



2020
ANNUAL REPORT

The perfect *companion*

BECLE

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Highlights Dashboard

<p>VOLUME</p> <p>23.7 million nine-liter cases +6%</p>	<p>NET SALES</p> <p>P\$35,036 million pesos +17.9 %</p>	<p>GROSS PROFIT</p> <p>P\$18,246 million pesos +16.5%</p>	<p>EBITDA</p> <p>P\$7,607 million pesos +24.8%</p>
<p>MARKET CAP</p> <p>P\$178.4 billion pesos</p>	<p>P\$3.5 billion pesos invested in CAPEX</p>	<p>8,080 employees</p>	



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About Becele

We are a globally-renowned spirits company and the world's largest producer of tequila. Becele was born over 250 years ago from Don José María Guadalupe de Cuervo y Montañó's vision, and that legacy has been nurtured for over 11 generations. Our brands are sold and distributed in more than 85 countries.

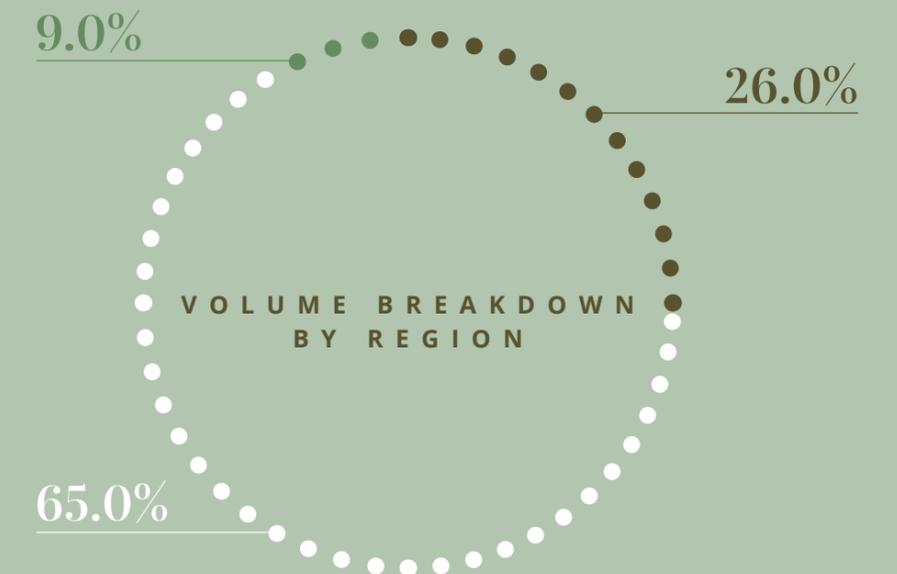
The strength of our portfolio, of 30 spirit brands, is based on the legacy of our iconic internally developed brands such as José Cuervo[®], combined with complementary acquisitions such as Three Olives[®], Hangar 1[®], Stranahan's[®], Bushmills[®], Pendleton[®] and Boodles[®], as well as a relentless focus on innovation that over the years has created other renowned brands such as 1800[®], Maestro Dobel[®], Centenario[®], Kraken[®], José Cuervo[®] Margaritas and Boost[®].

Since February 2017, Becele, S.A.B. de C.V. shares have been listed on the Mexican Stock Exchange (BMV), under the ticker symbol CUERVO.

Worldwide Footprint

Market Presence

Becle ended 2020 with 18.0% year on year top line growth. This was driven by strong results in the United States and Canada, which delivered 22.0% year on year volume growth and 33.0% year on year top line growth for the full year. This performance more than offset the challenges we faced in the rest of the regions where we operate.



● United States & Canada ● Mexico ● Rest of the World

MEXICO

“Despite the negative business environment, we were able to grow our market share, as measured by Nielsen and ISCAM. This shows that our brands are well positioned and well regarded in the market, which makes us believe that we should recover in the near future.”

LUIS FELIX
Managing Director Mexico and LatAm



OPERATIONS UNIT

- Guadalajara, Jalisco

ROJEÑA AND LOS CAMICHINES

- Distilleries located in Jalisco

EDISA BOTTLING COMPANY

- Located in Jalisco

BECLÉ

- Mexico City Headquarters

6.2 million
NINE-LITER CASES
-14.5%

NET SALES

P\$6.6
billion pesos
-8.7%



UNITED STATES & CANADA

For the full year, across all brands, depletions were up by 23.0%, in line with our 22.0% reported volume growth, outpacing the rest of the industry. For the year, net sales value was up 33.0% versus 2019, with our super premium tequila and RTD portfolios leading the way with exceptional double-digit growth.”

MIKE KEYES
President and CEO of Proximo Spirits

15.2 million
NINE-LITER CASES
+22.2%

NET SALES
P\$24.6
billion pesos
+33.0%

PROXIMO PRODUCTION FACILITIES

- 4 owned production facilities
- Main bottler facility: Indiana
- 3 distilleries: Colorado, California and New York

PROXIMO CANADA

- Ontario, Canada

PROXIMO SPIRITS

- New Jersey, United States





REST OF THE WORLD

2020 was a challenging year across the Europe and Asia Pacific regions, with some markets in Asia closed throughout the year. Despite lockdowns in many markets in Europe, we have a reasonably balanced stock position, so we should be in a good position to take full advantage of the return to growth when all channels reopen.

GORDON DRON
Managing Director EMEA and APAC



2.1 million
NINE-LITER CASES
-14.6%

NET SALES
P\$3.8 billion pesos
-4.0%



Message from our CEO

This year, in the face of the COVID-19 pandemic, the world was affected by an unprecedented health emergency and an economic crisis. Many cities were under orders to shelter at home, travel was prohibited, and the global economy nearly came to a halt. Even in these most challenging of times, we were able to navigate the storm and come out stronger than before.

First, we would like to offer our sincere condolences to everyone who lost a loved one; and especially to take a moment to remember our colleagues who tragically lost the battle to this virus. The pandemic has asked a great deal from all of us; but it has also brought out the best in us.

Throughout 2020, we supported and monitored our supply chain by closely working with our vendors and distribution partners to ensure continuous global support for our customers. The safety of our supply chain, customers and employees remained at the forefront of

Beck's ended 2020 with 18% year on year top line growth.

every decision. Many of our employees worked remotely while maintaining their normal business duties. We took extra precautions for those who needed to be present in our production facilities and followed all global guidelines and mandates by region to ensure everyone's health and well-being.

Our resilient business model enabled us to deliver better than expected results in the face of these unprecedented challenges. Our management was able to adapt effectively to the rapidly changing conditions. Therefore, we continued to execute our business plan properly

and ended the year with improvements in most of our categories. These results also demonstrate the strength of our brands across different price segments.

Results in Mexico and the Rest of the World regions faced several challenges, such as bans on alcohol, restrictions on travel, continued lockdowns, and closing of on-premise locations. In the United States and Canada, we consolidated our position in fast-growing categories that showed significant strength throughout the year, such as Tequila and Ready-to-Drink cocktails (RTD), propelled by their popularity and convenience in dynamic

markets for the Spirits category. Furthermore, by over-indexing the off-premise channel we were able to weather the negative impact that the pandemic had on on-premise.

For the year, net sales increased 17.9% to \$35.04 billion pesos versus 2019, driven by volume growth and higher average net selling prices per case. This growth reflects a favorable region mix for the United States and Canada, where net sales increased by 33.0% compared to 2019. Net sales for Mexico and the Rest of the World regions decreased 8.7% and 4.0%, year over year, respectively. Nonetheless, our impressive results from the United States and Canada more than offset this.

Total volume increased to 23.7 million nine-liter cases, 6.0% growth year over year, reflecting an increase of 22.2% in the United States and Canada, which offset the decrease of 14.5% in Mexico and 14.6% in the Rest of the World region.



Gross profit for the full year of 2020 increased 16.5% against 2019 to P\$18,246 million pesos. Gross margin was 52.1% for 2020 compared to 52.7% for the full year of 2019. Gross margin was mainly negatively impacted 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 in the United States and Canada region.

This year, we demonstrated that one of our main strengths is our experienced management team. Our Board and Executive team proved their expertise to effectively lead Becele through all of the challenges that arose. Faced with uncertain market conditions derived from the COVID-19 pandemic, their ability to adapt and streamline decisions allowed us to improve profitability and maintain a solid top line performance.

Looking ahead, while the ongoing difficulties with on-premise sales are likely to persist for the immediate future, we remain hopeful that as the world recovers, some geographies will begin to normalize

from a social and economic standpoint in the second half of 2021. Although the environment and outlook are unusually uncertain right now, we are confident we will continue to adapt successfully as circumstances evolve, just as we did in 2020.

Against the backdrop of a complex, changing environment, we are encouraged by our resilience, and our underlying operating results. More than anything, we want to recognize all of our company's employees for their unwavering dedication and commitment. We are confident that our portfolio of leading brands, which is focused on high-growth spirits categories and enjoys a global distribution network, will allow us to continue generating value for our shareholders.

