CONSOLIDATED STATEMENTS of financial position

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

(Amounts in millions of Mexican pesos)

ASSETS	NOTES		DECEMBER 31 2021		2020		2019
Current assets:							
Cash and cash equivalents		$	8,748	$	9,268	$	6,251
Trade receivables and other accounts receivable, net	5		27,170		27,487		26,198
Inventories	6		13,710		10,893		9,819
Prepaid expenses			2,296		1,944		1,188
Derivative financial instruments	17		1,293		871		143
Guarantee deposits for derivative financial instruments	17		-		-		325
Assets held for sale	8		194		140		273
Total current assets			53,411		50,603		44,197
Property, plant and equipment, net	8		103,891		91,248		84,341
Right-of-use assets, net	9		30,754		29,163		25,550
Investments in associates	10		4,452		3,143		2,871
Derivative financial instruments	17		1,962		267		1,533
Deferred income tax	16		7,861		8,733		4,590
Intangible assets, net	11		56,965		55,007		51,318
Goodwill	12		74,565		66,904		62,794
Other non-current assets, net			3,779		2,583		1,887
Total assets		$	337,640	$	307,651	$	279,081
Liabilities and equity							
Current liabilities:							
Current portion of non-current debt	13	$	10,625	$	600	$	5,408
Trade accounts payable			35,752		26,679		22,972
Other accounts payable and accrued liabilities	14		24,102		24,901		18,473
Current lease liabilities	9		5,793		5,153		4,599
Accounts payable to related parties	15		1,527		1,334		1,197
Current income tax	16		708		-		115

	NOTES		DECEMBER 31 2021		2020		2019
Statutory employee profit sharing			1,692		1,017		1,183
Derivative financial instruments	17		169		1,183		673
Other current liabilities	17		392		398		-
Total current liabilities			80,760		61,265		54,620
Non-current debt	13		82,230		84,629		81,264
Non-current lease liabilities	9		25,356		23,936		20,741
Non-current derivative financial instruments	17		67		214		437
Employee benefits	18		30,712		33,832		30,426
Deferred income tax	16		7,087		6,766		5,241
Other non-current liabilities	19		9,822		8,998		8,041
Total liabilities			236,034		219,640		200,770
Equity:							
Capital stock	20		4,021		4,061		4,156
Retained earnings			73,384		64,265		61,332
Other equity financial instrument	20		8,867		8,996		8,931
Cumulative foreign currency translation effect from foreign operations			10,297		9,046		1,247
Remeasurements on defined benefit plans liability			696		(443)		(226)
Valuation of equity financial instrument			(742)		(661)		(422)
Unrealized loss on cash flow hedges	17		577		(1,551)		(1,282)
Controlling interest			97,100		83,713		73,736
Non-controlling interest			4,506		4,298		4,575
Total equity			101,606		88,011		78,311
Total liabilities and equity		$	337,640	$	307,651	$	279,081

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)

	NOTES	FOR THE YEARS ENDED DECEMBER 31 2021	2020	2019
Net sales		$ 348,887	$ 331,051	$ 291,926
Cost of sales	21	163,575	152,608	138,184
Gross profit		185,312	178,443	153,742
General expenses:				
Distribution and selling		126,923	123,511	110,234
Administrative		23,339	22,383	16,641
Integration costs		724	1,968	2,435
Other expenses, net	22	200	5,173	4,013
	21	151,186	153,035	133,323
Operating profit		34,126	25,408	20,419
Comprehensive financing cost:				
Interest expense	23	7,884	9,424	8,561
Interest income		(373)	(387)	(560)
Foreign exchange (gain)/loss, net		534	(108)	445
(Gain)/loss from monetary position		(25)	(70)	114
		8,020	8,859	8,560
Share of profit of associates	10	247	194	249
Profit before income tax		26,353	16,743	12,108

	NOTES	FOR THE YEARS ENDED DECEMBER 31 2021	2020	2019
Income tax	16	8,971	6,192	4,733
Consolidated net profit		$ 17,382	$ 10,551	$ 7,375
Attributable to:				
Controlling interest		$ 15,916	$ 9,111	$ 6,319
Non-controlling interest		$ 1,466	$ 1,440	$ 1,056
Basic earnings per ordinary share		$ 3.55	$ 2.00	$ 1.36
Weighted average number of outstanding shares (in thousands of shares)		4,487,268	4,552,712	4,651,529

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

CONSOLIDATED STATEMENTS

# of other comprehensive income

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

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

(Amounts in millions of Mexican pesos)

	NOTES	2021	2020	2019
Consolidated net profit		$ 17,382	$ 10,551	$ 7,375
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Valuation of equity financial instrument	3c	(112)	(239)	(36)
Remeasurements on defined benefit plans liability	18	1,543	(362)	(4,715)
Income tax	16	(432)	145	1,358
		999	**(456)**	**(3,393)**
Items that may be reclassified subsequently to profit or loss:				
Effect of net investment hedge		(723)	(2,828)	2,124
Foreign operations currency translation effect of the year		2,114	7,400	(5,321)
Net change in unrealized loss on cash flow hedges	17	2,988	(386)	(1,353)
Income tax	16	(937)	3,672	(304)
		3,442	**7,858**	**(4,854)**

	NOTES	2021	2020	2019
Other comprehensive income		4,441	7,402	(8,247)
Consolidated comprehensive income		$ 21,823	$ 17,953	$ (872)
Comprehensive income attributable to controlling interest		$ 20,353	$ 16,185	$ (1,479)
Comprehensive income attributable to non-controlling interest		$ 1,470	$ 1,768	$ 607

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

CONSOLIDATED STATEMENTS

of changes in equity

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

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	EQUITY ATTRIBUTABLE TO CONTROLLING	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance as of December 31, 2018	$ 4,199	$ 9,138	$ 59,238	$ income	$ interest	$ 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**
Other equity instrument dividends	-	-	(621)	-	(621)	-	(621)
Other equity instrument income taxes	-	(129)	187	-	58	-	58
Consolidation effect of structured entities	-	-	-	-	-	(1,099)	(1,099)
Net changes in non-controlling interest	-	-	-	-	-	-	-
Dividends declared	-	-	(4,502)	-	(4,502)	(163)	(4,665)
Repurchase of shares (Note 20)	(40)	-	(1,861)	-	(1,901)	-	(1,901)
Balance before comprehensive income	**4,021**	**8,867**	**57,468**	**6,391**	**76,747**	**3,036**	**79,783**
Consolidated net profit for the year	**-**	**-**	**15,916**	**-**	**15,916**	**1,466**	**17,382**
Other comprehensive income	**-**	**-**	**-**	**4,437**	**4,437**	**4**	**4,441**
Consolidated comprehensive income	**-**	**-**	**15,916**	**4,437**	**20,353**	**1,470**	**21,823**
Balance as of December 31, 2021	**$ 4,021**	**$ 8,867**	**$ 73,384**	**$ 10,828**	**$ 97,100**	**$ 4,506**	**$ 101,606**

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, 2021	2020	2019
Operating activities				
Profit before income tax		$ **26,353**	$ 16,743	$ 12,108
Adjustments for:				
Depreciation and amortization	8, 9, 11, 22	**16,375**	16,251	14,373
(Gain)/loss on sale of property, plant and equipment		**(157)**	(127)	17
Property, plant and equipment write-off due to casualty		**379**	-	-
Share of profit of associates	10	**(247)**	(194)	(249)
Impairment of non-current assets		**694**	1,075	1,318
Multi-employer pension plan and other non-current liabilities	22	**(2,247)**	2,494	1,762
Current year service cost	18	**1,128**	991	717
Interest expense	23	**7,884**	9,424	8,561
Interest income		**(373)**	(387)	(560)
Short-term and low-value lease expenses	9	**2,183**	2,017	2,141
Changes in assets and liabilities:				
Trade receivables and other accounts receivable		**666**	(914)	(1,348)
Inventories		**(2,320)**	(769)	(876)
Prepaid expenses		**(365)**	(684)	(135)
Trade accounts payable		**8,286**	3,004	2,054
Other accounts payable and accrued liabilities		**(1,025)**	4,718	(3,406)
Accounts payable to related parties		**209**	270	289
Income tax paid		**(7,578)**	(5,789)	(3,961)
Guarantee deposits for derivative financial instruments		**6**	723	294
Statutory employee profit sharing payable		**675**	(165)	(241)
Employee benefits		**(2,567)**	(2,955)	(2,197)
Assets held for sale		**-**	168	-
Short-term and low-value lease expenses		**(2,183)**	(2,017)	(2,141)
Net cash flows from operating activities		**45,776**	**43,877**	**28,520**

	NOTES	FOR THE YEARS ENDED DECEMBER 31, 2021	2020	2019
Investing activities				
Purchase of property, plant and equipment	8	(20,671)	(13,218)	(13,117)
Acquisitions of business and non-controlling interests, net of cash received	1	(10,637)	(3,453)	(94)
Proceeds from sale of property, plant and equipment		882	763	470
Proceeds from insurance claims		201	-	-
Purchase of intangible assets, net of write offs	11	(622)	(528)	(264)
Increase of distribution rights in structured entities	11	(77)	(351)	(132)
Other assets		(951)	(218)	(89)
Dividends received	10	59	93	73
Interest received		373	387	560
Investments in associates	10	(1,016)	(163)	(49)
Net cash flows used in investing activities		**(32,459)**	**(16,688)**	**(12,642)**
Financing activities				
Proceeds from loans, net of transaction costs	13	38,924	34,818	22,594
Repayments of loans	13	(33,535)	(40,745)	(22,640)
Interest paid		(6,781)	(6,410)	(5,681)
Other equity instrument dividends paid		(621)	(648)	(595)
Dividends paid		(4,636)	(2,433)	(2,103)
Payment of lease liabilities	9	(5,372)	(5,544)	(4,784)
Payment of derivative financial instruments		(1,690)	(2,431)	(2,481)
Collection of derivative financial instruments		1,496	2,970	605
Repurchase of shares	20	(1,901)	(3,740)	(1,748)
Net cash flows used in financing activities		**(14,116)**	**(24,163)**	**(16,833)**
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects		**279**	**(9)**	**(378)**
Net (decrease) increase in cash and cash equivalents		(520)	3,017	(1,333)
Cash and cash equivalents at beginning of year		9,268	6,251	7,584
Cash and cash equivalents at end of year		$ 8,748	$ 9,268	$ 6,251

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

NOTES TO CONSOLIDATED

financial statements

DECEMBER 31, 2021, 2020 AND 2019

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

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

1. Activities and significant events

Activities- 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 bakery products, cookies, tortillas, salty snacks and confectionery.

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 2021, 2020 and 2019, the net sales of the subsidiaries that are classified in the Mexico segment represented approximately 31%, 29% and 33%, respectively, of the Company's consolidated net sales. During 2021, 2020 and 2019, the net sales of the Company's subsidiaries classified in the North America segment represented approximately 50%, 53% and 49%, respectively, of the Company's consolidated net sales.

Relevant events

ACQUISITIONS IN 2021

The business acquisitions will contribute to the Company's growth and geographic expansion plans, mainly in India, the United States of America, Spain and Brazil, in terms of branded products and QSR (Quick Service Restaurants) businesses. They also represent an opportunity to create significant synergies by optimizing the supply chain to better serve more consumers.

The difference between the consideration transferred and the net of assets acquired and liabilities assumed at fair value will be partially subject to amortization for tax purposes after meeting certain requirements, in accordance with local legislation in the United States of America and Brazil.

Acquisition of Kitty Industries

On October 26, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Kitty Industries Private Limited in India, a company engaged in the production, distribution and sale of white, wholemeal, wheat and fruit bread, among other products.

Acquisition of Aryzta Do Brasil

On October 13, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Arytza Do Brasil Alimentos Ltda., company engaged in the production, distribution and sale of bakery and confectionery products, mainly aimed at the Quick Service Restaurants industry in Brazil.

Acquisition of Popcornopolis

On September 17, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Popcornopolis, LLC, company operating in the United States of America and which main activity is the production, distribution and sale of popcorn under the Popcornopolis brand. This acquisition has been funded using the Company's own resources.

Acquisition of Siro Medina (Dulces del Campo)

On June 1, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Siro Medina, S.A.U. in Spain, a company engaged in the production of confectionery and pastry products. On June 24, 2021, the company name was changed to Dulces del Campo, S.A.U.

