Quarterly Financial Information

[105000] Management commentary

Management commentary [text block]

Fourth quarter 2020 highlights

- Volume decreased 1.2% to 7.5 million nine-liter cases;
- Net sales increased 2.8% to P$10,729 million pesos;
- Gross profit decreased 2.4% to P$5,184 million pesos. Gross margin was 48.3%;
- EBITDA decreased 41.8% to P$1,315 million pesos. EBITDA margin was 12.3%;
- Consolidated net income decreased 35.7% to P$919 million pesos. Net margin was 8.6% and;
- Earnings per share were P$0.26.

Full Year 2020 Highlights

- Volume increased 7.0% (+6.0% reported) on an underlying basis to 23.7 million nine-liter cases;
- Net sales increased 19.4% (+17.9 reported) on an underlying basis to P$35,037 million pesos;
- Gross profit increased 16.5% to P$18,246 million pesos; Gross margin was 52.1%;
- EBITDA increased 24.8% to P$7,607 million pesos. EBITDA margin was 21.7% an improvement of 1.2 percentage points year over year and;
- Consolidated net income increased 38.6% to P$5,152 million pesos. Net margin was 14.7% and;
- Earnings per share were P$1.43.

All abovementioned increases and decreases have been determined in comparison to the corresponding period in the preceding year.

Management commentary

Becle ended 2020 with 3% year on year top line growth during the fourth quarter and 18% year on year top line growth for the year. This was driven by strong results in the United States and Canada which delivered 22% year on year volume growth and 33% year on year top line growth for the full year. This more than offset the challenges we faced in the rest of the regions in which we operate. Despite year on year input cost pressures, gross profit and EBITDA grew 17% and 25% for the full year, respectively. This led to full year net income growth of 39%.

As the year came to a close, we continued to face challenges in several of our markets as a result of the COVID-19 pandemic. Yet, as we did throughout the year, our management was able to adapt effectively to the rapidly changing conditions. This allowed us to continue to execute our business plan efficiently and end the year with sequential improvements in most of our categories. We remain hopeful that as the world comes to a recovery, some geographies will begin to recuperate from a social and economic standpoint towards the second half of the year. Although the current environment and outlook are unusually uncertain, we are confident we will continue to adapt successfully as circumstances evolve, as we did in 2020.

Disclosure of nature of business [text block]

Becle is a globally renowned company in the spirits industry and the world's largest producer of tequila. Its extraordinary portfolio of over 30 spirits brands, some of them owned, some of them agency brands distributed only in Mexico, has been developed throughout the years to participate in key categories with high growth potential, serving the world's most important alcoholic beverage markets and attending key consumer preferences and tendencies. Becle's portfolio strength is based on the profound legacy of its iconic internally developed brands such as Jose Cuervo®, combined with complementary acquisitions such as Three Olives®, Hangar 1®, Stranahan's®, Bushmills®, Pendleton® and Boodles®, as well as a relentless focus on innovation that over the years has created renowned brands such as 1800®, Maestro Dobel®, Centenario®, Kraken®, Jose Cuervo® Margaritas and B:oost®, among others. Some of Becle's brands are sold and distributed in more than 85 countries.

Disclosure of management's objectives and its strategies for meeting those objectives [text block]

The Company's objective is to continue increasing its global presence, cash flow generation and profitability, concentrating on the following strategies:

• Continue to lead the development of the tequila category.
• Brand building.
• Continue investing in innovation, product development and premiumization.
• Expansion and diversification of the business through organic and inorganic growth initiatives and route-to-market expansion.
• Continue to lead the development of the tequila category.
• Building on its leadership in the tequila category, the Company aims to continue the development and expansion of tequila consumption worldwide. The Company is focused on continuing to penetrate existing markets where the consumption of tequila offers significant growth potential, such as the United States market. The market for distilled spirits in the United States is estimated to be the most profitable in the world, and tequila consumption remains low compared to other categories of distilled spirits.
• The Company's marketing and distribution strategies are also articulated to target other geographies where the Jose Cuervo brands have a presence, but where tequila consumption remains low, as is the case in Europe and Asia Pacific. For example, with the Bushmills Acquisition, the Company has strengthened its distribution

platform in the United Kingdom and the Republic of Ireland and is currently implementing initiatives to increase its tequila sales in Europe.

• Additionally, the Company also seeks to continue leading and developing the trend of premiumization in tequila through brand positioning in Mexico and the United States. The Company created the “cristalinos” category (aged / aged products filtered to give a crystalline image) and continues to develop the premium and ultra-premium segments in the category. For example, in Mexico, where the tequila category has high levels of penetration, the Company has identified and expanded a consumer segment that was hungry for more refined, trend-setting premium products. The focus on the premiumization trend is well represented, among others, by Maestro Tequilero / Dobel and 1800 Cristalino; both “cristalinos” tequilas launched in 2009 and 2015, respectively, targeting the ultra-premium segment, and targeting one of the fastest growing segments within the tequila category.

Brand building.

• The Company promotes the development of its brands through differentiated and defined positioning and marketing strategies for each product, trying to give a different brand essence and avoid positioning coincidences. The Company intends to prioritize and focus on its own premium brands, as they provide greater profitability and allow direct control of the value of the brands. One of the main objectives of the Company is to ensure that its brands are synonymous with quality, innovation, and style, to increase their value and permanence over time. Brand building involves a lot of time and significant investments to gradually position brands and be adopted by our consumers through the deployment of marketing programs that help develop the image and positioning of each of the brands. With the goal of continuing to expand its portfolio of brands in the most attractive distilled spirits categories and premium segments, such as Irish whiskey and spiced rum, the Company plans to continue investing in positioning Bushmills and Kraken to build and develop these important brands.

• The Company believes in long-term sustained investment as the foundation of the value of its brands, for example, through new and better packaging and innovative advertising campaigns, in addition to innovation within existing brands with premium variants that improve perception of your existing brands. Currently, the Company's marketing and distribution strategies are focused, among other aspects, on improving the image of its products so that they are perceived as high-quality brands, a strategy that is expected to translate into an increase in volumes. sales and allow you to improve your prices and generate value. Historically, the Company's sustained investments in marketing, promotion and distribution have increased in line with its sales. The Company believes that it can take advantage of the benefits derived from its character as a global organization to further increase the effectiveness of its marketing strategy.

• Likewise, the Company focuses on demographic changes in consumers and designs new ways of approaching and generating links with the different generations, considering their specific characteristics. The Company actively participates in social networks and digital campaigns, seeking to impact the preferences of current generations and increase the popularity of its brands in this segment.

Continue to invest in innovation, product development and premiumization.

• Innovation is part of the Company's DNA, which has successfully built its product portfolio through a combination of organic growth, including the improvement and extension of both existing and new brands and products, and disciplined inorganic growth, through of complementary acquisitions and that generate value.

• The Company considers that it is one of the companies with the greatest innovation in the industry, from the creation of categories and new brands, line extensions. Examples of this innovation are the creation of the category of ready-to-serve margaritas, where the Company used the Jose Cuervo brand to introduce an alcohol-free mix called Jose Cuervo Margarita Mix, which is the best-selling margarita mixer brand worldwide and several ready-to-drink cocktails, including Jose Cuervo Authentic Margaritas, Jose Cuervo Golden Margaritas, and 1800 Ultimate Margaritas. At the same time, the Company has developed and launched new brands across categories and price segments, including Maestro Tequilero/Dobel, Kraken Rum, Mezcal Creyente and b:oost, among others. The Company has developed extensions to product lines such as 1800 Cristalino and Bushmills Steamship. The Company's inorganic growth trajectory is evidenced by acquisitions such as Bushmills Irish whiskey, which represented an important step towards its diversification into new product categories and geographic regions, Colorado Stranahan's whiskey, the vodkas Hangar 1 and Three Olives and the new Pendleton acquisition.

• The Company is focused on maintaining and increasing its efforts in product innovation to expand its offering to “super-premium”, “ultra-premium” and “prestige” price segments. The Company is a consumer-oriented company and is convinced of the importance of developing new products and extensions of its existing brands, remaining a trend-setting company that understands and anticipates the changing preferences and tastes of consumers. The recent launch of Jose Cuervo Traditional Cristalino is an example of an extension of the brand at a price almost 60% higher than that of JC Traditional reposado, trying so that consumers of this brand can make a “Trade Up” to this more current variant and premium.

• The Company has vast experience in successfully launching products to the market and will continue to invest in product development and innovation, with the intention of making its response capacity more effective to the constant changes in consumer preferences and needs. During 2018, the Company launched a variety of new products, including new brands and existing line extensions that focus on consumer trends such as Proper No. Twelve whiskey, an Irish whiskey launched in collaboration with an athlete / celebrity. Black Dirt whiskey was launched on the American market. Likewise, during 2018, the Company also launched new extensions such as Centenario Leyenda, a premium extra-aged tequila.

Business expansion and diversification through organic and inorganic growth initiatives and route-to-market expansion.

• Key markets have been identified that can provide the Company with solid organic growth opportunities. The Company increases its distribution and marketing efforts in markets where it does not yet have leadership. It also focuses on opening markets that it believes offer great potential for penetration of its products.

• The Company intends to continue expanding the offering of its brands in existing segments and in segments in which it does not actively participate today. Additionally, the Company considers that its distribution platform is highly efficient. The critical mass and efficiency of the Company allows it to constantly enrich and grow its portfolio with products and categories of higher value and profitability, which, at the same time, helps it to optimize its cost base. Therefore, the Company will continue to explore new options to take advantage of its distribution network.

• While the Company's priority is the organic growth of its portfolio, it is continually searching for innovations and evaluating business opportunities that meet its strict criteria. This, always maintaining financial discipline and the creation of value for its shareholders as a principle. The Company believes that the distilled alcoholic beverages industry offers opportunities for consolidation and expansion and is continually evaluating opportunities that allow it to expand its product offering and geographic reach in markets that are profitable and that result in greater scale.

The presence in Europe expanded through the Bushmills Acquisition allows the Company to increase its focus in that region, generating opportunities to improve the Company's route-to-market strategy, further penetrate existing markets and enter new markets.

Disclosure of entity's most significant resources, risks and relationships [text block]

The existence of conditions or the occurrence of unfavorable events of an economic, political, or business nature, or the emergence of other risks in the countries in which the Company operates, could adversely and significantly affect sales, profitability and operating results. of the company. Demand for the Company's products may be adversely affected by changes in consumer preferences and tastes. The decrease in social acceptance of the Company's products, the adoption of government policies against distilled alcoholic beverages or the receipt of negative publicity could adversely and significantly affect the Company's operations. The Company's market share or margins could decrease due to the level of competition. Possible liabilities and costs resulting from litigation against the distilled spirits industry could adversely affect the Company's activities. The decisions of the regulatory authorities and the reforms of the laws and regulations of the countries in which the Company operates could limit its activities or increase its operating costs or liabilities. Tax increases and tax reforms could adversely affect demand for the Company's products. Obligations to pay taxes on the sale of distilled alcoholic beverages as a result of fraudulent acts of third parties could affect the Company's activities. The Company could be unable to protect its industrial property rights. The Designation of Origin of tequila could deteriorate. Contamination of the Company's products or the occurrence of other events that affect the integrity of its brands or the loyalty of its customers could have an adverse effect on the sales of those brands. The increase in the cost of raw materials or energy could affect the profitability of the Company. Disruption of the operations of any of the production facilities or major warehouses could have an adverse effect on its results of operations. The inability of the Company to obtain its main raw materials through independent suppliers could affect its financial results. Specifically, the Company's ability to produce sufficient quantities of Blue Agave could affect its financial results.

The occurrence of natural disasters could adversely affect the activities of the Company. The physical effects of climatic changes and the consequent reforms of the applicable regulations could have a negative effect on the Company's operations and its financial performance. If the Company's forecasts regarding the levels of demand, production or other factors related to its inventories are wrong, said inventories could be insufficient or excessive. The Company's activities are subject to seasonal factors that could cause volatility in its operating results from one quarter to the next. The termination of the distribution rights of the third-party brands that are currently part of the Company's product portfolio could adversely affect its activities. The inability to maintain good relations with the unions to which the Company's workers belong could have an adverse effect on their financial situation. Increased costs related to personnel could adversely affect the Company's operating results. The inability of the Company to attract and retain qualified personnel could adversely affect its operations. The estimated amount of the Company's pension obligations is based on allowances that could change in the future. The Company's strategy regarding the acquisition and integration of new brands may not work, in which case the Company's operating results could be adversely affected. Antitrust legislation and the establishment of other barriers to the integration of acquisitions could affect the Company's future opportunities to grow through mergers, acquisitions or joint ventures. It is possible that the Company will not be able to obtain the expected benefits of the change programs installed in its systems, and the failure of these could disrupt its operations. The Company enters into transactions with related parties, which may create conflicts of interest and may be less advantageous for it. The inability to extend the Company's distribution contracts when they expire, or significant changes in the terms of such contracts, could adversely affect the Company's activities and financial performance. The Company may not realize the business growth opportunities, earnings benefits, cost savings and other benefits that it anticipates, including the successful integration of Proximo into the Company, or it may incur unanticipated costs associated with the Merger with Proximo. Therefore, their results of operations, financial condition and the market price of the Shares could suffer a material adverse effect.

Disclosure of results of operations and prospects [text block]

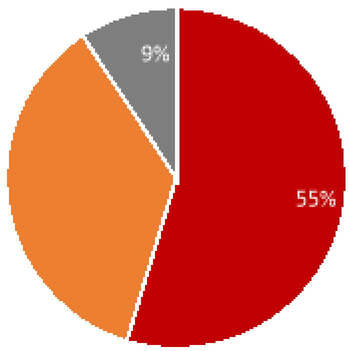
Fourth quarter 2020 results

Volume by region 4Q20 (in 000s nine-liter cases)

Region	4Q20	4Q19	(Var.% YoY)
U.S. & Canada	4,090	3,914	4.5%
Mexico	2,696	2,771	-2.7%
Rest of the World	693	883	-21.5%

Total	7,479	7,568	-1.2%

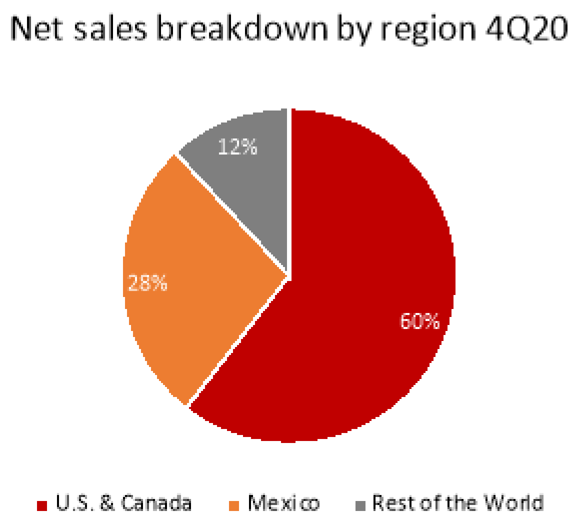
Volume breakdown by region 4Q20



During the fourth quarter of 2020, total volume decreased 1.2% to 7.5 million nine-liter cases. The year over year growth is explained by a 4.5% volume increase in the U.S. and Canada, driven by strong depletions for our brands, mainly ready-to-drink (RTD) and tequilas, partially offset by a sequentially natural deceleration following a socially restricted holiday season. There was a 2.7% year on year volume decrease in Mexico due to the impact of COVID-19 restrictions, as well as a challenging macroeconomic environment. There was a 21.5% year on year volume decline in the Rest of the World (RoW) region mainly due to the impact of COVID-19 restrictions within the region.

Net sales by region 4Q20 (in MXN$, millions)

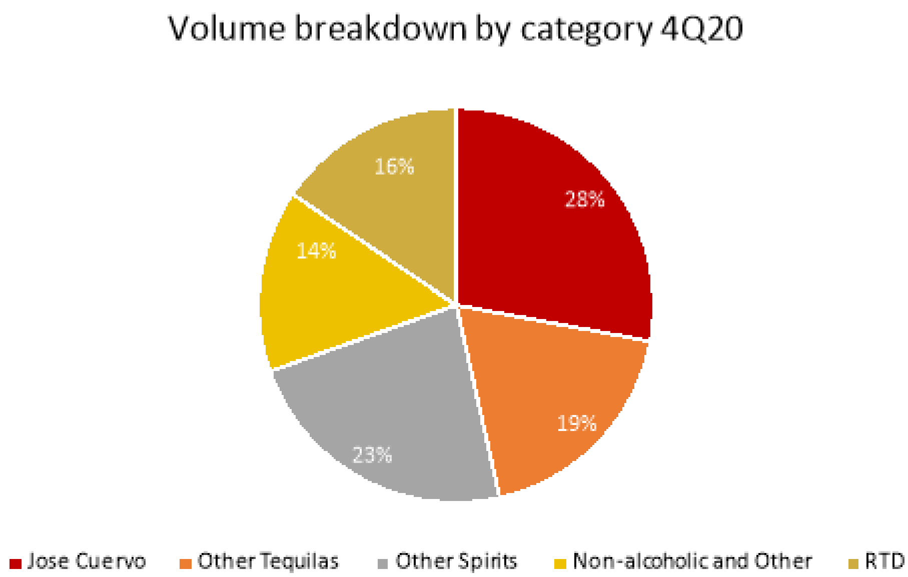
Region	4Q20	4Q19	(Var.% YoY)
U.S. & Canada	6,494	6,207	4.6%
Mexico	2,957	2,836	4.3%
Rest of the World	1,277	1,391	-8.2%
Total	10,729	10,434	2.8%



Fourth quarter 2020 net sales increased 2.8% year on year to P$10,729 million pesos. U.S. and Canada net sales increased 4.6% year on year, primarily reflecting a product mix skewed towards lower sales per case brands partially offset by the Mexican peso depreciation against the U.S. dollar on a year over year basis. In the same period, net sales in Mexico increased 4.3%, primarily due to year on year price increases in our portfolio which were partially offset by volume declines. Net sales for the RoW region decreased by 8.2% when compared to the fourth quarter of 2019, primarily reflecting volume declines partially offset by a better product mix as well as price increases in the region.

Volume by category 4Q20 (in 000s nine-liter cases)

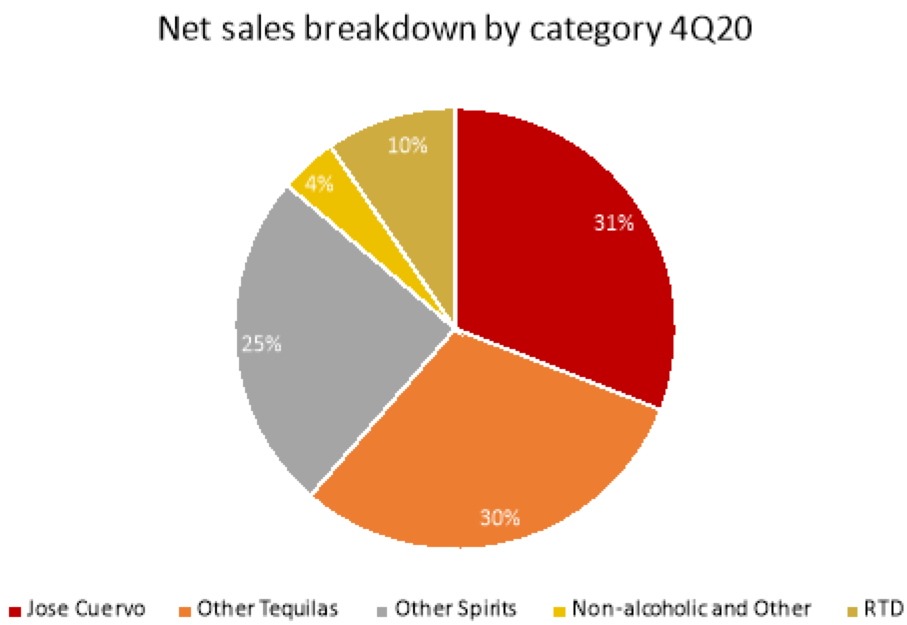
Category	4Q20	4Q19	(Var.% YoY)
Jose Cuervo	2,089	2,644	-21.0%
Other Tequilas	1,386	1,373	1.0%
Other Spirits	1,728	1,785	-3.2%
Non-Alcoholic and Other	1,114	960	16.0%
RTD	1,161	806	44.1%
Total	7,479	7,568	-1.2%



Volume of 'Jose Cuervo' decreased 21.0% compared to the same period in 2019 and represented 27.9% of total volume for the fourth quarter of 2020. 'Other Tequila' brands represented 18.5% of total volume, with volume increasing 1.0% compared to the prior year period. 'Other Spirits' brands represented 23.1% of total volume in the period and experienced a 3.2% decline in volume over the fourth quarter of 2019. Volume of 'Non-alcoholic and Other' represented 14.9% of total volume and increased 16.0% compared to the prior year period. Volume of 'RTD' represented 15.5% of total volume and grew by 44.1% compared to the same period in the previous year.

Net sales by category 4Q20 (in MXN$, millions)

Category	4Q20	4Q19	(Var.% YoY)
Jose Cuervo	3,324	3,825	-13.1%
Other Tequilas	3,260	2,949	10.5%
Other Spirits	2,667	2,554	4.4%
Non-alcoholic and Other	452	437	3.6%
RTD	1,026	669	53.3%
Total	10,729	10,434	2.8%



Net sales of ‘Jose Cuervo’ decreased 13.1% compared to the same period in 2019 and represented 31.0% of total net sales for the fourth quarter of 2020. Net sales of ‘Other Tequila’ brands increased 10.5% compared to the prior year period and represented 30.4% of total net sales. ‘Other Spirits’ brands represented 24.9% of total net sales in the period and increased 4.4% compared to the fourth quarter of last year. Net sales of ‘Non-alcoholic and Other’ represented 4.2% of total net sales and increased 3.6% compared to the prior year period. Net sales of ‘RTD’ represented 9.6% of total net sales and increased 53.3% compared to the same period in the previous year.

Gross profit during the fourth quarter of 2020 decreased 2.4% over the same period in 2019 to P$5,184 million pesos. Gross margin was 48.3% for the fourth quarter of 2020 compared to 50.9% for the fourth quarter of 2019, reflecting year-over-year input cost increases.

Advertising, marketing and promotion (AMP) expenses increased 17.7% to P$2,537 million pesos when compared to the fourth quarter of 2019. This AMP expense increase indicates the reactivation and phasing of AMP investment opportunities across our regions as well as our brands strengthening in key categories and markets. As a percentage of net sales, AMP increased to 23.6% from 20.7% in the same period of the previous year.

Distribution expenses increased 52.7% to P$526 million pesos when compared to the fourth quarter of 2019, driven by higher volume and increased logistics costs.

Selling and administrative (SG&A) expenses increased 24.6% to P$1,006 million pesos when compared to the fourth quarter of 2019. As a percentage of net sales, SG&A increased to 9.4% from 7.7% in the same period of 2019, primarily driven by a higher accrual for variable based compensation, reflecting strong yearly results.

Operating income during the fourth quarter of 2020 decreased 44.0% to P$1,141 million pesos compared to the same period of 2019. Operating margin decreased to 10.6% compared to 19.5% in the same prior year period.

EBITDA in the fourth quarter of 2020 decreased 41.8% to P$1,315 million pesos compared to the fourth quarter of 2019. The EBITDA margin was 12.3% for the fourth quarter of 2020 versus 21.6% for the fourth quarter of 2019.

Net financial result was a loss of P$7 million pesos during the fourth quarter of 2020 compared to a gain of P$17 million pesos in the same period of 2019. This loss was mainly derived from net interest expenses as well as the Mexican peso appreciation versus the U.S. dollar when compared to the third quarter of 2020, partially offset by the recognition of the fair value of the Company's call option to acquire 51% of the equity interests of Eire Born Spirits LLC (EBS).

The Company has a call option to acquire 51% of the equity interests of EBS. According to IFRS 9 and IAS 32, as of December 31, 2020, the 51% option is classified and measured as an asset (financial instrument) on the consolidated statement of financial position and is classified and measured at Fair Value through Profit and Loss (FVTPL). The FVTPL resulted in a $304 million pesos gain in the changes in the fair value of financial instruments within the net financial results line in the consolidated income statement.

As a result of its exposure to the exchange rate risk between the U.S. dollar and the Mexican Peso, as of January 1st, 2020, the Company has designated its US$500 million Senior Notes as a hedge against its net investments in its U.S. operations. As a result of this adoption, all foreign exchange gains and losses associated with the Company's Senior Notes have been recognized as a P$1.2 billion pesos gain in the other comprehensive income line (which will be reflected in the Company's equity on the consolidated statement of financial position and on the consolidated statement of comprehensive income) and not on the consolidated income statement for the three months ended December 31, 2020 (see IFRS 9; IFRIC 16: Net Investment Hedge Disclosures).

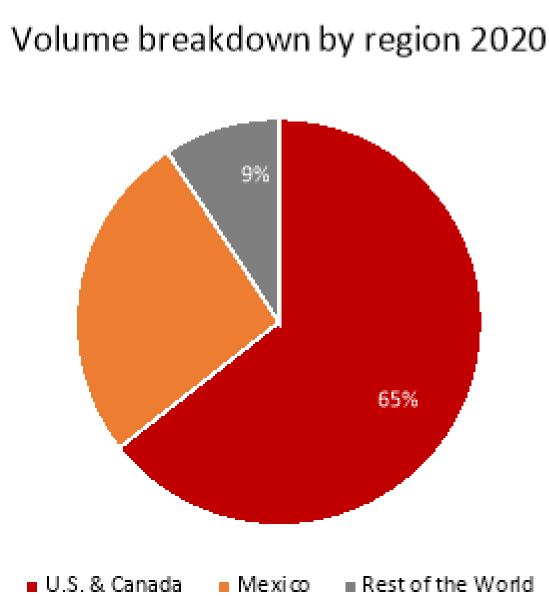
Consolidated net income in the fourth quarter of 2020 decreased 35.7% to P$919 million pesos, compared to P$1,429 million pesos in 2019. Net margin was 8.6% for the fourth quarter of 2020, compared to 13.7% for the fourth quarter of 2019. Earnings per share were P$0.26 in the fourth quarter of 2020, compared to P$0.40 in the same period of the prior year.

