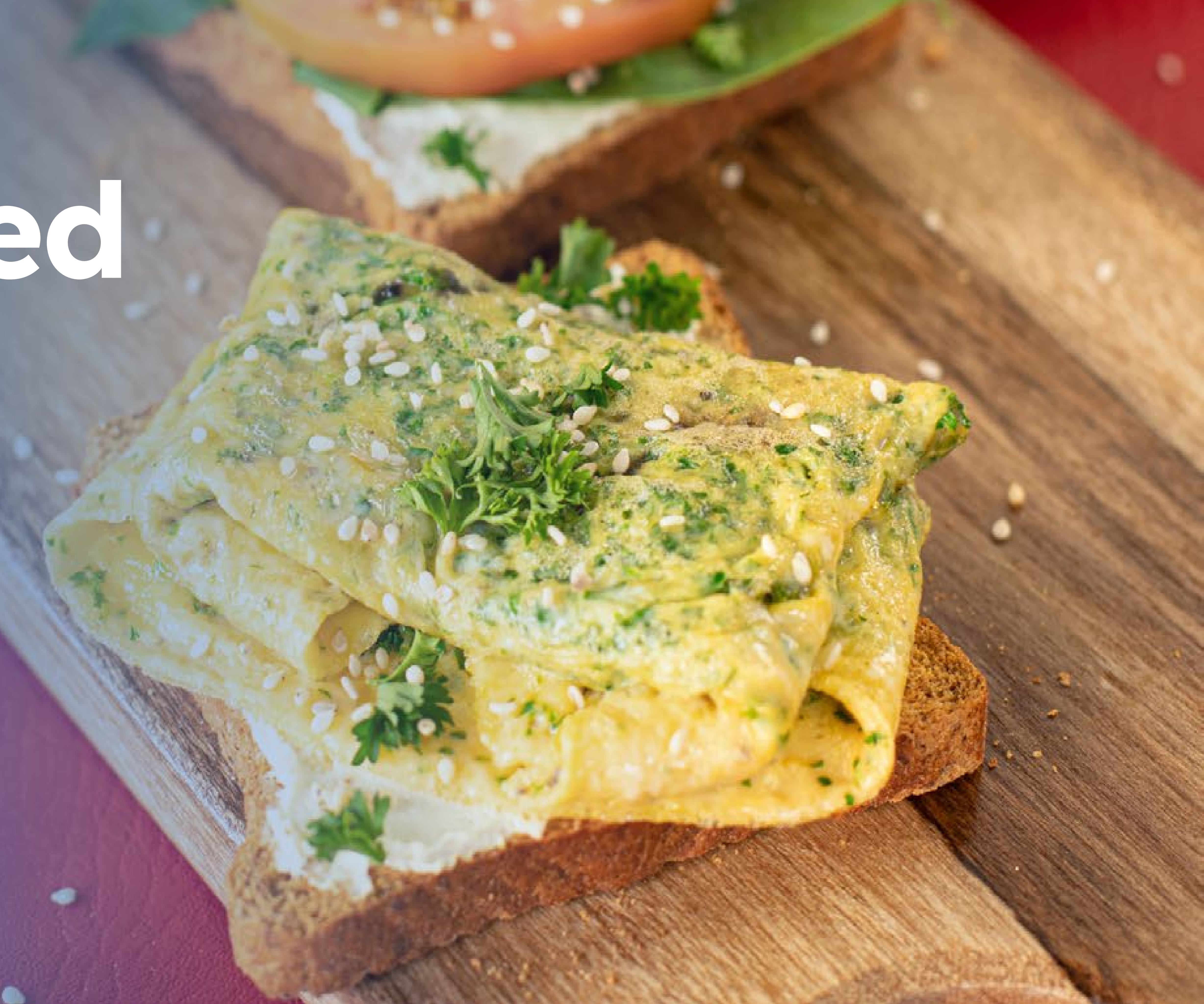
consolidated financial *statements*



CONTENT

AUDIT AND CORPORATE PRACTICES

COMMITEE REPORT

(GRI 102-17, 102-21, 102-27, 102-28, 102-29, 102-30, 102-33, 102-45)

Mexico City, April 05, 2021

TO THE BOARD OF DIRECTORS OF GRUPO BIMBO, S.A.B. DE C.V.

In my capacity as chairman of the Audit and Corporate Practices Committee (the "Committee") of Grupo Bimbo, S.A.B. de C.V. (the "Company"), and in accordance with point e), section II of Article 42 of the Securities Market Act, I hereby present you the opinion of the Committee regarding the content of the report of the Chief Executive Officer regarding the financial situation and results of the Company for the year ended December 31, 2020.

In the opinion of the Committee, the accounting and information policies and criteria followed by the Company and used to prepare the consolidated financial information are appropriate and sufficient, and consistent with international financial reporting standards. Therefore, the consolidated financial information presented by the Chief Executive Officer reasonably reflects the financial situation and results of the Company as of December 31, 2020 and for the year ended on that date.

Sincerely,

Edmundo Vallejo Venegas

Chairman of the Audit and Corporate Practices Committee
of Grupo Bimbo, S.A.B. de C.V.

Mexico City, April 18, 2021

TO THE BOARD OF DIRECTORS OF GRUPO BIMBO, S.A.B. DE C.V.

Dear members of the Board of Directors,

In conformity with the provisions of the Securities Market Act, the corporate charter of this Company and the Regulations of the Audit and Corporate Practices Committee of Grupo Bimbo, S.A.B. de C.V. {the "Group" or the "Company"), I hereby present to you the report of the activities carried out by the Audit and Corporate Practices Committee {the "Committee") during the year ended December 31, 2020. In carrying out our work, we abided by the recommendations established in the Code of Best Corporate Practices.

Based on the previously approved work plan, the Committee met seven times during the year, in which it discussed the issues it is legally obligated to consider and carried out the activities described below:

INTERNAL CONTROLS

With the assistance of both Internal and External Auditors, we verified that management had established general guidelines for internal control, as well as the necessary procedures for their application and enforcement. In addition, we followed up on the remarks and observations made by the external and internal auditors in performance of their duties.

The members of Management responsible for such matters presented the plans of action corresponding to the observations resulting from the internal audit, so our contact with them was frequent and their responses satisfactory.

The Committee learned about the functions of the Global Internal Control and Risk Management Department during the year, specifically the Control Self-Assessment (CSA) activities, with positive progress and results in terms of the coverage achieved, the progress of the projects at global level, and its coverage of different areas and organizations.

The Committee learned about the global analysis of Cybersecurity risk under the remote work modality. A tool for the Identity Access Management (IAM) project and the consultants for its implementation for 2021 were selected. Also, the issued corporate policies, the company's segregation of duties conflict resolution, and the external auditor's recommendations to compliance for the improvement of the control environment were followed.

Also, we learned through the Global Controllership Department of the project that is being carried out, jointly with Deloitte, to establish a financial information control model according to the Sarbanes-Oxley Act (SOX), a model that is voluntarily implemented by Management, for the comprehensive improvement of the company's controls.

CODE OF ETHICS

With the support of the Internal Audit Department and other areas of the Company, we verified compliance by the associates of the Company with the Group's current Code of Ethics.

We learned of the results and central issues identified in maintaining a hotline for Group associates, and management informed us of the actions taken in those cases.

EXTERNAL AUDIT

We were in constant contact with the representative of the EY firm to follow up on the relevant issues and know the activities carried out during the year, along with the Company's management. The audit of the consolidated financial statements as of December 31, 2020 has been completed and the opinion was clean.

We approved the fee for these auditing services for 2020 and 2021, including additional fees to account for the growth of the Group and other permitted services. We ensured that these payments did not compromise the independence of that firm.

The external auditors presented their approach and work program and areas of interaction with Grupo Bimbo's Internal Audit department; the Committee approved this presentation.

An inquiry was made by the external auditors, to this Committee, about the knowledge of relevant fraud, complaints to financial information, concern about related party transactions and/or knowledge of possible violations of laws or regulations, to which, the Committee gave a negative answer to these questions.

We maintained direct and close communication with the external auditors, and they informed us on a quarterly basis of the progress of their work and any observations they had; we took note of their comments on the quarterly and annual financial statements. We were promptly informed of their conclusions and reports on the annual financial statements.

We reviewed the content in a timely manner of the Prior Notice to the issuance of the External Audit Report (or Independent Auditor's Report) made in accordance with the International Auditing Standards on the consolidated financial statements of the Company as of December 31, 2020 and for the year ended on that date, which have been prepared in accordance with International Financial Reporting Standards (hereinafter IFRS), issued by the Independent External Auditor of the Company and legal representative of Mancera, SC (or EY Mexico), in order to comply with the provisions of Article 35 of the General Provisions Applicable to Supervised Entities and Issuers by the National Banking and Securities Commission that Contract External Audit Services of Basic Financial Statements (hereinafter Provisions, Sole Circular of External Auditors or CUAE).

In addition, we conducted an evaluation of the services of the external auditing firm for the year 2020 and were promptly informed of the preliminary financial statements.

INTERNAL AUDIT

We reviewed and approved the department's budget, as well as the audit plan for 2021, corresponding to a total of 428 audits in 28 different countries. The auditable universe between legal entities, bakeries, sales centers, systems and projects, among others, was reviewed in detail. Likewise, the annual budget for internal audit department and the agenda and schedule of sessions of this Committee for 2021 were approved.

In each of this Committee's meetings, we received and approved regular reports on the progress of the approved work plan. Specifically, Audit plan changes related to the execution as a result of the pandemic, to virtual, remote models, and with the intensive use of technology, the data analysis through the execution of Audits under the Agile framework. The changes to the plan included the analysis of the Business Continuity Plans of all Bimbo organizations, as a result of the Pandemic.

We followed up on the comments and suggestions made by the Internal Audit Department and verified that Management resolved any deviations from the established internal controls, and we therefore consider the status of that system to be reasonably correct.

We authorized an annual training plan for personnel of the area and verified its effectiveness. A number of specialized professional firms participated actively in that plan to maintain the members with updated information on the appropriate topics.

The Committee authorized the Internal Audit Department to use the services of the firm Baker Tilly for internal audit work on Finance and Information Technologies, for the operations of Bimbo QSR in South Africa and China, and of PwC for a Co-sourcing in India with a maximum of 5 auditors.

The project to develop a Fraud Risk Management scheme for Grupo Bimbo was submitted to this committee for consideration and approval. The governance model was proposed, with oversight by the Audit Committee, the execution by the Internal Audit VP, and the Governance through a Committee composed of Internal Control Security, Compliance, People, Controllership, and Internal Audit Department. The model is comprised of 5 elements according to the 'COSO Fraud' regulations: Government Structure, Fraud Risk Assessment, Prevention and Detection, Investigation models, and corrective actions.

In compliance with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, The Committee approved the update of Grupo Bimbo's Internal Audit Charter, the Internal Audit VP confirmed to the Committee the independence of the internal audit activity, the risks assumed by the operation, the conflicts that currently occur with the auditors and the mitigation plan for these conflicts were presented.

SECURITY

The report of the Global VP of Security and Protection was received, where he disclosed the relevant corporate risks and the actions taken, in the Group's companies' operations due to the security situation in various regions, highlighting organized crime, transport and cargo robberies, product theft and gender violence.

INFORMATION TECHNOLOGY

The Global VP of Infrastructure and Applications presented an annual report of the company's Global Cybersecurity Strategy, the identification of risks, according to ISO27000, the operation of the Security Operations Center (SOC), as well as mitigation measures, in particular, those caused by remote work due to the global situation of COVID and the company's training plans.

FINANCIAL INFORMATION AND ACCOUNTING POLICIES

We reviewed the quarterly and annual financial statements of the Company together with the parties responsible for their preparation, recommended their approval by the Board of Directors and authorized their publication. Throughout the process we took into account the opinions and remarks of the external auditors.

The Committee approved the request of the Global Controllership Department to the following changes to the Main Accounting Policies: a) Criteria for classifying Assets and Liabilities in the Short Term and Long Term, b) Simplification of the text of the Policy applicable to hyperinflationary accounting, c) Adjustment in the useful life ranges of Production Equipment and Furniture and d) Remarks around Uncertain Tax Treatments.

To arrive at an opinion on the financial statements, we verified, with the support of the internal and external auditors, that the accounting policies and standards and the information used by management in the preparation of the financial statements was appropriate and sufficient and had been applied in a consistent manner with the prior year, taking into account the changes in IFRS effective both in that year and the preceding year. As a result, the information presented by Management reasonably reflects the financial position, results of operations and cash flows of the Company.

COMPLIANCE WITH REGULATORY STANDARDS AND APPLICABLE LAW CONTINGENCIES

With the support of the internal and external auditors, we confirmed the existence and reliability of the controls established by the Company to assure compliance with the various legal provisions to which it is subject, and it was assured that these were appropriately disclosed in the financial information.

At the close of each quarter, we reviewed the Company's various financial, legal and labor contingencies and confirmed that appropriate procedures were in place and consistently followed, so that Management could identify and address them in an appropriate manner. The situation and progress of the activities related to the cases facing the group in Canada Brazil and Portugal were reviewed based on the information generated, the opinion of the law firms handling the cases in both countries and the progress of the investigations carried out by local authorities.

The PwC firm presented the annual evaluation of its work on transfer pricing. They commented on the activities that have generated a positive evaluation, as well as the improvement areas related to information flows and delivery times. The Committee took notice and was satisfied with the evaluation and progress in the relationship.

The Global Insurance Department commented on global insurance management, highlighting the need to strengthen prevention for cybersecurity risks, where new opportunities are identified in the recording of security incidents to evaluate their root cause, increase the frequency vulnerability analysis and the implementation of tools for monitoring and active protection of databases, and also insurance coverage against the implications of the Pandemic.

COMPLIANCE WITH OTHER OBLIGATIONS

We met with Management executives and officers as we considered necessary to remain apprised of the progress of the Company and any material or unusual activities and events. Special attention was given to the company's global strategy regarding to the effects of the pandemic, the functioning of the global crisis and business continuity committees, the performance of the raw material markets and the different hedging strategies, and finally the possible risks associated with the integration of new businesses.

We obtained information about significant matters that could involve a possible breach of operating policies, the internal control system and policies on accounting records; and we were also informed of corrective measures taken in each case, finding them satisfactory.

We did not find it necessary to request the support or opinion of independent experts, because the issues raised in each meeting were duly supported by the information on hand, and the conclusions reached were satisfactory to Committee members.

TRANSACTIONS WITH RELATED PARTIES

We reviewed and recommended for approval by the Board, each and every related party transaction requiring approval by the Board of Directors for fiscal year 2020, as well as for recurring transactions that are expected to be conducted in fiscal year 2021 that require Board approval.

EVALUATION OF MANAGEMENT

We reviewed and recommended for approval by the Board, the evaluation of management and compensation of the Chief Executive Officer as well as the members Bimbo's Executive Committee for fiscal year 2020, previously reviewed and recommended by the Evaluation and Results Committee.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported regularly to the Board of Directors on the activities conducted within the Committee.

The work that we conducted was duly documented in minutes of each meeting, which were reviewed and approved in a timely manner by the Committee members.

Sincerely,
Edmundo Vallejo Venegas

Chairman of the Audit and Corporate Practices Committee
Grupo Bimbo, S. A. B. de C. V.

INDEPENDENT AUDITOR'S REPORT

(GRI)

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

Opinion

We have audited the accompanying consolidated financial statements of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of December 31, 2020, 2019 and 2018, and the consolidated statement of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, as well as the explanatory notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries as of December 31, 2020, 2019 and 2018, and its consolidated financial results and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico in accordance with the *Código de Ética Profesional del Instituto Mexicano de Contadores Públicos* (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; thus, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Assessment of impairment in the value of goodwill and intangible assets with indefinite useful lives

DESCRIPTION OF KEY AUDIT MATTER

As described in Notes 11 and 12 to the consolidated financial statements, the Company recognized goodwill and intangible assets of $121,911 million as of December 31, 2020. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit (CGU) level.

The analysis of impairment in the value of goodwill and intangible assets with indefinite useful lives was significant to our audit, since the value of such assets is significant with respect to the consolidated financial statements and the calculation of the recoverable value of the assets requires significant and complex judgments and estimates by management, that are sensitive to the discount rate, the revenue growth rate and the operating margin, which are affected by future market conditions. In addition, the calculation of the recoverable value is subject to the risk that the future cash flows used in the calculation may differ from the expected amounts, or the results may be different from the originally estimated values.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Among other audit procedures applied, we involved our internal specialists to assist us in the assessment of the key assumptions and methods used by Company management in the impairment testing.

We also assessed the key assumptions used by management in preparing financial projections, primarily with regard to the annual revenue growth rates and projections of costs, along with other key assumptions used to prepare the impairment tests based on publicly available information obtained from market participants and the relevant industry trends.

We obtained the business plans that the Company used as a basis to determine its future cash flow estimates for the impairment testing of the CGUs within the audit scope.

We assessed the reasonableness of the disclosures included in the Company's consolidated financial statements.

Business combinations

DESCRIPTION OF THE KEY AUDIT MATTER

As mentioned in Note 1 to the Company's consolidated financial statements, in 2020, the Company completed certain acquisitions which were accounted for as business combinations.

We consider the aforementioned business combinations to be a key audit matter due to the complexity of the key assumptions used in measuring the fair value of the assets acquired, in the determination of the discount rate and in the valuation of identified assets for the transaction.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Among other audit procedures applied, we involved our internal specialists to assist us in the assessment of the key assumptions and methods used by Company management, primarily in determining the fair value of property, plant and equipment, and intangible assets with definite useful lives.

We also assessed the key assumptions used by management, with regard to the annual growth rates and projections of production costs, along with other key assumptions used in valuing intangible assets based on publicly available information obtained from market participants and the relevant industry trends.

We obtained the business plans that the Company used as a basis to determine its future cash flow estimates for the valuation of intangible assets.

We assessed the reasonableness of the disclosures regarding the Company's business combinations in the consolidated financial statements.

Emphasis of matter

As discussed in Note 9 to the consolidated financial statements, as of January 1st, 2019 the Company adopted IFRS 16 Leases, which sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company decided to apply the modified retrospective approach for the IFRS 16 adoption.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit and Corporate Practices Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Corporate Practices Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Corporate Practices Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Corporate Practices Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
A Member Practice of Ernst & Young Global Limited

Adán Aranda Suárez

March 23, 2021
Mexico City

CONSOLIDATED STATEMENTS
# of financial position

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

		DECEMBER 31		
ASSETS	NOTES	2020	2019	2018
Current assets:				
Cash and cash equivalents		$ 9,268	$ 6,251	$ 7,584
Trade receivables and other accounts receivable, net	5	27,487	26,198	25,950
Inventories	6	10,893	9,819	9,340
Prepaid expenses		1,944	1,188	1,098
Derivative financial instruments	17	871	143	106
Guarantee deposits for derivative financial instruments	17	-	325	619
Assets held for sale	8	140	273	154
Total current assets		50,603	44,197	44,851
Property, plant and equipment, net	8	91,248	84,341	87,243
Right-of-use assets, net	9	29,163	25,550	-
Investments in associates	10	3,143	2,871	2,645
Derivative financial instruments	17	267	1,533	3,017
Deferred income tax	16	8,733	4,590	3,886
Intangible assets, net	11	55,007	51,318	54,476
Goodwill	12	66,904	62,794	65,513
Other non-current assets, net		2,583	1,887	1,685
Total assets		$ 307,651	$ 279,081	$ 263,316
Liabilities and equity				
Current liabilities:				
Current portion of non-current debt	13	$ 600	$ 5,408	$ 1,153
Trade accounts payable		26,679	22,972	20,971
Other accounts payable and accrued liabilities	14	24,901	18,473	23,055
Current lease liabilities	9	5,153	4,599	-
Accounts payable to related parties	15	1,334	1,197	1,012
Current income tax	16	-	115	256

		DECEMBER 31		
	NOTES	2020	2019	2018
Statutory employee profit sharing		1,017	1,183	1,423
Derivative financial instruments	17	1,183	673	879
Other current liabilities	17	398	-	-
Total current liabilities		61,265	54,620	48,749
Non-current debt	13	84,629	81,264	88,693
Non-current lease liabilities	9	23,936	20,741	-
Non-current derivative financial instruments	17	214	437	347
Employee benefits	18	33,832	30,426	25,885
Deferred income tax	16	6,766	5,241	5,720
Other non-current liabilities	19	8,998	8,041	9,347
Total liabilities		219,640	200,770	178,741
Equity:	20			
Capital stock		4,061	4,156	4,199
Retained earnings		64,265	61,332	59,238
Other equity financial instrument		8,996	8,931	9,138
Cumulative foreign currency translation effect from foreign operations		9,046	1,247	4,739
Remeasurements on defined benefit plans liability		(443)	(226)	3,131
Valuation of equity financial instrument		(661)	(422)	(386)
Unrealized loss on cash flow hedges	17	(1,551)	(1,282)	(369)
Controlling interest		83,713	73,736	79,690
Non-controlling interest		4,298	4,575	4,885
Total equity		88,011	78,311	84,575
Total liabilities and equity		$ 307,651	$ 279,081	$ 263,316

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

CONSOLIDATED STATEMENTS

of profit or loss

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos, except for basic earnings per ordinary share in Mexican pesos)

		FOR THE YEARS ENDED DECEMBER 31		
	NOTES	2020	2019	2018
Net sales		$ 331,051	$ 291,926	$ 289,320
Cost of sales	21	152,608	138,184	135,669
Gross profit		178,443	153,742	153,651
General expenses:				
Distribution and selling		123,511	110,234	109,701
Administrative		22,383	16,641	19,006
Integration costs		1,968	2,435	1,855
Other expenses, net	22	5,173	4,013	4,580
	21	153,035	133,323	135,142
Operating profit		25,408	20,419	18,509
Comprehensive financing cost:				
Interest expense	23	9,424	8,561	7,668
Interest income		(387)	(560)	(386)
Foreign exchange (gain)/loss, net		(108)	445	(85)
(Gain)/loss from monetary position		(70)	114	(202)
		8,859	8,560	6,995
Share of profit of associates	10	194	249	194
Profit before income tax		16,743	12,108	11,708

		FOR THE YEARS ENDED DECEMBER 31		
	NOTES	2020	2019	2018
Income tax	16	6,192	4,733	4,897
Consolidated net profit		$ 10,551	$ 7,375	$ 6,811
Attributable to:				
Controlling interest		$ 9,111	$ 6,319	$ 5,808
Non-controlling interest		$ 1,440	$ 1,056	$ 1,003
Basic earnings per ordinary share		$ 2.00	$ 1.36	$ 1.24
Weighted average number of outstanding shares (in thousands of shares)		$ 4,552,712	$ 4,651,529	$ 4,689,122

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

CONSOLIDATED STATEMENTS

# of profit or loss and statement of comprehensive income

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

	NOTES		2020		2019		2018
Consolidated net profit		$	10,551	$	7,375	$	6,811
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss:							
Valuation of equity financial instrument	3c		(239)		(36)		(386)
Remeasurements on defined benefit plans liability	18		(362)		(4,715)		3,782
Income tax	16		145		1,358		(1,110)
			(456)		**(3,393)**		**2,286**
Items that may be reclassified subsequently to profit or loss:							
Effect of net investment hedge			(2,828)		2,124		820
Foreign operations currency translation effect of the year			7,400		(5,321)		(2,981)
Net change in unrealized loss on cash flow hedges	17		(386)		(1,353)		(608)
Income tax	16		3,672		(304)		(97)
			7,858		**(4,854)**		**(2,866)**

