OUR FINANCIAL results

FINANCIAL RESULTS

Record levels in Net Sales and Profits

NET SALES

CAGR 2012-2022:

8.7%

	2012	2022
Points of Sale	+2.2 M	+3.3 M
Countries	19	33
Bakeries and Plants	154	204
Associates	+125 K	+139 K

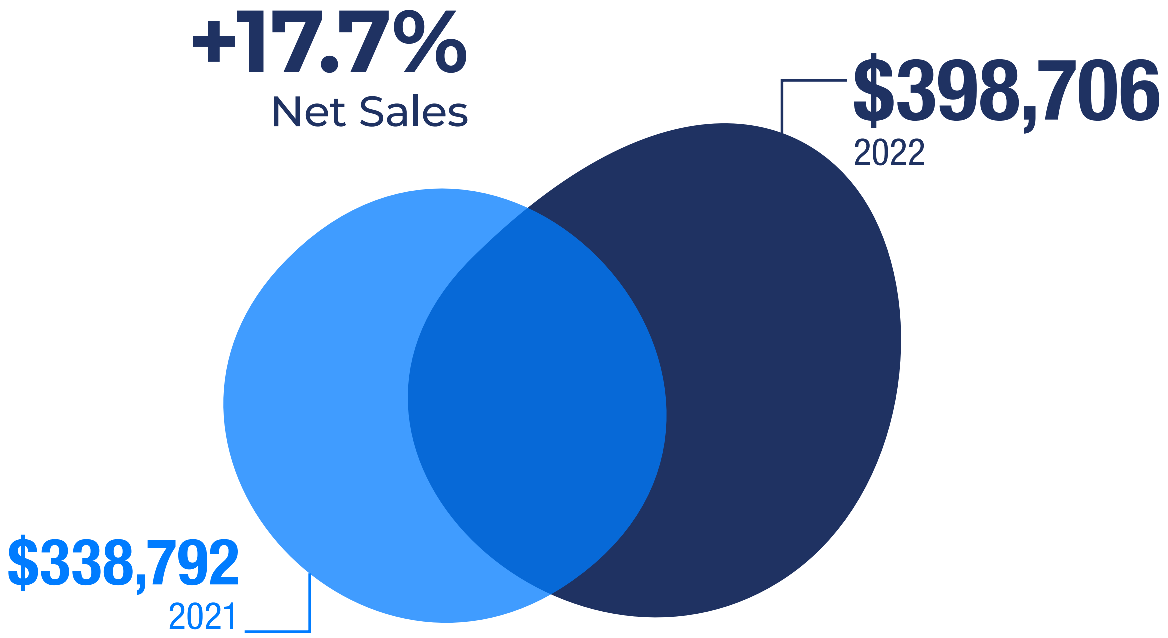
"2022 was a remarkable year with historic financial performance. We reached $19.8 billion dollars in Net Sales and $2.7 billion dollars in EBITDA, posting 10% and 12% 10-year CAGR, respectively. We saw market share gains in most categories, made record CAPEX investments, fine-tuned our strategic focus on grain-based foods, successfully turned around Argentina and Brazil, and we launched our sustainability strategy."

Daniel Servitje,
Chairman and CEO

FINANCIAL PERFORMANCE

NET SALES

2022 Net Sales reached a record level at Ps. 398,706 million, an increase of 17.7%, mainly attributable to strong price/mix and volume across every region, which was partially offset by FX rate effect. Excluding this effect, Net Sales increased 20.6%.



North America[1]

Net Sales in North America in US dollars terms grew 18.4%, mainly reflecting the successful implementation of the pricing strategy across categories and channels. Net Sales also benefited from an extra week of sales compared to prior year. Snacks, Premium and Mainstream bread, and Sweet Baked Goods categories outperformed, with continued solid market share performance in multiple categories.

Mexico[2]

Net Sales increased 19.5%, attributable to favorable price/product mix performance and price increases. Every channel posted double-digit growth, most notably the convenience, retail, and traditional channels, as did the snacks, sweet baked goods, snack cakes, cookies, and bread categories.

Latin America[3]

Net Sales increased 23.5% in peso terms. Excluding the FX rate effect, Net Sales increased by 36.4%, mainly due to favorable price/mix and strong volume performance. Almost every country posted double-digit growth in local currency, highlighting Brazil, Colombia, Argentina and Chile. To a lesser extent, sales growth was also benefited by the inorganic contribution from the acquisition of Aryzta do Brasil.

EAA[4]

Net Sales increased 9.8% in peso terms. Excluding the FX rate effect, Net Sales increased 21.3%. Primarily reflecting pricing actions and volume growth across most countries in the region, as well as the incremental sales from the acquisition of St. Pierre. This was partially offset by a continued challenging Covid environment in China.

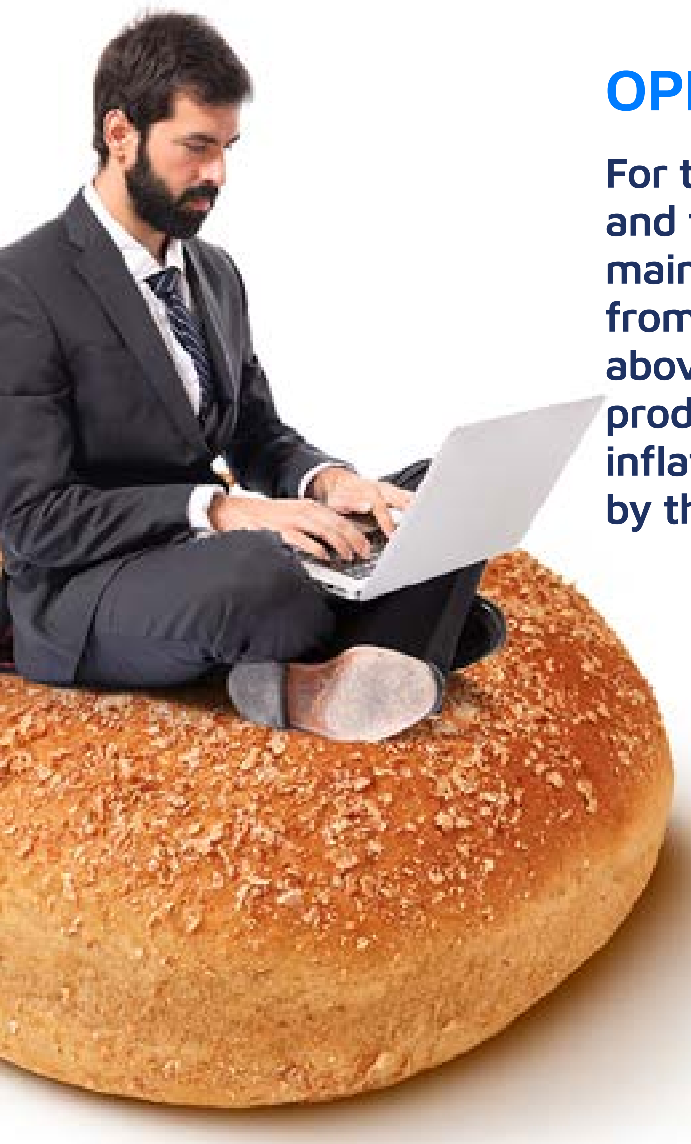
1 The North American region includes the results of operations in the United States and Canada.
2 Inter-company transactions have been removed from Mexico.
3 The Latin America region includes the results of operations in Central and South America.
4 The EAA region includes the results of operations in Europe, Asia and Africa.

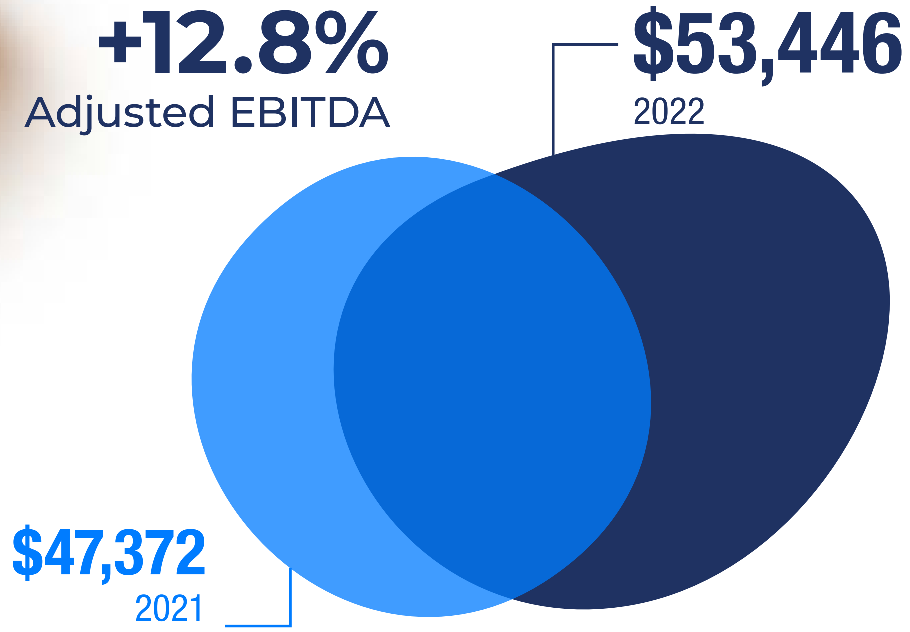
GROSS PROFIT

Gross Profit increased 13.4%, while the margin contracted 200 basis points to 51.5%, mainly due to higher raw material costs.

OPERATING INCOME

For the full year, Operating Income grew 64.8% and the margin expanded 390 basis points, mainly due a non-cash benefit of US $934 million from the adjustment to the MEPPs liability, the above-mentioned strong sales performance and productivity savings across every region despite the inflationary environment. This was partially offset by the abovementioned effects.





ADJUSTED EBITDA

Adjusted EBITDA reached a record level at Ps. 53,455 million an increase of 12.8%, while the margin contracted 60 basis points, primarily attributable to the abovementioned higher cost of sales, partially offset by the strong sales performance globally.

North America

The 120 basis point margin contraction in North America was mainly due to a higher inflationary environment, including commodities and labor costs. This was partially offset by pricing, favorable product mix and productivity benefits from past restructuring investments.

Mexico

In Mexico, the margin contracted 110 basis points, mainly attributable to higher raw material costs. This was partially offset by strong sales performance, the favorable product and category mix, and distribution and administrative expenses efficiencies.

Latin America

The margin expanded 270 basis points, primarily due to strong sales performance across all organizations, an improved product mix, productivity gains throughout the supply chain, and strong results in Brazil and Argentina.

EAA

EAA posted a 90 basis point margin contraction, mainly due to higher raw material costs, FX headwinds and negative product mix effect in Iberia, as well as weak results in China.

*Note: Multi-Employer Pension Plans ("MEPPs")

COMPREHENSIVE FINANCING COST

Comprehensive Financing Cost totaled Ps. 2,916 million, a 33.4% increase when compared to the fourth quarter of 2021, attributable to higher exchange loss and interest expenses.

NET MAJORITY INCOME

Net Majority Income rose 194.7% and the margin expanded 710 basis points, due to the strong sales and operating performance, the divestiture of Ricolino, the positive effect of MEPPs, and a lower effective tax rate which stood at 31.3%. Excluding these effects, Net Majority Income increased 21.4% and the margin expanded 20 basis points.

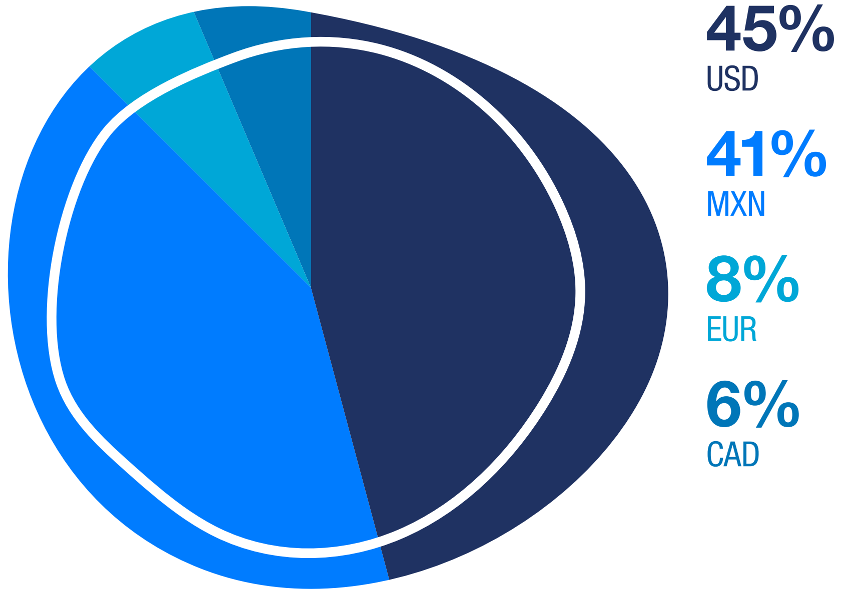
FINANCIAL STRUCTURE

Total Debt on December 31, 2022, was Ps. 84 billion, compared to Ps. 93 billion on December 31, 2021. The decrease was primarily due to the prepayment of debt using the proceeds from Ricolino and the FX rate effect.

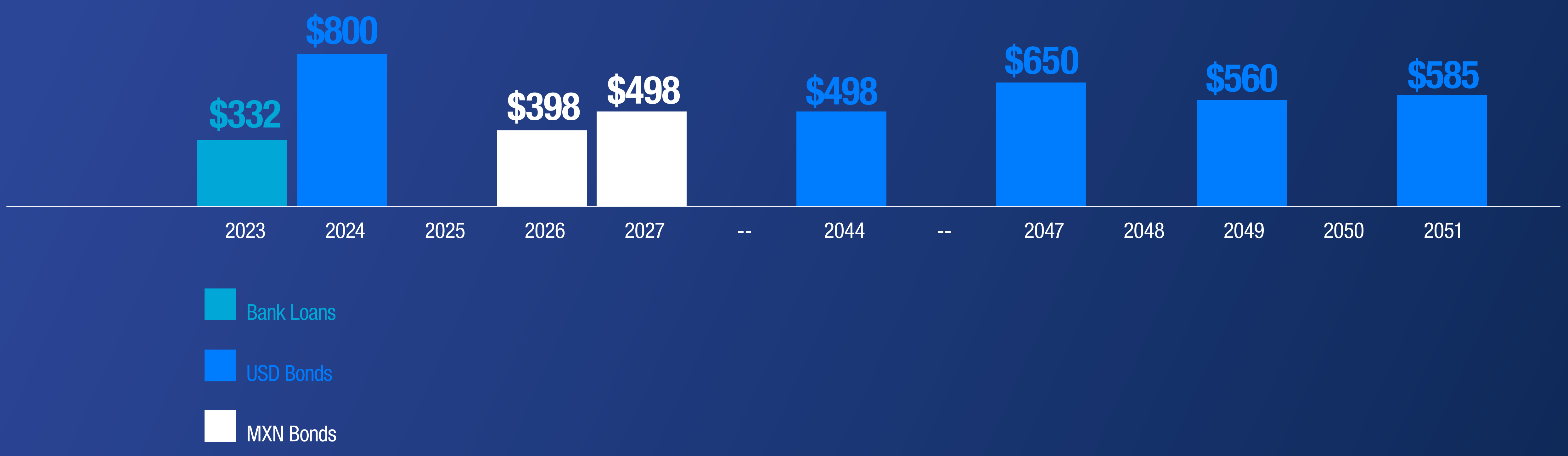
Average debt maturity was 14.1 years with an average cost of 6.0%. Long-term Debt comprised 92% of the total; 45% of the debt was denominated in US dollars, 41% in Mexican pesos, 8% in Euros and 6% in Canadian dollars.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 1.5 times, compared to 2.0 times on December 31, 2021.

