



Mexico City, February 23, 2023.

Dear Shareholders,

Under the provisions of Article 44, Section XI of the Securities Market Law (*Ley del Mercado de Valores*) and Article 172 of the General Law for Commercial Companies (*Ley General de Sociedades Mercantiles*), and in my capacity as Chief Executive Officer of Becele, S.A.B. de C.V. (the "Company"), I am pleased to submit the consolidated annual report on the operations and activities of the Company for the fiscal year ended December 31, 2022.

During the fiscal year in question, the Company's progress and operations have been constant and the measures and policies necessary to achieve its corporate purpose have been established and complied with.

During the full year 2022, total volume growth was 7.4% to 27.5 million nine-liter cases. This increase reflects a 2.5% decrease in the United States and Canada, a 15.5% increase in Mexico and a 41.0% increase in the Rest of the World region.

Volume by region for the year 2022 (in thousands of nine-liter cases)

Region	2022	2021	$\Delta\%$ AcA 2022/2021
USA and Canada	15,397	15,791	-2.5%
Mexico	7,774	6,731	15.5%
Rest of the World	4,279	3,035	41.0%
Total	27,450	25,557	7.4%

Net sales for the full year 2022 were \$45,729 million pesos, an increase of 16.0% compared to the same period in 2021, driven by volume growth and higher average prices per case.



Net sales in the U.S. and Canada increased 6.6% compared to the same period in 2021, driven by an improved product mix as a result of our premiumization strategy and partially offset by a 2.5% decrease in volume and the appreciation of the Mexican peso against the U.S. dollar year over year.

Mexico's net sales increased 32.7% year over year due to a higher average selling price per case, mainly as a result of price increases.

Net sales in the Rest of the World region increased by 35.7% over 2021, reflecting volume growth.

Net Sales by Region for the year 2022 (in millions of pesos)

Region	2022	2021	Δ% AcA 2022/2021
USA and Canada	27,466	25,776	6.6%
Mexico	10,923	8,234	32.7%
Rest of the World	7,340	5,409	35.7%
Total	45,729	39,419	16.0%

"Jose Cuervo" volume increased by 16.0% compared to the previous year and represented 33.4% of the total volume for the year 2022. The Company's "Other Tequila" brands represented 19.8% of total volume and increased by 20.2% compared to the previous year.

'Other Spirits' brands accounted for 18.2% of total volume in the period and increased 5.0% compared to 2021. The volume of 'Non-Alcoholic Beverages and Others' represented 11.7% of the total volume, decreasing 7.6% compared to the previous year. The volume of 'RTD' products represented 16.8% of the total volume and decreased 5.4% compared to the prior year period.

Volume by category by the year 2022 (in thousands of nine-liter cases)

Category	2022	2021	Δ% AcA 2022/2021
Jose Cuervo	9,172	7,909	16.0%
Other Tequilas	5,447	4,530	20.2%



Other Spirits	4,999	4,759	5.0%
Non-alcoholic Beverages and Others	3,215	3,480	-7.6%
RTD	4,617	4,878	-5.4%
Total	27,450	25,557	7.4%

Jose Cuervo reported an increase in net sales of 18.7% compared to 2021, representing 35.2% of total net sales for 2022. The Company's 'Other Tequila' net sales increased 31.2% compared to the prior year, representing 33.5% of total net sales.

The Company's 'Other Spirits' brands accounted for 20.6% of total net sales in the period and recorded a 9.4% increase in net sales compared to the same period in 2021. Net sales of 'Non-Alcoholic Beverages and Other' accounted for 2.7% of total net sales, a decrease of 11.3% in net sales compared to the prior year. Net sales of 'RTD' represented 8.0% of total net sales and reported a decrease of 12.3% compared to the previous year.

Net sales by category for the year 2022 (in millions of pesos)

Category	2022	2021	Δ% AcA 2022/2021
Jose Cuervo	16,086	13,555	18.7%
Other Tequilas	15,315	11,675	31.2%
Other Spirits	9,436	8,629	9.4%
Non-alcoholic Beverages and Others	1,228	1,385	-11.3%
RTD	3,664	4,176	-12.3%
Total	45,729	39,419	16.0%

Gross profit for the full year 2022 increased 17.9% from the same period in 2021 to \$25,087 million pesos. The gross margin was 54.9% for the full year 2022 compared to 54.0% for 2021. Gross margin was positively impacted mainly by pricing initiatives and improved product mix in all regions.

AMP expenses increased 17.0% to \$10,162 million pesos compared to the full year 2021. As a percentage of net sales, AMP expenses grew 20 base points to 22.2%, in line with the Company's investment strategy.

Distribution expenses increased 8.1% to \$2,193 million pesos compared to 2021. As a percentage of net sales, distribution expenses decreased to 4.8% from 5.1% in



2021, driven by lower transportation, warehousing and logistics costs from supply chain improvements.

Selling and administrative (SG&A) expenses increased 11.1% to Ps. \$3,877 million compared to the full year 2021. As a percentage of net sales, SG&A expenses decreased 40 basis points to 8.5% from 8.9% in 2021, driven by the Company's cost control management.

For the full year 2022, operating income increased 24.8% to \$8,890 million pesos compared to the previous year. The operating margin increased to 19.4% compared to 18.1% in 2021.

EBITDA for the full year 2022 increased 24.0% to \$9,843 million pesos compared to \$7,938 million pesos for the full year 2021. EBITDA margin increased to 21.5% compared to 20.1% in 2021.

Net financial result accumulated a loss of \$620 million pesos for the full year 2022, mainly derived from higher net interest expense and lower net foreign exchange gain during the year compared to 2021.

Consolidated net income for the full year 2022 was \$5,881 million pesos, an increase of 16.8% compared to the prior-year period. The net margin was 12.9% for the full year. Earnings per share were \$1.64 compared to \$1.40 in 2021.

Financial position and cash flow

As of December 31, 2022, cash and cash equivalents were \$4,521 million pesos and total financial debt was \$17,604 million pesos. During 2022, the Company used net cash from operating activities of \$1,744 million pesos, and \$3,789 million pesos in net investing activities. Cash used in financing activities was \$2,832 million pesos for the year ending December 31, 2022.

The following financial information of the Company as of and for the year ended December 31, 2022, is attached to this report for your consideration:

- a) consolidated statements of financial position;
- b) consolidated statements of comprehensive income;
- c) consolidated statements of changes in stockholders' equity;
- d) consolidated statements of cash flows, and
- e) the notes to the aforementioned consolidated financial statements.

In my capacity as Chief Executive Officer of the Company, I reiterate to you my commitment to ensuring that the Company continues to move forward at all times,



achieving its economic goals and, above all, realizing the projects and objectives defined by this administration.

Sincerely,

Juan Domingo Beckmann Legorreta
Chief Executive Officer of Becele, S.A.B. de C.V.