**JUAN DOMINGO
BECKMANN LEGORRETA**
**Chief Executive Officer,
Becele, S.A.B. de C.V.**

Financial Performance

BECLÉ VOLUME

23.7million
NINE-LITER CASES WORLDWIDE
+ 6.0%

NET SALES

P\$35,036
million pesos
+17.9%

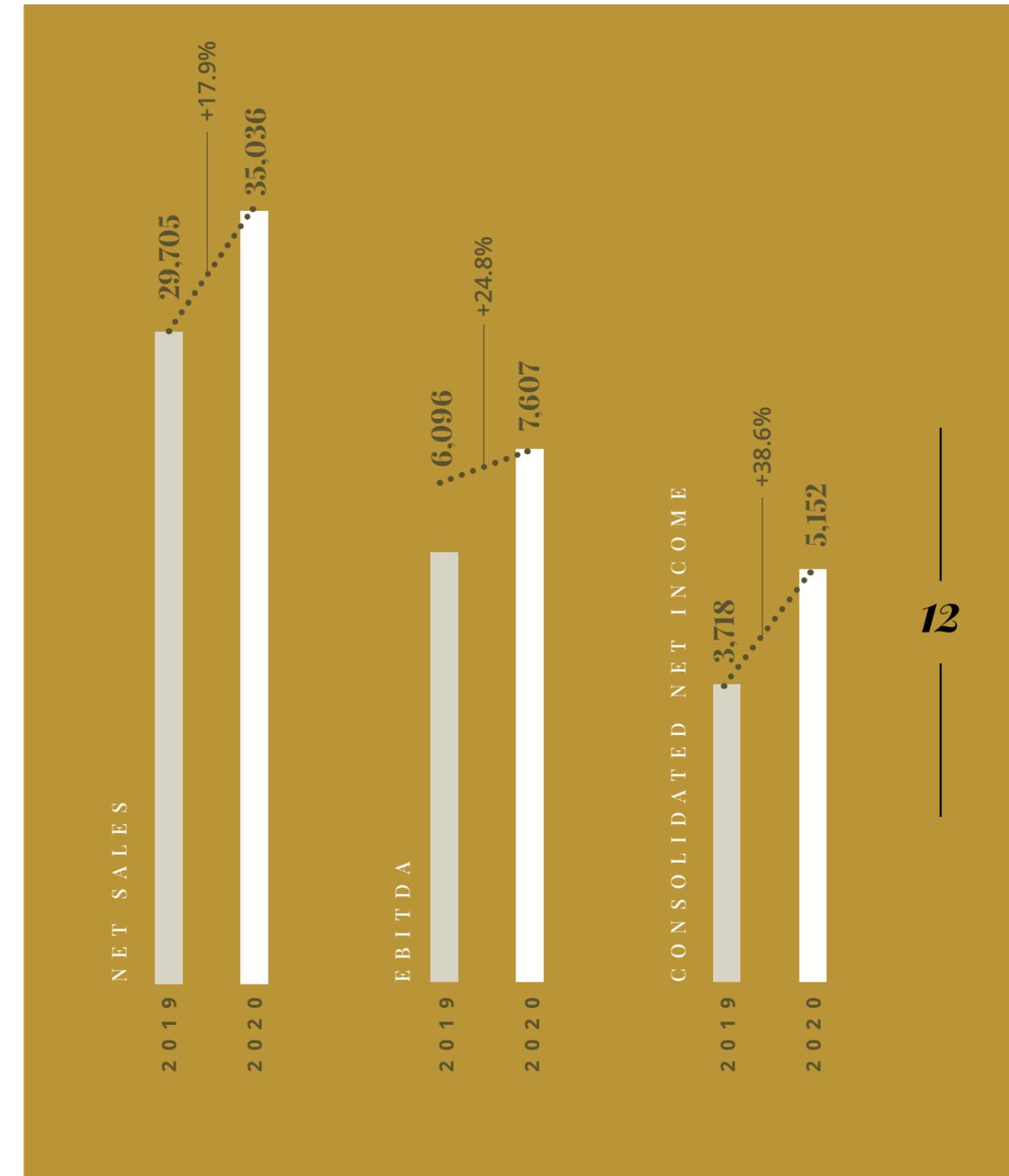
CONSOLIDATED NET INCOME

P\$5,152
million pesos
+38.6%

EBITDA

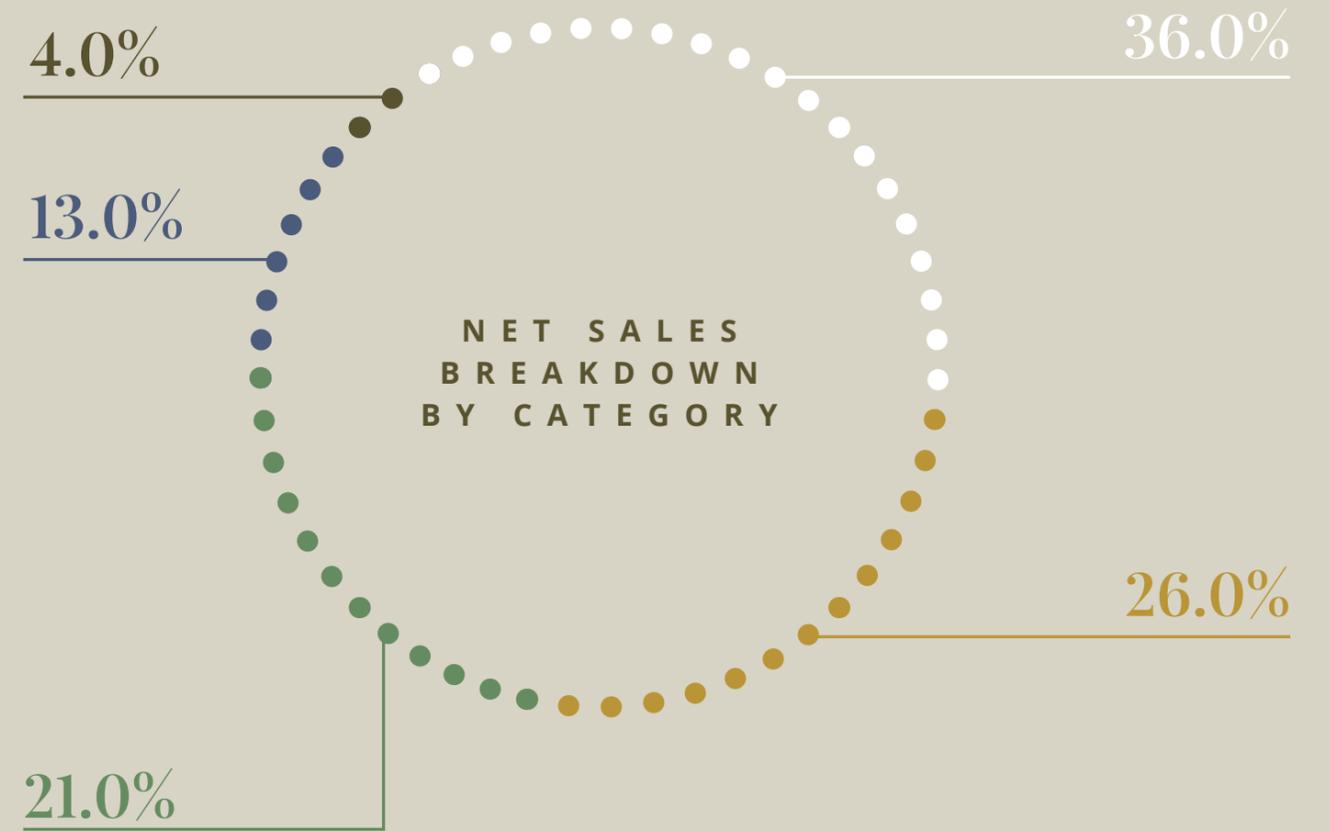
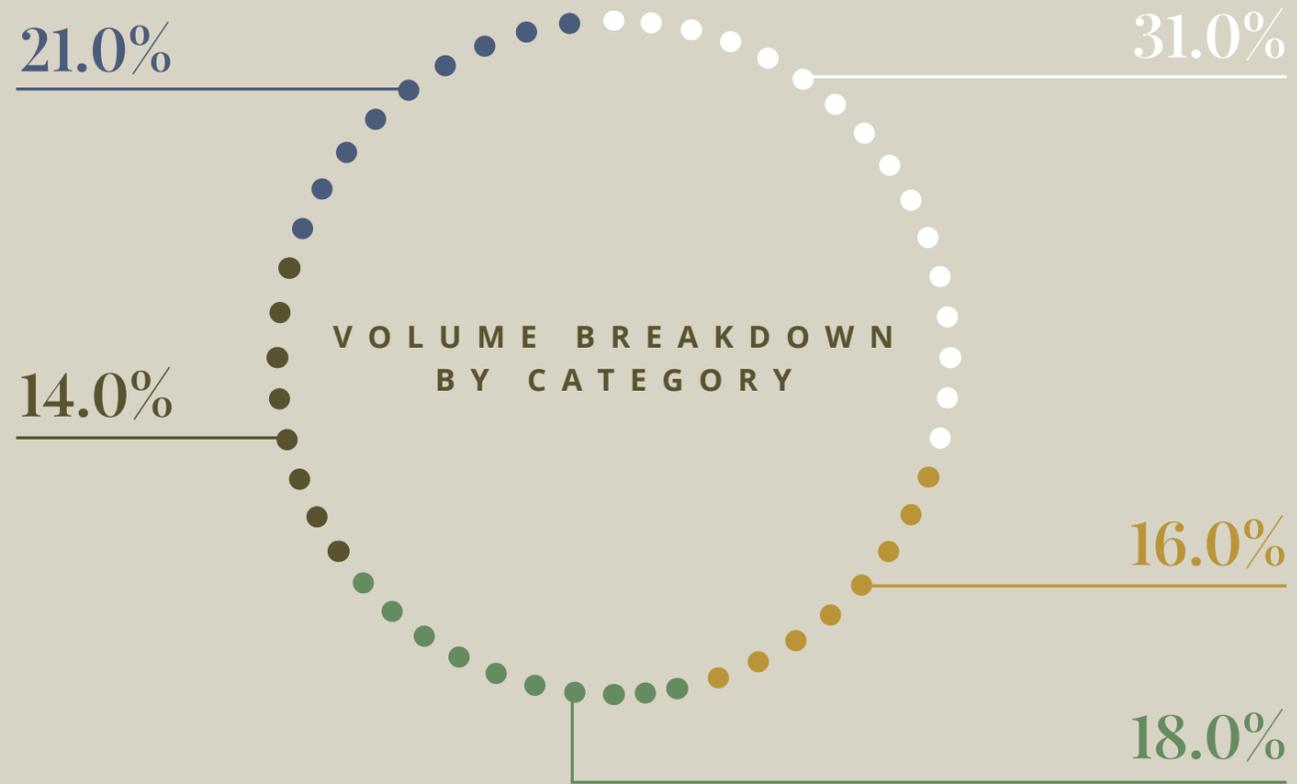
P\$7,607
million pesos
+24.8%