Full Year 2020 Results

Volume by Region for Full Year 2020 (in 000s nine-liter cases)

Region	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
U.S. & Canada	15,230	15,230	12,460	12,269	24.1%	22.2%
Mexico	6,237	6,237	7,297	7,294	-14.5%	-14.5%
Rest of the World	2,187	2,187	2,560	2,549	-14.2%	-14.6%
Total	23,654	23,654	22,317	22,112	7.0%	6.0%

**Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.*



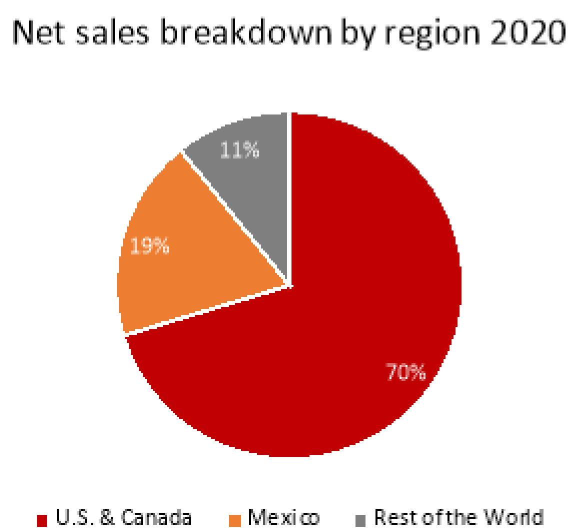
During the full year of 2020, total volume growth was 7.0% to 23.7 million nine-liter cases on an underlying basis (+6.0% reported). This increase reflects an underlying 24.1% increase in the U.S. and Canada (+22.2%

reported), a 14.5% underlying and reported decrease in volumes in Mexico and a 14.2% underlying decrease in the RoW region (-14.6% reported).

Net Sales by Region for Full Year 2020 (in MXN$, millions)

Region	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
U.S. & Canada	24,631	24,631	18,514	18,176	35.5%	33.0%
Mexico	6,619	6,619	7,248	7,245	-8.7%	-8.7%
Rest of the World	3,787	3,788	3,943	3,927	-3.5%	-4.0%
Total	35,036	35,037	29,705	29,348	19.4%	17.9%

**Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.*



Net sales during the full year 2020 increased 19.4% to P$35,037 million pesos on an underlying basis (+17.9% reported) compared to the same period in 2019, driven by volume growth and higher average net selling prices per case. This reflects the favorable region mix toward the U.S. and Canada. Net sales in the U.S. and Canada increased by an underlying 35.5% (+33.0% reported) versus the same period in 2019, driven by both volume growth and Mexican peso depreciation against the U.S. dollar on a year over year basis. Mexico net sales decreased 8.7% year on year on an underlying and reported basis due to volume growth and higher average net selling prices per case mainly as a result of price increases. Net sales for the RoW region decreased 3.5% on an underlying basis (-4.0% reported) over the full year of 2019, also reflecting volume declines partially offset by a higher sales mix of premium spirits brands and price increases.

Volume by Category for Full Year 2020 (in 000s nine-liter cases)

Category	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
Jose Cuervo	7,325	7,325	7,296	7,296	0.4%	0.4%
Other Tequilas	3,684	3,684	3,574	3,574	3.1%	3.1%
Other Spirits	4,341	4,341	4,452	4,452	-2.5%	-2.5%
Non-alcoholic and Other	3,364	3,364	3,929	3,724	-9.7%	-14.4%
RTD	4,940	4,940	3,067	3,067	61.1%	61.1%
Total	23,655	23,654	22,317	22,112	7.0%	6.0%

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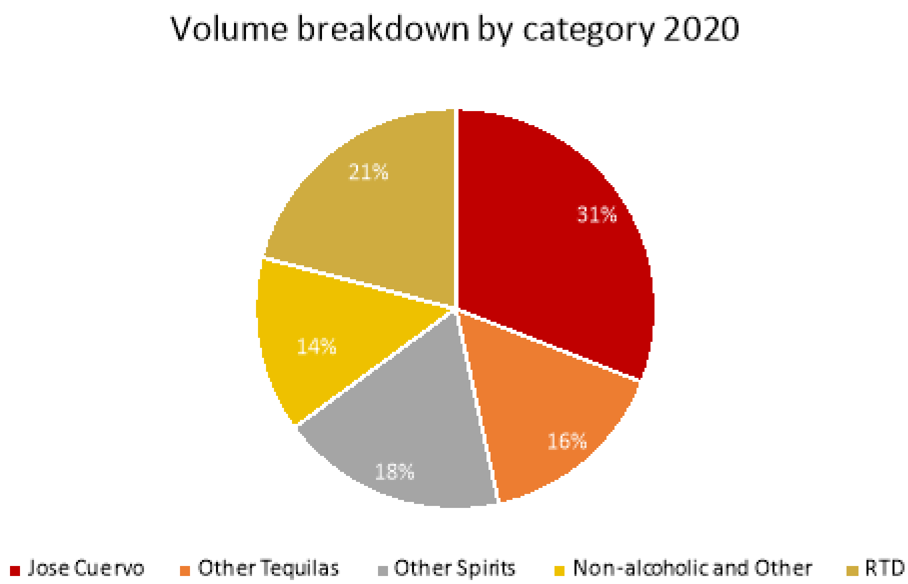


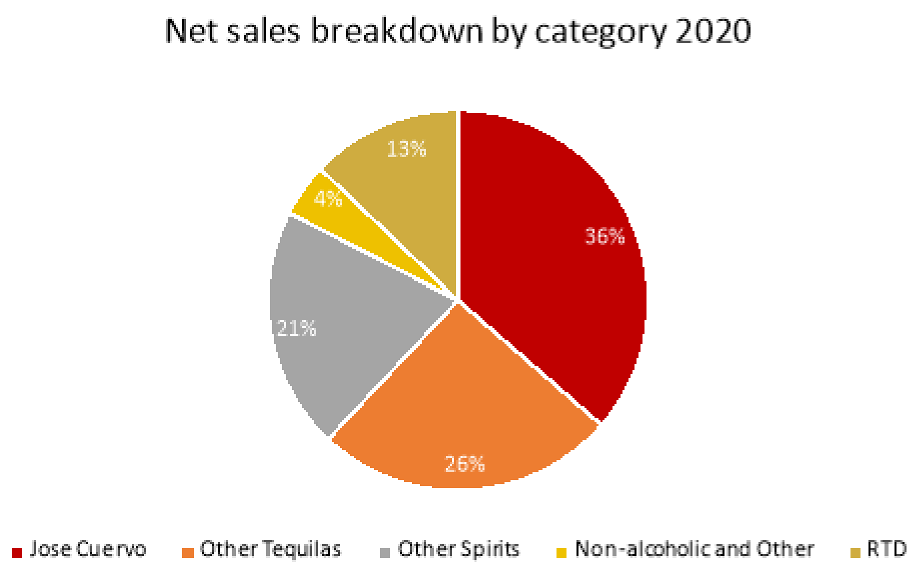
Volume of 'Jose Cuervo' grew 0.4% versus the previous year and represented 31.0% of total volume for the full year of 2020. The Company's 'Other Tequila' brands represented 15.6% of total volume and increased 3.1% compared to the prior year. The Company's 'Other Spirits' brands represented 18.4% of total volume in the period and decreased 2.5% over the full year of 2019. Volume of 'Non-alcoholic and Other' represented 14.2% of total volume, declining 9.7% on an underlying basis compared to the prior year (-14.4% reported). Volume of 'RTD' represented 20.9% of total volume and increased by 61.1% compared to the prior year period.

Net Sales by Category for Full Year 2020 (in MXN$, millions)

Category	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
Jose Cuervo	12,771	12,771	10,697	10,697	19.4%	19.4%
Other Tequilas	9,045	9,045	7,463	7,463	21.2%	21.2%

Other Spirits	7,228	7,228	6,765	6,765	6.8%	6.8%
Non-alcoholic and Other	1,476	1,477	2,273	1,916	-22.9%	-35.0%
RTD	4,515	4,515	2,507	2,507	80.1%	80.1%
Total	35,036	35,037	29,705	29,348	19.4%	17.9%

**Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.*



'Jose Cuervo' reported an increase in net sales of 19.4% compared to 2019, representing 36.5% of total net sales for the full year of 2020. The Company's 'Other Tequila' brands increased net sales 21.2% compared to the prior year representing 25.8% of total net sales. The Company's 'Other Spirits' brands represented 20.6% of total net sales in the period and reported a 6.8% increase in net sales compared to the full year of 2019. Net sales of 'Non-alcoholic and Other' represented 4.2% of total net sales with net sales declining 22.9% on an underlying basis (-35.0% reported) compared to the prior year. Net sales of 'RTD' represented 12.9% of total net sales and reported an increase of 80.1% compared to the prior year.

Gross profit for the full year of 2020 increased 16.5% versus the same period in 2019 to P$18,246 million pesos. Gross margin was 52.1% for the full year of 2020 compared to 52.7% for the full year of 2019. Gross margin was negatively impacted primarily by increases in input costs and lower production efficiencies; reflecting the impact of higher demand of super premium tequila along with the industry-wide sourcing of younger agave plants, affecting our distilling efficiency, but partially offset by a favorable regional mix towards the U.S. and Canada region.

AMP expenses increased 4.1% to P$6,688 million pesos compared to the full year of 2019. As a percentage of net sales, AMP decreased to 19.1% from 21.6% in 2019, in line with the Company's investment strategy.

Distribution expenses increased 32.5% to P$1,380 million pesos when compared to 2019. As a percentage of net sales, distribution expenses increased to 3.9% from 3.5% in 2019.

Selling and administrative (SG&A) expenses increased 14.5% to P$3,377 million pesos when compared to the full year of 2019. As a percentage of net sales, SG&A expenses decreased 30 basis points to 9.6% from 9.9% in 2019, driven by firm cost control and supported by an acceleration in sales.

During the full year of 2020, operating profit increased 27.4% to P$6,893 million pesos compared to the prior year. Operating margin increased to 19.7% compared to 18.2% in 2019.

EBITDA for the full year of 2020 increased by 24.8% to P$7,607 million pesos compared to P$6,096 million pesos for the full year of 2019. The EBITDA margin increased to 21.7% compared to 20.5% in 2019.

Net financial result was a loss of P$38 million pesos for the full year 2020. This loss was mainly derived from interest expenses as well as the Mexican peso appreciation versus the U.S. dollar when compared to the third quarter of 2020, partially offset by the recognition of the fair value of the Company's call option to acquire 51% of EBS.

The Company has a call option to acquire 51% of the equity interests of EBS. The 51% option is classified and measured as an asset in the consolidated statement of financial position and is classified and measured at Fair Value through Profit and Loss (FVTPL). The FVTPL resulted in a $304 million pesos gain in the changes in the fair value of financial instruments line in the consolidated income statement. As a result of its exposure to the exchange rate risk between the U.S. dollar and the Mexican Peso, as of January 1st, 2020, the Company has designated its US$500 million Senior Notes as a hedge against its net investments in its U.S. operations. As a result of this adoption, all foreign exchange gains and losses associated with the Company's Senior Notes have been recognized as a P$551 million pesos loss on the other comprehensive income line (which will be reflected in the Company's equity on the consolidated statement of financial position and on the consolidated statement of comprehensive income) and not on the consolidated income statement for the twelve months ended December 31st, 2020 (see IFRS 9; IFRIC 16: Net Investment Hedge Disclosures).

Consolidated net income for the full year of 2020 was P$5,152 million pesos, a 38.6% increase compared to the prior year period. Net margin was 14.7% for the full year. Earnings per share were P$1.43 compared to P$1.04 in 2019.

IFRS 9; IFRIC 16: Net investment hedge disclosures

Financial instruments to hedge net investments in foreign operations.

Beginning January 1, 2020, the Company designated its US$500 million senior notes as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc., which is a sub-holding entity of the U.S. operations, with the objective of mitigating the exchange rate risk arising between the functional currency of these operations and the functional currency of the holding company that has such investment.

The Company formally designated and documented the hedging relationship, setting the objectives, risk-hedging strategy, identification of the hedging instrument, hedged item, nature of the risk to be hedged, and effectiveness assessment methodology. Since the exchange rate hedging relationship is clear, the method the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items.

Accounting policy

Net investment hedge in a foreign operation

The Company applies hedge accounting to the foreign exchange risk resulting from its investments in foreign operations because of changes in exchange rates arising between the functional currency of that operation and the functional currency of the holding company, regardless of whether the investment is held directly or through a sub-holder. The change in exchange rates is recognized in other comprehensive income as part of the translation effect when the foreign operation is consolidated.

To this end, the Company designates the debt denominated in foreign currency as hedging instruments; therefore, the exchange effects arising from such debt are recognized in other comprehensive income, in the translation effects line, to the extent that the hedge is effective. When the hedge is not effective, exchange rate differences are recognized in foreign exchange gain or loss in the consolidated income statement.

Financial position, liquidity and capital resources [text block]

Financial position and cash flow

As of December 31, 2020, cash and cash equivalents were P$7,646 million pesos, and total financial debt was P$9,956 million pesos. During 2020, the Company generated net cash from operating activities of P$3,746 million pesos, and the Company used P$5,070 million pesos in net investing activities. Net cash used in financing activities was P$1,318 million pesos for the twelve-month period ended December 31, 2020.

Increase in equity participation of Eire Born Spirits

On February 23, 2021, the Company provided notice of the exercise of its call option to acquire 51% of the equity interests of EBS.

Internal control [text block]

The Company takes seriously the application of internal controls that ensure its operation and the proper use and safeguarding of the Company's material, intangible and monetary resources. It has policies and procedures, an authorization matrix, a conflict of interest letter, a code of conduct and an ethical line administered by an external third party.

The Company has adopted internal control policies and procedures designed to provide clarity and ease in the flow of financial information for the preparation of its Consolidated Financial Statements. The Company considers that its efficient organizational structure provides it with the necessary tools to apply these internal control policies and procedures accurately and effectively.

The internal control policies and procedures of the Company's subsidiaries are authorized by the General Management and the Functional Directions in charge of fulfilling the organizational and business purposes of each one of them. Said policies and procedures promote the flow of clear and correct information for the preparation of the financial information of each of the subsidiaries individually and on a consolidated basis.

The different operational processes of the Company are subject to periodic internal audits. The Company's internal audit manager will report periodically to the Company's audit and corporate practices committee, which provides management with reasonable assurance that its operations are subject to, and in compliance with, the rules established by management. and that the financial statements comply with IFRS. Minor issues detected at the level of the Company's subsidiaries are discussed and resolved by the corresponding officials.

Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]

EBITDA

EBITDA is a measure used in the Company's financial analysis that is not recognized under IFRS but is calculated from amounts that derive from the Company's financial statements. We calculate EBITDA as net income plus depreciation and amortization, income tax expense, and interest expense, less interest income, plus foreign exchange gain (loss).

EBITDA is not an IFRS measure of liquidity or performance, nor is EBITDA a recognized financial measure under IFRS. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods on a combined basis, but these metrics may be calculated differently by other issuers. EBITDA should not be construed as an alternative to (i) net income as an indicator of the Company's operating performance or (ii) cash flow from operating activities as a measure of the Company's liquidity.

Consolidated Income Statements

(Figures in millions, except per share amounts)	(U.S. $)[1]	Fourth quarter ended December 31, 2020 (Pesos)	% of net sales	Fourth quarter ended December 31, 2019 (Pesos)	% of net sales	Year over year variance $	%
Net sales	**538**	**10,729**		**10,434**		**295**	**2.8**
Cost of goods sold	278	5,545	51.7	5,122	49.1	422	8.2
Gross profit	**260**	**5,184**	**48.3**	**5,312**	**50.9**	**(128)**	**(2.4)**
Advertising, marketing and promotion	127	2,537	23.6	2,156	20.7	381	17.7
Distribution	26	526	4.9	344	3.3	181	52.7
Selling and administrative	50	1,006	9.4	807	7.7	199	24.6
Other (income), net	(1)	(25)	-0.2	(34)	-0.3	9	(25.4)
Operating income	**57**	**1,141**	**10.6**	**2,038**	**19.5**	**(897)**	**(44.0)**
Financing Results	0	7	0.1	(17)	-0.2	23	(139.4)
Income before income taxes	**57**	**1,134**	**10.6**	**2,055**	**19.7**	**(921)**	**(44.8)**
Income taxes	11	215	2.0	625	6.0	(410)	(65.6)
Consolidated net income	**46**	**919**	**8.6**	**1,429**	**13.7**	**(510)**	**(35.7)**
Non-controlling interest	0	3	0.0	8	0.1	NM	NM
Controlling interest	**46**	**916**	**8.5**	**1,421**	**13.6**	**(505)**	**(35.6)**
Depreciation and amortization	9	175	1.6	220	2.1	(46)	(20.8)
EBITDA	**66**	**1,315**	**12.3**	**2,259**	**21.6**	**(943)**	**(41.8)**
Earnings per share	**0.01**	**0.26**		**0.40**		**(0.14)**	**(35.6)**
Shares (in millions) used in calculation of earnings per share	**3,591**	**3,591**		**3,588**			

(1)U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

Consolidated Income Statements

(Figures in millions, except per share amounts)	Twelve months ended December 31, 2020 (U.S. $)[1]	(Pesos)	% of net sales	Twelve months ended December 31, 2019 (Pesos)	% of net sales	Year over year variance $	%
Net sales	**1,756**	**35,036**		**29,705**		**5,331**	**17.9**
Cost of goods sold	842	16,790	47.9	14,039	47.3	2,751	19.6
Gross profit	**915**	**18,246**	**52.1**	**15,666**	**52.7**	**2,580**	**16.5**
Advertising, marketing and promotion	335	6,688	19.1	6,425	21.6	263	4.1
Distribution	69	1,380	3.9	1,041	3.5	339	32.5
Selling and administrative	169	3,377	9.6	2,950	9.9	428	14.5
Other (income), net	(5)	(92)	-0.3	(160)	-0.5	68	(42.7)
Operating Income	**346**	**6,893**	**19.7**	**5,410**	**18.2**	**1,482**	**27.4**
Financing Results	2	38	0.1	263	0.9	(224)	(85.4)
Profit before income taxes	**344**	**6,854**	**19.6**	**5,147**	**17.3**	**1,707**	**33.2**
Total income taxes	85	1,702	4.9	1,430	4.8	273	19.1
Consolidated net income	**258**	**5,152**	**14.7**	**3,718**	**12.5**	**1,434**	**38.6**
Non-controlling interest	0	6	0.0	6	0.0	NM	NM
Controlling net income	**258**	**5,146**	**14.7**	**3,712**	**12.5**	**1,434**	**38.6**
Depreciation and amortization	36	714	2.0	685	2.0	29	4.2
EBITDA	**381**	**7,607**	**21.7**	**6,096**	**20.5**	**1,512**	**24.8**
Earnings per share	**0.07**	**1.43**		**1.04**		**0.40**	**38.5**
Shares (in millions) used in calculation of earnings per share	**3,591**	**3,591**		**3,588**			

(1)U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Financial Position

(Figures in millions)	(U.S. $)[1]	December 31, 2020 (Pesos)	December 31, 2019 (Pesos)
Assets			
Cash and cash equivalents	383	7,646	9,628
Trade receivables - Net	462	9,214	9,295
Related parties	3	57	103
Recoverable income tax	31	624	782
Other recoverable taxes and receivables	65	1,291	637
Inventories	561	11,194	9,438
Financial Instruments at fair value through profit and loss	15	304	0
Biological assets	15	292	915
Prepayments	50	1,005	851
Total current assets	**1,585**	**31,627**	**31,650**
Inventories	299	5,960	4,991
Biological assets	245	4,895	2,719
Investments in associates	79	1,580	267
Property, plant and equipment - Net	510	10,169	6,945
Intangible assets	774	15,447	14,230
Goodwill	345	6,891	6,253
Right-of-use assets	118	2,352	2,046
Deferred income tax	118	2,357	1,314
Employee benefits - net	12	235	251
Other assets	3	68	59
Total non-current assets	**2,504**	**49,955**	**39,075**
Total assets	**4,090**	**81,582**	**70,725**
Liabilities			
Short-term, Senior-Notes	2	49	46
Trade payables	154	3,062	2,183
Related parties	8	170	68
Lease liabilities	31	617	446
Other accounts payable	241	4,810	3,945
Total current liabilities	**437**	**8,708**	**6,687**
Long-term Senior Notes	497	9,907	9,345
Lease liabilities	92	1,844	1,703
Environmental reserve	6	126	118
Other long-term liabilities	25	508	191
Deferred income taxes	288	5,743	4,089
Total non-current liabilities	**909**	**18,129**	**15,445**
Total liabilities	**1,345**	**26,837**	**22,133**
Stockholders' equity attributable to Controlling interest	2,740	54,666	48,520
Non-controlling interest	4	79	73
Total stockholders' equity	**2,744**	**54,745**	**48,592**
Total liabilities and stockholders' equity	**4,090**	**81,582**	**70,725**

(1)U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Cash Flow

(Figures in millions)	(U.S. $)[1]	Twelve months ended December 31, 2020 (Pesos)	Twelve months ended December 31, 2019 (Pesos)
Operating activities:			
Income before income taxes	344	6,854	5,147
Adjustment from non-cash items:			
Depreciation and amortization	36	714	685
Loss on sale of property, plant and equipment	3	55	95
Non-cash items	12	243	(13)
Interest income	(7)	(144)	(191)
Unrealized foreign exchange profit	(12)	(233)	(218)
Interest expense	21	419	543
Equity method	(4)	(78)	0
Net cost for the period of employee benefits	4	70	31
Subtotal	396	7,900	6,260
(Increase) decrease in:			
Trade receivables	(0)	(5)	(1,073)
Related parties	5	100	57
Other recoverable taxes and receivables	(28)	(565)	(99)
Inventories	(102)	(2,042)	(2,970)
Biological assets	(84)	(1,666)	(672)
Prepayments	(5)	(101)	(74)
Other assets	16	317	294
Increase (decrease) in:			
Trade accounts payable	37	739	(371)
Other accounts payables	7	139	1,460
Employee benefits	(2)	(43)	16
Income taxes paid or recoverable	(52)	(1,028)	(461)
Net cash from operating activities	188	3,746	2,369
Investing Activities:			
Property, plant and equipment	(178)	(3,544)	(2,038)
Intangible assets	(5)	(92)	(189)
Investment in associates	(80)	(1,593)	0
Other stockholders' movements	0	0	266
Interest income	7	144	191
Sale of property, plant and equipment	1	16	12
Net cash flows used in investing activities	(254)	(5,070)	(1,758)
Financing activities:			
Dividends paid	(27)	(544)	(1,962)
Repurchase of shares - Net	6	115	155
Principal and interest lease payments	(20)	(393)	(251)
Acquisition of minority interest	0	0	(21)
Interest paid	(25)	(497)	(360)
Net cash used in financing activities	(66)	(1,318)	(2,609)
Net decrease of cash and cash equivalents	(132)	(2,642)	(1,998)
Cash and cash equivalents at beginning of year:			
At beginning of the period	483	9,628	12,028
Cash proceeds from acquisition	1	13	
Effects of exchange rate changes on cash and cash equivalents	32	647	(401)
Cash and cash equivalents at end of period	383	7,646	9,628

(1)U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

[110000] General information about financial statements

Ticker:	CUERVO
Period covered by financial statements:	2020-01-01 al 2020-12-31
Date of end of reporting period:	2020-12-31
Name of reporting entity or other means of identification:	CUERVO
Description of presentation currency:	MXN
Level of rounding used in financial statements:	Miles de pesos
Consolidated:	Yes
Number of quarter:	4
Type of issuer:	ICS
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period:	
Description of nature of financial statements:	

Disclosure of general information about financial statements [text block]

Becle, S. A. B. de C. V. and its subsidiaries, which we refer to collectively as Becle, the Group or the Company, is a globally recognized spirits company and the largest tequila producer in the world. The Company manufactures, markets and sells internationally recognized spirits and ready-to-drink alcoholic and non-alcoholic beverages. Becle's flagship tequila brand is Jose Cuervo Especial but the Company has developed other internationally marketed tequila brands, including 1800 and Gran Centenario. Becle also distributes several categories of alcoholic beverages other than tequila, including vodka, whiskey, rum and liqueurs and commercializes more than 30 brands in Mexico.

The Company operates in three regions: (i) United States of America and Canada, (ii) Mexico (iii) and the Rest of World (principally Latin America (LATAM), Europe, Middle East and Africa (EMEA) and Asia Pacific (APAC)), and its branded products are sold in more than 85 countries.

The Company's activities in each region are as follows:

- In Mexico, the Company operates the largest private Agave Azul plantation in order to control the agricultural process with the goal of securing a sufficient supply of Agave Azul. The Group currently owns and operates two tequila distilleries and one processing and bottling facility, all located in the state of Jalisco, which form part of the territory of the Appellation of Origin for Tequila.

- In the US and Canada, the Company distributes its products through its wholly owned subsidiaries, Proximo Spirits, Inc. (Proximo US) and Proximo Spirits Canada, Inc. The Group owns three distilleries (in Colorado, New York, and California) and a bottling plant and finished goods distribution center in Indiana, and a finished goods distribution center in Kentucky, in the U.S.