	NOTES		2020		2019		2018
Other comprehensive income			7,402		**(8,247)**		**(580)**
Consolidated comprehensive income			17,953	$	**(872)**	$	**6,231**
Comprehensive income attributable to controlling interest			16,185	$	**(1,479)**	$	**5,230**
Comprehensive income attributable to controlling interest			1,768	$	**607**	$	**1,001**

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

CONSOLIDATED STATEMENTS
of changes in equity

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

	CAPITAL STOCK	OTHER EQUITY FINANCIAL INSTRUMENT	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	EQUITY ATTRIBUTABLE TO CONTROLLING INTEREST	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance as of December 31, 2017	**$ 4,225**	**-**	**60,849**	**7,693**	**72,767**	**4,257**	**77,024**
Issuance of equity financial instrument, net	-	9,138	-	-	9,138	-	9,138
Other equity instrument dividends, net	-	-	(104)	-	(104)	-	(104)
Effects of the adoption of IFRIC 23 (Note 19)	-	-	(2,283)	-	(2,283)	-	(2,283)
Effects of the adoption of IFRS 9	-	-	32	-	32	-	32
Effects of the adoption of IFRS 15	-	-	(157)	-	(157)	-	(157)
Effects of the adoption of IAS 29 (Argentina) (Note 3f)	-	-	(2,180)	-	(2,180)	-	(2,180)
Consolidation effect of structured entities	-	-	-	-	-	(864)	(864)
Increase in non-controlling interest (Note 1)	-	-	-	-	-	491	491
Dividends declared	-	-	(1,646)	-	(1,646)	-	(1,646)
Repurchase of shares (Note 20)	(26)	-	(1,081)	-	(1,107)	-	(1,107)
Balance before comprehensive income	**4,199**	**9,138**	**53,430**	**7,693**	**74,460**	**3,884**	**78,344**
Consolidated net profit for the year	-	-	5,808	-	5,808	1,003	6,811
Other comprehensive income	-	-	-	(578)	(578)	(2)	(580)
Consolidated comprehensive income	-	-	5,808	(578)	5,230	1,001	6,231
Balance as of December 31, 2018	**4,199**	**9,138**	**59,238**	**7,115**	**79,690**	**4,885**	**84,575**
Other equity instrument dividends	-	-	(595)	-	(595)	-	(595)
Other equity instrument income taxes	-	(207)	178	-	(29)	-	(29)
Consolidation effect of structured entities	-	-	-	-	-	(917)	(917)
Dividends declared	-	-	(2,103)	-	(2,103)	-	(2,103)
Repurchase of shares (Note 20)	(43)	-	(1,705)	-	(1,748)	-	(1,748)
Balance before comprehensive income	**4,156**	**8,931**	**55,013**	**7,115**	**75,215**	**3,968**	**79,183**
Consolidated net profit for the year	-	-	6,319	-	6,319	1,056	7,375
Other comprehensive income	-	-	-	(7,798)	(7,798)	(449)	(8,247)
Consolidated comprehensive income	-	-	6,319	(7,798)	(1,479)	607	(872)
Balance as of December 31, 2019	**4,156**	**8,931**	**61,332**	**(683)**	**73,736**	**4,575**	**78,311**
Other equity instrument dividends	-	-	(648)	-	(648)	-	(648)
Other equity instrument income taxes	-	65	194	-	259	-	259
Consolidation effect of structured entities	-	-	-	-	-	(1,025)	(1,025)
Net changes in non-controlling interest	-	-	207	-	207	(873)	(666)
Dividends declared	-	-	(2,286)	-	(2,286)	(147)	(2,433)
Repurchase of shares (Note 20)	(95)	-	(3,645)	-	(3,740)	-	(3,740)
Balance before comprehensive income	**4,061**	**8,996**	**55,154**	**(683)**	**67,528**	**2,530**	**70,058**
Consolidated net profit for the year	**-**	**-**	**9,111**	**-**	**9,111**	**1,440**	**10,551**
Other comprehensive income	**-**	**-**	**-**	**7,074**	**7,074**	**328**	**7,402**
Consolidated comprehensive income			**9,111**	**7,074**	**16,185**	**1,768**	**17,953**
Balance as of December 31, 2020	**$ 4,061**	**$ 8,996**	**$ 64,265**	**$ 6,391**	**$ 83,713**	**$ 4,298**	**$ 88,011**

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

CONSOLIDATED STATEMENTS
of cash flows

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos)

	NOTES	FOR THE YEARS ENDED DECEMBER 31, 2020	2019	2018
Operating activities				
Profit before income tax		$ 16,743	$ 12,108	$ 11,708
Adjustments for:				
Depreciation and amortization	8, 9, 11	16,251	14,373	10,000
Loss/(gain) on sale of property, plant and equipment		(127)	17	14
Share of profit of associates		(194)	(249)	(194)
Impairment of non-current assets		1,075	1,318	907
Multi-employer pension plan and other non-current liabilities	22	2,494	1,762	(401)
Current year service cost	18	991	717	986
Interest expense	23	9,424	8,561	7,668
Interest income		(387)	(560)	(386)
Short-term and low-value asset lease expenses	9	2,017	2,141	-
Changes in assets and liabilities:				
Trade receivables and other accounts receivable		(914)	(1,348)	(1,250)
Inventories		(769)	(876)	(1,194)
Prepaid expenses		(684)	(135)	(167)
Trade accounts payable		3,004	2,054	257
Other accounts payable and accrued liabilities		4,718	(3,406)	306
Accounts payable to related parties		270	289	57
Income tax paid		(5,789)	(3,961)	(4,327)
Guarantee deposits for derivative financial instruments		723	294	(202)
Statutory employee profit sharing payable		(165)	(241)	137
Employee benefits		(2,955)	(2,197)	(2,809)
Assets held for sale		168	-	(128)
Short-term and low-value asset lease expenses		(2,017)	(2,141)	-
Net cash flows from operating activities		43,877	**28,520**	**20,982**

	NOTES	FOR THE YEARS ENDED DECEMBER 31, 2020	2019	2018
Investing activities				
Purchase of property, plant and equipment	8	(13,218)	(13,117)	(15,067)
Acquisitions of business and non-controlling interests, net of cash received	1	(3,453)	(94)	(3,600)
Proceeds from sale of property, plant and equipment		763	470	599
Purchase of intangible assets	11	(528)	(264)	(760)
Increase of distribution rights in structured entities	11	(351)	(132)	(180)
Other assets		(218)	(89)	232
Dividends received	10	93	73	42
Interest received		387	560	386
Investments in associates	10	(163)	(49)	(43)
Net cash flows used in investing activities		(16,688)	**(12,642)**	**(18,391)**
Financing activities				
Proceeds from loans	13	34,818	22,594	8,024
Repayments of loans	13	(40,745)	(22,640)	(11,005)
Interest paid		(6,410)	(5,681)	(7,280)
Other equity instrument dividends paid		(648)	(595)	(104)
Dividends paid		(2,433)	(2,103)	(1,646)
Payment of lease liabilities	9	(5,544)	(4,784)	-
Equity financial instrument issued	20	-	-	8,986
Payment of derivative financial instruments		(2,431)	(2,481)	(412)
Collection of derivative financial instruments		2,970	605	2,222
Repurchase of shares	20	(3,740)	(1,748)	(1,107)
Net cash flows used in financing activities		(24,162)	**(16,833)**	**(2,322)**
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects		(9)	**(378)**	**99**
Net increase in cash and cash equivalents		3,017	(1,333)	368
Cash and cash equivalents at beginning of year		6,251	7,584	7,216
Cash and cash equivalents at end of year		$ 9,268	$ 6,251	$ 7,584

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

NOTES TO CONSOLIDATED

financial statements

DECEMBER 31, 2020, 2019 AND 2018

GRUPO BIMBO, S.A.B. DE C.V. AND SUBSIDIARIES

(Amounts in millions of Mexican pesos, except where otherwise indicated)

1. Nature of operations and significant events

Nature of operations - Grupo Bimbo, S.A.B. de C.V. and subsidiaries ("Grupo Bimbo" or "the Company") is a Mexican entity, primarily engaged in the production, distribution and sale of sliced bread, buns, sweet bread, pastries, cookies, English muffins, bagels, tortillas, salty snacks and confectionery, among others.

The Company operates in different geographical areas that represent the reporting segments used by the Company, which are Mexico, North America, Latin America and Europe, Asia and Africa ("EAA").

The Company's corporate offices are located at Prolongación Paseo de la Reforma No. 1000, Colonia Peña Blanca Santa Fe, Álvaro Obregón, Código Postal 01210, Mexico City, Mexico.

During 2020, 2019 and 2018, the net sales of the subsidiaries that are classified in the Mexico segment represented approximately 29%, 33% and 32%, respectively, of the Company's consolidated net sales. During 2020, 2019 and 2018, the net sales of the Company's subsidiaries classified in the North America segment represented approximately 53%, 49% and 50%, respectively, of the Company's consolidated net sales.

Relevant events

ACQUISITIONS IN 2020

Acquisition of Siro Paterna - Spain

On June 30, 2020, the Company acquired, through its subsidiary, a 100%-stake in Siro Paterna Valencia in Spain, a company engaged in the production of sliced bread and salted pastries under a private label. This acquisition has been funded using the Company's own resources.

Business acquisition – United States of America (USA)

On January 2nd, 2020, the Company acquired, through one of its subsidiaries, acquired the Lender's brand frozen bagel business from Conagra Brands.

Blue Label México

On September 21, 2020, the Company acquired a 47.56% stake in Blue Label México, S.A.P.I. de C.V. As a result of this transaction, the Company increased its equity interest to 95.12% and obtained control over the company as of that date. In December 2020, the Company acquired the remaining 4.88% stake, so that is now holds a 100% stake in Blue Label México. Blue Label México is engaged mainly in the distribution of digital services and electronic payments.

Accounting effects of the acquisitions

The valuation and recognition of the acquisitions was performed in accordance with International Financial Reporting Standards (IFRS) 3 *Business Combinations*. The following table summarizes the fair values of the assets acquired and liabilities assumed that were recognized as a result of these acquisitions at the exchange rate ruling at the date of the transactions:

		FAIR VALUE
Amount paid in the transactions	$	2,789
Amounts recognized for identifiable assets and liabilities assumed:		
Cash and cash equivalents		82
Accounts receivable		149
Inventories		147
Property, plant and equipment		1,127
Right-of-use assets		32
Identified intangible assets		1,742
Other assets		14
Total identifiable assets		**3,293**
Goodwill		724
Total assets acquired		**4,017**
Total liabilities assumed		**927**
Non-controlling interests		35
Net loss on business combinations in stages		(266)
Value of acquired investments	**$**	**2,789**

The goodwill resulting from this acquisition was allocated to the Mexico and EAA segments.

ACQUISITIONS OF NON-CONTROLLING INTERESTS IN 2020

Ready Roti - India

On May 13, 2020, the Company acquired, through one of its subsidiaries, the remaining 35% of the voting shares of Ready Roti India Private Limited, to complement the acquisition made in May 2017, so that it now holds all of the share capital of this company.

ACQUISITIONS IN 2019

Acquisition of Mr. Bagels

On August 6, 2019, the Company acquired, through one of its subsidiaries, the bagels business from Mr. Bagel's Limited, for £4 million, equal to $94. This acquisition mainly corresponds to manufacturing equipment and inventories. The valuation and recognition of this acquisition was completed in 2020 in accordance with IFRS 3 *Business Combinations.*

ACQUISITIONS IN 2018

Acquisition of Mankattan Entity ("Mankattan")

On June 28, 2018, the Company acquired the Mankattan trademark and a 100%-stake in Mankattan for USD 200 million, that was paid as follows:

	MILLIONS OF USD		MEXICAN PESOS
Transaction amount	**200**	**$**	**3,985**
Acquisition of trademarks	**(19)**	**$**	**(368)**
Liabilities assumed	**(23)**	**$**	**(466)**
Security deposits	**(11)**	**$**	**(230)**
Amount paid in the transaction	**147**	**$**	**2,921**

Mankattan is engaged in producing and distributing packaged bread, pastries, buns and *yudane* (a Japanese-style sandwich bread), among other products, that are distributed through the traditional and modern channel customers and quick service restaurants (QSR). Mankattan operates four companies that serve the markets of Beijing, Shanghai, Sichuan, and Guangdong, along with their surrounding areas.

This acquisition complements the Company's current operations in China, in terms of brand products and QSR business. It also represents an opportunity to create significant synergies, especially in Northern China, by optimizing the supply chain to better serve consumers.

The Company recognized transaction costs of $66 under integration expenses.

Sources of financing

The Company used the resources obtained through the equity instruments issued on April 17, 2018 to fund this acquisition.

Accounting effects of the acquisition of Mankattan

The valuation and recognition of this acquisition was finalized in 2019 in accordance with IFRS 3 *Business Combinations.* The following table summarizes the fair values of the assets acquired and liabilities assumed that were recognized as a result of the acquisition made on June 28, 2018 at the exchange rate ruling at the date of the transaction:

	PRELIMINARY FAIR VALUE	PPA ADJUSTMENTS	DEFINITIVE FAIR VALUE
Amount paid in the transaction	$ 2,921	$ -	$ 2,921
Amounts recognized for identifiable assets and liabilities assumed:			
Cash and cash equivalents	235	-	235
Accounts receivable	581	-	581
Inventories	79	-	79
Property, plant and equipment	682	290	972
Identifiable intangible assets	628	-	628
Other assets	46	-	46
Total identifiable assets	**2,251**	**290**	**2,541**
Goodwill	2,050	(290)	1,760
Total assets acquired	**4,301**	**-**	**4,301**
Total liabilities assumed	**1,380**	**-**	**1,380**
Value of acquired investment	**$ 2,921**	**$ -**	**$ 2,921**

The goodwill resulting from this acquisition was allocated to the EAA segment and represents the expected synergies arising from the preexisting business combination in China.

CONSOLIDATED FIGURES

An analysis of the amounts contributed by Mankattan to the consolidated figures of Grupo Bimbo for the 186 days elapsed from June 28 to December 31, 2018 is as follows:

	CONSOLIDATED JANUARY 1ST TO DECEMBER 31, 2018	MANKATTAN JUNE 28 TO DECEMBER 31, 2018
Net sales	**$ 289,320**	**$ 1,133**
Operating profit/(loss)	**$ 18,509**	**$ (57)**
Attributable to the equity holders of the parent	**$ 5,808**	**$ (82)**

As of December 31, 2018

	CONSOLIDATED	MANKATTAN
Total assets	**$ 263,316**	**$ 4,697**
Total liabilities	**$ 178,741**	**$ 1,281**

If Mankattan had been consolidated from January 1st, 2018, the consolidated net sales and consolidated net profit would have been $290,331 and $5,774, respectively.

Acquisition of International Bakery S.A.C.

On March 27, 2018, the Company acquired a 100%-stake in International Bakery, S.A.C. for USD7.8 million, equal to $143, which was paid on April 2, 2018.

International Bakery is engaged in producing and distributing bread, buns, pound cake, muffins and torrone, among other products, that are distributed to modern channel customers and quick service restaurants. International Bakery has 350 employees.

Business acquisition in Colombia

On May 31, 2018, through its subsidiary, the Company acquired El Paisa, S.A.S. for USD 2.6 million, equal to $52. This acquisition consists primarily of property, plant and equipment, inventories, trademarks, customer relationships and non-competition agreements.

Acquisition of Alimentos Nutra Bien S.A.

On December 17, 2018, through one of its subsidiaries, the Company acquired a 100%-stake in Alimentos Nutra Bien, S.A. for USD 36.7 million, equal to $743. Alimentos Nutra Bien, S.A. is a prominent producer of artisanal bread made with non-genetically modified natural ingredients and certified organic ingredients. This acquisition strengthens the Company's presence in the Chilean market.

Accounting effects of the acquisitions

The valuation and recognition of the acquisitions of El Paisa in Colombia and International Bakery was concluded in 2018.

The valuation and recognition of the acquisitions of Alimentos Nutrabien, S.A. in Chile was concluded in 2019.

The following table summarizes the fair values of the assets acquired and liabilities assumed that were recognized as a result of these acquisitions at the exchange rate ruling at the date of the transaction:

DATE OF ACQUISITION	INTERNATIONAL BAKERY MARCH 27	EL PAISA MAY 31	ALIMENTOS NUTRABIEN DECEMBER 17
Amount paid in the transaction [1]	$ 137	$ 52	$ 750
Amounts recognized for identifiable assets and liabilities assumed:			
Cash and cash equivalents	5	-	19
Accounts receivable	29	-	406
Inventories	7	1	20
Property, plant and equipment	21	11	248
Identifiable intangible assets	58	29	306
Other assets	5	-	-
Total identifiable assets	**125**	**41**	**999**
Goodwill [1]	101	11	204
Total assets acquired:	**226**	**52**	**1,203**
Current liabilities	67	-	396
Non-current liabilities	22	-	57
Total liabilities assumed	89	-	453
Value of acquired investment	**$ 137**	**$ 52**	**$ 750**

(1) Includes adjustments to the purchase price made during 2019 regarding the acquisition of International Bakery and Alimentos Nutrabien.

The goodwill resulting from these acquisitions was allocated to the Latin America segment and represents the expected synergies arising from the preexisting business combination in those countries.

Health contingency caused by COVID-19:

COVID-19, an infectious disease caused by the SARS COV-2 virus, was declared a world-wide pandemic by the World Health Organization (WHO) on March 11, 2020. The measures to slow the spread of COVID-19 have had a significant impact on the global economy. Given the evolving nature caused by the COVID-19 pandemic and the limited recent experience of the economic and financial impacts of such a pandemic, changes to estimates may need to be made in the measurement of entities' assets and liabilities may arise in the future.

The health contingency caused by COVID-19 has had the following impacts on the Company's liquidity, cash flows, solvency and business:

(a) Liquidity: It was benefited since the third month of 2020 from changes in consumers habits globally as a result of the pandemic and which can be prolonged in an uncertain and indefinite manner. The Company modified its financial strategy in the first six months of 2020 by prioritizing the generation and conservation of cash flow, reviewing the capital investment plan, reducing general and administrative expenses, and postponing certain restructuring projects.

(b) Cash flows: The Company has a diversified revenue base as it operates in several countries, which provides stability to its cash flows, coupled with the results generated by its operations during the pandemic.

(c) Solvency: The Company considers that its financial situation, given its ability to generate cash flows, allows it to meet its current and non-current financial commitments.

(d) Business: It was partially affected, mainly during the first six months of 2020, by the pandemic, since some plants engaged in the production for the fast food restaurant business ("QSR") operated below their capacity due to restrictions on mobility of individuals imposed in the different countries where it has a presence. In addition, the Company incurred in COVID-19related costs and expenses such as: increases in the labor cost by hiring additional employees, donations to different associations to support customers and consumers in the uncertain environment and in health measures in all of its plants and workplaces around the world.

The Company does not consider that its operating and financial conditions will undergo material changes in the short and long-term as a result of the COVID-19 pandemic.

2. Basis of Preparation

Adoption of new and revised International Financial Reporting Standards

a) Application of new and revised International Financial Reporting Standards (IFRS) and their interpretations, the adoption of which is mandatory in the current year

In 2020, the Company adopted a series of new and amended IFRS issued by the International Accounting Standards Board (IASB), which are effective for annual periods beginning on or after January 1st, 2020:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business to help entities determine whether an acquired set of activities and assets is a business or not. To be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output.

The amendment introduces an optional fair value concentration test allowing a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Since the Company's current practice is in line with these amendments, the Company had not any effect on the consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments are intended to simplify the definition of material established in IAS 1 in order to improve the understanding of the existing requirements rather than to modify the underlying concept of materiality established by IFRS. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of these amendments as of January 1st, 2020 had no effect on the consolidated financial statements.

Amendments to IFRS 16 COVID-19 Related Rent Concessions

In May 2020, the IASB amended IFRS 16 Leases, to provide relief to lessees by permitting a simplified method to recognize COVID-19-related rent concessions without having to recognize the change as a lease modification. Accordingly, there are no changes to the value of right-of-use assets or lease liabilities, and the effects of these concessions are recognized in profit or loss.

These amendments are effective for annual periods beginning on or after June 1, 2020. Earlier application is permitted; the Company opted to apply the practical expedient as of April 2020 and recognized a benefit of $46 to rental payments related to those concessions meeting the requirements established by these amendments.

Amendments to IFRS 9 Interest Rate Benchmark Reform

The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments did not have a material impact on the consolidated financial statements as the reform did not have a direct effect on the Company's hedging relationships

IFRS Conceptual Framework

Together with the revised *Conceptual Framework* that became effective on the day of its publication on March 29, 2018, the IASB has also issued *Amendments to References to the Conceptual Framework in IFRS Standards*. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1st, 2020.

b) New and revised IFRS issued but not yet effective

The new and amended standards that are issued but not yet effective and that may be applicable to the Company are as follows:

Amendments to IFRS 7, IFRS 9 and IAS 39	Interest Rate Benchmark Reform (1)
Annual Improvements 2018-2020 Cycle	IFRS 1 and IFRS 9 (2)
Amendments to IAS 1	Classification of liabilities as current and non-current (2)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (3)

(1) Effective for annual periods beginning on or after January 1st, 2021.
(2) Effective for annual periods beginning on or after January 1st, 2023.
(3) Effective for annual periods beginning on or after a certain date that has yet to be determined.

Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform

In August 2020, the IASB issued guidelines pertaining to the interest rate benchmark reform that modify the specific requirements in order to continue hedge accounting during the uncertainty period before the hedged item or hedging instrument is modified as a result of the new benchmark interest rates. In addition, the amendments establish certain disclosure requirements related to the application of the new benchmark interest rates.

As of December 31, 2020, the Company is in the process of assessing the impact resulting from the interest rate benchmark reform.

Annual Improvements 2018-2020 Cycle

In May 2020, the IASB issued the following annual improvements to IFRS:

IFRS 1 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The amendments permit a subsidiary that adopts IFRS after its parent to measure the cumulative translation differences for all foreign operations using the amounts reported by its parent, based on the parent's date of transition to IFRS, provided that no adjustments have bene made to the consolidation process and for the purposes of the business combination in which the parent acquired the subsidiary.

IFRS 9 FINANCIAL INSTRUMENTS

The amendments clarify that fees in the ten per cent test for derecognition of financial liabilities must only be fees paid or received between the entity (the borrower) and the lender.

AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1st, 2023 and must be applied retrospectively. The Company is in the process of assessing the impact that the adoption of these amendments will have on its consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

The amendments establish that any gain or loss resulting from loss of control over a subsidiary that does not constitute a business in a transaction with an equity-accounted associate or joint venture are recognized in profit or loss of the parent only to the extent of unrelated investors' interest in the associate or joint venture. Gains and losses resulting from the remeasurement at fair value of the investment retained in a former subsidiary (which has become an equity-accounted associate or joint venture) is recognized in profit or loss of the parent only to the extent of unrelated investors' interest in the associate or joint venture.

The effective date of these amendments has not been determined by the IASB. Early application is permitted. Company management believes that the adoption of these amendments could have a material effect on the Company's consolidated financial statements in the future if such transactions arise.

c) Consolidated statement of profit or loss and other comprehensive Income

The Company presents its profit or loss in two separate statements: i) the consolidated statement of profit or loss, and ii) the consolidated statement of profit or loss and other comprehensive income. The Company's expenses are presented based on their function, which is consistent with the customary practices of the industry to which the Company belongs. The nature of these expenses is described in Note 21. Although not required to do so under IFRS, the Company includes operating profit in the consolidated statement of profit or loss, since this item is an important indicator for evaluating the Company's financial and business performance.

d) Consolidated statements of cash flows

The Company prepares the statement of cash flows using the indirect method. Interest and dividends received are shown as investing activities, while interest and dividends paid are shown as financing activities. As of December 31, 2020, 2019 and 2018 there were no material non-monetary transactions in investment and financing activities.