Business acquisition of Emmy's Organics

On May 11, 2021, through one of its subsidiaries in the United States of America, the Company acquired the organic cookie business of the Emmy's Organics brand.

Acquisition of Modern Foods

On February 17, 2021, through one of its subsidiaries, the Company acquired a 100%-stake in Modern Enterprises Private Limited in India, this company is engaged in the production of bread under the "Modern" brand and has a broad portfolio of white and fruity bread, healthy breads, buns and pavés, cake, sponge cake and Indian bread along with some other products. This acquisition was funded using the Company's own resources.

Accounting effects of the acquisitions

The valuation and recognition of the acquisitions of Modern Foods, Emmy's Organics and Dulces del Campo, 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 resulting of these acquisitions at the spot rate at the date of each transaction:

	PRELIMINARY FAIR VALUE		ADJUSTMENTS TO PURCHASE PRICE		FINAL FAIR VALU	
Amounts recognized for identifiable assets and liabilities assumed:						
Cash and cash equivalents	$	103	$	-	$	103
Other current assets		167		-		167
Property, plant and equipment		1,018		514		1,532
Identified intangible assets		141		1,025		1,166
Goodwill		1,577		(1,144)		433
Other non-current assets		107		-		107
Total identifiable assets	**$**	**3,113**	**$**	**395**	**$**	**3,508**
Total liabilities assumed	**$**	**381**	**$**	**395**	**$**	**776**

The goodwill resulting from these acquisitions were allocated to the North America and EAA segments.

Additionally, for the acquisitions of Popcornopolis, Aryzta do Brasil and Kitty Industries, the allocation of fair values is preliminary in these consolidated financial statements; therefore, the information presented below is subject to change:

	POPCORNOPOLIS	ARYZTA BRASIL	KITTY INDUSTRIES
Initial amounts recognized for assets acquired and liabilities assumed:			
Cash and cash equivalents	$ 34	$ 6	$ 30
Other current assets	390	436	42
Property, plant and equipment	132	1,158	110
Intangible assets	1,119	5	116
Goodwill	3,170	1,217	900
Other non-current assets	242	565	-
Total assets	**$ 5,087**	**$ 3,387**	**$ 1,198**
Total liabilities assumed	**$ 609**	**$ 939**	**$ 46**

The goodwill resulting from these acquisition were allocated to the North America, Latin America and EAA segments.

Since the acquisitions mentioned above were closed during the fourth quarter of 2021, the purchase price allocation is preliminary with respect to the valuation of the assets acquired, liabilities assumed (including income taxes), intangible assets and goodwill. At the date of issuance of these consolidated financial statements, the Company is in the process of determining the final purchase price allocation and will recognize the fair value adjustments during the measurement period of twelve months following the closing date of each acquisition. It is expected that a portion of the goodwill presented in the table above will be reallocated to property, plant and equipment and intangible assets, such as brands and customer relationships, mainly.

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 – USA

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

Bimbonet Servicios (before Blue Label México)

On September 21, 2020, the Company acquired a 47.56% stake in Bimbonet Servicios, 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. Bimbonet Servicios 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 each transaction:

		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.

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 of 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 preservation of cash flow, reassessing temporarily the capital investment plan, reducing general and administrative expenses, and postponing certain restructuring projects. During 2021, capital investment plans were resumed, as well as certain restructuring projects.

(b) Cash flows: The Company has a diversified revenue base as it operates in several countries, and through various channels in various categories, 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 2021 and 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-19 related costs and expenses such as: increases in the labor cost by hiring additional associates, 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 materially change 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 2021, 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, 2021:

Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform (Phase 2)

The amendments establish temporary exemptions that address the effects on financial reporting when in a transaction with an interbank interest rate (IBOR) is replaced with an alternative risk-free interest rate. The modifications include the following practical expedients:

- When there are contractual changes or changes in cash flows directly from the rate reform, they can be treated as a movement in market interest rates.
- Allow changes required by the IBOR reform to be made to designations and hedge documentation without interruption of the hedge.
- Simplify the requirements that entities must meet when they designate hedging instruments referenced to the risk-free interest rate.

During 2021, the Company monitored the transition to reference interest rates in the market; however, there were no contractual changes in derivative financial instruments nor in debt obligations with financial institutions.

These modifications had no impact on the Company's consolidated financial statements.

Amendments to IFRS 16 COVID-19 Related Rent Concessions after June 30, 2021

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 recognizing these changes as lease modifications. 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.

In March 2021, the IASB issued amendments that extend the possibility of applying the simplified method to account for rent concessions for lease payments due in June 2022 or earlier.

These amendments are effective for annual periods beginning on or after April 1, 2021, earlier application is permitted; the Company has applied these amendments, recognizing the corresponding effects, which as of December 31 are not significant.

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 3	Reference to the Conceptual Framework (1)
Annual improvements 2018-2021 Cycle	IFRS 1 and IFRS 9 (1)
Amendments to IAS 1	Classification of liabilities as current and non-current (2)
Amendments to IAS 1 and practice statement 2	Disclosure of Accounting Policies (2)
Amendments to IAS 8	Definition of accounting estimates (2)
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction (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, 2022.
(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 3 Business Combinations—Reference to the Conceptual Framework

The amendments update IFRS 3 to refer to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies that standard to determine whether at the acquisition date a present obligation exists as a result of past events. For a lien that would be within the scope of IFRIC 21 Liens, an acquirer applies that interpretation to determine whether the event giving rise to a liability to pay the lien has occurred on the date of acquisition.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after January 1, 2022. Earlier application is permitted if an entity also applies all other references. updated (published together with the updated Conceptual Framework) at the same time or earlier.

Annual Improvements 2018-2021 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 1, 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 IAS 1 Presentation of Financial Statements and Practice Statement IFRS Preparation of Judgments on Materiality - Disclosure of Accounting Policies

The amendments change the requirements of IAS 1 with respect to the disclosure of accounting policies.

The amendments replace all instances of the term "significant accounting policies" with "material disclosures about accounting policies." Information about accounting policies is material if, when considered together with other information in an entity's financial statements, it could reasonably be expected to influence the decisions that primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Information about accounting policies may be material due to the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is material.

The Board has also developed guides and examples to explain and demonstrate the application of the "four-step materiality process" described in Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with early application permitted and must be applied retrospectively. The Practice Statement 2 amendments do not contain an effective date or transition requirements.

The Company is currently in the process of evaluating the impacts on the disclosures to the consolidated financial statements as a result of the changes in this standard.

Amendments to IAS 8 Definition of Accounting Estimates

In February, 2021, the IASB issued amendments to IAS 8, the amendments are intended to introduce a definition of accounting estimates. The amendments clarify the distinction between changes in accounting policies from changes in accounting estimates. Also, clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual periods beginning on or after January 1st, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is allowed as long as this fact is disclosed. Material effects are not expected in the Group for these amendments.

Amendments to IAS 12: Deferred tax related to assets and liabilities arising from an individual transaction

The amendments introduce an additional exception to the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal cumulative and deductible temporary differences.

Depending on the applicable tax legislation, equal cumulative and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination that does not affect accounting profit or tax profit.

The amendments to IAS 12 require an entity to recognize the deferred tax asset and liability related to the recognition of any deferred tax asset subject to the recoverability criteria of IAS 12.

The modifications apply to transactions that occur on or after the beginning of the first comparative period. Additionally, at the beginning of the earliest comparative period, an entity recognizes:

A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be used) and a deferred tax liability for all cumulative and deductible temporary differences associated with:

- Rights-of-use asset and lease liabilities

- Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of stockholders' equity, as applicable) as of that date.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early application permitted.

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-method 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 will not 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 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, 2021, 2020 and 2019 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 (mainly derivative financial instruments) and other equity 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 assets and liabilities.

c) Basis of consolidation

In accordance with IFRS 10, the consolidated financial statements comprise the financial statements of the Company, its subsidiaries and other entities as of December 31, 2021, 2020 and 2019.

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 incorporated.

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. Due to 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, 2021, 2020 and 2019, the Company recognized an impairment loss of $112, $239 and $36, 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 Payment*s at the acquisition date (as of December 31, 2021, 2020 and 2019, 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:

	2021 – 2019		2020 – 2018		2019 – 2017	
	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY	CUMULATIVE INFLATION RATE	TYPE OF ECONOMY
Mexico	13.87%	Non-hyperinflationary	11.19%	Non-hyperinflationary	14.43%	Non-hyperinflationary
USA	10.97%	Non-hyperinflationary	5.40%	Non-hyperinflationary	6.24%	Non-hyperinflationary
Canada	8.10%	Non-hyperinflationary	5.05%	Non-hyperinflationary	6.11%	Non-hyperinflationary
Spain	7.05%	Non-hyperinflationary	1.51%	Non-hyperinflationary	3.11%	Non-hyperinflationary
Brazil	13.01%	Non-hyperinflationary	12.92%	Non-hyperinflationary	9.88%	Non-hyperinflationary
Argentina	215.85%	Hyperinflationary	162.53%	Hyperinflationary	126.27%	Hyperinflationary

Starting in July 2018, the economy of 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 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.

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, 2021, 2020 and 2019 is as follows:

	AVERAGE EXCHANGE RATE			CLOSING EXCHANGE RATE		
	2021	2020	2019	2021	2020	2019
USA	**20.5835**	21.4955	19.2616	**20.2818**	19.9487	18.8452
Canada	**16.1111**	16.0529	14.5108	**16.1782**	15.5424	14.2680
Spain	**23.3129**	24.5343	21.5632	**21.4648**	24.4790	21.1707
Brazil	**3.6885**	4.1764	4.8823	**3.7629**	3.8387	4.6754
Argentina	**0.2004**	0.3045	0.3997	**0.2133**	0.2371	0.3147

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 ($1,945 in 2021) 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 expected credit losses reserve. The expected credit losses of these financial assets are estimated using a matrix based on the Company's history of credit losses adjusted for specific credit factors associated to the customers, general economy conditions and an assessment of current and future conditions as of the reporting period, including time value of money as appropriate.

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: standard cost equal to the cost of direct materials and direct labor costs, plus 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	2 – 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 sites 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.

The investment in an associate will be subject to impairment if, and only if, there are one or more events with an impact on the estimated future cash flows of this investment; in which case the book value, including goodwill, will be subject to impairment tests in accordance with IAS 36. Any reversal of that impairment loss is subsequently recognized in income when the recoverable amount of the investment increases.

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.

Annually, when 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. Subsequent measurement depends on the designation of the financial liability.

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, when the hedge effectiveness requirements are not met or when the Company decides to cancel the hedge designation.

Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized in profit or loss when the forecast transaction occurs, and its effects are 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, it is 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 and regulations that that have been enacted or substantively enacted at the reporting date and tax rates that are expected to apply in the year when the temporary differences are reversed.

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 liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted, for future tax periods, at the end of the reporting date.

The Company offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relate to income taxes levied by the same taxation authority or if they are 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 associates 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 associates. 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 associates 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 such as 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.

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 intangible assets, the Company determines whether their useful lives are finite or indefinite. The Company, with an effective date of January 1st, 2021, determined that the estimated useful life of the product displays ranges between 2 and 5 years; this change had an effect on the consolidated financial statements during the adoption period. In addition, as of January 1st, 2020, the Company determined that the estimated useful life of trays is 3 years, which had no significant 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 indefinite-life intangible assets

Determining whether goodwill and indefinite-life intangible assets are impaired involves calculating the recoverable value of the cash-generating unit to which these assets have 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 or if it will be recovered in the future, the Company analyses financial and 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, 2021, 2020 and 2019, the net liabilities amounted to $5,546, $5,309 and $4,650, respectively.

5. Trade accounts receivables and other accounts receivable

		2021		2020		2019
Trade receivables	$	**20,081**	$	17,946	$	17,128
Allowance for expected credit loss [1]		**(897)**		(838)		(711)
		19,184		**17,108**		**16,417**
Notes receivable		**23**		29		30
Income tax, value added tax and other recoverable taxes [2] y [3]		**5,738**		8,685		8,047
Sundry debtors [4]		**2,225**		1,665		1,704
	$	**27,170**	$	**27,487**	$	**26,198**

(1) During 2021 and 2020, the Company 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 2021, the Company recovered value added tax corresponding to the year 2020 for $3,506, mainly in the subsidiaries of Mexico.
(3) During March 2019, the Company obtained certain favorable rulings on legal actions in Brazil related to some contributions, recognizing a right to recover. As of December 31, 2021 and 2020, the recoverable tax balance amounts to $170 and $388, respectively.
(4) As of December 31, 2021, this balance includes an amount of $569 receivable from the insurance claim associated with the casualty in the San Fernando plant in Argentina.