P \$MM (except per share amounts)	2019	2020	VARIATION %
Net sales	29,705	35,036	17.9
Cost of goods sold	14,039	16,790	19.6
Gross Profit	15,666	18,246	16.5
Advertising, marketing, and promotion	6,425	6,688	4.1
Distribution	1,041	1,380	32.5
Sales and administration	2,950	3,377	14.5
Other expense (income), net	(160)	(92)	(42.7)
Operating income	5,410	6,893	27.4
Financing results	263	38	(85.4)
Equity method on associates	0	0	
Profit before income taxes	5,147	6,854	33.2
Total income taxes	1,430	1,702	19.1
Consolidated net income	3,718	5,152	38.6
<i>Consolidated Net Income Margin</i>	12.5%	14.7%	220bps
EBITDA	6,096	7,607	24.8
<i>EBITDA Margin</i>	20.5%	21.7%	120bps
Earnings per share	1.04	1.43	38.5



Portfolio





● Jose Cuervo
 ● Other Tequilas
 ● Other Spirits
 ● Non-Alcoholic and Other
 ● RTD

Millennials are drawn to distinctiveness and are eager to embrace variety, uniqueness, and innovation.

01 *Tequila*



We finished the year with strong volume growth in our Tequila portfolio.

JOSE CUERVO FAMILY

7.3 million
nine-liter cases

P\$12,771
million pesos
NET SALES | +19.4%

Especial, Tradicional, Reserva de la Familia

OTHER TEQUILAS

3.7 million
nine-liter cases

P\$9,045
million pesos
NET SALES | +21.2%

1800, Maestro Dobel, Gran Centenario

JOSE CUERVO FAMILY

OTHER TEQUILAS



JOSE CUERVO
ESPECIAL



JOSE CUERVO
TRADICIONAL



JOSE CUERVO
RESERVA DE LA
FAMILIA



1800 AÑEJO



MAESTRO DOBEL



CENTENARIO

The Tequila Academy in Mexico has recognized our efforts to deliver excellence in our Tequila brands. The Diosa Mayahuel awards recognize the best tequilas from different categories, through a blind tasting test conducted by their members.

IN 2020 OUR TEQUILA BRANDS RECEIVED THE FOLLOWING AWARDS:

Diosa Mayahuel Award for excellence in Tequila

1st Place

Reserva de la Familia

REPOSADOS

Maestro Dobel Añejo

AÑEJOS

2nd Place

1800 Añejo

AÑEJOS

Maestro Dobel Cristalino

CRISTALINOS

Atelier from Maestro Dobel

EXTRA AÑEJOS

3rd Place

Gran Centenario Leyenda

EXTRA AÑEJOS



2020 Campaigns

JOSE CUERVO FAMILY



“Who’s Making Margs?”

Interactive call-in show celebrating the summer of Margaritas, where fans were given the opportunity to get to know their favorite celebrities over a Cuervo margarita.



“Holiday Doppeldrinker”

Jose Cuervo created a fun way for fans to be closer to their loved ones over the Christmas holidays during COVID-19 lockdowns by sending them custom life-sized cardboard “Doppeldrinkers.”



“Tradicional Añejo”

National launch for the innovative addition to the Tradicional portfolio –featuring Cuervo’s centuries-old recipe finished in Irish single malt whiskey barrels– producing a unique and complex Añejo.



“Reserva de la Familia Platino and Reposado”

Celebration of the 25th anniversary of our brand, with the launch of Reserva de la Familia Reposado and the reintroduction of Platino to the U.S., engaging ultra-premium spirits drinkers via artist-designed bottles and premium Cocktail Courier holiday boxes.



“Playamar”

Regional launch of Cuervo’s tequila-based seltzer, highlighting the natural ingredients and low-calorie messaging to engage young spirits drinkers.



“Cristalino Launch”

Introduction of its newest ultra-premium expression, 1800 Cristalino, uniquely finished in port wine casks. Hip-hop icon Future launched the new prestigious offering during a Brooklyn Nets matchup against the Orlando Magic at Barclays Center in Brooklyn.



“Essential 1800 Artists Series”

Celebrated on the 10th anniversary of the Essential 1800 Artists Series, featuring a collaboration with world-renowned Spanish artist Okuda San Miguel. To translate the experience from bottle to virtual reality, last year’s Essential 1800 Artists Series innovated with an AR experience that transformed each bottle into a Snapchat marker, launching an eye-catching and unique filter for fans to engage with Okuda-themed lenses.



“Greg Yuna Bar Case”

Partnership with celebrity jeweler Greg Yuna, and tastemaker shopping platform NTRWK, to design an exclusive, limited-edition luxury bar case for its newest ultra-premium expression, 1800 Cristalino.

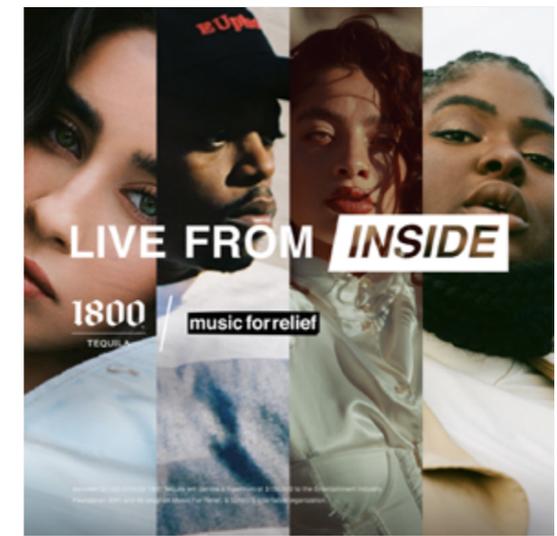
The 1800 Cristalino x Greg Yuna limited-edition bar case featured custom Greg Yuna crystal details and a removable LED-lit display piece, housing an elegant and eye-catching luxe glass 1800 Cristalino bottle.



“LA Rams Partnership”

Designation of the brand, as the Official Tequila of the Los Angeles Rams and SoFi Stadium, marking its first NFL partnership, and the football team’s first tequila partner as they opened their highly anticipated new stadium last year.

For the ultimate at-home tailgate experience, 1800 Tequila teamed up with actress Ashley Greene, LA-based creator Yung Taco, and popular Mexican food truck Mariscos Jalisco, to launch the 1800 Taco Tailgate contest allowing lucky Los Angeles residents to win 1800 Tequila cocktails, and Mariscos Jalisco tacos, delivered to their doorstep on gameday.



“Live from Inside”

Launch of Live from Inside, a digital livestream series, encouraging fans to stay home, enjoy a refreshing cocktail and watch live entertainment from pop artist Lauren Jauregui, R&B singer Kiana Ledé and hip-hop artists Smino and Boogie. This was a contribution from our brand to Music for Relief, the disaster response campaign from the Entertainment Industry Foundation (EIF), providing aid to those affected by COVID-19 in the live music community, including bartenders and musicians.

GRAN CENTENARIO



“Mexican National Team”

Partnership announcement with the National Soccer Team, which leveraged our talent partners Jared Borgetti and Memo Ochoa to announce our key brand messaging.



“Los Angeles Azules”

Partnership announcement tied to Los Angeles Azules' forthcoming U.S. tour, and the release of "El Angel Que Nos Une" a song with Gran Centenario.

MAESTRO DOBEL TEQUILA



“Maestro Dobel 50 U.S. Launch”

New product innovation launch in the U.S. market. This is a revolutionary addition to the Cristalino category, Maestro Dobel 50 is the latest product innovation from Maestro Dobel in the U.S. – a smooth, yet complex ultra-premium, Extra Añejo Cristalino – created in honor of founder Juan Dobel's 50th birthday.

OTHER SPIRITS

4.3 million
nine-liter cases

P\$7,228
million pesos
NET SALES | -2.5%

15
leading brands

20.6%
of total net sales

6.8%
increase in net sales
vs. 2019

We are one of the world's top Irish whiskey producers where we hold a strong high-growth market position, which is set to continue to be one of the fastest growing categories in the world in the coming years.