3. Summary of significant accounting policies

a) Compliance statement

The Company's consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB.

b) Basis of preparation

The Mexican peso is the Company's functional currency for transactions in Mexico and the presentation currency of its consolidated financial statements.

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities (derivative financial instruments), which are measured at fair value at the end of the reporting period, and the non-monetary assets of the Company's subsidiaries in hyperinflationary economies, which are restated for inflation, as explained in the accounting policies below.

i. Historical cost
Historical cost is generally equal to the fair value of the consideration to which the Company is entitled in exchange for the goods and services received.

ii. Fair value
Fair value is the price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value-in-use in IAS 36.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly indirectly
- Level 3: unobservable inputs are considered.

Basis of presentation

Current versus non-current (short-term versus long-term) classification

The Company presents assets and liabilities in the consolidated statement of financial position as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current (long-term) assets and liabilities.

c) Basis of consolidation

In accordance with IFRS 10, the consolidated financial statements comprise the financial statements of the Company and its subsidiaries and other entities as of December 31, 2020, 2019 and 2018.

The Company's most significant subsidiaries included in the consolidated financial information are as follows:

SUBSIDIARY	% EQUITY INTEREST	COUNTRY	SEGMENT	PRIMARY ACTIVITY
Bimbo, S.A. de C.V.	97	Mexico	Mexico	Baking
Barcel, S.A. de C.V.	98	Mexico	Mexico	Snacks
Productos Ricolino, S.A.P.I. de C.V. (1)	98	Mexico	Mexico	Confectionery
Bimbo Bakeries, Inc. (BBU)	100	United States	North America	Baking
Canada Bread Corporation, LLC	100	Canada	North America	Baking
Bimbo do Brasil, Ltda.	100	Brazil	Latin America	Baking
Bakery Iberian Investments, S.L.U.	100	Spain and Portugal	EAA	Baking

(1) On November 1st, 2019, Barcel S.A. de C.V. decided to spin off its confectionery business. As a result of the spin-off, Productos Ricolino S.A.P.I. de C.V. was created..

Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control is lost. Gains and losses of subsidiaries acquired during the year are recognized in the consolidated statement of profit or loss and statement of comprehensive income from the acquisition date, as applicable.

Non-controlling interest represents the portion of profit or loss and net assets that do not correspond to the Company but to the minority shareholders and is recognized separately in the consolidated financial statements.

The political and economic situation in Venezuela has significantly limited the capacity of the Company's subsidiaries in Venezuela to maintain their production process under normal conditions. In view of the above, and since Grupo Bimbo will continue its operations in Venezuela, as of June 1, 2017, the Company changed the method under which it consolidated the financial position and performance of its operations in Venezuela; therefore, at the date of these financial statements, the Company measures its investment in Venezuela at fair value through other comprehensive income (OCI), in accordance with IFRS 9.

The Company elected to classify irrevocably its equity investments in affiliates in Venezuela under this category as it intends to hold these investments for the foreseeable future. As of December 31, 2020, 2019 and 2018, the Company recognized an impairment loss of $239, $36 and $386, respectively, in other comprehensive income.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intercompany balances and transactions have been eliminated on consolidation.

d) Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business acquisition is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the Company, the liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Costs related to the acquisition are generally recognized in profit or loss as incurred.

At the acquisition date, all identifiable assets acquired and liabilities assumed in a business combination are measured at fair value, except for:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree that are measured in accordance with IFRS 2 *Share-based Payments* at the acquisition date (as of December 31, 2020, 2019 and 2018, the Company does not have share-based payments);
- Assets (or disposal groups) that are classified as held for sale and measured in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Goodwill is measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If, after reassessment, the fair value of the net assets acquired and liabilities assumed at the acquisition date is in excess of the aggregate consideration transferred, the amount recognized for non-controlling interests in the acquiree and any previous interest held over the acquiree is recognized in profit or loss as gain on business combinations.

Non-controlling interests may be initially measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. The election is made on a transaction-by-transaction basis.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at fair value at the acquisition date and is included as part of the consideration transferred. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively and the corresponding adjustments are charged against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year following the acquisition date) on facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on the classification of the contingent consideration. Contingent considerations classified as equity are not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent considerations classified as assets or liabilities are remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, and the corresponding gain or loss is recognized in profit or loss.

When a business combination is achieved in stages, any previous interest held over the acquiree is remeasured at fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss when such treatment is appropriate if that interest is disposed of.

If the initial accounting treatment for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company must report provisional amounts for the items for which the accounting is incomplete. Such provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

e) Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets or disposal groups. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs that the Company expects to incur in the sale.

f) Recognition of the effects of inflation

The effects of inflation are recognized when the functional currency of an entity is the currency of a country with a hyperinflationary economic environment.

An analysis of the cumulative inflation rates for the three prior years in the countries of the Company's primary operations is as follows:

	2020 – 2018		2019 – 2017		2018 – 2016	
	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY
Mexico	11.19%	Non-hyperinflationary	14.43%	Non-hyperinflationary	15.69%	Non-hyperinflationary
USA	5.40%	Non-hyperinflationary	6.24%	Non-hyperinflationary	5.99%	Non-hyperinflationary
Canada	5.05%	Non-hyperinflationary	6.11%	Non-hyperinflationary	5.42%	Non-hyperinflationary
Spain	1.51%	Non-hyperinflationary	3.11%	Non-hyperinflationary	3.66%	Non-hyperinflationary
Brazil	12.92%	Non-hyperinflationary	9.88%	Non-hyperinflationary	13.46%	Non-hyperinflationary
Argentina	162.53%	Hyperinflationary	126.27%	Hyperinflationary	148.19%	Hyperinflationary

Starting in July 2018, the economy in Argentina is considered to be hyperinflationary; consequently, the Company's subsidiaries in Argentina recognized, in accordance with IAS 29, the following adjustments for the cumulative effects of inflation:

- Using inflation factors to restate non-monetary assets such as inventories, property, plant and equipment, and intangible assets.
- Recognizing the net monetary asset position in the consolidated statement of profit or loss.

g) Foreign currency transactions

Exchange differences on monetary items are recognized in profit or loss, except in the following cases:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 17);
- Exchange differences on monetary assets or liabilities related to foreign operations with no planned settlement and for which payment cannot be made (thus forming part of the net investment in the foreign operation) are initially recognized in other comprehensive income and are reclassified from equity to profit or loss as reimbursements of monetary items.

TRANSLATION TO THE COMPANY'S PRESENTATION CURRENCY

On consolidation, the assets and liabilities of foreign operations are translated into Mexican pesos using the prevailing exchange rate at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. The assets and liabilities of operations in hyperinflationary economies are translated using the exchange rate prevailing at the reporting date. The exchange differences arising on translation for consolidation are recognized in other comprehensive income and accumulated in equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. Exchange differences resulting from the translation are recognized in other comprehensive income.

An analysis of the annual average and closing exchange rates of the Mexican peso and the exchange rates functional currencies of the countries of the main subsidiaries as of December 31, 2020, 2019 and 2018 is as follows:

	AVERAGE EXCHANGE RATE			CLOSING EXCHANGE RATE		
	2020	2019	2018	2020	2019	2018
USA	21.4955	19.2616	20.1529	19.9487	18.8452	19.6829
Canada	16.0529	14.5108	15.0496	15.5424	14.2680	14.4324
Spain	24.5343	21.5632	22.9400	24.4790	21.1707	22.5369
Brazil	4.1764	4.8823	5.1882	3.8387	4.6754	5.0797
Argentina	0.3045	0.3997	0.5324	0.2371	0.3147	0.5221

h) Cash and cash equivalents

Cash and cash equivalents principally consist of bank deposits in checking accounts and highly liquid, readily available low-risk investments in short-term securities, maturing within three months following the purchase date. Cash is stated at nominal value and cash equivalents are stated at fair value. Gains and losses from changes in the value of cash and cash equivalents are recognized in profit or loss (see financial assets below). Cash and cash equivalents principally consist of investments in government debt instruments with daily maturities.

i) Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

FINANCIAL ASSET CLASSIFICATION

Financial instruments are measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The remaining financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Notwithstanding the above, upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they are not held for trading and do not correspond to contingent consideration transferred by an acquirer in a business combination.

Equity investments at fair value through OCI are initially measured at cost, plus transaction costs, and are subsequently measured at fair value and the gains and losses from the fair value changes are recognized in OCI. Upon derecognition, cumulative gains and losses are never recycled to profit or loss, and instead are recorded in retained earnings.

Derecognition of financial assets

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

- The rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. Accounts receivable

Trade accounts receivable and other accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded on an active market. These instruments are classified as accounts receivable and are measured at amortized cost using the effective interest rate method and are subject to impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2. Impairment in the value of financial assets

The Company assesses at each reporting date whether its non-FVTPL financial assets are impaired.

The Company recognizes a provision for expected credit losses for trade receivables. The Company uses a provision matrix to calculate expected credit losses for trade receivables. The provision matrix is initially based on the Company's historical credit loss experience and is subsequently adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current direction and forecast of future conditions at the reporting date, including the time value of money, when applicable.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Regarding trade accounts receivables, the carrying amount is reduced through the use of an allowance for doubtful accounts and expected credit losses. Trade receivables that are considered uncollectible are charged to the allowance account. Subsequent recovery of previously recognized impairment losses is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

j) Inventories and cost of sales

Inventories are valued at the lower of cost or net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials, containers, packaging and spare parts: at cost, which includes the cost of the merchandise plus import costs, minus discounts, using the average cost method.
- Finished goods and orders in process: cost of materials and direct labor costs and a proportion of manufacturing overheads based on the normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell and the estimated costs necessary to make the sale.

k) Property, plant and equipment

Property, plant and equipment is recognized at its adjusted historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Fixed assets acquired in Mexico before December 31, 2007 were restated for inflation through that date based on the National Consumer Price Index (NCPI), which became the estimated cost of such assets as of January 1st, 2011 upon the Company's adoption of IFRS.

The cost includes those costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The costs of expansion, remodeling or improvements that enhance the capacity and increase the productivity and extend the useful life of the asset are also capitalized. Repair and maintenance costs are expensed as incurred. The carrying amount of the replaced asset, if any, is derecognized when replaced, and the effect is recognized in profit and loss.

Freehold land is not depreciated. Depreciation of property, plant and equipment is calculated on the assets' carrying amounts on a straight-line basis over the estimated useful lives of the assets, as follows:

	NO. OF YEARS
Buildings:	
Infrastructure	15 – 30
Foundations	35 – 50
Roofs	10 – 30
Fixed facilities and accessories	10 – 20
Production equipment	3 – 25
Automotive equipment	8 – 16
Furniture and equipment	3 – 18
Computer equipment	4
Leasehold improvements	The lower of either the related lease term or the useful life of the asset

The Company allocates the amount initially recognized in respect of an item of buildings and manufacturing equipment to its various significant parts (components) and depreciates each of these components separately.

The carrying amount of an asset is adjusted to its recoverable value, when the carrying amount exceeds its estimated value in use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss under other expenses, net.

Leasehold improvement and adaptations to buildings and establishments in which the Company is the lessee are recognized at historical cost less the respective depreciation.

l) Right-of-use assets

Right-of-use assets are initially measured at the present value of lease payments, less any lease incentives received and initial direct costs. Right-of-use assets are subsequently measured at cost net of accumulated depreciation, impairment losses and adjustments for any remeasurement of lease liabilities in accordance with IFRS 16. The Company decided to present leases as finance or capitalized operating as shown in Note 9.

Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease payments for low-value assets (less than USD 5,000) and short-term leases (less than 12 months) are recognized directly in profit or loss.

m) Investment in associates

An associate is an entity over which the Company has significant influence that it is defined as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and the net assets and liabilities of associates are recognized in the consolidated financial statements using the equity method, except if the investment or part of the investment is classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. When the Company's share of loss of an associate exceeds the Company's interest in that associate, the Company discontinues the recognition of its share of further losses.

On acquisition of the investment, any difference between the cost of the investment and the Company's share of the net fair value of the identifiable assets and liabilities of the associate is accounted for as goodwill, which is included in the carrying amount of the investment.

The Company discontinues the use of the equity method from the date the investment ceases to be an associate, or when the investment is classified as held for sale.

If the Company's interest in an associate is reduced, but the equity method is continued to be applied, the Company reclassifies to profit or loss the proportion of the gain or loss previously recognized in other comprehensive income relative to that reduction in ownership interest if the gain or loss would have been reclassified to profit or loss in the case of disposal of the related assets or liabilities.

Profits and losses resulting from transactions between the Company and the associate are recognized in the Company's consolidated financial statements only to the extent of unrelated investors' interests in the associate.

n) Intangible assets

Intangible assets are primarily comprised of trademarks and customer relationships resulting from the acquisition of businesses. Intangible assets acquired through a business combination are recognized at fair value at the acquisition date, separately from goodwill. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite, based on the contractual terms established at acquisition. Trademarks are considered to have indefinite useful lives when ownership is acquired and otherwise are amortized.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed and adjusted at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss under general expenses.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

o) Impairment of tangible and intangible assets, other than goodwill

At the end of each reporting period, the Company assesses whether there is any indication that its tangible and intangible assets, including right-of-use assets, may be impaired. If any such indication exists, the Company estimates the asset's recoverable amount. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis can be identified, corporate assets are also allocated to the cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives or not yet available for use, are tested for impairment on an annual basis, or more often if there is any indication that the intangible asset may be impaired.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss.

Whenever there are indicators that the carrying amount of the Company's assets with finite useful lives has significantly increased, due to changes in the legal, economic, technological or market environment in which the asset is operated or to changes in interest rates that will affect the discount rate used in prior periods to determine the value in use of the asset, the Company estimates the new recoverable amount of the asset on an annual basis in order to determine the amount of accumulated impairment losses to be reversed.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit or loss.

p) Goodwill

Goodwill arising from business combinations is recognized at the cost determined on the acquisition date of the business, as described in the business acquisitions policy note, net of any accumulated impairment losses (see Note 12).

Goodwill is allocated to each cash-generating unit (or group of cash-generating units) that is expected to benefit from the synergies achieved from the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment on an annual basis, or more frequently if there are any indicators of impairment. If the recoverable amount of a cash-generating unit is lower than its carrying amount, the impairment losses recognized in respect of the cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. Impairment in goodwill is recognized directly in profit or loss. Any loss from impairment in the value of goodwill cannot be reversed in future years.

When the relevant cash-generating unit is disposed of, the remaining amount of goodwill is included in the calculation of gains or losses at the time of the disposal.

The Company's policy for goodwill arising on the acquisition of an associate is described in Note 3m.

q) Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs, except for financial liabilities designated at fair value through profit or loss, which are initially recognized at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities. Note 17 describes the category of each financial liability of the Company.

Subsequent measurement depends on the category of the financial liability. Loans and borrowings are subsequently measured using effective interest method. Gains and losses are recognized in the consolidated statements of profit or loss when the liabilities are amortized. Amortized cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortization is included in interest expense caption. For subsequent measurement of derivatives see Note 3 r).

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

r) Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Presentation of the related gain or loss from changes in fair value of the derivative financial instrument depends on whether they are designated as hedging instruments, and if so, the nature of the hedging relationship. The Company only holds derivative financial instruments classified as cash flow hedges and hedges of net investment in foreign operations.

At the inception of a hedge relationship, the Company formally documents the hedge relationship between the hedging instrument and the hedged items, including the risk management objective and strategy for undertaking the hedge. Periodically, the Company documents whether the derivative financial instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are not offset in the consolidated financial statements unless the Company has both a legally enforceable right and intention to offset. Derivatives are accounted for as non-current assets or liabilities if the remaining maturity of the instrument is more than 12 months and the instrument is not expected to be realized or settled within 12 months. All other derivatives are accounted for as current assets or liabilities.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI under Valuation effects of cash flow hedges. The gain or loss relating to the ineffective portion is immediately recognized in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

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

Hedges of net investment in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of Translation effects of foreign subsidiaries. The gain or loss relating to the ineffective portion is immediately recognized in profit or loss under Foreign exchange gain/(loss), net. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss on the disposal of the foreign operation.

s) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (IBR) applicable in the countries where the Company operates. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made, and is adjusted for certain remeasurements or amendments made to the lease contracts.

The estimated IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The Company estimates the IBR using observable inputs, such as market interest rates, when available, and its credit rating.

Leases for which the lease term ends within 12 months after the date of initial application irrespective of when the lease term commenced are accounted for as short-term (current) leases in the consolidated statement of financial position; otherwise, they are accounted for as long-term (non-current) leases.

t) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured based on the estimated cash flows required to settle the present obligation, its carrying amount represents the present value of these cash flows when the effect of the time value of money is material.

All contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount initially recognized, less cumulative amount of income recognized in accordance with IFRS 15.

UNCERTAIN TAX TREATMENTS

The Company constantly evaluates the tax treatments of all its consolidated entities and identifies the tax treatments for which there is uncertainty as to their acceptance by the tax authorities. In view of the current circumstances of the reviews underway, as well as the tax treatments applied by the entities, the tax treatments are quantified considering the conditions of each tax jurisdiction and the approach that better predicts the resolution of the uncertainty, using the most likely amount or the expected value method, as applicable. The related effects are recognized in the statement of profit or loss.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

u) Income tax

Income tax expense consists of current and deferred tax. Current and deferred taxes are recognized as either income or an expense in profit or loss, except for tax items that must be recognized as other comprehensive income items or in equity. For business combinations, the tax effect is included in the recognition of the business combination.

1. Current income tax

Current income tax is calculated based on the tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. The related income tax expense is recorded in profit or loss as incurred.

2. Deferred taxes

Deferred taxes are recognized on all temporary differences between financial reporting and tax values of assets and liabilities based on tax rates that have been enacted at the reporting date and where applicable, they include unused tax losses and certain tax credits. Deferred tax assets or liabilities are recognized for all temporary differences, with certain exceptions. The Company recognizes a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the temporary differences reverse based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred taxes are recognized for all taxable temporary differences, except:

i) when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) in respect of temporary differences associated with investments in subsidiaries and associates, when it is probable that the temporary differences will not reverse in the foreseeable future.

iii) taxable temporary differences arising on the initial recognition of goodwill. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted, for future tax periods, at the reporting date.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

v) Employee benefits

i. Pensions and seniority premiums

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity or a fund and will have no legal or constructive obligation to pay further contributions. The obligation is recognized as an expense when the employees have rendered the service entitling them to the contributions.

A defined benefit plan is a post-employment plan under which the Company has the obligation to provide the agreed benefits to current and former employees. The cost of providing benefits under a defined benefit plan that includes pensions and seniority premiums is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are immediately recognized in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss at the date of the plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The defined benefit retirement plan obligation recognized in the consolidated statement of financial position includes changes in the present value of the defined benefit obligation. The present value of the net defined benefit obligation is determined based on the discounted value of estimated net cash flows, using interest rates tied to government bonds denominated in the same currency in which the benefits are to be paid and whose terms are similar to those of the obligation.

ii. Statutory employee profit sharing

In Mexico, Ecuador and Brazil, the Company is required to recognize a provision for employee profit sharing when it has a present legal or constructive obligation as a result of a past event and the amount can be reliably estimated. Employee profit sharing is recognized in profit or loss as incurred.

iii. Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, short-term bonus and sick leave in the period the related service is rendered.

iv. Termination benefits

A liability is recognized for termination benefits only when the Company cannot withdraw its offer to provide termination benefits to the employee and/or when it recognizes the related restructuring costs.

v. Long-term bonus

The Company grants a long-term cash bonus to certain executives, which is calculated based on performance metrics. The bonus is paid 30 months following the date on which it was granted, and it is recognized in profit or loss in the year in which it accrues and the employee is entitled to receive the bonus.

vi. Multi-employer pension plans (MEPP)

The Company classifies multi-employer plans as defined contribution plans or defined benefit plans in order to determine the accounting for such plans. If the MEPP is classified as a defined benefit plan, the Company accounts for its proportionate share of the defined benefit obligation, plan assets and costs associated with the plan in the same manner as for any other defined benefit plan. When sufficient information is not available to use defined benefit accounting for a MEPP, the Company accounts for such plan as a defined contribution plan and recognized in profit or loss the total amount of contributions paid by the employer.

Liabilities related to the payment of or withdrawal from a multi-employer plan is recognized and measured in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

w) Revenue recognition

The Company earns its revenue primarily from contracts with customers for the sale of products. Revenue is recognized when control of the goods is transferred to the customer, which is when the performance obligation is satisfied and the Company is entitled to collect the consideration from the customer in exchange for these products. To determine the transaction price, the Company considers the effects of variable considerations (i.e. rights of return and rebates). Payments made to customers for commercial services are recognized as distribution and selling expenses.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. For goods that are expected to be returned, the Company recognizes a refund liability and a corresponding adjustment to revenue.

Volume rebates

The Company provides retrospective volume rebates to certain customers when the conditions established in the contract are met. Rebates are offset against amounts payable by the customer and against the respective revenue. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold.

x) Reclassifications

Certain captions shown in the consolidated financial statements for the year ended December 31, 2019 and 2018 as originally issued on March 18, 2020, have been reclassified for uniformity of presentation with the 2020 financial statements. The effects of these reclassifications were recognized retrospectively in the statement of financial position as of December 31, 2019 and 2018, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*

	REFERENCE	SBALANCE AS OF DECEMBER 31, 2019 AS ORIGINALLY REPORTED	RECLASSIFICATIONS	BALANCE AS OF DECEMBER 31,2019
Accounts payable to suppliers	(a)	$ 23,105	$ (133)	$ 22,972
Accounts payable to related parties		$ 1,064	$ 133	$ 1,197

	REFERENCE	BALANCE AS OF DECEMBER 31, 2018 AS ORIGINALLY REPORTED	RECLASSIFICATIONS	BALANCE AS OF DECEMBER 31, 2018
Accounts payable to suppliers	(a)	$ 21,074	$ (103)	$ 20,971
Accounts payable to related parties		$ 909	$ 103	$ 1,012

(a) Change in the grouping of related parties, previously recognized as trade accounts payable.

The reclassifications mentioned above were considered in the consolidated cash flow as of December 31, 2019 and 2018, without affecting the net cash flows generated from operating activities.

4. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects of changes in accounting estimates are recognized in the period of the change and future periods if the change affects both.

a) Critical judgment in applying accounting policies

CONSOLIDATION OF STRUCTURED ENTITIES

As described in more detail in Note 7, BBU has entered into agreements with third party contractors (Independent Commercial Partners) in which it holds no direct or indirect interest but that qualify as structured entities (SE). The Company has concluded that some of these structured entities meet the requirements to be consolidated in accordance with IFRS 10 Consolidated Financial Statements.

b) Key sources of estimation uncertainty

i. Useful lives, residual values and depreciation methods for long-lived assets

As described in Note 3, the Company periodically reviews the estimated useful lives, residual values and depreciation methods of long-lived assets, including property, plant and equipment and intangibles. Additionally, for intangibles, the Company determines whether their useful lives are finite or indefinite. As of January 1st, 2020, the Company determined that the estimated useful life of trays is 3 years, which had no impact on the consolidated financial statements.

ii. Incremental borrowing rate

The Company uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment at contract inception date. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

iii. Impairment of goodwill and intangible assets

Determining whether goodwill is impaired involves calculating the recoverable value of the cash-generating unit to which goodwill has been allocated. Recoverable amount is the higher of fair value less costs of disposal and value in use. The calculation of the value-in-use requires the Company to determine the expected future cash flows from the cash-generating units, using an appropriate discount rate to calculate the present value.

iv. Fair value measurements

Derivative financial instruments are recognized in the statement of financial position at fair value at the reporting date. In addition, the fair value of certain financial instruments, mainly with respect to long-term debt, is disclosed in the accompanying notes, though there is no risk of adjustment to the related carrying amount (see Note 17). The Company has acquired businesses for which it is required to determine the fair value of the consideration paid, the identifiable assets acquired and liabilities assumed and, if applicable, the non-controlling interest at the date of the acquisition, as described in Note 1.