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

6. Inventories

		2021		2020		2019
Raw materials, containers and packaging	$	5,966	$	4,490	$	4,317
Work in progress		111		108		99
Finished goods		4,864		4,036		3,517
Spare parts		1,400		1,143		958
		12,341		9,777		8,891
Raw materials in transit		1,369		1,116		928
	$	13,710	$	10,893	$	9,819

For the years ended December 31, 2021, 2020 and 2019, the Company recognized inventory usage of $106,199, $97,891 and $89,112, 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, 2021, 2020 and 2019 is as follows:

		2021		2020		2019
Right of use – vehicles	$	3,653	$	3,441	$	3,097
Distribution rights		8,138		7,631		6,770
Total assets	$	11,791	$	11,072	$	9,867
Current portion of non-current debt:						
Obligations under finance leases	$	807	$	715	$	637
Loans granted to independent business partners		45		46		42
Non-current debt:						
Obligations under finance leases		1,715		1,858		1,718
Loans granted to independent business partners		53		48		46
Debt with affiliates (net of accounts receivable)		6,581		5,966		5,271
Total liabilities	$	9,201	$	8,633	$	7,714
Non-controlling interest	$	2,590	$	2,439	$	2,153

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, BBU has sold certain distribution rights to third-parties. These routes may be repurchased again from third-parties to operate or resell them. During 2021, 2020 and 2019, total buybacks, net of sales, were approximately $519, $351 and $513, respectively. When BBU buys a route from an unconsolidated entity, this transaction is accounted for in accordance with IFRS 3. BBU recognizes at the date of the buyback transaction, an impairment when the purchase price of the distribution rights es lower than its cost.

BBU funds up to 90% of the distribution rights sold to certain independent operators. The loans bear interest of between 6% 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 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 has priority over the collateral.

Net gain or loss originating from the sale of routes to an entity that is consolidated under IFRS 10 is eliminated in consolidation. Net gain originating from the sale of the distribution rights to entities that are not consolidated under IFRS 10 is deferred primarily due to the financing provided by BBU and an independent third party. BBU recognizes the deferred gain on a straight-line basis over the remaining term of the note receivable after the independent operator obtains a 10% ownership level over the route and, where applicable, the one year put option has expired. BBU recognized losses of $580, $510 and $330 for the sale of routes during 2021, 2020 and 2019, respectively, which is reflected in different lines of the income statement.

8. Property, plant and equipment

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2021, 2020 and 2019 is as follows:

	BALANCE AS OF JANUARY 1ST, 2021	ADDITIONS AND DEPRECIATION OF THE YEAR (3)	BUSINESS COMBINATIONS AND PPA ADJUSTMENTS (1)	TRANSFERS	TRANSLATION EFFECT	DISPOSALS	IMPAIRMENT	INFLATION RESTATEMENT	BALANCE AS OF DECEMBER 31, 2021
Investment:									
Buildings	$ 31,431	$ -	$ 629	$ 2,044	$ (24)	$ (233)	$ -	$ 409	$ 34,256
Manufacturing equipment	95,573	-	1,038	10,210	230	(1,570)	-	269	105,750
Vehicles	14,545	-	10	875	15	(515)	-	14	14,944
Office equipment and displays	1,703	-	17	2,248	1	(16)	-	-	3,953
Computer equipment	6,851	-	8	807	109	(772)	-	13	7,016
Total investment	150,103	-	1,702	16,184	331	(3,106)	-	705	165,919
Depreciation and impairment:									
Buildings	(16,511)	(1,622)	-	201	(42)	168	(1)	(274)	(18,081)
Manufacturing equipment	(47,249)	(6,272)	-	(14)	(224)	925	(282)	(7)	(53,123)
Vehicles	(6,556)	(928)	-	28	(15)	397	-	(8)	(7,082)
Office equipment and displays	(851)	(305)	-	15	(3)	14	-	-	(1,130)
Computer equipment	(5,531)	(696)	-	(2)	(91)	744	-	(12)	(5,588)
Total accumulated depreciation	(76,698)	(9,823)	-	228	(375)	2,248	(283)	(301)	(85,004)
	73,405	(9,823)	1,702	16,412	(44)	(858)	(283)	404	80,915
Land	8,261	-	464	35	(70)	(241)	(24)	112	8,537
Construction in process and machinery in transit	9,722	20,671	766	(16,563)	35	(5)	-	7	14,633
Less: Assets held for sale	(140)	-	-	(55)	1	-	-	-	(194)
Net investment	$ 91,248	$ 10,848	$ 2,932	$ (171)	$ (78)	$ (1,104)	$ (307)	$ 523	$ 103,891

	BALANCE AS OF JANUARY 1ST, 2020	ADDITIONS AND DEPRECIATION OF THE YEAR (3)	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 OF THE YEAR (3)	BUSINESS COMBINATIONS AND PPA ADJUSTMENTS (1)	TRANSFERS	TRANSLATION EFFECT	DISPOSALS	IMPAIRMENT	INFLATION RESTATEMENT	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**

(1) This column includes the following business acquisitions: in 2021 Modern Foods, Emmy's Organics, Dulces del Campo, Popcornopolis, Aryzta Brasil and Kitty Industries; in 2020 Lender', Julitas, Bimbo QSR Kazakhstan, Siro Paterna, Blue Label and adjustments to the purchase price allocation of Siro Paterna; in 2019 Mr. Bagel's and adjustments to the purchase price allocation of Mankattan and Alimentos Nutra Bien recognized.
(2) Corresponds mainly to transfers of buildings and equipment to right-of-use assets.
(3) Includes depreciation of assets from business acquisitions from the acquisition date.

Impairment losses recognized during the year

In 2021, 2020 and 2019, the Company performed a review of unused buildings and manufacturing equipment, resulting in recognition of an impairment loss recognized in profit or loss of $307, $191 and $349, respectively.

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 recognized in profit or loss of $89 and $117, respectively.

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 2021, 2020 and 2019 is as follows:

	BALANCE AS OF JANUARY 1ST 2021,	ADDITIONS AND DEPRECIATION OF THE YEAR	BUSINESS COMBINATIONS	DISPOSALS	EARLY TERMINATION	CHANGES AND INITIAL COSTS	TRANSLATION EFFECT	INFLATION RESTATEMENT INCREMENT	BALANCE AS OF DECEMBER 31 2021,
Right-of-use assets:									
Buildings	$ 23,748	$ 2,658	$ 793	$ (506)	$ (540)	$ 1,040	$ 499	$ 9	$ 27,701
Vehicles	7,590	1,162	11	(67)	(508)	7	114	-	8,309
Other	286	125	8	(81)	(31)	1	(15)	-	293
	31,624	3,945	812	(654)	(1,079)	1,048	598	9	36,303
Assets under financial lease	5,483	22	-	(12)	-	321	101	-	5,915
Total right-of-use assets	37,107	3,967	812	(666)	(1,079)	1,369	699	9	42,218
Depreciation:									
Buildings	(4,681)	(3,099)	-	506	251	51	(30)	(7)	(7,009)
Vehicles	(2,023)	(1,253)	-	67	340	8	(24)	-	(2,885)
Other	(114)	(71)	-	81	9	-	(15)	-	(110)
	(6,818)	(4,423)	-	654	600	59	(69)	(7)	(10,004)
Assets under financial lease	(1,126)	(481)	-	12	-	4	131	-	(1,460)
Total accumulated depreciation	(7,944)	(4,904)	-	666	600	63	62	(7)	(11,464)
Right-of-use assets, net	$ 29,163	$ (937)	$ 812	$ -	$ (479)	$ 1,432	$ 761	$ 2	$ 30,754

	BALANCE AS OF JANUARY 1ST 2020,	ADDITIONS AND DEPRECIATION OF THE YEAR	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 OF THE YEAR	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 2021, 2020 and 2019 is as follows:

	CAPITALIZED OPERATING LEASES	FINANCE LEASES	TOTAL
Balance as of January 1st, 2021	$ 25,865	$ 3,224	$ 29,089
Additions	3,945	22	3,967
Business combinations	753	-	753
Interest expense	974	281	1,255
Payments	(4,818)	(554)	(5,372)
Early termination	(509)	-	(509)
Modifications	1,362	-	1,362
COVID-19 rent concessions	(13)	-	(13)
Foreign exchange effects	4	2	6
Translation effect	503	108	611
Balance as of December 31, 2021	**28,066**	**3,083**	**31,149**
Less - current portion	**(4,910)**	**(883)**	**(5,793)**
	$ 23,156	$ 2,200	$ 25,356

	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
2023	$ 3,652	$ 786	$ 4,438
2024	3,121	587	3,708
2025	2,542	367	2,909
2026	2,049	210	2,259
2027 and thereafter	11,792	250	12,042
	$ 23,156	**$ 2,200**	**$ 25,356**

10. Investments in Associates

An analysis of investments in associates as of December 31, 2021, 2020 and 2019 is as follows:

ASSOCIATE	ACTIVITY	% EQUITY INTEREST		2021		2020		2019
Beta San Miguel, S.A. de C.V.	Sugar refinery	8	$	1,110	$	1,044	$	968
Mundo Dulce, S.A. de C.V.	Confectionery	50		373		359		347
Fábrica de Galletas La Moderna, S.A. de C.V.	Cookies	50		363		345		321
Grupo La Moderna, S.A. de C.V.	Holding company	4		312		305		278
Congelación y Almacenaje del Centro, S.A. de C.V.	Warehouse	15		222		224		236
Fin Común Servicios Financieros, S.A. de C.V. (1)	Financial services	43		258		184		180
Fruitex de México, S.A.P.I. de C.V.	Foods	16		295		-		-
Productos Rich, S.A. de C.V.	Baking	18		174		170		169
B37 Ventures II, LLP	Food technology	72		454		-		-
Other	Other	Various		891		512		372
			$	4,452	$	3,143	$	2,871

(1) The percentage of participation in 2020 and 2019 was 41%.

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., Productos Rich, S.A. de C.V. and Fruitex de México S.A.P.I de C.V. and other entities, 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.

The investment in B37 Ventures II, LLP is not considered a subsidiary since the Company does not have control over it according to IFRS 10 Consolidated Financial Statements.

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

		2021		2020		2019
Balance as of January 1st	$	3,143	$	2,871	$	2,645
Acquisitions and capital contributions		1,016		163		49
Dividends received		(59)		(93)		(72)
Share of profit		247		194		249
Other		105		8		-
Balance as of December 31	**$**	**4,452**	**$**	**3,143**	**$**	**2,871**

11. Intangible Assets

An analysis of intangible assets by geographical segment as of December 31, 2021, 2020 and 2019 is as follows:

		2021		2020		2019
Mexico	$	2,540	$	2,592	$	2,733
North America		42,712		41,589		39,769
EAA		10,364		9,580		7,576
Latin America		1,349		1,246		1,240
	$	56,965	$	55,007	$	51,318

An analysis of intangible assets by item as of December 31, 2021, 2020 and 2019 is as follows:

	AVERAGE USEFUL LIFE		2021		2020		2019
Trademarks	Indefinite	$	37,268	$	35,548	$	34,410
Use and distribution rights	Indefinite		8,680		8,525		7,734
			45,948		44,073		42,144
Trademarks	4 to 40 years		1,445		1,393		311
Customer relationships	7 to 40 years		21,881		20,269		17,526
Licenses and software	2 to 8 years		3,944		2,973		2,441
Non-competition agreements	2 to 5 years		189		187		158
Other			1,314		1,508		1,464
			28,773		26,330		21,900
Accumulated amortization and impairment			(17,756)		(15,396)		(12,726)
		$	56,965	$	55,007	$	51,318

The accumulated impairment in the value of trademarks with indefinite useful lives as of December 31, 2021, 2020 and 2019 is $4,346, $4,170 and $3,544, respectively.