Whiskey

IRISH WHISKEY

Irish whiskey is made with a blend of malted and unmalted barley in the pot still phase, and is usually triple-distilled, which results in a smoother, higher-alcohol spirit.



BUSHMILLS

Created in 1608, Bushmills is the first whiskey distillery in the world.

Made from 100% Irish malted barley, and triple distilled in copper pot stills, aged in former Oloroso Sherry casks.



SEXTON

2020 Campaigns

BUSHMILLS IRISH WHISKEY

“Bushmills 28-Year-Old Single Malt Cognac Cask Launch”

The announcement of Bushmills’ 28-Year-Old Single Malt Cognac Cask, as the first limited-release from its new annual series, “The Rare Casks” was done in partnership with Flaviar—a club for spirits enthusiasts—to create a specialty tasting kit for its members to collect and to help inform the 2021 Rare Cask Release.



NORTH AMERICAN WHISKEY



North American whiskey is an all-grain spirit produced from a mash bill that mixes corn, rye, wheat, barley, and other grains in different proportions, and then is generally aged for an extended period in wooden barrels.

Pioneer and leader of the American Single Malt category.



STRANAHAN'S

Tincup® is named for the Colorado mining pioneers and the tin cup they drank their whiskey from.



TINCUP

We blend Canadian whiskeys to achieve the inspired variations in flavor and character found in the Pendleton Whisky collection.



PENDLETON

Distilled from black dirt grown corn, malted barley, and rye, in the Black Dirt region of New York, and aged a minimum of four years.



BLACK DIRT

STRANAHAN'S COLORADO WHISKEY



“Mountain Angel 10 Year Launch”

This launch was Stranahan's oldest and rarest release to date, and the first 10-year aged American single malt in new American oak barrels. We partnered with Spirits Network to develop engaging distillery content, accompanied by a digital lottery for their members, they hosted a series of virtual tastings lead by Head Distiller Owen Martin, offering editors a rare taste.

TINCUP WHISKEY



“American Alpine Club ‘Partner in Adventure’ Grant Program”

TINCUP inspired safe and new experiences, through a partnership with the American Alpine Club, to provide US\$ 1,000 grants to individuals and their own “Partner in Adventure”.

Grants were used to fund educational experiences or outdoor recreational activities and supported outdoor communities and guides.



“National Launch of TINCUP Rye”

The brand hosted an exclusive press trip in Colorado for media & influencers, to get a first taste of Rye –and a full brand immersion around the town of Tin Cup, CO– alongside founder Jess Graber.

It also hosted 20+ media at Outdoor Retailer alongside Jess Graber, in tandem with the national launch of TINCUP Rye.

WOLF MOON BOURBON



“National launch of Wolf Moon Bourbon”

Launch of Wolf Moon Bourbon, during Jason Aldean's concert in Des Moines, Iowa.

In the vodka category, we have included different flavors in our brands, as well as successful advertising campaigns.

03 *Vodka*

Hangar 1 is made from select seasonal ingredients, flavored with mandarin blossoms, buddha's hand citron, and makrut lime leaves.



H A N G A R 1



Made from the finest English wheat, and quadruple distillation and filtration. Offered in several flavors.



T H R E E O L I V E S

Innovation and premiumization are essential to our rum brands.

Rum

It is a 94-proof black spiced rum distilled from local molasses in Trinidad and Tobago which is blended with caramel and 13 spices before bottling and aged from 1 to 2 years.



K R A K E N

Named after the famous New York City hustler, Owen "Owney" Madden, this rum is made from brown sugar cane molasses; yeast; and filtered New York tap water.



O W N E Y ' S

Produced using the antique Solera system used to make Spanish brandy and sherry wines, which consists of a mix of barrels placed on different heights above ground, this gives rums a very particular aging with aromatic and floral notes.



M A T U S A L E M

We continue our efforts to grow our premium mezcal market, following our premiumization strategy for the upcoming years and agave diversification.

05 *Mezcal*

Produced from agave from Tlacolula in Oaxaca, Mexico, the pines are cooked in a traditional way in a conical oven and milled with Tahona Stone.

400 Conejos has a double distillation process in copper pots which highlights the notes and gives the mezcal a subtle and fine flavor.



4 0 0 C O N E J O S



Mezcal Creyente® is a blend of two mezcals from the regions of Tlacolula and Yautepec in Oaxaca, Mexico, resulting in a soft herbal taste and subtle body.



C R E Y E N T E

Tradition meets innovation in our gin brands, which include the perfect combination of bold flavors and scents.

Gin



Made from English wheat, inspired by a recipe that dates back to 1845. It is produced as a clean spirit, and then added a blend of botanicals including sage, rosemary, and nutmeg.



BOODLES

We have extended the flavor offerings of our Ready-to-Drink cocktails line to capitalize on the increasing trend of convenient single-serve sizes.

07 *Ready-to-Drink*

4.9 million
nine-liter cases

P\$4,515
million pesos
NET SALES | +80.1%

12.9%
of total net sales

80.1%
increase in sales
vs. 2019



1800 ULTIMATE MARGARITA



**PLAYAMAR
HARD SELTZER**



**GOLDEN
MARGARITA**



**AUTHENTIC
MARGARITA**



PALOMA



**KRAKEN RUM
AND COLA**

JOSE CUERVO FAMILY

*Perfect to enjoy as a drink or a
cocktail companion.*

08

Non-alcoholic beverages

3.4 million
nine-liter cases

P\$1,476
million pesos
NET SALES | -35.0%

4.2%
of total net sales



**SANGRITA VIUDA
DE SANCHEZ**



**JOSE CUERVO
MARGARITA MIX**



BOOST



**THE KRAKEN STORM,
BLACK GINGER BEER**

Management *Discussion* and *Analysis*

During the 2020 full year, total volume growth was 6.0% to 23.7 million nine-liter cases reflecting a 22.2% increase in the U.S. and Canada, a 14.5% decrease in volumes in Mexico, and a 14.6% decrease in the Rest of the World region.

Volume of Jose Cuervo grew 0.4% versus the prior 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 volume 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 2019. Volume of Non-alcoholic and Other represented 14.2% of total volume, declining 14.4%

compared to the prior year. Volume of ready-to-drink (RTDs) represented 20.9% of total volume and increased by 61.1% compared to the prior years' period.

Net sales during the full year 2020 increased 17.9% to P\$35.0 billion pesos 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 U.S. and Canada increased 33.0%, versus the same period last year, 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% over the prior year period due to volume growth and higher average net selling prices per case mainly as a result of price increases. Net sales for the Rest of the World region decreased 4.0% over the 2020 full year, also reflecting volume declines partially offset by a higher sales mix of premium spirits brands and price increases.

Net sales of Jose Cuervo represented 36.5% of total net sales for the full year of 2020, an increase of 19.4% compared to 2019. The Company's Other Tequila

brands represented 25.8% of total net sales, an increase of 21.2% compared to the prior year. 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 declining 35.0% compared to the prior year. Net sales of ready-to-drink represented 12.9% of total net sales, an increase of 80.1% compared to the prior year.

Gross profit for the full year of 2020 increased 16.5% over 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 full year 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 in the U.S. and Canada region.

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% as compared to 18.2% in the prior years' period.

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

The net financial result was a loss of P\$38 million pesos during 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 51.0% of EBS.

Net margin was 14.7% for the full year. Earnings per share were P\$1.43 compared to P\$1.04 in 2019.

Corporate *Governance*

Our Corporate Governance is made up of the Board of Directors and the Audit and Corporate Practices Committee.

The Board of Directors is responsible for our business management. It complies with international practices, as well as the regulations imposed by the Mexican Stock Exchange and the Securities Market Law. It is composed of eleven proprietary members and five alternates, of which eight are independent. Directors are elected for one-year terms at the Annual Ordinary Shareholders' Meeting. All current proprietary and alternate directors were elected or ratified in their positions on April 27, 2021.

Board of Directors

CHAIRMAN

Juan Francisco Beckmann Vidal

BOARD MEMBERS

Juan Domingo Beckmann Legorreta
Karen Virginia Beckmann Legorreta

INDEPENDENT BOARD MEMBERS

Ronald Anderson
John Randolph Millian
Ricardo Cervera Lomelí
Alexander Gijs Van Tienhoven
Sergio Visintini Freschi
Luis A. Nicolau Gutiérrez
Hernando Carlos Luis Sabau García
Alberto Torrado Martínez

ALTERNATE

BOARD MEMBERS

José Antonio Alonso Espinosa¹
Fernando Suárez Gerard
Luis Fernando Félix Fernández

INDEPENDENT ALTERNATE BOARD MEMBERS

Carlos Javier Vara Alonso
Arsenio Farell Campa

SECRETARY

Sergio Rodríguez Molleda

ALTERNATE SECRETARY

Cynthia Corro Origel

¹ Alternate of Mrs. Karen Virginia Beckmann Legorreta



BOARD RESPONSIBILITIES

- Establish the general strategy for managing the Company and the legal entities controlled by BECLE.
- Represent the Company, take any legal actions, and adopt any determinations it deems necessary or convenient to achieve the corporate purpose.
- Ensure that the resolutions of the Shareholders' Meetings are executed, which may be performed by the Committee responsible for audit activities. There is one statutory committee that assists the board in overseeing the company's management and direction.