- In the Rest of World, the Group distributes through its wholly owned subsidiary, JC Master Distribution Limited, in the Republic of Ireland. In Northern Ireland, The Old Bushmills Distillery Company Limited, is engaged in the distilling, maturing, and bottling of Bushmills Irish whiskey, and certain others Irish whiskies.

Becle is registered on the Mexican Stock Exchange and its headquarters are located at Guillermo González Camarena 800, Santa Fe, Álvaro Obregón, Mexico City, 01210.

COVID-19 Impacts

At the beginning of 2020, a public health emergency measure was released worldwide, derived from the respiratory disease called COVID-19, which was designated by the World Health Organization as a pandemic. Due to the COVID-19 pandemic, the world's economies are being materially affected, with direct consequences for the economic growth of most countries, and therefore possible financial crisis with high volatility both in global financial markets, as in business, labor and social stability, and with a significant impact on the financial statements of entities all around the world.

In 2020, the Company effectively faced the challenges related to the COVID-19 pandemic, mainly by continued strong performance in the US and Canada which has delivered robust volume and sales growth, and its favorable status and leadership in the high growth Tequila and ready-to-drink categories has positioned the Company well in the current environment. On the other hand, the regions of Mexico and the Rest of the World (RoW) have decreased their operations in comparison to 2019 due to a challenging macro environment, consumer take-away trends and sales restrictions, however the Company's Management expects to improve its operations mainly as a result of the reduction in sales restrictions in various channels in these regions. While challenges and uncertainty continue ahead in these unprecedented times, the Company is confident in its ability to preimmunize its brands portfolio and maintain its long-term growth strategy.

The increase in the level of uncertainty caused by COVID-19 increases the need for the Company's management to apply its best judgment when evaluating the economic and market environment, as well as its impact on the assumptions used to calculate significant estimates, particularly the estimate of the recoverable amount of indefinite-lived intangible assets.

Follow-up of analysis [text block]

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[210000] Statement of financial position, current/non-current

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Statement of financial position [abstract]		
Assets [abstract]		
Current assets [abstract]		
Cash and cash equivalents	7,646,318,000	9,628,169,000
Trade and other current receivables	12,191,198,000	11,668,458,000
Current tax assets, current	0	0
Other current financial assets	303,739,000	0
Current inventories	11,193,822,000	9,438,092,000
Current biological assets	291,882,000	915,393,000
Other current non-financial assets	0	0
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	31,626,959,000	31,650,112,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Total current assets	31,626,959,000	31,650,112,000
Non-current assets [abstract]		
Trade and other non-current receivables	0	0
Current tax assets, non-current	0	0
Non-current inventories	5,959,914,000	4,990,747,000
Non-current biological assets	4,895,421,000	2,719,349,000
Other non-current financial assets	0	0
Investments accounted for using equity method	0	0
Investments in subsidiaries, joint ventures and associates	1,579,765,000	267,131,000
Property, plant and equipment	10,169,488,000	6,944,677,000
Investment property	0	0
Right-of-use assets that do not meet definition of investment property	2,351,770,000	2,046,169,000
Goodwill	6,891,070,000	6,253,088,000
Intangible assets other than goodwill	15,447,299,000	14,229,951,000
Deferred tax assets	2,357,279,000	1,313,978,000
Other non-current non-financial assets	302,702,000	309,732,000
Total non-current assets	49,954,708,000	39,074,822,000
Total assets	81,581,667,000	70,724,934,000
Equity and liabilities [abstract]		
Liabilities [abstract]		
Current liabilities [abstract]		
Trade and other current payables	3,231,988,000	2,251,098,000
Current tax liabilities, current	0	0
Other current financial liabilities	48,833,000	46,131,000
Current lease liabilities	617,268,000	445,582,000
Other current non-financial liabilities	0	0
Current provisions [abstract]		
Current provisions for employee benefits	0	0
Other current provisions	4,809,558,000	3,944,604,000
Total current provisions	4,809,558,000	3,944,604,000
Total current liabilities other than liabilities included in disposal groups classified as held for sale	8,707,647,000	6,687,415,000
Liabilities included in disposal groups classified as held for sale	0	0
Total current liabilities	8,707,647,000	6,687,415,000
Non-current liabilities [abstract]		
Trade and other non-current payables	0	0
Current tax liabilities, non-current	0	0

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Other non-current financial liabilities	9,907,075,000	9,344,657,000
Non-current lease liabilities	1,843,873,000	1,702,822,000
Other non-current non-financial liabilities	0	0
Non-current provisions [abstract]		
Non-current provisions for employee benefits	0	0
Other non-current provisions	634,815,000	308,747,000
Total non-current provisions	634,815,000	308,747,000
Deferred tax liabilities	5,743,187,000	4,089,090,000
Total non-current liabilities	18,128,950,000	15,445,316,000
Total liabilities	26,836,597,000	22,132,731,000
Equity [abstract]		
Issued capital	11,283,642,000	11,514,467,000
Share premium	14,486,569,000	15,364,892,000
Treasury shares	0	0
Retained earnings	22,918,547,000	17,638,507,000
Other reserves	5,977,668,000	4,001,717,000
Total equity attributable to owners of parent	54,666,426,000	48,519,583,000
Non-controlling interests	78,644,000	72,620,000
Total equity	54,745,070,000	48,592,203,000
Total equity and liabilities	81,581,667,000	70,724,934,000

[310000] Statement of comprehensive income, profit or loss, by function of expense

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31	Quarter Current Year 2020-10-01 - 2020-12-31	Quarter Previous Year 2019-10-01 - 2019-12-31
Profit or loss [abstract]				
Profit (loss) [abstract]				
Revenue	35,036,139,000	29,704,781,000	10,729,026,000	10,434,413,000
Cost of sales	16,790,114,000	14,039,147,000	5,544,659,000	5,122,293,000
Gross profit	18,246,025,000	15,665,634,000	5,184,367,000	5,312,120,000
Distribution costs	1,404,296,000	1,195,568,000	400,111,000	298,175,000
Administrative expenses	1,972,970,000	1,754,086,000	605,532,000	508,655,000
Other income	91,595,000	159,789,000	25,014,000	15,672,000
Other expense	8,067,742,000	7,465,629,000	3,062,894,000	2,482,865,000
Profit (loss) from operating activities	6,892,612,000	5,410,140,000	1,140,844,000	2,038,097,000
Finance income	506,403,000	265,782,000	123,043,000	151,949,000
Finance costs	544,809,000	528,551,000	129,640,000	135,227,000
Share of profit (loss) of associates and joint ventures accounted for using equity method	0	0	0	0
Profit (loss) before tax	6,854,206,000	5,147,371,000	1,134,247,000	2,054,819,000
Tax income (expense)	1,702,162,000	1,429,518,000	214,973,000	625,455,000
Profit (loss) from continuing operations	5,152,044,000	3,717,853,000	919,274,000	1,429,364,000
Profit (loss) from discontinued operations	0	0	0	0
Profit (loss)	5,152,044,000	3,717,853,000	919,274,000	1,429,364,000
Profit (loss), attributable to [abstract]				
Profit (loss), attributable to owners of parent	5,146,020,000	3,712,022,000	915,827,000	1,421,256,000
Profit (loss), attributable to non-controlling interests	6,024,000	5,831,000	3,447,000	8,108,000
Earnings per share [text block]	1.43	1.04	0.26	0.40
Earnings per share [abstract]				
Earnings per share [line items]				
Basic earnings per share [abstract]				
Basic earnings (loss) per share from continuing operations	1.43	1.04	0.26	0.4
Basic earnings (loss) per share from discontinued operations	0	0	0	0
Total basic earnings (loss) per share	1.43	1.04	0.26	0.4
Diluted earnings per share [abstract]				
Diluted earnings (loss) per share from continuing operations	1.43	1.04	0.26	0.4
Diluted earnings (loss) per share from discontinued operations	0	0	0	0
Total diluted earnings (loss) per share	1.43	1.04	0.26	0.4

[410000] Statement of comprehensive income, OCI components presented net of tax

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31	Quarter Current Year 2020-10-01 - 2020-12-31	Quarter Previous Year 2019-10-01 - 2019-12-31
Statement of comprehensive income [abstract]				
Profit (loss)	5,152,044,000	3,717,853,000	919,274,000	1,429,364,000
Other comprehensive income [abstract]				
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax [abstract]				
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on revaluation	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	33,243,000	25,713,000	33,243,000	25,713,000
Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	33,243,000	25,713,000	33,243,000	25,713,000
Components of other comprehensive income that will be reclassified to profit or loss, net of tax [abstract]				
Exchange differences on translation [abstract]				
Gains (losses) on exchange differences on translation, net of tax	2,521,389,000	(1,145,931,000)	(3,645,097,000)	(450,495,000)
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	2,521,389,000	(1,145,931,000)	(3,645,097,000)	(450,495,000)
Available-for-sale financial assets [abstract]				
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	0	0	0	0
Reclassification adjustments on available-for-sale financial assets, net of tax	0	0	0	0
Other comprehensive income, net of tax, available-for-sale financial assets	0	0	0	0
Cash flow hedges [abstract]				
Gains (losses) on cash flow hedges, net of tax	0	0	0	0
Reclassification adjustments on cash flow hedges, net of tax	0	0	0	0
Amounts removed from equity and included in carrying amount of non-financial asset (liability) whose acquisition or incurrence was hedged highly probable forecast transaction, net of tax	0	0	0	0
Other comprehensive income, net of tax, cash flow hedges	0	0	0	0
Hedges of net investment in foreign operations [abstract]				
Gains (losses) on hedges of net investments in foreign operations, net of tax	(551,750,000)	0	1,254,300,000	0
Reclassification adjustments on hedges of net investments in foreign operations, net of tax	0	0	0	0
Other comprehensive income, net of tax, hedges of net investments in foreign operations	(551,750,000)	0	1,254,300,000	0
Change in value of time value of options [abstract]				
Gains (losses) on change in value of time value of options, net of tax	0	0	0	0
Reclassification adjustments on change in value of time value of options, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of time value of options	0	0	0	0
Change in value of forward elements of forward contracts [abstract]				
Gains (losses) on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Reclassification adjustments on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of forward elements of forward contracts	0	0	0	0
Change in value of foreign currency basis spreads [abstract]				

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31	Quarter Current Year 2020-10-01 - 2020-12-31	Quarter Previous Year 2019-10-01 - 2019-12-31
Gains (losses) on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Reclassification adjustments on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of foreign currency basis spreads	0	0	0	0
Financial assets measured at fair value through other comprehensive income [abstract]				
Gains (losses) on financial assets measured at fair value through other comprehensive income, net of tax	(26,931,000)	(46,513,000)	(26,931,000)	(46,513,000)
Reclassification adjustments on financial assets measured at fair value through other comprehensive income, net of tax	0	0	0	0
Amounts removed from equity and adjusted against fair value of financial assets on reclassification out of fair value through other comprehensive income measurement category, net of tax	0	0	0	0
Other comprehensive income, net of tax, financial assets measured at fair value through other comprehensive income	(26,931,000)	(46,513,000)	(26,931,000)	(46,513,000)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will be reclassified to profit or loss, net of tax	1,942,708,000	(1,192,444,000)	(2,417,728,000)	(497,008,000)
Total other comprehensive income	1,975,951,000	(1,166,731,000)	(2,384,485,000)	(471,295,000)
Total comprehensive income	7,127,995,000	2,551,122,000	(1,465,211,000)	958,069,000
Comprehensive income attributable to [abstract]				
Comprehensive income, attributable to owners of parent	7,121,971,000	2,545,291,000	(1,468,658,000)	949,960,000
Comprehensive income, attributable to non-controlling interests	6,024,000	5,831,000	3,447,000	8,109,000

[520000] Statement of cash flows, indirect method

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31
Statement of cash flows [abstract]		
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	5,152,044,000	3,717,853,000
Adjustments to reconcile profit (loss) [abstract]		
+ Discontinued operations	0	0
+ Adjustments for income tax expense	1,702,162,000	1,429,518,000
+ (-) Adjustments for finance costs	0	0
+ Adjustments for depreciation and amortisation expense	714,459,000	685,425,000
+ Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	1,166,000	0
+ Adjustments for provisions	0	0
+ (-) Adjustments for unrealised foreign exchange losses (gains)	(233,175,000)	(217,910,000)
+ Adjustments for share-based payments	0	0
+ (-) Adjustments for fair value losses (gains)	0	0
- Adjustments for undistributed profits of associates	0	0
+ (-) Adjustments for losses (gains) on disposal of non-current assets	54,928,000	94,625,000
	(78,482,000)	0
+ (-) Adjustments for decrease (increase) in inventories	(3,547,472,000)	(3,461,145,000)
+ (-) Adjustments for decrease (increase) in trade accounts receivable	40,643,000	(1,064,089,000)
+ (-) Adjustments for decrease (increase) in other operating receivables	(248,671,000)	178,964,000
+ (-) Adjustments for increase (decrease) in trade accounts payable	738,873,000	(370,718,000)
+ (-) Adjustments for increase (decrease) in other operating payables	166,496,000	1,506,859,000
+ Other adjustments for non-cash items	0	0
+ Other adjustments for which cash effects are investing or financing cash flow	0	0
+ Straight-line rent adjustment	0	0
+ Amortization of lease fees	0	0
+ Setting property values	0	0
+ (-) Other adjustments to reconcile profit (loss)	35,698,000	(2,427,000)
+ (-) Total adjustments to reconcile profit (loss)	(653,375,000)	(1,220,898,000)
Net cash flows from (used in) operations	4,498,669,000	2,496,955,000
- Dividends paid	0	0
	0	0
- Interest paid	(419,044,000)	(543,243,000)
+ Interest received	(143,666,000)	(191,321,000)
+ (-) Income taxes refund (paid)	1,028,198,000	460,548,000
+ (-) Other inflows (outflows) of cash	0	(19,139,000)
Net cash flows from (used in) operating activities	3,745,849,000	2,369,190,000
Cash flows from (used in) investing activities [abstract]		
+ Cash flows from losing control of subsidiaries or other businesses	0	0
- Cash flows used in obtaining control of subsidiaries or other businesses	1,592,995,000	0
+ Other cash receipts from sales of equity or debt instruments of other entities	0	0
- Other cash payments to acquire equity or debt instruments of other entities	0	0
+ Other cash receipts from sales of interests in joint ventures	0	0
- Other cash payments to acquire interests in joint ventures	0	0
+ Proceeds from sales of property, plant and equipment	15,653,000	12,006,000
- Purchase of property, plant and equipment	3,544,310,000	2,038,090,000
+ Proceeds from sales of intangible assets	0	0
- Purchase of intangible assets	91,807,000	189,204,000
+ Proceeds from sales of other long-term assets	0	0
- Purchase of other long-term assets	0	0

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31
+ Proceeds from government grants	0	0
- Cash advances and loans made to other parties	0	0
+ Cash receipts from repayment of advances and loans made to other parties	0	0
- Cash payments for futures contracts, forward contracts, option contracts and swap contracts	0	0
+ Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	0	0
+ Dividends received	0	0
- Interest paid	0	0
+ Interest received	143,666,000	191,321,000
	0	0
+ (-) Other inflows (outflows) of cash	0	265,938,000
Net cash flows from (used in) investing activities	(5,069,793,000)	(1,758,029,000)
Cash flows from (used in) financing activities [abstract]		
+ Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
- Payments from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
+ Proceeds from issuing shares	0	0
+ Proceeds from issuing other equity instruments	0	0
- Payments to acquire or redeem entity's shares	(114,980,000)	(155,278,000)
- Payments of other equity instruments	0	0
+ Proceeds from borrowings	0	0
- Repayments of borrowings	0	0
- Payments of finance lease liabilities	0	0
- Payments of lease liabilities	393,320,000	251,045,000
+ Proceeds from government grants	0	0
- Dividends paid	543,535,000	1,962,221,000
- Interest paid	496,518,000	530,469,000
+ (-) Income taxes refund (paid)	0	0
+ (-) Other inflows (outflows) of cash	13,119,000	(20,967,000)
Net cash flows from (used in) financing activities	(1,305,274,000)	(2,609,424,000)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(2,629,218,000)	(1,998,263,000)
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	647,367,000	(401,499,000)
Net increase (decrease) in cash and cash equivalents	(1,981,851,000)	(2,399,762,000)
Cash and cash equivalents at beginning of period	9,628,169,000	12,027,931,000
Cash and cash equivalents at end of period	7,646,318,000	9,628,169,000

[610000] Statement of changes in equity - Accumulated Current

	Components of equity [axis]								
Sheet 1 of 3	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	11,514,467,000	15,364,892,000	0	17,638,507,000	0	3,950,279,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	5,146,020,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	2,521,389,000	0	(551,750,000)	0
Total comprehensive income	0	0	0	5,146,020,000	0	2,521,389,000	0	(551,750,000)	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	1,106,441,000	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	(141,392,000)	0	0	272,705,000	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	(89,433,000)	(878,323,000)	0	967,756,000	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	(230,825,000)	(878,323,000)	0	5,280,040,000	0	2,521,389,000	0	(551,750,000)	0
Equity at end of period	11,283,642,000	14,486,569,000	0	22,918,547,000	0	6,471,668,000	0	(551,750,000)	0

	Components of equity [axis]								
Sheet 2 of 3	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on financial assets measured at fair value through other comprehensive income [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	(46,513,000)	0	0	97,951,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	(26,931,000)	0	0	33,243,000	0	0	0
Total comprehensive income	0	0	(26,931,000)	0	0	33,243,000	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	(26,931,000)	0	0	33,243,000	0	0	0
Equity at end of period	0	0	(73,444,000)	0	0	131,194,000	0	0	0

	Components of equity [axis]							
Sheet 3 of 3	Reserve for catastrophe [member]	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]								
Equity at beginning of period	0	0	0	0	4,001,717,000	48,519,583,000	72,620,000	48,592,203,000
Changes in equity [abstract]								
Comprehensive income [abstract]								
Profit (loss)	0	0	0	0	0	5,146,020,000	6,024,000	5,152,044,000
Other comprehensive income	0	0	0	0	1,975,951,000	1,975,951,000	0	1,975,951,000
Total comprehensive income	0	0	0	0	1,975,951,000	7,121,971,000	6,024,000	7,127,995,000
Issue of equity	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	1,106,441,000	0	1,106,441,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	131,313,000	0	131,313,000
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	1,975,951,000	6,146,843,000	6,024,000	6,152,867,000
Equity at end of period	0	0	0	0	5,977,668,000	54,666,426,000	78,644,000	54,745,070,000

[610000] Statement of changes in equity - Accumulated Previous

	Components of equity [axis]								
Sheet 1 of 3	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	11,622,553,000	16,426,406,000	0	14,587,615,000	0	4,974,051,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	3,712,022,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	(1,023,772,000)	0	0	0
Total comprehensive income	0	0	0	3,712,022,000	0	(1,023,772,000)	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	1,962,221,000	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	131,491,000	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	(108,086,000)	(1,061,514,000)	0	1,169,600,000	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	(108,086,000)	(1,061,514,000)	0	3,050,892,000	0	(1,023,772,000)	0	0	0
Equity at end of period	11,514,467,000	15,364,892,000	0	17,638,507,000	0	3,950,279,000	0	0	0

	Components of equity [axis]								
Sheet 2 of 3	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on financial assets measured at fair value through other comprehensive income [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	0	194,397,000	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	(46,513,000)	0	0	(96,446,000)	0	0	0
Total comprehensive income	0	0	(46,513,000)	0	0	(96,446,000)	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	(46,513,000)	0	0	(96,446,000)	0	0	0
Equity at end of period	0	0	(46,513,000)	0	0	97,951,000	0	0	0

	Components of equity [axis]							
Sheet 3 of 3	Reserve for catastrophe [member]	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]								
Equity at beginning of period	0	0	0	0	5,168,448,000	47,805,022,000	66,789,000	47,871,811,000
Changes in equity [abstract]								
Comprehensive income [abstract]								
Profit (loss)	0	0	0	0	0	3,712,022,000	5,831,000	3,717,853,000
Other comprehensive income	0	0	0	0	(1,166,731,000)	(1,166,731,000)	0	(1,166,731,000)
Total comprehensive income	0	0	0	0	(1,166,731,000)	2,545,291,000	5,831,000	2,551,122,000
Issue of equity	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	1,962,221,000	0	1,962,221,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	131,491,000	0	131,491,000
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	(1,166,731,000)	714,561,000	5,831,000	720,392,000
Equity at end of period	0	0	0	0	4,001,717,000	48,519,583,000	72,620,000	48,592,203,000

[700000] Informative data about the Statement of financial position

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Informative data of the Statement of Financial Position [abstract]		
Capital stock (nominal)	11,283,642,000	11,373,075,000
Restatement of capital stock	0	141,392,000
Plan assets for pensions and seniority premiums	1,492,437,000	1,505,529,396.32
Number of executives	165	161
Number of employees	7,160	5,950
Number of workers	755	725
Outstanding shares	3,591,176,301	3,588,126,416
Repurchased shares	0	31,513,275
Restricted cash	0	0
Guaranteed debt of associated companies	0	0

[700002] Informative data about the Income statement

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31	Quarter Current Year 2020-10-01 - 2020-12-31	Quarter Previous Year 2019-10-01 - 2019-12-31
Informative data of the Income Statement [abstract]				
Operating depreciation and amortization	714,459,000	685,425,000	174,519,000	220,491,000

[700003] Informative data - Income statement for 12 months

Concept	Current Year 2020-01-01 - 2020-12-31	Previous Year 2019-01-01 - 2019-12-31
Informative data - Income Statement for 12 months [abstract]		
Revenue	35,036,139,000	29,704,781,000
Profit (loss) from operating activities	6,892,612,000	5,410,140,000
Profit (loss)	5,152,044,000	3,717,853,000
Profit (loss), attributable to owners of parent	5,146,020,000	3,712,022,000
Operating depreciation and amortization	714,459,000	685,425,000

[800001] Breakdown of credits

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
Banks [abstract]																
Foreign trade																
Senior notes	SI	2015-05-13	2025-03-13			48,833,000				9,907,075,000						
TOTAL					0	48,833,000	0	0	0	9,907,075,000	0	0	0	0	0	0
Banks - secured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Commercial banks																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Other banks																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total banks																
TOTAL					0	48,833,000	0	0	0	9,907,075,000	0	0	0	0	0	0
Stock market [abstract]																
Listed on stock exchange - unsecured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Listed on stock exchange - secured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Private placements - unsecured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Private placements - secured																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total listed on stock exchanges and private placements																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Other current and non-current liabilities with cost [abstract]																
Other current and non-current liabilities with cost																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities with cost																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Suppliers [abstract]																
Suppliers																
Servicios de publicidad, mercadotecnía y promoción	NO	2020-12-31	2021-01-31			46,357,000	0		0		0	610,026,000				
Servicios Administrativos	NO	2020-12-31	2021-01-31			13,783,000						130,707,000				
Otros Servicios	NO	2020-12-31	2021-01-31			973,412,000						569,414,000				
Insumos y otros materiales	NO	2020-12-31	2021-01-31			280,414,000						438,324,000				
TOTAL					0	1,313,966,000	0	0	0	0	0	1,748,471,000	0	0	0	0
Total suppliers																
TOTAL					0	1,313,966,000	0	0	0	0	0	1,748,471,000	0	0	0	0
Other current and non-current liabilities [abstract]																
Other current and non-current liabilities																

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities																
TOTAL					0	0	0	0	0	0	0	0	0	0	0	0
Total credits																
TOTAL					0	1,362,799,000	0	0	0	9,907,075,000	0	1,748,471,000	0	0	0	0

[800003] Annex - Monetary foreign currency position

	Currencies [axis]				
	Dollars [member]	Dollar equivalent in pesos [member]	Other currencies equivalent in dollars [member]	Other currencies equivalent in pesos [member]	Total pesos [member]
Foreign currency position [abstract]					
Monetary assets [abstract]					
Current monetary assets	90,658,000	1,808,511,000	404,000	8,062,000	1,816,573,000
Non-current monetary assets	61,113,000	1,219,129,000	321,000	6,411,000	1,225,540,000
Total monetary assets	151,771,000	3,027,640,000	725,000	14,473,000	3,042,113,000
Liabilities position [abstract]					
Current liabilities	40,638,000	810,674,000	931,000	18,575,000	829,249,000
Non-current liabilities	500,000,000	9,974,350,000	0	0	9,974,350,000
Total liabilities	540,638,000	10,785,024,000	931,000	18,575,000	10,803,599,000
Net monetary assets (liabilities)	(388,867,000)	(7,757,384,000)	(206,000)	(4,102,000)	(7,761,486,000)

[800005] Annex - Distribution of income by product

	Income type [axis]			
	National income [member]	Export income [member]	Income of subsidiaries abroad [member]	Total income [member]
México				
Nuevo Producto	6,618,850,000			6,618,850,000
Estados Unidos de América				
Nuevo Producto			24,630,619,000	24,630,619,000
Resto del Mundo				
Nuevo Producto			3,786,670,000	3,786,670,000
TOTAL	6,618,850,000	0	28,417,289,000	35,036,139,000

[800007] Annex - Financial derivate instruments

Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading [text block]

The Company does not have derivative financial instruments.

General description about valuation techniques, standing out the instruments valuated at cost or fair value, just like methods and valuation techniques [text block]

The Company does not have derivative financial instruments.

Management discussion about intern and extern sources of liquidity that could be used for attending requirements related to financial derivate instruments [text block]

The Company does not have derivative financial instruments.

Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

The Company does not have derivative financial instruments.

Quantitative information for disclosure [text block]

The Company does not have derivative financial instruments.