Currency Mix



AMORTIZATION PROFILE
(MILLIONS OF US DOLLARS)



*Note: Does not include US $56 mm of long-term debt at subsidiary level. Includes 30-year issuance by BBU

"I'm very proud of the impressive hard work of our teams to navigate under difficult conditions, with a successful implementation of pricing actions, an excellent execution at the point of sale and delivering better-than-expected results. After a year of outstanding results, we start 2023 well-positioned to reach our plan, with continued investments in key strategic opportunities for sustainable growth."

Diego Gaxiola,
CFO

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of December 31, 2022, 2021 and 2020, and the consolidated statements of profit or loss, consolidated statements of other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grupo Bimbo, S.A.B. de C.V. and Subsidiaries as of December 31, 2022, 2021 and 2020, and its consolidated results and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

Description of key audit matter

As described in Notes 11 and 12 to the consolidated financial statements, the Company recognized goodwill and intangible assets of $127,147 million as of December 31, 2022. Impairment exists when the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit level.

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

How our audit addressed the key audit matter

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

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

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

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

Business combinations

Description of the key audit matter

As described in Note 1 to the consolidated financial statements, during 2022 the Company finalized the distribution of the purchase price of the net assets acquired in business combinations of the previous year, with an adjustment to the preliminary distribution of $356 million.

We consider that the definitive allocation of the purchase price in business combinations is a key audit matter due to the complexity of the key assumptions used in estimating the fair value of the assets acquired, determining the discount rate and measuring the assets identified as part of the transaction. The fair value determination is sensitive to assumptions used by management and financial projections, discount rates and other assumptions used in fair value measurement models

How our audit addressed the key audit matter

For business combinations in 2022 for which the Company completed the definitive allocation of the purchase price among the net assets acquired, among other procedures, we involved our internal valuation specialists to assist in the assessment of the key assumptions and methodology used by the Company management, primarily in determining the fair value of property, plant and equipment, and intangible assets with definite and indefinite useful lives.

We also assessed the key assumptions used by management, with regard to the annual growth rates and cost projections, along with other key assumptions used in measuring the fair value of intangible assets and we compared them with publicly available information obtained from market participants and relevant industry trends.

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

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

Sale of the confectionery business

Description of key audit matter

As disclosed in Notes 1 and 24 to the consolidated financial statements, on 1 November 2022, the Company completed the sale of its confectionery business for Ps. 25,797 million, which included the sale of shares of the subsidiaries engaged in the confectionery business, as well as their trademarks.

We consider the financial effects of the discontinued operation from the sale of the confectionery business to be a key audit matter due to its impact on recognition, presentation and disclosure in the consolidated financial statements, as well as its tax effects.

How our audit addressed the key audit matter

We analyzed the calculation of the financial impact generated by this transaction, including the profit earned and the respective tax effects, accounting cost and consideration received, among others.

We involved our internal tax specialists in the review of the methodology used by Company management to calculate the corresponding tax effects.

We also evaluated the reasonableness of the Company's recognition, presentation and disclosure of discontinued operations in the consolidated financial statements as at 31 December 2022.

Other information included in the 2022 annual report of the Company

The other information comprises the information included in the annual report filed with the National Banking and Securities Commission (CNBV, by its acronym in Spanish) and the annual report submitted to the shareholders but does not include the consolidated financial statements and our auditor's report thereon. We expect to obtain the other information after the date of this auditor's report. Management is responsible for the other information

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report filed with the CNBV and the annual report submitted to the shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to issue a statement on the Annual Report required by the CNBV that contains a description of the matter.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Company's financial information of the entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

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

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

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

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

Adán Aranda Suárez
Mexico City, Mexico April 5, 2023

AUDIT COMMITTEE LETTERS AND CORPORATE PRACTICES

Mexico City, April 4th, 2023

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V

In my capacity as chairman of the Audit and Corporate Practices Committee (the "Committee") of Grupo Bimbo, S.A.B. de C.V. (the "Company"), and in accordance with point e), section II of Article 42 of the Securities Market Act, I hereby present you the opinion of the Committee regarding the content of the report of the Chief Executive Officer regarding the financial situation and results of the Company for the year ended December 31, 2022

In the opinion of the Committee, the accounting and information policies and criteria followed by the Company and used to prepare the consolidated financial information are appropriate and sufficient, and consistent with international financial reporting standards. Therefore, the consolidated financial information presented by the Chief Executive Officer reasonably reflects the financial situation and results of the Company as of December 31 2022 and for the year ended on that date.

Sincerely,

Edmundo Vallejo Venegas
Chairman of the Audit and Corporate Practices Committee of Grupo Bimbo, SA.B. de C.V.

Mexico City, April 4th, 2023

To the Board of Directors of Grupo Bimbo, S.A.B. de C.V.

Dear members of the Board of Directors.

To comply with the "Ley del Mercado de Valores", the charters of the Company and the Regulations of the Audit and Corporate Practices Committee of Grupo Bimbo, S.A.B. de C.V. ("the Group", "the Company", "the Society"), I submit to you the report of the activities carried out by the Audit and Corporate Practices Committee ("the Committee") during the year ended on December 31, 2022. During the development of our work, we kept in mind the recommendations established in the Code of Best Corporate Practices.

Based on the previously approved work program, the Committee met seven times in the year, and we vented the issues that we are legally bound by law and conduct the activities that I describe below:

INTERNAL CONTROL

We ensure that management has established the general guidelines on internal control as well as the necessary processes for its application and compliance, with the help of both Internal and External Auditors. Additionally, we followed up on the observations developed in this regard by both audit bodies in the performance of their work.

Those responsible for the Administration presented us with the action plans corresponding to the observations derived from the internal audits, in such a way that the contact with them was frequent and their responses satisfactory.

The Committee learned about the functions of the Global Internal Control and Risk Management Department during the year, who presented the consulting work conducted by the firm Deloitte on the evaluation of the activities of that department in terms of governance structure, control selfassessment process, risk assessment, global policies and regulations. He also reported on the progress of the implementation of the Control Self-Assessment model, as well as the progress of the regulatory compliance project related to properties at risk of closure due to lack of regulatory permits. Finally, he was informed about the progress of the Identity and Access (IAM) project that is already functional and is implemented in the operations of Mexico, BBU and Bimbo Canada.

CODE OF ETHICS

With the support of both Internal Audit and other instances of the company, we ensure the degree of compliance, by its staff, with the Code of Ethics in force in the Group.

We learned about the results and outstanding topics in the contact line for the Group's associates. The Administration let us know of the actions they took in such cases.

EXTERNAL AUDIT

We were in constant contact with the representative of the firm EY to follow up on the relevant matters and learn about the activities conducted during the year, in conjunction with the Company's Management. The audit of the consolidated financial statements as of December 31, 2022, was completed and the opinion was clean.

We approved the contract and fees for these services for the years 2022 and 2023, including those related to the additional fees for the growth of the Group and other permitted services. We ensured that such payments did not interfere with their independence.

The external auditors presented us, and the Committee approved, their approach and work program and the areas of interaction with the Group's Internal Audit Department.

The external auditors asked this committee about the knowledge of relevant fraud, complaints about financial information, concerns about transactions of related parties and/or knowledge of possible violations of laws or regulations, to which the Committee gave a negative answer to these questions.

We maintained direct and close communication with the external auditors, and they informed us quarterly of the progress of their work, the observations they had and we took note of their comments on the quarterly and annual financial statements. We learned in a timely manner its conclusions and reports on the annual financial statements.

We review the contents in a timely manner of the Communication prior to the issuance of the External Audit Report (or Report of the Independent Auditors) made in accordance with International Standards on Auditing on the Company's consolidated financial statements as of December 31, 2022 and for the year ended then, which have been prepared in accordance with International Financial Reporting Standard (hereinafter IFRS), issued by the Company's Independent External Auditor and legal representative of Mancera, S.C. (or EY Mexico), in order to comply with the provisions of Article 35 of the General Provisions Applicable to Entities and Issuers Supervised by the National Banking and Securities Commission that Contract External Audit Services of Basic Financial Statements (hereinafter Provisions, Single Circular of External Auditors or CUAE).

We evaluated the services provided by the firm of external auditors, corresponding to the year 2022 and we knew the preliminary financial statements in a timely manner.

Finally, it was reported that EY in conjunction with the management, reached an agreement to renew for five more years the external audit services for Grupo Bimbo. Based on this agreement, the board was asked to approve the renewal of EY as an external auditor.

EY also introduced Enrique García C., partner of the EY audit area to the Audit Committee, who will be the partner responsible for Bimbo's account from 2023 until 2027.

INTERNAL AUDIT

The audit plan for 2023 was approved, corresponding to a total of 468 projects in 31 countries, which represents a 5% increase compared to the number of projects in 2022 and covers 11% of the auditable universe of Grupo Bimbo, which consists of 45% of the total bakeries and snacks, 42% of all distribution centers; 31% of all legal entities and 3% of all sales centers. To comply with the Audit Plan, the Management has 119 auditors and 5 trainees and the collaboration with PwC for a cosourcing in India with 10 auditors.

At each session of this Committee, we receive and adopt periodic progress reports on the approved program of work. We followed up on the observations and suggestions made by Internal Audit and made sure that the administration solved the internal control deviations indicated, so we consider that the state of said system is reasonably correct.

We authorize the annual training plan for area personnel and ensure its effectiveness. Several firms of specialized professionals actively participate in this plan, in such a way that the topics covered keep the members of this function updated.

In accordance with compliance with the Standards for the Professional Practice of Internal Auditing, this Committee approved the update to the Internal Audit Charter of Grupo Bimbo, the Audit VP confirmed to the Committee the independence of the internal audit activity, there were no relevant risks assumed by the operation that this Committee had to know and the conflicts that currently occur with the auditors of the department and the Plan for its mitigation.

SECURITY

The Global Head of Security and Assets reported on major security developments during the year across organizations. Special attention is given in the countries of Mexico and the Central Latin American region.

INFORMATION TECHNOLOGIES

The Global Business Technology Department presented the company's cybersecurity strategy, as well as the actions that have been taken to improve the group's security systems which generated favorable comments from the committee.

FINANCIAL INFORMATION AND ACCOUNTING POLICIES

Together with the persons responsible for the preparation of the quarterly and annual financial statements of the company, we knew about them, reviewed them, and recommended their approval to the Board of Directors and granted the authorization to be published. To carry out this process, we considered the opinion and observations issued by the external auditors.

The Committee approved, at the request of the Global Comptroller's Office, the company's accounting policies for 2022, which have not undergone significant changes compared to 2021. The only changes correspond to the change of the estimate of the useful life of wood displays in BBU from 2 to 5 years and the incorporation of Turkey into the accounting model for hyperinflationary economies.

With the support of the internal and external auditors and in commenting on the financial statements, we ensure that the criteria, accounting policies and information used by Management to prepare financial information are adequate and sufficient and have been applied in a manner consistent with the prior period, taking into account the changes applicable both in the year and for the previous year, related to IFRS. Accordingly, the information presented by Management reasonably reflects the Company's financial position, results of operations, changes in stockholders' equity and cash flows.

COMPLIANCE WITH REGULATIONS AND LAWS THAT CAN BE MET WITH CONTINGENCIES

We ensure the existence and reliability of the internal controls established by the company to fully comply with the different legal provisions to which it is subject, making sure that they were adequately disclosed in the financial information. All the above with the support of internal and external auditors.

At the end of each quarter we reviewed the various fiscal, legal and labor contingencies existing in the company and we made sure that the procedure established to identify them was comprehensive and followed consistently, so that the Administration had the elements for its timely and adequate follow-up. The status and progress of activities related to cases that continue to be faced in various countries were reviewed.

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

The Global Procurement Department presented its report of related suppliers that offer their services to Grupo Bimbo. In this report, the amounts, categories and percentages of participation of each one with the company were presented.

The Global Chief Compliance Officer presented his annual report on progress and plans on training and compliance with the code of ethics, anti-corruption policy, and regulatory compliance.

The Global Insurance Department reported on the behavior of the cost in global insurance, in particular property insurance, cybersecurity, crime. Likewise, the global policy administration model was commented on in terms of the sufficiency of limits, definition of appetite, declaration of risk values and loss prevention actions.

The Global Institutional Relations Department reported the progress of the Speak Up complaint line in terms of the number of cases per Organization, the levels of complaint attention in Grupo Bimbo, the types of incidents and the average days of response also by Organization. Fraud risk processes were included in the case catalog and training in the processes of investigation and response of labor cases was reinforced.

The Global Procurement commented on the conditions of the markets for raw materials throughout the year, the hedging conditions and the future strategy due to the volatility of the markets, especially the prices of wheat and corn.

The Global Quality and Food Safety Department commented on the evolution of the global strategy on this issue and its incorporation into the entire supply chain, as well as the formation of the new technical audit task force required to support the reviews between this new technical audit team and the work carried out by the internal audit department, with the purpose of increasing the frequency of visits and coverage of food safety risks in bakery factories and snacks.

The Global Corporate Affairs' VP presented the new structure of the Business Continuity and Crisis Management model that now depends on this direction. It was commented on the new strategy aligned with the maturity models of the best practices in Business Continuity and Crisis Management

Such as ISO22301, which includes the design of the new policies, governance model, risk analysis, strategy design, as well as its implementation and validation.

COMPLIANCE WITH OTHER OBLIGATIONS

We hold meetings with the VPs and officials of the Administration that we consider necessary to keep us informed of the progress of the Company and relevant and unusual activities and events.

We were aware of the significant issues that could involve possible breaches of the operating policies, internal control system and accounting record policies, likewise, we were informed about the corrective measures taken in each of them, finding them satisfactory.

We do not consider it necessary to request the support and opinion of independent experts because de issues discussed in each session were duly supported by the relative information and therefore the conclusions reached were satisfactory for the members of the Committee.

OPERATION WITH STAKEHOLDERS

We review and recommend to the Board for approval, each and every one of the transactions with stakeholders that require approval by the Board of Directors for the year 2022, as well as the recurring transactions that are planned to be held during the year 2023 and that require approval by the Board of Directors.

MANAGEMENTE EVALUATION

We review and recommend to the Board for approval, the evaluation of the management an remuneration of the CEO, as well as the VPs that make up the Executive Committee for the year 2022, previously reviewed and recommended by the Evaluation and Results Committee.

In my capacity as Chairman of the Audit and Corporate Practices Committee, I reported to the Board of Directors the activities that we carry out collegially within that body.

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

Kind regards,

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

about THIS REPORT

This annual report aims to share with our stakeholders the fulfillment of our corporate purpose through the achievements and progress made, guided by our Business and Sustainability Strategy.

This report contains the global economic, social, environmental and financial results of Grupo Bimbo for the period beginning January 1 and ending December 31, 2022. It has been prepared in accordance with the GRI Sustainability Reporting Standards "core" option with the information requested by the Mexican Stock Exchange through SAM (now S&P Global) for inclusion in the Sustainable Index and with information obtained in response to requests about our material topics and stakeholders. It is also aligned with the 10 Principles of the United Nations Global Compact and the 17 Sustainable Development Goals. The last report was prepared for the same period corresponding to 2021.

Consistent with our principles of caring for the environment, we have prepared this document in digital format.

For the 12th time, we report the results of the activities conducted in Mexico, North America, Latin America, Europe, Asia and Africa. The information obtained from the specialized areas in the different GRI indicators was submitted to an internal audit to validate the qualitative and quantitative information. The financial information was submitted to an external verification process.