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

			NET CARRYING AMOUNT					
	YEAR OF ACQUISITION	REMAINING USEFUL LIFE (YEARS)		2021		2020		2019
Bimbo QSR	2017	21 a 36	$	4,122	$	4,226	$	4,054
Canada Bread	2014	14		2,045		2,099		2,343
Weston Foods, Inc.	2009	5		1,771		2,062		2,261
Siro Paterna	2020	23		1,321		1,449		-
Sara Lee Bakery Group, Inc.	2011	8		841		921		965

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2021, 2020 and 2019 is as follows:

COST

	TRADEMARKS	USE AND DISTRIBUTION RIGHTS	CUSTOMER RELATIONSHIPS	LICENSES AND SOFTWARE	NON- COMPETITION AGREEMENTS	OTHER	TOTAL
Balance as of January 1, 2019	$ 35,626	$ 7,928	$ 17,870	$ 2,223	$ 165	$ 1,457	$ 65,269
Structured entities	-	132	-	-	-	-	132
Additions	-	-	-	264	-	-	264
Business combinations and PPA	133	-	247	-	1	16	397
adjustments 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**
Structured entities	-	77	-	-	-	-	77
Additions	-	-	-	882	-	-	882
Disposals	-	(260)	-	-	-	-	(260)
Business combinations and PPA adjustments (1)	1,251	88	1,105	7	5	-	2,456
Transfers	-	-	-	-	-	(201)	(201)
Translation effect	521	250	507	82	(3)	7	1,364
Balance as of December 31, 2021	**$ 38,713**	**$ 8,680**	**$ 21,881**	**$ 3,944**	**$ 189**	**$ 1,314**	**$ 74,721**

(1) Includes $166 corresponding to the difference between the exchange rate of the business acquisition and the year-end exchange rate.

ACCUMULATED AMORTIZATION AND IMPAIRMENT

	TRADEMARKS	USE AND DISTRIBUTION RIGHTS	CUSTOMER RELATIONSHIPS	LICENSES AND SOFTWARE	NON- COMPETITION AGREEMENTS	OTHER	TOTAL
Balance as of January 1, 2019	(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)**
Reversal of impairment in structured entities	-	72	-	-	-	-	72
Amortization expense	(35)	(3)	(960)	(293)	(8)	(241)	(1,540)
Impairment	(135)	-	-	-	-	-	(135)
Transfers	-	(483)	-	-	-	-	(483)
Translation effect	12	(14)	(203)	(72)	3	-	(274)
Balance as of December 31, 2021	**$ (4,422)**	**$ (920)**	**$ (8,519)**	**$ (2,745)**	**$ (150)**	**$ (1,000)**	**$ (17,756)**
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**
Net balance as of December 31, 2021	**$ 34,293**	**$ 7,675**	**$ 13,447**	**$ 1,197**	**$ 39**	**$ 314**	**$ 56,965**

Amortization of intangible assets is recognized under administrative expenses.

In 2021, 2020 and 2019, the Company recognized impairment in the value of trademarks of $135, $204 and $847, respectively.

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.

Impairment tests of distribution rights are performed by determining a fair value, which is estimated based on a multiple applied to the average weekly sales of the last twelve months of operation. The multiple used is in a range that varies depending on the region in which the market is located.

12. Goodwill

An analysis of goodwill by geographical area is as follows:

		2021		2020		2019
Goodwill:						
Mexico	$	2,306	$	2,084	$	1,471
North America		69,339		63,665		59,950
EAA		12,772		11,720		10,444
Latin America		4,154		3,125		3,019
	$	88,571	$	**80,594**	$	**74,884**
Accumulated impairment:						
Mexico	$	(1,204)	$	(1,194)	$	(577)
North America		(6,690)		(6,482)		(6,122)
EAA		(4,299)		(4,122)		(3,486)
Latin America		(1,813)		(1,892)		(1,905)
		(14,006)		**(13,690)**		**(12,090)**
	$	74,565	$	**66,904**	$	**62,794**

The movements in goodwill for the years ended December 31, 2021, 2020 and 2019 are as follows:

		2021		2020		2019
Balance as of January 1st	$	66,904	$	62,794	$	65,513
Acquisitions in business combinations (Note 1) (1)		6,983		2,086		35
Impairment		(324)		(779)		(17)
Transfers		201		18		34
Reclassifications due to adjustments to the values of business combinations (2)		(1,125)		(1,398)		(512)
Translation effect		1,926		4,183		(2,259)
Balance as of December 31	$	74,565	$	**66,904**	$	**62,794**

(1) In 2021, includes $118 corresponding to the difference between the exchange rate of the business acquisition and the year-end exchange rate.

(2) In 2021, includes $19 corresponding to the difference between the exchange rate of the business acquisition and the year-end exchange rate.

An analysis of movements in cumulative impairment losses as of December 31 is as follows:

		2021		2020		2019
Balance as of January 1st	$	13,690	$	12,090	$	12,610
Impairment for the year		324		779		17
Translation effect		(8)		821		(537)
Balance as of December 31	$	14,006	$	**13,690**	$	**12,090**

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		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Mexico	**8.45%**	9.66%	8.90%	**6.96%**	7.17%	3.10%	**2.41%**	5.45%	2.20%
USA	**6.95%**	6.95%	6.50%	**5.12%**	3.92%	5.33%	**2.69%**	2.95%	2.86%
Canada	**5.75%**	6.50%	6.25%	**1.99%**	1.97%	2.20%	**3.19%**	3.74%	3.00%
Spain	**6.00%**	6.50%	6.50%	**3.38%**	2.10%	2.10%	**5.97%**	3.70%	3.70%
Brazil	**9.75%**	10.25%	10.25%	**8.28%**	7.04%	5.20%	**5.72%**	7.51%	5.90%

(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, 2021, 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

For impairment testing purposes, goodwill is allocated to cash-generating units, which are mainly the USA, Canada, Spain and others.

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

	2021	**2020**	**2019**
USA	**$ 47,549**	$ 42,724	$ 40,396
Canada	**15,003**	14,362	13,335
Spain	**1,520**	1,522	1,175
Other CGUs	**10,493**	8,296	7,888
	$ 74,565	**$ 66,904**	**$ 62,794**

USA

The recoverable amount of the CGU is the higher of the asset's value in use and its fair value less costs of disposal. As of December 31, 2021, 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

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 7 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 $315 in 2021, which was recognized as other expenses in profit or loss.

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 2021	BOOK VALUE 2020	BOOK VALUE 2019
International bonds:				
On May 17, 2021 the Company, through its subsidiary Bimbo Bakeries USA, Inc., issued a bond under Rule 144 A and Regulation S of the Securities and Exchange Commission (SEC) for USD 600 million, maturing on May 17, 2051. Such bond pays a fixed interest rate of 4.000% payable on a semi-annual basis. The proceeds from this issuance were used to refinance the Company's debt, extending the average maturity. Given the guaranteed structure, this instrument has the same ranking (pari passu) as the rest of Grupo Bimbo's issues.	$ 13,481	**$ 12,350**	$ -	$ -
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 of 4.000% 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).	13,323	**12,245**	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.	16,052	**13,379**	12,967	12,249
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)..	17,393	**16,467**	15,959	15,076
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).	$ 12,319	**$ 10,292**	$ 9,974	$ 9,423
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.	4,084	**4,072**	15,915	15,076
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

		FAIR VALUE		BOOK VALUE 2021		BOOK VALUE 2020		BOOK VALUE 2019
Structured notes: As of December 31, 2021, 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.	$	9,232	$	9,633	$	9,633	$	9,633
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.		7,381		7,706		7,706		7,706
Revolving committed line of credit (multicurrency) On September 14, 2021 the Company renewed and amended the terms and conditions of the committed multicurrency line of credit, which is linked to sustainability. The financial institutions engaged in this line of credit are BBVA Bancomer S.A., Citibank N.A., HSBC México S.A., Banco Santander 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 1,750 million, with USD 875 million maturing on September 14, 2023 and USD 875 million on September 14, 2026. 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 2021, 2020 and 2019, the Company has made drawdowns against and payments to this line of credit. During 2021, the drawdowns and payments totaled $15,291.		-		-		-		95

		FAIR VALUE		BOOK VALUE 2021		BOOK VALUE 2020		BOOK VALUE 2019
Unsecured working capital loans – The Company occasionally enters into short-term unsecured loans to meet its working capital needs. During 2021, the drawdowns and payments totaled $430.		-		-		-		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 2028. During 2021, the drawdowns and payments totaled $11,413 and $5,905, respectively.	$	7,483	$	7,483	$	1,708	$	2,154
Debt issuance expenses		(772)		(772)		(531)		(586)
		99,976		**92,855**		**85,229**		**86,672**
Less:								
Current portion of non-current debt		(10,625)		(10,625)		(600)		(5,408)
Non-current debt	$	**89,351**	$	**82,230**	$	**84,629**	$	**81,264**

An analysis of maturities of non-current debt as of December 31, 2021 is as follows:

YEAR		AMOUNT
2023	$	149
2024		17,126
2025		88
2026		7,659
2027 and thereafter		57,208
	$	**82,230**

A reconciliation of the Company's debt at the beginning and at the end of the year is as follows:

DEBT		2021		2020		2019
Beginning balance	$	85,229	$	86,672	$	89,846
Proceeds from loans, net of debt issuance expenses		38,924		34,818		22,815
Repayments of loans		(33,535)		(40,745)		(22,640)
Debt issuance expenses amortization		60		55		(221)
Effects of remeasurements		2,177		4,429		(3,128)
Ending balance	**$**	**92,855**	**$**	**85,229**	**$**	**86,672**

All international bonds and revolving committed credit lines are guaranteed by the primary subsidiaries of Grupo Bimbo. As of December 31, 2020 and 2019, 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. As of December 31, 2021, the Company has complied with the established obligations that include the financial ratio of interest coverage and leverage while it was in force. 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

		2021		2020		2019
Other accounts payable:						
Other taxes payable	$	3,378	$	4,357	$	2,685
Other creditors		2,133		**1,806**		**1,860**
		5,511		**6,163**		**4,545**
Accrued liabilities:						
Employee compensation and bonuses	$	10,152	$	11,473	$	8,517
Advertising and promotion		2,026		1,682		909
Fees and consultations		1,734		1,193		1,133
Insurance and guaranty bonds		1,566		594		562
Taxes and contributions		842		559		563
Interest payable and bank fees		817		999		954
Supplies and fuel		777		1,263		713
Other		677		975		577
		18,591		**18,738**		**13,928**
	$	24,102	**$**	**24,901**	**$**	**18,473**

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:

		2021		2020		2019
Purchase of raw materials						
Associates:						
Beta San Miguel, S.A. de C.V.	$	2,584	$	2,390	$	1,685
Other associates		7		9		8
Related parties:						
Frexport, S.A. de C.V.		871		749		669
Other related parties		61		59		38
Finished product purchases						
Associates:						
Fábrica de Galletas La Moderna, S.A. de C.V.	$	1,083	$	1,149	$	877
Mundo Dulce, S.A. de C.V.		914		803		833
Pan-Glo de México, S. de R.L. de C.V.		200		239		67
Other associates		2		3		2

		2021		2020		2019
Stationary, uniforms and other						
Associates:						
Efform, S.A. de C.V.	$	365	$	344	$	276
Uniformes y Equipo Industrial, S.A. de C.V.		202		186		120
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.		234		112		334
Other associates		29		42		92
Related parties:						
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.		33		50		82
Autotab, S.A. de C.V.		3		3		221
Other related parties		257		204		137
Financial services:						
Associates:						
Fin Común Servicios Financieros, S.A. de C.V.	$	1,094	$	893	$	810

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:

		2021		2020		2019
Associates:						
Beta San Miguel, S.A. de C.V.	$	801	$	747	$	616
Fábrica de Galletas La Moderna, S.A. de C.V.		144		132		129
Mundo Dulce, S.A. de C.V.		107		81		65
Efform, S.A. de C.V.		83		77		11
Uniformes y Equipo Industrial, S.A. de C.V.		80		48		30
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.		58		40		87
Pan-Glo de México, S. de R. L. de C.V.		34		17		16
Related parties:						
Frexport, S.A. de C.V.		119		112		148
Proarce, S.A. de C.V.		33		37		30
Makymat, S.A. de C.V.		26		20		18
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.		8		10		8
Other associates and related parties		34		13		39
	$	1,527	$	1,334	$	1,197

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, 2021, 2020 and 2019 totaled $845, $973 and $1,194, 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 enacted for 2021, 2020 and 2019 was 30% and it is expected that it will remain the same in subsequent years.