[800100] Notes - Subclassifications of assets, liabilities and equities

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Subclassifications of assets, liabilities and equities [abstract]		
Cash and cash equivalents [abstract]		
Cash [abstract]		
Cash on hand	0	0
Balances with banks	7,646,318,000	9,628,169,000
Total cash	7,646,318,000	9,628,169,000
Cash equivalents [abstract]		
Short-term deposits, classified as cash equivalents	0	0
Short-term investments, classified as cash equivalents	0	0
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	0	0
Other cash and cash equivalents	0	0
Total cash and cash equivalents	7,646,318,000	9,628,169,000
Trade and other current receivables [abstract]		
Current trade receivables	9,213,715,000	9,294,939,000
Current receivables due from related parties	57,214,000	103,294,000
Current prepayments [abstract]		
Current advances to suppliers	0	0
Current prepaid expenses	1,004,644,000	850,902,000
Total current prepayments	1,004,644,000	850,902,000
Current receivables from taxes other than income tax	1,291,220,000	637,217,000
Current value added tax receivables	0	0
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	624,405,000	782,106,000
Total trade and other current receivables	12,191,198,000	11,668,458,000
Classes of current inventories [abstract]		
Current raw materials and current production supplies [abstract]		
Current raw materials	128,658,000	173,332,000
Current production supplies	6,940,749,000	5,035,458,000
Total current raw materials and current production supplies	7,069,407,000	5,208,790,000
Current merchandise	0	0
Current work in progress	0	0
Current finished goods	4,071,671,000	4,181,992,000
Current spare parts	52,744,000	47,310,000
Property intended for sale in ordinary course of business	0	0
Other current inventories	0	0
Total current inventories	11,193,822,000	9,438,092,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners [abstract]		
Non-current assets or disposal groups classified as held for sale	0	0
Non-current assets or disposal groups classified as held for distribution to owners	0	0
Total non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Trade and other non-current receivables [abstract]		
Non-current trade receivables	0	0
Non-current receivables due from related parties	0	0
Non-current prepayments	0	0
Non-current lease prepayments	0	0
Non-current receivables from taxes other than income tax	0	0
Non-current value added tax receivables	0	0

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Non-current receivables from sale of properties	0	0
Non-current receivables from rental of properties	0	0
Revenue for billing	0	0
Other non-current receivables	0	0
Total trade and other non-current receivables	0	0
Investments in subsidiaries, joint ventures and associates [abstract]		
Investments in subsidiaries	0	0
Investments in joint ventures	0	0
Investments in associates	1,579,765,000	267,131,000
Total investments in subsidiaries, joint ventures and associates	1,579,765,000	267,131,000
Property, plant and equipment [abstract]		
Land and buildings [abstract]		
Land	1,220,653,000	647,344,000
Buildings	1,457,398,000	1,052,226,000
Total land and buildings	2,678,051,000	1,699,570,000
Machinery	2,120,692,000	1,971,657,000
Vehicles [abstract]		
Ships	0	0
Aircraft	0	0
Motor vehicles	172,744,000	161,116,000
Total vehicles	172,744,000	161,116,000
Fixtures and fittings	0	0
Office equipment	44,468,000	36,227,000
Tangible exploration and evaluation assets	0	0
Mining assets	0	0
Oil and gas assets	0	0
Construction in progress	3,553,177,000	1,670,295,000
Construction prepayments	0	0
Other property, plant and equipment	1,600,356,000	1,405,812,000
Total property, plant and equipment	10,169,488,000	6,944,677,000
Investment property [abstract]		
Investment property completed	0	0
Investment property under construction or development	0	0
Investment property prepayments	0	0
Total investment property	0	0
Intangible assets and goodwill [abstract]		
Intangible assets other than goodwill [abstract]		
Brand names	15,174,858,000	14,003,843,000
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	272,441,000	226,108,000
Licences and franchises	0	0
Copyrights, patents and other industrial property rights, service and operating rights	0	0
Recipes, formulae, models, designs and prototypes	0	0
Intangible assets under development	0	0
Other intangible assets	0	0
Total intangible assets other than goodwill	15,447,299,000	14,229,951,000
Goodwill	6,891,070,000	6,253,088,000
Total intangible assets and goodwill	22,338,369,000	20,483,039,000
Trade and other current payables [abstract]		
Current trade payables	3,062,437,000	2,182,716,000
Current payables to related parties	169,551,000	68,382,000
Accruals and deferred income classified as current [abstract]		

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Deferred income classified as current	0	0
Rent deferred income classified as current	0	0
Accruals classified as current	0	0
Short-term employee benefits accruals	0	0
Total accruals and deferred income classified as current	0	0
Current payables on social security and taxes other than income tax	0	0
Current value added tax payables	0	0
Current retention payables	0	0
Other current payables	0	0
Total trade and other current payables	3,231,988,000	2,251,098,000
Other current financial liabilities [abstract]		
Bank loans current	48,833,000	46,131,000
Stock market loans current	0	0
Other current iabilities at cost	0	0
Other current liabilities no cost	0	0
Other current financial liabilities	0	0
Total Other current financial liabilities	48,833,000	46,131,000
Trade and other non-current payables [abstract]		
Non-current trade payables	0	0
Non-current payables to related parties	0	0
Accruals and deferred income classified as non-current [abstract]		
Deferred income classified as non-current	0	0
Rent deferred income classified as non-current	0	0
Accruals classified as non-current	0	0
Total accruals and deferred income classified as non-current	0	0
Non-current payables on social security and taxes other than income tax	0	0
Non-current value added tax payables	0	0
Non-current retention payables	0	0
Other non-current payables	0	0
Total trade and other non-current payables	0	0
Other non-current financial liabilities [abstract]		
Bank loans non-current	9,907,075,000	9,344,657,000
Stock market loans non-current	0	0
Other non-current liabilities at cost	0	0
Other non-current liabilities no cost	0	0
Other non-current financial liabilities	0	0
Total Other non-current financial liabilities	9,907,075,000	9,344,657,000
Other provisions [abstract]		
Other non-current provisions	634,815,000	308,747,000
Other current provisions	4,809,558,000	3,944,604,000
Total other provisions	5,444,373,000	4,253,351,000
Other reserves [abstract]		
Revaluation surplus	0	0
Reserve of exchange differences on translation	5,866,056,000	3,950,279,000
Reserve of cash flow hedges	0	0
Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	0	0
Reserve of change in value of time value of options	0	0
Reserve of change in value of forward elements of forward contracts	0	0
Reserve of change in value of foreign currency basis spreads	0	0
Reserve of gains and losses on financial assets measured at fair value through other comprehensive income	(19,582,000)	(46,513,000)
Reserve of gains and losses on remeasuring available-for-sale financial assets	0	0
Reserve of share-based payments	0	0
Reserve of remeasurements of defined benefit plans	131,194,000	97,951,000

Concept	Close Current Quarter 2020-12-31	Close Previous Exercise 2019-12-31
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale	0	0
Reserve of gains and losses from investments in equity instruments	0	0
Reserve of change in fair value of financial liability attributable to change in credit risk of liability	0	0
Reserve for catastrophe	0	0
Reserve for equalisation	0	0
Reserve of discretionary participation features	0	0
Reserve of equity component of convertible instruments	0	0
Capital redemption reserve	0	0
Merger reserve	0	0
Statutory reserve	0	0
Other comprehensive income	0	0
Total other reserves	5,977,668,000	4,001,717,000
Net assets (liabilities) [abstract]		
Assets	81,581,667,000	70,724,934,000
Liabilities	26,836,597,000	22,132,731,000
Net assets (liabilities)	54,745,070,000	48,592,203,000
Net current assets (liabilities) [abstract]		
Current assets	31,626,959,000	31,650,112,000
Current liabilities	8,707,647,000	6,687,415,000
Net current assets (liabilities)	22,919,312,000	24,962,697,000

[800200] Notes - Analysis of income and expense

Concept	Accumulated Current Year 2020-01-01 - 2020-12-31	Accumulated Previous Year 2019-01-01 - 2019-12-31	Quarter Current Year 2020-10-01 - 2020-12-31	Quarter Previous Year 2019-10-01 - 2019-12-31
Analysis of income and expense [abstract]				
Revenue [abstract]				
Revenue from rendering of services	0	0	0	0
Revenue from sale of goods	35,036,139,000	29,704,781,000	10,729,026,000	10,434,413,000
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	0	0	0	0
Revenue from construction contracts	0	0	0	0
Other revenue	0	0	0	0
Total revenue	35,036,139,000	29,704,781,000	10,729,026,000	10,434,413,000
Finance income [abstract]				
Interest income	143,666,000	191,321,000	20,113,000	41,529,000
Net gain on foreign exchange	58,549,000	74,461,000	(201,258,000)	110,420,000
Gains on change in fair value of derivatives	0	0	0	0
Gain on change in fair value of financial instruments	304,188,000	0	304,188,000	0
Other finance income	0	0	0	0
Total finance income	506,403,000	265,782,000	123,043,000	151,949,000
Finance costs [abstract]				
Interest expense	544,809,000	528,551,000	129,640,000	135,227,000
Net loss on foreign exchange	0	0	0	0
Losses on change in fair value of derivatives	0	0	0	0
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	0	0	0	0
Total finance costs	544,809,000	528,551,000	129,640,000	135,227,000
Tax income (expense)				
Current tax	1,152,060,000	796,390,000	(335,129,000)	521,366,000
Deferred tax	550,102,000	633,128,000	550,102,000	104,089,000
Total tax income (expense)	1,702,162,000	1,429,518,000	214,973,000	625,455,000

[800500] Notes - List of notes

Disclosure of notes and other explanatory information [text block]

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their Interpretations (IFRIC) issued by the International Accounting Standards Board (IASB). In accordance with the changes to the Rules for Public Companies traded on the Mexican Stock Exchange, as issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its financial statements using IFRS as the regulatory framework.

The consolidated financial statements have been prepared on a historical cost basis except for (1) the plan assets that are measured at fair value; (2) Equity investments that had previously been recognized as Associates and are now recognized at fair value through Other Comprehensive Income (OCI); (3) financial instruments measured at fair value through profit or loss; and (4) biological assets measured at fair value less costs to sell.

Preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements.

Convenience translation to U.S. Dollars ($) - supplementary information

The consolidated financial statements are stated in thousands of Mexican pesos (Ps) and rounded to the nearest thousand unless stated otherwise. However, solely for the convenience of the readers, the consolidated statement of financial position, as of December 31, 2020, the consolidated statement of comprehensive income and consolidated cash flows statements for the year ended December 31, 2020 were converted into U.S. dollars at the exchange rate of Ps19.9487 per U.S. dollar, as published by the Bank of Mexico on December 31, 2020. Such conversion should not be construed as representation that the Mexican peso amounts represent, or have been or could be converted into, United States dollars at that or any other rate, in accordance with IAS 21.

Disclosure of accounting judgements and estimates [text block]

In applying the Company’s accounting policies, management makes judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. The related estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates. Estimates and underlying assumptions are analyzed on an ongoing basis. Revisions to estimates are recognized prospectively.

The critical accounting policies, which the Company considers are of greater complexity and/or particularly subject to the exercise of judgements, are the following:

Recognition of deferred tax assets

Management judgement is used to ascertain whether a valuation allowance is required and the recoverability of deferred tax assets. Management is also responsible for the estimated amount of corporate tax payable or receivable. The Group is required to estimate the corporate tax in each of the many jurisdictions in which it operates. Management is required to estimate the amount that should be recognized as a tax liability or tax asset in many countries which are subject to tax audits which by their nature are often complex and can take several years to resolve. Current tax balances and tax provisions are based on management’s judgement and interpretation of country specific tax law and the likelihood of settlement. However, the actual tax liabilities could differ from the provision and, in such event, the

Group would be required to make an adjustment in a subsequent period that could have a material impact on the Group’s profit for the year. The evaluation of deferred tax assets recoverability requires judgements to be made regarding the availability of future taxable income based on the last 3 to 5-year plan.

Business combination - Purchase price allocation

For business combinations, IFRS requires a fair value calculation to be carried out by assigning the purchase price to the fair value of the assets and liabilities acquired. Any difference between the consideration paid and the fair value of the identifiable net assets acquired is recognized as goodwill or income in profit or loss if it is a bargain. The fair value calculation is carried out on the date of acquisition.

As a result of the nature of the fair value assessment at the acquisition date, the allocation of the purchase price and the fair value measurements require significant judgments based on a wide range of complex variables at a certain time. Management uses all available information to make fair value determinations.

Estimation of recoverable amount of trademarks and goodwill with an indefinite life

The Company reviews the recoverable value of intangible assets with an indefinite life at the end of each period. That evaluation is conducted via impairment tests applied annually, or when indications of impairment arise. The determination of the recoverable value of intangible assets with an indefinite life involves significant judgments, such as the estimation of future business results and the discount rate applied to projections. Company management considers that the projections used to determine that recoverable value reasonably reflect the economic conditions prevailing in the Company's operating environment.

Determination of the fair value of biological assets

IAS 41 requires all biological Assets to be carried out by using a fair value calculation. The fair value calculation requires management to make judgments and assumptions. The Company considers that their mature biological assets can be measured at fair value using the income approach considering that the only existing market is for plants that have attained harvestable specifications, featured by sugar content yield and average weight. The Agave Azul grows at different rates and there can be a considerable spread in the quality and weight of plants, that affects the price achieved. In addition, given the trends of the Agave prices there could be at times more demand than plants available and the opposite which can increase/decrease the prices and therefore the fair value. The maturity cycle of agave ranges between six and eight years; based on this, the Company considers that on average, a plant with more than five years is susceptible to be harvested or marketed and consequently these plants are measured at fair value with the methodology previously explained. Immature biological assets are accounted for at historical cost, which approximates fair value, given that the price that would be paid for immature biological assets would be very similar. For mature biological assets, a variation of +/- 1% in the discount rate or a variation of +/- 10% of the purchase price would be insignificant.

Determination of the lease term

In determining the lease term, the Administration considers all the facts and circumstances that create an economic incentive to exercise an extension option. Extension options (or periods after termination options) are only included in the lease term if there is reasonable certainty that the lease will be extended (or not terminated). For land leases of agave plantations, lease terms are aligned with estimated harvest period.

Fair value estimates

The financial instruments in the statement of financial position are recorded at fair value based on the following hierarchy.

- Level 1 fair values are derived from prices quoted (not adjusted) in active markets for identical liabilities or assets.
- Level 2 fair values are derived from indicators different from the quoted prices included in Level 1, but that include indicators that are observable directly to quoted prices or indirectly derived from these prices; and

- Level 3 fair values are derived from valuation techniques that include indicators for assets or liabilities that are not based on observable market information.

	Amortized cost (Ps)	Fair Value through profit or loss (Ps)	Fair value Level 1 (Ps)	Fair value Level 2 (Ps)	Fair value Level 3 (Ps)
December 31, 2020					
Financial assets:					
Cash equivalents		$ 2,840,570	$ 2,840,570		
Trade receivables	$ 9,213,715				
Related parties	57,214				
Other recoverable taxes and receivables	1,291,221				
Financial Instruments at fair value through profit or loss		303,739			303,739
Equity investments at fair value		11,969		11,969	
Financial liabilities:					
Senior Notes	$ 9,955,908				
Trade payables	3,062,436				
Related parties	169,551				
Other accounts payable	4,809,560				
Other long-term liabilities (*)	367,964	140,437			140,437
December 31, 2019					
Financial assets:					
Cash equivalents			$ 710,923		
Trade receivables	$ 9,294,939				
Related parties	103,294				
Other recoverable taxes and receivables	637,217				
Equity investments at fair value		36,748		36,748	
Financial liabilities:					
Senior Notes	$ 9,390,788				
Trade payables	2,182,716				
Related parties	68,382				
Other accounts payable	3,944,604				
Other long-term liabilities (*)	28,463	162,360			162,360

In the years ended December 31, 2020 and 2019, there were no transfers between levels 1 and 2.

Changes in other long-term liabilities are as follows:

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Opening balance at January 1,	$ (8,139)	$ (162,360)	$ (301,204)
Increase	1,099	21,923	138,844
Balance at December 31,	$ (7,040)	$ (140,437)	$ (162,360)
Deferred income tax			
Opening balance at January 1,	$ 2,512	$ 50,114	$ 74,479
Decrease of deferred income tax	(280)	(5,590)	(24,365)
Balance at December 31,	$ 2,232	$ 44,524	$ 50,114
Changes in other long-term liabilities - net of income tax			
Decrease	$ 1,099	$ 21,923	$ 138,844
Decrease increase of deferred income tax	(280)	(5,590)	(24,365)
Changes of other long-term liabilities	$ 819	$ 16,333	$ 114,479

	Amortized cost (Ps)	Fair value through profit or loss (Ps)	Total (Ps)
December 31, 2020			
Financial assets:			
Cash and cash equivalents	$ 7,646,318		$ 7,646,318
Trade receivables	9,213,715		9,213,715
Related Parties	57,214		57,214
Financial Instruments at fair value through profit or loss		303,739	303,739
Equity investments at fair value		11,969 *	11,969
Financial liabilities:			
Senior Notes	9,955,908		9,955,908
Trade payables	3,062,436		3,062,436
Related parties	169,551		169,551
Other accounts payable	4,809,560		4,809,560
Other-long term liabilities	367,964	140,437	508,401

	Amortized cost (Ps)	Fair value through profit or loss (Ps)	Total (Ps)
December 31, 2019			
Financial assets:			
Cash and cash equivalents	$ 9,628,169		$ 9,628,169
Trade receivables	9,294,939		9,294,939
Related Parties	103,294		103,294
Equity investments at fair value		36,748 *	36,748
Financial liabilities:			
Senior Notes	9,390,788		9,390,788
Trade payables	2,182,716		2,182,716
Related parties	68,382		68,382
Other accounts payable	3,944,604		3,944,604
Other-long term liabilities	28,463	162,360	190,823

Disclosure of allowance for credit losses [text block]

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty for a financial instrument fails to meet its contractual obligations and arises mainly from the Group's trade receivables and the Group's deposits with banks and financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

If wholesalers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The compliance with credit limits by wholesalers is regularly monitored by management.

For some trade receivables the Group may obtain security in the form of guarantees or promissory notes which can be called upon if the counterparty is in default under the terms of the agreement. The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. More than 75% of the Group's customers have been transacting with the Group for several years, and no material impairment loss has been recognized against these customers. In monitoring customer credit risks, customers are grouped according to their credit characteristics, including whether they are a wholesaler, retailer or end-user customer, and their geographic location, industry, years in business, maturity and prior financial difficulties. Occasionally the Group requires guarantees in EMEA and APAC markets in relation to trade debtors.

	Current and up 60 days past due (Ps)	More than 60 days past due (Ps)	More than 90 days past due (Ps)	More than 120 days past due (Ps)	Total (Ps)
December 31, 2020					
Expected loss rate	2.60%	5.11%	14.17%	14.92%	
Gross carrying amount - trade receivables	$ 9,015,911	$ 95,310	$ 188,858	$ 22,430	$ 9,322,509
Expected credit loss	(4,876)	(9,182)	(6,600)	(88,136)	$ (108,794)
December 31, 2019					
Expected loss rate	1.55%	6.90%	13.06%	14.22%	
Gross carrying amount - trade receivables	$ 9,073,641	$ 92,964	$ 132,419	$ 67,469	$ 9,366,493
Expected credit loss	(20,439)	(5,196)	(1,726)	(44,193)	$ (71,554)

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Gross carrying amount of trade receivables	$ 467,324	$ 9,322,509	$ 9,366,493
Less: expected credit loss	(5,454)	(108,793)	(71,554)
	$ 461,870	$ 9,213,715	$ 9,294,939

The reconciliation of the expected credit loss for trade receivables is as follows:

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Opening balance at January 1,	$ 3,587	$ 71,554	$ 74,825
Increased recognized in profit or loss during the year	2,189	43,672	8,453
Receivables written-off during the year as uncollectible	(460)	(9,183)	(11,348)
Translation effects	138	2,750	(376)
Closing balance at December 31,	$ 5,454	$ 108,793	$ 71,554

As of December 31, 2020, and 2019, the maximum exposure to credit risk for trade receivables by counterparty type is as follows:

	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Wholesalers	$ 7,468,557	$ 6,921,335
Retailers	1,741,169	2,418,053
Other	112,783	27,105
Total	$ 9,322,509	$ 9,366,493

As of December 31, 2020, the Group's most significant customer accounted for (16.8%) of total trade receivables carrying amount (9.5% as of December 31, 2019).

The Group has no customers classified as "high risk", for which special credit conditions have been applied.

In Mexico, the Company distributes directly to the channels, self-services, price clubs, wholesalers and convenience stores through its own sales force, covering a high percentage of the stores that sell alcoholic beverages in the country. In addition, the promotion force reaches the 2,630 major self-service stores and wholesalers to control display and promotion at the point of sale.

In the United States of America, there is a three-tier system implemented by federal and state laws, which limits the nature and scope of relationships between alcoholic beverage, suppliers, wholesalers, and retailers. These laws and provisions prohibit transactions and relationships that are common in the alcoholic beverage industry in other legal jurisdictions, as well as in other consumer sectors in the United States of America. In 23 states, the Company distributes principally through wholesalers associated with three major distributors networks, in 10 states the Company distributes through independent distributors, and in the remaining 17 states (and certain local jurisdictions), the state (or the relevant local authority) controls the distribution of distilled alcoholic beverages.

In the rest of the world, the Company distributes via local In-Market companies (IMCs) and third-party distributors. The IMCs sell to customers, on-trade and off-trade, in the country of incorporation. In countries where we do not have local IMCs, the Company enters into strategic distribution agreements with local distributors in each country.

In countries where the Company currently does not have the capacity to operate a direct distribution model, in general terms, the Company's distribution strategy consists of entering into distribution agreements in each country.

The Group uses a provision matrix in order to measure the ECL of wholesalers, retailers and others under a portfolio approach. Impairment rates are calculated separately for exposures in different segments based on common characteristics of credit risk, geographic region, length of the relationship with the customer and type of product purchased.

Disclosure of associates [text block]

Virginia Black

The Company, through its subsidiary Proximo US, holds an equity stake of 19.3% in Virginia Black, (VB), a Delaware limited liability company. Proximo US acquired this equity stake pursuant to a subscription agreement and an amended and restated limited liability company agreement entered into on January 8, 2016, and concurrently therewith Proximo US entered into a license and distribution agreement with VB under which Proximo US agreed to produce, market, promote and distribute the products of VB, and participate in a net profit-sharing arrangement with VB.

Based on Management's analysis, on the date of acquisition, Proximo US concluded that it did not unilaterally control VB but did have significant influence through its power to participate in the financial and operating policy decisions of

VB, in accordance with IAS 28, and consequently, Proximo US accounted for its investment in VB using equity method accounting.

On October 23, 2019, VB and Proximo US entered into a settlement and release agreement (the Settlement Agreement), as part of which, Proximo US agreed to terminate and waive many rights that demonstrated that Proximo US had a significant influence over VB. As a result of the Settlement Agreement, the Company evaluated whether it ceased to have significant influence over VB, and concluded that Proximo US should discontinue equity accounting for its investment in VB. Management determined that the carrying value was determined to be the best estimate of the fair value of the investment, and as such, no gain or loss upon the loss of significant influence was recognized. Management further determined that the loss of significant influence over VB resulted in the retained investment qualifying as an equity instrument to be measured in accordance with IFRS 9.

In 2019, Management performed a fair value analysis and determined that the fair value of the Company's investment in VB was US$1.95 million (Ps36,748), which compared with the carrying value (US$4.4 million, Ps83,261) at the same date, resulted in a loss recognized in OCI of US$2.45 million (Ps46,513). As of December 31, 2020, the fair value of the Company´s investment in VB was US$0.6 million (Ps.11,969).

Eire Born Spirits, LLC

As of December 31, 2020, and 2019, the Group maintains an investment of the capital stock of EBS, which amounts to $ 1,564,892 and $ 226,142, respectively.

The Group owns other immaterial investments amounting to Ps4,488 and Ps4,241, on December 31, 2020 and 2019, respectively.

Disclosure of available-for-sale financial assets [text block]

As of December 31, 2020, the company has no assets available for sale.

Disclosure of basis of consolidation [text block]

Subsidiaries.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interest in income and in the capital of subsidiaries is shown separately in the consolidated statement of income, in the statement of comprehensive income, in the statement of changes in stockholders' equity and in the statement of financial position, respectively.

The following is a summary of the Company's interest in main subsidiaries on December 31, 2020 and 2019:

Company	% of ownership	Activity
Casa Cuervo, S. A. de C. V.	100%	Manufacturing, selling and marketing in Mexico and around the world.
Sunrise Spirits Holdings, Inc. (Proximo US)	100%	Manufacturing, selling and marketing in the United States of America.
JC Overseas, Ltd (includes the subsidiaries JC Master Distribution and Old Bushmills Distillery Company Limited)	100%	Production, manufacturing, maturation and packaging of Irish whiskey and other spirits and selling in EMEA and APAC.
Azul Agricultura y Servicios, S. A. de C. V.	100%	Agriculture activities to operate the Company's Agave Azul plantations.
Services provider companies	Several*	Services provider.

*On February 14, 2020, the Company acquired a 10% interest (Ps.10,361) in Icon Spirits, S.L. (Icon Spirits), a spirits distributor based in Barcelona, Spain. On September 18, 2020, the Company acquired an additional 50% (Ps.62,301) interest to reach a cumulative 60% (Ps.72,662) stake and effective that date, the Company has control over Icon Spirits.

Associates and changes in ownership interests.

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Equity Method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in OCI. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is annually assessed for potential impairment.

When the Group ceases to equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amounts previously recognized in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in OCI are reclassified to profit or loss.