Audit and Corporate Practices Committee

Sergio Visintini Freschi
CHAIRMAN

John Randolph Millian
MEMBER

Ricardo Cervera Lomelí
MEMBER

COMMITTEE'S RESPONSIBILITIES

- Evaluate the work of the Company's external auditors.
- Oversee the management, conducts and execute on the company's business.
- Analyze the external auditors' reports and inform the Board of Directors of any irregularity related to internal controls.
- Supervise related party transactions and the activities of the Chief Executive Officer.
- Submit an Annual Report to the Board of Directors and to Shareholders.



Management Team

Juan Domingo Beckmann Legorreta
CHIEF EXECUTIVE OFFICER

Michael Keyes
PRESIDENT AND CEO OF PROXIMO

Luis Fernando Félix Fernández
MANAGING DIRECTOR, MEXICO AND LATAM

Gordon Dron
MANAGING DIRECTOR, EMEA AND APAC

Fernando Suárez Gerard
CHIEF FINANCIAL OFFICER

Iván Ramos
AUDIT DIRECTOR

Daniel Loría
HUMAN RESOURCES DIRECTOR

Sergio Rodríguez Molleda
GENERAL COUNSEL

Mauricio Giordano Ferreira,
GLOBAL CHIEF OPERATING AND SUPPLY CHAIN OFFICER

Corporate *Ethics*

Our principles of honesty and transparency guide our relations with all of our stakeholders.

MISSION

Our mission as leaders is to satisfy the needs of Tequila clients and consumers worldwide.

In Mexico, our mission is to position our brands in different segments and categories to increase Jose Cuervo's value and brand equity.

And, to have competitive advantages throughout our vertical integration from agriculture to the final consumer.

VALUES

- Strong Business Sense, adding value to all of our activities.
- Activities focused on Continuous Improvement.
- Through Teamwork we improve individual and company performance.
- We promote a High Quality of Life that allows us to grow and develop, thus improving our overall performance.
- We treat people with Respect. We believe in and promote Integrity.





CODE OF CONDUCT (“CODE”)

The Code is an essential element of our Integrity Program and an important tool in bringing BECLE’s values to life in our work. It explains the Company’s expectations in areas that could cause ethical or legal issues if mishandled and applies to every employee and everywhere BECLE does business. The main topics covered in the Code are:

- Human rights
- Respect and non-harassment
- Health, safety, and wellbeing
- Environmental protection
- Anti-corruption
- Gifts and hospitality
- Conflicts of interest
- Responsible consumption of alcohol
- Company assets (intellectual and industrial property)
- Company records and accounts
- Confidential information and data privacy

An annual certification of integrity is conducted each year, in which employees must confirm that they fulfilled their individual responsibilities and commitments to understand and act in adherence to the provisions of the Code and Company’s policies.

Additionally, the Company has implemented an Ethics Line managed by an independent third-party in which employees can reliably and anonymously report any wrongdoing or potential violations of the Code, internal policies, or the law.

In 2020, we developed several initiatives that helped us improve ethical operations throughout BECLE’s facilities worldwide, including global training on data protection, installation of a protocol for managing compliance investigations and the implementation of a platform for managing third-party risks.



Our *Team*

At Becele, we are aware of how important our employees are for the success of our company.

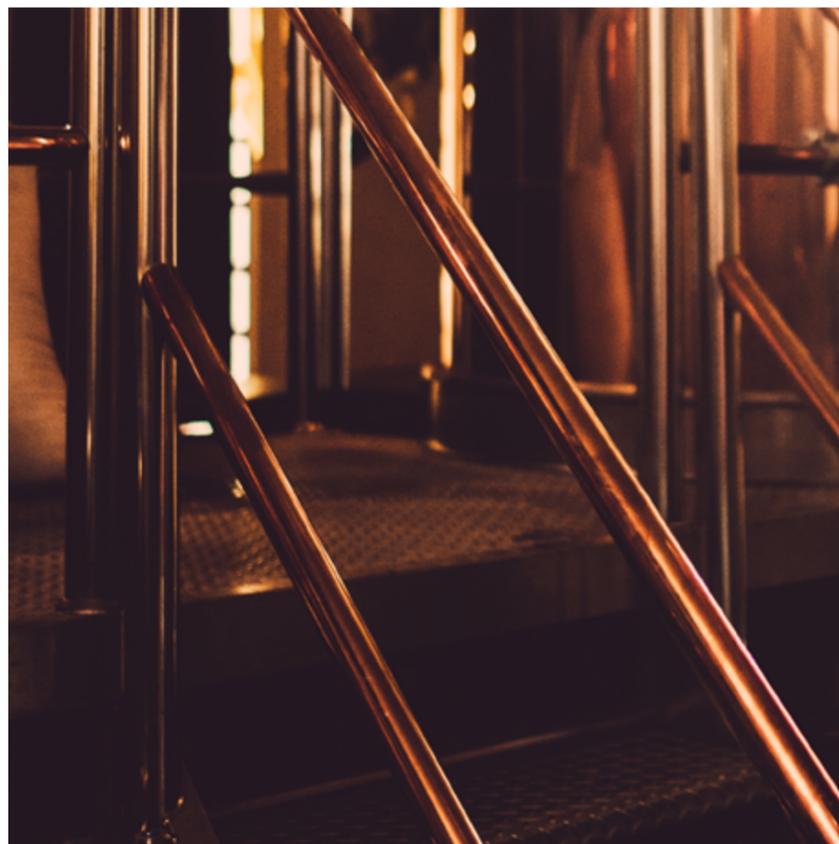
Above all, we ensure that they have the necessary conditions to develop personally and professionally, as well as a healthy work environment free of discrimination, where all Human Rights are respected. We are a diverse and inclusive company that respects all ideologies and sexual preferences, and our hiring policy is based on skills and talent.

ESR Distinctive (Distintivo Empresa Socialmente Responsable) from Cemefi and AliaRSE, for 15 consecutive years.

We follow and respect all Labor Law regulations in the countries where we operate and offer competitive benefits and compensation above what is required by law, as follow:

- Medical insurance for the employee and their family
- 8 days of vacation per year
- Paid vacation, above what is required by law
- Personal cars for management and above
- Bonuses for management and above
- Life insurance
- Savings Fund
- Food allowance vouchers
- 30 days of tax-free Christmas bonus
- Pension plan
- Dining hall at our workplaces
- Product sales with special pricing

Our non-discrimination policy ensures that all employees are equally remunerated, therefore we have a single salary rate for women and men without distinction, and we prioritize our internal staff to fill our employment vacancies.



Responsible Healthy Organization Certification granted by the Business Council for Health and Wellbeing of the Operation Units facilities.

How did *we* face the COVID-19 *pandemic*?

The COVID-19 pandemic generated considerable challenges, including how to support all of our employees and their families during this difficult time.

We immediately implemented our contingency and continuity plan, which included the development of several policies like the Home Office Policy for all our employees, COVID protocols and internal monitoring policies, as well as compliance with all Government restrictions for each of our Business Units.

For our collaborators to have the necessary conditions to work from home, we provided ergonomic chairs as well as additional hardware such as phones, and headphones with integrated microphones, to facilitate virtual meetings, on-line trainings, etc.

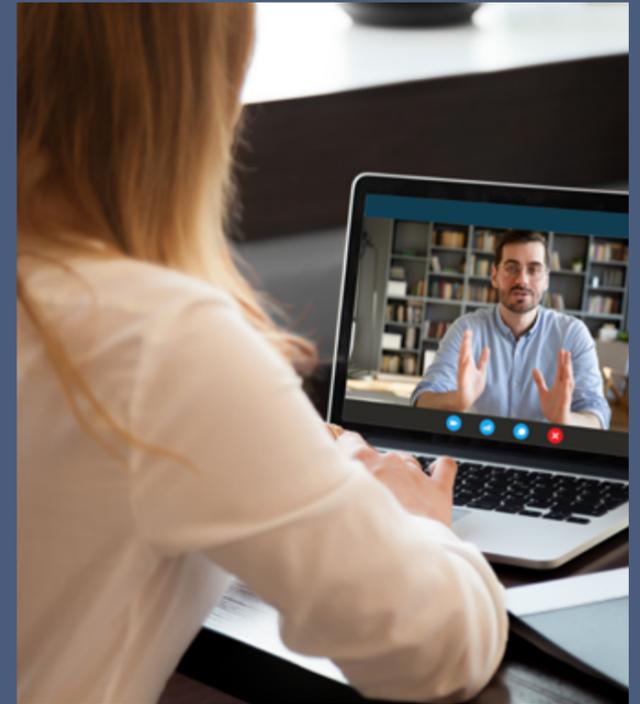
All employees that had to continue working in our premises were provided with a COVID safety kit, and we followed all of the security and health guidelines deter-

mined by the government in our plants and offices.

Communication has been very important during the last year. For this reason, we implemented a special COVID 1-800 line, in order to listen to their doubts, concerns, and learn about possible COVID cases. All employees that were infected with COVID-19, received personalized assistance, and follow up during their recovery and side effects.

Our management team has been communicating continuously with all of our employees during this difficult time.

We are convinced that training and development benefit the entire company, not just those that receive the training. So we offer technical and functional training, through programs developed for different skills outlined by the Company. Likewise, we have set up indicators for objective achievements and performance.





We constantly conduct work environment surveys among our employees, last year was not an exception.

During 2020, our four internal organizational climate surveys had very positive results in comparison with the year before, as follows:

STAFF SATISFACTION

Measures employee satisfaction for working at Beclé.