The fair values described above are estimated using valuation techniques that may include inputs that are not based on observable market data. The main assumptions used by management are described in the related notes. The Company considers that the valuation techniques and assumptions selected are appropriate for the determination of the fair values.

v. Employee benefits

The cost of defined benefit plans and MEPP (considered as defined benefits) is determined using actuarial valuations that involve assumptions related to discount rates, future salary increases, employee turnover rates and mortality rates, among others. Due to the long-term nature of these plans, the assumptions used for such estimates are subject to change.

vi. Recoverability of deferred income tax

To determine whether a deferred income tax asset related to tax losses carryforwards is impaired, the Company prepares tax projections to determine its recoverability.

vii. Insurance and other liabilities

Insurance risks in the United States of America related to the liability for general damages to third parties, car insurance and employee benefits are self-insured by the Company with coverage that is subject to specific limitations established in an insurance program. Provisions for claims are recorded on an incurred-claim basis. Insurable risk liabilities are determined using the Company's historical data. As of December 31, 2020, 2019 and 2018, the net liabilities amounted to $5,309, $4,650 and $4,757, respectively.

5. Trade accounts receivables and other accounts receivable

An analysis of this caption as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Trade receivables	$	17,946	$	17,128	$	19,249
Allowance for expected credit loss (1)		(838)		(711)		(706)
		17,108		**16,417**		**18,543**
Notes receivable		29		30		110
Income tax, value added tax and other recoverable taxes (2)		8,685		8,047		5,579
Sundry debtors		1,665		1,704		1,718
	$	27,487	**$**	**26,198**	**$**	**25,950**

(1) During 2020, the Company has had no significant increases in its trade receivables balance nor was it necessary to implement changes in the model for estimating expected credit losses as a result of the COVID-19 pandemic.
(2) During March 2019, the Company obtained certain favorable rulings on legal actions in Brazil related to some contributions, recognizing a right to recover of $734. As of December 31, 2020, the recoverable tax balance amounts to $306.

Credit terms on non-cash sales of goods range from 21 to 60 days, depending on the customer and local business policies. .

6. Inventories

An analysis of the Company's inventories as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Raw materials, containers and packaging	$	4,490	$	4,317	$	4,281
Work in progress		108		99		187
Finished goods		4,036		3,517		3,508
Spare parts		1,143		958		995
		9,777		**8,891**		**8,971**
Raw materials in transit		1,116		928		369
	$	10,893	**$**	**9,819**	**$**	**9,340**

For the years ended December 31, 2020, 2019 and 2018, the Company recognized inventory utilization releases of $97,891, $89,112 and $87,342, respectively, in cost of sales.

7. Structured entities

The Company, through its subsidiary BBU, enters into agreements with independent business partners for distribution rights to sell and distribute the Company's products through direct deliveries to retail stores in certain sales territories. The Company does not hold equity interests in any of the entities controlled by the independent business partners, some of which, finance the purchase of distribution rights through loans from financial institutions with the Company's support. To maintain working routes and ensure the delivery of products to customers, the Company assumes explicit and implicit commitments. The Company has concluded that all independent business partners that are legal entities qualify as Structured Entities (SE), primarily due to the financial and operative support they receive from the Company. Based on this, the SE are consolidated in the Company's financial statements.

An analysis of the assets and liabilities of independent operators before eliminations as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Right-of-use – vehicles	$	3,441	$	3,097	$	3,208
Distribution rights		7,631		6,770		7,084
Total assets	$	11,072	**$**	**9,867**	**$**	**10,292**
Current portion of non-current debt:						
Obligations under finance leases	$	715	$	637	$	647
Loans granted to independent business partners		46		42		44
Non-current debt:						
Obligations under finance leases		1,858		1,718		1,731
Loans granted to independent business partners		48		46		47
Debt with affiliates (net of accounts receivable)		5,966		5,271		5,472
Total liabilities	$	8,633	**$**	**7,714**	**$**	**7,941**
Non-controlling interest	$	2,439	**$**	**2,153**	**$**	**2,351**

Funding provided by BBU to independent business partners that have been classified as SE and consolidated are eliminated in the consolidated financial statements.

Non-current lease liabilities are secured by the vehicles subject to leases and do not represent additional claims on the Company's assets.

In addition, the Company has sold certain distribution rights to former employees and other individuals, who are also considered independent business partners, but not structured entities.

The Company funds up to 90% of the distribution rights sold to certain independent operators. The loans bear interest of between 5% and 11%, with a weighted monthly average of 10%, and are payable in 120 monthly installments. Independent operators make an initial payment to the Company for the remaining 10% of the purchase price. In most cases, an independent third-party lender finances the down payment. Both the Company and the financing of independent third parties are guaranteed by the distribution routes, equipment, customer lists, and other assets. The independent third-party lender has priority over the collateral.

8. Property, plant and equipment

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2020, 2019 and 2018 is as follows:

	BALANCE AS OF JANUARY 1ST, 2020	ADDITIONS AND DEPRECIATION	BUSINESS COMBINATIONS AND PPA ADJUSTMENTS[1]	TRANSFERS	TRANSLATION EFFECT	DISPOSALS	IMPAIRMENT	INFLATION RESTATEMENT	BALANCE AS OF DECEMBER 31, 2020
Investment:									
Buildings	$ 29,196	$ -	$ 253	$ 1,411	$ 890	$ (672)	$ -	$ 353	$ 31,431
Manufacturing equipment	85,079	-	757	9,127	2,470	(2,458)	-	598	95,573
Vehicles	14,511	-	3	640	133	(752)	-	10	14,545
Office equipment	1,564	-	9	116	44	(28)	-	(2)	1,703
Computer equipment	6,025	-	404	534	213	(333)	-	8	6,851
Total investment	136,375	-	1,426	11,828	3,750	(4,243)	-	967	150,103
Depreciation and impairment:									
Buildings	(14,475)	(2,028)	(4)	9	(273)	519	-	(259)	(16,511)
Manufacturing equipment	(41,993)	(5,990)	-	19	(938)	2,224	(191)	(380)	(47,249)
Vehicles	(6,192)	(932)	(1)	15	(73)	637	-	(10)	(6,556)
Office equipment	(739)	(131)	(5)	17	(20)	25	-	2	(851)
Computer equipment	(4,684)	(683)	(364)	18	(139)	329	-	(8)	(5,531)
Total accumulated depreciation	(68,083)	(9,764)	(374)	78	(1,443)	3,734	(191)	(655)	(76,698)
	68,292	(9,764)	1,052	11,906	2,307	(509)	(191)	312	73,405
Land	7,976	-	75	(98)	341	(116)	-	83	8,261
Construction in process and machinery in transit	8,346	13,218	-	(11,962)	143	(10)	-	(13)	9,722
Less: Assets held for sale	(273)	-	-	168	(35)	-	-	-	(140)
Net investment	$ 84,341	$ 3,454	$ 1,127	$ 14	$ 2,756	$ (635)	$ (191)	$ 382	$ 91,248

	BALANCE AS OF JANUARY 1ST, 2019	ADDITIONS AND DEPRECIATION	BUSINESS COMBINATIONS AND PPA ADJUSTMENTS (1)	TRANSFERS (2)	TRANSLATION EFFECT	DISPOSALS	IMPAIRMENT	INFLATION RESTATEMENT INCREMENT	BALANCE AS OF DECEMBER 31, 2019
Investment:									
Buildings	$ 28,256	$ -	$ (117)	$ 2,326	$ (1,376)	$ (301)	$ -	$ 408	$ 29,196
Manufacturing equipment	82,214	-	(291)	7,965	(3,353)	(2,101)	-	645	85,079
Vehicles	18,107	-	10	(2,332)	(144)	(1,127)	-	(3)	14,511
Office equipment	1,235	-	(11)	396	(39)	(21)	-	4	1,564
Computer equipment	5,741	-	(18)	812	(202)	(324)	-	16	6,025
Total investment	**135,553**	**-**	**(427)**	**9,167**	**(5,114)**	**(3,874)**	**-**	**1,070**	**136,375**
Depreciation and impairment:									
Buildings	(12,326)	(1,803)	213	(1,252)	648	246	(52)	(149)	(14,475)
Manufacturing equipment	(41,653)	(4,934)	397	1,409	1,668	1,908	(296)	(492)	(41,993)
Vehicles	(7,137)	(918)	3	822	90	921	-	27	(6,192)
Office equipment	(707)	(97)	12	21	20	15	(1)	(2)	(739)
Computer equipment	(4,503)	(667)	17	5	160	318	-	(14)	(4,684)
Total accumulated depreciation	**(66,326)**	**(8,419)**	**642**	**1,005**	**2,586**	**3,408**	**(349)**	**(630)**	**(68,083)**
	69,227	**(8,419)**	**215**	**10,172**	**(2,528)**	**(466)**	**(349)**	**440**	**68,292**
Land	8,261	-	2	26	(385)	(21)	-	93	7,976
Construction in process and machinery in transit	9,909	13,117	-	(14,374)	(365)	-	-	59	8,346
Less: Assets held for sale	(154)	-	-	(109)	9	(19)	-	-	(273)
Net investment	**$ 87,243**	**$ 4,698**	**$ 217**	**$ (4,285)**	**$ (3,269)**	**$ (506)**	**$ (349)**	**$ 592**	**$ 84,341**

	BALANCE AS OF JANUARY 1ST, 2018	ADDITIONS AND DEPRECIATION	BUSINESS COMBINATIONS AND PPA ADJUSTMENTS (1)	TRANSFERS (2)	TRANSLATION EFFECT	DISPOSALS	IMPAIRMENT	INFLATION RESTATEMENT INCREMENT	BALANCE AS OF DECEMBER 31, 2018
Investment:									
Buildings	$ 26,514	$ -	$ 673	$ 1,969	$ (1,148)	$ (291)	$ -	$ 539	$ 28,256
Manufacturing equipment	76,190	-	(247)	9,887	(2,613)	(2,010)	-	1,007	82,214
Vehicles	17,644	104	(46)	1,660	(130)	(1,155)	-	30	18,107
Office equipment	1,084	-	15	162	(24)	(9)	-	7	1,235
Computer equipment	5,626	-	(1)	549	(108)	(355)	-	30	5,741
Total investment	**127,058**	**104**	**394**	**14,227**	**(4,023)**	**(3,820)**	**-**	**1,613**	**135,553**
Depreciation and impairment:									
Buildings	(11,715)	(1,319)	(14)	441	289	218	(72)	(154)	(12,326)
Manufacturing equipment	(38,439)	(5,163)	793	(252)	1,268	1,736	(1,029)	(567)	(41,653)
Vehicles	(7,247)	(1,133)	37	200	73	952	(2)	(17)	(7,137)
Office equipment	(609)	(129)	5	8	14	8	-	(4)	(707)
Computer equipment	(4,220)	(654)	11	(14)	70	331	-	(27)	(4,503)
Total accumulated depreciation	**(62,230)**	**(8,398)**	**832**	**383**	**1,714**	**3,245**	**(1,103)**	**(769)**	**(66,326)**
	64,828	**(8,294)**	**1,226**	**14,610**	**(2,309)**	**(575)**	**(1,103)**	**844**	**69,227**
Land	8,404	-	52	(37)	(314)	(42)	(1)	199	8,261
Construction in process and machinery in transit	9,766	14,963	57	(14,573)	(400)	21	-	75	9,909
Less: Assets held for sale	(26)	(127)	-	-	(1)	-	-	-	(154)
Net investment	**$ 82,972**	**$ 6,542**	**$ 1,335**	**$ -**	**$ (3,024)**	**$ (596)**	**$ (1,104)**	**$ 1,118**	**$ 87,243**

(1) This column includes: i) acquisition of Lender's business; ii) Acquisition of Julitas business; iii) Acquisition of Bimbo QSR Kazakhstan business; iv) Acquisition of Siro Paterna business; v) Acquisition of Blue Label business; and vi) adjustments to the purchase price allocation of Siro Paterna recognized in 2020; vii) acquisition of Mr. Bagel's business; viii) adjustments to the purchase price allocation of Mankattan and Alimentos Nutra Bien recognized in 2019; ix) acquisition of Alimentos El Paisa; x) International Bakery; v) Mankattan and xi) Alimentos Nutra Bien; and xii) adjustments to the purchase price allocation of Bimbo QSR, Ready Roti and Bays recognized in 2018.

(2) Correspond mainly to transfers of buildings and equipment to right-of-use assets.

Impairment losses recognized during the year

In 2020, 2018 and 2017, the Company performed a review of unused buildings and industrial machinery and equipment, resulting in recognition of an impairment loss of $191, $349 and $296, respectively, in profit and loss.

As of December 31, 2020 and 2019, the Company performed its impairment analysis using the value in use of the manufacturing equipment in Argentina, and resulted in an impairment loss of $89 and $117, respectively, recognized in profit or loss.

In addition, in 2018 the Company recognized impairment of $808 in Argentina, which was recognized in retained earnings (see Note 3f).

9. Right-of-use assets and lease liabilities

A reconciliation of the carrying amount of right-of-use assets at the beginning and at the end of 2020 and 2019 is as follows:

	BALANCE AS OF JANUARY 1ST, 2020	ADDITIONS AND DEPRECIATION	BUSINESS COMBINATIONS	DISPOSALS	EARLY TERMINATION	CHANGES AND INITIAL COSTS	TRANSLATION EFFECT	INFLATION RESTATEMENT INCREMENT	BALANCE AS OF DECEMBER 31, 2020
Right-of-use assets:									
Buildings	$ 18,917	$ 6,171	$ 32	$ (398)	$ (1,994)	$ 280	$ 735	$ 5	$ 23,748
Vehicles	6,277	1,620	-	(81)	(420)	(1)	195	-	7,590
Other	166	159	-	(22)	(28)	2	9	-	286
	25,360	7,950	32	(501)	(2,442)	281	939	5	31,624
Assets under financial lease	4,749	734	-	(283)	-	-	283	-	5,483
Total right-of-use assets	30,109	8,684	32	(784)	(2,442)	281	1,222	5	37,107
Depreciation:									
Buildings	(2,540)	(3,070)	-	398	450	79	4	(2)	(4,681)
Vehicles	(1,014)	(1,337)	-	81	232	-	15	-	(2,023)
Other	(61)	(75)	-	22	2	(1)	(1)	-	(114)
	(3,615)	(4,482)	-	501	684	78	18	(2)	(6,818)
Assets under financial lease	(944)	(467)	-	283	-	50	(48)	-	(1,126)
Total accumulated depreciation	(4,559)	(4,949)	-	784	684	128	(30)	(2)	(7,944)
Right-of-use assets, net	$ 25,550	$ 3,735	$ 32	$ -	$ (1,758)	$ 409	$ 1,192	$ 3	$ 29,163

	BALANCE AS OF JANUARY 1ST, 2019 [1]	ADDITIONS AND DEPRECIATION	DISPOSALS	EARLY TERMINATION	CHANGES	TRANSLATION EFFECT	INFLATION RESTATEMENT	BALANCE AS OF DECEMBER 31, 2019
Right-of-use assets:								
Buildings	$ 15,893	$ 4,643	$ (101)	$ (2,001)	$ 651	$ (169)	$ 1	$ 18,917
Vehicles	4,996	1,945	(74)	(471)	8	(127)	-	6,277
Other	134	43	(4)	(5)	1	(3)	-	166
	21,023	**6,631**	**(179)**	**(2,477)**	**660**	**(299)**	**1**	**25,360**
Assets under financial lease	5,076	170	(303)	-	-	(194)	-	4,749
Total right-of-use assets	**26,099**	**6,801**	**(482)**	**(2,477)**	**660**	**(493)**	**1**	**30,109**
Depreciation:								
Buildings	-	(2,864)	101	198	(10)	35	-	(2,540)
Vehicles	-	(1,218)	74	106	-	24	-	(1,014)
Other	-	(69)	4	3	-	1	-	(61)
	-	(4,151)	179	307	(10)	60	-	(3,615)
Assets under financial lease	(900)	(385)	303	-	-	38	-	(944)
Total accumulated depreciation	**(900)**	**(4,536)**	**482**	**307**	**(10)**	**98**	**-**	**(4,559)**
Right-of-use assets, net	**$ 25,199**	**$ 2,265**	**$ -**	**$ (2,170)**	**$ 650**	**$ (395)**	**$ 1**	**$ 25,550**

(1) As a result of the application of the modified retrospective approach, the cumulative effects of initial adoption of IFRS 16 Leases were recognized on January 1st, 2019.

An analysis of changes in lease liabilities in 2020 and 2019 is as follows:

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
Balance as of January 1st, 2020	$ 22,402	$ 2,938	$ 25,340
Additions	7,950	734	8,684
Business combinations	32	-	32
Interest expense	1,039	33	1,072
Payments	(4,964)	(580)	(5,544)
Early termination	(1,831)	-	(1,831)
Modifications	340	-	340
COVID-19 rent concessions	(46)	-	(46)
Foreign exchange effects	16	8	24
Translation effect	927	91	1,018
Balance as of December 31, 2020	**25,865**	**3,224**	**29,089**
Less - current portion	**$ (4,356)**	**$ (797)**	**$ (5,153)**
	$ 21,509	**$ 2,427**	**$ 23,936**

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
Balance as of January 1st, 2019 (1)	$ 21,023	$ 3,197	$ 24,220
Additions	6,631	170	6,801
Interest expense	1,013	28	1,041
Payments	(4,446)	(338)	(4,784)
Early termination	(2,208)	-	(2,208)
Modifications	655	-	655
Foreign exchange effects	(4)	-	(4)
Translation effect	(262)	(119)	(381)
Balance as of December 31, 2019	**22,402**	**2,938**	**25,340**
Less - current portion	**(3,916)**	**(683)**	**(4,599)**
	$ 18,486	**$ 2,255**	**$ 20,741**

(1) Effects of initial adoption of IFRS 16 Leases.

An analysis of the maturities of non-current lease liabilities are as follows:

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
2022	$ 3,145	$ 730	$ 3,875
2023	2,682	637	3,319
2024	2,237	474	2,711
2025	1,734	263	1,997
2026 and thereafter	11,711	323	12,034
	$ 21,509	**$ 2,427**	**$ 23,936**

10. Investments in Associates

An analysis of investments in associates as of December 31, 2020, 2019 and 2018 is as follows:

ASSOCIATE	ACTIVITY	% EQUITY INTEREST	2020	2019	2018
Beta San Miguel, S.A. de C.V.	Sugar refinery	8	$ 1,044	$ 968	$ 855
Mundo Dulce, S.A. de C.V.	Confectionery	50	359	347	337
Fábrica de Galletas La Moderna, S.A. de C.V.	Cookies	50	345	321	313
Grupo La Moderna, S.A. de C.V.	Holding company	4	305	278	265
Congelación y Almacenaje del Centro, S.A. de C.V.	Warehouse	15	224	236	207
Fin Común Servicios Financieros, S.A. de C.V.	Financial services	41	184	180	161
Productos Rich, S.A. de C.V.	Baking	18	170	169	148
Other	Other	Varios	512	372	359
			$ 3,143	**$ 2,871**	**$ 2,645**

The associate entities are incorporated and operate primarily in Mexico and are accounted for using the equity method in the consolidated financial statements.

Beta San Miguel, S.A. de C.V., Grupo La Moderna, S.A. de C.V., Congelación y Almacenaje del Centro, S.A. de C.V. and Productos Rich, S.A. de C.V. are all considered associates, since the Company has significant influence over these companies given that it is a member of the Board of Directors of such associates.

A summary of the changes in the Company's investments in associates is as follows:

	2020	2019	2018
Balance as of January 1st	$ 2,871	$ 2,645	$ 2,318
Acquisitions and capital contributions	163	49	175
Dividends received	(93)	(72)	(42)
Share of profit	194	249	194
Other	8	-	-
Balance as of December 31	**$ 3,143**	**$ 2,871**	**$ 2,645**

11. Intangible Assets

An analysis of intangible assets by geographical segment as of December 31, 2020, 2019 and 2018 is as follows:

	2020	2019	2018
Mexico	$ 2,592	$ 2,733	$ 2,926
North America	41,589	39,769	42,428
EAA	9,580	7,576	7,971
Latin America	1,246	1,240	1,151
	$ 55,007	$ 51,318	$ 54,476

An analysis of intangible assets by item as of December 31, 2020, 2019 and 2018 is as follows:

	Average useful life	2020	2019	2018
Trademarks	Indefinite	$ 35,548	$ 34,410	$ 35,314
Use and distribution rights	Indefinite	8,525	7,734	7,928
		44,073	42,144	43,242
Trademarks	4 to 40 years	1,393	311	312
Customer relationships	7 to 40 years	20,269	17,526	17,870
Licenses and software	2 to 8 years	2,973	2,441	2,223
Non-competition agreements	2 to 5 years	187	158	165
Other		1,508	1,464	1,457
		26,330	21,900	22,027
Accumulated amortization and impairment		(15,396)	(12,726)	(10,793)
		$ 55,007	$ 51,318	$ 54,476

The accumulated impairment in the value of trademarks with indefinite useful lives as of December 31, 2020, 2019 and 2018 is $4,170, $3,544 and $2,868, respectively.