TAX REFORMS

MEXICO

Tax reform 2021

On October 26, 2021, a series of tax modifications were approved in Mexico that are effective as of January 1, 2022, mainly aimed at strengthening the control mechanisms by tax authorities (new requirements, formalities and presentation of notices in case of certain transactions).

It is expected that these tax reforms will not generate a financial impact for the group, but a series of formal obligations and tax compliance that the Company will comply when applicable.

Tax reform 2019

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 Company has complied with its obligation to disclose tax schemes subject to reporting corresponding to fiscal years 2021 and 2020.

Reform in labor subcontracting in Mexico

On April 23, 2021, a decree was published in the Official Gazette of the Federation that adds and repeals various articles of the Federal Labor Law, Social Security Law, Law of the National Housing Fund Institute for Workers, Fiscal Code of the Federation, Income Tax Law and the Value Added Tax Law, to regulate the figure of labor subcontracting in Mexico in accordance with the following:

a) The prohibition of personnel subcontracting for activities that are part of the corporate purpose of the company or its predominant economic activity;
b) The regulation and limitation of the tax deduction of specialized subcontracting services other than the corporate purpose and the predominant economic activity of the contracting company;
c) Registration in the Ministry of Labor and Social Welfare and registration in the public registry of subcontracting companies for specialized services and works, joint and several liability in the event of non-compliance, and the granting of a period of three months to subcontracted workers be part of the payroll of the real employer;
d) The establishment of a limit of 3 months of Statutory employee profit sharing.

As of December 31, 2021, the effects of this reform on the Company were as follows:

General actions:

- Adequacy of service contracts in cases identified as specialized.
- Compliance with state obligations: presentation of contracts for specialized services.
- Fulfillment of obligations in terms of receiving, safeguarding and validating documents of specialized service providers.
- Identification of specialized service providers complying with the criteria of the Ministry of Labor and Social Welfare (STPS).
- Change management: internal and external communication and training.

Services provided among Group companies and services provided to third parties:

- Review of the corporate purpose of Grupo Bimbo companies and services provided.
- Obtaining the Registry of Providers of Specialized Services or Specialized Works of the corresponding companies.
- Functional analysis to hire personnel in accordance with the company's corporate purpose.
- Assignment of a CEO and personnel to Grupo Bimbo.

SPAIN

As of January 1, 2021, the Law 11/2020 on General State Budgets for the year 2021 ("LPGE"), issued on December 30, 2020, published amendments to the Corporation Tax Law that include:

Limitations to the mechanisms to correct/eliminate double taxation:

a) The exemption to avoid double taxation is limited to 95% of dividends and the sale of shares, as these amounts are reduced by 5% for management expenses. In the case of tax consolidation, the amount included in the tax base will not be subject to elimination.
b) In the same way, the deduction limit is also reduced to avoid international double taxation on dividends and on sale of shares to 95% of the full quota that would correspond to pay in Spain on this income if it had been obtained in Spanish territory.

Limitations of financial expenses:

Through the 2021 LPGE, the methodology for calculating deductible net financial expenses for corporate income tax purposes has been modified, among others; limiting the deductibility of net financial expenses for the year to 30%, by excluding from the determination of operating profit, those dividends from shares whose acquisition value is greater than 20 million euros and do not reach a percentage of participation of 5%.

To date, no significant impacts have been determined as a result of this tax reform in the Spanish subsidiaries.

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	
	2021		2020		2019		
Argentina	**35**	(a)	25		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		21		(g)
Mexico	**30**		30		30	10	

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

(a) From 2021 and in the coming years, the corporate rate is 35%. Such rate will depend on the range of the accumulated taxable profit generated.
(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) The corporate income tax rate is a combination of the federal rate, which is 21%, and the state rates where the Company has a permanent establishment. State rates range from 0% to 12%, therefore, the combined tax rate may range from 21% to 33%.
(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 2020 to 26.5% in 2021, and as of 2022 it will be 25%.
- Russia, where the tax rate was changed from 15.5% in 2020 to 16.5% in 2021.
- Turkey, where the tax rate was changed from 22% in 2020 to 25% in 2021.
- Colombia, where the tax rate was changed from 31% in 2021 to 35% in 2022.

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:

		2021		2020		2019
Income tax:						
Current income tax	$	8,096	$	5,215	$	3,926
Deferred income tax		588		781		723
		8,684		5,996		4,649
Income tax – uncertain tax positions		287		196		84
	$	8,971	$	6,192	$	4,733

b) A reconciliation of the statutory income tax rate to the effective income tax rate in Mexico expressed as a percentage of the profit before income tax for the years ended December 31, 2021, 2020 and 2019 is as follows:

		2021		2020		2019
Profit before income tax	$	26,353	$	16,744	$	12,108
Statutory income tax rate		30%		30%		30%
Income tax at statutory tax rate		7,906		5,023		3,632
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		1,015		552		605
Non-deductible expenses and other		890		793		655
Non-taxable profit and tax incentives		(322)		(420)		(699)
Difference in tax rates and currency of subsidiaries in different tax jurisdictions		(505)		(220)		(53)
Effects on tax values of property, plant and equipment		(589)		(314)		(253)
Share of loss of associates		(74)		(58)		(75)
Unrecognized available tax loss carryforwards		650		836		921
Income tax recognized in profit or loss	$	8,971	$	6,192	$	4,733
Effective income tax rate		34.0%		37.0%		39.1%

To determine their deferred income tax as of December 31, 2021, 2020 and 2019, 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, are as follows:

	BALANCE AS OF JANUARY 1ST, 2021	EFFECTS THROUGH PROFIT OR LOSS	EFFECTS THROUGH COMPREHENSIVE INCOME	TRANSLATION EFFECT	BUSINESS COMBINATIONS	BALANCE AS OF DECEMBER 31, 2021
Allowance for expected credit loss	$ (283)	$ (18)	$ -	$ -	$ -	$ (301)
Inventories and advances	(59)	75	-	-	-	16
Property, plant and equipment	5,026	(525)	-	-	-	4,501
Intangible assets and other assets	8,068	565	-	(641)	(123)	7,869
Other reserves and provisions	(13,922)	989	432	-	-	(12,501)
Current employee profit sharing	(299)	(201)	-	-	-	(500)
Available tax loss carryforwards	(568)	265	-	-	-	(303)
Net economic hedge	-	(77)	77	-	-	-
Lease assets and liabilities, net	(329)	(140)	-	-	-	(469)
Derivative financial instruments	399	(345)	860	-	-	914
Total deferred income tax (asset), net	**$ (1,967)**	**$ 588**	**$ 1,369**	**$ (641)**	**$ (123)**	**$ (774)**

	BALANCE AS OF JANUARY 1ST, 2020	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 JANUARY 1ST, 2019	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**

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:

	2021	2020	2019
Deferred income tax asset	$ (7,861)	$ (8,733)	$ (4,590)
Deferred income tax liability	7,087	6,766	5,241
Total deferred income tax (asset)/liability, net	**$ (774)**	**$ (1,967)**	**$ 651**

The Company has determined that the undistributed earnings of its foreign subsidiaries will not be distributed in the foreseeable future. As of December 31, 2021, there are undistributed earnings for temporary differences related to investments in subsidiaries and associates for which no deferred tax liabilities have been recognized. In the same date, the amount of undistributed earnings for temporary differences related to subsidiaries is immaterial.

As of December 31, 2021, the Company's unused tax losses have the following expiration dates:

YEAR	AMOUNT
2022	$ 663
2023	961
2024	1,068
2025	944
2026	1,936
2027	162
2028	11
2029	2
2030 and thereafter	25,525
	31,272
Unrecognized available tax loss carryforwards	(30,031)
Total	**$ 1,241**

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 $8,644 in 2021,
$7,637 in 2020 and $12,515 in 2019.

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, 2021, 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 is as follows:

		2021		2020		2019	CATEGORY / HIERARCHY
Assets							
Financial assets:							
Cash and cash equivalents	$	8,748	$	9,268	$	6,251	Fair value – Level 1
Trade accounts receivables and other accounts receivable, net		21,432		18,802		18,152	Amortized cost
Derivative financial instruments		1,293		871		143	Fair value - Level 1 and
Guarantee deposits for derivative financial instruments		-		-		325	Fair value - Level 1
Total current assets		31,473		28,941		24,871	
Other non-current assets		273		85		63	Amortized cost
Other non-current assets – plan asset surpluses and other assets		1,657		913		652	Fair value - Level 1, 2 and 3
Derivative financial instruments		1,962		267		1,533	Fair value - Level 1 and 2
Total assets	$	35,365	$	30,206	$	27,119	

		2021		2020		2019	CATEGORY / HIERARCHY
Liabilities							
Financial liabilities:							
Current portion of non-current debt	$	10,625	$	600	$	5,408	Amortized cost
Trade accounts payable		35,752		26,679		22,972	Amortized cost
Other accounts payable		1,998		1,790		1,852	Amortized cost
Accounts payable to related parties		1,527		1,334		1,197	Amortized cost
Guarantee withdrawals for derivative financial instruments		392		398		-	Fair value - Level 1
Derivative financial instruments		169		1,183		673	Fair value - Level 1 and 2
Total current liabilities		50,463		31,984		32,102	
Non-current debt		82,230		84,629		81,264	Amortized cost
Derivative financial instruments		67		214		437	Fair value - Level 1 and 2
Total liabilities	$	132,760	$	116,827	$	113,803	

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
- Review the consistency of open positions in respect of the corporate strategy
- Make recommendations

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.

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 preestablished 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:

	2021		2020		2019	
	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI
Assets						
Current assets:						
Forwards	$ -	$ -	$ -	$ -	$ -	$ 30
Forwards on raw materials	92	92	-	-	-	-
Foreign exchange options	-	-	-	-	-	(26)
Futures:						
Fair value of raw materials	953	152	684	595	-	-
Swaps:						
Fair value of raw materials and energetics	248	174	187	132	143	129
Total current derivative financial instruments	**$ 1,293**	**$ 418**	**$ 871**	**$ 727**	**$ 143**	**$ 133**
Non-current assets:						
Cross currency swap	$ 1,951	$ 428	$ 267	$ 27	$ 1,533	$ (545)
Swaps:						
Fair value of raw materials and energetics	9	9	-	-	-	-
Forwards on raw materials	2	2	-	-	-	-
Forwards	-	-	-	-	-	(7)
Total non-current derivative financial instruments	**$ 1,962**	**$ 439**	**$ 267**	**$ 27**	**$ 1,533**	**$ (552)**

	2021		2020		2019	
	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI	BOOK VALUE	CHANGES IN OCI
Liabilities						
Current liabilities:						
Foreign currency forwards	169	$ 175	399	(170)	233	(198)
Forwards on raw materials	-	784	784	(456)	325	(256)
Cross currency swap	-	-	-	(26)	8	26
Swaps:						
Fair value of raw materials and energetics	-	-	-	107	107	680
Total current derivative financial instruments	**$ 169**	**$ 959**	**$ 1,183**	**$ (545)**	**$ 673**	**$ 252**
Total non-current derivative financial instruments	**$ 67**	**$ 1,203**	**$ 214**	**$ (636)**	**$ 437**	**$ (1,168)**
Equity:						
Total valuation of cash flow hedges, net of accrued interest	$ 767	$ 3,018	$ (2,251)	$ (427)	$ (1,825)	$ (1,335)
Closed contracts for unused futures	(6)	(30)	24	41	(16)	(18)
	761	2,988	(2,227)	(386)	(1,841)	(1,353)
Deferred income tax, net	(184)	(860)	**676**	**116**	**559**	**440**
Other comprehensive (loss)/income	**$ 577**	**$ 2,128**	**$ (1,551)**	**$ (270)**	**$ (1,282)**	**$ (913)**

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 during 2021 an 2020.

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, 2021 and 2020, 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 American dollar and the Canadian dollar, and the Canadian dollar against the USD.

As a result of the COVID-19 pandemic, during 2021, there was no volatility in financial markets nor did led to fluctuations in exchange rates. However, the Company did not modify its foreign currency risk management strategy. In 2020, 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, 2021, 2020 and 2019, the loans in USD (described in Note 13) that have been designated as hedges on the net investment in foreign subsidiaries amount to USD 1,295 million, USD 1,521 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, 2021, 2020 and 2019, the loans that have been designated as hedges on the net investment in foreign subsidiaries amount to CAD 354 million, CAD 354 million and CAD 290 million, respectively (see Note 17, 2.3 (a)).