87% vs 80% increase

COMMITMENT

Measures employee pride and motivation for the organization.

85% vs 78% increase

CONTEXT

Measures the employee's perception of job opportunities in the country.

59% vs 53% decrease

ORGANIZATIONAL CLIMATE

Measures the perception of the organization's work environment.

73% vs 81% increase

Based on the results from the surveys, we implemented different action plans for each of our areas, focused on the opportunities we found:

Year-end online celebration

Through this event, we were able to integrate more than 1,000 employees from all Business Units, and recognize anniversaries for the different working years, respecting all the security protocols for COVID-19.

Cuervo Awards for Excellence

Annual event to celebrate our collaborators' children who have the best grade averages in elementary school, with the purpose of encouraging their studying habits, and academic excellence.

Scholarship Program

Continuity of our Scholarship Program for our collaborators' children who are studying or applying for a degree or post graduate program.

Internal promotions

We continue promoting employees who show exemplary performance.

Talent Review

Annual program created to determine key positions and succession planning charts, creating a source of internal talent for growth and development



Due to COVID-19, we redesigned all our events to an online version.

YEAR-END CELEBRATION

Our traditional Christmas Party, was celebrated by each of our collaborators, from their homes, through a prerecorded transmission of our 2020 achievements.

MARKETING CONVENTION

The event, where the annual business plans from the different commercial areas are presented, took place through a prerecorded transmission, and real-time draws.



Human Rights

The respect and protection of Human Rights throughout Becele's operations, has always been a priority for our Company.

Our Code of Ethics for Collaborators and Suppliers, establishes our commitment for the protection of Human Rights, including, child and forced labor.

We follow all the standards set up in the Mexican NOM-035-STPS-2018 Occupational psychosocial risk factors – Identification, analysis and prevention, with the objective of establishing elements for identifying, analyzing, and preventing psychosocial risk factors, as well as to promote a favorable organizational environment in the workplace.

Our senior management has developed the definitions included in our Policy for these issues.

We give a questionnaire about psychosocial risk factors in our workplace to all collaborators, in a systematic way, to be able to implement improvement plans such as: information sessions, communication campaigns and an online program for employees' assistance in emotional, medical, nutritional, legal, and family economic, issues.



Workforce

8,080
employees

755
unionized

10.13
years

Average length of service

9.3%
employee

turnover, due to our
outstanding initiatives to
ensure our employees'
wellbeing

829 848

26

19 TO 21

22 TO 38

39 TO 56

64

57 TO 75

51

BREAKDOWN BY AGE

Training and *development*

21.5
average hours of
training per employee

100%
of employees received
performance reviews

At BECLE, we are convinced that training and development benefits not only our employees, but the company as a whole. This is the reason why we carry out an annual training program, which includes technical and functional programs, developed for different skills outlined by the company. We also apply performance assessments to all of our employees based on indicators for objective achievements.

This year we were able to complete our virtual training program with great success with the following courses:

- Force Academy Cuervo
- Open English 2020 Program

GOOGLE

- Improve productivity at work
- Introduction to Digital Wellbeing
- Gain confidence through self-promotion
- Public Speaking
- E-commerce
- Digital Marketing principles
- Personal productivity
- UP: Tips for public speaking

COACHING

- 2020 strategic management for training
- 2020 strategic focus of training in Mexico
- Guidance for a safe return to work after COVID-19
- 2020 Global Security Program
- Corporate Finance
- Mexican Association of Ethics and Compliance Professionals, A.C. (AMPEC) Seminar
- Emotional Intelligence for Managers, Leaders and Supervisors
- Excel course for Managers, Leaders and CDC Executives
- General CDC training course
- Personal Skills Training: Talent and Future





Occupational Health and Safety

The health and safety of our employees and their families is part of our commitment to a responsible operation. We have a Comprehensive Management Policy and have established the Safety and Hygiene Commission which oversees all Health and Safety issues for our employees. Likewise, our headquarters has a medical department which handles topics like hiring and follow up on basic emergencies.

In addition, we have been certified by the Self-Management Program in Occupational Safety and Health (PASST-2) from

the Ministry of Labor and Social Welfare which endorses all of our facilities' procedures.

Also, we have a training program that is linked to the First Aid programs and First Aid and Emergency Brigades.

Our hazard and risk assessment had to be cancelled in 2020 because of the COVID-19 pandemic, as well as our Health Campaigns, except for the influenza virus vaccination campaign. Risk premiums are kept under control by continuous training and preventive care.

Our Proximo facilities' safety is our highest priority. We have comprehensive and documented safety protocols for all employees and site visitors with routine reinforcement training and performance measurements. We have 100% OSHA compliance for required training which has resulted in a total OSHA recordable incident rate of 50% below national average, and we participate in internal and external programs to support safe work practices.



Responsible
Consumption

RESPONSIBLE CONSUMPTION

At Bece we promote responsible and moderate consumption of spirits and reject the informal alcoholic market. Likewise, we discourage drinking and driving, prevent consumption by minors and encourage absolute respect towards abstinence.

In 2020, our development team “Fuerza Cuervo”, carried out an online learning campaign for promoters, with the objective of creating consciousness of the different scenarios that they could encounter in our points of sales (consumer centers, wholesale, and supermarkets) so they could identify possible risk situations and mitigate the harmful consumption of alcohol.

We continue supporting the *Fundación de Investigaciones Sociales, A.C. (FISAC)* –a nonprofit social research organization that, since 1981, has been promoting campaigns to raise social awareness about the risks associated with excess alcohol consumption, and is carrying out the following projects in 2020:

- Publication of the book called “*El Trago Estándar*”, which creates consciousness about the harmful use of alcohol.
- Support for the launch of consciousness campaigns, together with the Mexico City’s Government and the Institute for the Attention and Prevention of Addictions (IAPA) that aim to reduce the use, abuse, and dependency of psychoactive substances, through the development of social programs.
- We bolster educational programs on awareness and promotion of responsible consumption of alcoholic beverages. (52 webinars / 3,391 beneficiaries).
- Together with the Mexican National University, we supported the publication of the book “*Cognitive-behavioral therapies*”, whose objective is to prevent the harmful consumption of alcohol.
- “*Para que se repita*” campaign works towards alcohol moderation and self-care during the COVID-19 pandemic.





Responsible
Operations



Supply Chain

We are aware that a responsible supply chain can create value for all of our stakeholders, build capability in our local communities, and to set higher sustainability standards for our Company.

All of our suppliers must sign on to, and respect at all times, our Code of Ethics for Suppliers guidelines which is based on the 10 Principles of the Global Compact. Concerned parties can use our Ethics Line to express concerns, comments, or complaints of any kind.

In 2020, we updated our Code for Suppliers, taking into consideration the following aspects set up by the United Nations:

- Business integrity
- Respect for Human Rights and working conditions
- Good Health and Safety conditions

- Environmental impact and sustainability in the production chain
- Communication and reporting of inadequate conduct

Due to the difficult economic environment that all of our suppliers have faced during the COVID-19 pandemic, we supported them with credit programs.

Our effort to maintain a responsible supply chain has qualified us for several distinctions, such as from the National Association of Wine and Spirits Distributors (ANDIVYL), which gives annual performance awards for wine and spirits suppliers and wholesalers. This year we received recognitions in the following categories:

- Best Director of Wholesale Sales
- Best Trade Marketing Director

We comply with all of the regulations in the countries where we operate, as well as official Mexican regulations. Our production facilities hold several certifications that guarantee the quality and excellence of our products.

To ensure that the quality of the products, materials, and the ingredients from our suppliers meet our needs, we evaluate each one of them on a continuous basis. In addition, we have implemented an internal “Quality Standard”.

We hold quality and manufacturing certifications such as:

ISO 9001:2015 Quality Management Systems which is the aggregate of all the processes, resources, assets, and cultural values that support the goal of customer satisfaction and organizational efficiency.

ISO 17025: General competency requirements for the testing and calibration of laboratories.

HACCP (Hazard Analysis and Critical Control Points) is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards ranging from raw material production, procurement, and handling to manufacturing, distribution, and consumption of the finished product.

Our annual training program includes topics related to quality and safety management systems, including manufacturing, HACCP (Hazard Analysis and Critical Control Points), ISO 9001 (Quality Management System “QMS”), and risk management.

KMD Kosher: The KOSHER certificate, guarantees that a product complies with the standards of the Jewish religion and currently plays a very important role in food sector sales, both in ingredients and final products in the retail market.

C-TPAT (Customs Trade Partnership Against Terrorism) is just one layer of U.S. Customs and Border Protection’s (CBP) multi-layered cargo enforcement strategy. Through this program, CBP works with the trade community to strengthen international supply chains and improve United States border security.



Community Engagement

Proximo Spirits and its brands donated over \$2.5 million in 2020 to charities and causes favored by its consumers, customers, and brands.

We are convinced that volunteer efforts in our communities from our employees can help to build and promote a positive culture within Bece, influence teamwork, and help the community grow in a substantial way.

BECLE'S 2020 COMMUNITY ENGAGEMENT PROJECTS:

"Va por todos" Campaign

To support workers in the restaurant sector during the COVID-19 pandemic, with the participation of Bece, business partners, and consumers through the purchase of coupons that could be redeemed when consumption centers re-open to the public.