The customer relationships that resulted from the Company's acquisitions are as follows:

			Net carrying amount		
	Year of acquisition	Remaining useful life (years)	2020	2019	2018
Weston Foods, Inc.	2009	6	$ 2,062	$ 2,261	$ 2,705
Sara Lee Bakery Group, Inc.	2011	9	921	965	1,114
Canada Bread	2014	15	2,099	2,343	2,388
Bimbo QSR	2017	22 to 37	4,226	4,054	4,351
Siro Paterna	2020	24	1,449	-	-

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2020, 2019 and 2018 is as follows:

COST

	TRADEMARKS	USE AND DISTRIBUTION RIGHTS	CUSTOMER RELATIONSHIPS	LICENSES AND SOFTWARE	NON-COMPETITION AGREEMENTS	OTHER	TOTAL
Balance as of December 31, 2017	$ 35,564	$ 7,619	$ 17,116	$ 2,162	$ 148	$ 1,167	$ 63,776
Structured entities	-	328	-	-	-	-	328
Additions	381	-	-	120	-	259	760
Business combinations and PPA adjustments	609	-	940	12	(14)	90	1,637
Transfers	-	-	399	-	-	-	399
Inflation restatement increment	63	-	-	-	-	-	63
Translation effect	(991)	(19)	(585)	(71)	31	(59)	(1,694)
Balance as of December 31, 2018	**35,626**	**7,928**	**17,870**	**2,223**	**165**	**1,457**	**65,269**
Structured entities	-	132	-	-	-	-	132
Additions	-	-	-	264	-	-	264
Business combinations and PPA adjustments	133	-	247	-	1	16	397
Transfers	(34)	-	-	-	-	-	(34)
Translation effect	(1,004)	(326)	(591)	(46)	(8)	(9)	(1,984)
Balance as of December 31, 2019	**34,721**	**7,734**	**17,526**	**2,441**	**158**	**1,464**	**64,044**
Structured entities	-	351	-	-	-	-	351
Additions	156	-	30	342	-	-	528
Business combinations and PPA adjustments	10	-	1,477	37	15	7	1,546
Transfers	-	-	(9)	-	-	16	7
Translation effect	2,054	440	1,245	153	14	21	3,927
Balance as of December 31, 2020	**$ 36,941**	**$ 8,525**	**$ 20,269**	**$ 2,973**	**$ 187**	**$ 1,508**	**$ 70,403**

ACCUMULATED AMORTIZATION AND IMPAIRMENT

	TRADEMARKS	USE AND DISTRIBUTION RIGHTS	CUSTOMER RELATIONSHIPS	LICENSES AND SOFTWARE	NON-COMPETITION AGREEMENTS	OTHER	TOTAL
Balance as of December 31, 2017	$ (1,688)	$ (337)	$ (4,288)	$ (1,167)	$ (76)	$ (26)	$ (7,582)
Impairment in structured entities	-	(148)	-	-	-	-	(148)
Amortization expense	(18)	-	(765)	(579)	(8)	(232)	(1,602)
Impairment	(1,268)	-	(333)	-	(51)	-	(1,652)
Translation effect	51	-	64	61	15	-	191
Balance as of December 31, 2018	**(2,923)**	**(485)**	**(5,322)**	**(1,685)**	**(120)**	**(258)**	**(10,793)**
Impairment in structured entities	-	(99)	-	-	-	-	(99)
Amortization expense	(5)	-	(856)	(328)	(6)	(223)	(1,418)
Impairment	(847)	-	-	-	-	(6)	(853)
Translation effect	170	19	205	37	3	3	437
Balance as of December 31, 2019	**(3,605)**	**$ (565)**	**$ (5,973)**	**$ (1,976)**	**$ (123)**	**$ (484)**	**$ (12,726)**
Reversal of impairment in structured entities	-	103	-	-	-	-	103
Amortization expense	(34)	-	(944)	(283)	(8)	(269)	(1,538)
Impairment	(204)	-	-	(4)	-	-	(208)
Translation effect	(421)	(30)	(439)	(117)	(14)	(6)	(1,027)
Balance as of December 31, 2020	**$ (4,264)**	**$ (492)**	**$ (7,356)**	**$ (2,380)**	**$ (145)**	**$ (759)**	**$ (15,396)**
Net balance as of December 31, 2018	**$ 32,703**	**$ 7,443**	**$ 12,548**	**$ 538**	**$ 45**	**$ 1,199**	**$ 54,476**
Net balance as of December 31, 2019	**$ 31,116**	**$ 7,169**	**$ 11,553**	**$ 465**	**$ 35**	**$ 980**	**$ 51,318**
Net balance as of December 31, 2020	**$ 32,677**	**$ 8,033**	**$ 12,913**	**$ 593**	**$ 42**	**$ 749**	**$ 55,007**

Amortization of intangible assets is recognized under administrative expenses.

In 2020, 2019 and 2018, the Company recognized impairment in the value of trademarks of $204, $847 and $401, respectively.

In addition, in 2018 the Company recognized impairment in the value of trademarks, customer relationships and non-competition agreements in Argentina of $1,251, which was recognized in retained earnings (see Note 3f).

For the purpose of impairment tests, the fair value of trademarks was estimated using the relief-from-royalty method with royalty rates ranging from 2% to 5%, and with 3% being the rate used for most trademarks. Fair value is determined based on the market share of the trademarks in the countries in which they are sold. This method is primarily applied in the USA.

12. Goodwill

An analysis of goodwill by geographical area is as follows:

		2020		2019		2018
Goodwill:						
Mexico	$	2,084	$	1,471	$	1,470
North America		63,665		59,950		61,952
EAA		11,720		10,444		11,240
Latin America		3,125		3,019		3,461
	$	80,594	$	74,884	$	78,123
Accumulated impairment:						
Mexico	$	(1,194)	$	(577)	$	(569)
North America		(6,482)		(6,122)		(6,389)
EAA		(4,122)		(3,486)		(3,696)
Latin America		(1,892)		(1,905)		(1,956)
		(13,690)		**(12,090)**		**(12,610)**
	$	66,904	**$**	**62,794**	**$**	**65,513**

The movements in goodwill for the years ended December 31, 2020, 2019 and 2018 are as follows:

		2020		2019		2018
Balance as of January 1st	$	62,794	$	65,513	$	63,426
Acquisitions in business combinations (Note 1)		2,086		35		2,663
Impairment		(779)		(17)		(331)
Transfers		18		34		-
Reclassifications due to adjustments to the values of business combinations		(1,398)		(512)		1,784
Translation effect		4,183		(2,259)		(2,029)
Balance as of December 31	$	66,904	**$**	**62,794**	**$**	**65,513**

An analysis of movements in cumulative impairment losses as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Balance as of January 1st	$	12,090	$	12,610	$	12,314
Impairment for the year		779		17		331
Translation effect		821		(537)		(35)
Balance as of December 31	$	13,690	**$**	**12,090**	**$**	**12,610**

KEY ASSUMPTIONS USED IN THE VALUE-IN-USE CALCULATIONS

An analysis of the key assumptions of the primary cash-generating units used in impairment tests is as follows:

	DISCOUNT RATE (1)			AVERAGE GROWTH			CAPEX OVER NET SALES		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Mexico	9.66%	8.90%	9.80%	7.17%	3.10%	6.10%	5.45%	2.20%	2.10%
USA	6.95%	6.50%	7.50%	3.92%	5.33%	3.60%	2.95%	2.86%	2.60%
Canada	6.50%	6.25%	6.00%	1.97%	2.20%	1.90%	3.74%	3.00%	3.70%
Spain	6.50%	6.50%	7.00%	2.10%	2.10%	2.10%	3.70%	3.70%	6.00%
Brazil	10.25%	10.25%	9.80%	7.04%	5.20%	9.40%	7.51%	5.90%	5.70%

(1) Discount rate after income tax

The projections developed by the Company in the impairment models consider assumptions based on the current macroeconomic conditions of each CGU, including any future impacts generated by the COVID-19 pandemic.

As of December 31, 2020, the Company performed a sensitivity analysis on its main cash-generating units, considering an of 50 basis-point increase in the discount rate or a 100 basis-point decrease in the average growth rate, without giving rise to additional impairment.

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

When analyzing impairment, goodwill is allocated to cash-generating units (CGUs), which are represented mainly by the USA, Canada, Spain and others.

The carrying amount of goodwill assigned to each cash-generating unit, after impairment losses, is as follows:

		2020		2019		2018
USA	$	**42,724**	$	40,396	$	42,227
Canada		**14,362**		13,335		13,336
Spain		**1,522**		1,175		1,229
Other CGUs		**8,296**		7,868		8,721
	$	**66,904**	**$**	**62,774**	**$**	**65,513**

USA

The recoverable amount of the CGU is the higher of the asset's value in use and its fair value less costs to sell. This year the value in use was higher and in order to calculate this amount, the Company applied the discounted cash flow method, which consists of applying a discount rate to the projected cash flows of the CGU. The discount rate used is the weighted average cost of capital (WACC), which considers the cost of capital contributed by the shareholder (CAPEM) and the cost of financial debt. The planning horizon was 5 years plus a perpetuity that considers the normalized cash flow with projected country's inflation rate.

After applying the aforementioned methodology, the Company concluded that there is no impairment in the value of the goodwill of this CGU.

China and other CGU

The Company used the discounted cash flow method, which considers a discount rate applied to projected cash flows provided by the CGU. The discount rate used is the weighted average cost of capital (WACC), which considers the cost of capital contributed by the shareholder (CAPEM) and the cost of bond debt. The planning horizon was 5 years plus a perpetuity that considers the normalized cash flow with projected country's inflation rate.

Based on the application of this methodology, the Company identified impairment in the China CGU's goodwill of $250 and other CGUs of $529 for 2020, which was recognized in the statement of profit or loss.

Argentina

The Company applied the discounted cash flow method to this CGU and identified impairment of $121 in the value of the goodwill of its operations in Argentina in 2018, which was recognized in retained earnings (see Note 3f).

Rest of CGUs

For the rest of the CGUs, the value in use was higher than the carrying amount and no impairment losses were recognized.

13. Debt

	FAIR VALUE	BOOK VALUE 2020	BOOK VALUE 2019	BOOK VALUE 2018
International bonds:				
On September 6, 2019 the Company issued a bond under Rule 144 A and Regulation S of the Securities and Exchange Commission (SEC) for USD 600 million, maturing on September 6, 2049. Such bond pays a fixed interest rate of4.000% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (e).	$ 13,503	$ 11,898	$ 11,307	$ -
On November 10, 2017 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 650 million, maturing on November 10, 2047. Such bond pays a fixed interest rate of 4.70% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity.	16,184	12,967	12,249	12,794
On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 800 million, maturing on June 27, 2024. Such bond pays a fixed interest rate of 3.875% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (a) and (b).	17,568	15,959	15,076	15,746
On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 500 million, maturing on June 27, 2044. Such bond pays a fixed interest rate of 4.875% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. See Note 17.2.3 (c).	12,568	9,974	9,423	9,841

	FAIR VALUE	BOOK VALUE 2020	BOOK VALUE 2019	BOOK VALUE 2018
On January 25, 2012 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 800 million, maturing on January 25, 2022. Such bond pays a fixed interest rate of 4.50% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity.	16,607	15,915	15,076	15,746
On June 30, 2010 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD 800 million, maturing on June 30, 2020. Such bond pays a fixed interest rate of 4.875% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. On October 8, 2019, the Company made a partial payment of principal of USD 600 million; and on June 30, 2020, the Company paid the remaining outstanding balance of USD 200 million. See Note 17.2.3 (d).	-	-	3,769	15,746
Structured notes: As of December 31, 2020, the Company has issued the following structured notes, payable upon maturity:				
Bimbo 17- Issued on October 6, 2017. This structured note matures on September 24, 2027 and pays a fixed interest rate of 8.18%. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity, as well as the partial payment of the Bimbo QSR acquisition.	10,356	9,633	9,633	9,723
Bimbo 16- Issued on September 14, 2016. This structured note matures on September 2, 2026 and pays a fixed interest rate of 7.56%. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity.	8,068	7,706	7,706	7,830

	FAIR VALUE	2020	2019	2018
Revolving committed line of credit (multicurrency) On May 21, 2018 the Company renewed and amended the terms and conditions of the committed multicurrency line of credit, which was originally obtained on April 26, 2010 and modified in 2013, 2016 and February 2018. In accordance with the new terms and conditions, the financial institutions engaged in this line of credit are BBVA Bancomer S.A., Banco Nacional de México S.A., HSBC Bank USA N.A., HSBC México S.A., Banco Santander (México) S.A., JPMorgan Chase Bank N.A., Bank of America N.A., ING Bank N.V., MUFG Bank Ltd. and Mizuho Bank Ltd. The total amount is up to USD 2,000 million, maturing on October 7, 2023. However, on October 7, 2021 the amount will be reduced by USD 400 million. The drawdowns against this line of credit bear interest at the London Interbank Offered Rate (LIBOR) plus 0.95% for drawdowns made in USD, at the Canadian Dollar Offered Rate (CDOR) plus 0.95% for drawdowns made in Canadian dollars, at the Interbank Equilibrium Interest Rate (TIIE) plus 0.725% for drawdowns made in Mexican pesos, and at the Euro Interbank Offered Rate (EURIBOR) plus 0.95% for drawdowns made in euros.				
In 2020, 2019 and 2018, the Company has made drawdowns against and payments to this line of credit. During 2020, the drawdowns and payments totaled $20,500 and $20,595, respectively. As of December 31, 2020, there is no outstanding balance on this line of credit.	-	-	95	-

	FAIR VALUE	2020	2019	2018
Unsecured working capital loans – The Company occasionally enters into short-term unsecured loans to meet its working capital needs. During 2020, the drawdowns and payments totaled $12,500 and $13,270, respectively.	-	-	770	-
Other: Certain subsidiaries have entered into other direct loan contracts to meet their working capital needs. The maturity dates for such loans range from 2021 to 2027.	1,708	1,708	2,154	2,783
Debt issuance expenses	(531)	(531)	(586)	(363)
	96,031	85,229	**86,672**	**89,846**
Less:				
Current portion of non-current debt	(600)	(600)	(5,408)	(1,153)
Non-current debt	$ **95,431**	$ 84,629	$ **81,264**	$ **88,693**

An analysis of maturities of non-current debt as of December 31, 2020 is as follows:

YEAR		AMOUNT
2022	$	16,195
2023		187
2024		16,500
2025		33
2026 and thereafter		51,714
	$	**84,629**

A reconciliation of the Company's debt at the beginning and at the end of 2020, 2019 and 2018 is as follows:

DEBT		2020		2019		2018
Beginning balance	$	86,672	$	89,846	$	93,431
Proceeds from loans		34,818		22,815		8,024
Repayments of loans		(40,745)		(22,640)		(11,005)
Debt issuance expenses, net		55		(221)		71
Effects of remeasurements		4,429		(3,128)		(675)
Ending balance	$	85,229	**$**	**86,672**	**$**	**89,846**

All international bonds and revolving committed credit lines are guaranteed by the primary subsidiaries of Grupo Bimbo. As of December 31, 2020, 2019 and 2018, the Company has complied with all of its obligations established in the loan agreements, including certain required financial ratios: leverage ratio and interest coverage ratio. Such ratios are calculated considering a Conformed EBITDA according to the provisions established in the applicable loan agreements. These ratios may differ to similar calculations used by others.

14. Other accounts payable and accrued liabilities

		2020		2019		2018
Other accounts payable:						
Other taxes payable	$	4,357	$	2,685	$	3,166
Other creditors		1,806		1,860		2,265
		6,163		4,545		5,431
Accrued liabilities:						
Employee compensation and bonuses	$	11,473	$	8,517	$	11,083
Fees and consultations		1,193		1,133		1,923
Advertising and promotion		1,682		909		1,264
Interest payable		999		954		849
Supplies and fuel		1,263		713		1,084
Insurance and guaranty bonds		594		562		545
Taxes and contributions		559		563		145
Other		975		577		731
		18,738		13,928		17,624
	$	24,901	$	18,473	$	23,055

15. Related party balances and transactions

Balances and transactions between Grupo Bimbo and its subsidiaries, which are related parties, have been eliminated in preparing the consolidated financial statements and are not disclosed in this note. Information on the Company's transactions with related parties is provided below.

a) Business transactions

An analysis of transactions carried out with related parties in the normal course of the Company's operations is as follows:

		2020		2019		2018
Purchase of raw materials						
Associates:						
Beta San Miguel, S.A. de C.V.	$	2,390	$	1,685	$	1,653
Other associates		9		8		8
Related parties:						
Frexport, S.A. de C.V.		749		669		659
Other related parties		59		38		85
Finished product purchases						
Associates:						
Fábrica de Galletas La Moderna, S.A. de C.V.	$	1,149	$	877	$	758
Mundo Dulce, S.A. de C.V.		803		833		504
Pan-Glo de México, S. de R.L. de C.V.		239		67		74
Other associates		3		2		2

		2020		2019		2018
Stationary, uniforms and other						
Associates:						
Efform, S.A. de C.V.	$	344	$	276	$	240
Uniformes y Equipo Industrial, S.A. de C.V.		186		120		137
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.		112		334		482
Other associates		42		92		16
Related parties:						
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.		50		82		282
Autotab, S.A. de C.V.		3		221		176
Other related parties		204		137		216
Financial services:						
Associates:						
Fin Común Servicios Financieros, S.A. de C.V.	$	893	$	810	$	766

Balances receivable due from related parties consist of unsecured accounts and are payable in cash. No guarantees have been given or received with related parties.

b) Accounts payable to related parties

Net balances payable due to related parties are as follows:

		2020		2019		2018
Associates:						
Beta San Miguel, S.A. de C.V.	$	747	$	616	$	563
Fábrica de Galletas La Moderna, S.A. de C.V.		132		129		128
Mundo Dulce, S.A. de C.V.		81		65		53
Efform, S.A. de C.V.		77		11		25
Uniformes y Equipo Industrial, S.A. de C.V.		48		30		41
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.		40		87		80
Pan-Glo de México, S. de R. L. de C.V.		17		16		28
Related parties:						
Frexport, S.A. de C.V.		112		148		20
Proarce, S.A. de C.V.		37		30		22
Makymat, S.A. de C.V.		20		18		21
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.		10		8		11
Other associates and related parties		**13**		**39**		**20**
	$	**1,334**	**$**	**1,197**	**$**	**1,012**

c) Compensation of key management personnel

Compensation for the Company's Board of Directors and other key management personnel for the years ended December 31, 2020, 2019 and 2018 totaled $973, $1,194 and $1,789, respectively. This compensation is determined based on the employee's performance and market trends and is approved by the Board of Directors.

16. Income Tax

INCOME TAX IN MEXICO

The income tax rate for 2020, 2019 and 2018 is 30% and will remain the same in subsequent years.

On October 30, 2019, a series of tax reforms effective as of January 1st, 2020 were approved in Mexico. The main changes are as follows:

1. The deduction of net interest is limited to 30% of the adjusted tax profit.
2. Non-deductibility of payments made to entities located in low tax jurisdictions (REFIPRES).
3. A new obligation is established for taxpayers consisting of disclosing to the tax authorities' certain transactions that are considered "Tax Schemes Subject to Reporting".
4. Modifications to certain definitions of Title VI of the Income Tax Law (REFIPRES income).

To date, the tax authorities have yet to issue rules related to the consolidated calculation of interest limitations. However, the Company followed the procedure of this provision in accordance with the Mexican Income Tax Law.

To date, the Company has complied with its obligation to disclose tax schemes subject to reporting corresponding to fiscal year 2020.

INCOME TAX IN OTHER COUNTRIES

Subsidiaries established abroad calculate income tax based on the individual performance of each subsidiary and in accordance with the regulations of each country. U.S. regulations allow the filing of a consolidated income tax return. As of 2013, Spanish regulations allow the filing of a consolidated tax return. As of 2019, French regulations allow the filing of a consolidated tax return.

Except for the subsidiaries mentioned above, each subsidiary calculates and pays income tax as an individual legal entity. The annual tax returns are filed within the six months following the end of the fiscal year. Additionally, the subsidiaries must make provisional payments during each fiscal year.

The tax rates applicable in other countries where the Company operates and the period in which tax losses may be applied, are as follows:

	STATUTORY INCOME TAX RATE					EXPIRATION OF TAX LOSS CARRYFORWARDS	
	2020		2019		2018		
Argentina	25	(a)	30	(a)	30	5	(b)
Brazil	34		34		34		(c)
Canada	15	(d)	15	(d)	15	20	(h)
Spain	25		25		25		(e)
USA	21	(f)	21	(f)	21		(g)
Mexico	30		30		30	10	

The tax losses generated by the Company are mainly in the United States, Mexico, Brazil and Spain.

(a) As of 2020, the corporate tax rate is 25%.

(b) Losses on the sale of shares or other equity investments may only be offset against income of the same nature. Tax losses from foreign sources may only be carried forward against income from foreign sources.

(c) Tax losses may be applied indefinitely, but may only be offset each year up to an amount equivalent to 30% of the net taxable profit for each year.

(d) The corporate income tax rate is a combination of the federal corporate tax rate 15%, and relevant state (provincial) corporate income tax rates where the Company has a permanent establishment. State tax rates range from 10% to 16%; therefore, the combined tax rate may range from 25% to 31%.

(e) Tax loss carryforwards have no expiration date; however, their application is limited to 25% of the net taxable profit for the year.

(f) In December 2017, a tax reform was approved in the USA, which reduced the federal corporate tax rate from 35% to 21% from 2018.

(g) As a result of the tax reform, tax loss carryforwards have no expiration date; however, their amortization is limited to 80% of the taxable profit generated for the year.

(h) The Company's tax losses may be carried back against the three prior years.

At the date of issue of these consolidated financial statements, no changes have been disclosed for the corporate tax rates in subsequent years, except in France, where the tax rate was changed from 28% in 2019 to 26.5% in 2020, and as of 2022 it will be 25%.

Operations in the USA, Canada, Uruguay, Colombia, Guatemala, Panama, Honduras, Nicaragua and Ecuador are subject to minimum income tax payments or substitutive tax.

Analysis of provisions, effective tax rate and deferred effects

a) The Company's consolidated income tax is as follows:

		2020		2019		2018
Income tax:						
Current income tax	$	5,215	$	3,926	$	3,510
Deferred income tax		781		723		1,387
		5,996		4,649		4,897
Income tax – uncertain tax positions		196		84		-
	$	6,192	$	4,733	$	4,897

b) A reconciliation of the statutory income tax rate to the effective income tax rate in Mexico expressed as a percentage of profit before income tax for the years ended December 31, 2020, 2019 and 2018 is as follows:

	2020	2019	2018
Profit before income tax	$ 16,744	$ 12,108	$ 11,708
Statutory income tax rate	30%	30%	30%
Income tax at statutory tax rate	5,023	**3,632**	**3,512**
Plus/(less) the tax effects of the following items:			
Inflationary effects of monetary accounts in the statement of financial position and statement of profit or loss	552	605	776
Non-deductible expenses and other	793	655	94
Non-taxable profit and tax incentives	(420)	(699)	(578)
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(220)	(53)	(331)
Effects on tax values of property, plant and equipment	(314)	(253)	(246)
Share of loss of associates	(58)	(75)	(61)
Unrecognized available tax loss carryforwards	836	921	1,731
Income tax recognized in profit or loss	$ 6,192	**$ 4,733**	**$ 4,897**
Effective income tax rate	37.0%	**39.1%**	**41.8%**

To determine their deferred income tax as of December 31, 2020, 2019 and 2018, the Company's subsidiaries applied the income tax rate that will be in effect when the temporary differences giving rise to deferred taxes are expected to reverse.

c) The primary items that generate deferred income tax as of December 31, 2020, 2019 and 2018 are as follows:

	BALANCE AS OF DECEMBER 31, 2019	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIVE INCOME	TRANSLATION EFFECT	BUSINESS COMBINATIONS	BALANCE AS OF DECEMBER 31, 2020
Allowance for expected credit loss	$ (288)	$ 5	$ -	$ -	$ -	$ (283)
Inventories and advances	(31)	(28)	-	-	-	(59)
Property, plant and equipment	3,606	1,420	-	-	-	5,026
Intangible assets and other assets [1]	10,709	(3,059)	-	(21)	439	8,068
Other reserves and provisions	(11,430)	(2,347)	(145)	-	-	(13,922)
Current employee profit sharing	(352)	53	-	-	-	(299)
Available tax loss carryforwards	(1,381)	3,722	(2,909)	-	-	(568)
Net economic hedge	-	645	(645)	-	-	-
Lease assets and liabilities, net	(173)	(156)	-	-	-	(329)
Derivative financial instruments	(9)	526	(118)	-	-	399
Total deferred income tax liability/ (asset), net	**$ 651**	**$ 781**	**$ (3,817)**	**$ (21)**	**439**	**$ (1,967)**

(1) During 2020, the Company recognized a deferred tax asset on intangible assets of $4,270.

