

Organización Cultiba Announces First Quarter 2022 Preliminary Financial Results

MEXICO CITY, May 2nd, 2022 – Organización Cultiba, S.A.B. de C.V. (“CULTIBA” or “the Company”) (BMV: CULTIBA), today reported preliminary financial results for the quarter ended March 31, 2022.

Select Operating and Financial Information

| (Ps. in Millions) | First Quarter | | |
|---|---------------|-------|--------|
| | 2022 | 2021 | % Chg |
| OPERATING HIGHLIGHTS | | | |
| Total Case Volume (MM unit cases ¹) | 375.2 | 368.5 | 1.8% |
| CONSOLIDATED FINANCIAL HIGHLIGHTS | | | |
| (WITH 40% OF BEV. DIVISION & 49% of B. Juárez Mill) | | | |
| Total Revenue ² | 4,771 | 4,163 | 14.6% |
| Income (loss) from Operations | 269 | 165 | 63.3% |
| Operating Margin | 5.6% | 4.0% | 168 bp |
| Total EBITDA ³ | 513 | 406 | 26.1% |
| EBITDA Margin | 10.7% | 9.8% | 97 bp |
| Net Income (loss) | 198 | 157 | 26.1% |
| BEV. DIVISION FINANCIAL HIGHLIGHTS | | | |
| (GEPP@40%) | | | |
| Revenue ² | 4,651 | 4,142 | 12.3% |
| Income (loss) from Operations | 268 | 174 | 53.9% |
| Operating Margin | 5.8% | 4.2% | 155 pb |
| EBITDA ³ | 513 | 414 | 23.8% |
| EBITDA Margin | 11.0% | 10.0% | 102 pb |
| Net Income (loss) | 152 | 82 | 84.8% |

¹1 unit case = 24 servings of 8 US fluid oz each; or 5.678 liters. ²In order to simplify revenues and COGS comparability at the industry level, the Company presents preliminary quarterly results without including income from excise tax in the beverages division. ³EBITDA = Net income plus (1) Depreciation and amortization, (2) Net financing cost, (3) Provision for taxes. .

FINANCIAL AND OPERATING HIGHLIGHTS

- **Beverages volumes increased during the period;** total beverages volume increased 1.8% YoY in 1Q22.
- **Consolidated proforma revenue increased 14.6% during the quarter;** revenue in the beverages division increased 12.3% during the quarter.
- **Consolidated proforma EBITDA margin was 10.7% in the quarter;** EBITDA margin in the beverages division increased to 11.0% during the quarter.

Standardization of Proforma Financial Statements

In April 2022, in the general meeting of CULTIBA's shareholders the payment of a stock dividend was discussed and approved, in favor of its shareholders in proportion to their shares in the capital. CULTIBA's shareholders will receive shares of the capital of Grupo Azucarero Mexico GAM, S.A.P.I. de C.V. GAM, a subsidiary of CULTIBA.

CULTIBA announced an Informative Brochure, which includes a detailed description of the 2022 Dividend Payment proposal, a corporate diagram of CULTIBA before and after the operation, as well as the Proforma Financial Information, giving effect to the Payment of the 2022 Dividend and the consequent deconsolidation of Grupo Azucarero Mexico GAM, together with the comments and analysis of management on our operating results and financial situation, giving the effect of the Payment of the 2022 Dividend. The Proforma Financial Statements of Cultiba are attached and include the Report issued by Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche Tohmatsu Limited. For more information regarding the proposal for the 2022 Dividend Payment, please consult the Information Brochure which is available on the BMV website (www.bmv.com.mx) and on the CULTIBA website (<https://www2.CULTIBA.mx/>).

According to the stock market regulations, the agreements that have been adopted in the general meeting of shareholders of CULTIBA on April 29th, 2022 and all agreements will be available to all our shareholders through the electronic system of the BMV (Emisnet), and provided to the BMV and CNBV.

The Proforma Financial Information has been prepared to show the effects that it would have had on CULTIBA's consolidated statements of financial position in the quarterly periods reported as of March 31, 2021 and 2022.

As a reminder, before this change, CULTIBA's Proforma Financial Information showed Grupo Azucarero Mexico GAM's results, the sugar business's 49% interest in Benito Juarez mill and the Company's minority interest in GEPP of 40%.

Per regulatory guidelines, CULTIBA's financial statements reported to the Mexican Stock Exchange use the equity method to show CULTIBA's stake in GEPP. CULTIBA computes its 40% share of the beverages business by adding the corresponding *net profit* from such businesses to the Company's bottom line at the P&L, and by recognizing CULTIBA's stake over the fair value of GEPP's assets on the Company's Balance Sheet, computing the 49% ownership within the *Joint Ventures* line at the *Assets* section.