During this last period, there are no significant changes with respect to the previous periods reported in materiality or coverage.

Data and information updated as of June 13, 2023.

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Consolidated FINANCIAL Statements

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

DECEMBER 31, 2022, 2021 AND 2020
WITH INDEPENDENT AUDITOR'S REPORT

CONTENTS:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in millions of Mexican pesos)

	Notes	December 31 2022	2021	2020
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents		$ 12,313	$ 8,748	$ 9,268
Trade receivables and other accounts receivable, net	5	32,185	27,170	27,487
Inventories	6	16,989	13,710	10,893
Prepaid expenses		928	2,296	1,944
Derivative financial instruments	17	38	1,293	871
Guarantee deposits for derivative financial instruments	17	879	-	-
Assets held for sale		138	194	140
Total current assets		63,470	53,411	50,603
Property, plant and equipment, net	8	113,505	103,891	91,248
Right-of-use assets, net	9	28,477	30,754	29,163
Investments in associates	10	5,144	4,452	3,143
Derivative financial instruments	17	2,005	1,962	267
Deferred income tax	16	3,962	7,861	8,733
Intangible assets, net	11	59,062	56,965	55,007
Goodwill	12	68,085	74,565	66,904
Other non-current assets, net		4,054	3,779	2,583
Total assets		$ 347,764	$ 337,640	$ 307,651
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Current portion of non-current debt	13	$ 6,435	$ 10,625	$ 600
Trade accounts payable		44,058	35,752	26,679
Other accounts payable and accrued liabilities	14	24,198	24,102	24,901
Current lease liabilities	9	5,930	5,793	5,153
Accounts payable to related parties	15	1,240	1,527	1,334
Current income tax	16	4,604	708	-

	Notes	December 31 2022	2021	2020
Statutory employee profit sharing		1,811	1,692	1,017
Derivative financial instruments	17	1,458	169	1,183
Other current liabilities	17	-	392	398
Total current liabilities		89,734	80,760	61,265
Non-current debt	13	77,619	82,230	84,629
Non-current lease liabilities	9	23,255	25,356	23,936
Non-current derivative financial instruments	17	590	67	214
Employee benefits	18	9,382	30,712	33,832
Deferred income tax	16	7,575	7,087	6,766
Other non-current liabilities	19	12,007	9,822	8,998
Total liabilities		220,162	236,034	219,640
EQUITY:				
Capital stock	20	3,984	4,021	4,061
Retained earnings		111,486	73,384	64,265
Other equity financial instrument	20	8,098	8,867	8,996
Cumulative foreign currency translation effect from foreign operations		1,132	10,297	9,046
Remeasurements on defined benefit plans liability		1,152	696	(443)
Valuation of equity financial instrument		(690)	(742)	(661)
Unrealized (loss) gain on cash flow hedges	17	(1,051)	577	(1,551)
Controlling interest		124,111	97,100	83,713
Non-controlling interest		3,491	4,506	4,298
Total equity		127,602	101,606	88,011
Total liabilities and equity		$ 347,764	$ 337,640	$ 307,651

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
CONTINUING OPERATIONS				
Net sales		$ 398,706	$ 338,792	$ 322,943
Cost of sales	21	193,325	157,703	148,004
Gross profit		205,381	181,089	174,939
General expenses:				
Distribution and selling		140,455	124,422	121,482
Administrative		26,172	23,147	22,228
Integration expenses		367	724	1,968
Other (income) expenses, net	22	(15,309)	216	5,196
	21	151,685	148,509	150,874
Operating profit		53,696	32,580	24,065
Comprehensive financing cost:				
Interest expense	23	8,049	7,823	9,357
Interest income		(740)	(363)	(352)
Foreign exchange (gain)/loss, net		995	538	(82)
(Gain) on monetary position		(34)	(25)	(70)
		8,270	7,973	8,853
Associates profit sharing	10	452	247	194
Profit before income tax		45,878	24,854	15,406
Income tax	16	14,381	8,726	5,943
Net profit from continuing operations		31,497	16,128	9,463

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
DISCONTINUED OPERATION				
Net profit after income tax discontinued operation	3e) y 24	16,988	1,254	1,088
Consolidated net profit		$ 48,485	$ 17,382	$ 10,551
Controlling interest				
Continuing operation		$ 30,324	$ 14,692	$ 8,049
Discontinued operation		16,586	1,224	1,062
Controlling interest		$ 46,910	$ 15,916	$ 9,111
Non-controlling interest				
Continuing operation		$ 1,173	$ 1,436	$ 1,414
Discontinued operation		402	30	26
Non-controlling interest		$ 1,575	$ 1,466	$ 1,440
Basic earnings per ordinary share				
Continuing operation		$ 6.81	$ 3.28	$ 1.77
Discontinued operation		3.73	0.27	0.23
		$ 10.54	$ 3.55	$ 2.00
Weighted average number of outstanding shares (in thousands of shares)		4,448,693	4,487,268	4,552,712

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

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

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

(Amounts in millions of Mexican pesos)

	Notes	2022	2021 Reformulated	2020 Reformulated
Consolidated net profit		$ 48,485	$ 17,382	$ 10,551
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Valuation of equity financial instrument	3c	(32)	(112)	(239)
Remeasurements on defined benefit plans liability	18	800	1,543	(362)
Income tax	16	(207)	(432)	145
		561	999	(456)
Items that may be reclassified subsequently to profit or loss:				
Effect of net investment hedge		667	(723)	(2,828)
Foreign operations currency translation effect of the year		(9,862)	2,114	7,400
Net change in unrealized (loss) gain on cash flow hedges	17	(2,213)	2,988	(386)
Income tax	16	142	(937)	3,672
		(11,266)	3,442	7,858
Other comprehensive income		(10,705)	4,441	7,402
Consolidated comprehensive income		$ 37,780	$ 21,823	$ 17,953
Comprehensive income attributable to controlling interest		$ 36,625	$ 20,353	$ 16,185
Comprehensive income attributable to non-controlling interest		$ 1,155	$ 1,470	$ 1,768

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

(Amounts in millions of Mexican pesos)

	Capital stock	Other equity financial instrument	Retained earnings	Accumulated other comprehensive income	Equity attributable to controlling interest	Non-controlling interest	Total equity
Balance as of December 31, 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
Other equity instrument dividends	-	-	(649)	-	(649)	-	(649)
Other equity instrument income taxes	-	(424)	195	-	(229)	-	(229)
Consolidation effect of structured entities	-	-	-	-	-	(2,011)	(2,011)
Repurchase equity instrument	-	(345)	(32)	-	(377)	-	(377)
Dividends declared	-	-	(5,791)	-	(5,791)	(94)	(5,885)
Repurchase of shares (Note 20)	(37)	-	(2,531)	-	(2,568)	-	(2,568)
Decrease non-controlling interest by discontinued operation	-	-	-	-	-	(65)	(65)
Balance before comprehensive income	3,984	8,098	64, 576	10,828	87,486	2,336	89,822
Consolidated net profit for the year	-	-	46,910	-	46,910	1,575	48,485
Other comprehensive income	-	-	-	(10,285)	(10,285)	(420)	(10,705)
Consolidated comprehensive income	-	-	46,910	(10,285)	36,625	1,155	37,780
Balance as of December 31, 2022	$ 3,984	$ 8,098	$ 111,486	$ 543	$ 124,111	$ 3,491	$ 127,602

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in millions of Mexican pesos)

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
OPERATING ACTIVITIES				
Profit before income tax from continuing operation		$ 45,878	$ 24,854	$ 15,406
Profit before income tax from discontinued operation	24	23,516	1,499	1,337
Profit before income tax		69,394	26,353	16,743
Adjustments for:				
Depreciation and amortization	8, 9, 11, 22, 24	18,282	16,375	16,251
(Gain)/loss on sale of property, plant and equipment		650	(157)	(127)
Property, plant and equipment write-off due to casualty		-	379	-
Share of profit of associates	10	(452)	(247)	(194)
Impairment of non-current assets		1,046	694	1,075
Profit on disposal of discontinued operation	24	(22,038)	-	-
Multi-employer pension plan and other non-current liabilities	22	(19,010)	(2,247)	2,494
Current year service cost	18	1,013	1,128	991
Interest expense	23	8,049	7,884	9,424
Interest income		(740)	(373)	(387)
Short-term and low-value lease expenses	9	2,519	2,183	2,017
Changes in assets and liabilities:				
Trade receivables and other accounts receivable		(6,647)	666	(914)
Inventories		(4,163)	(2,320)	(769)
Prepaid expenses		1,261	(365)	(684)
Trade accounts payable		9,920	8,286	3,004
Other accounts payable and accrued liabilities		(3,395)	(1,025)	4,718
Accounts payable to related parties		287	209	270
Income tax paid		(11,824)	(7,578)	(5,789)
Guarantee deposits for derivative financial instruments		(1,271)	6	723
Statutory employee profit sharing payable		122	675	(165)
Employee benefits		(754)	(2,567)	(2,955)
Assets held for sale		-	-	168
Dividends receivable from discontinued operation	24	(879)	-	-
Short-term and low-value lease expenses		(2,519)	(2,183)	(2,017)
Net cash flows from operating activities		38,851	45,776	43,877

	Notes	For the years ended December 31 2022	2021 Reformulated	2020 Reformulated
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	8	(28,669)	(20,671)	(13,218)
Acquisitions of business and non-controlling interests, net of cash received	1	(6,520)	(10,637)	(3,453)
Price charged for sale of the discontinued operation	24	25,797	-	-
Proceeds from sale of property, plant and equipment		20	882	763
Proceeds from insurance claims		272	201	-
Purchase of intangible assets, net of write offs	11	(798)	(622)	(528)
Increase of distribution rights in structured entities	11	3	(77)	(351)
Other assets		(770)	(951)	(218)
Dividends received		954	59	93
Interest received		740	373	387
Investments in associates	10	(151)	(1,016)	(163)
Net cash flows used in investing activities		(9,122)	(32,459)	(16,688)
FINANCING ACTIVITIES				
Proceeds from loans, net of transaction costs	13	51,670	38,924	34,818
Repayments of loans	13	(55,542)	(33,535)	(40,745)
Interest paid		(6,407)	(6,781)	(6,410)
Other equity instrument dividends paid		(649)	(621)	(648)
Repurchases equity instrument dividends paid		(344)	-	-
Dividends paid		(5,885)	(4,636)	(2,433)
Payment of lease liabilities	9	(6,385)	(5,372)	(5,544)
Payment of derivative financial instruments		-	(1,690)	(2,431)
Collection of derivative financial instruments		418	1,496	2,970
Repurchase of shares	20	(2,568)	(1,901)	(3,740)
Net cash flows used in financing activities		(25,692)	(14,116)	(24,163)
Adjustments to cash flows due to exchange rate fluctuations and inflationary effects		(472)	279	(9)
Net Increase (decrease) in cash and cash equivalents		3,565	(520)	3,017
Cash and cash equivalents at beginning of year		8,748	9,268	6,251
Cash and cash equivalents at end of year		$ 12,313	$ 8,748	$ 9,268

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022, 2021 AND 2020

(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 until November 2022 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 2022, 2021 and 2020, the net sales of the subsidiaries that are classified in the Mexico segment represented approximately 29%, 29% and 29%, respectively, of the Company's consolidated net sales. During 2022, 2021 and 2020, the net sales of the Company's subsidiaries classified in the North America segment represented approximately 52%, 52% and 53%, respectively, of the Company's consolidated net sales.

Relevant events

Sale of the confectionery business

On November 1st 2022, the Company sold its confectionery business to Mondelez International, Inc. for Ps. 25,797, which was collected in cash and included the sale of shares of the subsidiaries engaged in the confectionery business, as well as its trademarks, in line with the Company's strategy of focusing on grain-based foods, specifically in the bakery and snack categories. This transaction was subject to approval from the relevant authorities. The subsidiaries engaged in the confectionery business have been deconsolidated as of the aforementioned date. This transaction is presented in the consolidated financial statements in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Acquisitions in 2022

St. Pierre acquisition

On September 22, 2022, through one of its subsidiaries in United Kingdom, the Company acquired a 100%-stake in Sherlock Foods Holdings Limited, company that operates mainly in the United Kingdom and the United States of America. This acquisition will contribute to the Company's growth and geographic expansion plans in those countries. Its main activity is the sale of baked bread under the St. Pierre, Baker Street and Paul Hollywood trademarks.

Since the acquisitions mentioned above were closed during the third quarter of 2022, the purchase price allocation is preliminary and is the best estimate as of December 31, 2022, 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 intangible assets, such as brands and customer relationships, mainly. The segment that will group this business will be that of EAA.

	Preliminary fair value
Amounts recognized for identifiable assets and liabilities assumed:	
Cash and cash equivalents	$ 170
Other current assets	711
Property, plant and equipment	28
Identified intangible assets	5,331
Goodwill	3,021
Other non-current assets	137
Total identifiable assets	$ 9,398
Total liabilities assumed	$ 2,724

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 subject to amortization for tax purposes in accordance with local legislation.

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, 202, 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 Privated 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 process of the final allocation of fair values and recognition of the acquisitions of Modern Foods, Emmy's Organics and Dulces del Campo, was conclude during the year ended in December 31, 2021 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:

	Fair value preliminary	Purchase price Adjustments	Fair value final
Amounts recognized for identifiable assets and liabilities assumed:			
Cash and cash equivalents	$ 103	$ -	$ 103
Others short-term 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 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 final allocation of fair values was completed during the year 2022 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:

	Fair value preliminary		Purchase price Adjustments		Fair value final
Amounts recognized for identifiable assets and liabilities assumed:					
Cash and cash equivalents	$ 70	$	(25)	$	45
Others short-term assets	868		(1)		867
Property, plant and equipment	1,400		760		2,160
Identified intangible assets	1,240		1,574		2,814
Goodwill	5,287		(1,804)		3,483
Other long-term assets	807		66		873
Total identifiable assets	$ 9,672	$	570	$	10,242
Total liabilities assumed	$ 1,594	$	214	$	1,808
Transferred consideration	$ 8,078	$	356	$	8,434

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

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 2021, 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 final
Amount paid in operations	$ 2,789
Amounts recognized for identifiable assets and liabilities assumed:	
Cash and cash equivalents	82
Trade receivables	149
Inventories	147
Property, plant and equipment, net	1,127
Right-of-use assets	32
Identifiable 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 interest	35
Result from acquisition 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.

Health contingency caused by COVID-19 during 2021 and 2020:

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 2021 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 quick-service 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.

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 2022, 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, 2022:

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 1st, 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.

As of December 31, 2022, the amendments to IFRS 3 have not had an impact on the Company's consolidated financial statements since there have been no business combinations to which said amendments apply.

Annual Improvements 2018-2022 Cycle

In May 2021, 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.

As of December 31, 2022, these annual improvements to IFRS have not had an impact on the Company's consolidated financial statements since it has not had the transactions subject to modifications mentioned above.

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 IAS 1	**Classification of liabilities as current and non-current (1)**
Amendments to IAS 1 and practice statement 2	**Disclosure of Accounting Policies (1)**
Amendments to IAS 8	**Definition of accounting estimates (1)**
Amendments to IAS 12	**Deferred tax related to assets and liabilities arising from a single transaction (1)**
Modificaciones a las NIIF 10 y NIC 28	**Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (2)**

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

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

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

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

Amendments to 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 1st, 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 1st, 2023, with early application permitted and it is expected that the amendments will not have an effect on the consolidated financial statements.

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

The amendments establish that any gain or loss resulting from loss of control over a subsidiary that does not constitute a business in a transaction with an equity-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, 2022, 2021 and 2020 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.