As of December 31, 2021, the loans that have been designated as hedges on the net investment in foreign subsidiaries in Spain amount to EUR 126 million.

As of December 31, 2021, 2020 and 2019, the amount designated as a hedge for non-current intercompany asset positions is CAD 630 million, CAD 630 million and CAD 630 million, respectively.

As of December 31, 2021, the amount designated as a hedge for non-current intercompany asset positions is USD 748 million.

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.

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 $60 in profit or loss for the year ended December 31, 2021.

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 result in an increase/decrease of approximately $1 in profit or loss for the year ended December 31, 2021.

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 result in an increase/decrease of approximately $1 in profit or loss for the year ended December 31, 2021.

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		2021		2020		2019
270	USD	290	CAD	27-jun-2024	3.875%	4.1125%	$	-	$	-	$	976
270	USD	354	CAD	27-jun-2024	3.875%	3.9700%		(171)		(176)		-
							$	**(171)**	**$**	**(176)**	**$**	**976**

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.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021	2020	2019
100	USD	1,827	MXN	27-jun-2024	3.875%	8.410%	$ 339	$ 189	$ 90
150	USD	2,744	MXN	27-jun-2024	3.875%	8.420%	-	-	132
150	USD	3,225	MXN	27-jun-2024	3.875%	7.160%	103	(130)	-
76	USD	1,392	MXN	27-jun-2024	3.875%	8.387%	257	143	69
204	USD	3,855	MXN	27-jun-2024	3.875%	8.320%	-	-	41
204	USD	4,376	MXN	27-jun-2024	3.875%	7.330%	123	(201)	-
							$ 822	**$ 1**	**$ 332**

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.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021	2020	2019
100	USD	1,829	MXN	27-jun-2028	4.875%	9.8385%	$ 423	$ 247	$ 95
100	USD	1,829	MXN	27-jun-2044	-	1.1900%	245	298	130
							$ 668	$ 545	$ 225

d) 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 2021	2020	2019
50	USD	1,075	MXN	06-mar-2030	4.00%	8.08%	$ 72	$ (20)	$ -
50	USD	1,033	MXN	06-sep-2030	4.00%	9.81%	5	(89)	-
50	USD	1,018	MXN	06-sep-2030	4.00%	9.67%	30	(58)	-
25	USD	495	MXN	06-sep-2030	4.00%	9.37%	44	2	-
25	USD	494	MXN	06-sep-2030	4.00%	9.34%	44	2	-
200	USD	3,733	MXP	06-sep-2049	-	2.98%	185	-	-
							$ 380	**$ (163)**	**$ -**

e) Swaps that translate a portion of 144A bond of USD 595 million, maturing on September 6, 2049, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in euros.

NOTIONAL AMOUNT	CURRENCY	NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021	2020	2019
150	USD	126	EUR	6-mar-2031	4.00%	2.11%	$ 252	$ -	$ -

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

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021	2020	2019
160	USD	30-jun-2031	3-month LIBOR	3.29%	$ -	$ 60	$ -

g) Long-term swaps to cover the price risk associated with raw materials and others:

UNIT	QUANTITY	AVERAGE PRICE	QUANTITY	AVERAGE PRICE	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
Barrels	14,300	50.66	14,950	1.25%	$	9	$	-	$	-

h) Long-term forwards to cover the exchange risk associated with raw materials and others:

COUNTRY	CURRENCY	DECEMBER 2021 NOTIONAL AMOUNT	DECEMBER 2021 AVERAGE EXCHANGE RATE	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
Canada	USD/CAD	10	1.25	-	-	-	-	$	3	$	-	$	-
Mexico	USD/MXN	3	22.52	-	-	-	-		(1)		-		-
								$	2	$	-	$	-
Total non-current financial assets								$	**1,962**	$	**267**	$	**1,533**

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.

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

COUNTRY	CURRENCY	DECEMBER 2021 NOTIONAL AMOUNT	DECEMBER 2021 AVERAGE EXCHANGE RATE	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
Mexico	USD/MXP	2	20.78	12	20.15	-	-	$	-	$	1	$	2
Canada	USD/CAD	14	1.31	8	1.32	-	-		-		5		2
								$	-	$	6	$	4

j) Non-current forwards to hedge forecast transactions:

COUNTRY	CURRENCY	DECEMBER 2021 NOTIONAL AMOUNT	DECEMBER 2021 AVERAGE EXCHANGE RATE	DECEMBER 2020 NOTIONAL AMOUNT	DECEMBER 2020 AVERAGE EXCHANGE RATE	DECEMBER 2019 NOTIONAL AMOUNT	DECEMBER 2019 AVERAGE EXCHANGE RATE	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
Mexico	USD/MXN	-	-	58	20.85	15	22.38	$	-	$	185	$	37

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

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
160	USD	30-jun-2020	3-month LIBOR	3.2865%	$	-	$	-	$	377

l) Interest rate swap that hedges the variable rate in USD:

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
200	USD	24-may-2034	0.00%	1.69%	$	54	$	-	$	-

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 and settled the fair value at that date of $935 (see paragraph k). The characteristics of this instrument, valid until May 2021, are described in paragraph f); generating on that date the final settlement of the instrument in favor of the Company for $263; the Company's risk management objectives and strategy were not revised as a result of this restructuring.

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

NOTIONAL AMOUNT	CURRENCY	MATURITY	RATE COLLECTED	RATE PAID	MARKET VALUE 2021		MARKET VALUE 2020		MARKET VALUE 2019	
8	EUR	03-feb-2031	3-month Euribor	1.28%	$	7	$	13	$	10
7	EUR	03-mar-2031	3-month Euribor	1.25%		6		10		9
					$	13	$	23	$	19
Total non-current financial liabilities					$	67	$	214	$	437

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, 2021, 2020 and 2019, the Company had the following forwards to hedge forecast transactions:

		DECEMBER 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE					
COUNTRY	CURRENCY	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE		2021		2020		2019
Mexico	MXN/CLP	894	40.24	1,022	35.19	1,075	39.67	$	20	$	6	$	(12)
Mexico	USD/MXN	252	21.39	273	21.72	225	20.35		(189)		(404)		(221)
Mexico	MXN/USD	51	20.48	799	19.97	-	-		-		2		-
Spain	EUR/RUB	-	-	10	92.20	-	-		-		(3)		-
								$	(169)	$	(399)	$	(233)

An analysis of the maturities of these forwards as of December 31, 2021 is as follows:

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	TOTAL
Mexico				
Notional amount in Mexican pesos	-	-	894	894
Average exchange rate	-	-	40.24	40.24
Mexico				
Notional amount in USD	223	20	9	252
Average exchange rate	21.42	21.16	21.12	21.39
Mexico				
Notional amount in USD	51	-	-	51
Average exchange rate	20.48	-	-	20.48

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 2021		MARKET VALUE 2020		MARKET VALUE 2019	
100	USD	1,918	MXN	30-jun-2021	4.875%	9.438%	$	-	$	-	$	(8)

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

		DECEMBER 2021		DECEMBER 2020		DECEMBER 2019		MARKET VALUE		
COUNTRY	CURRENCY	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	NOTIONAL AMOUNT	AVERAGE EXCHANGE RATE	2021	2020	2019
Argentina	USD/ARS	-	-	5	94.68	3	73.34	$ -	$ (5)	$ (7)
Canada	USD/CAD	125	1.26	98	1.33	103	1.32	17	(74)	(27)
Canada	CAD/USD	28	1.28	19	1.29	-	-	7	2	-
Chile	USD/CLP	37	795.93	31	779.59	32	712.84	65	(68)	31
Colombia	USD/COP	16	3,894.38	14	3,747.20	5	3,471.73	19	(23)	(4)
Mexico	USD/MXN	320	21.12	344	21.91	301	20.40	(43)	(586)	(306)
Mexico	MXN/USD	545	21.43	414	20.17	-	-	20	6	-
Perú	USD/PEN	25	4.03	14	3.57	8	3.39	-	4	(3)
Uruguay	USD/UYU	9	46.09	10	44.47	5	38.12	(2)	(5)	(1)
France	USD/EUR	6	1.16	6	1.17	7	1.15	2	(6)	2
Russia	EUR/RUB	1	73.76	-	-	7	74.35	1	-	(2)
Russia	USD/RUB	1	85.18	1	74.03	2	66.67	-	-	(8)
Brazil	USD/BRL	15	5.62	37	5.44	-	-	3	(29)	-
Brazil	BRL/USD	53	5.79	8	5.58	-	-	4	2	-
Mexico	EUR/MXN	1	25.29	3	25.34	-	-	(1)	(2)	-
								$ 92	$ (784)	$ (325)

The maturities of these forwards as of December 31, 2021 are as follows:

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	> 6 MONTHS < 9 MONTHS	> 9 MONTHS < 12 MONTHS	TOTAL
Canada						
Notional amount in USD	10	24	36	31	24	125
Average exchange rate	1.28	1.27	1.25	1.24	1.25	1.26
Canada						
Notional amount in Canadian dollars	8	20	-	-	-	28
Average exchange rate	1.28	1.28	-	-	-	1.28
Chile						
Notional amount in USD	4	8	10	9	6	37
Average exchange rate	746.18	765.21	767.38	826.58	875.73	795.93

	< 1 MONTH	> 1 MONTH < 3 MONTHS	> 3 MONTHS < 6 MONTHS	> 6 MONTHS < 9 MONTHS	> 9 MONTHS < 12 MONTHS	TOTAL
Colombia						
Notional amount in USD	2	3	5	3	3	16
Average exchange rate	3,747.66	3,808.29	3,860.54	3,961.76	4,048.86	3,894.38
Mexico						
Notional amount in USD	38	74	95	73	40	320
Average exchange rate	20.75	20.90	20.93	21.24	22.04	21.12
Mexico						
Notional amount in Mexican pesos	193	352	-	-	-	545
Average exchange rate	21.33	21.49	-	-	-	21.43
Peru						
Notional amount in USD	3	6	7	5	4	25
Average exchange rate	3.89	3.96	4.02	4.12	4.13	4.03
Uruguay						
Notional amount in USD	1	2	3	2	1	9
Average exchange rate	46.16	45.78	45.82	46.43	47.11	46.09
France						
Notional amount in USD	1	2	1	1	1	6
Average exchange rate	1.16	1.16	1.16	1.16	1.17	1.16
Russia						
Notional amount in USD	-	-	1	-	-	1
Average exchange rate	73.50	73.18	74.23	-	-	73.76
Russia						
Notional amount in euros	-	-	1	-	-	1
Average exchange rate	84.45	85.15	85.95	-	-	85.18
Brazil						
Notional amount in USD	4	6	4	1	-	15
Average exchange rate	5.46	5.55	5.78	6.06	-	5.62
Brazil						
Notional amount in BRL	13	21	16	3	-	53
Average exchange rate	5.71	5.77	5.87	5.99	-	5.79
Mexico						
Notional amount in euros	-	1	-	-	-	1
Average exchange rate	25.08	25.23	25.48	-	-	25.29

As of December 31, 2021, 2020 and 2019, the Company reclassified $572, $(302) and $281, 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, 2021, 2020 and 2019, 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, the principal characteristics of the Company's futures contracts are as follows:

	2021			2020			2019		
	CONTRACTS			CONTRACTS			CONTRACTS		
	NUMBER	MATURITY	FAIR VALUE	NUMBER	MATURITY	FAIR VALUE	NUMBER	MATURITY	FAIR VALUE
Diesel	**1,841**	**Jan-22 a Dec-22**	$ 245	3,471	Jan-21 to Jul-22	$ 7	2,210	Jan-20 to Mar-21	$ 23
Gasoline	**764**	**Jan -22 a Dec-22**	130	1,714	Jan-21 to Jul-22	54	1,168	Jan-20 to Mar-21	33
Natural gas	**628**	**Jan -22 a Dec-22**	(12)	533	Jan-21 to Dec-21	14	-	-	-
Polyethylene	**84,269**	**Jan -22 a Dec-22**	(124)	45,561	Jan-21 to Oct-21	112	-	-	-
Wheat	**13,202**	**Jan -22 a Dec-22**	936	8,334	Jan-21 to Dec-21	601	14,320	Feb-20 to Mar-21	58
Soybean oil	**818**	**Jan -22 a Dec-22**	14	678	Jan-21 to Dec-21	82	403	Jan-20 to Dec-20	29
Oil	**23,400**	**Jan -22 a Dec-22**	12	13,650	Jan-21 to Dec-21	1	-	-	-
Total current assets			**$ 1,201**			**$ 871**			**$ 143**
Polyethylene			$ -			$ -	31,303	Jan-20 to Dec-20	$ 63
Natural gas			-			-	1,000	Jan-20 to Jun-21	44
Total current liabilities			**$ -**			**$ -**			**$ 107**

As of December 31, 2021, 2020 and 2019, the Company reclassified $(924), $525 and $597, 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.