1Q22 RESULTS COMMENTARY

Beverages Division Volume

During the quarter, total beverages volume was 375.2 million eight-ounce cases, a 1.8% increase compared to the 368.5 million eight-ounce cases of first quarter 2021.

Revenue

Quarterly results presented in this release are calculated on a proforma basis, and incorporate 40% of GEPP's business throughout every line of CULTIBA's P&L. In addition, revenues presented in this release do not include revenue or costs generated from the excise tax in the beverages division.

Total company proforma revenue in first quarter 2022 increased 14.6% to Ps.4,771 million from Ps.4,163 million in the first quarter of 2021.

Proforma revenue from the beverages division (computing 40% of total) was Ps.4,651 million in the first quarter of 2022, 12.3% higher than the same period of the prior year. Revenue per unit case increased 10.3% year-over-year to Ps.31.0 in first quarter 2022 from Ps.28.1 in first quarter 2021.

Costs of Goods Sold

Total company proforma cost of goods sold (COGS) was Ps.2,610 million in the first quarter of 2022, increasing 14.3% when compared to the Ps.2,283 million of 1Q21. At the beverages division, COGS per unit case were 11.8% higher than COGS per unit case in the comparable period of 2021; while gross profit per unit case increased 8.4% year-over-year.

Selling, General & Administrative Expenses (SG&A)

Total company proforma SG&A in first quarter 2021 was Ps.1,892 million, increasing 10.3% when compared to proforma Ps.1,716 million of SG&A in first quarter 2021. As a result, SG&A as a percentage of revenues was 39.7% in the quarter, compared to 41.2% in 1Q21.

Operating Income

Total proforma operating income during the first quarter of 2022 was Ps.269 million before other income/expenses, compared to Ps.165 million from 1Q21. The beverages division's operating income (40% of CULTIBA's stake over the business) was Ps.268 million in the period, compared to operating income Ps.174 million in equivalent terms for 2021.

Total proforma operating margin was 5.6% in the quarter, increasing 97 basis points from the operating margin of 1Q21. As for the beverages division, operating margin was 5.8% in 1Q22, compared to operative margin 4.2% in 1Q21.

Fiscal 1Q22

EBITDA

Proforma consolidated EBITDA for 1Q22 was Ps.513 million, this represents a 26.1% increase compared to Ps.406 million in 1Q21. Proforma consolidated EBITDA margin was 10.7% in 1Q21 compared to 9.8% in equivalent terms for the prior year. As a reminder, CULTIBA is computing its proforma consolidated results by adding the 40% stake that the Company owns in GEPP and then subtracting Holding Company expenses on each applicable item from the P&L.

EBITDA from CULTIBA's 40% stake in the beverages division was Ps.513 million in first quarter 2022, 23.8% higher than Ps.414 million in comparable terms for the prior year. EBITDA margin in the beverages division was 11.0% this quarter, compared to 10.0% in 1Q21.

Financing Cost

Consolidated proforma cash-interest expense during the quarter was Ps.74 million, increasing 59.9% when compared to the Ps.47 million of 1Q21. Additionally, interest gains were Ps.15 million through the quarter, compared to Ps.10 million in the same period of prior year. On the other hand, non-cash derivative losses of Ps.0 million in 1Q22 increased when compared to non-cash derivative losses of Ps.2 million in 1Q21. In addition, proforma non-cash exchange rate losses of Ps.42 million increased from the Ps.6 million of proforma non-cash exchange rate losses in 1Q21. As a result, proforma Financing Costs in first quarter 2022 resulted in a net loss of Ps.101 million, compared to a net income of Ps.45 million of 1Q21. Long-term dollar denominated debt continues to be fully hedged with future dollar denominated cash inflows in both divisions.

Net Income

Consolidated proforma net income was Ps.198 million in the quarter, compared to net income of Ps.157 million during the same period of last year.

During 1Q22, CULTIBA's 40% stake in the beverages division's net income was Ps.152 million compared to a net income of Ps.152 million in 1Q21.

BALANCE SHEET AND CASH FLOW

As mentioned before, every line in CULTIBA's proforma P&L shows the Company's 40% stake in GEPP. As for the Balance Sheet, the Company computes only the fair market value of CULTIBA's 40% stake.

Cash and Equivalents

As of March 31 2022, the Company had Ps.2,167 million in cash and equivalents, compared to Ps.1,150 million on December 31st 2021.

Financial Debt

CULTIBA's Total financial debt outstanding by the end of 1Q22 was Ps.199 million compared to Ps.1,374 million by year-end 2021. CULTIBA's Net Debt by the end of 1Q22 was negative by Ps.1,968 million.

Fiscal 1Q22

The following table shows total debt levels in each of CULTIBA's subsidiaries as well as a proforma calculation for CULTIBA considering 40% of GEPP and 49% of Benito Juarez mill as of March 31 2022.