Disclosure of basis of preparation of financial statements [text block]

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The consolidated financial statements have been prepared on a historical cost basis except for (1) the plan assets that are measured at fair value; (2) Equity investments that had previously been recognized as Associates and are now recognized at fair value through Other Comprehensive Income (OCI); (3) financial instruments measured at fair value through profit or loss; and (4) biological assets measured at fair value less costs to sell.

Preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements.

Convenience translation to U.S. Dollars ($) - supplementary information

The consolidated financial statements are stated in thousands of Mexican pesos (Ps) and rounded to the nearest thousand unless stated otherwise. However, solely for the convenience of the readers, the consolidated statement of financial position, as of December 31, 2020, the consolidated statement of comprehensive income and consolidated cash flows statements for the year ended December 31, 2020 were converted into U.S. dollars at the exchange rate of Ps19.9487 per U.S. dollar, as published by the Bank of Mexico on December 31, 2020. Such conversion should not be construed as representation that the Mexican peso amounts represent, or have been or could be converted into, United States dollars at that or any other rate, in accordance with IAS 21.

Disclosure of biological assets, agriculture produce at point of harvest and government grants related to biological assets [text block]

Biological assets held by the Company consists of plants of Agave Azul Tequilana Weber (Agave Azul). The plants, which are grown on leased land, are used for the later production of tequila under the Company's own brands, which are marketed both in the domestic market and abroad. The maturity cycle of agave ranges between six and eight years; based on this, biological assets are classified as mature and immature. Mature biological assets are those that have attained harvestable specifications and are susceptible to be harvested or marketed; consequently, these plants are measured at fair value (based on the present value of future cash flows discounted at a market determined rate) less costs to sell. Costs to sell include the incremental selling costs, mainly the estimated harvest costs per kilogram, but exclude costs of transport to the market and income taxes. Immature biological assets are plants that have not reached the point of maturity because their sugar content yield and weight is not enough to be harvested and there is no active market for such plants; consequently the Company accounts for these assets at their accumulated historical cost, which mainly includes: physical and chemical studies to prepare the land, labor costs, fertilizers, pest monitoring, pruning of plants, selection and planting of young plants, and depreciation of the right-of-use assets of the agave plantations land; the amount so determined approximates fair value.

Borrowing costs are included as part of biological assets.

Biological assets are classified as current if they are to be harvested within one year, otherwise are classified as non-current.

The Company considers biological assets until the plants are harvested. Any processing or future transformations after the point of harvest are accounted for as inventory. Harvested plants are transferred to inventory at fair value less costs to sell when harvested.

IAS 41 "Agriculture" requires fair value changes resulting from biological growth to be presented in the statement of comprehensive income. These valuation effects have not been material and therefore have not been recorded for the periods presented.

The fair value determined for biological assets is classified as level 3 in the fair value hierarchy.

Disclosure of borrowings [text block]

On May 6, 2015, the Company issued Senior Notes for an aggregate principal amount of US$500 million, bearing interest of 3.75% that will be paid semi-annually in May and November of each year and maturing in 2025. The Senior Notes were subject of a private offering to qualified institutional investors in the United States of America, as defined in Rule 144A, and other foreign markets under Rule 144A and Regulation S under the Securities Act of 1933 of the United States of America and are guaranteed by certain subsidiaries of Becle. The Company furtherly made an application for listing the Senior Notes in the Irish Stock Exchange and used the related proceeds to refinance a bridge loan incurred to acquire the shares of Bushmills.

The Senior Notes establish certain covenants and restrictions to enter into certain transactions, including: i) liens; ii) sale and lease back transactions; iii) consolidations, mergers, sales or conveyances; iv) highly leveraged transactions; v) reporting requirements; and vi) audited financial information, among others. As of December 31, 2020, and 2019, the Company is in compliance with these covenants.

Long-term debt includes Ps9,974,350 (principal amount) net of debt issuance cost for Ps67,275 reduced by their recognition at amortized cost.

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Principal amount	$ 496,628	$ 9,907,075	$ 9,344,657
Accrued interest payable	2,448	48,833	46,131
Total	499,076	9,955,908	9,390,788
Less current installments	2,448	48,833	46,131
Long term debt	$ 496,628	$ 9,907,075	$ 9,344,657

A reconciliation of debt as required by IAS 7 “Cash flow statement” is as follows:

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Beginning balance of debt and interest	$ 470,747	$ 9,390,788	$ 9,793,196
Foreign exchange variation	28,210	562,762	(418,448)
Interest accrued	21,006	419,044	375,771
Interest paid	(20,888)	(416,686)	(359,731)
Closing balance of debt and interest	$ 499,076	$ 9,955,908	$ 9,390,788

Maturities pertaining to the long-term portion of the principal amount at December 31, 2019 are as follows:

Year	Amount (US)	Amount (Ps)
2021	$ -	$ -
2022	-	-
2023	-	-
2024	-	-
2025	496,628	9,907,075
	$ 496,628	$ 9,907,075

The fair value of senior notes is as follows:

Maturity date	December 31, 2020 Book value (Ps)	December 31, 2020 Fair value [(1)] (Ps)	December 31, 2019 Book value (Ps)	December 31, 2019 Fair value [(1)] (Ps)
May 2025	$ 9,907,075	$ 10,852,544	$ 9,344,657	$ 9,709,535

(1) The fair value of Senior Notes is determined based on reference to price quotations published in the Irish Stock Exchange (classified as level 1 in the fair value hierarchy).

Disclosure of business combinations [text block]

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity;

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Disclosure of cash and cash equivalents [text block]

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Cash and bank deposits	$ 240,905	$ 4,805,748	$ 8,917,246
Cash equivalents	142,394	2,840,570	710,923
Total	$ 383,299	$ 7,646,318	$ 9,628,169

Disclosure of cash flow statement [text block]

The Company presents the cash flow from operating activities using the indirect method, in which the profit or loss is adjusted for the effects of transactions that do not require cash flow, including those associated with investment or financing activities. In addition, the Company has elected to present the cash received from interest in favor as part of the investment activities and the effect of payment of dividends and interest as part of the financing activities.

Disclosure of changes in accounting policies [text block]

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7, (phase 1).
- Revised Conceptual Framework for Financial Reporting

As of May 31, 2020, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on December 31, 2020:

- Covid-19-related Rent Concessions- Amendments to IFRS 16: as a result of the COVID-19 pandemic, rent concessions have been granted to lessees, commencing as of June 1, 2020.
- Classification of Liabilities as Current or Non-current- Amendments to IAS 1: the amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.
- Property, Plant and Equipment: proceeds before intended use - Amendments to IAS 16: the amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use.
- Annual Improvements to IFRS Standards 2018-2020, which were finalized in May 2020:
    - IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
    - IFRS 16 Leases - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
    - IAS 41 Agriculture - removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Disclosure of commitments and contingent liabilities [text block]

The Group is involved in several lawsuits and claims derived from the ordinary course of business. It is expected that the outcome of these matters will not have significant adverse effects on the Group's financial position and future consolidated results of operations.

The Company recorded an environmental reserve as part of the acquisition of the manufacturing and warehousing assets located in Lawrenceburg, Indiana. The Company has complied with all environmental regulations and has no knowledge of any violations.

Disclosure of cost of sales [text block]

Cost of goods sold, selling, administrative, distribution and marketing expenses are as follows:

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Cost of goods sold	$ 769,159	$ 15,343,715 [1]	$ 12,761,556
Advertising, marketing and promotion	335,262	6,688,049	6,424,715
Wages, salaries and employee benefits	165,538	3,302,258	2,801,179
Distribution	64,097	1,278,655	975,625
Depreciation and amortization	35,863	715,417	685,425
Selling and Administrative	45,459	906,851	805,931
Other (income)	(4,583)	(91,419)	(159,790)
Total cost of goods sold and expenses	$ 1,410,795	$ 28,143,526	$ 24,294,641

(1) Main components of cost of goods sold raw materials and consumables used: Own agave (land rent, labor, fertilizers), water, energy, Agave and sugar for Tequila, barley and grain broth for Irish and American whiskey, aging barrels for tequilas, whiskeys and rums, packaging materials (glass, caps, labels and cardboard), and general expenses (factory expenses of distilleries and bottling machines).

Disclosure of deferred taxes [text block]

The main effects of temporary differences for which deferred income taxes have been accounted for as of December 31, 2020 and 2019 are shown below.

Movement in deferred tax balances

	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Deferred assets:		
Inventory	$ 72,126	$ 90,952
Accruals	997,439	598,688
Tax loss-carryforwards	728,574	1,220,239
Right-of-use assets (lease liabilities) - Net	14,272	34,773
License to use trademarks	70,389	34,100
Temporary interest non deductible	181,101	-
Deferred income tax asset	2,063,901	1,978,752
Deferred liabilities:		
Taxable cumulative biological assets	1,397,917	1,318,692
Property, plant and equipment	518,819	270,513
Employee benefits	7,466	2,406
Intangibles assets - Trademarks	2,651,442	2,378,482
Trade receivables	301,718	527,224
Other	572,447	256,545
Deferred income tax liability	5,449,809	4,753,862
Net deferred income tax liabilities	$ (3,385,908)	$ (2,775,110)

The aggregate amount of temporary differences associated with investments in subsidiaries and associates, for which deferred tax liabilities have not been recognized because the Company is able to control the timing of the reversal of the temporary differences associated with the investments or such gains are not subject to IT payment come from the CUFIN.

In Mexico, the income tax for the period is calculated by applying a 30% rate on the taxable profit. In the United States of America, the income tax is calculated based on billing and applies to both federal and state levels. The sales tax rates vary from one state to another but, in general, they range from 4% to 7.5%. As regards income tax, it is incurred at a rate of 21% at the federal level and at an average of 5% at the state level. The income tax in England is 19% on fiscal profit and in the Republic of Ireland is 12.5%.

Net deferred tax by location:

	December 31, 2020 (Ps)	December 31, 2019 (Ps)
USA	$ (1,823,055)	$ (1,424,755)
Mexico	(672,302)	(1,988,734)
Rest of the world	(890,551)	638,379
Net deferred income tax liabilities	$ (3,385,908)	$ (2,775,110)

Movement in deferred income tax balances

The amount of deferred income tax assets and liabilities in respect of each temporary difference was recognized in the income statements, except for the items recognized in OCI, as shown below:

	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Recognized in income statement	$ 550,102	$ 633,128
Recognized in other comprehensive income	60,695	28,288
	$ 610,797	$ 661,416

The following represents the consolidated operating loss-carryforwards as of December 31, 2020 which were generated in Mexico and United States of America. Operating loss-carryforwards in Mexico amounting to Ps2,427,959 can be used in the following 10 years and will expire starting in 2024.

	Inflation adjusted through December 31, 2020 (Ps)
2024	$ 223
2025	-
2026	151,670
2027 and thereafter	2,276,066
	$ 2,427,959

Disclosure of depreciation and amortisation expense [text block]

For the years ended December 31, 2020 and 2019, the depreciation expense was as follows:

	December 31, 2020 (US)	2020 (Ps)	2019 (Ps)
Manufacturing, bottling, storage, machinery and equipment	$ 15,081	$ 300,851	$ 282,616
Casks	4,138	82,553	60,759
Buildings and constructions	2,528	50,422	44,330
Transportation equipment	2,453	48,944	40,413
Leasehold improvements	961	19,169	19,799
Computer and telecommunication equipment	1,673	33,369	32,373
Office furniture and laboratory equipment	843	16,812	12,885
	$ 27,677	$ 552,120	$ 493,175

For the years ended December 31, 2020 and 2019, the depreciation expense was Ps552,120 and Ps493,175, respectively, and was charged to cost of sales, selling, distribution and administrative expenses.

Amortization

Amortization of intangible assets amounting to Ps47,765 and Ps56,772 for the years ended December 31, 2020 and 2019, respectively, was recognized under administrative and selling expenses in the consolidated statement of comprehensive income.

Disclosure of dividends [text block]

At the General Stockholders' Meeting held on April 30, 2020, a resolution was passed to declare dividends in the amount of Ps1,106,441 equivalent to Ps0.3081 per share, from retained earnings. Dividends were paid in cash on June 20, 2020.

At the General Stockholders' Meeting held on April 30, 2019, a resolution was passed to declare dividends in the amount of Ps1,962,221 equivalent to Ps0.5473 per share, from retained earnings. Dividends were paid in cash on May 10, 2019.

On November 30, 2019, Becle merged with certain of its subsidiaries. The merger was effective as of that date and consequently, Becle remained as the surviving entity and the following subsidiaries ceased to exist: Corporativo de Marcas GJB, S. A. de C. V., José Cuervo, S. A. de C. V., Lanceros, S. A. de C. V., Sunrise Distillers, S. A. P. I. de C. V., Tequila Cuervo la Rojeña, S. A. de C. V. and Ex Hacienda los Camichines, S. A. de C. V.

Dividends to be paid will be free from income tax if they come from Net Tax Profit Account (CUFIN, by its Spanish acronym). Any dividends paid in excess of CUFIN and reinvested CUFIN (CUFINRE) will incur a tax equivalent to 42.86%. The current tax is payable by the Company and may be credited against its current income tax of the year on which it is paid. The remaining amount may be credited in the following two fiscal years against the tax of the year or against the provisional payments. Dividends paid out of CUFIN Balance to individual stockholders are also subject to 10% withholding tax.

In the event of a capital reduction, any excess of stockholders' equity over the capital contributions account is given the same tax treatment as dividends.

The balances of the tax accounts of stockholders' equity are:

	December 31,	
	2020 (Ps)	2019 (Ps)
Capital contributions account (CUCA)	$ 76,525,559	$ 85,501,190
After-tax earnings account (CUFIN)	14,094,376	13,039,237
Total	$ 90,619,935	$ 98,540,427

Disclosure of earnings per share [text block]

Basic earnings per ordinary share are calculated by dividing net income attributable to controlling interest between the average number of ordinary shares outstanding during the period, adjusted by treasury shares repurchased and retained. The Company has no potentially dilutive shares, and therefore basic and diluted earnings per share are the same.

Figures considered for the earnings per share calculation are as follows:

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (thousands of shares)	$ 3,591,176	$ 3,591,176	$ 3,585,795
Net income attributable to controlling interest used in calculating basic earnings per share:	$ 257,963	$ 5,146,020	$ 3,712,022
Basic and diluted earnings per shares (pesos)	$ .07	$ 1.43	$ 1.04

Disclosure of effect of changes in foreign exchange rates [text block]

Foreign exchange risk

As a global distributor of spirits, the Company is exposed to the risk of transacting in multiple currencies. In particular, the Company is exposed to the fluctuation of U.S. dollars, British pounds and Euros against the Group's functional currency Mexican peso.

Part of the Group's cash outflows are committed in foreign currencies; however, a significant portion of the Group's cash inflows is generated in foreign currencies, providing an economic hedge without entering derivative financial instruments, therefore, hedge accounting is not applied.

Regarding other monetary assets and liabilities denominated in foreign currencies, for which no economic hedge is generated, the Group's policy is to ensure that its net exposure is kept to an acceptable level. The Group buys and sells foreign currencies at spot rates when necessary, to address short-term imbalances.

Hedge of net investment in foreign entity

Beginning January 1, 2020, the Company designated a US$500 million Senior Notes as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc. which is a subholding entity of the U.S. operations with the objective of mitigating the exchange rate risk arising between the functional currency of these operations and the functional currency of the holding company that has such investment. The Company formally designated and documented the hedging relationship, setting the objectives, risk-hedging strategy, identification of the hedging instrument, hedged item, nature of the risk to be hedged, and effectiveness assessment methodology. Since the exchange rate hedging relationship is clear, the method the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items. There was no ineffectiveness to be recorded from net investments in foreign entity hedges.

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance are as follows:

Net investment in foreign operation

		December 31, 2020 (Ps)
Carrying amount (non-current borrowings)	US	500,000
Hedge ratio		1:1
Change in carrying amount of Senior Notes as a result of foreign currency movements since 1 January, recognised in OCI		551,750
Change in value of hedged item used to determine hedge effectiveness included in OCI	Ps	(4,030,004)

The Company maintains the hedging relationships described below:

As of January 1, 2020

Holding	Functional currency	Hedging instrument	Notional amount		Covered positions	Net assets of foreign operations	
			(Ps)	(USD)		(Ps)	(USD)
Becle, S.A.B. de C.V.	Mexican pesos	Senior Notes	9,422,600	$500,000	Sunrise Spirits Holdings, Inc.	16,445,123	$872,643

As of December 31, 2020

Holding	Functional currency	Hedging instrument	Notional amount		Covered positions	Net assets of foreign operations	
			(Ps)	(USD)		(Ps)	(USD)
Becle, S.A.B. de C.V.	Mexican pesos	Senior Notes	9,974,350	$500,000	Sunrise Spirits Holdings, Inc.	20,475,126	$1,026,389

Change in carrying amount of Senior Notes as a result of

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The summary quantitative data about the Group's exposure to currency risk in the presentation currency (converted into Mexican pesos), considering the respective functional currencies of the entities comprising the Group as of December 31, 2020 and 2019, is as shown below.

	December 31, 2020			December 31, 2019		
	USD	Euro	Other	USD	Euro	Other
Cash and cash equivalents	$ 1,808,511	$ 8,082	$ -	$ 4,484,549	$ 7,898	$ -
Trade receivables	1,219,129	6,411		2,495,204	42	-
Trade payables	(477,549)	(18,512)	(63)	(455,487)	(33,822)	(164)
Lease liabilities	(333,124)	-		(411,500)	-	-
Senior Notes	(9,974,350)	-		(9,422,600)	-	-

The following disclosures provide a sensitivity analysis for the foreign currency exposures of the Group, which are made as of December 31, 2020 and 2019. A +/- 10% variation of the U.S. dollar against the reporting currency would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, especially interest rates, remain constant.

Currency	Change	OCI effect	P&L effect
December 31, 2020			
US$	+10%	$ -	$ 776,353
	-10%		(776,353)
December 31, 2019			
US$	+10%	$ -	$ 491,595
	-10%	-	(491,595)

Exchange rates applied as of and for the years ended December 31, 2020 and 2019 are shown below:

	Average exchange rate		Exchange rate at December 31,	
	2020 (Ps)	2019 (Ps)	2020 (Ps)	2019 (Ps)
USD	$ 21.4887	$ 19.2968	$ 19.9487	$ 18.8452
GBP	27.5149	24.5813	27.1270	24.8262
EUR	24.4900	21.5590	24.4702	21.2155

Disclosure of employee benefits [text block]

The Company operates defined benefit pension plans in México. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Most benefit payments are from trustee-administered funds; however, there are also a number of unfunded plans where the Group meets the benefit payment obligation as it falls due. Plan assets held in trusts are governed by local regulations and practices in each country, as is the nature of the relationship between the Company and the trustees (or equivalent) and their composition.

Responsibility for governance of the plans – including investment decisions and contributions schedules–lies jointly with the Company and the board of trustees. The board of trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

As amounts recognized as asset in the balance sheet are as follows:

	December 31,		
	2020 (Ps)	2020 (Ps)	2019 (Ps)
Fair value of Plan Assets (PA) *	$ 99,993	$ 1,994,732	$ 1,734,352
Defined benefit obligations	(88,222)	(1,759,923)	(1,483,413)
Employee benefits net assets	$ 11,771	$ 234,809	$ 250,939

* The nature of fair value of plan assets is categorized in debt instruments.

Following is a breakdown of the PA defined benefit:

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Pension plan	$ 13,926	$ 277,813	$ 277,126
Seniority premiums	(2,156)	(43,004)	(26,187)
Employee benefits net assets	$ 11,771	$ 234,809	$ 250,939

The movements of the PA fair value over the year are as follows:

	2020 (US)	2020 (Ps)	2019 (Ps)
January 1,	$ 86,941	$ 1,734,352	$ 1,553,068
Expected returns on plan assets	3,720	74,213	90,051
Contributions	1,878	37,462	45,780
Benefit payments	(2,371)	(47,295)	(49,385)
Remeasurements	5,675	113,211	127,008
Exchange rates difference	4,532	90,417	(25,527)
Administration cost	(382)	(7,628)	(6,643)
December 31,	$ 99,993	$ 1,994,732	$ 1,734,352

The movements in the net defined benefit obligation over the year are as follows:

	2020 (US)	2020 (Ps)	2019 (Ps)
January 1,	$ (74,361)	$ (1,483,413)	$ (1,283,270)
Current service cost	(2,640)	(52,655)	(38,268)
Past service cost	82	1,637	(11,751)
Financial cost	(3,052)	(60,883)	(66,075)
Remeasurements	(6,253)	(124,742)	(168,829)
Effect from changes in pension plan	17	342	(613)
Exchange rates difference	(4,386)	(87,504)	35,557
Benefit payments	2,371	47,295	49,836
December 31,	$ (88,222)	$ (1,759,923)	$ (1,483,413)

The significant actuarial assumptions were as follows:

	December 31,	
	2020 (%)	2019 (%)
Discount rate (entities based in Mexico)	6.96	7.45
Discount rate (entities based in RoW)	1.55	2.10
Salary increase rate	4.5	4.63
Minimum wage increase rate	4.0	4.00
Long-term inflation rate	3.50	3.50

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on defined benefit obligation

Change in assumption 2020-2019	Increase in assumption		Decrease in assumption	
	2020 (Ps)	2019 (Ps)	2020 (Ps)	2019 (Ps)
Discount rate (México)	$ 30,135	$ 28,487	$ 32,403	$ 30,098
Discount rate (RoW)	75,415	50,422	103,601	81,728
Salary increase rate	39,661	12,608	36,866	9,175

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Disclosure of entity's operating segments [text block]

Becle is an international manufacturer and distributor of spirits and other drinks. The segment information presented is consistent with management reporting provided to the Strategy Committee (the chief operating decision maker, or - CODM). The Strategy Committee considers the business from a geographical perspective based on the location of third-party sales and the business analysis is presented by geographical segment. The CODM reviews results of the segments on a basis that highlights more closely the segment income and, therefore, it is segment income.

The CODM views its operations in terms of three operating segments: (i) Mexico, (ii) the United States of America and Canada and (iii) Rest of the World.

In Mexico, the Company's operations consist of the production and distribution of its own brands, as well as the production and distribution of certain agency brands.

In the United States of America and Canada, the Company exclusively distributes its products through its subsidiaries. Proximo US sells the Company's products to wholesalers, where possible, and, to state and local liquor authorities, where legally required. Proximo Canada makes all its sales to provincial liquor authorities.

In the Rest of the World markets, the Company manages a network of third-party distributors, wholesalers and retailers that spans over 85 countries. These parties are carefully selected on a market-by-market basis to ensure appropriate levels of high-quality distribution in each country. Local distributors implement marketing and trade promotion, which consists of niche-focused media, such as sales promotions, point-of-sale displays and other printed media.

The summary below describes the operating income of each reportable segment net of transactions between the Group's operating segments.

	2020			
	USA and Canada (Ps)	Mexico (Ps)	Rest of the world (Ps)	Total (Ps)
Net sales	$ 24,630,618	$ 6,604,460	$ 3,801,061	$ 35,036,139
Cost of goods sold	11,147,810	3,982,129	1,660,176	16,790,114
Gross profit	13,482,808	2,622,332	2,140,885	18,246,025
Advertising, marketing and promotion expenses	5,078,955	785,853	823,241	6,688,049
Distribution expenses	885,714	341,605	152,373	1,379,692
Segment income	$ 7,518,139	$ 1,494,873	$ 1,165,271	$ 10,178,283

	2019			
	USA and Canada (Ps)	Mexico (Ps)	Rest of the world (Ps)	Total (Ps)
Net sales	$ 18,513,817	$ 7,248,229	$ 3,942,735	$ 29,704,781
Cost of goods sold	8,012,232	4,466,143	1,560,772	14,039,147
Gross profit	10,501,585	2,782,086	2,381,963	15,665,634
Advertising, marketing and promotion expenses	4,393,260	1,112,250	919,205	6,424,715
Distribution expenses	546,020	359,761	135,133	1,040,914
Segment income	$ 5,562,305	$ 1,310,075	$ 1,327,625	$ 8,200,005

The summary below describes the total assets and total liabilities of each reportable segment net of transactions between the Group’s operating segments.

	2020			
	USA and Canada (Ps)	México (Ps)	Rest of the world (Ps)	Total (Ps)
Total assets	$ 25,677,864	$ 27,982,039	$ 27,921,765	$ 81,581,668
Total liabilities	5,950,073	18,401,784	2,484,741	26,836,598

	2019			
	USA and Canada (Ps)	México (Ps)	Rest of the world (Ps)	Total (Ps)
Total assets	$ 20,743,151	$ 26,005,854	$ 23,975,930	$ 70,724,935
Total liabilities	4,063,229	16,352,048	1,717,454	22,132,731

	Year ended December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Cuervo	$ 640,184	$ 12,770,832	$ 10,696,714
1800	272,924	5,444,485	3,920,598
Other tequilas	184,782	3,686,156	3,542,820
Tequila portfolio	1,097,890	21,901,473	18,160,132
Bushmills	70,788	1,412,136	1,342,906
Kraken	75,514	1,506,400	1,297,546
Other alcoholic beverages *	215,628	4,301,505	4,124,542
Non-tequila portfolio	361,930	7,220,041	6,764,994
Ready to drink	224,217	4,472,828	2,509,364
Other non-alcoholic beverages **	72,275	1,441,797	2,270,291
Total revenue	$ 1,756,312	$ 35,036,139	$ 29,704,781

* Mainly Mezcal, Whiskey (Pendleton & Proper No. Twelve), Rum, Gin and Vodka.

** Revenue in 2019 included Ps403,315 related to the distribution of Cholula.

Disclosure of financial risk management [text block]

The Group's risk management is predominantly controlled by corporate treasury department under policies approved by the Board of Directors. Corporate treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, inflation and investment of excess liquidity, among others.