As of December 31, 2021, 2020 and 2019, 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, 2021, 2020 and 2019, the carrying value of financial assets and liabilities does not vary significantly from their fair value.

These derivative financial instruments are considered within level 1 and 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 unobservable

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	$ 14,926	$ 25,319	$ 14,807	$ 116,220	$ 171,272
Lease liabilities	5,793	9,762	6,168	16,206	37,929
Derivative financial instruments	-	136	486	276	898
Trade payables and accounts payable to related parties	37,279	-	-	-	37,279
Total	**$ 57,998**	**$ 35,217**	**$ 21,461**	**$ 132,702**	**$ 247,378**

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 balance between debt and equity in order to maximize the shareholders' return.

As of December 31, the equity structure and leverage ratio are as follows:

		2021		2020		2019
Debt [i]	$	**92,855**	$	85,229	$	86,672
Cash and cash equivalents		**(8,748)**		(9,268)		(6,251)
Net debt		**84,107**		75,961		80,421
Equity		**101,606**		88,011		78,311
Net debt to equity		**0.83 veces**		**0.86 veces**		**1.03 veces**

(i) Debt is comprised of bank loans and current and non-current structured notes, net of amortizable transaction costs.

18. Employee benefits and welfare plans

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

		2021		2020		2019
Retirement and post-retirement benefits						
Mexico	$	**3,618**	$	5,204	$	6,180
USA		**786**		1,233		1,530
Canada		**18**		995		733
EAA and Latin America		**545**		479		330
Total liabilities from retirement and post-retirement benefits		**4,967**		7,911		8,773
Multi-employer pension plans – USA		**19,227**		20,343		17,319
Social welfare USA		**4,012**		3,754		3,184
Net plan assets presented in other assets		**1,245**		821		604
Long-term bonuses payable to associates		**1,261**		1,003		546
Total net liability	**$**	**30,712**	**$**	**33,832**	**$**	**30,426**

a) Mexico

The Company has a defined benefit pension and seniority premium plan. The Company's funding policy is to make discretionary contributions. During 2021, 2020 and 2019, the Company contributed $1,150, $1,150 and $1,000, respectively, to the plan assets.

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 associates 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, 2021, 2020 and 2019 based on independent actuarial calculations.

b) USA

The Company has a defined benefit pension plan that covers eligible associates. 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, 2021, 2020 and 2019, the contributions made to the plan total $203, $161 and $193, respectively.

The Company has also established post-retirement social welfare plans, which cover the medical expenses of certain eligible associates. 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, 2021, 2020 and 2019 based on independent actuarial calculations.

c) Canada

The Company has a defined benefit pension plan that covers all eligible associates. 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 2021, 2020 and 2019 total $711, $172 and $152, respectively.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2021, 2020 and 2019 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, 2021, 2020 and 2019, the contributions made to the plans total $74, $57 and $68, respectively.

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

	2021	2020	2019
Mexico:			
Discount rate	**8.30%**	7.68%	7.57%
Salary increase rate	**4.50%**	4.50%	4.50%
Inflation rate	**3.50%**	4.00%	3.50%
Expected average weighted return	**7.68%**	7.57%	10.14%
USA:			
Discount rate	**2.73%**	2.30%	3.15%
Salary increase rate	**3.25%**	3.25%	3.25%
Inflation rate	**2.25%**	2.25%	2.50%
Expected average weighted return	**2.30%**	3.15%	4.20%
Canada:			
Discount rate	**2.90%**	2.50%	3.10%
Salary increase rate	**3.00%**	3.00%	3.00%
Inflation rate	**2.00%**	2.00%	2.00%
Expected average weighted return	**2.50%**	3.10%	3.90%

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

	2021	2020	2019
Mexico:			
Mortality table	**EMSSA 2009**	EMSSA 2009	EMSSA 2009
USA:			
Mortality table	**MP-2021**	MP-2020	MP-2019
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
2022	$ 420	$ 1,145	$ 303
2023	454	1,177	305
2024	516	1,203	306
2025	574	1,231	306
2026	621	1,241	306
2027 to 2031	2,669	5,792	1,525
	$ 5,254	**$ 11,789**	**$ 3,051**

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

	2021	2020	2019
Amounts recognized in profit or loss:			
Current year service cost	**$ 1,128**	$ 991	$ 717
Gain on plan settlements	**-**	(631)	-
Interest cost	**1,745**	1,851	1,618
Return on plan assets	**(1,324)**	(1,316)	(1,282)
	1,549	**895**	**1,053**

		2021		2020		2019
Actuarial (loss)/gain on defined benefits recognized in other comprehensive income:						
Mexico, USA and Canada:						
Experience adjustments to plan obligations		911		1,252		164
Effect of changes in demographic assumptions		87		(442)		(114)
Effect of changes in financial assumptions		(3,534) (1)		2,705 (2)		7,659
Actuarial (gain)/loss on estimate of plan assets (3)		810		(2,926)		(2,987)
EAA and Latin America		183		(227)		(7)
		(1,543)		362		4,715
	$	6	$	1,257	$	5,768

(1) Effects of a decrease in the discount rate in Mexico, the United States of America and Canada in 2021.
(2) The decrease against the previous year is due to the fact that the discount rate did not have significant changes, unlike the behavior of said rate in 2019, which presented a decrease of 2.57% compared to the 2018 discount rate.
(3) Effects of the decrease in the real rate of return, mainly in Mexico and the United States of America, in 2021

Of the current year service cost, $957, $808 and $567 were included in 2021, 2020 and 2019, 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, is as follows:

		2021		2020		2019
Present value of defined benefit obligation	$	41,401	$	42,386	$	37,840
Less - fair value of plan assets		36,823		34,790		29,254
		4,578		7,596		8,586
Plus - Retirement benefits for Latin America and EAA		545		479		330
Less - Current portion of retirement benefits recognized in accrued liabilities		(156)		(164)		(143)
Present value of unfunded defined benefits	$	4,967	$	7,911	$	8,773

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

		2021		2020		2019
Present value of defined benefit obligation as of January 1st	$	42,386	$	37,839	$	30,378
Current year service cost		1,128		991		717
Interest cost		1,745		1,851		1,618
Gains on plan settlements		-		(631)		-
Experience adjustments to plan obligations		911		1,252		164
Effect of changes in demographic assumptions		87		(442)		(114)
Effect of changes in financial assumptions (1)		(3,534)		2,705		7,659
Liabilities assumed in business combinations		-		1		
Translation effect		963		1,372		(756)
Benefits paid		(2,285)		(2,552)		(1,827)
Present value of defined benefit obligation as of December 31	$	41,401	$	42,386	$	37,839

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

		2021		2020		2019
Fair value of plan assets as of January 1st	$	34,790	$	29,253	$	25,394
Return on plan assets		1,324		1,316		1,282
Actuarial (gain)/loss on estimate of plan assets (1)		(810)		2,926		2,987
Employer contributions		2,064		1,483		1,345
Translation effect		882		1,194		(681)
Benefits paid		(1,427)		(1,382)		(1,074)
Fair value of plan assets as of December 31	$	36,823	$	34,790	$	29,253

Categories of plan assets:

	FAIR VALUE OF PLAN ASSETS		
	2021	2020	2019
Equity instruments	$ 7,247	$ 8,976	$ 6,875
Debt instruments	25,471	23,136	20,225
Other	4,105	2,678	2,153
	$ 36,823	$ 34,790	$ 29,253

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 variance of 50 basis points in the assumptions as of December 31, 2021 is as follows:

	MEXICO	USA	CANADA
Discount rate increase	$ (1,275)	$ (1,221)	$ (332)
Discount rate decrease	1,455	1,347	393
Salary rate increase	(639)	(440)	(33)
Salary rate decrease	686	380	40

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		
	2021	20209	2019
Mexico:			
Average duration	20.20	20.20	21.20
Active members	26.50	26.34	27.29
Retired members	8.30	9.42	9.56
USA:			
Average duration	12.16	12.83	12.27
Active members	13.83	14.48	13.89
Retired members	9.46	9.92	9.39
Deferred members	12.94	13.69	12.44
Canada:			
Average duration	12.80	13.40	13.10
Active members	16.80	17.30	16.80
Retired members	9.30	9.60	9.20
Deferred members	18.40	19.00	17.50

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

		2021		2020		2019
Present value of defined benefit obligation	$	41,401	$	42,386	$	37,839
Less - Fair value of plan assets		36,823		34,790		29,253
Unfunded defined benefit obligation	$	4,578	$	7,596	$	8,586
Experience adjustments to plan obligations and actuarial loss	$	911	$	1,252	$	164
Experience adjustments to plan assets	$	(810)	$	2,926	$	2,987

The Company expects to make a contribution of $1,441 to the retirement and post-retirement benefit plans in 2022.

Multi-Employer Pension Plans (MEPP)

The Company participates in defined benefit MEPPs through its subsidiary BBU, that are administered and controlled by an independent board of trustees that generally consists of an equal number of union and employer representatives. BBU's responsibility to contribute to these plans is established pursuant to its collective agreements that cover its union-represented associates. These plans generally provide for retirement benefits for eligible associates with the applicable bargaining units, based on specific eligibility and participation requirements, vesting periods and benefit formulas.

Assets contributed to a MEPP by one employer may be used to provide benefits to associates of other participating employers. In the event other employers withdraw from a MEPP in which BBU participates, without satisfying their entire withdrawal liability, the amount of the unsatisfied withdrawal liability would be allocated to the remaining active employers.

Generally, allocation of withdrawal liability is related to BBU's contributions to the plan in relation to other employers' contributions to the plan and is subject to the collective bargaining process as well as approval from the Pension Benefit Guarantee Corporation.

If any of the MEPPs in which BBU participates enters critical status and its contributions are not sufficient to satisfy any rehabilitation plan funding schedule, the BBU could be required to make additional surcharge contributions to the MEPP based on a percentage of existing contributions required under the Company's labor agreement.

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. For the years ended December 31, 2021, 2020 and 2019, the contributions made to the MEPPs total $2,556, $2,592 and $2,705, respectively. The Company expects to contribute of $2,464 to the plan in 2022.

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

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 (Note 19).

The movements of the MEPPs liability during the years ended December 31 were as follows:

		2021		2020		2019
Balance as of January 1st	$	20,343	$	17,319	$	16,217
Remeasurement – (Note 22)		(2,005)		1,639		1,408
Financial cost – (Not3 23)		230		390		424
Effect of foreign exchange differences		659		995		(730)
Balance as of December 31	$	19,227	$	20,343	$	17,319

In March 2021, the American Rescue Plan Act of 2021 ("ARPA)" was approved and signed into law by the United States federal government including a provision for special financial assistance for certain underfunded MEPPs. Based upon regulations issued in July 2021, it is expected that the underfunded MEPPs will be eligible to apply for financial assistance in 2022 and 2023. The approval timeline is uncertain, if approved, such funding could reduce BBU's contributions to underfunded MEPPs in the future, including withdrawal liabilities recognized by the Company on a provisional basis. The Company's management will continue to monitor and evaluate the potential impact of such application and potential approvals in the consolidated financial statements.