	BALANCE AS OF DECEMBER 31, 2018	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIVE INCOME	RECLASSIFICATIONS	TRANSLATION EFFECT	BALANCE AS OF DECEMBER 31, 2019
Allowance for expected credit loss	$ (245)	$ (43)	$	$ -	$	$ (288)
Inventories and advances	(44)	13	-	-	-	(31)
Property, plant and equipment	4,654	(1,048)	-	-	-	3,606
Intangible assets and other assets	10,367	442	-	-	(100)	10,709
Other reserves and provisions	(9,649)	(423)	(1,358)	-	-	(11,430)
Current employee profit sharing	(421)	69	-	-	-	(352)
Available tax loss carryforwards	(2,152)	1,523	-	(752)	-	(1,381)
Net economic hedge	-	(744)	744	-	-	-
Lease assets and liabilities, net	-	(173)	-	-	-	(173)
Derivative financial instruments	-	431	(440)	-	-	(9)
Other items	(676)	676	-	-	-	-
Total liability, net	**$ 1,834**	**$ 723**	**$ (1,054)**	**$ (752)**	**$ (100)**	**$ 651**

	BALANCE AS OF DECEMBER 31, 2017	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIVE INCOME	EFFECTS THROUGH RETAINED EARNINGS AND OTHER	TRANSLATION EFFECT	BUSINESS COMBINATIONS	BALANCE AS OF DECEMBER 31, 2018
Allowance for expected credit loss	$ (202)	$ (48)	$ -	$ 5	$ -	$ -	$ (245)
Inventories and advances	(92)	48	-	-	-	-	(44)
Property, plant and equipment	4,691	(37)	-	-	-	-	4,654
Intangible assets and other assets	9,075	347	-	-	-	945	10,367
Other reserves and provisions	(9,818)	(896)	1,110	(45)	-	-	(9,649)
Current employee profit sharing	(370)	(51)	-	-	-	-	(421)
Available tax loss carryforwards	(4,373)	2,221	-	-	-	-	(2,152)
Net economic hedge	-	(535)	246	-	289	-	-
Other items	(517)	338	(149)	(196)	(152)	-	(676)
Total (assets)/liabilities, net	**$ (1,606)**	**$ 1,387**	**$ 1,207**	**$ (236)**	**$ 137**	**$ 945**	**$ 1,834**

The deferred income tax assets and liabilities are presented separately in the consolidated statement of financial position, since they correspond to different taxable entities and tax authorities. An analysis is as follows:

	2020	2019	2018
Deferred income tax asset	$ (8,733)	$ (4,590)	$ (3,886)
Deferred income tax liability	6,766	5,241	5,720
Total deferred income tax (asset)/liability, net	**$ (1,967)**	**$ 651**	**$ 1,834**

The Company has determined that the undistributed earnings of its foreign subsidiaries will not be distributed in the foreseeable future. As of December 31, 2020, there are undistributed earnings for temporary differences related to investments in subsidiaries and associates for which no deferred tax liabilities have been recognized. As of December 31, 2020, the amount of undistributed earnings for temporary differences related to subsidiaries is immaterial.

As of December 31, 2020, the Company's unused tax losses have the following expiration dates:

YEAR	AMOUNT
2021	765
2022	800
2023	1,084
2024	955
2025	930
2026	86
2027	155
2028	34
2029	100
2030 and thereafter	24,280
	29,189
Unrecognized available tax loss carryforwards	(26,965)
Total	**$ 2,224**

Certain subsidiaries that have tax losses have not recognized the deferred tax asset, since they do not have sufficient taxable income or projected earnings to estimate the time for recovery of such tax losses. Unrecognized accumulated benefits of such tax losses were $7,637 in 2020, $12,515 in 2019 and $11,429 in 2018.

Some subsidiaries have unused tax losses. The unused tax losses for which a deferred tax asset has been recognized can be recovered, provided that they meet certain requirements. As of December 31, 2020, the Company expects to recover such tax losses through the reversal of temporary differences and future taxable profits.

17. Financial instruments

1. Financial instruments by category as of December 31, 2020, 2019 and 2018:

An analysis of this caption is as follows:

		2020		2019		2018	CATEGORY / HIERARCHY
Assets							
Financial assets:							
Cash and cash equivalents	$	9,268	$	6,251	$	7,584	Fair value – Level 1
Trade accounts receivables and other accounts receivable, net		18,802		18,152		20,371	Amortized cost
Derivative financial instruments		871		143		106	Fair value - Level 1 and 2
Guarantee deposits for derivative financial instruments		-		325		619	Fair value - Level 1
Total current assets		28,941		**24,871**		**28,680**	
Other non-current assets		1,670		1,235		1,304	Amortized cost
Other non-current assets – plan asset surpluses		913		652		381	Fair value - Level 1
Derivative financial instruments		267		1,533		3,017	Fair value - Level 1 and 2
Total assets	$	31,791	$	**28,291**	$	**33,382**	

		2020		2019		2018	CATEGORY
Liabilities							
Financial liabilities:							
Current portion of non-current debt	$	600	$	5,408	$	1,153	Amortized cost
Trade accounts payable		26,679		22,972		20,971	Amortized cost
Other accounts payable		1,790		1,852		2,243	Amortized cost
Accounts payable to related parties		1,334		1,197		1,012	Amortized cost
Guarantee withdrawals for derivative financial instruments		398		-		-	Fair value - Level 1
Derivative financial instruments		1,183		673		879	Fair value - Level 1 and 2
Total current liabilities		31,984		**32,102**		**26,258**	
Non-current debt		84,629		81,264		88,693	Amortized cost
Derivative financial instruments		214		437		347	Fair value - Level 1 and 2
Total liabilities	$	116,827	$	**113,803**	$	**115,298**	

2. Risk management

During the normal course of its operations, the Company is exposed to risks inherent to financial variables, as well as changes in the prices of some of its raw materials that are traded in international markets. The Company has established an orderly risk management process that assesses the nature and extent of those risks.

The primary financial risks to which the Company is exposed are as follows:

- Market risk
- Interest rate risk
- Foreign currency risk
- Commodity price risk
- Liquidity risk
- Credit risk
- Equity risk

The risk management process includes the following activities:

- Identify, evaluate and monitor external and internal risks that could have a significant impact on the Company
- Prioritize risks
- Ensure risk assignment and monitoring
- Validate bodies and/or those responsible for risk management
- Validate the progress made in the management of each prioritized risk
- Make recommendations
- Review the consistency of open positions in respect of the corporate strategy

Since the variables to which the Company is exposed are dynamic, hedging strategies are evaluated and monitored periodically. Such strategies are reported to the relevant governing body within the Company. The primary purpose of hedging strategies is to achieve a neutral and balanced position in relation to the risk exposure caused by certain financial variables.

2.1 Market risk

The Company is exposed to interest rate and foreign currency exchange risks, as well as commodity price risks. The Company occasionally uses derivative financial instruments to mitigate the potential impact of fluctuations in these variables and prices on its financial performance. The Company considers that the derivative financial instruments it enters into provide flexibility that allows for greater financial stability and better visibility and certainty regarding future costs and expenses.

Through the corresponding departments, the Company determines the target amounts and parameters of the primary positions for which the derivative financial instruments are contracted in order to minimize one or more of the risks generated by a transaction or group of transactions associated with the primary position.

The Company only enters into derivative financial instruments with financial institutions of well-known solvency and within the limits set for each institution.

The main types of derivative financial instruments used by the Company are as follows:

a) Contracts that establish a mutual obligation to exchange cash flows on pre-established future dates, at the nominal or reference value (swaps):

    1. Interest rate swaps to balance the mix of fixed and variable interest rates used for financial liabilities.
    2. Cross currency swaps, to change the currency in which both the principal and interest of a financial liability are expressed.

b) Foreign currency forwards

c) Foreign currency call options

d) Foreign currency denominated zero-cost call and put options (zero-cost collars)

e) Raw materials futures

f) Options on raw material futures

g) Commodity swaps

Market risk exposure is monitored and reported on an ongoing basis.

The Company's policy is to contract derivative financial instruments for the sole purpose of hedging its foreign currency risk. Accordingly, in order to contract a derivative financial instrument, it must necessarily be associated with a primary position that exposes the Company to a specific risk. Consequently, the notional amounts of the Company's derivative financial instruments must be consistent with the amounts of the primary positions that are being hedged. The Company does not contract derivative financial instruments to obtain earnings from premiums. If the Company decides to enter into a hedging strategy whereby options are combined, the net premiums paid/collected must represent a cash outflow.

An analysis of the Company's derivative financial instruments is as follows:

	2020		2019		2018	
	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI
Assets						
Current assets:						
Forwards	$ -	$	$ -	$ 30	$ 37	$ 4
Forwards on raw materials	-		-	-	-	(189)
Foreign exchange options	-		-	(26)	26	(88)
Unaccrued option premiums paid	-		-	-	29	-
Futures:						
Fair value of raw materials, natural gas,diesel and soy oil	871	727	143	129	14	(287)
Total current derivative financial instruments	**$ 871**	**$ 727**	**$ 143**	**$ 133**	**$ 106**	**$ (560)**
Non-current assets:						
Cross currency swap	$ 267	$ 27	$ 1,533	$ (545)	$ 3,009	$ 903
Futures:						
Fair value of raw materials, natural gas, diesel and soy oil	-	-	-	-	-	-
Forwards	-	-	-	(7)	8	8
Total non-current derivative financial instruments	**$ 267**	**$ 27**	**$ 1,533**	**$ (552)**	**$ 3,017**	**$ 911**

	2020		2019		2018	
	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI
Liabilities						
Current liabilities:						
Swap	$ -	$	$ -	$ -	$ 12	$ 1
Foreign currency forwards	399	(170)	233	(198)	-	-
Forwards on raw materials	784	(456)	325	(256)	76	(76)
Cross currency swap	-	(26)	8	26	-	-
Futures:						
Fair value of raw materials, natural gas, diesel and soy oil	-	107	107	680	791	(563)
Total current derivative financial instruments	**$ 1,183**	**$ (545)**	**$ 673**	**$ 252**	**$ 879**	**$ (638)**
Total non-current derivative financial instruments	**$ 214**	**$ (636)**	**$ 437**	**$ (1,168)**	**$ 347**	**$ (347)**
Equity:						
Total valuation of cash flow hedges, net of accrued interest	$ (2,251)	$ (427)	$ (1,825)	$ (1,335)	$ (490)	$ (634)
Closed contracts for unused futures	24	41	(16)	(18)	2	26
	(2,227)	(386)	(1,841)	(1,353)	(488)	(608)
Deferred income tax, net	676	116	**559**	**440**	**119**	**149**
Other comprehensive (loss)/income	$ (1,551)	$ (270)	**$ (1,282)**	**$ (913)**	**$ (369)**	**$ (459)**

2.2 Management of interest rate risk

The Company is exposed to interest rate risk, mainly with respect to its financial liabilities. The risk is managed through an adequate mix of fixed and variable rates, which on occasion, is achieved by contracting derivative financial instruments, such as interest rate swaps, which are accounted for as hedging instruments when they meet with the corresponding criteria.

As a result of the COVID-19 pandemic, volatility in financial markets led to fluctuations in interest rates, particularly in short-term rates. Since most of the Company's financial liabilities bear interest at long-term fixed rates, these fluctuations did not have a material effect on the consolidated financial statements.

Company management considers that the interest rate risk related to its financial assets is limited, since they are generally current assets.

As of December 31, 2020 and 2018, the Company had no non-current debt bearing interest at variable rates. As of December 31, 2019, the Company had non-current debt bearing interest at variable rates tied to the LIBOR and TIIE rates.

2.3 Management of foreign currency risk

The Company carries out transactions in different foreign currencies and presents its consolidated financial statements in Mexican pesos. Accordingly, it is exposed to foreign currency risk (i.e. due to forecasted purchases of raw materials, contracts and monetary assets and liabilities) and foreign currency translation risk (i.e. due to net investments in foreign subsidiaries). The Company is mainly exposed to foreign currency risk associated with the performance of the Mexican peso against the U.S. dollar and the Canadian dollar, and the Canadian dollar against the USD.

As a result of the COVID-19 pandemic, volatility in financial markets led to fluctuations in exchange rates. However, the Company did not modify its foreign currency risk management strategy.

- Management of foreign currency translation risk

The Company has investments in foreign subsidiaries whose functional currency is not the Mexican peso, which exposes it to foreign currency translation risk. The Company has contracted intercompany financial assets and liabilities with those foreign subsidiaries in various currencies, which also generates foreign currency translation risks.

Foreign currency translation risk is mitigated mostly through the issuance of one or more loans denominated in currencies other than the functional currency to naturally hedge exposure to foreign currency and presented as a net investment in foreign subsidiaries.

As of December 31, 2020, 2019 and 2018, the loans in USD (described in Note 13) that have been designated as hedges on the net investment in foreign subsidiaries amount to USD 1,521 million, USD 2,550 million and USD 2,550 million, respectively. On December 28, 2020, the company discontinued the hedge accounting of the international bond due on January 25, 2022, for a notional amount of USD 797 million.

As of December 31, 2020, 2019 and 2018, the loans that have been designated as hedges on the net investment in foreign subsidiaries amount to CAD 354 million, CAD 290 million and CAD 290 million, respectively (see Note 17, 2.3 (a)).

To test hedge effectiveness, the Company compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the net investment.

As of December 31, 2020, 2019 and 2018, the amount designated as a hedge for non-current intercompany asset positions is CAD 630 million, CAD 630 million and CAD 650 million, respectively.

Management of transactional foreign currency risk

The Company's risk management policy on transactional foreign currency risk consists of hedging expected cash flows, mainly with regard to expected obligations that qualify as hedged items, represented by "highly probable" forecasted transactions for purposes of hedge accounting. When the future purchase is made, the Company adjusts the non-financial asset hedged for the gain or loss previously recognized in OCI.

Foreign currency sensitivity

The sensitivity analyses below have been determined based on balances exposed to foreign currency risk, considering both derivative and non-derivative financial instruments at the reporting date; therefore, the analyses may not be representative of the foreign currency risk for the period due to changes in the balances exposed to such risk.

A depreciation/appreciation of one Mexican peso per USD that represents management's estimate of a reasonable potential change in the parity of both currencies would result in an increase/decrease of approximately $184 in profit or loss for the year ended December 31, 2020.

A depreciation/appreciation of one Mexican peso per Canadian dollar that represents management's estimate of a reasonable potential change in the parity of both currencies would not result in an increase/decrease in profit or loss for the year ended December 31, 2020.

A depreciation/appreciation of one Mexican peso per euro that represents management's estimate of a reasonable potential change in the parity of both currencies would not result in an increase/decrease in profit or loss for the year ended December 31, 2020.

Analysis of derivative financial instruments for hedging interest rate and foreign currency risk

An analysis of the derivatives used to hedge interest rate and foreign currency risks and their fair value as of December 31, 2020, 2019 and 2018 is as follows:

a) Swaps that translate the 144A bond of USD 800 million, which matures on June 27, 2024, to Canadian dollars and change the fixed interest rate in UDS to a fixed interest rate in Canadian dollars.

							MARKET VALUE					
NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID		2020		2019		2018
270	USD	290	CAD	27-jun-2024	3.875%	4.1125%	$	-	$	976	$	1,091
270	USD	354	CAD	27-jun-2024	3.875%	3.9700%		(176)		-		-
							$	(176)	$	976	$	1,091

b) Swaps that translate the 144A bond of USD 800 million, which matures on June 27, 2024, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos.

							MARKET VALUE					
NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID		2020		2019		2018
100	USD	1,827	MXN	27-jun-2024	3.875%	8.410%	$	189	$	90	$	292
150	USD	2,744	MXN	27-jun-2024	3.875%	8.420%		-		132		434
150	USD	3,225	MXN	27-jun-2024	3.875%	7.160%		(130)		-		-
76	USD	1,392	MXN	27-jun-2024	3.875%	8.387%		143		69		222
204	USD	3,855	MXN	27-jun-2024	3.875%	8.320%		-		41		463
204	USD	4,376	MXN	27-jun-2024	3.875%	7.330%		(201)		-		-
							$	1	$	332	$	1,411

c) Swaps that translate the 144A bond of USD 500 million, which matures on June 27, 2044, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos.

							MARKET VALUE					
NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID		2020		2019		2018
100	USD	1,829	MXN	27-jun-2028	4.875%	9.8385%	$	247	$	95	$	387
100	USD	1,829	MXN	27-jun-2044	-	1.1900%		298		130		-
							$	545	$	225	$	387

d) Swaps that translate the 144A bond of USD 800 million, which matures on June 30, 2020, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
100	USD	1,918	MXN	20-jun-2020	4.875%	9.438%	$ -	$ -	$ 120

e) Swaps that translate a portion of 144A bond of USD 600 million, maturing on September 6, 2049, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
50	USD	1,075	MXN	06-mar-2030	4.00%	8.08%	$ (20)	$ -	$ -
50	USD	1,033	MXN	06-sep-2030	4.00%	9.81%	(89)	-	-
50	USD	1,018	MXN	06-sep-2030	4.00%	9.67%	(58)	-	-
25	USD	495	MXN	06-sep-2030	4.00%	9.37%	2	-	-
25	USD	494	MXN	06-sep-2030	4.00%	9.34%	2	-	-
							$ (163)	$ -	$ -

f) Interest rate swap that hedges the variable rate in USD (LIBOR):

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
160	USD	30-jun-2031	Libor 3 meses	3.29%	$ 60	$ -	$ -

g) Non-current forwards for forecast transactions:

COUNTRY	CURRENCY	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	DECEMBER 2018 NOTIONAL AMOUNT	DECEMBER 2018 AVERAGE EXCHANGE RATE	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
Mexico	USD/MXN	-	-	-	-	46	21.12	$ -	$ -	$ 8

	2020	2019	2018
Total non-current financial assets	$ 267	$ 1,533	$ 3,017

During 2020, the Company restructured the notional amounts and interest rates of some derivative financial instruments, as indicated in paragraphs a), b) and e), resulting in the collection of $2,096 corresponding to the fair value of these instruments at the time of the restructuring. The Company's risk management objectives were not modified as a result of this restructuring.

h) Non-current forwards to hedge foreign currency risk related to raw materials and other:

COUNTRY	CURRENCY	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	DECEMBER 2018 NOTIONAL AMOUNT	DECEMBER 2018 AVERAGE EXCHANGE RATE	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
Mexico	USD/MXN	2	20.78	12	20.15	-	-	$ 1	$ 2	$ -
Canada	USD/CAD	14	1.31	8	1.32	-	-	5	2	-
								$ 6	$ 4	$ -

i) Non-current forwards to hedge forecast transactions:

COUNTRY	CURRENCY	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	DECEMBER 2018 NOTIONAL AMOUNT	DECEMBER 2018 AVERAGE EXCHANGE RATE	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
Mexico	USD/MXN	48	24.88	58	20.85	15	22.38	$ 185	$ 37	$ 14

j) Interest rate swap that hedges the variable rate in USD (LIBOR):

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	2019	2018
160	USD	30-jun-2020	3-month LIBOR	3.2923%	$ -	$ -	$ 151
160	USD	30-jun-2020	3-month LIBOR	3.2865%	-	377	140
60	USD	30-jun-2020	3-month LIBOR	2.9965%	-	-	6
100	USD	30-jun-2020	3-month LIBOR	2.8406%	-	-	36
					$ -	$ 377	$ 333

In September 2019, the Company paid $1,070 for the early settlement of the interest rate swap for a notional of USD 320 million associated with the issuance of the international bond maturing in September 2049.

On June 24, 2020, the Company extended the maturity date of its interest rate swap for a notional of USD 160 million, see (1), and settled the fair value at that date of $935. The current characteristics of this instrument are described in paragraph f). The Company's risk management objectives and strategy were not revised as a result of this restructuring.

k) Interest rate swap hedging forecasted flows related to financial leases in Italy:

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	2019	2018
10	EUR	03-feb-2031	3-month Euribor	1.28%	$ 13	$ 10	$ -
9	EUR	03-mar-2031	3-month Euribor	1.25%	10	9	-
					$ 23	$ 19	$ -

	2020	2019	2018
Total non-current financial liabilities	**$ 214**	**$ 437**	**$ 347**

FOREIGN CURRENCY HEDGES

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components.

As of December 31, 2020, 2019 and 2018, the Company had the following forwards to hedge forecast transactions:

		DECEMBER 2020		DECEMBER 2019		DECEMBER 2018		MARKET VALUE		
COUNTRY	CURRENCY	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2020	2019	2018
Mexico	MXN/CLP	1,022	35.19	1,075	39.67	898	32.53	$ 6	$ (12)	$ 41
Mexico	MXN/USD	273	21.72	225	20.35	130	20.49	(404)	(221)	(25)
Mexico	MXN/USD	799	19.97	-	-	-	-	2	-	-
Mexico	USD/CLP	-	-	-	-	14	655.25	-	-	16
Spain	EUR/RUB	10	92.20	-	-	-	-	(3)	-	-
France	USD/EUR	-	-	-	-	3	1.27	-	-	5
								$ (399)	$ (233)	$ 37

An analysis of the maturities of these forwards as of December 31, 2020 is as follows:

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	> 6 MONTHS < 9 MONTHS	> 9 MONTHS < 12 MONTHS	TOTAL
Mexico						
Notional amount in Mexican pesos	-	1,022	-	-	-	1,022
Average exchange rate	-	35.19	-	-	-	35.19
Mexico						
Notional amount in USD	92	44	48	61	28	273
Average exchange rate	20.33	21.54	22.12	23.03	23.04	21.72
Mexico						
Notional amount in USD	799	-	-	-	-	799
Average exchange rate	19.97	-	-	-	-	19.97
Spain						
Notional amount in euros	-	10	-	-	-	10
Average exchange rate	-	92.2	-	-	-	92.2

As of December 31, 2018, the Company had contracted the following interest rate swaps to hedge forecast flows related to finance leases in Italy:

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
10	EUR	03-feb-2031	3-month Euribor	1.28%	$ -	$ -	$ 6
9	EUR	03-mar-2031	3-month Euribor	1.25%	-	-	6
					$ -	$ -	$ 12

As of December 31, 2018, the Company had the following options:

COUNTRY	CURRENCY	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	DECEMBER 2018 NOTIONAL AMOUNT	DECEMBER 2018 AVERAGE EXCHANGE RATE	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
Mexico	USD/MXN	-	-	-	-	150	21.00	$ -	$ -	$ 26

As of December 31, 2019, the Company had the following cross-currency swap that translates a portion of the 144A Bond of USD 800 million to Mexican pesos. The swap matures on June 30, 2020 and changes the fixed interest rate in USD to a fixed interest rate in Mexican pesos.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2020	MARKET VALUE 2019	MARKET VALUE 2018
100	USD	1,918	MXP	30-jun-2020	4.875%	9.438%	$ -	$ (8)	$ -

As of December 31, 2020, 2019 and 2018, the Company had contracted the following forwards to hedge its foreign currency risk related to raw materials and other:

		DECEMBER 2020		DECEMBER 2019		DECEMBER 2018		MARKET VALUE		
COUNTRY	CURRENCY	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2020	2019	2018
Argentina	USD/ARS	5	94.68	3	73.34	3	45.35	$ (5)	$ (7)	$ (6)
Canada	USD/CAD	98	1.33	103	1.32	65	1.30	(74)	(27)	50
Canada	CAD/USD	19	1.29	-	-	-	-	2	-	-
Chile	USD/CLP	31	779.59	32	712.84	13	645.20	(68)	31	18
Colombia	USD/COP	14	3,747.20	5	3,471.73	-	-	(23)	(4)	-
Mexico	USD/MXN	344	21.91	301	20.40	299	20.69	(586)	(306)	(143)
Mexico	USD/MXN	414	20.17	-	-	-	-	6	-	-
Peru	USD/PEN	14	3.57	8	3.39	-	-	4	(3)	-
Uruguay	USD/UYU	10	44.47	5	38.12	6	33.38	(5)	(1)	(2)
France	USD/EUR	6	1.17	7	1.15	2	1.27	(6)	2	3
Russia	EUR/RUB	-	-	7	74.35	1	79.56	-	(2)	1
Russia	USD/RUB	1	74.03	2	66.67	2	65.35	-	(8)	3
Brazil	USD/BRL	37	5.44	-	-	-	-	(29)	-	-
Brazil	BRL/USD	8	5.58	-	-	-	-	2	-	-
Mexico	EUR/MXN	3	25.34	-	-	-	-	(2)	-	-
								$ (784)	$ (325)	$ (76)

The maturities of these forwards as of December 31, 2020 are as follows:

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	> 6 MONTHS < 9 MONTHS	> 9 MONTHS < 12 MONTHS	TOTAL
Argentina						
Notional amount in USD	2	3	-	-	-	5
Average exchange rate	90.82	97.56	-	-	-	94.68
Canada						
Notional amount in USD	8	17	30	23	20	98
Average exchange rate	1.32	1.34	1.34	1.33	1.31	1.33
Canada						
Notional amount in Canadian dollars	7	12	-	-	-	19
Average exchange rate	1.30	1.29	-	-	-	1.29
Chile						
Notional amount in USD	3	7	10	7	4	31
Average exchange rate	783.29	790.17	778.12	774.75	769.08	779.59
Colombia						
Notional amount in USD	2	3	4	3	2	14
Average exchange rate	3,730.91	3,731.41	3,752.55	3,806.28	3,676.42	3,747.20
Mexico						
Notional amount in USD	37	75	105	80	47	344
Average exchange rate	21.26	22.19	22.26	22.01	21.01	21.91

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	> 6 MONTHS < 9 MONTHS	> 9 MONTHS < 12 MONTHS	TOTAL
Mexico						
Notional amount in Mexican pesos	158	256	-	-	-	414
Average exchange rate	20.21	20.15	-	-	-	20.17
Peru						
Notional amount in USD	2	3	5	3	1	14
Average exchange rate	3.52	3.55	3.57	3.59	3.61	3.57
Uruguay						
Notional amount in USD	1	2	3	3	1	10
Average exchange rate	43.76	43.85	44.39	45.12	45.57	44.47
France						
Notional amount in USD	-	1	1	2	2	6
Average exchange rate	1.4	1.14	1.17	1.19	1.19	1.17
Russia						
Notional amount in USD	-	-	1	-	-	1
Average exchange rate	-	-	74.39	-	-	74.03
Brazil						
Notional amount in USD	4	8	10	9	6	37
Average exchange rate	5.35	5.35	5.39	5.57	5.47	5.44
Brazil						
Notional amount in USD	8	-	-	-	-	8
Average exchange rate	5.58	-	-	-	-	5.58
Mexico						
Notional amount in euros	-	1	1	1	-	3
Average exchange rate	24.97	25.13	25.47	25.50	25.51	25.34

As of December 31, 2020, 2019 and 2018, the Company reclassified $(302), $281 and $115, respectively, to cost of sales.