Restatement of financial statements

The consolidated statement of income, the consolidated statement of other comprehensive income and the consolidated statement of cash flows for the years ended December 31, 2021 and 2020, were reformulated to present the confectionery business disposed of in 2022 as a discontinued operation.

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, 2022, 2021 and 2020.

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.	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, 2022, the confectionery business was sold.

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, 2022, 2021 and 2020, the Company recognized an impairment loss of $32, $112 and $239, respectively, in other comprehensive income.

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

All intercompany balances and transactions have been eliminated on consolidation.

d) Business combination

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

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

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree that are measured in accordance with IFRS 2 Share-based Payments at the acquisition date (as of December 31, 2022, 2021 and 2020, 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 proportional 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 and discontinued operations

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.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as after-tax profit or loss from discontinued operations in the income statement. Additional disclosures are provided in Note 24. All other notes to the financial statements include amounts for continuing operations, unless otherwise indicated.

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:

	2022 – 2020		2021 – 2019		2020 – 2018	
	Cumulative inflation rate	Type of economy	Cumulative inflation rate	Type of economy	Cumulative inflation rate	Type of economy
Mexico	19.39%	Non-hyperinflationary	13.87%	Non-hyperinflationary	11.19%	Non-hyperinflationary
USA	15.86%	Non-hyperinflationary	10.97%	Non-hyperinflationary	5.40%	Non-hyperinflationary
Canada	12.90%	Non-hyperinflationary	8.10%	Non-hyperinflationary	5.05%	Non-hyperinflationary
Spain	11.98%	Non-hyperinflationary	7.05%	Non-hyperinflationary	1.51%	Non-hyperinflationary
Brazil	15.90%	Non-hyperinflationary	13.01%	Non-hyperinflationary	12.92%	Non-hyperinflationary
Argentina	299.49%	Hyperinflationary	215.85%	Hyperinflationary	162.53%	Hyperinflationary

Starting in July 2018 and June 30, 2022, the economies of Argentina and Turkey, respectively, are considered to be hyperinflationary; consequently, the Company's subsidiaries in these countries 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, 2022, 2021 and 2020 is as follows:

	Average exchange rate			Closing exchange rate		
	2022	2021	2020	2022	2021	2020
USA	20.1250	20.2818	21.4955	19.3615	20.5835	19.9487
Canada	15.4634	16.1111	16.0529	14.2931	16.1782	15.5424
Spain	19.1003	23.3129	24.5343	18.1525	21.4648	24.4790
Brazil	3.8960	3.6885	4.1764	3.7107	3.7629	3.8387
Argentina	0.1542	0.2004	0.3045	0.1093	0.2133	0.2371

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 ($9,856, $6,393 and $5,663 in 2022, 2021 and 2020) 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::	
Construction	**15 – 30**
Foundations	**35 – 50**
Roofs	**10 – 30**
Fixed facilities and accessories	**10 – 20**
Production equipment	**3 – 25**
Transportation equipment	**8 – 16**
Furniture and equipment	**2 – 18**
Computing 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 production 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 results.

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 USD5,000) 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 participation in an associate is reduced, but it continues to apply the equity method, it reclassifies to results the proportion of the gain or loss that had previously been recognized in other comprehensive income for the value of the reduction of its interest in the associate. investment if that profit or loss had been reclassified to the income statement on the 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 indicator 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 indicator 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 (for trademarks with indefinite useful lives the recoverable value assessment is estimated by adding it to the CGU of the corresponding group, given that the trademarks do not generate independent cash flows) 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 is subsequently reversed, 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.

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.

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. To give continuity to the hedging strategy, the Company may extend the hedging terms of the hedged item, by contracting new derivative instruments respecting the main characteristics of the derivative and the original hedging strategy without altering the objective of the administration of Company risk.

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 interest rate 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 past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations.

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, 2022, 2021 and 2020, the net liabilities amounted to $4,741, $5,546 and $5,309, respectively.

5. Trade accounts receivables and other accounts receivable

	2022	2021	2020
Trade receivables	$ 22,449	$ 20,081	$ 17,946
Allowance for expected credit loss (1)	(849)	(897)	(838)
	21,600	19,184	17,108
Notes receivable	69	23	29
Income tax, value added tax and other recoverable taxes (2) and (3)	8,249	5,738	8,685
Sundry debtors (4)	2,267	2,225	1,665
	$ 32,185	$ 27,170	$ 27,487

(1) During 2022, 2021and 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, 2022 and 2021, this balance includes an amount of $41 and $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

	2022	2021	2020
Raw materials, containers and packaging	$ 7,331	$ 5,966	$ 4,490
Work in progress	171	111	108
Finished goods	6,030	4,864	4,036
Spare parts	1,832	1,400	1,143
	15,364	12,341	9,777
Raw materials in transit	1,625	1,369	1,116
	$ 16,989	$ 13,710	$ 10,893

For the years ended December 31, 2022, 2021 and 2020, the Company recognized inventory usage of $133,808, $106,199 and $97,891, respectively, in cost of sales, of which $4,355, $4,631 and $3,554 correspond to the discontinued operation respectively.

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, 2022, 2021 and 2020 is as follows:

	2022	2021	2020
Inventories	$ 295	$ -	$ -
Right of use – vehicles	3,422	3,653	3,441
Distribution rights	7,664	8,138	7,631
Total assets	$ 11,381	$ 11,791	$ 11,072

	2022	2021	2020
Current portion of non-current debt:			
Obligations under finance leases	$ 830	$ 807	$ 715
Accounts payables	1,167	-	-
Loans granted to independent business partners	43	45	46
Non-current debt:			
Obligations under finance leases	1,319	1,715	1,858
Loans granted to independent business partners	44	53	48
Debt with affiliates (net of accounts receivable)	6,301	6,581	5,966
Total liabilities	$ 9,704	$ 9,201	$ 8,633
Non-controlling interest	$ 1,677	$ 2,590	$ 2,439

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 2022, 2021 and 2020, total buybacks, net of sales, were approximately $372, $519 and $351, 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 $271, $580 and $510 for the sale of routes during 2022, 2021 and 2020, 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 2022, 2021 and 2020 is as follows:

	Balance as of January 1st, 2022	Additions and depreciation of the year (3)	Business combinations and PPA adjustments (1)	Discontinued operation	Transfers (2)	Translation effect	Disposals	Impairment	Inflation restatement	Balance as of December 31, 2022
Investment:										
Buildings	$ 34,256	$ -	$ 130	$ (350)	$ 907	$ (2,869)	$ (174)	$ -	$ 874	$ 32,774
Manufacturing equipment	105,750	-	532	(2,635)	11,363	(7,155)	(1,481)	-	1,088	107,462
Vehicles	14,944	-	14	(506)	2,250	(227)	(479)	-	34	16,030
Office equipment and displays	3,953	-	29	(77)	2,738	(160)	(24)	-	16	6,475
Computer equipment	7,016	-	7	(67)	826	(409)	(155)	-	39	7,257
Total investment	165,919	-	712	(3,635)	18,084	(10,820)	(2,313)	-	2,051	169,998
Depreciation and impairment:										
Buildings	(18,081)	(1,696)	(1)	185	695	1,523	164	-	(630)	(17,841)
Manufacturing equipment	(53,123)	(7,231)	-	1,336	(309)	3,961	1,006	(190)	(640)	(55,190)
Vehicles	(7,082)	(935)	-	238	3	115	382	(8)	(1)	(7,288)
Office equipment and displays	(1,130)	(770)	(18)	15	11	62	21	-	(4)	(1,813)
Computer equipment	(5,588)	(656)	(4)	32	12	349	144	(1)	(30)	(5,742)
Total accumulated depreciation	(85,004)	(11,288)	(23)	1,806	412	6,010	1,717	(199)	(1,305)	(87,874)
	80,915	(11,288)	689	(1,829)	18,496	(4,810)	(596)	(199)	746	82,124
Land	8,537	-	89	(76)	245	(736)	(20)	-	105	8,144
Construction in process and machinery in transit	14,633	28,669	10	(451)	(18,420)	(1,109)	(54)	-	97	23,375
Less: Assets held for sale	(194)	-	-	-	44	12	-	-	-	(138)
Net investment	$ 103,891	$ 17,381	$ 788	$ (2,356)	$ 365	$ (6,643)	$ (670)	$ (199)	$ 948	$ 113,505

	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

(1) This column in 2022 includes the preliminary fair value of St. Pierre acquisition and the purchase price allocation adjustments (PPA) of: Popcornopolis, Aryzta Brasil and Kitty Industries; in 2021 includes the fair value of the acquisitions of Modern Foods, Emmy's Organic and Dulces del Campo and the preliminary fair value of Popcornopolis, Aryzta Brasil y Kitty Industries acquisitions; in 2020 includes the fair value of Lender', Julitas, Bimbo QSR Kazakhstan, Siro Paterna, Bimbonet Servicios adquisitions.

(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 2022, 2021 and 2020, the Company carried out an analysis of impairment indicators for buildings and manufacturing equipment, resulting in recognition of an impairment loss recognized in profit or loss of $199, $307 and $191, respectively.

As of December 31, 2022, 2021 and 2020, 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 $4, $36, and $89, 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 2022, 2021 and 2020 is as follows:

	Balance as of January 1st, 2022	Discontinued operation effect	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, 2022
RIGHT-OF-USE ASSETS:										
Buildings	$ 27,701	$ (522)	$ 1,924	$ 72	$ (562)	$ (318)	$ 1,459	$ (1,212)	$ (9)	$ 28,533
Vehicles	8,309	-	1,277	(2)	(189)	(324)	15	(620)	-	8,466
Other	293	-	202	(3)	(8)	(7)	(4)	(31)	-	442
	36,303	(522)	3,403	67	(759)	(649)	1,470	(1,863)	(9)	37,441
Assets under financial lease	5,915	-	36	-	-	-	202	(396)	-	5,757
Total right-of-use assets	42,218	(522)	3,439	67	(759)	(649)	1,672	(2,259)	(9)	43,198
Depreciation:										
Buildings	(7,009)	188	(3,319)	(4)	562	108	(191)	201	6	(9,458)
Vehicles	(2,885)	-	(1,265)	1	189	248	(5)	252	-	(3,465)
Other	(110)	-	(75)	3	8	7	2	17	-	(148)
	(10,004)	188	(4,659)	-	759	363	(194)	470	6	(13,071)
Assets under financial lease	(1,460)	-	(484)	-	-	-	187	107	-	(1,650)
Total accumulated depreciation	(11,464)	188	(5,143)	-	759	363	(7)	577	6	(14,721)
Right-of-use assets, net	$ 30,754	$ (334)	$ (1,704)	$ 67	$ -	$ (286)	$ 1,665	$ (1,682)	$ (3)	$ 28,477

	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

An analysis of changes in lease liabilities in 2022, 2021 and 2020 is as follows:

	Capitalized operating leases	Finance leases	Total
Balance as of January 1st, 2022	$ 28,066	$ 3,083	$ 31,149
Discontinued operation effect	(372)	-	(372)
Additions	3,403	36	3,439
Business combinations	50	-	50
Interest expense	1,077	252	1,329
Payments	(5,164)	(1,221)	(6,385)
Early termination	(298)	-	(298)
Modifications	1,385	52	1,437
COVID-19 rent concessions	(4)	-	(4)
Foreign exchange effects	(26)	(7)	(33)
Translation effect	(1,552)	426	(1,126)
Balance as of December 31, 2022	26,565	2,621	29,186
Less - current portion	(5,017)	(914)	(5,931)
	$ 21,548	$ 1,707	$ 23,255

	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

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

	Capitalized operating leases	Finance leases	Total
2024	$ 3,425	$ 689	$ 4,114
2025	2,816	453	3,269
2026	2,278	263	2,541
2027	1,818	117	1,935
2028 and thereafter	11,211	185	11,396
	$ 21,548	$ 1,707	$ 23,255

10. Investments in Associates

An analysis of investments in associates as of December 31, 2022, 2021 and 2020 is as follows:

Associate	Activity	% equity interest		2022		2021		2020
Beta San Miguel, S.A. de C.V.	Sugar refinery	8	$	1,353	$	1,110	$	1,044
Mundo Dulce, S.A. de C.V.	Confectionery	50		392		373		359
Fábrica de Galletas La Moderna, S.A. de C.V.	Cookies	50		424		363		345
Grupo La Moderna, S.A. de C.V.	Holding company	4		353		312		305
Congelación y Almaacenaje del Centro, S.A. de C.V.	Warehouse	15		256		222		224
Fin Común Servicios Financieros, S.A. de C.V. (1)	Financial services	43		281		258		184
Fruitex de México, S.A.P.I. de C.V.	Foods	16		343		295		-
Productos Rich, S.A. de C.V.	Baking	18		208		174		170
B37 Ventures Funds	Food technology	Various		746		561		74
Other	Other	Various		788		784		438
			$	5,144	$	4,452	$	3,143

(1) The percentage of participation in 2020 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 Funds 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:

		2022		2021		2020
Balance as of January 1st	$	4,452	$	3,143	$	2,871
Acquisitions and capital contributions		151		1,016		163
Dividends received		(75)		(59)		(93)
Share of profit		452		247		194
Impairment		(73)		-		-
Comprehensive items of associates and others		317		-		-
Translation effect		(80)		105		8
Balance as of December 31	$	5,144	$	4,452	$	3,143

11. Intangible Assets

An analysis of intangible assets by geographical segment as of December 31, 2022, 2021 and 2020 is as follows:

		2022		2021		2020
Mexico	$	1,377	$	2,540	$	2,592
North America		41,803		42,712		41,589
EAA		14,567		10,364		9,580
Latin America		1,315		1,349		1,246
	$	59,062	$	56,965	$	55,007

An analysis of intangible assets by item as of December 31, 2022, 2021 and 2020 is as follows:

	Average useful life	2022	2021	2020
Trademarks	Indefinite	$ 38,248	$ 37,268	$ 35,548
Use and distribution rights	Indefinite	8,143	8,680	8,525
		46,391	45,948	44,073
Trademarks	4 to 40 years	1,338	1,445	1,393
Customer relationships	7 to 40 years	22,013	21,881	20,269
Licenses and software	2 to 8 years	4,143	3,944	2,973
Non-competition agreements	2 to 5 years	255	189	187
Other		1,426	1,314	1,508
		29,175	28,773	26,330
Accumulated amortization and impairment		(16,504)	(17,756)	(15,396)
		$ 59,062	$ 56,965	$ 55,007

The accumulated impairment in the value of trademarks with indefinite useful lives as of December 31, 2022, 2021 and 2020 is $ 3,165, $ 4,346 and $4,170, respectively.