Disclosure of general information about financial statements [text block]

Becle, S. A. B. de C. V. and its subsidiaries, which we refer to collectively as Becle, the Group or the Company, is a globally recognized spirits company and the largest tequila producer in the world. The Company manufactures, markets and sells internationally recognized spirits and ready-to-drink alcoholic and non-alcoholic beverages. Becle's flagship tequila brand is Jose Cuervo Especial but the Company has developed other internationally marketed tequila brands, including 1800 and Gran Centenario. Becle also distributes several categories of alcoholic beverages other than tequila, including vodka, whiskey, rum and liqueurs and commercializes more than 30 brands in Mexico.

The Company operates in three regions: (i) United States of America and Canada, (ii) Mexico (iii) and the Rest of World (principally Latin America (LATAM), Europe, Middle East and Africa (EMEA) and Asia Pacific (APAC)), and its branded products are sold in more than 85 countries.

The Company's activities in each region are as follows:

- In Mexico, the Company operates the largest private Agave Azul plantation in order to control the agricultural process with the goal of securing a sufficient supply of Agave Azul. The Group currently owns and operates two tequila distilleries and one processing and bottling facility, all located in the state of Jalisco, which form part of the territory of the Appellation of Origin for Tequila.

- In the US and Canada, the Company distributes its products through its wholly owned subsidiaries, Proximo Spirits, Inc. (Proximo US) and Proximo Spirits Canada, Inc. The Group owns three distilleries (in Colorado, New York, and California) and a bottling plant and finished goods distribution center in Indiana, and a finished goods distribution center in Kentucky, in the U.S.

- In the Rest of World, the Group distributes through its wholly owned subsidiary, JC Master Distribution Limited, in the Republic of Ireland. In Northern Ireland, The Old Bushmills Distillery Company Limited, is engaged in the distilling, maturing, and bottling of Bushmills Irish whiskey, and certain others Irish whiskies.

Becle is registered on the Mexican Stock Exchange and its headquarters are located at Guillermo González Camarena 800, Santa Fe, Álvaro Obregón, Mexico City, 01210.

COVID-19 Impacts

At the beginning of 2020, a public health emergency measure was released worldwide, derived from the respiratory disease called COVID-19, which was designated by the World Health Organization as a pandemic. Due to the COVID-19 pandemic, the world's economies are being materially affected, with direct consequences for the economic growth of most countries, and therefore possible financial crisis with high volatility both in global financial markets, as in business, labor and social stability, and with a significant impact on the financial statements of entities all around the world.

In 2020, the Company effectively faced the challenges related to the COVID-19 pandemic, mainly by continued strong performance in the US and Canada which has delivered robust volume and sales growth, and its favorable status and leadership in the high growth Tequila and ready-to-drink categories has positioned the Company well in the current environment. On the other hand, the regions of Mexico and the Rest of the World (RoW) have decreased their operations in comparison to 2019 due to a challenging macro environment, consumer take-away trends and sales restrictions, however the Company’s Management expects to improve its operations mainly as a result of the reduction in sales restrictions in various channels in these regions. While challenges and uncertainty continue ahead in these unprecedented times, the Company is confident in its ability to preimmunize its brands portfolio and maintain its long-term growth strategy.

The increase in the level of uncertainty caused by COVID-19 increases the need for the Company's management to apply its best judgment when evaluating the economic and market environment, as well as its impact on the assumptions used to calculate significant estimates, particularly the estimate of the recoverable amount of indefinite-lived intangible assets.

Disclosure of going concern [text block]

The Company meets its working capital needs through reinvestment of a significant portion of its annual profits. The Company’s financial structure allows the Company to take on debt, despite its investments in capital expenditures carried out annually to increase the Company’s facilities. The Company's financial strength, the continued strong performance in the US and Canada, and the measures adopted by the Company, have allowed it to operate with liquidity, despite the restrictions that the governments of the regions of Mexico and the RoW have ordered to contain the pandemic. Considering the possible variations in operating performance, the Company believes its budget and projections allow it to operate with its current level of financing and meet all debt obligations. The Company is currently in compliance with its payment obligations and all debt covenants.

Management expects the Company to secure the resources necessary to continue operating as a going concern in the foreseeable future. Consequently, the consolidated financial statements were prepared on a going-concern basis.

Disclosure of goodwill [text block]

The Company identified the US and Ireland as the CGUs, in which the goodwill, brands and other intangible assets of indefinite life were assigned. The recoverable value of each CGU is based on calculations of the fair value less disposal cost, which are prepared based on historical results and expectations on the development of the market in the future as included in business plans. Given the disruption in economic and market activities and the uncertainty caused by COVID-19, the development of the annual impairment test required the application of greater judgment, particularly when evaluating the projected results in the medium and long term. The calculation of the recovery value considers the cash flow projections for a period of 5 to 10 years, based on financial budgets approved by management, and the level of maturity of each business considering the number of years the Company has been operating such business. To minimize the uncertainty and its impact on the calculations, the Company carried out various scenarios and weighted them to reflect the possible recovery alternatives in the short, medium and long term. For purposes of evaluating the sensitivity analysis mentioned below, the Company only used the baseline scenario.

A CGU level summary of the goodwill allocation is presented below:

	USA (Ps)	Ireland (Ps)	Total (Ps)
December 31, 2020			
Balances at January 1, 2019	$ 564,736	$ 5,789,002	$ 6,353,738
Transfer		(21,683)	(21,683)
Foreign exchange changes	(24,035)	(54,932)	(78,967)
Balances at December 31, 2019	$ 540,701	$ 5,712,387	$ 6,253,088
Acquisitions by business		52,727	52,727
Foreign exchange changes	31,661	553,594	585,255
Balances at December 31, 2020	$ 572,362	$ 6,318,708	$ 6,891,070

A CGU level summary of the trademarks and license to use brands allocation is presented below:

	USA (Ps)	Ireland (Ps)	Total (Ps)
December 31, 2020			
Balances at January 1, 2019	$ 7,885,180	$ 6,627,920	$ 14,513,100
Transfer	(292)	21,683	21,391
Foreign exchange changes	(335,592)	(195,056)	(530,648)
Balances at December 31, 2019	7,549,296	6,454,547	14,003,843
Acquisitions by business	-	23,536	23,536
Foreign exchange changes	441,068	705,380	1,146,448
Balances at December 31, 2020	$ 7,990,364	$ 7,183,463	$ 15,173,827

CGU located in the United States of America

Goodwill and Trademarks from the US operating segment corresponds to the acquisition of:

1) Three Olives (TOV) in July 2007. The price was Ps7,582,887 (US$390 million), of which Ps5,210,157 (US$354 million) was assigned to the trademark, and Ps382,683 (US$26 million) to goodwill;

2) Owney's in December 2017. The price was Ps29,817 (US$2 million), of which Ps20,018 (US$ 1 million) was assigned to the trademark, and;

3) BDD in December 2018. The price was Ps222,043 (US$12 million), of which Ps46,664 (US$2 million) was assigned to the trademark and Ps41,846 (US$2 million) to goodwill.

According to our analysis and in accordance with IAS 36 "Impairment of Assets" guidelines, the Company has performed impairment tests of the US trademarks and related goodwill. The assessment is made through the calculation of fair value less disposal costs using discounted future cash flows which requires the use of estimates that consider the following assumptions, classified as level 3 in the fair value hierarchy.

As of December 31, 2020, and 2019, a five years projection horizon was used considering our experience in the industry and the time it takes to develop and consolidate a brand, as well as our planned investment for 2021 in order to increase installed capacity.

	2020 (%)	2019 (%)
Discount rate [(a)]	7.1	7.1
EBITDA margin (average annual growth rate) [(b)]	7.0	6.1
Perpetual growth rate, based on an estimated perpetual growth of the spirits industry	2.5	2.6
Disposal costs of the estimated fair value [(c)]	2.0	2.0

Management has identified that a reasonable change in two key assumptions could cause the carrying amount to exceed the recoverable amount. As of December 31, 2020, the current excess of value in use over book value is 1,365%. The table shown below presents the amounts in which these two assumptions must change individually regarding the estimate base value so that the estimated recoverable amount of the CGU would be equal to the carrying amount.

	December 31, 2020 (%)	December 31, 2019 (%)
Compared the estimate base value		
Discount rate increase	30.4	24.9
EBITDA margin (average annual growth rate)	(27.5)	(27.1)

CGU located in Ireland.

Most of Goodwill included in Ireland (Rest of the World operating segment) corresponds to the acquisition of Bushmills in February 2015. This segment also includes amounts of goodwill related to other immaterial acquisitions and for this reason the disclosure required by IAS 36 is only provided with respect to Bushmills. The purchase price paid for Bushmills was Ps10,664,773 (US$718.7 million), of which Ps3,428,828 was assigned to the Bushmills brand and Ps4,907,065 to goodwill.

According to our analysis and in accordance with IAS 36 "Impairment of Assets" guidelines, the Company has performed impairment tests of the Northern Ireland brands and related goodwill. The assessment is made through the calculation of fair value less disposal costs using discounted future cash flows which requires the use of estimates that consider the following assumptions. The determination of the fair value less disposal cost requires the use of estimates that consider the following assumptions, classified as level 3 in the fair value hierarchy.

As of December 31, 2020, and 2019, a ten years projection horizon was used considering our experience in the industry and the time it takes to develop and consolidate a brand, as well as our planned investment for 2021 in order to increase installed capacity.

	2020 (%)	2019 (%)
Discount rate [(a)]	7.2	7.4
EBITDA margin (verage annual growth rate) [(b)]	14.3	15.1
Perpetual growth rate, based on an estimated perpetual growth of the spirits industry	2.5	3.0
Disposal costs of the estimated fair value [(c)]	2.0	2.0

Management has identified that a reasonable change in two key assumptions could cause the carrying amount to exceed the recoverable amount. As of December 31, 2020, the current excess of value in use over book value is 18%.The table shown below presents the amounts in which these two assumptions must change individually regarding the estimate base value so that the estimated recoverable amount of the CGU would be equal to the carrying amount.

	2020 (%)	2019 (%)
Compared the estimate base value		
Discount rate increase	1	0.9
EBITDA margin (average annual growth rate)	(6.2)	(5.3)

(a) A discount rate is expressed in nominal United States of America Dollars. Management used the discount rate for the calculation of the “Capital Asset Pricing Model” and assumptions that a market participant would make.

(b) An increase in sales based on volume growth, as well as an average annual increase in sales price.

(c) Disposal costs represent the hypothetical amounts estimated to be incurred in the event the business was sold and are calculated as a percentage of a possible transaction.

Disclosure of income tax [text block]

The income tax is as follows:

	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Current IT expense	$ 1,152,060	$ 796,390
Deferred IT expense	550,102	633,128
Total IT	$ 1,702,162	$ 1,429,518

Effective income tax rate reconciliation

Tax expense attributable to income from continuing operations before income tax and other comprehensive income was different from that which would result from applying the rate of 30% of income tax to income before taxes to income and OCI, as a result of items that are mentioned as follows:

	Year ended December 31, 2020 (Ps)	Year ended December 31, 2019 (Ps)
Taxable income	$ 6,854,206	$ 5,147,371
Statutory IT rate	30%	30%
Tax using the Group's domestic tax rate:	2,056,262	1,544,211
Plus (less) items increasing (decreasing) effective IT rate:		
Inflation effects	39,035	(929)
Non-deductible expenses	41,568	79,303
Effect of tax rates in foreign jurisdictions	(386,901)	(123,134)
Others	(47,802)	(69,933)
IT expense	$ 1,702,162	$ 1,429,518
Effective income tax rate	25%	28%

In Mexico, the income tax for the period is calculated by applying a 30% rate on the taxable profit. In the United States of America, the income tax is calculated based on billing and applies to both federal and state levels. The sales tax rates vary from one state to another but, in general, they range from 4% to 7.5%. As regards income tax, it is incurred at a rate of 21% at the federal level and at an average of 5% at the state level. The income tax in England is 19% on fiscal profit and in the Republic of Ireland is 12.5%.

Disclosure of information about employees [text block]

Key Management personnel compensation

Key Management members received the compensation shown below during those periods, which are included in administrative expenses in the corresponding consolidated statements of income:

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Short - term direct benefits	$ 7,487	$ 149,349	$ 125,282
Long-term direct benefits			19,483
Termination benefits			6,788
	$ 7,487	$ 149,349	$ 151,553

Disclosure of intangible assets [text block]

	Goodwill (Ps)		Intangible assets: Indefinite useful life trademarks (Ps)	Definitive useful life licenses of software and others (Ps)	Total (Ps)
At January 1, 2019	$ 6,353,738		$ 14,513,100	$ 150,573	$ 14,663,673
Movements of 2019:					
Investments				204,738	204,738
Acquisitions by business	(21,683)		21,683		21,683
Combinations			(292)	(72,121)	(72,413)
Amortization				(56,772)	(56,772)
Foreign exchange changes	(78,967)		(530,648)	(310)	(530,958)
At December 31, 2019	6,253,088	(1)	14,003,843	226,108	14,229,951
Movements of 2020:					
Investments				91,807	91,807
Acquisitions by business	52,727	(2)	23,536		23,536
Amortization				(50,137)	(50,137)
Foreign exchange changes	585,255		1,146,448	5,694	1,152,142
At December 31, 2020	$ 6,891,070		$ 15,173,827	$ 273,472	$ 15,447,299

(1) Corresponds mainly, to the acquisitions of Bushmills in February 2015, and Pendleton in February 2018.

(2) Corresponds mainly to the acquisition of 60% of Icon Spirits in September 2020.

Disclosure of intangible assets and goodwill [text block]

As of December 31, 2020, and 2019, the group has financial expenses of $ 544 and $ 529 million pesos, respectively.

Disclosure of inventories [text block]

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Non-aging bulk inventory	$ 283,682	$ 5,659,091	$ 4,027,855
Finished goods	223,975	4,468,019	4,573,161
Raw materials and consumables	63,038	1,257,521	1,065,951
Total	570,695	11,384,631	9,666,967
Less: allowance for obsolescence and slow movement	(9,565)	(190,809)	(228,875)
Current inventory	561,130	11,193,822	9,438,092
Non - current inventory (bulk aging inventory*)	298,762	5,959,914	4,990,747
Total	$ 859,892	$ 17,153,736	$ 14,428,839

* The Company also stores some reserves of aged tequilas at its facilities in Mexico and hold substantial reserves of Irish whiskey at the Bushmills, US and Canada whiskey facility. Aged tequilas, such as reposado and añejo, must be matured for at least twelve months, while Irish whiskey must be matured for at least three years.

Analysis by group of biological assets

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Opening balance at January 1	$ 182,204	$ 3,634,742	$ 2,965,190
Increases	118,837	2,370,648	1,868,143
Shrinkage and losses	(6,410)	(127,865)	(123,461)
Transfer of harvested plants to inventory	(34,600)	(690,222)	(1,075,130)
Closing balance at December 31	$ 260,032	$ 5,187,303	$ 3,634,742
Current	$ 14,632	$ 291,882	$ 915,393
Non-current	245,401	4,895,421	2,719,349
Total	$ 260,032	$ 5,187,303	$ 3,634,742

Disclosure of issued capital [text block]

Capital stock at December 31, 2020, is comprised as follows:

	Minimum fixed capital (Ps)
3,619,639,691 Single Series shares with no par value, entirely subscribed and paid	$ 11,283,642

The Company's capital stock amounts to Ps11,283,642, of which, Ps50 correspond to the fixed part and Ps11,233,642 corresponds to the variable part.

As of December 31, 2020, the capital stock of the Company is comprised by shares of the "Single" Series common, ordinary, nominative, with no par value, which are registered with the National Securities Registry (Registro Nacional de Valores) in Mexico. In accordance with IAS 29 "Hyperinflation", an entity must recognize the effects of inflation in the financial information when an economy accumulates 100% inflation in a three-year period. Mexico was considered a hyperinflationary economy until 2007, and for that reason, the Company recognized all the cumulative inflation effects up to that year for Ps. 141,392, which was reclassified to retained earnings as of December 31, 2020.

The controlling stockholders hold approximately 86% of all outstanding Single Series shares as of December 31, 2020 and 2019.

Stockholder	Number of common shares	Ownership of common stock (%)
Several trusts and private entities	3,105,933,737	86.49
Public investors	485,242,564	13.51
Total	3,591,176,301	100.00

On November 30, 2019, Becle merged with certain of its subsidiaries. The merger was effective as of that date and consequently, Becle remained as the surviving entity and the following subsidiaries ceased to exist: Corporativo de Marcas GJB, S. A. de C. V., José Cuervo, S. A. de C. V., Lanceros, S. A. de C. V., Sunrise Distillers, S. A. P. I. de C. V., Tequila Cuervo la Rojeña, S. A. de C. V. and Ex Hacienda los Camichines, S. A. de C. V.

Disclosure of leases [text block]

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

Amounts recorded on the statement of financial position.

The statement shows the following amounts related to leases:

	December 31,		
	2020 (US)	**2020 (Ps)**	**2019 (Ps)**
Right-of-use assets:			
Land	$ 52,058	$ 1,038,486	$ 780,980
Real estate	63,858	1,273,881	1,244,486
Furniture and equipment	1,975	39,403	20,703
	$ 117,891	$ 2,351,770	$ 2,046,169
Lease liabilities:			
Current	$ 30,943	$ 617,268	$ 445,582
Non-current	92,431	1,843,873	1,702,822
	$ 123,374	$ 2,461,141	$ 2,148,404

The Company leases land to plant agave under different non-cancellable lease agreements which expire in 6 and 8 years or when the harvest process is complete. Also, the Company leases furniture, equipment, and offices where the headquarters are located, which rental agreements are usually made for fixed periods of 5 to 25 years, but they may have term extension options.

Assets and liabilities derived from a lease are initially measured at present value. Lease liabilities include the net present value of the following payments:

- fixed payments (including if they are in substance), less lease incentives receivable;
- variable lease payments that are based on an index or rate; initially measured using the index or rate on the start date;
- the amounts expected to be payable by the Company in guarantee of residual value;
- exercise price of a purchase option if the Company is reasonably certain of exercising that option; and
- penalty payments for termination of the lease agreement, if the terms of the lease indicate that the Company will terminate.

Lease payments that will be made under renewal options with reasonable certainty of being exercised are also included in the measurement of the liability.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be easily determined, as is usually the case with the Company's leases, the lessee’s incremental financing rate, which is the rate that the lessee would have to pay to borrow the necessary funds to obtain a lease, is used. Asset of similar value to the right-of-use the asset in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental financing rate, the Company:

- when possible, uses the recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in the financing conditions since the third-party financing was received,
- uses other approaches where it begins with a risk-free interest rate adjusted for credit risk for leases held by the Company, which do not have recent third-party financing, and
- applies specific adjustments to the lease, for example, term, country, currency and guarantees.

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

Lease payments are allocated between the principal and the financial cost. The financial cost is charged to income during the lease period in order to produce a constant periodic interest rate on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost, including the following:

- the amount of the initial measurement of the lease liability;
- any lease payment made on or before the commencement date minus any lease incentive received;
- any initial direct costs; and
- restoration costs.

The right-of-use assets are generally depreciated in a straight line during the shortest period between the useful life of the asset and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset depreciates over the useful life of the underlying asset.

Payments associated with short-term leases of furniture and equipment and all leases of low-value assets are recognized under the straight-line method as an expense in results. Short-term leases are leases with a lease term of 12 months or less. Low-value assets include electronic tablets, printing equipment and small office furniture items.

Some property leases contain variable payment terms that are linked to agave production generated when the harvest process is complete. These lease payments are based on variable payment terms with percentages of 3% of agave harvest. Variable lease payments that depend on agave harvest are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination option

Extension options are not included in leases of land where are the agave plantations, and regarding termination option is when the agave harvest process is complete. For the rest of the real estate, furniture and equipment held by the Company, extension and termination options are included in contracts. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations.

Disclosure of liquidity risk [text block]

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring additional financing costs or risking damage to the Group's reputation.

Normally, the Group ensures that it has sufficient available cash to cover expected operating expenses for a 60-day period, which includes payment of its financial obligations. The aforementioned excludes the possible impact of extreme circumstances that are not reasonably predictable, such as natural disasters.

The Company believes that the cash generated by its operations is sufficient to fund its operating and capital requirements in the near term.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of uncommitted credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

In order to preserve liquidity during the health contingency caused by COVID-19, the Company implemented the following measures: a) restriction of operating expenses to the minimum necessary; and b) extension of the payment term to some suppliers.

Exposure to liquidity risk

The table below includes a summary of the remaining contractual maturities of non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Book value (Ps)	Total (Ps)	1 month to 1-year (Ps)	1 to 3 years (Ps)	More than 3 years (Ps)
	Contractual cash flows				
December 31, 2020					
Senior Notes	$ 9,955,908	$ 11,875,000	$ 375,000	$ 1,125,000	$ 10,375,000
Trade payables	3,062,436	3,062,436	3,062,436		
Related parties	169,551	169,551	169,551		
Other account payables	4,809,560	4,809,560	4,809,560		
Other long-term liabilities	508,401	508,401			508,401
December 31, 2019					
Senior Notes	$ 9,390,788	$ 11,618,141	$ 374,534	$ 746,588	$ 10,497,019
Trade payables	2,182,716	2,182,716	2,182,716		
Related parties	68,382	68,382	68,382		
Other account payables	3,944,604	3,944,604	3,944,604		
Lease liabilities	2,148,404	4,751,889	461,276	1,163,303	3,127,310
Other long-term liabilities	190,823	190,823			190,823

Disclosure of market risk [text block]

Market risk

Market risks are the risks that changes in market prices, foreign exchange rates and floating interest rates, will affect the Group's income or the value of its financial instruments. The purpose of market risk management is to identify, assess, control and review risk exposure within acceptable parameters to optimize profitability.

Operational risk

The Agave Azul plant is the most important raw material in the production of Tequila and takes six to eight years to reach maturity for harvest, which is the optimum age, when most of the sugars have been concentrated in the "pineapple" of the plant.

Agave Azul must be planted and produced in the territory of the Appellation of Origin for Tequila in Mexico. The agave plantations are exposed to a) climate risks, such as severe weather variations or natural disasters, droughts, unusually cold weather, torrential rains, floods and earthquakes; and b) agricultural risks, such as seed and land selection risks, unhealthy seeds or soil nutrient deficiencies, improper application of fertilizers and herbicides, risks of bacteria, disease outbreaks, pestilence and other occurrences. If any of the risks occurred, it could have a material adverse effect on the supply of

Agave Azul, affecting our production of tequila or increasing our costs. The Company has strategically distributed its Agave Azul plantations across the territory of the Appellation of Origin for Tequila, to minimize any shortage risks arising from climate conditions or crop diseases. This geographical diversification and vertical integration, together with quality optimization processes, helps to ensure the Group's current and future Agave Azul supply and therefore tequila production to meet yearly demand.

As there is no formal market for the purchase of Agave Azul, it is the Company's policy to be integrated in Agave Azul in order to meet internal production requirements without depending upon third-party suppliers. However, due to variability in growing conditions, from time to time, the Company rebalances its Agave Azul plantations to ensure consistency in plant age and growth across the territory of the Appellation of Origin for Tequila in which the Company operates plantations. To meet its production requirements during this period of inventory rebalancing, the Company has had to procure Agave Azul from third parties.

The Company leases the land where its Agave Azul and mezcal plants are cultivated but reserves the absolute control of all the processes and investments related to its cultivation. The Agave Azul and mezcal plantations are not affected by title restrictions of any kind, nor have they been pledged as a guarantee for financial liabilities.

The Company also stores some reserves of aged tequilas at its facilities in Mexico, holds substantial reserves of Irish whiskey at the Bushmills facility, and holds substantial volumes of maturing American whiskey and Canadian whisky at various locations in the United States and Canada. Aged tequilas, such as reposado and añejo, must be matured for at least twelve months, while Irish whiskey and Canadian whisky must be matured for at least three years. American whiskey has more complex aging requirements. Any loss of all or a portion of or our inventory of tequilas or whiskeys in reserve (for example, as a result of contamination, fire or other natural disaster or destruction resulting from negligence or the acts of third parties) may also lead to a substantial decrease in the supply of those products.