2.4 Management of commodity price risk

There is an economic relationship between the hedged items and the hedging instruments as the terms of purchases of raw materials match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the purchases of raw materials are identical to the hedged risk components.

In accordance with the Company's risk management policies, it enters into wheat, natural gas, and other commodity futures contracts to minimize the risk of variation in international prices of such commodities.

Wheat, the main commodity used by the Company, together with natural gas, are some of the commodities hedged. The transactions are carried out in well-known commodity markets and through their formal documentation, are designated as cash flow hedges of forecasted transactions. The Company performs prospective and retrospective effectiveness tests of the instruments to ensure that they mitigate the variability of cash flows from fluctuations in the price of such commodities.

As of December 31, 2020, 2019 and 2018, the Company has recognized, in other comprehensive income, closed wheat derivative contracts that have not yet been reclassified to cost of sales, since the wheat under these contracts has not been used for flour consumption.

Analysis of derivative transactions to hedge commodity price risk

As of December 31, 2020, 2019 and 2018 the principal characteristics of the Company's futures contracts are as follows:

	2020 CONTRACTS				2019 CONTRACTS				2018 CONTRACTS			
	NUMBER	MATURITY		FAIR VALUE	NUMBER	MATURITY		FAIR VALUE	NUMBER	MATURITY		FAIR VALUE
Diesel	**3,471**	**Jan-21 to Jul-22**	**$**	**7**	2,210	Jan-20 to Mar-21	$	23	-	-	$	-
Gasoline	**1,714**	**Jan-21 to Jul-22**		**54**	1,168	Jan-20 to Mar-21		33	-	-		-
Natural gas	**533**	**Jan-21 to Dec-21**		**14**	-	-		-	548	Feb-Dec-19		14
Polyethylene	**45,561**	**Jan-21 to Oct-21**		**112**	-	-		-	-	-		-
Wheat	**8,334**	**Jan-21 to Dec-21**		**601**	14,320	Feb-20 to Mar-21		58	-	-		-
Soybean oil	**678**	**Jan-21 to Dec-21**		**82**	403	Jan-20 to Dec-20		29	-	-		-
Oil	**13,650**	**Jan-21 to Dec-21**		**1**	-	-		-	-	-		-
Total current assets			**$**	**871**			**$**	**143**			**$**	**14**
Wheat			**$**	**-**	-	-	$	-	12,211	Feb-Sep-19	$	398
Soybean oil				**-**	-	-		-	1,016	Mar-Dec-19		23
Polyethylene				**-**	31,303	Jan-20 to Dec-20		63	36,575	Jan-19 to Aug-20		60
Diesel				**-**	-	-		-	2,857	Jan-19 to Aug-20		208
Gasoline				**-**	-	-		-	1,218	Jan-19 to Aug-20		102
Natural gas				**-**	1,000	Jan-20 to Jun-21		44	-			-
Total current liabilities			**$**	**-**			**$**	**107**			**$**	**791**

As of December 31, 2020, 2019 and 2018, the Company reclassified $525, $597 and $(339), respectively, to cost of sales.

The fair values of these financial instruments used to hedge the raw material price risk are considered within Level 1 of the fair value hierarchy.

Embedded derivatives - As of December 31, 2020, 2019 and 2018, the Company has not identified any embedded derivatives that require bifurcation.

Valuation techniques and assumptions applied to measure fair value

The fair value of the Company's financial assets and liabilities is calculated as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions which are traded on active, liquid markets are determined based on their quoted market prices. Derivative financial instruments fall under this category; therefore, these instruments are classified within Level 1 of the fair value hierarchy described below.

The fair value of other financial assets and liabilities carried at fair value is determined in accordance with accepted pricing models, generally based on an analysis of the discounted cash flows.

As of December 31, 2020, 2019 and 2018, the carrying value of financial assets and liabilities does not vary significantly from their fair value.

These derivative financial instruments are considered within level 2 of the fair value hierarchy.

The valuation of the Company's structured notes was determined based on the market value with prices provided by Valuación Operativa y Referencias de Mercado S.A. de C.V. ("VALMER"), which is an entity supervised by the *Mexican National Banking and Securities Commission* (CNBV, Spanish acronym) that provides updated prices for financial instruments. This valuation is considered Level 1 in accordance with the hierarchy described below.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated statement of financial position are categorized within one of the following three hierarchy levels based on the data used in the valuation. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is un-observable

2.5 Management of liquidity risk

Liquidity risk management allows the Company to determine its short-term, medium-term and long-term cash flow needs, while seeking financial flexibility. The Company maintains sufficient liquidity through an orderly management of its resources and constant monitoring of cash flows, as well as through a variety of credit lines (some of them committed) with banking institutions and proper management of working capital. These actions ensure the payment of future obligations. Due to the nature of its business, the Company considers its liquidity risk to be low.

Obligations arising from accounts payables, derivative financial instruments and debt amortization are as follows:

		< 1 YEAR		>1 YEAR < 3 YEARS		>3 YEARS < 5 YEARS		> 5 YEARS		TOTAL
Debt and interest	$	4,974	$	24,574	$	22,261	$	88,196	$	140,005
Lease liabilities		6,147		9,000		5,830		16,628		37,605
Derivative financial instruments		1,003		1,487		735		1,186		4,411
Trade payables and accounts payable to related parties		28,013		-		-		-		28,013
Total	**$**	**40,137**	**$**	**35,061**	**$**	**28,826**	**$**	**106,010**	**$**	**210,034**

2.6 Management of credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company recognizes a provision for expected credit losses for trade receivables. The Company uses a provision matrix to calculate expected credit losses for trade receivables. The provision matrix is initially based on the Company's historical credit loss experience and is subsequently adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current direction and forecast of future conditions at the reporting date, including the time value of money, when applicable.

With respect to transactions with derivative financial instruments related to interest rate and exchange rate hedges, and some commodities such as natural gas, these instruments are entered into bilaterally with counterparties of high repute that meet certain criteria mentioned below, and who maintain a significant and ongoing business relationship with the Company.

These counterparties are deemed of high repute, as they are sufficiently solvent, based on their "counterparty risk" rating from a rating agency, for current and non-current obligations in local and foreign currency.

The Company's transactions with derivative financial instruments related to raw materials are carried out in the following renowned markets:

a) Minneapolis Grain Exchange (MGE)
b) Kansas City Board of Trade (KCBOT)
c) Chicago Board of Trade (CBOT)
d) New York Mercantile Exchange (NYMEX)

The Company monitors counterparty credit risks on a monthly basis and performs the related measurements.

All derivative financial instrument transactions are performed under standardized derivatives contracts that are duly executed by the legal representatives of the Company and those of the counterparties.

The appendices and annexes to these derivative contracts establish the settlement and other relevant terms in accordance with the uses and practices of the Mexican market and the markets in which the Company operates.

Some derivative financial instrument contracts, appendices and annexes, through which bilateral derivative financial transactions are carried out, consider the establishment of a cash deposit or other securities to guarantee payment of obligations arising from such contracts. The credit limits established by the Company with its counterparties are large enough to support its current operations; however, the Company maintains cash deposits as collateral for payment of certain derivative financial instruments.

For commodities future contracts executed in well-known international markets, the Company is subject to the regulations of such markets. These regulations include, among others, establishing an initial margin call for futures contracts and subsequent margin calls required of the Company.

2.7 Management of equity structure

The Company maintains a healthy balance between debt and equity in order to maximize the shareholders' return.

An analysis of the equity structure and leverage ratio as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Debt (i)	$	85,229	$	86,672	$	89,846
Cash and cash equivalents		(9,268)		(6,251)		(7,584)
Net debt		75,961		80,421		82,262
Equity		88,011		78,311		84,575
Net debt to equity		0.86 times		**1.03 times**		**0.97 times**

(i) Debt is comprised of bank loans and current and non-current structured notes, net of unamortized issuance expenses.

18. Employee benefits

An analysis of the net liability generated by employee benefits and long-term social welfare by geographical segment as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Retirement and post-retirement benefits						
Mexico	$	5,204	$	6,180	$	2,443
USA		1,233		1,530		1,662
Canada		995		733		728
EAA and Latin America		479		330		296
Total liabilities from retirement and post-retirement benefits		7,911		**8,773**		**5,129**
Multi-employer pension plans – USA		20,343		17,319		16,217
Social welfare USA		3,754		3,184		3,310
Net plan assets presented in other assets		821		604		377
Long-term bonuses payable to employees		1,003		546		852
Total net liability	$	33,832	**$**	**30,426**	**$**	**25,885**

a) Mexico

The Company has a defined benefit pension and seniority premium plan. The Company's funding policy is to make discretionary contributions. During 2020 and 2019, the Company contributed $1,150 and $1,000, respectively, to the plan assets. During 2018, the Company did not make plan contributions.

Seniority premiums consist of a one-time payment equal to 12-days' salary for each year worked based on the employee's final monthly salary (capped at twice the legal minimum daily wage) as stipulated in the employment contracts. Such benefits are granted to employees with 15 or more years of service.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2020, 2019 and 2018 based on independent actuarial calculations.

b) USA

The Company has a defined benefit pension plan that covers eligible employees. Some of the benefits of the plan for non-unionized workers were frozen. The Company's funding policy is to make discretionary contributions. As of December 31, 2020, 2019 and 2018, the contributions made to the plan total $161, $193 and $258, respectively.

The Company has also established post-retirement social welfare plans, which cover the medical expenses of certain eligible employees. The Company has insurance and pays these expenses as incurred.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2020, 2019 and 2018 based on independent actuarial calculations.

c) Canada

The Company has a defined benefit pension plan that covers all eligible employees. Some of the benefits of the plan for non-unionized workers were frozen. The Company's funding policy is to make discretionary contributions. The contributions made to the plan in 2020, 2019 and 2018 total $172, $152 and $163, respectively.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2020, 2019 and 2018 based on independent actuarial calculations.

The Company has also established a defined contribution plan through which contributions are paid as incurred. For the years ended December 31, 2020, 2019 and 2018, the contributions made to the plans total $57, $68 and $46, respectively.

The principal assumptions used in the actuarial valuations are as follows:

	2020	2019	2018
Mexico:			
Discount rate [(1)]	7.68%	7.57%	10.14%
Salary increase rate	4.50%	4.50%	4.65%
Inflation rate	4.00%	3.50%	3.65%
Expected average weighted return	7.57%	10.14%	7.94%
USA:			
Discount rate	2.30%	3.15%	4.20%
Salary increase rate	3.25%	3.25%	3.25%
Inflation rate	2.25%	2.50%	2.25%
Expected average weighted return	3.15%	4.20%	4.04%
Canada:			
Discount rate	2.50%	3.10%	3.90%
Salary increase rate	3.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%
Expected average weighted return	3.10%	3.90%	3.40%

(1) The 2.57% decrease in the discount rate in 2019 resulted in an actuarial loss of approximately $(4,434) recognized in other comprehensive income, causing a significant variance in the defined benefit obligation.

The assumptions related to the mortality rates used in the actuarial valuations are as follows:

	2020	2019	2018
Mexico:			
Mortality table	EMSSA 2009	EMSSA 2009	EMSSA 2009
USA:			
Mortality table	MP-2020	MP-2019	MP-2018
Canada:			
Mortality table	CPM2014Priv	CPM2014Priv	CPM2014Priv

Based on the aforementioned assumptions, the retirement and post-retirement benefits to be paid in the following years are as follows:

	MEXICO	USA	CANADA
2021	$ 396	$ 1,077	$ 291
2022	448	1,119	289
2023	477	1,151	290
2024	536	1,170	291
2025	591	1,188	291
2026 to 2031	2,664	5,698	1,452
	$ 5,112	**$ 11,403**	**$ 2,904**

An analysis of the amounts recognized in profit or loss and other comprehensive income with respect to defined benefit plans is as follows:

	2020	2019	2018
Amounts recognized in profit or loss:			
Current year service cost	$ 991	$ 717	$ 986
Gain on plan settlements	(631)	-	-
Interest cost	1,851	1,618	1,656
Return on plan assets	(1,316)	(1,282)	(1,134)
	895	1,053	1,508

	2020	2019	2018
Actuarial (loss)/gain on defined benefits recognized in other comprehensive income:			
Mexico, USA and Canada:			
Actuarial (gain)/loss on estimate of obligation	-	-	7
Experience adjustments to plan obligations	1,252	164	(484)
Effect of changes in demographic assumptions	(442)	(114)	(33)
Effect of changes in financial assumptions (1)	2,705	7,659	(5,299)
Actuarial (gain)/loss on estimate of plan assets (1)	(2,926)	(2,987)	2,135
EAA and Latin America	(227)	(7)	(108)
	362	**4,715**	**(3,782)**
	$ 1,888	**$ 5,768**	**$ (2,274)**

(1) Effects in 2019 of the decrease in the discount rate in Mexico.

Of the current year service cost, $808, $567 and $714 were included in 2020, 2019 and 2018, respectively, in the consolidated statement of profit or loss as part of cost of sales and the remainder as part of general expenses. Interest costs and the expected return on plan assets are recognized as part of comprehensive finance cost.

An analysis of the amount recognized in the consolidated statement of financial position in respect of the Company's obligation regarding its defined benefits plans as of December 31, 2020, 2019 and 2018 is as follows:

	2020	2019	2018
Present value of defined benefit obligation	$ 42,386	$ 37,839	$ 30,378
Less - fair value of plan assets	34,790	29,254	25,394
	7,596	8,586	4,984
Plus - Retirement benefits for Latin America and EAA	479	330	296
Less - Current portion of retirement benefits recognized in accrued liabilities	(164)	(143)	(151)
Present value of unfunded defined benefits	$ 7,911	**$ 8,773**	**$ 5,129**

An analysis of changes in the present value of the defined benefit obligation is as follows:

		2020		2019		2018
Present value of defined benefit obligation as of January 1st	$	**37,839**	$	30,378	$	36,142
Current year service cost		**991**		717		986
Interest cost		**1,851**		1,618		1,656
Gains on plan settlements		**(631)**		-		-
Actuarial gain/(loss) on estimate of obligation		**-**		-		7
Experience adjustments to plan obligations		**1,252**		164		(484)
Effect of changes in demographic assumptions		**(442)**		(114)		(33)
Effect of changes in financial assumptions [1]		**2,705**		7,659		(5,299)
Liabilities assumed in business combinations		**1**		-		-
Translation effect		**1,372**		(756)		(550)
Benefits paid		**(2,552)**		(1,827)		(2,047)
Present value of defined benefit obligation as of December 31	$	42,386	**$**	**37,839**	**$**	**30,378**

An analysis of changes in the fair value of plan assets is as follows:

		2020		2019		2018
Fair value of plan assets as of January 1st	$	**29,253**	$	25,394	$	27,909
Return on plan assets		**1,316**		1,282		1,134
Actuarial (gain)/loss on estimate of plan assets [1]		**2,926**		2,987		(2,135)
Employer contributions		**1,483**		1,345		375
Translation effect		**1,194**		(681)		(460)
Benefits paid		**(1,382)**		(1,074)		(1,429)
Fair value of plan assets as of December 31	$	34,790	**$**	**29,253**	**$**	**25,394**

(1) Effects in 2019 of the decrease in the discount rate in Mexico.

Categories of plan assets:

	FAIR VALUE OF PLAN ASSETS					
		2020		2019		2018
Equity instruments	$	**8,976**	$	6,875	$	5,835
Debt instruments		**23,136**		20,225		17,515
Other		**2,678**		2,153		2,044
	$	34,790	**$**	**29,253**	**$**	**25,394**

The fair value of the equity and debt instruments shown above is measured based on market prices quoted in active markets.

The Company's technical committee, as well as the trust committees, are responsible for defining and monitoring the Company's investment strategy and policies on a quarterly basis in order to optimize the risk/return in the long-term.

Sensitivity analysis:

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and the expected salary increase rate. The sensitivity analyses described below consider reasonable potential changes in the respective assumptions at the end of the reporting period, with all other assumptions remaining constant.

A sensitivity analysis considering a variation of 50 basis points as of December 31, 2020 is as follows:

		MEXICO		USA		CANADA
Discount rate increase	$	(1,336)	$	(2,842)	$	(355)
Discount rate decrease		1,531		1,326		422
Salary rate increase		(682)		(173)		(33)
Salary rate decrease		739		147		41

In the sensitivity analysis described above, the present value of the defined benefit obligation is calculated using the projected unit credit method at the end of the reporting period, which is the same method applied to calculate the liability for the defined benefit obligation recognized in the consolidated statement of financial position.

There were no changes in the methods or assumptions considered in the sensitivity analyses of prior years.

Duration of the defined benefit obligation

An analysis is as follows:

	DURATION IN YEARS		
	2020	2019	2018
Mexico:			
Average duration	20.20	21.20	17.30
Active members	26.34	27.29	24.46
Retired members	9.42	9.56	7.97
USA:			
Average duration	12.83	12.27	14.03
Active members	14.48	13.89	15.87
Retired members	9.92	9.39	9.24
Deferred members	13.69	12.44	16.83
Canada:			
Average duration	13.40	13.10	12.40
Active members	17.30	16.80	15.70
Retired members	9.60	9.20	8.50
Deferred members	19.00	17.50	17.10

An analysis of the experience adjustments and other items is as follows:

		2020		2019		2018
Present value of defined benefit obligation	$	42,386	$	37,839	$	30,378
Less - Fair value of plan assets		34,790		29,253		25,394
Unfunded defined benefit obligation	$	7,596	$	8,586	$	4,984
Experience adjustments to plan obligations and actuarial loss	$	1,252	$	164	$	(477)
Experience adjustments to plan assets	$	2,926	$	2,987	$	(2,135)

The Company expects to make a contribution of $1,648 to the retirement and post-retirement benefit plans in 2021.

Multi-Employer Pension Plans (MEPP)

The Company participates in benefit plans known as MEPPs through its subsidiary BBU. A MEPP is a fund in which several unrelated employers, in the same or similar industry, make payments to fund retirement benefits for unionized employees enrolled in the plan. Usually these funds are managed by a trust that is overseen by representatives of all employers and employees.

Unless the Company determines that it is probable that it will exit the MEPP, this type of plan is measured as a defined contribution plan, since the Company does not have sufficient information to perform the related calculations due to the collective nature of the plans and the Company's limited participation in the management of the plans. The Company's obligation to make contributions to the plan is established in the collective labor agreements.

For the years ended December 31, 2020, 2019 and 2018, the contributions made to the MEPPs total $2,592, $2,705 and $2,734, respectively. The Company expects to make a contribution of $2,258 to the plan in 2021. Annual contributions are recognized in profit or loss.

If other employers exit the MEPP without satisfying the related obligations, the unpaid amount is distributed to the other active employers. Generally, the distribution of the liability resulting from the exit of the plan is based on the proportion of the Company's contributions to the plan compared to the contributions made by the other employers in the plan.

When it is probable that the Company will exit a MEPP, a provision is recognized for the present value of the estimated future cash outflows, discounted at the current rate. The Company has created a provision of $20,343 for the MEPPs, representing the estimated cost of exiting certain plans. The Company has not recognized any provision of other plans in which they do not have intention to exit.

Liabilities recognized related to MEPPs are updated annually due to changes in wages, seniority and the combination of employees within the plan and are recorded in profit or loss for the year, in addition to amounts that are contributed regularly to different MEPPs.

During 2020, 2019 and 2018, the Company recognized $2,029, $1,832 and $(663), respectively, in profit or loss as a result of the updating and restructuring of certain MEPPs, of which $390, $424 and $397, respectively, were recognized as part of comprehensive financing cost and $1,639, $1,408 and $(1,060), respectively, in other income/(expenses), net (see Note 22).

The Company proactively reviews its contingent liabilities related to MEPPs in order to mitigate potential risks.

Social welfare benefit plan in USA

The Company has a social welfare post-retirement benefit plan that qualifies as a defined contribution plan. The amounts corresponding to this obligation are recognized in profit or loss as incurred. These obligations are classified as current or long-term welfare benefit plans and the amounts are recognized in the consolidated statement of financial position. An analysis of these obligations as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Social welfare:						
Short-term [(a)]	$	**448**	$	413	$	409
Long-term		**3,754**		3,184		3,310
	$	**4,202**	$	3,597	$	3,719

(a) Included in other accounts payable and accrued liabilities.