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

	Year of acquisition	Remaining useful life (years)	Net carrying amount 2022	2021	2020
Bimbo QSR	2017	20 to 35	$ 3,475	$ 4,122	$ 4,226
Canada Bread	2014	13	1,644	2,045	2,099
Weston Foods, Inc.	2009	4	1,336	1,771	2,062
Siro Paterna	2020	22	1,121	1,321	1,449
Sara Lee Bakery Group, Inc.	2011	7	690	841	921

A reconciliation of the carrying amount of intangible assets at the beginning and at the end of 2022, 2021 and 2020 is as follows:

Cost

	Trademarks	Use and distribution rights	Customer relationships	Licenses and software	Non-competition agreements	Other	Total
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
Structured entities	-	(3)	-	-	-	-	(3)
Additions	8	-	42	590	-	158	798
Discontinued operation decrease	(1,058)	-	(83)	(72)	-	-	(1,213)
Business combinations	3,895	-	1,421	15	-	-	5,331
PPA adjustments	746	-	735	-	93	-	1,574
Translation effect	(2,718)	(534)	(1,983)	(334)	(27)	(46)	(5,642)
Balance as of December 31, 2022	$ 39,586	$ 8,143	$ 22,013	$ 4,143	$ 255	$ 1,426	$ 75,566

(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 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)
Amortization expense	(60)	-	(1,087)	(473)	(26)	(10)	(1,656)
Impairment	-	9	(140)	-	-	-	(131)
Reversal of impairment in trademarks	861	-	-	-	-	-	861
Discontinued operation decrease	-	-	83	-	-	-	83
Transfers	-	483	-	-	-	-	483
Translation effect	484	74	790	241	15	8	1,612
Balance as of December 31, 2022	$ (3,137)	$ (354)	$ (8,873)	$ (2,977)	$ (161)	$ (1,002)	$ (16,504)
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	$ 34,291	$ 7,760	$ 13,362	$ 1,199	$ 39	$ 314	$ 56,965
Net balance as of December 31, 2022	$ 36,449	$ 7,789	$ 13,140	$ 1,166	$ 94	$ 424	$ 59,062

Amortization of intangible assets is recognized under administrative expenses.

In 2022, 2021 and 2020 an impairment of intangible assets was recognized, mainly in customer relations, in other expenses for $131, $135 and $204, respectively.

As of January 1st, 2022, the indefinite-lived trademarks are evaluated jointly in the impairment tests at the level of each corresponding CGU of the Group; this change originated a reversal of trademark impairments, mainly in the US CGU for an amount of $861, which was recorded under other income (see Note 22).

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:

	2022	2021	2020
GOODWILL:	$ 1,674	$ 2,306	$ 2,084
Mexico	63,381	69,339	63,665
North America	13,894	12,772	11,720
EAA	3,635	4,154	3,125
Latin America	$ 82,584	$ 88,571	$ 80,594
ACCUMULATED IMPAIRMENT:			
Mexico	$ (1,121)	$ (1,204)	$ (1,194)
North America	(6,285)	(6,690)	(6,482)
EAA	(5,388)	(4,299)	(4,122)
Latin America	(1,705)	(1,813)	(1,892)
	(14,499)	(14,006)	(13,690)
	$ 68,085	$ 74,565	$ 66,904

The movements in goodwill for the years ended December 31, 2022, 2021 and 2020 are as follows:

	2022	2021	2020
Balance as of January 1st	$ 74,565	$ 66,904	$ 62,794
Acquisitions in business combinations (Note 1) (1)	3,021	6,983	2,086
Impairment	(1,597)	(324)	(779)
Transfers	-	201	18
Discontinued operation decrease	(549)	-	-
Reclassifications due to adjustments to the values of business combinations (2)	(1,804)	(1,125)	(1,398)
Translation effect	(5,551)	1,926	4,183
Balance as of December 31	$ 68,085	$ 74,565	$ 66,904

(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.
(3) During 2022 impairments were recognized in China, India, Russia, Ukraine and South Africa for $878, $275, $393, $12 and $39, respectively. During 2021 impairments of $315 were recognized in China and during 2020 impairments of $250 were recognized in China.

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

	2022	2021	2020
Balance as of January 1st	$ 14,006	$ 13,690	$ 12,090
Impairment for the year	1,597	324	779
Translation effect	(1,104)	(8)	821
Balance as of December 31	$ 14,499	$ 14,006	$ 13,690

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		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Mexico	10.75%	8.45%	9.66%	9.58%	6.96%	7.17%	5.78%	2.41%	5.45%
USA	7.25%	6.95%	6.95%	9.36%	5.12%	3.92%	5.84%	2.69%	2.95%
Canada	6.50%	5.75%	6.50%	2.99%	1.99%	1.97%	5.19%	3.19%	3.74%
Spain	7.50%	6.00%	6.50%	4.32%	3.38%	2.10%	6.24%	5.97%	3.70%
Brazil	11.06%	9.75%	10.25%	8.60%	8.28%	7.04%	3.78%	5.72%	7.51%

(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.

As of December 31, 2022, 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 50 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:

	2022	2021	2020
USA	$ 41,681	$ 47,549	$ 42,724
Canada	13,207	15,003	14,362
Spain	1,338	1,520	1,522
Other CGUs	11,859	10,493	8,296
	$ 68,085	$ 74,565	$ 66,904

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, 2022, 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 $878, $315 and $250 in 2022, 2021 and 2020, respectively which was recognized as other expenses in profit or loss.

India, Russia, Ukraine and South Africa

The recoverable amount of this CGU was determined considering the Value in Use (VU), using the discounted cash flow methodology. The discount rate used is the Weighted Average Cost of Capital, which considers the cost of Capital contributed by the shareholder (CAPEM) and the cost of financial debt. The planning horizon considered was 5 years for India and 7 years for Russia, Ukraine and South Africa, plus perpetuity that contemplates the normalized flow with growth in line with the country's inflation.

Applying the methodology described, the Company concluded that there is goodwill impairment of India, Russia, Ukraine and South Africa in the amount of $275, $393, $12 and $39 in 2022, respectively, recognized 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 during 2022.

13.Debt

	Fair value	Book value 2022	Book value 2021	Book value 2020
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 USD600 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. See Note 17.2.3 (g). During 2022, the company made repurchases of this bond for 14.733 million US dollars	$ 8,665	$ 11,332	$ 12,350	$ -
On September 6, 2029 the Company issued a bond under Rule 144 A and Regulation S of the Securities and Exchange Commission (SEC) for USD600 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). During 2022, the company made repurchases of this bond for 34.885 million US dollars.	8,338	10,842	12,245	11,898
On November 10, 2017 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD650 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. See Note 17.2.3 (d).	10,832	12,585	13,379	12,967

	Fair value	Book value 2022	Book value 2021	Book value 2020
On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD800 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).	$ 15,187	$ 15,489	$ 16,467	$ 15,959
On June 27, 2014 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD500 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) and (f). During 2022, the company made repurchases of this bond for 2.5 million US dollars.	8,406	9,632	10,292	9,974

	Fair value	Book value 2022	Book value 2021	Book value 2020
On January 25, 2012 the Company issued a bond under Rule 144 A and Regulation S of the SEC for USD800 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. On January 25, 2022, the Company paid the remainder of said issuance, which was financed through the multicurrency revolving line.	-	-	4,072	15,915
STRUCTURED NOTES: As of December 31, 2022, the Company has issued the following structured notes, payable upon maturity:				

	Fair value	Book value 2022	Book value 2021	Book value 2020
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.	$ 8,786	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.	7,093	7,706	7,706	7,706

	Fair value	Book value 2022	Book value 2021	Book value 2020
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 USD1,750 million, with USD875 million maturing on September 14, 2023 and USD875 million on September 14, 2026. As of July 1, 2022, a reduction in the applicable rates was obtained as a result of the achievement of the sustainable goals corresponding to this line for 2021. Considering this reduction, the drawdowns against this line of credit bear interest at the London Interbank Offered Rate (LIBOR) plus 0.90% for drawdowns made in USD, at the Canadian Dollar Offered Rate (CDOR) plus 0.90% for drawdowns made in Canadian dollars, at the Interbank Equilibrium Interest Rate (TIIE) plus 0.675% for drawdowns made in Mexican pesos, and at the Euro Interbank Offered Rate (EURIBOR) plus 0.90% for drawdowns made in euros. As of December 31, 2022, there is no outstanding balance on this line of credit.				

	Fair value	Book value 2022	Book value 2021	Book value 2020
During 2022 and 2021, the drawdowns and payments totaled $13,085 and $15,291, respectively.				
Unsecured working capital loans - The Company occasionally enters into short-term unsecured loans to meet its working capital needs. During 2022 and 2021, the drawdowns and payments totaled $30,655 and $430.	-	-	-	-
Other: Certain subsidiaries have entered into other direct loan contracts to meet their working capital needs. The maturity dates for such loans range from 2023 to 2030. During 2022 and 2021, the draw-downs and payments totaled $7,930 and $6,710, $11,413 and $5,905, respectively.	7,522	7,522	7,483	1,708
Debt issuance expenses	(687)	(687)	(772)	(531)
	74,142	84,054	92,855	85,229
Less:				
Current portion of non-current debt	(6,435)	(6,435)	(10,625)	(600)
Non-current debt	$ 67,707	$ 77,619	$ 82,230	$ 84,629

An analysis of maturities of non-current debt as of December 31, 2022 is as follows:

Year	Amount
2024	$ 16,120
2025	115
2026	7,742
2027 and thereafter	53,642
	$ 77,619

During 2022, the Company has made repurchases of several of its International Bond issues for an approximate amount of $1,044 (52.1 million US dollars).

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

Debt	2022	2021	2020
Beginning balance	$ 92,855	$ 85,229	$ 86,672
Proceeds from loans, net of debt issuance expenses	51,670	38,924	34,818
Repayments of loans	(55,542)	(33,535)	(40,745)
Debt issuance expenses amortization	70	60	55
Effects of remeasurements	(4,999)	2,177	4,429
Ending balance	$ 84,054	$ 92,855	$ 85,229

All international bonds and revolving committed credit lines are guaranteed by the primary subsidiaries of Grupo Bimbo. As of December 31, 2022 and 2021, 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, 2020, 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

		2022		2021		2020
OTHER ACCOUNTS PAYABLE:						
Other taxes payable	$	3,839	$	3,378	$	4,357
Other creditors		1,248		2,133		1,806
		5,087		5,511		6,163
ACCRUED LIABILITIES:						
Employee compensation and bonuses	$	9,240	$	10,152	$	11,473
Advertising and promotion		1,495		2,026		1,682
Fees and consultations		2,188		1,734		1,193
Insurance and guaranty bonds		1,498		1,566		594
Taxes and contributions		1,239		842		559
Interest payable and bank fees		774		817		999
Supplies and fuel		672		777		1,263
Other		2,005		677		975
		19,111		18,591		18,738
	$	24,198	$	24,102	$	24,901

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:

		2022		2021		2020
PURCHASE OF RAW MATERIALS						
Associates:						
Beta San Miguel, S.A. de C.V.	$	2,335	$	2,584	$	2,390
Other associates		3		7		9
Related parties:						
Frexport, S.A. de C.V.		959		871		749
Other related parties		80		61		59
COMPRAS DE PRODUCTOS TERMINADOS:						
Finished product purchases						
Associates:	$	1,203	$	1,083	$	1,149
Fábrica de Galletas La Moderna, S.A. de C.V.		5		914		803
Mundo Dulce, S.A. de C.V.		273		200		239
Pan-Glo de México, S. de R.L. de C.V.		3		2		3
Other associates						

		2022		2021		2020
STATIONARY, UNIFORMS AND OTHER						
Associates:						
Efform, S.A. de C.V.	$	379	$	365	$	344
Uniformes y Equipo Industrial, S.A. de C.V.		191		202		186
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.		362		234		112
Other associates		23		29		42
RELATED PARTIES:						
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.		40		33		50
Autotab, S.A. de C.V.		7		3		3
Other related parties		301		257		204
FINANCIAL SERVICES:						
Associates:						
Fin Común Servicios Financieros, S.A. de C.V.	$	1,367	$	1,094	$	893

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:

		2022		2021		2020
ASSOCIATES:						
Beta San Miguel, S.A. de C.V.	$	577	$	801	$	747
Fábrica de Galletas La Moderna, S.A. de C.V.		164		144		132
Mundo Dulce, S.A. de C.V.		-		107		81
Efform, S.A. de C.V.		96		83		77
Uniformes y Equipo Industrial, S.A. de C.V.		35		80		48
Sociedad Industrial de Equipos y Servicios, S.A. de C.V.		45		58		40
Pan-Glo de México, S. de R. L. de C.V.		47		34		17
RELATED PARTIES:						
Frexport, S.A. de C.V.		206		119		112
Proarce, S.A. de C.V.		18		33		37
Makymat, S.A. de C.V.		36		26		20
Automotriz Coacalco-Vallejo, S.A.P.I de C.V.		-		8		10
Other associates and related parties		16		34		13
	$	1,240	$	1,527	$	1,334

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, 2022, 2021 and 2020 totaled $596, $658 and $486, 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 2022, 2021 and 2020 was 30% and it is expected that it will remain the same in subsequent years.

Tax reforms

Mexico

On October 26, 2021, a series of tax modifications were approved in Mexico that are effective as of January 1st, 2022, these reforms did not generate a financial impact for the Company, but it did generate a series of compliance obligations.

To date, the Company has complied with its obligation to disclose tax schemes subject to reporting corresponding to fiscal years 2022 and 2021.

In terms of specialized services, the Company continued to comply with the general measures that include: identification of suppliers, documentation and presentation of contracts, as well as safeguarding of the corresponding documents:

- Identification of specialized service providers complying with the criteria of the Ministry of Labor and Social Welfare (STPS).
- 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.

For 2023, some requirements for tax documents that have been applied opportunely are modified.

United States of America

In August 2022, the CHIPS & Science Act (HR 4346) was enacted, introducing a 25% tax credit for investments in the manufacturing sector. This measure is not expected to have a significant impact on GB's operations in the United States.

In August 2022, the Reduction Act 2022 was enacted, which includes a new minimum tax for certain large taxpayers starting in 2023. The new law gives rise to a minimum tax equal to the difference between such tax and income tax and Base Erosion and Anti-Abuse Tax (BEAT).

The Company is assessing the impact of this measure. However, no material effects on the financial statements are expected.

Spain

On 29 December 2022, Law 38/2022 was enacted, which imposes a temporary limitation in 2023 on the recognition of tax loss carryforwards generated individually by the different entities of a corporate group.

In addition, the remaining individual tax loss carryforwards shall be included in taxable profit in equal parts in each of the first ten fiscal periods beginning on or after 1 January 2024.

On 1 January 2023, a new environmental tax on imported non-reusable plastic packaging became effective which is not expected to have a material effect on the consolidated financial statements.

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	
	2022		2021		2020		
Argentina	35	(a)	35	(a)	25	5	(b)
Brazil	34		34		34		(c)
Canada	15	(d)	15	(d)	15	20	(e)
Spain	25		25		25		(f)
USA	21	(g)	21	(g)	21		(h)
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) The Company's tax losses may be carried back against the three prior years.

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

(g) 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%.

(h) 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.

At the date of issue of these consolidated financial statements, no changes have been disclosed for the corporate tax rates in subsequent years, the applicable changes for the years presented are the following:

- France, where the tax rate was changed from 28% in 2020 to 26.5% in 2021, and as of 2022 it will be 25%.
- Turkey, where the tax rate was changed from 22% in 2020 to 25% in 2021 and as of 2022 it will be 23%.
- Colombia, where the tax rate was changed from 31% in 2021 to 35% in 2022.
- United Kingdom where the tax rate will change from 19% to 25% in 2023.