Disclosure of property, plant and equipment [text block]

At December 31, 2020 and 2019, property, plant and equipment are comprised as follows:

	Balances at January 1, 2020 (Ps)	Acquisitions (Ps)	Disposals (Ps)	Transfers (Ps)	Translation effect (Ps)	December 31, 2020 (Ps)
Manufacturing, bottling, storage, machinery and equipment	$ 4,439,792	$ 29,904	$ (127,846)	$ 358,612	$ 112,175	$ 4,812,637
Casks	983,207	165,222	(4,029)	-	88,907	1,233,307
Buildings and construction	1,386,247	13,432	(644)	367,696	85,751	1,852,482
Transportation equipment	332,617	57,627	(62,285)	32,325	1,115	361,399
Leasehold improvements	356,278	4,796	(2,034)	66,044	5,553	430,637
Computer and telecommunication equipment	201,896	21,516	(6,857)	15,678	5,510	237,743
Office furniture and laboratory equipment	177,820	18,943	(6,130)	9,124	2,666	202,423
Land	647,344	3,475	-	556,038	13,805	1,220,662
Construction in progress and advances for acquisitions of equipment	1,670,287	3,225,802	-	(1,400,209)	57,290	3,553,170
Original investment (OI)	10,195,488	3,540,717	(209,825)	5,308	372,772	13,904,460
Accumulated depreciation	(3,250,811)	(552,120)	140,780	(5,308)	(67,513)	(3,734,972)
Total property, plant and equipment	$ 6,944,677	$ 2,988,597	$ (69,045)	$ -	$ 305,259	$ 10,169,488

	Balances at January 1, 2019 (Ps)	Acquisitions (Ps)	Disposals (Ps)	Transfers (Ps)	Translation effect (Ps)	December 31, 2019 (Ps)
Manufacturing, bottling, storage, machinery and equipment	$ 4,146,031	$ 78,038	$ (95,649)	$ 359,348	$ (47,976)	$ 4,439,792
Casks	839,931	153,530	(2,344)	-	(7,910)	983,207
Buildings and construction	1,355,470	2,631	-	49,655	(21,509)	1,386,247
Transportation equipment	280,398	77,741	(27,153)	2,170	(539)	332,617
Leasehold improvements	309,782	4,260	(2,096)	48,246	(3,914)	356,278
Computer and telecommunication equipment	174,332	24,233	(3,341)	10,121	(3,449)	201,896
Office furniture and laboratory equipment	147,460	9,729	(1,413)	23,484	(1,440)	177,820
Land	646,735	-	(790)	5,380	(3,981)	647,344
Construction in progress and advances for acquisitions of equipment	488,215	1,686,158	-	(498,404)	(5,682)	1,670,287
Original investment (OI)	8,388,354	2,036,320	(132,786)	-	(96,400)	10,195,488
Accumulated depreciation	(2,882,049)	(493,175)	100,338	-	24,075	(3,250,811)
Total property, plant and equipment	$ 5,506,305	$ 1,543,145	$ (32,448)	$ -	$ (72,325)	$ 6,944,677

As of December 31, 2020, and 2019, constructions in progress represent, mainly:

a. Machinery and equipment to improve cooking, grinding, crushing, distillation and labeling processes for Ps109,052 and Ps103,242, respectively;

b. Equipment due to marketing image changes of the following tequilas: 1800, Jose Cuervo Tradicional and Jose Cuervo Especial Reposado amounting to Ps42,955 and Ps20,488, respectively;

c. Casks purchases for Ps54,813and Ps49,198, respectively;

d. Improvements to offices, plant and warehouse amounting to Ps43,803 and Ps41,092, respectively;

e. Investment in manufacturing plants in order to increase its production capacity amounting to Ps3,292,026 and Ps109,526, respectively.

Disclosure of related party [text block]

Related party balances

A summary of receivables and payables with related parties is shown below:

	December 31, 2020 (US)	December 31, 2020 (Ps)	December 31, 2019 (Ps)
Receivables:			
Stockholders	$ 2,126	$ 42,415	$ 26,391
Rones del Caribe, S. A. de C. V.	4	87	30,008
Salsas de Jalisco Cacu, S. A. de C. V.	-	-	33,874
Other	737	14,712	13,021
	$ 2,868	$ 57,214	$ 103,294
Payables:			
Eire Born Spirits, LLC.	$ 6,245	$ 124,586	$ 43,301
Maison Villevert SAS	2,006	40,018	-
Aeroservicios Ejecutivos Corporativos, S. A. de C. V.	218	4,344	11,467
Other	30	603	13,614
	$ 8,499	$ 169,551	$ 68,382

Below is a summary of main transactions carried out with related parties:

	Year ended December 31, 2020 (Ps)	Year ended December 31, 2019 (Ps)
Income:		
Administrative services:		
Salsas de Jalisco Cacu, S. A. de C. V. (1)	$ 29,795	$ 27,390
Grupo Consultoría Santa Fe, S. A. de C. V. (1)	9,105	2,531
Tequila Espíritu de México, S. A. de C. V. (1)	1,612	2,807
Matusalem and Matusalem Florida, Inc. (1)	2,957	1,167
Administración Acuario, S. A. de C. V. (1)	1,086	940
Rones Habanos, S. A. de C. V. (1)	8	-
Rones del Caribe, S. A. de C. V. (1)	8	-
	$ 44,571	$ 34,835
Sales of finished goods:		
Matusalem and Matusalem Florida, Inc. (1)	$ 11,217	$ 13,805
Tequila Espíritu de México, S. A. de C. V. (1)	6	181
Grupo Consultoría Santa Fe, S. A. de C. V. (1)	122	-
Administración Acuario, S. A. de C. V. (1)	-	61
	$ 11,345	$ 14,047
Interest income:		
Rones del Caribe, S. A. de C. V. (1)	$ 1,001	$ 1,260
Taberna del tequila, S. A. de C. V. (1)	113	125
	$ 1,114	$ 1,385
Lease income:		
Rones Habanos, S. A. de C. V. (1)	$ 67	$ -
Rones del Caribe, S. A. de C. V. (1)	67	-
	$ 134	$ -
Other income:		
Salsas de Jalisco Cacu, S. A. de C. V. (1)	$ -	$ 5,133

Disbursements:	Year ended December 31, 2020 (Ps)	2019 (Ps)
Administrative services:		
Grupo Consultoría Santa Fe, S. A. de C. V. (1)	$ 5,040	$ 5,040
Tequila Espíritu de México, S. A. de C. V. (1)	1,097	-
Matusalem and Matusalem Florida, Inc. (1)	-	1,167
Administración Acuario, S. A. de C. V. (1)	-	940
	$ 6,137	$ 7,147
Finished products purchases:		
Matusalem and Matusalem Florida, Inc. (1)	$ 22,568	$ -
Salsas de Jalisco Cacu, S. A. de C. V. (1)	-	275,616
	$ 22,568	$ 275,616
Royalties expenses:		
Eire Born Spirits, LLC. (2)	$ 290,172	$ 87,185
Taberna del tequila, S. A. de C. V. (1)	40,521	-
Rones Habanos, S. A. de C. V. (1)	6,594	8,768
	$ 337,287	$ 95,953
Lease expenses:		
Desarrollo Inmobiliario Polanco, S. A. de C. V. (1)	$ 43,986	$ 90,463
Inmuebles rústicos Santo Domingo, S. A. de C. V. (1)	7,553	14,751
Bienes Inmuebles de Tequila, S. A. de C. V. (1)	1,866	1,801
	$ 53,405	$ 107,015
Services received:		
Aeroservicios Ejecutivos Corporativos, S. A. de C. V. (1)	$ 81,335	$ 110,988
Desarrollo Inmobiliario Polanco, S. A. de C. V.(1)	6,559	6,281
Administración Acuario, S. A. de C. V. (1)	6,218	7,537
Grupo Consultoría Santa Fe, S. A. de C. V. (1)	3,697	2,343
Tequila Espíritu de México, S. A. de C. V. (1)	4,387	654
	$ 102,196	$ 127,803
Interes expenses:		
Destilería Todos Santos , S. A. de C. V. (1)	$ 273	$ -

(1) Affiliate
(2) Associate

On January 27, 2020, the Company purchased real estate assets of its tequila manufacturing facilities, from Desarrollo Inmobiliario Polanco, S. A. de C. V. for an amount of $335,000.

Disclosure of reserves within equity [text block]

Capital reserves and Other Comprehensive Income

Capital reserves are comprised as follows:

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Legal reserve	$ 115,441	$ 2,302,893	$ 2,302,893
Reserve for repurchase of shares	100,257	2,000,000	3,455,278
	$ 215,698	$ 4,302,893	$ 5,758,171

Repurchase of shares.

The Company's stockholders have authorized a reserve for the acquisition of its own shares. The Company must comply with its bylaws and the provisions of the Securities Market Law, in order to acquire its own shares. At the General Stockholders' Meeting held on June 22, 2020, it was approved the maximum amount of the reserve for repurchase of shares applicable for the year 2020 for Ps2,000,000. In 2020 and 2019, the Group repurchased and resold a net amount of 28,463,390 and 5,215,705 shares. The related gains amounted to Ps114,980 and Ps155,278, respectively, and were added and subtracted from this reserve.

According to the Securities Market Law, any repurchased of shares that are not resold after two years must be cancelled. At the ordinary general meeting held on April 30, 2019, the Company's stockholders approved the cancellation of 34,400,000 shares. As a result of this, the Company reduced its capital stock by Ps108,086 and Ps1,061,514 of share premium. At the ordinary general meeting held on June 22, 2020, the Company's stockholders approved the cancellation of 28,463,390 shares. As a result of this, the Company reduced its capital stock by Ps89,433 and Ps878,322 of share premium.

Legal reserve

According to the Corporations Law, a minimum of 5% must be set aside from net earnings for the period in order to meet the legal reserve until funds in reserve reaches 20% of the capital stock. The legal reserve can be capitalized but must not be distributed unless the Company is dissolved, and the difference must be made up if the reserve falls below 20% of capital stock for any reason. As of December 31, 2020, and 2019, the statutory reserve has reached the required amount.

The other comprehensive income consists of translation effects and employee benefits effects, net of taxes, which are included in the stockholders' equity and do not represent either capital contributions, reductions or distributions.

Other Comprehensive Income:

This item is comprised as follows:

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Reserve for translation effects	$ 293,957	$ 5,864,056	$ 3,950,279
Equity investment at fair value through OCI	(982)	(19,582)	(46,513)
Employee benefits - Net	6,677	133,194	97,951
	$ 299,652	$ 5,977,668	$ 4,001,717

For the years ended December 31, 2020 and 2019, the movement of other comprehensive income is comprised as follows:

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Translation effects	$ 95,935	$ 1,913,777	$ (1,145,931)
Fair value of equity investment - net of income taxes	1,350	26,931	(46,513)
Employee benefits - net of income taxes	1,767	35,243	25,713
	$ 99,052	$ 1,975,951	$ (1,166,731)

For the years ended December 31, 2020 and 2019, the reconciliation of reserve for translation effects is as follows:

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Beginning balance of reserve for translation effects	$ 198,022	$ 3,950,279	$ 5,096,210
Foreign currency movements from hegde	27,658	551,750	$ -
Annual translation effects	68,277	1,362,027	(1,145,931)
Closing balance of of reserve for translation effects			
	$ 293,957	$ 5,864,056	$ 3,950,279

Disclosure of significant accounting policies [text block]

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their Interpretations (IFRIC) issued by the International Accounting Standards Board (IASB). In accordance with the changes to the Rules for Public Companies traded on the Mexican Stock Exchange, as issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its financial statements using IFRS as the regulatory framework.

The consolidated financial statements have been prepared on a historical cost basis except for (1) the plan assets that are measured at fair value, as explained in Note 2.21; (2) Equity investments that had previously been recognized as Associates and are now recognized at fair value through Other Comprehensive Income (OCI); (3) financial instruments measured at fair value through profit or loss; and (4) biological assets measured at fair value less costs to sell.

Preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements.

Convenience translation to U.S. Dollars ($) - supplementary information

The consolidated financial statements are stated in thousands of Mexican pesos (Ps) and rounded to the nearest thousand unless stated otherwise. However, solely for the convenience of the readers, the consolidated statement of financial position, as of December 31, 2020, the consolidated statement of comprehensive income and consolidated cash flows statements for the year ended December 31, 2020 were converted into U.S. dollars at the exchange rate of Ps19.9487 per U.S. dollar, as published by the Bank of Mexico on December 31, 2020. Such conversion should not be construed as representation that the Mexican peso amounts represent, or have been or could be converted into, United States dollars at that or any other rate, in accordance with IAS 21.

New standards and changes adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7, (phase 1).
- Revised Conceptual Framework for Financial Reporting

As of May 31, 2020, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on December 31, 2020:

- Covid-19-related Rent Concessions- Amendments to IFRS 16: as a result of the COVID-19 pandemic, rent concessions have been granted to lessees, commencing as of June 1, 2020.
- Classification of Liabilities as Current or Non-current- Amendments to IAS 1: the amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.
- Property, Plant and Equipment: proceeds before intended use - Amendments to IAS 16: the amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use.
- Annual Improvements to IFRS Standards 2018-2020, which were finalized in May 2020:
    - IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
    - IFRS 16 Leases - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
    - IAS 41 Agriculture - removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Going concern

The Company meets its working capital needs through reinvestment of a significant portion of its annual profits. The Company's financial structure allows the Company to take on debt, despite its investments in capital expenditures carried out annually to increase the Company's facilities. The Company's financial strength, the continued strong performance in the US and Canada, and the measures adopted by the Company, have allowed it to operate with liquidity, despite the restrictions that the governments of the regions of Mexico and the RoW have ordered to contain the pandemic. Considering the possible variations in operating performance, the Company believes its budget and projections allow it to operate with its current level of financing and meet all debt obligations. The Company is currently in compliance with its payment obligations and all debt covenants.

Management expects the Company to secure the resources necessary to continue operating as a going concern in the foreseeable future. Consequently, the consolidated financial statements were prepared on a going-concern basis.

Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interest in income and in the capital of subsidiaries is shown separately in the consolidated statement of income, in the statement of comprehensive income, in the statement of changes in stockholders' equity and in the statement of financial position, respectively.

The following is a summary of the Company's interest in main subsidiaries at December 31, 2020 and 2019:

Company	% of ownership	Activity
Casa Cuervo, S. A. de C. V.	100%	Manufacturing, selling and marketing in Mexico and around the world.
Sunrise Spirits Holdings, Inc. (Proximo US)	100%	Manufacturing, selling and marketing in the United States of America.
JC Overseas, Ltd (includes the subsidiaries JC Master Distribution and Old Bushmills Distillery Company Limited)	100%	Production, manufacturing, maturation and packaging of Irish whiskey and other spirits and selling in EMEA and APAC.
Azul Agricultura y Servicios, S. A. de C. V.	100%	Agriculture activities to operate the Company's Agave Azul plantations.
Services provider companies	Several*	Services provider.

*On February 14, 2020, the Company acquired a 10% interest (Ps.10,361) in Icon Spirits, S.L. (Icon Spirits), a spirits distributor based in Barcelona, Spain. On September 18, 2020, the Company acquired an additional 50% (Ps.62,301) interest to reach a cumulative 60% (Ps.72,662) stake and effective that date, the Company has control over Icon Spirits.

Associates and changes in ownership interests.

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Equity Method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in OCI. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is annually assessed for potential impairment.

When the Group ceases to equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amounts previously recognized in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in OCI are reclassified to profit or loss.

Segment information

Segment information presented is consistent with management reporting provided to the Strategy Committee (the chief operating decision maker or CODM), which is integrated by the CEO, the Head of Operations, and the Chief Financial Officer.

- Foreign currency transactions

- Functional and reporting currency

Items included in the financial statements of each of the Group's subsidiaries and associates are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Mexican pesos, which is the functional currency of the parent company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to net qualifying investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Financial assets

Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 60 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and disposal

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. As of December 31, 2020, and 2019, the Company has the following measurement categories in which it classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Equity instruments

- The Company subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gain and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

Impairment

The Company assesses on a forward-looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before December 31, 2020 or January 1, 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments. Impairment losses on trade receivables are presented within operating income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The cash equivalents are represented by investments in government instruments.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest rate method, less the expected credit loss. All receivables fall due within one year. Trade receivables are interest-free settled within normal trading terms.

Other recoverable taxes and receivables

The Company classifies favorable taxes balances as value-added tax, and other creditable taxes as other recoverable accounts. If collection rights or recovery of these amounts is realized within 12 months as from the year-end closing, they are classified as short term; otherwise, they are shown as non-current assets.

Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated sale price in the ordinary course of business, less the costs of completion and the estimated necessary costs to close the sale.

Inventories comprise direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, based on a normal operational capacity.

The Company classifies as current, the inventory that is available for sale, and as non-current inventories, those that require an aging period to be sold.

Classification, measurement and valuation of biological assets

Biological assets held by the Company consists of plants of Agave Azul Tequilana Weber (Agave Azul). The plants, which are grown on leased land, are used for the later production of tequila under the Company's own brands, which are marketed both in the domestic market and abroad. The maturity cycle of agave ranges between six and eight years; based on this, biological assets are classified as mature and immature. Mature biological assets are those that have attained harvestable specifications and are susceptible to be harvested or marketed; consequently, these plants are measured at fair value (based on the present value of future cash flows discounted at a market determined rate) less costs to sell. Costs to sell include the incremental selling costs, mainly the estimated harvest costs per kilogram, but exclude costs of transport to the market and income taxes. Immature biological assets are plants that have not reached the point of maturity because their sugar content yield and weight is not enough to be harvested and there is no active market for such plants; consequently the Company accounts for these assets at their accumulated historical cost, which mainly includes: physical and chemical studies to prepare the land, labor costs, fertilizers, pest monitoring, pruning of plants, selection and planting of young plants, and depreciation of the right-of-use assets of the agave plantations land; the amount so determined approximates fair value.

Borrowing costs are included as part of biological assets.

Biological assets are classified as current if they are to be harvested within one year, otherwise are classified as non-current.

The Company considers biological assets until the plants are harvested. Any processing or future transformations after the point of harvest are accounted for as inventory. Harvested plants are transferred to inventory at fair value less costs to sell when harvested.

IAS 41 "Agriculture" requires fair value changes resulting from biological growth to be presented in the statement of comprehensive income. These valuation effects have not been material and therefore have not been recorded for the periods presented.

The fair value determined for biological assets is classified as level 3 in the fair value hierarchy.

Hedging activities

Beginning January 1, 2020, the Company designated its US$500 million senior notes debt as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc. with the objective of mitigating the exchange rate risk arising between the functional currency of the U.S. operations and the functional currency of the holding company. The exchange differences of both, the hedging instrument and the hedged item, are now classified in equity, and reclassified from equity to profit or loss if the Company disposes on the investment.

The Company formally designated and documented the hedging relationship, setting the objectives, risk-hedging strategy, identification of the hedging instrument, hedged item, nature of the risk to be hedged, and effectiveness assessment methodology. Since the exchange rate hedging relationship is clear, the method the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items.

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Net investment hedges

The Company applies hedge accounting to the foreign exchange risk resulting from its investments in foreign operations because of changes in exchange rates arising between the functional currency of that operation and the functional currency of the holding company, regardless of whether the investment is held directly or through a sub-holder. The change in exchange rates is recognized in other comprehensive income as part of the translation effect when the foreign operation is consolidated.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

To this end, the Company designates the debt denominated in foreign currency as hedging instruments. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income, in the line foreign currency translation reserve. When the hedge is not effective, exchange rate differences are recognized in foreign exchange gain or loss in the income statement.

Property, plant and equipment

Land is valued at cost minus any impairment losses. All other components of property, plant, and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes expenses directly attributable to acquisition of the asset. The cost of assets built by the entity include the following:

- The cost of materials and direct labor.
- Any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Continuous repairs and maintenance are expensed in the income statement as incurred.

Components of property, plant and equipment are depreciated from the date on which they are installed and ready for their use or in the case of assets internally built, from the date on which the asset is completed and ready to be used.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

	Years
Manufacturing, bottling, storage, machinery and equipment	7 to 25
Casks	2 to 20
Buildings and constructions	20 to 60
Transportation equipment	5
Computer and telecommunication equipment	3 to 5
Office furniture and laboratory equipment	5 to 10
Leasehold improvements	Over the remaining term of the contract, or its useful life, whichever is earlier.

Depreciation methods, useful lives and residual values are reviewed at each date of the consolidated financial statements and adjusted if appropriate.

If significant parts of an item of property, machinery and equipment have different useful lives, they are accounted for as separate items (major components) of property, machinery and equipment.

Any gain or loss on the disposal of an item of property, machinery and equipment (determined as the difference between the net proceeds upon disposal and the book value for such item) are recognized in the income statement.

Borrowings Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income obtained from the temporary investment of specific borrowings pending their expenditure on qualified assets is deducted from the borrowing cost eligible for capitalization.

Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Trademarks and brands

Trademarks and brands acquired in a business combination are recognized at fair value at the acquisition date.

Acquired trademarks and intellectual property are: Boodles British Gin, Hangar 1 Vodka, Stranahan's Colorado Whiskey, Three Olives Vodka, Bushmills Irish Whiskey, Owney's Rum, and Black Dirt Bourbon. The intellectual property is Pendleton, which included Pendleton Midnight, Pendleton 1910 and Pendleton Directors' Reserve.

Trademarks and brands have an indefinite useful life; therefore, they are not subject to amortization. To date, no factors limiting the useful life of these assets have been identified. The trademarks and license to use brands are considered to have an indefinite useful life due to the positioning they have in the market and the Company's continued investment in equity-building marketing activities, and because the Company's experience and market evidence indicates that, they will continue to generate cash flows for the Company in indefinite form. Additionally, the Company believes there are no legal, regulatory or contractual considerations that limit the useful lives of such brands.

Intangible assets with defined life

Intangible assets that have defined useful lives are shown at historical cost and are subsequently carried at cost less accumulated amortization and impairment losses. (See Note 12). Amortization of intangible assets with defined life is calculated by using the straight-line method over their estimated useful lives and is recognized in profit or loss.

The estimated useful lives are as follows:

	Years
License of software	3 to 6
Trademarks registration	Average Duration of Registration

Amortization methods and useful lives are reviewed at each date of the consolidated financial statements and adjusted if appropriate.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At December 31, 2020 and 2019, there were no signs of impairment in noncurrent assets subject to depreciation and amortization, and in the case of indefinite-lived assets, the Company's annual impairment tests showed no indicators of impairment.

Prepayments

Prepayments represent disbursements made by the Company, in which the benefits and risks inherent to the goods to be acquired or in the services to be received have not yet been transferred. Prepayments are recorded at cost and are shown in the statement of financial position as current assets when due in 12 months or less, and as noncurrent when due in more than 12 months as from the date of the statement of financial position. Once the goods and/or services have been received, they must be recorded as assets or expenses in the statement of income for the period. When advance payments lose their capacity to generate future economic benefits, the amount considered unrecoverable is recognized in the income statement in the period in which this occurs. The principal items included in prepayments are advertisement and prepaid federal excise taxes.

Trade payables

Trade payables are obligations of goods or services acquired from vendors in the normal course of operations. Accounts payable are classified as current liabilities if the payment is to be made within a year or less (or in the normal cycle of business operations if it is greater). Otherwise, they are shown as non-current liabilities.

Trade payables are initially recognized at fair value and subsequently measured at their amortized cost, using the effective interest rate method.

Issuance of Senior Notes

The issuance of the Company's Senior Notes was initially recognized at fair value, net of costs incurred in the transaction. This financing was subsequently recorded at its amortized cost. Differences, if any, between the funds received (net of transaction costs) and the redemption value were recognized in the statement of income during the period of the financing, using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Other accounts payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Other accounts payable are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Environmental reserve

The environmental reserve was originally recognized during the acquisition of the manufacturing and warehousing assets located in Lawrenceburg, Indiana, and it corresponds to the Company's best estimate of the cost to be paid for the eventual abatement of asbestos at that site. This reserve is adjusted prospectively based on available evidence at each reporting period-end and an estimate of remediation cost is prepared.

Income taxes

Income tax is recognized in the statement of income, except when it relates to items applied directly to other comprehensive income or losses or to stockholders' equity. In this case, income tax is also recognized in other items pertaining to comprehensive income or directly to stockholders' equity, respectively.

Current tax

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary and permanent differences between accounting and tax treatments, and due to items that are never taxable or tax deductible.

Deferred taxes

Deferred tax is recognized for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their value for tax purposes. The amount of deferred tax reflects the expected recoverable amount and is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using the basis of taxation enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized where it is more likely than not that the assets will not be realized in the future.

Deferred tax is not recognized for:

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

Temporary differences related to investments in subsidiaries and associates to the extent that the Group can control the timing of the reversal on the temporary differences and it is probable that they will not be reversed in the foreseeable future.

The deferred tax asset is only recognized to the extent future tax benefits are likely to be achieved and can be applied against any temporary differences in liabilities.

The balances of deferred assets and liabilities, tax-on-profits, are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax-on-profit assets and liabilities relate to the same tax entity, or different tax entities where the balances are to be settled on a net basis. The charge corresponding to taxes on profits currently payable is calculated according to the tax laws approved as of the balance sheet date in Mexico and in the countries in which the Company's subsidiaries and associates operate and generate a taxable base. Management periodically evaluates their tax positions with respect to tax refunds as tax laws are subject to interpretation.

IFRIC 23 Uncertainty concerning income tax treatment.

The interpretation is applied to the determination of the tax profit (loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty concerning the treatment of income tax in terms of IAS 12. The IFRIC considers that an entity must assume that the tax authority has the right to examine any figures reported and it may examine those figures and attain full knowledge of all relevant information when doing so. It must also consider whether the respective authority is likely to agree to each tax treatment or group of tax treatments used or to be used when calculating income tax.

If the entity concludes that a particular tax treatment is likely to be accepted, it must determine the tax profit (loss), tax bases, unused tax losses, unused tax credits and tax rates in a manner consistent with the tax treatment used in preparing its tax return. If the entity concludes that a particular tax treatment is unlikely to be accepted, the entity must use the most likely figure or the expected value of the tax treatment when determining the tax profit (loss), tax bases, unused tax losses, unused tax credits, and tax rates.

As of December 31, 2019, the Company considered it was probable that the tax deduction of certain marketing expenses in Mexico and other tax positions taken in fiscal years 2011 to 2015, were unlikely to be accepted. Although, the Company had held several discussions with the Mexican Tax Authorities if the final outcome was not favorable, this would increase the Group's tax payable and current tax expense by Ps117,000. Although in this scenario, the matter would be subject to tax litigation, Company's Management decided recognize this amount against retained earnings in accordance with IFRIC 23 implementation guidelines. At the end of the first semester of 2020, the Mexican Tax Authorities concluded about the Company's tax position, and it was not favorable to the Company, resulting in a tax payment of the previously recorded estimation of Ps117,000. As of December 31, 2020, the Company has not uncertain tax positions.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

In some countries, the Company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of zero-coupon government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates various post-employment schemes, including defined benefit pension plans. Pension obligations.

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on the basis of zero-coupon government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Profit-sharing and bonus plans

The Company recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's stockholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based mon the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Capital stock and treasury shares

Company shares that are publicly traded on the Mexican Stock Exchange are classified as capital stock.