19. Other non-current liabilities

The other non-current liabilities as of December 31, 2020, 2019 and 2018 are as follows:

		2020		2019		2018
Provisions	$	**4,919**	$	4,386	$	3,639
Liabilities for exits from multi-employer plans		**2,575**		2,384		2,461
Finance leases		**-**		-		1,982
Deferred compensation		**629**		836		787
Virtual power purchase agreement		**213**		-		-
Other		**662**		435		478
	$	**8,998**	$	8,041	$	9,347

In the other non-current liabilities caption, the Company has recognized provisions for lawsuits of different nature that arise in the normal course of its operations. The liabilities related to tax uncertainties were also recognized under the same caption. Based on this assessment, the Company has recognized the following amounts:

TYPE		2020		2019		2018
Labor	$	873	$	789	$	341
Tax		1,040		1,000		850
Civil		111		254		44
Other		1		2		629
Uncertain tax positions		2,894		2,341		1,775
Total	$	4,919	$	**4,386**	$	**3,639**

An analysis of movements in the Company's provisions and liabilities related to uncertain tax positions as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Balance as of January 1st	$	4,386	$	3,639	$	1,738
Initial recognition of IFRIC 23 [(1)]		-		-		2,283
Net increases		1,086		1,464		645
Payments		(337)		(554)		(761)
Effect of foreign exchange differences		(216)		(163)		(266)
Balance as of December 31	$	4,919	$	**4,386**	$	**3,639**

(1) Recognized in retained earnings.

As of December 31, 2020, the cumulative amount corresponding to tax, civil and labor lawsuits deemed as 'less than probable, but more than remote' by the Company's internal attorneys is $318. However, the Company considers that such lawsuits will not have a material effect on its consolidated financial position or operating results.

Brazil:

As a result of the purchase of property, plant and equipment and intangible assets in Brazil in connection with the Firenze brand in 2008, the Company is subject to tax liens as the presumed successor to companies that participate in these actions. As of December 31, 2020, the Company is in the process of concluding a payment agreement with the authorities. Accordingly, the Company recognized a liability of $402, of which $74 is presented in the other accounts payable and accrued liabilities and $328 is presented as part of other non-current liabilities, which will be paid in a period of up to 7 years. $292 was recognized as part of comprehensive financing cost and $110 was recognized in other expenses.

In addition, the Company has secured its labor and civil lawsuits with security deposits totaling $174, which are presented as part of other non-current assets.

Canada:

The Competition Bureau of Canada started an investigation into alleged collusion between various participants of the baked goods industry, including Canada Bread, although to date no formal accusations have been charged against the Company. The Company is cooperating with the Canadian authorities in this process. In addition, Grupo Bimbo and Canada Bread have been required in twelve class actions in connection with such investigation. Given the status of this legal process as of December 31, 2020, the Company has not recognized a provision related to this matter.

20.Equity

An analysis of the Company's equity as of December 31, 2020, 2019 and 2018 is as follows:

	2020			2019			2018		
	NO. OF SHARES		AMOUNT	NO. OF SHARES		AMOUNT	NO. OF SHARES		AMOUNT
Fixed share capital:									
Series A	4,533,758,587	$	4,074	4,703,200,000	$	4,227	4,703,200,000	$	4,227
Treasury shares	(13,419,417)		(13)	(77,195,600)		(71)	(30,628,536)		(28)
Total	4,520,339,170	$	4,061	**4,626,004,400**	**$**	**4,156**	**4,672,571,464**	**$**	**4,199**

The Company's share capital has been fully subscribed and paid in. The Company's fixed share capital is represented by series "A" shares. The variable portion of the Company's share capital cannot exceed ten times the amount of minimum fixed share capital without right of withdrawal and must be represented by common registered series "B" shares with no par value and/or shares with limited voting rights and no par value of the series to be named when they are issued. Shares with limited voting rights cannot represent more than 25% of the Company's share capital.

i) At an extraordinary shareholders' meeting held on October 19, 2020, the shareholders approved the cancellation of 169,441,413 Series "A" shares held by Treasury, resulting in a share capital reduction of $153.

ii) At a regular shareholders' meeting held on April 29, 2020, the shareholders declared dividends of $2,286, ($0.50 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on May 12, 2020.

iii) At a regular shareholders' meeting held on April 29, 2019, the shareholders declared dividends of $2,103 ($0.45 per share), which were paid out of the CUFIN account in cash on May 13, 2019.

iv) At a regular shareholders' meeting held on April 24, 2018, the shareholders declared dividends of $1,646 ($0.35 per share), which were paid out of the CUFIN account in cash on May 7, 2018.

v) Dividends paid to foreign individuals and corporations are subject to an additional 10% withholding tax. These tax withholdings are considered final income tax payments. Treaties to avoid double taxation may apply. The additional withholding tax is applicable to earnings generated as of January 1st, 2014.

vi) The Company's legal reserve is included in its retained earnings. In accordance with the Mexican Corporations Act, the Company is required to appropriate at least 5% of the net profit of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's share capital. The legal reserve may be capitalized but may not be distributed to the shareholders unless the Company is dissolved. Also, the legal reserve must be replenished if it is reduced for any reason. As of December 31, 2020, 2019 and 2018, the legal reserve is $500 (nominal amount).

vii) At regular shareholders' meetings held on April 29, 2020, April 29, 2019 and April 24, 2018, the shareholders agreed to increase the provision for repurchase of shares by $10,000, $4,000 and $600, respectively (nominal amounts). The Company's provision for repurchase of shares is included in its retained earnings. The approved (nominal) amount of the provision is $15,200, $5,200 and $1,200 as of December 31, 2020, 2019 and 2018, respectively. An analysis of movements in the provision is as follows:

		2020		2019		2018
Balance as of January 1st	$	2,483	$	188	$	669
Increases		10,000		4,000		600
Repurchase of shares		(3,645)		(1,705)		(1,081)
Balance as of December 31,	$	8,838	**$**	**2,483**	**$**	**188**

viii) Except for earnings distributed from the Restated contributed capital account (CUCA, by its acronym in Spanish) and the CUFIN account, dividends will be subject to the payment of corporate income tax at the statutory rate at that time. Income tax paid on dividends may be credited against income tax payable (annual or in prepayments) in the year of payment or either of the two immediately subsequent years.

ix) As of December 31, 2020, 2019 and 2018, the Company has the following tax balances:

		2020		2019		2018
Restated contributed capital account (CUCA)	$	30,834	$	29,892	$	29,073
Net taxed profits account (CUFIN)		81,722		76,438		69,284

Other equity financial instrument

On April 17, 2018, Grupo Bimbo, S.A.B. de C.V. issued a perpetual subordinated bond of USD 500 million with no maturity date. The issuer has the option to redeem the bond in full, but not partially, five years after the date of issuance. The bond bears annual interest of 5.95%, which is payable semi-annually in arrears on January 17 and July 17. Such coupons are deferrable at the Company's discretion.

This bond is subordinated to the existing and future liabilities of the Company and its subsidiaries and the coupons for the periods accrued by this instrument must be paid prior to any distribution of dividends.

The amount of this equity instrument is recognized in equity.

An analysis of the value of the equity instrument as of December 31, 2020, 2019 and 2018 is as follows:

		2020		2019		2018
Perpetual subordinated bond - principal	$	9,044	$	9,044	$	9,044
Issuance expenses		(58)		(58)		(58)
		8,986		8,986		8,986
Current income tax		1		(67)		137
Deferred income tax		9		12		15
Perpetual subordinated bond - principal	$	8,996	$	8,931	$	9,138

As of December 31, 2020, 2019 and 2018, the Company made semi-annual coupon payments of $648, $595 and $148, respectively, and recognized an income tax effect of $(194), $(178) and $(44), respectively. Therefore, retained earnings decreased by $454, $417 and $104, respectively.

21. Costs and expenses based on their nature

An analysis of cost of sales and distribution, administrative, selling and other general expenses recognized in the consolidated statement of profit or loss is as follows:

		2020		2019		2018
Cost of sales:						
Raw materials	$	97,891	$	89,112	$	87,342
Salaries and benefits		31,053		27,758		27,261
Freight, fuel and maintenance		12,583		11,447		11,472
Depreciation		6,586		6,088		5,708
Professional services and consultations		1,492		1,433		1,486
Short-term leases and leases of low value assets		1,014		1,182		1,054
Indirect tax		956		806		763
Travel expenses		64		165		164
Other production expenses		969		193		419
	$	152,608	$	138,184	$	135,669

		2020		2019		2018
Distribution, selling, administrative and other expenses:						
Salaries and benefits	$	66,521	$	57,755	$	58,210
Freight, fuel and maintenance		37,036		32,411		29,562
Advertising and promotional expenses		12,559		11,004		11,630
Professional services and consultations		9,845		7,844		7,026
Depreciation and amortization		9,665		8,285		4,292
Logistics		3,596		3,125		3,032
Remeasurement of multi-employer pension plans (MEPP)		2,494		1,762		(401)
Integration expenses		1,968		2,435		1,855
Indirect tax		1,494		1,161		1,289
Restructuring expenses		1,143		724		3,438
Short-term leases and leases of low value assets		1,003		959		5,177
Travel expenses		801		1,420		1,547
Other		4,910		4,438		8,485
	$	153,035	$	**133,323**	$	**135,142**

22. Other expenses, net

An analysis of other expenses is as follows:

		2020		2019		2018
(Gain)/loss on sale of property, plant and equipment	$	(117)	$	(28)	$	11
Impairment in goodwill		779		17		210
Impairment in trademarks and distribution rights		105		951		401
Restructuring expenses		1,143		724		3,438
Labor obligations		52		-		-
Usufruct amortization		220		220		220
Remeasurement of multi-employer pension plans (MEPP) (Note 18)		1,639		1,408		(1,060)
Provision for updating other non-current liabilities		855		354		659
Other		497		367		701
	$	5,173	$	**4,013**	$	**4,580**

23. Interest expense

An analysis of interest expense is as follows:

		2020		2019		2018
Interest on debt	$	7,407	$	6,605	$	6,608
Interest on lease liabilities		1,072		1,041		-
Net interest on pension plans		535		336		522
Other finance costs		410		579		538
	$	9,424	$	8,561	$	7,668

24. Commitments

GUARANTEES AND/OR GUARANTORS

1. Grupo Bimbo, S.A.B. de C.V. and some of its subsidiaries have issued letters of credit to guarantee certain ordinary obligations and contingent risks related to the labor obligations of some of its subsidiaries. As of December 31, 2020, 2019 and 2018, the value of such letters of credit is USD248, USD286 and USD307 million, respectively.

2. As of September 2019, the Company acts as guarantor in voluntary payment program in North America between the suppliers and Bank of America, under which the suppliers discount their invoices. As of December 31, 2020 and 2019, the balance of $1,521 and $764, respectively, under this program is presented as part of trade payables.

3. Company has created a trust that allows suppliers of its subsidiaries in Mexico to obtain financing through a factoring program operated by Nacional Financiera, S.N.C. (Nafinsa). As of December 31, 2020, 2019 and 2018, the liability payable to Nafinsa under this program totals $1,152, $908 and $963, respectively.

4. The Company entered into an energy self-supply contract which requires it to acquire certain amounts of renewable energy at a fixed price that will be updated based the National Consumer Price Index (NCPI). Although the contracts have the characteristics of a derivative financial instrument, they fall within the exception of "own-use"; therefore, they are recognized in the consolidated financial statements as the consumption of energy occurs. An analysis of the main characteristics of these contracts is as follows:

COUNTRY	CONTRACTING DATE	START DATE	TERM	ENERGY COMMITMENTS 2021
Mexico	02/12/2008	01/11/2012	18 years	311 MXN
Peru	05/08/2019	01/09/2019	3 years	0.15 USD
Argentina	05/09/2019	01/01/2020	15 years	1.8 USD

5. On March 30, 2018, the Company, through BBU, entered into a virtual wind energy supply agreement in the United States for a term of 12 years, which is recognized as a financial asset measured at fair value through profit or loss, net of the related deferred gain, which will accrue over the term of the agreement.

   As of December 31, 2020 and 2019, the net financial (liability)/asset of $(213) and $47, respectively, is recognized as part of other non-current (liabilities)/assets. In 2020 and 2019, the Company recognized $(71) and $27, respectively, under finance (costs)/income corresponding to the amortization of the liability, and $345 and $(49), respectively, for changes in the fair value of assets/(liabilities).

25. Segment information

The information used by Company management for purposes of resource allocation and assessment of segment performance is focused on four geographical areas: Mexico, North America, Latin America and EAA.

The Company considers that the qualitative and quantitative aspects considered for grouping of operating segments described above have a similar nature for all of the periods presented and show a similar performance in the long-term. The key factors evaluated for the appropriate aggregation of the operating segments include, but are not limited to: (i) similar customer base, (ii) |similar product nature, (iii) production and distribution process characteristics, (iv) similar governments, (v) inflation trends and (vi) monetary trends.

An analysis of the primary data by geographical area in which the Company operates for the years ended December 31, 2020, 2019 and 2018 is as follows:

	2020					
	MEXICO	NORTH AMERICA	LATIN AMERICA	EAA	ELIMINATED ON CONSOLIDATION	TOTAL
Net sales	$ 104,593	$ 176,395	$ 29,081	$ 30,029	$ (9,047)	$ 331,051
Sales between segments	$ (8,711)	$ (247)	$ (24)	$ (65)	$ 9,047	$ -
Consolidated net sales	$ 95,882	$ 176,148	$ 29,057	$ 29,964	$ -	$ 331,051
Operating profit (*)	$ 14,976	$ 11,195	$ (402)	$ 168	$ (529)	$ 25,408
Depreciation and amortization	$ 3,819	$ 9,006	$ 1,554	$ 1,872	$ -	$ 16,251
Impairment of non-current assets	$ 598	$ (1)	$ 223	$ 255	$ -	$ 1,075
Other items not affecting cash flows	$ (228)	$ 2,494	$ 53	$ -	$ 140	$ 2,459
Adjusted EBITDA (*) (**)	$ 19,165	$ 22,694	$ 1,428	$ 2,295	$ (389)	$ 45,193
Net profit - Equity holders of the parent	$ 9,211	$ 4,039	$ (2,132)	$ (498)	$ (1,509)	$ 9,111
Income tax	$ 4,874	$ 974	$ 237	$ 107	$ -	$ 6,192
Interest income	$ 652	$ 83	$ 59	$ 76	$ (483)	$ 387
Interest expense (***)	$ 6,838	$ 2,268	$ 715	$ 86	$ (483)	$ 9,424
Total assets	$ 72,528	$ 186,298	$ 24,586	$ 42,089	$ (17,850)	$ 307,651
Total liabilities	$ 115,668	$ 81,790	$ 11,764	$ 11,447	$ (1,029)	$ 219,640

2019	MEXICO	NORTH AMERICA	LATIN AMERICA	EAA	ELIMINATED ON CONSOLIDATION	TOTAL
Net sales	$ 102,688	$ 144,005	$ 27,144	$ 26,655	$ (8,566)	$ 291,926
Sales between segments	$ (7,746)	$ (651)	$ (19)	$ (150)	$ 8,566	$ -
Consolidated net sales	$ 94,942	$ 143,354	$ 27,125	$ 26,505	$	$ 291,926
Operating profit (*)	$ 15,966	$ 6,094	$ (1,337)	$ 136	$ (440)	$ 20,419
Depreciation and amortization	$ 3,622	$ 7,679	$ 1,569	$ 1,503	$ -	$ 14,373
Impairment of non-current assets	$ 248	$ 683	$ 359	$ 28	$ -	$ 1,318
Other items not affecting cash flows	$ 3	$ 1,760	$ 1	$ 1	$ (1)	$ 1,764
Adjusted EBITDA (*) (**)	$ 19,839	$ 16,216	$ 592	$ 1,668	$ (441)	$ 37,874
Net profit - Equity holders of the parent	$ 6,780	$ 501	$ (3,048)	$ (914)	$ 3,000	$ 6,319
Income tax	$ 4,172	$ 29	$ 208	$ 324	$ -	$ 4,733
Interest income	$ 685	$ 125	$ 179	$ 47	$ (476)	$ 560
Interest expense (***)	$ 6,503	$ 1,884	$ 567	$ 83	$ (476)	$ 8,561
Total assets	$ 68,556	$ 153,634	$ 23,494	$ 35,072	$ (1,675)	$ 279,081
Total liabilities	$ 115,749	$ 64,830	$ 10,993	$ 10,107	$ (909)	$ 200,770

2018	MEXICO	NORTH AMERICA	LATIN AMERICA	EAA	ELIMINATED ON CONSOLIDATION	TOTAL
Net sales	$ 100,327	$ 143,968	$ 28,341	$ 25,899	$ (9,215)	$ 289,320
Sales between segments	$ (8,225)	$ (668)	$ (78)	$ (244)	$ 9,215	$ -
Consolidated net sales	$ 92,102	$ 143,300	$ 28,263	$ 25,665	$ -	$ 289,320
Operating profit (*)	$ 15,750	$ 5,100	$ (529)	$ (1,481)	$ (331)	$ 18,509
Depreciation and amortization	$ 2,200	$ 5,307	$ 1,173	$ 1,320	$ -	$ 10,000
Impairment of non-current assets	$ 25	$ 607	$ 19	$ 256	$ -	$ 907
Other items not affecting cash flows	$ 225	$ 1,980	$ 69	$ 10	$ 5	$ 2,289
Adjusted EBITDA (*) (**)	$ 18,200	$ 12,994	$ 732	$ 105	$ (326)	$ 31,705
Net profit - Equity holders of the parent	$ 8,310	$ 1,081	$ (2,422)	$ (2,954)	$ 1,793	$ 5,808
Income tax	$ 3,993	$ (119)	$ 118	$ 905	$ -	$ 4,897
Interest income	$ 623	$ 130	$ 35	$ 48	$ (450)	$ 386
Interest expense	$ 6,224	$ 1,447	$ 378	$ 69	$ (450)	$ 7,668
Total assets	$ 63,569	$ 142,161	$ 22,387	$ 36,468	$ (1,269)	$ 263,316
Total liabilities	$ 109,854	$ 50,100	$ 8,776	$ 10,485	$ (474)	$ 178,741

(*) Does not include intercompany royalties.
(**) The Company determines Adjusted EBITDA as operating profit plus depreciation, amortization, impairment and other items not affecting cash flows. Adjusted EBITDA differs from Conformed EBITDA mentioned in Note 13.
(***) Includes monetary position gains and losses.

For the years ended December 31, 2020, 2019 and 2018, sales to the Company's largest customer represent 13.24%, 12.47% and 12.55%, respectively, of the consolidated net sales of the Company, which correspond mainly to the Mexico, USA and Canada regions. There are no other customers whose sales exceed 10% of the Company's total consolidated sales.

26. Subsequent Events

a) Purchase agreement

On January 12, 2021, the Company, through a subsidiary, entered into an agreement to acquire the Siro Medina, S.A.U. plant in Valladolid, Spain, which produces confectionary products and pastries. This acquisition is subject to the authorization from the National Commission for Markets and Competition.

b) Brazil - other non-current liabilities

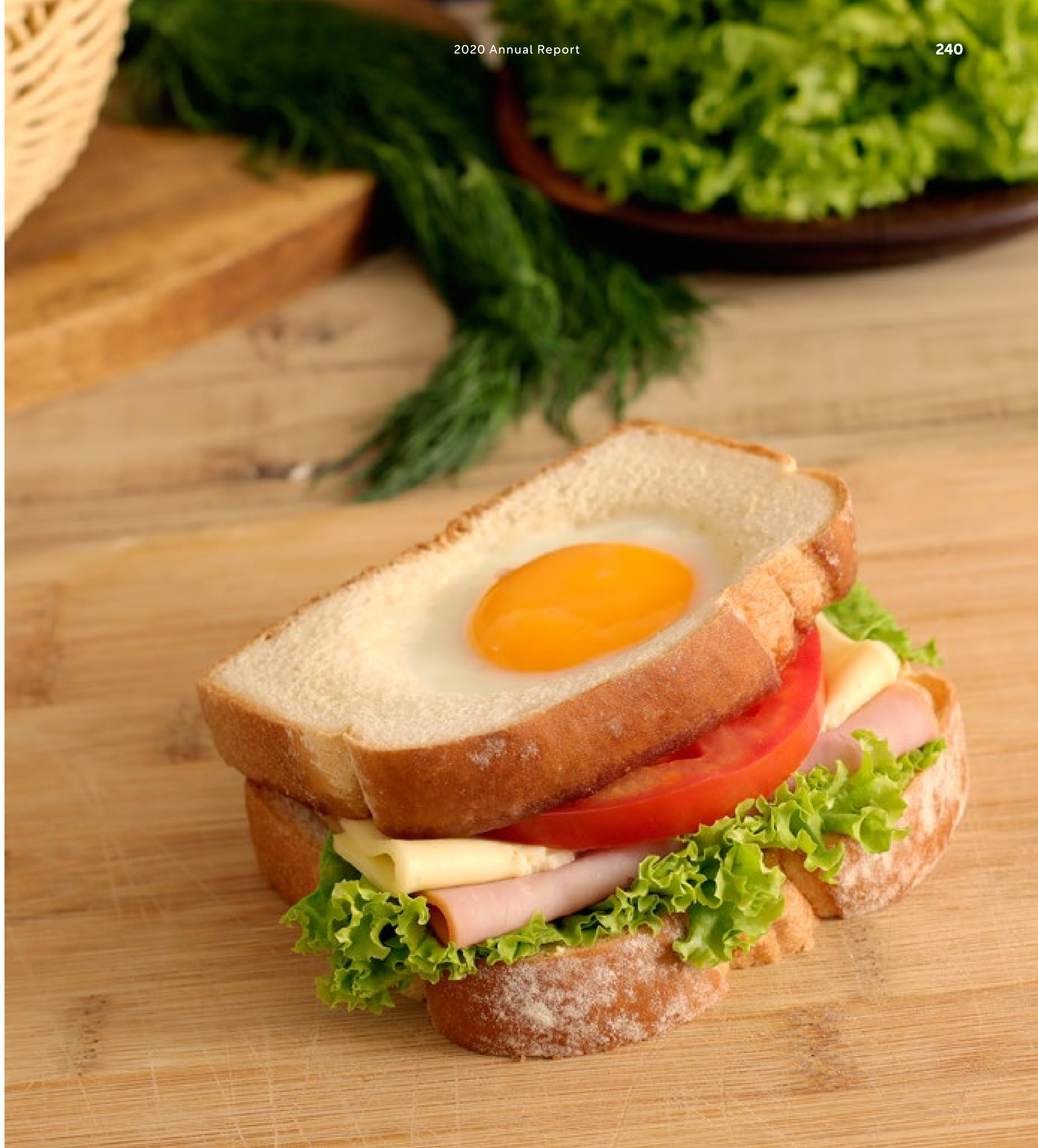
On January 19, 2021, the Company entered into a payment agreement with the Brazilian authorities related to the contingent liability mentioned in Note 19.

c) Business combination

On February 15, 2021, the Company acquired Modern Foods Enterprises Private Limited, an Indian company that produces sweet and sour bread products.

27. Authorization of the Consolidated Financial Statements

On March 23, 2021, the accompanying consolidated financial statements and these notes were authorized by the Company's Chief Executive Officer, Daniel Servitje Montull, and the Board of Directors, for their issue and subsequent approval by the shareholders, who have the authority to modify the Company's consolidated financial statements in accordance with the Mexican Corporations Act.



STAKEHOLDER information

(GRI 102-1, 102-3, 102-4, 102-5, 102-53)

STOCK EXCHANGE
Bolsa Mexicana de valores (BMV)

BMV TICKER
BIMBO

ADR LEVEL 1 TICKER
BMBOY

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