Donation of hand sanitizer

To the Mexican Red Cross, Ministry of National Defense (SEDENA), Marine Ministry (SEMAR) and local governments.

Responsible Consumption initiatives

Developed together with the FISAC Foundation, as previously mentioned.

Corporate Social Responsibility Diploma

Through the National Tequila Industry Chamber we supported the development of Corporate Social Responsibility diploma courses, together with the National Restaurant and Prepared Food Industry Chamber (CANIRAC), regarding the separation, collection, and recycling of glass bottles.

We are a proud founding partner of Women of the Vine and Spirits

A female-run organization creating a more diverse and inclusive industry for all to thrive.

Proximo Spirits and Jose Cuervo have long been supporters of COREGives

A national non-profit dedicated to providing financial relief for food and beverage employees with children, when either the parent or child faces a health crisis, injury, death, or natural disaster.

Proximo Spirits and 1800 Tequila are supporters of the NAACP

A 100-year-old civil rights organization at the forefront of the movement to build political power and ensure the wellbeing of Black communities. 1800 also contributed to Music for Relief this year, the disaster response campaign of the Entertainment Industry Foundation (EIF) providing aid to those affected by COVID-19 in the live music community, including bartenders and musicians.

Proper No. Twelve Whiskey

(Proximo is their distribution partner), raised \$1 million for first responders around the country, and recently partnered with Tunnels to Towers on their nationwide campaign to support families.

In 2020, Proximo Spirits and Jose Cuervo became supporters of World Central Kitchen

Raising money to support their #Chefs-ForAmerica initiatives, making a key connection between people who are in a food crisis and need meals, and restaurant workers and drivers who need to earn a living.

Hangar 1 Vodka supports local Bay area groups

Most recently partnering with CUESA (Center for Urban Education on Sustainable Agriculture), a group dedicated to growing thriving communities through the power and joy of local food. In the COVID-19 crisis their work ensured that unemployed food and service workers had access to fresh fruits and vegetables from local growers.

Old Camp Whiskey, a partnership with country music duo Florida Georgia Line, supports the United Services Organization (USO) with a limited-edition Patriot Pack bottle with proceeds going to the charity. The USO strengthens America's military service members by keeping them connected to family, home, and country, throughout their service to the nation.

Pendleton Whisky is helping Western sports athletes

In addition to local communities impacted by the closure of Rodeo events in partnership with the Western Sports Foundation's Protect the Ride Fund.

Bushmills Irish Whiskey and The Sexton Whiskey have rallied to help

The United States Bartenders Guild's - Bartender Emergency Assistance Program with donations providing support for unemployed bartenders.



PROXIMO SPIRITS VOLUNTEER ACTIVITIES FOR 2020

40th Annual High Five Turkey Drive

NOVEMBER 20, 2020

Proximo sales team in MI participated in a Turkey drive.

LCBO Friends of We Care Winterfest

JANUARY 31, 2020

Proximo Spirits Canada joined the LCBO, and Friends of We Care, to bring joy to kids with disabilities. To help fund the event, Proximo produced prize packs for the silent auction and led interactive games to keep the donors engaged. The event generated \$57k in funding for a great cause.

Be a Hunger-Fighting Hero

MARCH 11, 2020

Proximo Distillers Colorado, assisted with several roles at Metro Caring such as restocker, cart attendant, sorter, and checker.

Meal Prep for the homeless

JANUARY 15, 2020

Proximo Distillers Colorado performed basic cooking for meal prep for the homeless. The food was prepared and delivered to homebound senior citizens, domestic violence shelters, homeless outreach facilities, etc. All recipients live in the Denver area.

York Street Project

DECEMBER 16, 2020

Proximo Jersey City Office donated 43 gift cards to the York Street Project, homeless shelter for women and children ages 3 months to 14 years. The gift cards were used to purchase Christmas gifts by the families.



At Becele we have a Comprehensive Management Policy, which guides our efforts to reduce the environmental impact of our processes through the rational use of natural resources, incorporation of clean technologies, and search for alternative and renewable resources, which includes annual reporting on environmental indicators.

Environmental *Protection*

ENVIRONMENTAL CERTIFICATIONS

VOLUNTARY ENVIRONMENTAL
COMPLIANCE PROGRAM
(SEMADET¹, JALISCO)

Edisa Bottling Facility
Camichines Distillery
La Rojeña Distillery

CLEAN INDUSTRY (SEMARNAT)
Edisa Bottling Facility
Camichines Distillery
La Rojeña Distillery

SELF-MANAGEMENT PROGRAM
IN OCCUPATIONAL HEALTH AND
SAFETY (STPS²)

Edisa Bottling Facility
Camichines Distillery
La Rojeña Distillery

ISO-14001: 2015
Camichines Distillery

MANAGEMENT STAGES

AUTHORIZATION FOR AGAVE
BAGASSE COMPOSTING
(SEMADET, JALISCO)

Todos Los Santos Ranch
San Juan Ranch

WASTEWATER TREATMENT PLANT
La Rojeña Distillery
Camichines Distillery
EDISA Bottling Facility

NATURAL GAS DECOMPRESSION
STATION
La Rojeña Distillery

NATURAL GAS STATION
Camichines Distillery

¹ Secretaría de Medio Ambiente y Desarrollo Territorial

² Secretaría del Trabajo y Previsión Social



Consolidated *Financial Statements*

Consolidated Statements of Financial Position

December 31, 2020 and 2019
(Thousands of Mexican pesos (Ps))

ASSETS	2020 (US\$)*	2020 (Ps)	2019 (Ps)
CURRENT ASSETS:			
Cash and cash equivalents	\$ 383,299	\$ 7,646,318	\$ 9,628,169
Trade receivables	461,870	9,213,715	9,294,939
Related parties	2,868	57,214	103,294
Recoverable income tax	31,301	624,405	782,106
Other recoverable taxes and other receivables	64,727	1,291,221	637,217
Inventories	561,130	11,193,822	9,438,092
Financial instruments at fair value through profit or loss	15,226	303,739	-
Biological assets	14,632	291,882	915,393
Prepayments	50,361	1,004,644	850,902
Total current assets	1,585,415	31,626,960	31,650,112
NON-CURRENT ASSETS:			
Inventories	298,762	5,959,914	4,990,747
Biological assets	245,401	4,895,421	2,719,349
Investments in associates	78,591	1,567,796	230,383
Equity investments at fair value	600	11,969	36,748
Property, plant and equipment	509,782	10,169,488	6,944,677
Intangible assets	774,351	15,447,299	14,229,951
Goodwill	345,440	6,891,070	6,253,088
Right-of-use assets	117,891	2,351,770	2,046,169
Deferred income taxes	118,167	2,357,279	1,313,980
Employee benefits	11,771	234,809	250,939
Other assets	3,403	67,893	58,792
Total non-current assets	2,504,159	49,954,708	39,074,823
Total assets	\$ 4,089,573	\$ 81,581,668	\$ 70,724,935

LIABILITIES	2020 (US\$)*	2020 (Ps)	2019 (Ps)
CURRENT LIABILITIES:			
Senior Notes	\$ 2,448	\$ 48,833	\$ 46,131
Trade payables	153,516	3,062,436	2,182,716
Related parties	8,499	169,551	68,382
Lease liabilities	30,943	617,268	445,582
Other accounts payable	241,096	4,809,560	3,944,604
Total current liabilities	436,502	8,707,648	6,687,415
NON-CURRENT LIABILITIES:			
Senior Notes	496,628	9,907,075	9,344,657
Lease liabilities	92,431	1,843,873	1,702,822
Environmental reserve	6,337	126,414	117,924
Other liabilities	25,485	508,401	190,823
Deferred income taxes	287,898	5,743,187	4,089,090
Total liabilities	1,345,281	26,836,598	22,132,731
Stockholders' Equity			
Capital stock	565,633	11,283,642	11,514,467
Share premium	726,191	14,486,570	15,364,892
Capital reserves	215,698	4,302,893	5,758,171
Retained earnings	933,176	18,615,653	11,880,337
Other comprehensive income	299,652	5,977,668	4,001,717
Stockholders' equity attributable to controlling interest	2,740,350	54,666,426	48,519,584
Non-controlling interest	3,942	78,644	72,620
Total stockholders' equity	2,744,293	54,745,070	48,592,204
Contingencies and commitments			
Total	\$ 4,089,573	\$ 81,581,668	\$ 70,724,935

* Convenience translation to thousands of US Dollars (US\$),

Consolidated Statements of Comprehensive Income, by expenses function

For the years ended on December 31, 2020 and 2019
(Thousands of Mexican pesos (Ps), except earnings per share)

	2020 (US\$)*	2020 (Ps)	2019 (Ps)
Net sales	\$ 1,756,312	\$ 35,036,139	\$ 29,704,781
Cost of goods sold	841,665	16,790,114	14,039,147
Gross profit	914,647	18,246,025	15,665,634
Expenses:			
Advertising, marketing and promotion	335,262	6,688,049	6,424,715
Distribution	69,162	1,379,692	1,040,914
Selling	70,395	1,404,296	1,195,568
Administrative	98,902	1,972,970	1,754,087
Other income - Net	(4,592)	(91,595)	(159,790)
Total expenses	569,130	11,353,412	10,255,494
Operating income	345,517	6,892,613	5,410,140
Interest income	(7,202)	(143,666)	(191,321)
Interest expense	27,311	544,809	528,551
Changes in the fair value of financial instruments	(15,226)	(303,739)	-
Foreign exchange loss - Net	(2,957)	(58,997)	(74,461)
Financing result	1,925	38,407	262,769
Income before income taxes	343,592	6,854,206	5,147,371
Income taxes	85,327	1,702,162	1,429,518
Consolidated net income	\$ 258,265	\$ 5,152,044	\$ 3,717,853