In accordance with the provisions of Article 56 of the Securities Market Law and Title Six of the Issuer's Sole Circular, which establishes that Company shares placed on the Mexican Stock Exchange may be acquired under certain rules, the Company carries out the procedure for the purchase or sale of Company shares placed on the Mexican Stock Exchange from the repurchase fund.

The purchase of own shares issued operated under the repurchase reserve, are recorded as a reduction of the Company's stockholders' equity until those shares are canceled or resold again. When those shares are resold, the consideration received is recorded in the Company's stockholders' equity. Any incremental attributable cost (net of income tax) is also deducted from capital stock.

Revenue recognition

Net sales are gross sales less discounts, certain excise taxes, and duties. The Company incurs excise taxes and duties throughout the world. In most countries excise taxes and duties are effectively a tax that generally becomes payable when the finished product is physically moved from inside to outside bonded premises and is not related to the value of sales.

Revenue from the sale of goods is recognized depending upon agreed terms with individual customers at the time of dispatch, delivery or some other specific point when the Group transfers control over the goods to the customer. Generally, the transfer of control of goods occurs at the time of delivery. For those sales that allow the customer to return an item, revenue is recognized to the extent that it is highly probable that no return will occur. Where a customer has a right to return a product within a given period, the group recognizes a refund liability for the amount of consideration received for which the entity does not expect to be entitled. Therefore, the amount of revenue recognized is adjusted for expected returns that are estimated based on the historical data of the products. In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods (Ps35,488 as at December 31, 2020 and Ps17,277 at December 31, 2019). The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

The distribution channels, depending on the territory, include retailers, supermarkets, wholesalers, and grocery stores where products are consumed outside of said establishments.

The Company grants rebates to customers in certain territories. Customer rebates are negotiated and documented by the commercial area and are discounted from revenues in the period in which they are granted.

Leases

The right to use the leased goods is recorded in assets, and the contractual obligation to make lease payments is recorded in liabilities. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Most significant lease contracts relate to land for the Company's agave plantations and corporate offices and premises. For land leases, lease terms are aligned with estimated harvest period.

Payments associated with short-term leases of office furniture and equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Earnings per share

Basic earnings per ordinary share are calculated by dividing net income attributable to controlling interest between the average number of ordinary shares outstanding during the period, adjusted by treasury shares repurchased and retained. The Company has no potentially dilutive shares, and therefore basic and diluted earnings per share are the same.

Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity;

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Provisions, contingent liabilities and legal proceedings

Provisions for legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. A provision is recognized if, and only if: a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), payment is probable (more likely than not), and the amount can be estimated reliably.

Financial income and financial costs

Financial income includes interest income on invested funds and, as well as foreign exchange gains.

Financial costs comprise interest expense on loans, leases and foreign exchange losses.

Comprehensive income

Comprehensive income is comprised of net income, translation effects, changes in fair value of equity investments and the results from remeasurements on employee benefit obligations net of income taxes, which are reflected in stockholders' equity, but which do not constitute capital contributions, reductions and/or distributions.

Cash flow statements

The Company presents the cash flow from operating activities using the indirect method, in which the profit or loss is adjusted for the effects of transactions that do not require cash flow, including those associated with investment or financing activities. In addition, the Company has elected to present the cash received from interest in favor as part of the investment activities and the effect of payment of dividends and interest as part of the financing activities.

Dividends

The Company does not currently have a formal dividend policy and there are no plans to adopt any such policy; the Company intends to declare dividends annually and pay those dividends in one payment during the year.

Call option to acquire Old Camp interest owned by third parties.

As mentioned in Note 17.3, the Company has call options to acquire 41.44% of Old Camp, currently owned by third parties. As the Company holds a 58.51% majority ownership in Old Camp, management concluded it had control over this entity. The combination of put and call options, with the same period of exercise and similar pricing, indicated that the arrangement would result in the exercise of either the call options or the put options in the most likely scenario. According to the latter in addition to recognizing the NCI, the Company has recognized a financial liability at the present value of redemption amount and adopted an accounting policy election to recognize the subsequent changes in the value of the NCI put liability through equity (other stockholders' movements – Net).

Financial instruments at fair value through profit or loss

As mentioned in Note 10, the Company has a call option to acquire the remaining 51% of Eire Born Spirits, LLC (EBS), currently owned by third parties. As the Company holds a 49% ownership in EBS, management concluded that the Company does not control over EBS. The 51% option is classified and measured as an asset in the statement of financial position and is classified and measured at Fair Value through Profit and Loss (FVTPL).

Disclosure of trade and other receivables [text block]

	December 31,		
	2020 (US)	2020 (Ps)	2019 (Ps)
Value-added tax	$ 53,478	$ 1,066,809	$ 514,046
Other receivables	11,249	224,411	123,171
Total	$ 64,727	$ 1,291,221	$ 637,217

[800600] Notes - List of accounting policies

Disclosure of significant accounting policies [text block]

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their Interpretations (IFRIC) issued by the International Accounting Standards Board (IASB). In accordance with the changes to the Rules for Public Companies traded on the Mexican Stock Exchange, as issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its financial statements using IFRS as the regulatory framework.

The consolidated financial statements have been prepared on a historical cost basis except for (1) the plan assets that are measured at fair value, as explained in Note 2.21; (2) Equity investments that had previously been recognized as Associates and are now recognized at fair value through Other Comprehensive Income (OCI); (3) financial instruments measured at fair value through profit or loss; and (4) biological assets measured at fair value less costs to sell.

Preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements.

Convenience translation to U.S. Dollars ($) - supplementary information

The consolidated financial statements are stated in thousands of Mexican pesos (Ps) and rounded to the nearest thousand unless stated otherwise. However, solely for the convenience of the readers, the consolidated statement of financial position, as of December 31, 2020, the consolidated statement of comprehensive income and consolidated cash flows statements for the year ended December 31, 2020 were converted into U.S. dollars at the exchange rate of Ps19.9487 per U.S. dollar, as published by the Bank of Mexico on December 31, 2020. Such conversion should not be construed as representation that the Mexican peso amounts represent, or have been or could be converted into, United States dollars at that or any other rate, in accordance with IAS 21.

New standards and changes adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7, (phase 1).
- Revised Conceptual Framework for Financial Reporting

As of May 31, 2020, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on December 31, 2020:

- Covid-19-related Rent Concessions- Amendments to IFRS 16: as a result of the COVID-19 pandemic, rent concessions have been granted to lessees, commencing as of June 1, 2020.
- Classification of Liabilities as Current or Non-current- Amendments to IAS 1: the amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

- Property, Plant and Equipment: proceeds before intended use - Amendments to IAS 16: the amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use.

- Annual Improvements to IFRS Standards 2018-2020, which were finalized in May 2020:

  - IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

  - IFRS 16 Leases - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

  - IAS 41 Agriculture - removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Going concern

The Company meets its working capital needs through reinvestment of a significant portion of its annual profits. The Company’s financial structure allows the Company to take on debt, despite its investments in capital expenditures carried out annually to increase the Company’s facilities. The Company's financial strength, the continued strong performance in the US and Canada, and the measures adopted by the Company, have allowed it to operate with liquidity, despite the restrictions that the governments of the regions of Mexico and the RoW have ordered to contain the pandemic. Considering the possible variations in operating performance, the Company believes its budget and projections allow it to operate with its current level of financing and meet all debt obligations. The Company is currently in compliance with its payment obligations and all debt covenants.

Management expects the Company to secure the resources necessary to continue operating as a going concern in the foreseeable future. Consequently, the consolidated financial statements were prepared on a going-concern basis.

Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interest in income and in the capital of subsidiaries is shown separately in the consolidated statement of income, in the statement of comprehensive income, in the statement of changes in stockholders’ equity and in the statement of financial position, respectively.

The following is a summary of the Company’s interest in main subsidiaries at December 31, 2020 and 2019:

Company	% of ownership	Activity

Casa Cuervo, S. A. de C. V.	100%	Manufacturing, selling and marketing in Mexico and around the world.
Sunrise Spirits Holdings, Inc. (Proximo US)	100%	Manufacturing, selling and marketing in the United States of America.
JC Overseas, Ltd (includes the subsidiaries JC Master Distribution and Old Bushmills Distillery Company Limited)	100%	Production, manufacturing, maturation and packaging of Irish whiskey and other spirits and selling in EMEA and APAC.
Azul Agricultura y Servicios, S. A. de C. V.	100%	Agriculture activities to operate the Company's Agave Azul plantations.
Services provider companies	Several*	Services provider.

*On February 14, 2020, the Company acquired a 10% interest (Ps.10,361) in Icon Spirits, S.L. (Icon Spirits), a spirits distributor based in Barcelona, Spain. On September 18, 2020, the Company acquired an additional 50% (Ps.62,301) interest to reach a cumulative 60% (Ps.72,662) stake and effective that date, the Company has control over Icon Spirits.

Associates and changes in ownership interests.

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Equity Method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in OCI. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is annually assessed for potential impairment.

When the Group ceases to equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amounts previously recognized in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in OCI are reclassified to profit or loss.

Segment information

Segment information presented is consistent with management reporting provided to the Strategy Committee (the chief operating decision maker or CODM), which is integrated by the CEO, the Head of Operations, and the Chief Financial Officer.

- Foreign currency transactions

- Functional and reporting currency

Items included in the financial statements of each of the Group's subsidiaries and associates are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Mexican pesos, which is the functional currency of the parent company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to net qualifying investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Financial assets

Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and

- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 60 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and disposal

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. As of December 31, 2020, and 2019, the Company has the following measurement categories in which it classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Equity instruments

- The Company subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gain and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

Impairment

The Company assesses on a forward-looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before December 31, 2020 or January 1, 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments. Impairment losses on trade receivables are presented within operating income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The cash equivalents are represented by investments in government instruments.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest rate method, less the expected credit loss. All receivables fall due within one year. Trade receivables are interest-free settled within normal trading terms.

Other recoverable taxes and receivables

The Company classifies favorable taxes balances as value-added tax, and other creditable taxes as other recoverable accounts. If collection rights or recovery of these amounts is realized within 12 months as from the year-end closing, they are classified as short term; otherwise, they are shown as non-current assets.

Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated sale price in the ordinary course of business, less the costs of completion and the estimated necessary costs to close the sale.

Inventories comprise direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, based on a normal operational capacity.

The Company classifies as current, the inventory that is available for sale, and as non-current inventories, those that require an aging period to be sold.

Classification, measurement and valuation of biological assets

Biological assets held by the Company consists of plants of Agave Azul Tequilana Weber (Agave Azul). The plants, which are grown on leased land, are used for the later production of tequila under the Company's own brands, which are marketed both in the domestic market and abroad. The maturity cycle of agave ranges between six and eight years; based on this, biological assets are classified as mature and immature. Mature biological assets are those that have attained harvestable specifications and are susceptible to be harvested or marketed; consequently, these plants are measured at fair value (based on the present value of future cash flows discounted at a market determined rate) less costs to sell. Costs to sell include the incremental selling costs, mainly the estimated harvest costs per kilogram, but exclude costs of transport to the market and income taxes. Immature biological assets are plants that have not reached the point of maturity because their sugar content yield and weight is not enough to be harvested and there is no active market for such plants; consequently the Company accounts for these assets at their accumulated historical cost, which mainly includes: physical and chemical studies to prepare the land, labor costs, fertilizers, pest monitoring, pruning of plants, selection and planting of young plants, and depreciation of the right-of-use assets of the agave plantations land; the amount so determined approximates fair value.

Borrowing costs are included as part of biological assets.

Biological assets are classified as current if they are to be harvested within one year, otherwise are classified as non-current.

The Company considers biological assets until the plants are harvested. Any processing or future transformations after the point of harvest are accounted for as inventory. Harvested plants are transferred to inventory at fair value less costs to sell when harvested.

IAS 41 "Agriculture" requires fair value changes resulting from biological growth to be presented in the statement of comprehensive income. These valuation effects have not been material and therefore have not been recorded for the periods presented.

The fair value determined for biological assets is classified as level 3 in the fair value hierarchy.

Hedging activities

Beginning January 1, 2020, the Company designated its US$500 million senior notes debt as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc. with the objective of mitigating the exchange rate risk arising between the functional currency of the U.S. operations and the functional currency of the holding company. The exchange differences of both, the hedging instrument and the hedged item, are now classified in equity, and reclassified from equity to profit or loss if the Company disposes on the investment.

The Company formally designated and documented the hedging relationship, setting the objectives, risk-hedging strategy, identification of the hedging instrument, hedged item, nature of the risk to be hedged, and effectiveness assessment methodology. Since the exchange rate hedging relationship is clear, the method the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items.

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Net investment hedges

The Company applies hedge accounting to the foreign exchange risk resulting from its investments in foreign operations because of changes in exchange rates arising between the functional currency of that operation and the functional currency of the holding company, regardless of whether the investment is held directly or through a sub-holder. The change in exchange rates is recognized in other comprehensive income as part of the translation effect when the foreign operation is consolidated.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

To this end, the Company designates the debt denominated in foreign currency as hedging instruments. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income, in the line foreign currency translation reserve. When the hedge is not effective, exchange rate differences are recognized in foreign exchange gain or loss in the income statement.

Property, plant and equipment

Land is valued at cost minus any impairment losses. All other components of property, plant, and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes expenses directly attributable to acquisition of the asset. The cost of assets built by the entity include the following:

- The cost of materials and direct labor.
- Any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Continuous repairs and maintenance are expensed in the income statement as incurred.

Components of property, plant and equipment are depreciated from the date on which they are installed and ready for their use or in the case of assets internally built, from the date on which the asset is completed and ready to be used.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

	Years
Manufacturing, bottling, storage, machinery and equipment	7 to 25
Casks	2 to 20
Buildings and constructions	20 to 60
Transportation equipment	5
Computer and telecommunication equipment	3 to 5
Office furniture and laboratory equipment	5 to 10
Leasehold improvements	Over the remaining term of the contract, or its useful life, whichever is earlier.

Depreciation methods, useful lives and residual values are reviewed at each date of the consolidated financial statements and adjusted if appropriate.

If significant parts of an item of property, machinery and equipment have different useful lives, they are accounted for as separate items (major components) of property, machinery and equipment.

Any gain or loss on the disposal of an item of property, machinery and equipment (determined as the difference between the net proceeds upon disposal and the book value for such item) are recognized in the income statement.

Borrowings Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income obtained from the temporary investment of specific borrowings pending their expenditure on qualified assets is deducted from the borrowing cost eligible for capitalization.

Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Trademarks and brands

Trademarks and brands acquired in a business combination are recognized at fair value at the acquisition date.

Acquired trademarks and intellectual property are: Boodles British Gin, Hangar 1 Vodka, Stranahan's Colorado Whiskey, Three Olives Vodka, Bushmills Irish Whiskey, Owney's Rum, and Black Dirt Bourbon. The intellectual property is Pendleton, which included Pendleton Midnight, Pendleton 1910 and Pendleton Directors' Reserve.

Trademarks and brands have an indefinite useful life; therefore, they are not subject to amortization. To date, no factors limiting the useful life of these assets have been identified. The trademarks and license to use brands are considered to have an indefinite useful life due to the positioning they have in the market and the Company's continued investment in equity-building marketing activities, and because the Company's experience and market evidence indicates that, they will continue to generate cash flows for the Company in indefinite form. Additionally, the Company believes there are no legal, regulatory or contractual considerations that limit the useful lives of such brands.

Intangible assets with defined life

Intangible assets that have defined useful lives are shown at historical cost and are subsequently carried at cost less accumulated amortization and impairment losses. (See Note 12). Amortization of intangible assets with defined life is calculated by using the straight-line method over their estimated useful lives and is recognized in profit or loss.

The estimated useful lives are as follows:

	Years
License of software	3 to 6
Trademarks registration	Average Duration of Registration

Amortization methods and useful lives are reviewed at each date of the consolidated financial statements and adjusted if appropriate.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At December 31, 2020 and 2019, there were no signs of impairment in noncurrent assets subject to depreciation and amortization, and in the case of indefinite-lived assets, the Company's annual impairment tests showed no indicators of impairment.

Prepayments

Prepayments represent disbursements made by the Company, in which the benefits and risks inherent to the goods to be acquired or in the services to be received have not yet been transferred. Prepayments are recorded at cost and are shown in the statement of financial position as current assets when due in 12 months or less, and as noncurrent when due in more than 12 months as from the date of the statement of financial position. Once the goods and/or services have been received, they must be recorded as assets or expenses in the statement of income for the period. When advance payments lose their capacity to generate future economic benefits, the amount considered unrecoverable is recognized in the income statement in the period in which this occurs. The principal items included in prepayments are advertisement and prepaid federal excise taxes.

Trade payables

Trade payables are obligations of goods or services acquired from vendors in the normal course of operations. Accounts payable are classified as current liabilities if the payment is to be made within a year or less (or in the normal cycle of business operations if it is greater). Otherwise, they are shown as non-current liabilities.

Trade payables are initially recognized at fair value and subsequently measured at their amortized cost, using the effective interest rate method.

Issuance of Senior Notes

The issuance of the Company's Senior Notes was initially recognized at fair value, net of costs incurred in the transaction. This financing was subsequently recorded at its amortized cost. Differences, if any, between the funds received (net of transaction costs) and the redemption value were recognized in the statement of income during the period of the financing, using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Other accounts payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Other accounts payable are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Environmental reserve

The environmental reserve was originally recognized during the acquisition of the manufacturing and warehousing assets located in Lawrenceburg, Indiana, and it corresponds to the Company's best estimate of the cost to be paid for the eventual abatement of asbestos at that site. This reserve is adjusted prospectively based on available evidence at each reporting period-end and an estimate of remediation cost is prepared.

Income taxes

Income tax is recognized in the statement of income, except when it relates to items applied directly to other comprehensive income or losses or to stockholders' equity. In this case, income tax is also recognized in other items pertaining to comprehensive income or directly to stockholders' equity, respectively.

Current tax

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary and permanent differences between accounting and tax treatments, and due to items that are never taxable or tax deductible.

Deferred taxes

Deferred tax is recognized for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their value for tax purposes. The amount of deferred tax reflects the expected recoverable amount and is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using the basis of taxation enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized where it is more likely than not that the assets will not be realized in the future.

Deferred tax is not recognized for:

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

Temporary differences related to investments in subsidiaries and associates to the extent that the Group can control the timing of the reversal on the temporary differences and it is probable that they will not be reversed in the foreseeable future.

The deferred tax asset is only recognized to the extent future tax benefits are likely to be achieved and can be applied against any temporary differences in liabilities.

The balances of deferred assets and liabilities, tax-on-profits, are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax-on-profit assets and liabilities relate to the same tax entity, or different tax entities where the balances are to be settled on a net basis. The charge corresponding to taxes on profits currently payable is calculated according to the tax laws approved as of the balance sheet date in Mexico and in the countries in which the Company's subsidiaries and associates operate and generate a taxable base. Management periodically evaluates their tax positions with respect to tax refunds as tax laws are subject to interpretation.

IFRIC 23 Uncertainty concerning income tax treatment.

The interpretation is applied to the determination of the tax profit (loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty concerning the treatment of income tax in terms of IAS 12. The IFRIC considers that an entity must assume that the tax authority has the right to examine any figures reported and it may examine those figures and attain full knowledge of all relevant information when doing so. It must also consider whether the respective authority is likely to agree to each tax treatment or group of tax treatments used or to be used when calculating income tax.

If the entity concludes that a particular tax treatment is likely to be accepted, it must determine the tax profit (loss), tax bases, unused tax losses, unused tax credits and tax rates in a manner consistent with the tax treatment used in preparing its tax return. If the entity concludes that a particular tax treatment is unlikely to be accepted, the entity must use the most likely figure or the expected value of the tax treatment when determining the tax profit (loss), tax bases, unused tax losses, unused tax credits, and tax rates.

As of December 31, 2019, the Company considered it was probable that the tax deduction of certain marketing expenses in Mexico and other tax positions taken in fiscal years 2011 to 2015, were unlikely to be accepted. Although, the Company had held several discussions with the Mexican Tax Authorities if the final outcome was not favorable, this would increase the Group's tax payable and current tax expense by Ps117,000. Although in this scenario, the matter would be subject to tax litigation, Company's Management decided recognize this amount against retained earnings in accordance with IFRIC 23 implementation guidelines. At the end of the first semester of 2020, the Mexican Tax Authorities concluded about the Company's tax position, and it was not favorable to the Company, resulting in a tax payment of the previously recorded estimation of Ps117,000. As of December 31, 2020, the Company has not uncertain tax positions.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

In some countries, the Company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of zero-coupon government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates various post-employment schemes, including defined benefit pension plans. Pension obligations.

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on the basis of zero-coupon government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Profit-sharing and bonus plans

The Company recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's stockholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based mon the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Capital stock and treasury shares

Company shares that are publicly traded on the Mexican Stock Exchange are classified as capital stock.

In accordance with the provisions of Article 56 of the Securities Market Law and Title Six of the Issuer's Sole Circular, which establishes that Company shares placed on the Mexican Stock Exchange may be acquired under certain rules, the Company carries out the procedure for the purchase or sale of Company shares placed on the Mexican Stock Exchange from the repurchase fund.

The purchase of own shares issued operated under the repurchase reserve, are recorded as a reduction of the Company's stockholders' equity until those shares are canceled or resold again. When those shares are resold, the consideration received is recorded in the Company's stockholders' equity. Any incremental attributable cost (net of income tax) is also deducted from capital stock.

Revenue recognition

Net sales are gross sales less discounts, certain excise taxes, and duties. The Company incurs excise taxes and duties throughout the world. In most countries excise taxes and duties are effectively a tax that generally becomes payable when the finished product is physically moved from inside to outside bonded premises and is not related to the value of sales.

Revenue from the sale of goods is recognized depending upon agreed terms with individual customers at the time of dispatch, delivery or some other specific point when the Group transfers control over the goods to the customer. Generally, the transfer of control of goods occurs at the time of delivery. For those sales that allow the customer to return an item, revenue is recognized to the extent that it is highly probable that no return will occur. Where a customer has a right to return a product within a given period, the group recognizes a refund liability for the amount of consideration received for which the entity does not expect to be entitled. Therefore, the amount of revenue recognized is adjusted for expected returns that are estimated based on the historical data of the products. In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods (Ps35,488 as at December 31, 2020 and Ps17,277 at December 31, 2019). The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

The distribution channels, depending on the territory, include retailers, supermarkets, wholesalers, and grocery stores where products are consumed outside of said establishments.

The Company grants rebates to customers in certain territories. Customer rebates are negotiated and documented by the commercial area and are discounted from revenues in the period in which they are granted.

Leases

The right to use the leased goods is recorded in assets, and the contractual obligation to make lease payments is recorded in liabilities. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Most significant lease contracts relate to land for the Company's agave plantations and corporate offices and premises. For land leases, lease terms are aligned with estimated harvest period.

Payments associated with short-term leases of office furniture and equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Earnings per share

Basic earnings per ordinary share are calculated by dividing net income attributable to controlling interest between the average number of ordinary shares outstanding during the period, adjusted by treasury shares repurchased and retained. The Company has no potentially dilutive shares, and therefore basic and diluted earnings per share are the same.

Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity;

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Provisions, contingent liabilities and legal proceedings

Provisions for legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. A provision is recognized if, and only if: a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), payment is probable (more likely than not), and the amount can be estimated reliably.

Financial income and financial costs

Financial income includes interest income on invested funds and, as well as foreign exchange gains.

Financial costs comprise interest expense on loans, leases and foreign exchange losses.

Comprehensive income

Comprehensive income is comprised of net income, translation effects, changes in fair value of equity investments and the results from remeasurements on employee benefit obligations net of income taxes, which are reflected in stockholders' equity, but which do not constitute capital contributions, reductions and/or distributions.

Cash flow statements

The Company presents the cash flow from operating activities using the indirect method, in which the profit or loss is adjusted for the effects of transactions that do not require cash flow, including those associated with investment or financing activities. In addition, the Company has elected to present the cash received from interest in favor as part of the investment activities and the effect of payment of dividends and interest as part of the financing activities.

Dividends

The Company does not currently have a formal dividend policy and there are no plans to adopt any such policy; the Company intends to declare dividends annually and pay those dividends in one payment during the year.

Call option to acquire Old Camp interest owned by third parties.

As mentioned in Note 17.3, the Company has call options to acquire 41.44% of Old Camp, currently owned by third parties. As the Company holds a 58.51% majority ownership in Old Camp, management concluded it had control over this entity. The combination of put and call options, with the same period of exercise and similar pricing, indicated that the arrangement would result in the exercise of either the call options or the put options in the most likely scenario. According to the latter in addition to recognizing the NCI, the Company has recognized a financial liability at the present value of redemption amount and adopted an accounting policy election to recognize the subsequent changes in the value of the NCI put liability through equity (other stockholders' movements – Net).

Financial instruments at fair value through profit or loss

As mentioned in Note 10, the Company has a call option to acquire the remaining 51% of Eire Born Spirits, LLC (EBS), currently owned by third parties. As the Company holds a 49% ownership in EBS, management concluded that the Company does not control over EBS. The 51% option is classified and measured as an asset in the statement of financial position and is classified and measured at Fair Value through Profit and Loss (FVTPL).

[813000] Notes - Interim financial reporting

Disclosure of interim financial reporting [text block]

Section not applicable, financial information is not prepared in accordance with IAS 34.

Description of significant events and transactions

As of December 31, 2020, the company does not report significant events and transactions.

Dividends paid, ordinary shares:	0
Dividends paid, other shares:	0
Dividends paid, ordinary shares per share:	0
Dividends paid, other shares per share:	0