 31, 2023, FEMSA announced the pricing of the sale by the Company and its wholly-owned subsidiaries Compañía Internacional de Bebidas, S.A. de C.V. and Grupo Industrial Emprex, S. de R.L. de C.V. of its entire holding of existing issued ordinary shares of both HEINEKEN N.V. and HEINEKEN Holding N.V. (together, the "HEINEKEN Group") by way of an accelerated book build of shares in the total amount of EUR 3.3 billion (approximately 6.0% of the combined interest in the HEINEKEN Group) (the "Equity Offering") as well as a bilateral sale of additional shares to HEINEKEN N.V., except for any shares retained underlying FEMSA's outstanding EUR 500 million 2.625% senior unsecured Exchangeable Bonds due 2026 (the "Bonds"), exchangeable into ordinary shares of HEINEKEN Holding N.V. Given the strength of demand seen for the Equity Offering, the Company has decided not to proceed with the concurrent tap issuance of its outstanding Bonds announced on May 30, 2023.

**FEMSA announces the divestment of FEMSA's minority position in Jetro Restaurant Depot**

On May 31, 2023, FEMSA announced that consistent with its FEMSA Forward strategy as communicated on February 15, 2023, it has entered into a definitive agreement to divest its minority

investment in Jetro Restaurant Depot and related entities ("JRD"). Subject to customary closing conditions, FEMSA will receive total cash consideration of US \$1,400 million, with approximately US \$467 million payable on closing in the second quarter of 2023, and the remainder payable over two years.

**FEMSA statement regarding its CEO**

On July 10, 2023, FEMSA announced that Daniel Rodríguez Cofré, after consulting with his family and doctors, would step down from his role as CEO, to focus on his health and treatment of a previously announced colon cancer diagnosis. Until a replacement is appointed, José Antonio Fernández Carbajal, Executive Chairman and former CEO of FEMSA, will serve as acting Chief Executive Officer on an interim basis, with the continued support of FEMSA's senior leadership team and the CEOs of the business units.

**BradyIFS and Envoy Solutions come together to create a compelling new platform**

On August 29, 2023, FEMSA announced that it entered into definitive agreements with BradyIFS to create a new platform within the facility care, foodservice disposables, and packaging distribution industries in the United States. The combined platform will bring together Envoy Solutions LLC and BradyIFS in a highly complementary

combination, positioned to serve and provide value to its customers and suppliers effectively and efficiently across the country. The transaction is subject to customary conditions and regulatory approvals.

Upon closing, FEMSA will receive approximately US\$ 1.7 billion in cash and retain an ownership stake of approximately 37% in the combined entity, which is expected to have pro-forma revenues approaching US\$ 5 billion.

For the purposes of this transaction, the Envoy Solutions valuation implies an unlevered double-digit annualized rate of return on the accumulated capital invested by FEMSA since entering this business in 2020.

Approximately 63% of the combined entity will be owned by existing BradyIFS equity holders led by Kelso & Company and its affiliate funds and including BradyIFS management; by funds managed by Warburg Pincus LLC; and by the current minority shareholders of Envoy Solutions.

**Evolving FEMSA's organizational structure and senior leadership team to drive FEMSA Forward**

On September 22, 2023, FEMSA announced changes to its organizational structure that bring it into full alignment with the FEMSA

Forward strategy and its three core business verticals: Retail, Coca-Cola FEMSA, and Digital. The Company also announced movements within its senior leadership team, involving internal and newly attracted talent. These changes will enable the organization to operate with maximum focus, positioning FEMSA to pursue and capture its considerable and compelling opportunities for long-term profitable growth.