	2020 (US\$)*	2020 (Ps)	2019 (Ps)
Other comprehensive income:			
Components to be subsequently reclassified to income			
Foreign operations - Foreign currency translation reserve	\$ 95,935	\$ 1,913,777	\$ (1,145,931)
Components not to be subsequently reclassified to income			
Changes in the fair value of equity investments at fair value through other comprehensive income - net of income taxes	1,350	26,931	(46,513)
Employee benefits - net of income taxes	1,767	35,243	25,713
Other comprehensive income	99,052	1,975,951	(1,166,731)
Consolidated comprehensive income	\$ 357,316	\$ 7,127,995	\$ 2,551,122
Net income attributable to:			
Controlling interest	\$ 257,963	\$ 5,146,020	\$ 3,712,022
Non-controlling interest	302	6,024	5,831
	\$ 258,265	\$ 5,152,044	\$ 3,717,853
Comprehensive income attributable to:			
Controlling interest	\$ 357,014	\$ 7,121,971	\$ 2,545,291
Non-controlling interest	302	6,024	5,831
	\$ 357,316	\$ 7,127,995	\$ 2,551,122
Basic and diluted earnings per share (pesos)	0.07	1.43	1.04

* Convenience translation to thousands of US Dollars (US\$)

Consolidated Statements of changes in stockholders' equity

For the years ended on December 31, 2020 and 2019
(Thousands of Mexican pesos (Ps), except dividends paid per share)

	CAPITAL STOCK	SHARE PREMIUM	CAPITAL RESERVES	RETAINED EARNING	OTHER COMPREHENSIVE INCOME	TOTAL CONTROLLING INTEREST	NON-CONTROLLING INTEREST	TOTAL STOCKHOLDERS EQUITY
Balances as of January 1, 2019	\$ 11,622,553	\$ 16,426,406	\$ 5,602,893	\$ 8,867,425	\$ 5,168,448	\$ 47,687,725	\$ 66,789	\$ 47,754,514
Comprehensive income:								
Net income	-	-	-	3,712,022	-	3,712,022	5,831	3,717,853
Changes in the fair value of equity investments at fair value through other comprehensive income -net of income tax	-	-	-	-	(46,513)	(46,513)	-	(46,513)
Remeasurement of employee benefits -Net	-	-	-	-	25,713	25,713	-	25,713
Foreign currency translation reserve	-	-	-	-	(1,145,931)	(1,145,931)	-	(1,145,931)
Total comprehensive income	-	-	-	3,712,022	(1,166,731)	2,545,291	5,831	2,551,122
Transactions with stockholders:								
Capital stock reduction	(108,086)	(1,061,514)	-	1,169,600	-	-	-	-
Repurchase of shares -Net	-	-	155,278	-	-	155,278	-	155,278
Acquisition of non-controlling interest	-	-	-	(20,968)	-	(20,968)	-	(20,968)
Dividends	-	-	-	(1,962,221)	-	(1,962,221)	-	(1,962,221)
Other stockholders' movements -Net	-	-	-	114,479	-	114,479	-	114,479
Total transactions with stockholders	(108,086)	(1,061,514)	155,278	(699,110)	-	(1,713,432)	-	(1,713,432)
Balances as of December 31, 2019	11,514,467	15,364,892	5,758,171	11,880,337	4,001,717	48,519,584	72,620	48,592,204
Comprehensive income:								
Net income	-	-	-	5,146,020	-	5,146,020	6,024	5,152,044
Changes in the fair value of equity investments at fair value through other comprehensive income -net of income tax	-	-	-	-	26,931	26,931	-	26,931
Remeasurement of employee benefits -Net	-	-	-	-	35,243	35,243	-	35,243
Foreign currency translation reserve	-	-	-	-	1,913,777	1,913,777	-	1,913,777
Total comprehensive income	-	-	-	5,146,020	1,975,951	7,121,971	6,024	7,127,995
Transactions with stockholders:								
Capital stock reduction	(89,433)	(878,322)	-	967,755	-	-	-	-
Cumulative inflation effect of capital reclassified to retained earning	(141,392)	-	-	141,392	-	-	-	-
Reduction of repurchase of shares reserve	-	-	(1,570,258)	1,570,258	-	-	-	-
Repurchase of shares -Net	-	-	114,980	-	-	114,980	-	114,980
Dividends	-	-	-	(1,106,441)	-	(1,106,441)	-	(1,106,441)
Other stockholders' movements -Net	-	-	-	16,332	-	16,332	-	16,332
Total transactions with stockholders	(230,825)	(878,322)	(1,455,278)	1,589,296	-	(975,129)	-	(975,129)
Balances as of December 31, 2020	\$ 11,283,642	\$ 14,486,570	\$ 4,302,893	\$ 18,615,653	\$ 5,977,668	\$ 54,666,426	\$ 78,644	\$ 54,745,070

Consolidated Statements of Cash Flow

For the years ended on December 31, 2020 and 2019
(Thousands of Mexican pesos (Ps))

	2020 (US\$)*	2020 (Ps)	2019 (Ps)		2020 (US\$)*	2020 (Ps)	2019 (Ps)
Operating activities				Investment activities			
Income before income taxes	\$ 343,592	\$ 6,854,206	\$ 5,147,371	Property, plant and equipment	(177,671)	(3,544,310)	(2,038,090)
Adjustment from items not implying cash flows:				Intangible assets	(4,602)	(91,807)	(189,203)
Depreciation and amortization	35,815	714,459	685,425	Acquisition of subsidiaries -Net of cash	(3,823)	(76,263)	-
Changes in the fair value of financial Instruments	(15,226)	(303,739)	-	Investment in associates	(76,032)	(1,516,733)	-
Non-cash items	17,217	343,460	-	Sale of property, plant and equipment	785	15,653	12,006
Loss on sale of property, plant and equipment	2,754	54,929	94,625	Sale of The Cholula Food Company	-	-	265,938
Gain on the sale of The Cholula Food Company	-	-	(19,139)	Interest income	7,202	143,666	191,321
Allowance for trade receivables	2,286	45,601	8,453				
Allowance for obsolete inventories	8,023	160,043	180,623	Net cash flows used in investing activities	(254,142)	(5,069,794)	(1,758,028)
Equity method on associates	(4,077)	(81,339)	-				
Interest income	(7,202)	(143,666)	(191,321)	Financing activities			
Translation effect	-	-	(2,429)	Dividends paid	(27,247)	(543,535)	(1,962,221)
Net cost for the period of employee benefits	3,525	70,328	30,980	Repurchase of shares -Net	5,764	114,980	155,278
Unrealized foreign exchange	(11,689)	(233,175)	(217,910)	Principal lease payments	(19,717)	(393,320)	(251,045)
Interest expense	21,006	419,044	543,243	Interest lease payments	(4,002)	(79,832)	(170,740)
Subtotal	396,023	7,900,151	6,259,921	Interest paid	(20,888)	(416,686)	(359,729)
(Increase) decrease in:				Acquisition of minority interest	-	-	(20,967)
Trade receivables	(248)	(4,957)	(1,072,542)				
Related parties	4,993	99,602	57,330	Net cash flows used in financing activities	(66,089)	(1,318,393)	(2,609,424)
Other recoverable taxes and other receivables	(28,326)	(565,068)	(99,060)				
Inventories	(102,341)	(2,041,572)	(2,970,209)	Net decrease of cash and cash equivalents	(132,457)	(2,642,337)	(1,998,263)
Biological assets	(83,511)	(1,665,944)	(671,559)				
Prepayments	(5,044)	(100,617)	(73,604)	Cash and cash equivalents at beginning of year:			
Other assets	15,911	317,412	294,298	At beginning of year	482,646	9,628,169	12,027,931
Increase (decrease) in:				Effects of exchange rate changes on cash and cash equivalents	32,452	647,366	(401,499)
Trade payables	37,039	738,873	(370,718)	Cash received from acquisition	658	13,120	-
Other accounts payables	6,967	138,985	1,460,375				
Employee benefits	(2,146)	(42,817)	15,505	Cash and cash equivalents at end of year	\$ 383,299	\$ 7,646,318	\$ 9,628,169
Income taxes paid or recoverable	(51,542)	(1,028,198)	(460,548)				
Net cash from operating activities	187,774	3,745,850	2,369,189				

* Convenience translation to thousands of US Dollars (US\$)



Investor *Information*

Investor Information

BECLE, S.A.B. DE C.V.
BMV: [CUERVO]

Corporate Headquarters

Guillermo Gonzalez Camarena 800-4
Alvaro Obregón, Santa Fe, Zip Code
01210
Mexico City, Mexico
+(52) 55 5258 7000

www.becle.com.mx/ir

Investor Relations

SEBASTIÁN CASTILLO JUÁREZ
scastillo@cuervo.com.mx

BRYAN CARLSON KRAIG
bcarlson@cuervo.com.mx

ir@cuervo.com.mx

**MEDIA AND INSTITUTIONAL
RELATIONS CONTACT**

ALFREDO LÓPEZ
alopez@cuervo.com.mx