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:

	2022	2021	2020
INCOME TAX:			
Current income tax	$ 9,929	$ 7,846	$ 4,904
Deferred income tax	3,891	593	843
	13,820	8,439	5,747
Reversal tax withheld abroad booked in previous year	$ (906)	$ -	$ -
Income tax – uncertain tax positions	1,467	287	196
	$ 14,381	$ 8,726	$ 5,943

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, 2022, 2021 and 2020 is as follows:

	2022	2021	2020
Profit before income tax and discontinued operations	$ 45,878	$ 24,854	$ 15,406
Profit before income tax from discontinued operations	23,516	1,498	1,337
Profit before income tax	69,394	26,352	16,743
Statutory income tax rate	30%	30%	30%
Income tax at statutory tax rate	20,818	7,906	5,023
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	1,051	1,025	584
Non-deductible expenses and other	1,508	973	851
Non-taxable profit and tax incentives	(356)	(322)	(420)
Difference in tax rates and currency of subsidiaries in different tax jurisdictions	(1,243)	(421)	(148)
Effects on tax values of property, plant and equipment	(807)	(561)	(324)
Share of loss of associates	(136)	(74)	(58)
Permanent effects of discontinued operation	(528)	(205)	(152)
Unrecognized available tax loss carryforwards	602	650	836
Income tax recognized in profit or loss	$ 20,909	$ 8,971	$ 6,192
Effective income tax rate	30.1%	34.0%	37.0%
Income tax continuous operation	$ 14,381	$ 8,726	$ 5,943
Income tax discontinued operation (Note 24)	6,528	245	249
Income tax	$ 20,909	$ 8,971	$ 6,192
Effective income tax rate continuous operation	31.3%	35.1%	38.5%
Effective income tax rate discontinued operation	27.7%	16.4%	18.6%

To determine their deferred income tax as of December 31, 2022, 2021 and 2020, 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, 2022	Effects through profit or loss	Effects through comprehensive income	Translation effect	Discontinued operation	Business combinations	Balance as of December 31, 2022
Allowance for expected credit loss	$ (301)	$ (148)	$ -	$ -	$ 11	$ -	$ (438)
Inventories and advances	16	46	-	-	-	-	62
Property, plant and equipment	4,501	299	-	-	(49)	14	4,765
Intangible assets and other assets	7,869	134	-	(2,098)	(112)	1,481	7,274
Other reserves and provisions	(12,501)	5,030	207	(47)	157	-	(7,154)
Current employee profit sharing	(500)	(48)	-	-	13	-	(535)
Available tax loss carryforwards	(303)	(40)	-	-	-	-	(343)
Net economic hedge	-	(432)	432	-	-	-	-
Lease assets and liabilities, net	(469)	(70)	-	-	10	-	(529)
Derivative financial instruments	914	182	(574)	(11)	-	-	511
Total deferred income tax (asset), net	$ (774)	$ 4,953	$ 65	$ (2,156)	$ 30	$ 1,495	$ 3,613

	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.

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:

	2022	2021	2020
Deferred income tax asset	$ (3,962)	$ (7,861)	$ (8,733)
Deferred income tax liability	7,575	7,087	6,766
Total deferred income tax (asset)/liability, net	$ 3,613	$ (774)	$ (1,967)

The Company has determined that the undistributed earnings of its foreign subsidiaries will not be distributed in the foreseeable future. As of December 31, 2022, 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, 2022, the Company's unused tax losses have the following expiration dates:

Year	Amount
2023	$ 953
2024	1,236
2025	1,008
2026	1,310
2027	742
2028	67
2029	39
2030 and thereafter	22,752
	28,107
Unrecognized available tax loss carryforwards	(26,727)
Total	$ 1,380

Certain subsidiaries that have tax losses have not recognized the deferred tax asset, since they do not have sufficient taxable income or projected earnings to estimate the time for recovery of such tax losses. Unrecognized accumulated benefits of such tax losses were $7,902 in 2022, $8,644 in 2021 and $7,637 in 2020.

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, 2022, 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:

		2022		2021		2020	Categoría / Jerarquía
ASSETS							
Financial assets:							
Cash and cash equivalents	$	12,313	$	8,748	$	9,268	Fair value – Level 1
Trade accounts receivables and other accounts receivable, net		23,936		21,432		18,802	Amortized cost
Derivative financial instruments		38		1,293		871	Fair value - Level 1 and 2
Guarantee deposits for derivative financial instruments		879		-		-	Fair value - Level 1
Total current assets		37,166		31,473		28,941	
Other non-current assets		675		273		85	Amortized cost
Other non-current assets – plan asset surpluses and other assets		1,752		1,657		913	Fair value - Level 1, 2 and 3
Derivative financial instruments		2,005		1,962		267	Fair value - Level 1 and 2
Total assets	$	41,598	$	35,365	$	30,206	

		2022		2021		2020	Categoría
LIABILITIES							
Financial liabilities:							
Current portion of non-current debt	$	6,435	$	10,625	$	600	Amortized cost
Trade accounts payable		44,058		35,752		26,679	Amortized cost
Other accounts payable		1,154		1,998		1,790	Amortized cost
Accounts payable to related parties		1,240		1,527		1,334	Amortized cost
Guarantee withdrawals for derivative financial instruments		-		392		398	Fair value - Level 1
Derivative financial instruments		1,458		169		1,183	Fair value - Level 1 and 2
Total current liabilities		54,345		50,463		31,984	
Non-current debt		77,619		82,230		84,629	Amortized cost
Derivative financial instruments		590		67		214	Fair value - Level 1 and 2
Total liabilities	$	132,554	$	132,760	$	116,827	

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.

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

	2022		2021		2020	
	Book value	Changes in OCI	Book value	Changes in OCI	Book value	Changes in OCI
ASSETS						
Current assets:						
Forwards on raw materials	$ -	$ (92)	$ 92	$ 92	-	$ -
Futures of raw materials	25	(922)	953	152	684	595
Swaps of raw materials and energetics	13	(237)	248	174	187	132
Total current derivative financial instruments	$ 38	$ (1,251)	$ 1,293	$ 418	$ 871	$ 727
Non-current assets:						
Cross currency swap	$ 1,430	$ 249	$ 1,951	$ 427	$ 267	$ 27
Interest Rate swaps	575	575	-	-	-	-
Swaps of raw materials and energetics	-	(9)	9	9	-	-
Forwards on raw materials	-	(2)	2	2	-	-
Total non-current derivative financial instruments	$ 2,005	$ 813	$ 1,962	$ 438	$ 267	$ 27

	2022		2021		2020	
	Book value	Changes in OCI	Book value	Changes in OCI	Book value	Changes in OCI
LIABILITIES						
Current liabilities:						
Foreign currency forwards	10	76	169	$ 175	399	(170)
Forwards on raw materials	512	(512)	-	784	784	(456)
Futures of raw materials	234	(237)	-	-	-	-
Cross currency swap	-	-	-	-	-	(26)
Swaps of raw materials and energetics	702	(702)	-	-	-	107
Total current derivative financial instruments	$ 1,458	$ (1,375)	$ 169	$ 959	$ 1,183	$ (545)
Total non-current derivative financial instruments	$ 590	$ (54)	$ 67	$ 1,203	$ 214	$ (636)
Equity:						
Total valuation of cash flow hedges, net of accrued interest	$ (1,100)	$ (1,867)	$ 767	$ 3,018	$ (2,251)	$ (427)
Closed contracts for unused futures	(352)	(346)	(6)	(30)	24	41
	(1,452)	(2,213)	761	2,988	(2,227)	(386)
Deferred income tax, net	401	585	(184)	(860)	676	116
Other comprehensive (loss)/income	$ (1,051)	$ (1,628)	$ 577	$ 2,128	$ (1,551)	$ (270)

As of December 31, 2022, 2021 and 2020, derivative financial instruments did not generate significant ineffectiveness in the hedging strategies executed.

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 2022, 2021and 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, 2022, 2021 and 2020, the Company had no non-current debt bearing interest at variable 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 2022, 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 2021, 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, 2022, 2021 and 2020, the loans in USD (described in Note 13) that have been designated as hedges on the net investment in foreign subsidiaries amount to USD1,058 million, USD1,295 million and USD1,521 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 USD797 million.

As of December 31, 2022, 2021 and 2020, the loans that have been designated as hedges on the net investment in foreign subsidiaries amount to CAD354 million for the three periods (see Note 17, 2.3 (a)).

As of December 31, 2022 and 2021, the loans that have been designated as hedges on the net investment in foreign subsidiaries in Spain amount to EUR318 million and EUR126 million, respectively.

As of December 31, 2022, 2021 and 2020, the amount designated as a hedge for non-current intercompany asset positions is CAD630 million for the three periods.

As of December 31, 2022, and 2021, the amount loans for non-current intercompany that have been designated as the investment in USA subsidiaries is USD756 million and USD748 million, respectively.

As of December 31, 2022, the amount designated as a hedge for non-current intercompany asset positions is GBP18 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 $80 in profit or loss for the year ended December 31, 2022.

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 $3 in profit or loss for the year ended December 31, 2022.

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 $0 in profit or loss for the year ended December 31, 2022.

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, 2021, 2020 and 2019 is as follows:

a) Swaps that translate the 144A bond of USD800 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, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
270	USD	354	CAD	27-jun-2024	3.875%	3.9700%	$ 133	$ (171)	$ (176)

b) Swaps that translate the 144A bond of USD800 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, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	1,827	MXN	27-jun-2024	3.875%	8.410%	$ 162	$ 339	$ 189
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%	123	257	143
204	USD	4,376	MXN	27-jun-2024	3.875%	7.330%	-	123	(201)
							$ 285	$ 822	$ 1

c) Swaps that translate the 144A bond of USD500 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, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	1,829	MXN	27-jun-2028	4.875%	9.8385%	$ 183	$ 423	$ 247
100	USD	1,829	MXN	27-jun-2044	-	1.1900%	131	245	298
							$ 314	$ 668	$ 545

d) Swaps that translate a portion of 144A bond of USD650 million, maturing on November 10, 2047, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate in Mexican pesos, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	2,150	MXN	10-nov-2047	-	3.415%	$ 92	$ -	$ -
50	USD	1,075	MXN	10-nov-2047	-	3.120%	71	-	-
							$ 163	$ -	$ -

e) Swaps that translate a portion of 144A bond of USD595 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, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
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%	5	185	-
							$ 5	$ 380	$ (163)

f) Swaps that translate a portion of 144A bond of USD500 million, maturing on June 27, 2044, to euros and change the fixed interest rate in USD to a fixed interest rate in euros, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
100	USD	93	EUR	28-jun-2032	4.87%	3.61%	$ 41	$ -	$ -

g) Swaps that translate a portion of 144A bond of USD595 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 received	Rate paid	Market value 2022	Market value 2021	Market value 2020
150	USD	126	EUR	6-mar-2031	4.00%	2.11%	$ 488	$ 252	$ -

h) Interest rate swap that hedges the floating rate in USD of coupon payments related to forecast transactions:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
200	USD	24-may-2034	SOFR 3M	1.69%	$ 513	$ -	$ -
75	USD	30-jun-2033	SOFR 3M	3.32%	21	-	-
75	USD	30-jun-2033	SOFR 3M	3.32%	22	-	-
					$ 556	$ -	$ -

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

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
160	USD	30-jun-2031	3-month LIBOR	3.29%	$ -	$ -	$ 60

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

Unit	December 2022 Quantity	December 2022 Average price	December 2021 Quantity	December 2021 Average price	December 2020 Quantity	December 2020 Average price	Market value 2022	Market value 2021	Market value 2020
Barrels	-	-	21,450	49.66	14,950	48.32	$ -	$ 9	$ -

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

Country	Currency	Decembe 2022 Notional amount	Decembe 2022 Average exchange rate	Decembe 2021 Notional amount	Decembe 2021 Average exchange rate	Decembe 2020 Notional amount	Decembe 2020 Average exchange rate	Market value 2022	Market value 2021	Market value 2020
Canada	USD/CAD	-	-	10	1.25	-	-	$ -	$ 3	$ -
Mexico	USD/MXN	-	-	3	22.52	-	-	-	(1)	-
								$ -	$ 2	$ -

l) Interest rate swap that hedges forecast flows related to the finance lease of Italy operation:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	Market value 2021	Market value 2020
8	EUR	03-feb-2031	Euribor 3M	1.28%	$ 11	$ -	$ -
7	EUR	03-mar-2031	Euribor 3M	1.25%	9	-	-
					$ 20	$ -	$ -
Total assets long-term financial instruments					$ 2,005	$ 1,962	$ 267

During 2022, the Company restructured the notional amounts (for USD150 million) and interest rates of some derivative financial instruments, as indicated in paragraph h), resulting in the collection of $419 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.

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.

m) Swaps that translate the 144A bond of USD800 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, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	2021	2020
150	USD	3,225	MXP	27-jun-2024	3.875%	7.160%	$ 163	$ -	$ -
204	USD	4,376	MXP	27-jun-2024	3.875%	7.330%	234	-	-
							$ 397	$ -	$ -

n) Swaps that translate a portion of 144A bond of USD595 million, maturing on September 6, 2049, to Mexican pesos and change the fixed interest rate in USD to a fixed interest rate Mexican peso, as well as notional coverage at maturity.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	2021	2020
50	USD	1,075	MXP	06-mar-2030	4.00%	8.08%	$ 27	$ -	$ -
50	USD	1,033	MXP	06-sep-2030	4.00%	9.81%	80	-	-
50	USD	1,018	MXP	06-sep-2030	4.00%	9.67%	57	-	-
25	USD	495	MXP	06-sep-2030	4.00%	9.37%	5	-	-
25	USD	494	MXP	06-sep-2030	4.00%	9.34%	4	-	-
							$ 173	$ -	$ -

o) Swaps that translate a portion of 144A bond of USD650 million, maturing on November 10, 2047, to Euros, where the notional to maturity is hedged by changing the debt denominated in USD to Euros.

Notional amount	Currency	Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	2021	2020
100	USD	99	MXP	10-nov-2032	1.02%	-	$ 20	$ -	$ -

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

		December 2022		December 2021		December 2020		Market valueo		
Country	Currency	Notional amount	Average exchange rate	Notional amount	Average exchange rate	Notional amount	Average exchange rate	2022	2021	2020
Mexico	USD/MXN	-	-	2	20.78	12	20.15	$ -	$ -	$ 1
Canada	USD/CAD	-	-	14	1.31	8	1.32			5
								$ -	$ -	$ 6

q) Non-current forwards to hedge forecast transactions:

		December 2022		December 2021		December 2020		Market valueo		
Country	Currency	Notional amount	Average exchange rate	Notional amount	Average exchange rate	Notional amount	Average exchange rate	2022	2021	2020
Mexico	USD/MXN	-	-	-	-	58	20.85	$ -	$ -	$ 185

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

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	2021	2020
200	USD	24-may-2034	SOFR3M	1.69%	$ -	$ 54	$ -

On June 24, 2020, the Company extended the maturity date of its interest rate swap for a notional of USD160 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.

s) Interest rate swap hedging forecasted flows related to financial leases of Italy operation:

Notional amount	Currency	Maturity	Rate received	Rate paid	Market value 2022	2021	2020
8	EUR	03-feb-2031	3-month Euribor	1.28%	$ -	$ 7	$ 13
7	EUR	03-mar-2031	3-month Euribor	1.25%	-	6	10
					$ -	$ 13	$ 23
Total non-current financial liabilities					$ 590	$ 67	$ 214

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, 2022, 2021 and 2020, the Company had the following forwards to hedge forecast transactions:

		December 2022		December 2021		December 2020		Market value		
Country	Currency	Notional amount	Average exchange rate	Notional amount	Average exchange rate	Notional amount	Average exchange rate	2022	2021	2020
Mexico	MXN/CLP	1,388	43.23	894	40.24	1,022	35.19	$ 3	$ 20	$ 6
Mexico	USD/MXN	190	19.63	252	21.39	273	21.72	19	(189)	(404)
Mexico	MXN/USD	607	19.91	51	20.48	799	19.97	5	-	2
Mexico	USD/GBP	31	1.13	-	-	-	-	(41)	-	-
Mexico	EUR/MXP	100	21.01	-	-	-	-	(12)	-	-
Spain	EUR/RUB	-	-	-	-	10	92.20	-	-	(3)
United Kingdom	EUR/GBP	30	1.15	-	-	-	-	17	-	-
United Kingdom	USD/EUR	53	1.08	-	-	-	-	(1)	-	-
Total non-current liabilities financial instruments								$ (10)	$ (169)	$ (399)