The Retail business vertical will be led by Jose Antonio Fernández Garza-Lagüera. Jose Antonio is currently CEO of Digital@FEMSA, where he nurtured FEMSA's digital ecosystem from its early days and has helped Spin become the prominent fintech and loyalty platform in Mexico. Before Digital, Jose Antonio held leadership roles at every one of FEMSA's major business units for over a decade, including as Head of Strategic Planning at OXXO and FEMSA Comercio. Jose Antonio will be supported in his new role by a world-class operational team: Carlos Arenas (Proximity OXXO Mexico), Constantino Spas (Proximity Americas and Fuel), Michael Mueller (Proximity Europe), Jacobo Caller (Proximity Multiformat), and Daniel Belaúnde (FEMSA Health).

Juan Carlos Guillermety is joining the Company as CEO of Digital@FEMSA. Juan Carlos comes to FEMSA from Nubank, where he held various senior leadership positions since 2019, after a long tenure at Visa International. Juan

Carlos will lead the rapidly growing talent pool that is shaping the future of FEMSA's digital ecosystem.

There is no change at Coca-Cola FEMSA. Ian Craig will continue to lead this key business vertical as its CEO. Other operations outside of FEMSA's core verticals, including those that are in the active process of being divested, will report to the Corporate Office led by Francisco Camacho. These changes to FEMSA's organizational structure and senior leadership team were designed in conjunction with the FEMSA Forward strategy as announced in February of this year, consistent with FEMSA's leadership succession and talent development process. The new appointments have been approved by FEMSA's Board of Directors and will become effective on.

### **FEMSA Envoy Solutions and BradyIFS successfully complete transaction**

On October 31, 2023, FEMSA announced that the transaction bringing together BradyIFS and Envoy Solutions had closed successfully, after receiving the necessary regulatory approvals. The transaction combines the strengths and complementary footprints of Envoy Solutions and BradyIFS to create a strong customer-focused platform to effectively provide its customers with high-value solutions, and its supplier partners with excellent market reach, delivering more products

and solutions in more locations across the United States. With this transaction, FEMSA continues to deliver on its FEMSA Forward strategy.

### **FEMSA announces final results of its previously announced tender offer for its outstanding notes due 2043**

On November 9, 2023, FEMSA announced the final results of its previously announced offer (the "Tender Offer") to purchase for cash any and all of its outstanding US\$ 552,830,000 principal amount of 4.375% Senior Notes due 2043 (CUSIP/ ISIN: 344419 AB2 / US344419AB20) (the "Securities") on the terms and subject to the conditions set forth in the offer to purchase, dated October 31, 2023 (the "Offer to Purchase") and the related notice of guaranteed delivery (the "Notice of Guaranteed Delivery" and, together with the Offer to Purchase, the "Offer Documents").

The Tender Offer expired on November 6, 2023, at 5:00 p.m. (New York City time) (the "Expiration Date") and settled on November 9, 2023 (the "Settlement Date"). No Notice of Guaranteed Delivery was received by FEMSA prior to the Expiration Date. The aggregate amount paid by FEMSA to Holders whose Securities were accepted for purchase, including Accrued Interest and Additional Amounts, was approximately US\$ 117 million.

### **FEMSA and its Business Units advance their support to communities affected by Hurricane Otis in Guerrero**

On November 14, 2023, FEMSA announced that in order to meet the needs of the populations affected by Otis, FEMSA through Coca-Cola FEMSA, OXXO, OXXO GAS, Farmacias Yza, Spin by OXXO, Fundación FEMSA, and Solistica continue to add support for the prompt recovery of Acapulco.

- ▶ With the commissioning of two "Ven por Agua" water treatment vehicles, as of November 13, Coca-Cola FEMSA has filled 5,323 bottles (20L) of drinking water.
- ▶ The Spin Premia loyalty coalition program adds to the fundraising efforts. From November 6 to December 6, users of the program could contribute their points to a fund that was transformed into support through the collaboration between FEMSA Foundation and World Vision Mexico (More than 3.6 million pesos).
- ▶ Among the actions that OXXO implemented as a priority were the delivery of 7,600 food pantries for employees and the community and the delivery of 6,000 hydration products in the most affected areas and 5,520 bottles of water.