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. These liabilities are classified as short-term and long-term and their amounts included in the statement of financial position are:

		2021		2020		2019
Social welfare:						
Short-term (a)	$	1,511	$	448	$	413
Long-term		4,012		3,754		3,184
	$	5,523	$	4,202	$	3,597

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

19. Other non-current liabilities

The other non-current liabilities as of December 31, are as follows:

		2021		2020		2019
Provisions	$	5,793	$	4,919	$	4,386
Liabilities for exits from multi-employer plans		2,370		2,575		2,384
Deferred compensation		1,206		629		836
Virtual power purchase agreement		-		213		-
Other		453		662		435
	$	9,822	$	8,998	$	8,041

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		2021		2020		2019
Tax	$	1,191	$	1,040	$	1,000
Labor		711		873		789
Civil		110		111		254
Other		1		1		2
Uncertain tax positions		3,780		2,894		2,341
Total	$	5,793	$	4,919	$	4,386

The movements in the Company's provisions and liabilities related to uncertain tax positions as of December 31, are as follows:

		2021		2020		2019
Balance as of January 1st	$	4,919	$	4,386	$	3,639
Net increases		1,107		1,086		1,464
Payments		(177)		(337)		(554)
Effect of foreign exchange differences		(56)		(216)		(163)
Balance as of December 31	$	5,793	$	**4,919**	$	**4,386**

As of December 31, 2021, 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 $408. 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 was subject to tax liens as the presumed successor to companies that participate in these actions. On January 7, 2021, the Company signed an agreement with the corresponding authorities related to the above process, which implies payments during 7 years following the signing of said agreement with the option to settle in advance at any time. As a consequence of the above, as of December 31, 2021, $15 is presented in other accounts payable, as well as $284 in other long-term liabilities.

In addition, the Company has secured its labor and civil lawsuits with security deposits totaling $226, which are presented as part of other non-current assets.

Canada:

The Competition Bureau of Canada in 2017 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, 2021, the Company has not recognized a provision related to this matter.

20.Equity

An analysis of the Company's equity as of December 31, 2021, 2020 and 2019 is as follows:

	2021			2020			2019		
	NO. OF SHARES		AMOUNT	NO. OF SHARES		AMOUNT	NO. OF SHARES		AMOUNT
Fixed share capital:									
Series A	4,516,329,661	$	4,059	4,533,758,587	$	4,074	4,703,200,000	$	4,227
Treasury shares	(41,260,670)		(38)	(13,419,417)		(13)	(77,195,600)		(71)
Total	4,475,068,991	$	4,021	**4,520,339,170**	**$**	**4,061**	**4,626,004,400**	**$**	**4,156**

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 a regular shareholders' meeting held on April 30, 2021, the shareholders declared dividends of $4,502 ($1 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on May 7, 2021.

ii) At a regular shareholders' meeting held on April 30, 2021, the shareholders approved the cancellation of 17,428,926 Series "A" shares held in Treasury, resulting in a share capital and treasury shares reduction of $15.

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

iv) 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.

v) 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.

vi) 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 since 2014.

vii) 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, 2021, 2020 and 2019, the legal reserve is $500 (nominal amount).

viii) At regular shareholders' meetings held on April 29, 2020 and April 29, 2019, the shareholders agreed to increase the provision for repurchase of shares by $10,000 and $4,000, 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 and $5,200 as of December 31, 2020 and 2019, respectively. An analysis of movements in the provision is as follows:

		2021		2020		2019
Balance as of January 1st	$	**8,838**	$	2,483	$	188
Increases		**-**		10,000		4,000
Repurchase of shares		**(1,861)**		(3,645)		(1,705)
Balance as of December 31,	**$**	**6,977**	**$**	**8,838**	**$**	**2,483**

ix) 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.

x) As of December 31, the Company has the following tax balances:

		2021		2020		2019
Restated contributed capital account (CUCA)	$	**31,760**	$	30,834	$	29,892
Net taxed profits account (CUFIN)		**87,424**		81,722		76,438

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.

The value of the equity instrument as of December 31, is as follows:

		2021		2020		2019
Perpetual subordinated bond - principal	$	9,044	$	9,044	$	9,044
Issuance expenses		(58)		(58)		(58)
		8,986		8,986		8,986
Current income tax		(124)		1		(67)
Deferred income tax		5		9		12
Perpetual subordinated bond - principal	$	8,867	$	8,996	$	8,931

As of December 31, 2021, 2020 and 2019, the Company made semi-annual coupon payments of $621, $648 and $595, respectively, and recognized an income tax effect of $(187), $(194) and $(178), respectively. Therefore, retained earnings decreased by $435, $454 and $417, 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 for the years ended December 31 is as follows:

		2021		2020		2019
Cost of sales:						
Raw materials	$	106,199	$	97,891	$	89,112
Salaries and benefits		32,020		31,053		27,758
Freight, fuel and maintenance		12,583		12,583		11,447
Depreciation		7,109		6,586		6,088
Professional and consulting services and c		1,738		1,492		1,433
Short-term and low value lease expense		1,030		1,014		1,182
Indirect taxes		944		956		806
Travel expenses		91		64		165
Other production expenses		1,861		969		193
	$	163,575	$	152,608	$	138,184

		2021		2020		2019
Distribution, selling, administrative and other expenses:						
Salaries and benefits	$	70,123	$	66,521	$	57,755
Freight, fuel and maintenance		35,593		37,036		32,411
Advertising and promotional expenses		13,579		12,559		11,004
Professional and consulting services		13,803		9,845		7,844
Depreciation and amortization		9,266		9,665		8,285
Logistics expenses		3,993		3,596		3,125
Remeasurement of multi-employer pension plans (MEPP)		(2,247)		2,494		1,762
Integration expenses		724		1,968		2,435
Indirect taxes		1,562		1,494		1,161
Restructuring expenses		2,059		1,143		724
Short-term and low value lease expense		1,153		1,003		959
Travel expenses		1,179		801		1,420
Other		399		4,910		4,438
	$	151,186	$	153,035	$	133,323

22. Other expenses, net

An analysis of other expenses is as follows:

		2021		2020		2019
(Gain) on sale of property, plant and equipment	$	(187)	$	(117)	$	(28)
Impairment of goodwill		324		779		17
Impairment of trademarks and distribution rights		63		105		951
Restructuring expenses		2,059		1,143		724
Labor obligations		19		52		-
Usufruct amortization		201		220		220
Other non-current assets amortization		106		-		-
Remeasurement of multi-employer pension plans (MEPP) (Note 18)		(2,005)		1,639		1,408
Provision for updating other non-current liabilities		(242)		855		354
Other		(138)		497		367
	$	200	$	5,173	$	4,013

23. Interest expense

		2021		2020		2019
Interest on debt	$	5,550	$	7,017	$	6,181
Interest on lease liabilities		1,255		1,072		1,041
Net interest on pension plans		421		535		336
Interest for updating MEPPs		230		390		424
Other finance costs		428		410		579
	$	7,884	$	9,424	$	8,561

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, 2021, 2020 and 2019, the value of such letters of credit is USD244, USD248 and USD286 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, 2021, 2020 and 2019, the balance of $2,237, $1,521 and $764, respectively, under this program is presented as part of trade payables.

3. The 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, 2021, 2020 and 2019, the liability payable to Nafinsa under this program totals $1,734, $1,152 and $908, 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	12/02/2008	11/01/2012	18 years	326 MXN
Peru	08/05/2019	09/01/2019	3 years	0.15 USD
Argentina	09/05/2019	01/01/2020	15 years	1.8 USD
Chile	02/22/2020	04/01/2021	8 years	0.7 USD
Panama	12/22/2020	07/01/2021	5 years	0.32 USD
Colombia	12/22/2021	01/01/2022	8 years	1.2 USD
Brazil	12/03/2021	01/01/2022	3 years	2.1 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, 2021, 2020 and 2019, the net financial asset/(liability) of $336, $(213) and $47, respectively, is recognized as part of other non-current assets/(liabilities). In 2021, 2020 and 2019, the Company recognized $68 $71 and $27, respectively, under comprehensive financing cost corresponding to the amortization of the liability, and $(512), $345 and $(49), respectively, for changes in the fair value of assets/(liabilities).

6. On February 1st, 2021, the Company, through Canada Bread, entered into a virtual wind and solar energy supply agreement in Canada for a term of 15 years, which will be recognized as financial asset measured at fair value through profit and loss net of the effects of the associated deferred income and that will be accrued during the term of the contract. The start date of operation of this contract will be on January 1st, 2023.

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 is as follows:

	2021											
		MEXICO		NORTH AMERICA		LATIN AMERICA		EAA		ELIMINATED ON CONSOLIDATION		TOTAL
Net sales	$	118,661	$	176,275	$	31,376	$	34,195	$	(11,620)	$	348,887
Sales between segments	$	(11,156)	$	(336)	$	(25)	$	(103)	$	11,620	$	-
Consolidated net sales	$	107,505	$	175,939	$	31,351	$	34,092	$	-	$	348,887
Operating profit (*)	$	18,373	$	16,076	$	345	$	292	$	(960)	$	34,126
Depreciation and amortization	$	4,156	$	8,472	$	1,687	$	2,060	$	-	$	16,375
Impairment of non-current assets	$	144	$	57	$	142	$	351	$	-	$	694
Other items not affecting cash flows	$	-	$	(2,247)	$	19	$	1	$	210	$	(2,017)
Adjusted EBITDA (*) (**)	$	22,673	$	22,358	$	2,193	$	2,704	$	(750)	$	49,178
Net profit - Equity holders of the parent	$	16,546	$	8,864	$	(1,227)	$	(729)	$	(7,538)	$	15,916
Income tax	$	5,641	$	2,804	$	377	$	149	$	-	$	8,971
Interest income	$	836	$	99	$	56	$	29	$	(647)	$	373
Interest expense (***)	$	6,313	$	1,685	$	436	$	97	$	(647)	$	7,884
Total assets	$	78,386	$	202,347	$	30,121	$	45,860	$	(19,074)	$	337,640
Total liabilities	$	111,439	$	100,225	$	13,191	$	12,499	$	(1,320)	$	236,034
Purchase of property, plant and equipment	$	6,913	$	8,550	$	3,065	$	2,143	$	-	$	20,671

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
Purchase of property, plant and equipment	$ 3,738	$ 5,416	$ 1,448	$ 2,616	$ -	$ 13,218

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
Purchase of property, plant and equipment	$ 5,006	$ 4,641	$ 1,163	$ 2,307	$ -	$ 13,117

(*) Does not include intercompany royalties.
(**) The Company determines the Adjusted EBITDA as operating profit plus depreciation, amortization, impairment and other non-cash items, mainly the adjustments for valuation of MEPPs. Adjusted EBITDA differs from Conformed EBITDA mentioned in Note 13.
(***) Includes monetary position gains and losses.

For the years ended December 31, 2021, 2020 and 2019, sales to the Company's largest customer represent 14.50%, 14.32% and 13.50%, 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

International bond payment

On January 25, 2022, the Company paid USD198 million of the 144A international bond due on the same date. The payment was financed through the multi-currency revolving line.

Conflict between Russia and Ukraine

On February 21, 2022, Russia and Ukraine ceased its diplomatic relationship and a military conflict between the two countries began. In response to the conflict, some Western countries began to implement sanctions against Russia, including sanctions against financial institutions, people involved in the invasion of Ukraine, airspace restrictions, and other government sanctions such as the prohibition of sale, supply, transfer or export of certain goods and technology. In addition, the measures and reactions that Russia could have in the face of the sanctions that were imposed on it are uncertain.

At this time, it is not possible to predict the magnitude of the economic, political and social consequences that will result from the conflict, considering that the Company has a presence in Ukraine and Russia. Due to the current international situation, and in line with the Company's values, on February 23, 2022 the Company reported the temporary suspension of operations at the Ukraine plant and on March 14, 2022 the suspension of sales under the Bimbo brand, as well as of new capital and marketing investments in Russia.

Although the Company considers that both actions will not have a material impact on its business, it will continue to monitor and evaluate the situation as circumstances evolve, since external factors over which the Company has no control, such as political, economic or social developments arising from the conflict, could have an adverse negative effect on the global market or on the business, financial condition, results of operations and perspectives of the Company.

27. Authorization of the Consolidated Financial Statements

On March 23, 2022, the accompanying consolidated financial statements were authorized by the Company's Chief Executive Officer, Daniel Servitje Montull, and the Board of Directors. Consequently, these consolidated financial statements do not reflect the facts and circumstances that occurred after that date and are subject to the approval of the shareholders, who have the authority to modify these consolidated financial statements in accordance with the Mexican Corporations Act.

INFORMATION FOR GROUPS OF INTEREST

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

Stock Exchange
Mexican stock exchange (MSE)

Ticker
BIMBO

Level I ADR Ticker
BMBOY

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