An analysis of the maturities of these forwards as of December 31, 2022 is as follows:

	< 1 Month	> 1 month < 3 months	> 3 months < 6 months	> 6 months < 9 months	> 9 months < 12 months	Total
Mexico						
Notional amount in MXP	-	-	1,388	-	-	1,388
Average exchange rate CLP	-	-	43.23	-	-	43.23
Mexico						
Notional amount in USD	78	49	63	-	-	190
Average exchange rate	19.40	19.63	19.90	-	-	19.63
Mexico						
Notional amount in MXP	-	607	-	-	-	607
Average exchange rate USD	-	19.91	-	-	-	13.91
Mexico						
Notional amount in EUR	100	-	-	-	-	100
Average exchange rate	21.01	-	-	-	-	21.01
Mexico						
Notional amount in USD	-	31	-	-	-	31
Average exchange rate	-	1.13	-	-	-	1.13
United Kingdom						30
Nocional amount in EUR	3	6	8	6	7	30
Average exchange rate	1.16	1.16	1.16	1.16	1.16	1.16
United Kingdom						
Nocional amount in USD	4	7	12	14	16	53
Average exchange rate	1.16	1.13	1.09	1.06	1.05	1.06

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

		December 2022		December 2021		December 2020		Market value		
Country	Currency	Notional amount	Average exchange rate	Notional amount	Average exchange rate	Notional amount	Average exchange rate	2022	2021	2020
Argentina	USD/ARS	-	-	-	-	5	94.68	$ -	$ -	$ (5)
Canada	USD/CAD	140	1.30	125	1.26	98	1.33	116	17	(74)
Canada	CAD/USD	47	1.36	28	1.28	19	1.29	1	7	2
Chile	USD/CLP	67	936.37	37	795.93	31	779.59	(104)	65	(68)
Colombia	USD/COP	18	4,665.24	16	3,894.38	14	3,747.20	22	19	(23)
Mexico	USD/MXP	613	20.90	320	21.12	323	21.95	(525)	(43)	(586)
Mexico	MXP/USD	1,745	20.06	545	21.43	342	20.05	26	20	6
Mexico	EUR/MXP	2	22.67	1	25.29	3	25.34	(2)	(1)	(2)
Peru	USD/PEN	28	3.95	25	4.03	14	3.57	(14)	-	4
Uruguay	USD/UYU	11	43.01	9	46.09	10	44.47	(11)	(2)	(5)
France	USD/EUR	6	1.06	6	1.16	6	1.17	(2)	2	(6)
Russia	EUR/RUB	-	-	1	73.76	-	-	-	1	-
Russia	USD/RUB	-	-	1	85.18	1	74.03	-	-	-
Brazil	USD/BRL	14	5.43	15	5.62	37	5.44	(4)	3	(29)
Brazil	BRL/USD	22	5.44	53	5.79	8	5.58	2	4	2
Costa Rica	USD/CRC	12	648.50	-	-	-	-	(17)	-	-
Total current assets (liabilities) financial instruments								$ (512)	$ 92	$ (784)

The maturities of these forwards as of December 31, 2022 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	16	30	35	34	25	140
Average exchange rate	1.29	1.28	1.28	1.29	1.35	1.30
Canada						
Notional amount in CAD	17	30	-	-	-	47
Average exchange rate USD	1.36	1.36	-	-	-	1.36
Chile						
Notional amount in USD	8	15	17	16	11	67
Average exchange rate	908.27	906.23	940.27	966.42	949.07	936.37
Colombia						
Notional amount in USD	2	4	5	4	3	18
Average exchange rate	4,479.03	4,393.53	4,500.94	4,857.92	5,188.81	4,665.24
Mexico						
Notional amount in USD	80	136	199	116	82	613
Average exchange rate	20.88	20.82	20.80	21.16	20.94	20.90
Mexico						
Notional amount in MXP	434	834	276	201	-	1,745
Average exchange rate USD	19.83	19.98	20.26	20.58	-	20.06
Mexico						
Notional amount in EUR	-	1	1	-	-	2
Average exchange rate	-	22.63	22.94	-	-	22.67
Peru						
Notional amount in USD	4	6	7	7	4	28
Average exchange rate	3.94	3.94	3.95	3.96	3.98	3.95

	< 1 Month	> 1 month < 3 months	> 3 months < 6 months	> 6 months < 9 months	> 9 months < 12 months	Total
Uruguay						
Notional amount in USD	1	3	4	2	1	11
Average exchange rate	43.52	43.03	42.88	43.34	42.03	43.01
France						
Notional amount in USD	1	1	2	1	1	6
Average exchange rate	1.05	1.06	1.06	1.07	1.07	1.06
Brazil						
Notional amount in USD	3	6	4	1	-	14
Average exchange rate	5.46	5.42	5.41	5.50	-	5.43
Brazil						
Notional amount in BRL	9	11	2	-	-	22
Average exchange rate USD	5.42	5.46	5.49	-	-	5.44
Costa Rica						
Notional amount in USD	3	5	3	1	-	12
Average exchange rate	654.12	649.67	643.50	640.16	-	648.50

As of December 31, 2022, 2021 and 2020, the Company reclassified $394, $549 and $(302), 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, 2022, 2021 and 2020, 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:

	2022				2021				2020			
	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
Gasoline	-	-		-	764	Jan -22 a Dec-22		130	1,714	Jan-21 to Jul-22		54
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
Soybean oil	798	Jan-23 a Dec-23		25	818	Jan -22 a Dec-22		14	678	Jan-21 to Dec-21		82
Crude Oil	21,450	Jan-23 a Nov-23		13	23,400	Jan -22 a Dec-22		12	13,650	Jan-21 to Dec-21		1
Total current assets			$	38			$	1,201			$	871
Polyethylene	109,571	Jan-23 a Mar-24	$	482			$	-			$	-
Natural gas	623	Jan-23 a Jan-24		194				-				-
Wheat	11,375	Feb-23 a Dec-23		234				-				-
Diesel	1,982	Jan-23 a Jan-24		12				-				-
Gasoline	1,239	Jan-23 a Dec-23		14				-			$	-
Total current liabilities			$	936			$	-			$	-

As of December 31, 2022, 2021 and 2020, the Company reclassified $(1,749), $(1,351) and $525, 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, 2022, 2021 and 2020, the Company has not identified any embedded derivatives that require bifurcation.

Valuation techniques and assumptions applied to measure fair value

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, 2022, 2021 and 2020, 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	$ 10,538	$ 24,218	$ 23,759	$ 88,207	$ 146,722
Lease liabilities	5,930	9,231	5,641	15,688	36,490
Derivative financial instruments	2,125	1,629	899	5,463	10,116
Trade payables and accounts payable to related parties	45,298	-	-	-	45,298
Total	$ 63,891	$ 35,078	$ 30,299	$ 109,358	$ 238,626

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:

	2022	2021	2020
Debt (i)	$ 84,054	$ 92,855	$ 85,229
Cash and cash equivalents	(12,313)	(8,748)	(9,268)
Net debt	71,741	84,107	75,961
Equity	127,602	101,606	88,011
Net debt to equity	0.56 times	0.83 times	0.86 times

(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:

	2022	2021 Reformulated	2020 Reformulated
Retirement and post-retirement benefits			
Mexico	$ 2,283	$ 3,618	$ 5,204
USA	724	786	1,233
Canada	-	18	995
EAA and Latin America	479	545	479
Total liabilities from retirement and post-retirement benefits	3,486	4,967	7,911
Multi-employer pension plans – USA	31	19,227	20,343
Social welfare USA	3,873	4,012	3,754
Net plan assets presented in other assets	708	1,245	821
Long-term bonuses payable to associates	1,284	1,261	1,003
Total net liability	$ 9,382	$ 30,712	$ 33,832

a) Mexico

The Company has a defined benefit pension and seniority premium plan. The Company's funding policy is to make discretionary contributions. During 2022, 2021 and 2020, the Company contributed $781, $1,150 and $1,150, respectively, to the plan assets.

As of December 31, 2022, due to the labor reform in Mexico regarding vacations, which increases the number of vacation days for workers, the Company estimated the amount of the increase in the net liability for post-employment benefits, the which turned out to be not significant.

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, 2022, 2021 and 2020 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, 2022, 2021 and 2020, the contributions made to the plan total $101, $203 and $161, 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, 2022, 2021 and 2020 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 2022, 2021 and 2020 total $118, $711 and $172, respectively.

The most recent actuarial valuations of the plan assets and present value of the defined benefit obligation were performed as of December 31, 2022, 2021 and 2020 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, 2022, 2021 and 2020, the contributions made to the plans total $67, $74 and $57, respectively.

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

	2022	2021	2020
Mexico:			
Discount rate	9.59%	8.30%	7.68%
Salary increase rate	4.75%	4.50%	4.50%
Inflation rate	3.75%	3.50%	4.00%
Expected average weighted return	8.30%	7.68%	7.57%
USA:			
Discount rate	5.22%	2.73%	2.30%
Salary increase rate	3.50%	3.25%	3.25%
Inflation rate	2.50%	2.25%	2.25%
Expected average weighted return	2.73%	2.30%	3.15%
Canada:			
Discount rate	5.10%	2.90%	2.50%
Salary increase rate	4.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%
Expected average weighted return	2.90%	2.50%	3.10%

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

	2022	2021	2020
Mexico:			
Mortality table	EMSSA 2009	EMSSA 2009	EMSSA 2009
USA:			
Mortality table	MP-2022	MP-2022	MP-2022
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
2023	$ 432	$ 656	$ 195
2024	465	686	196
2025	543	735	196
2026	607	770	198
2027	651	758	203
2028 to 2032	3,061	3,626	1,045
	$ 5,759	$ 7,231	$ 2,033

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

	2022	2021 Reformulated	2020 Reformulated
Amounts recognized in profit or loss:			
Current year service cost	$ 1,013	$ 1,128	$ 991
Gain on plan settlements	-	-	(631)
Interest cost	1,867	1,745	1,851
Return on plan assets	(1,567)	(1,324)	(1,316)
	1,313	1,549	895
Actuarial (loss)/gain on defined benefits recognized in other comprehensive income:			
Mexico, USA and Canada:			
Experience adjustments to plan obligations	(671)[3]	911	1,252
Effect of changes in demographic assumptions	-	87	(442)
Effect of changes in financial assumptions	(7,711)[1]	(3,534) [1]	2,705
Actuarial (gain)/loss on estimate of plan assets [3]	7,793	810	(2,926)
EAA and Latin America	(211)	183	(227)
	(800)	(1,543)	362
	$ 513	$ 6	$ 1,257

[1] Effects of an increase in the discount rate in Mexico, the United States of America and Canada in 2022 and 2021.

[2] Effects of the decrease in the real rate of return, mainly in Mexico and the United States of America, in 2022 and 2021.

[3] Effect due to the increase in employee turnover rate, mainly in Mexico.

Of the current year service cost, $931, $957 and $808 were included in 2022, 2021 and 2020, 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:

	2022	2021	2020
Present value of defined benefit obligation	$ 27,465	$ 41,401	$ 42,386
Less - fair value of plan assets	24,413	36,823	34,790
	3,052	4,578	7,596
Plus - Retirement benefits for Latin America and EAA	479	545	479
Plus – Pensions net assets	79	-	-
Less - Current portion of retirement benefits recognized in accrued liabilities	(124)	(156)	(164)
Present value of unfunded defined benefits	$ 3,486	$ 4,967	$ 7,911

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

		2022		2021		2020
Present value of defined benefit obligation as of January 1st	$	41,401	$	42,386	$	37,839
Current year service cost		1,013		1,128		991
Interest cost		1,867		1,745		1,851
Gains on plan settlements		-		-		(631)
Experience adjustments to plan obligations		(671)		911		1,252
Effect of changes in demographic assumptions		-		87		(442)
Effect of changes in financial assumptions		(7,711)		(3,534)		2,705
Liabilities assumed in business combinations		-		-		1
Translation effect		(1,500)		963		1,372
Discontinued operation		(309)				
Benefits paid		(6,625)		(2,285)		(2,552)
Present value of defined benefit obligation as of December 31	$	27,465	$	41,401	$	42,386

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

		2022		2021		2020
Fair value of plan assets as of January 1st	$	36,823	$	34,790	$	29,253
Return on plan assets		1,567		1,324		1,316
Actuarial (gain)/loss on estimate of plan assets		(7,793)		(810)		2,926
Employer contributions		1,000		2,064		1,483
Translation effect		(1,452)		882		1,194
Benefits paid		(5,732)		(1,427)		(1,382)
Fair value of plan assets as of December 31	$	24,413	$	36,823	$	34,790

Categories of plan assets:

	Fair value of plan assets					
		2022		2021		2020
Equity instruments	$	6,260	$	7,247	$	8,976
Debt instruments		16,288		25,471		23,136
Other		1,865		4,105		2,678
	$	24,413	$	36,823	$	34,790

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, 2022 is as follows:

		Mexico		USA		Canada
Discount rate increase	$	(1,113)	$	(551)	$	(175)
Discount rate decrease		1,179		551		200
Salary rate increase		(575)		(3)		(10)
Salary rate decrease		534		3		12

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		
	2022	2021	2020
Mexico:			
Average duration	16.95	20.20	20.20
Active members	25.49	26.50	26.34
Retired members	8.41	8.30	9.42
USA:			
Average duration	10.41	12.16	12.83
Active members	11.12	13.83	14.48
Retired members	7.53	9.46	9.92
Deferred members	10.16	12.94	13.69
Canada:			
Average duration	10.20	12.80	13.40
Active members	13.20	16.80	17.30
Retired members	8.50	9.30	9.60
Deferred members	16.10	18.40	19.00

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

	2022	2021	2020
Present value of defined benefit obligation	$ 27,465	$ 41,401	$ 42,386
Less - Fair value of plan assets	24,413	36,823	34,790
Unfunded defined benefit obligation	3,052	4,578	7,596
Experience adjustments to plan obligations and actuarial loss	(671)	911	1,252
Experience adjustments to plan assets	$ (7,793)	$ (810)	$ 2,926

The Company expects to make a contribution of $952 to the retirement and post-retirement benefit plans in 2023.

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, 2022, 2021 and 2020, the contributions made to the MEPPs total $2,655, $2,556 and $2,592, respectively. The Company expects to contribute of $2,365 to the plan in 2023.

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:

		2022		2021		2020
Balance as of January 1st	$	19,227	$	20,343	$	17,319
Remeasurement – (Note 22)		(18,697)		(2,005)		1,639
Financial cost – (Not3 23)		303		230		390
Effect of foreign exchange differences		(802)		659		995
Balance as of December 31	$	31	$	19,227	$	20,343

In March 2021, the American Rescue Plan Act of 2022 ("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 2022, it is expected that the underfunded MEPPs will be eligible to apply for financial assistance in 2022 and 2023.

In December 2022, the largest critical and declining pension fund in the United States, Central States Teamsters, received approval for Special Financial Assistance (SFA). The Company believes that this approval significantly reduces the level of uncertainty with respect to other qualified pension funds and provides assurance that the SFA application process is progressing as planned. Accordingly, the Company believes that the previously expected contributions that were recognized on a provisional basis will no longer be required, so this provision has been reversed. The amount of this reversal is $19,010, which was recognized in other expenses in the statement of profit or loss.

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:

		2022		2021		2020
Social welfare:						
Short-term [a]	$	1,462	$	1,511	$	448
Long-term		3,873		4,012		3,754
	$	5,335	$	5,523	$	4,202

[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:

		2022		2021		2020
Provisions	$	8,663	$	5,793	$	4,919
Liabilities for exits from multi-employer plans		2,075		2,370		2,575
Deferred compensation		1,022		1,206		629
Virtual power purchase agreement		-		-		213
Other		247		453		662
	$	12,007	$	9,822	$	8,998

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		2022		2021		2020
Tax	$	1,146	$	1,191	$	1,040
Labor		649		711		873
Civil		120		110		111
Other		79		1		1
Uncertain tax positions		6,669		3,780		2,894
Total	$	8,663	$	5,793	$	4,919

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

		2022		2021		2020
Balance as of January 1st	$	5,793	$	4,919	$	4,386
Net increases		3,033		1,107		1,086
Payments		(113)		(177)		(337)
Effect of foreign exchange differences		(50)		(56)		(216)
Balance as of December 31	$	8,663	$	5,793	$	4,919

As of December 31, 2022, 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 $405. 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, 2022, 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 April 29, 2022, in advance the Company paid the total debit $310.

In addition, the Company has secured its labor and civil lawsuits with security deposits totaling $256, 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, 2022, the Company has not recognized a provision related to this matter.

20. Equity

An analysis of the Company's equity as of December 31, 2022, 2021 and 2020 is as follows:

	2022		2021		2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Fixed share capital:						
Series A	4,475,068,991	$ 4,021	4,516,329,661	$ 4,059	4,533,758,587	$ 4,074
Treasury shares	(41,401,350)	(37)	(41,260,670)	(38)	(13,419,417)	(13)
Total	4,433,667,641	$ 3,984	4,475,068,991	$ 4,021	4,520,339,170	$ 4,061

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 November 17, 2022, the shareholders declared dividends of $2,882 ($0.65 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on November 28, 2022.

ii) At a regular shareholders' meeting held on April 27, 2022, the shareholders declared dividends of $2,909 ($0.65 per share), which were paid out of the Net taxed profits account (CUFIN, by its acronym in Spanish) in cash on May 19, 2022.

iii) At a regular shareholders' meeting held on April 27, 2022, the shareholders approved the cancellation of 41,260,670 Series "A" shares held in Treasury, resulting in a share capital and treasury shares reduction of $38.

iv) 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 07, 2021.

v) 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.

vi) 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.

vii) 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.

viii) 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.

ix) 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, 2022, 2021 and 2020, the legal reserve is $500 (nominal amount).

x) At regular shareholders' meetings held on April 29, 2020, the shareholders agreed to increase the provision for repurchase of shares by $10,000(nominal amount). The Company's provision for repurchase of shares is included in its retained earnings. The approved (nominal) amount of the provision is $15,200 as of December 31, 2022 and 2021 and $5,200 as of December 31, 2020, respectively. An analysis of movements in the provision is as follows:

		2022		2021		2020
Balance as of January 1st	$	6,977	$	8,838	$	2,483
Increases		-		-		10,000
Repurchase of shares		(2,531)		(1,861)		(3,645)
Balance as of December 31,	$	4,446	$	6,977	$	8,838

xi) 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.

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

		2022		2021		2020
Restated contributed capital account (CUCA)	$	33,924	$	31,760	$	30,834
Net taxed profits account (CUFIN)		110, 344		87,424		81,722

Other equity financial instrument

On April 17, 2018, Grupo Bimbo, S.A.B. de C.V. issued a perpetual subordinated bond of USD500 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:

		2022		2021		2020
Perpetual subordinated bond - principal	$	8,699	$	9,044	$	9,044
Issuance expenses		(58)		(58)		(58)
		8,641		8,986		8,986
Current income tax		(544)		(124)		1
Deferred income tax		1		5		9
Perpetual subordinated bond – principal	$	8,098	$	8,867	$	8,996

As of December 31, 2022, 2021 and 2020, the Company made semi-annual coupon payments of $649, $621 and $648, respectively, and recognized an income tax effect of $(195), $(187) and $(194), respectively. Therefore, retained earnings decreased by $844, $434 and $454, respectively.

During 2022, the Company repurchased perpetual bond securities in the secondary market for a nominal value of $344, recognizing a decrease of $32 for exchange rate fluctuations in retained earnings.

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:

	2022	2021 Reformulated	2020 Reformulated
Cost of sales:			
Raw materials	$ 129,454	$ 101,568	$ 94,336
Salaries and benefits	33,342	31,438	30,587
Freight, fuel and maintenance	17,008	12,212	10,775
Depreciation	7,750	6,975	6,892
Professional and consulting services and c	1,665	1,711	1,682
Short-term and low value lease expense	1,125	1,002	985
Indirect taxes	988	933	946
Travel expenses	171	86	62
Other production expenses	1,822	1,778	1,739
	$ 193,325	$ 157,703	$ 148,004

	2022	2021	2020
Distribution, selling, administrative and other expenses:			
Salaries and benefits	$ 74,128	$ 68,820	$ 68,825
Freight, fuel and maintenance	43,729	35,251	34,187
Advertising and promotional expenses	14,218	12,907	11,806
Professional and consulting services	14,048	13,609	13,355
Depreciation and amortization	10,288	9,151	9,147
Logistics expenses	4,649	3,994	4,119
Remeasurement of multi-employer pension plans (MEPP)	(19,010)	(2,247)	2,494
Integration expenses	367	724	1,968
Indirect taxes	1,882	1,553	1,513
Restructuring expenses	1,657	2,059	1,170
Short-term and low value lease expense	1,394	1,151	986
Travel expenses	1,537	1,159	956
Other	2,798	378	348
	$ 151,685	$ 148,509	$ 150,874

22. Other expenses, net

An analysis of other expenses is as follows:

		2022		2021 Reformulated		2020 Reformulated
(Gain) on sale of property, plant and equipment	$	33	$	(187)	$	(118)
Impairment of goodwill		1,597		315		770
Impairment of trademarks and distribution rights		131		63		105
Impairment trademarks reversal		(861)		-		-
Restructuring expenses		1,657		2,059		1,170
Labor obligations		22		19		52
Usufruct amortization		-		201		220
Other non-current assets amortization		196		106		-
Remeasurement of multi-employer pension plans (MEPP) (Note 18)		(18,697)		(2,005)		1,639
Provision for updating other non-current liabilities		(313)		(242)		855
Other		926		(138)		497
	$	(15,309)	$	216	$	5,196

23. Interest expense

		2022		2021 Reformulated		2020 Reformulated
Interest on debt	$	5,006	$	5,550	$	6,995
Interest on lease liabilities		1,328		1,238		1,053
Net interest on pension plans		627		394		514
Interest for updating MEPPs		303		230		390
Other finance costs		785		411		405
	$	8,049	$	7,823	$	9,357

24. Discontinued Operation

As of November 1st, 2022 and December 31, 2021 and 2020, the breakdown of the result from discontinued operations, which belonged to the geographic segment of Mexico, is as follows:

		2022		2021		2020
Net sales	$	10,115	$	10,075	$	8,085
Costs, general expenses and interest [1]		8,637		8,576		6,748
Profit before income tax		1,478		1,499		1,337
Profit on disposal of discontinued operation		22,038		-		-
Profit before income taxes for discontinued operation		23,516		1,499		1,337
Income tax for discontinued operation		346		245		249
Income tax for profit on disposal for discontinued operation		6,182		-		-
		6,528		245		249
Net profit later income tax for discontinued operation.	$	16,988	$	1,254	$	1,088

[1] Includes $164 of depreciation of property, plant and equipment and $80 of depreciation of rights of use.

As of November 1st, 2022, the assets and liabilities attributable to the confectionery business are as follows:

		2022
Cash and equivalents	$	442
Other current assets		3,137
Property, plant and equipment, net (Note 8)		2,356
Right-of-use assets, net (Note 9)		334
Intangible assets, net (Note 11)		1,130
Goodwill (Note 12)		549
Other non-current assets, net		126
Total assets	$	8,074
Trade accounts payable	$	1,447
Other accounts payable and accrued liabilities		1,610
Current lease liabilities (Note 9)		372
Employee benefits (1)		315
Other non-current liabilities		571
Total liabilities	$	4,315
Assets disposal, net	$	3,759
Price charged in cash (Note 1)	$	25,797
Profit on disposal of discontinued operation	$	22,038

(1) Includes $309 of pension plans and $6 of long-term bonds.

		2022		2021		2020
Operating activities flows	$	1,601	$	652	$	84
Investing activities flows	$	(328)	$	(495)	$	(203)
Financing activities flows	$	(846)	$	(152)	$	(124)

25. 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, 2022, 2021 and 2020, the value of such letters of credit is $4,515, $5,020 and $4,947, 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, 2022, 2021 and 2020, the balance of $2,813, $2,237 and $1,521, 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, 2022, 2021 and 2020, the liability payable to Nafinsa under this program totals $3,233, $1,734 and $1,152, respectively.

4. Additionally, it has a factoring contract with Banco Santander México, S.A., for the discount of invoices of the suppliers of its subsidiaries in Mexico, whose liability in favor of said financial institution amounts to $552 as of December 31, 2022.

5. 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 2023	
Mexico	02/12/2008	01/11/2012	18 años	MXP	293.35
Peru	05/08/2019	01/09/2019	3 años	USD	0.20
Argentina	05/09/2019	01/01/2020	15 años	USD	1.33
Chile	22/02/2020	01/04/2021	8 años	USD	1.12
Panama	22/12/2020	01/07/2021	5 años	USD	0.32
Colombia	22/12/2021	01/01/2022	8 años	USD	1.11
Brazil	03/12/2021	01/01/2022	3 años	USD	2.32
Ecuador	13/04/2022	01/06/2022	10 años	USD	0.70

6. 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, 2022, 2021 and 2020, the net financial asset/(liability) of $789, $336 and $(213), respectively, is recognized as part of other non-current assets/(liabilities). In 2022, 2021 and 2020, the Company recognized $67, $68 and $71, respectively, under comprehensive financing cost corresponding to the amortization of the liability, and $(587), $(512) and $345, respectively, for changes in the fair value of assets/(liabilities).

7. 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.

26. 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:

	2022					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Net sales	$ 130,401	$ 205,674	$ 38,411	$ 37,536	$ (13,316)	$ 398,706
Sales between segments	(12,873)	(391)	(12)	(40)	13,316	-
Consolidated net sales	$ 117,528	$ 205,283	$ 38,399	$ 37,496	$ -	$ 398,706
Operating profit (1)	$ 18,824	$ 33,263	$ 1,087	$ (486)	$ 1,008	$ 53,696
Depreciation and amortization (5)	$ 4,424	$ 9,248	$ 2,278	$ 2,088	$ -	$ 18,038
Impairment of non-current assets	$ 72	$ (890)	$ 46	$ 1,818	$	$ 1,046

	2022 (continuous)					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Other items not affecting cash flows	$ -	$ (19,010)	$ 22	$ -794	$ 448	$ (19,334)
Adjusted EBITDA (1) (2)	$ 23,320	$ 22,611	$ 3,433	$ 2,626	$ 1,456	$ 53,446
Net profit - Equity holders of the parent	$ 46,221	$ 21,579	$ (349)	$ (658)	$ (19,883)	$ 46,910
Income tax	$ 7,001	$ 6,834	$ 253	$ 99	$ 194	$ 14,381
Interest income	$ 2,750	$ 570	$ 33	$ 38	$ (2,651)	$ 740
Interest expense (3)	$ 7,107	$ 2,905	$ 685	$ 3	$ (2,652)	$ 8,048
Total assets	$ 89,070	$ 191,504	$ 31,557	$ 49,033	$ (13,400)	$ 347,764
Total liabilities	$ 117,136	$ 78,602	$ 13,729	$ 13,909	$ (3,214)	$ 220,162
Purchase of property, plant and equipment	$ 13,853	$ 8,291	$ 4,553	$ 1,972	$ -	$ 28,669

	2021 Reformulated					
	Mexico	North America	Latin America	EAA	Eliminated on consolidation	Total
Net sales	$ 109,089	$ 175,369	$ 31,109	$ 34,195	$ (10,970)	$ 338,792
Sales between segments	(10,507)	(335)	(25)	(103)	10,970	-
Consolidated net sales	$ 98,582	$ 175,034	$ 31,084	$ 34,092	$ -	$ 338,792
Operating profit (1)	$ 16,731	$ 15,171	$ 78	$ 292	$ 308	$ 32,580
Depreciation and amortization	$ 3,907	$ 8,470	$ 1,687	$ 2,062	$ -	$ 16,126
Impairment of non-current assets	$ 133	$ 57	$ 142	$ 350	$ -	$ 682
Other items not affecting cash flows	$ -	$ (2,246)	$ 19	$ -	$ 211	$ (2,016)
Adjusted EBITDA (1) (2)	$ 20,771	$ 21,452	$ 1,926	$ 2,704	$ 519	$ 47,372
Net profit - Equity holders of the parent	$ 16,544	$ 8,864	$ (1,227)	$ (729)	$ (7,536)	$ 15,916
Income tax	$ 5,320	$ 2,699	$ 343	$ 149	$ 215	$ 8,726
Interest income	$ 826	$ 99	$ 56	$ 29	$ (647)	$ 363
Interest expense (3)	$ 6,252	$ 1,685	$ 436	$ 97	$ (647)	$ 7,823
Total assets (4)	$ 78,386	$ 202,347	$ 30,121	$ 45,860	$ (19,074)	$ 337,640
Total liabilities (4)	$ 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 Reformulated					
	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 (1)	$ 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 (1) (2)	$ 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 (3)	$ 6,838	$ 2,268	$ 715	$ 86	$ (483)	$ 9,424
Total assets (4)	$ 72,528	$ 186,298	$ 24,586	$ 42,089	$ (17,850)	$ 307,651
Total liabilities (4)	$ 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

(1) Does not include intercompany royalties.

(2) LThe 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.

(3) Includes monetary position gains and losses.

(4) Until October 31, 2022, the Mexico segment included the assets and liabilities attributable to the assets and liabilities of the confectionery business.

(5) Depreciation and amortization in the consolidated statement of cash flows includes $244 corresponding to the discontinued operation.

For the years ended December 31, 2022, 2021 and 2020, sales to the Company's largest customer represent 15.20%, 15.30% and 15.08%, 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.

27. Subsequent Events

Acquisition Vel Pitar

On January 9, 2023, through two of its subsidiaries, the Company acquired a 100%-stake in Val Pitar, S.A., a company operating in Romania, with a diversified portfolio with more than 12 trademarks in the categories of bread and sweet bread.

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For this acquistion, the purchase price allocation will be perfomed in the following months and the valuation of the assets acquired and 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 netx table will be reallocated to property, plant and equipment and intangible assets, such as brands and customer relationships, mainly.

The segment that will group this business will be EAA.

		Initial balancel
Amounts recognized for identifiable assets and liabilities assumed:		
Cash and cash equivalents	$	211
Other current assets		288
Property, plant and equipment		725
Identified intangible assets		2
Goodwill		2,708
Total identifiable assets	$	3,934
Total liabilities assumed	$	389

Revolving committed line of credit renewal

On March 15, 2023, the Company renewed the revolving committed credit line extending the committed amount to USD1,931 million, maturing USD875 million in 2026 and USD1,056 million in 2028.

Adjustment to the sale price of the confectionery business

On March 21, 2023, the Company signed the final price agreement for the sale of the confectionery business executed on November 1st, 2022, with a price adjustment of $20.

Redemption of perpetual subordinated bond

On March 24, 2023, the Company announced the redemption of the perpetual subordinated bond in its first repurchase call, which is scheduled for April 17, 2023, for which it will disposal the revolving committed credit line.

28. Authorization of the Consolidated Financial Statements

On April 05, 2023, 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 our
groups of interest

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BIMBO

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