(Ps. in Millions)

| | Beverages Division Total Financial Debt | | | CULTIBA Consolidated Financial Debt (Proforma with GEPP@40%) | | |
|-----------------|--|----------------|---------------|--|----------------|-----------------|
| | Mar 31 2022 | Dec 31 2021 | Var. | Mar 31 2022 | Dec 31 2021 | Var. |
| ST Debt | 5,000 | 2,400 | 108.3% | 2,374 | 1,334 | 78.0% |
| LT Debt | 1,700 | 1,750 | (2.9%) | 683 | 703 | (2.8%) |
| Net Debt | 4,652 | 1,809 | 157.2% | 851 | (256) | (432.2%) |

CAPEX

Capital expenditures through March 31 2022 were Ps.0.2 million, compared to Ps.29 million in 1Q21. These figures include only capex from minor expenditures at the Holding Co level. Through the three months of 2022, the beverages division invested a total of Ps.349 million, compared to Ps.268 million in the comparable period of 2021.

ANALYST COVERAGE

GBM Grupo Bursátil Mexicano.

[Note: Organización Cultiba, S.A.B. de C.V. (CULTIBA) is covered by the analysts listed above. Please note that any opinions, estimates or forecasts regarding the performance of CULTIBA issued by these analysts reflect their own views, and therefore do not represent the opinions, estimates or forecasts of CULTIBA or its management. Although CULTIBA may refer to or distribute such statements, this does not imply that CULTIBA agrees with or endorses any information, conclusions or recommendations included therein.]

ABOUT CULTIBA

Organización Cultiba, S.A.B. de C.V. is a holding company with a 40% interest in one of Mexico's largest bottlers of soft drinks and jug water, and the exclusive bottler of PepsiCo beverage products in Mexico. Carbonated, non-carbonated soft drinks and jug water are marketed under its beverages division's own brands as well as third-party brands. The beverages division has 44 bottling facilities in Mexico and is the only bottler with nationwide distribution. The Company is listed on the Bolsa Mexicana de Valores, where it trades under the symbol CULTIBA. For more information, please visit www.cultiba.mx.

FORWARD LOOKING STATEMENTS

This press release may contain forward-looking statements. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding our prospective financial position, business strategy, management plans and objectives, future operations and synergies are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future business operations and strategies and the environment in which the Company expects to operate in the future. Forward-looking statements speak only as of the date of this press release and the Company expressly disclaims any obligation or undertaking to release any update of or revisions to any forward-looking statements in this press release, any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

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ORGANIZACION CULTIBA, S.A.B. de C.V. CONSOLIDATED STATEMENTS OF OPERATIONS (Proforma/ Unaudited)

Prepared proforma considering CULTIBA's 40% stake in the beverages business

| (Ps in Millions) | First quarter Ended | | |
|---|---------------------|--------------|--------------|
| | Mar 31, 2022 | Mar 31, 2021 | % Change |
| Net sales ¹ | 4,771 | 4,163 | 14.6% |
| Cost of goods sold ¹ | 2,610 | 2,283 | 14.3% |
| Gross profit (loss) | 2,161 | 1,880 | 14.9% |
| Selling, general, and administrative expenses | 1,892 | 1,716 | 10.3% |
| Income (loss) from operations | 269 | 165 | 63.3% |
| Other income (expenses) | (3) | 0 | NM |
| Comprehensive cost of financing / (benefit) | 101 | 45 | 127.4% |
| Discontinued operations | 122 | 84 | 44.2% |
| Income (loss) before tax provisions | 287 | 204 | 40.2% |
| Tax provisions / (benefit) | 89 | 48 | 86.4% |
| Net income (loss) | 198 | 157 | 26.1% |
| EBITDA² | 513 | 406 | 26.1% |
| EBITDA margin | 10.7% | 9.8% | 97 bp |

¹In order to simplify revenues and COGS comparability at the industry level, the Company presents preliminary quarterly results without including income from excise tax in the beverages division. ²EBITDA = Net income plus (1) Depreciation and amortization, (2) Net financing cost, (3) Provision for taxes

ORGANIZACION CULTIBA, S.A.B. de C.V. BALANCE SHEETS (Unaudited)

| (Ps in Millions) | Mar – 2022 | Dec – 2021** |
|--|---------------|---------------|
| Current Assets | | |
| Cash & Equivalents | 2,167 | 1,550 |
| Clients | 1 | 128 |
| Other receivables | 257 | 723 |
| Inventories | 39 | 264 |
| Prepaid expenses | 62 | 164 |
| Other assets | 6,581 | 132 |
| Total Current Assets | 9,107 | 2,961 |
| Accounts receivable | 0 | 24 |
| Joint Ventures | 10,916 | 12,123 |
| Property, plant, & equipment | 21 | 2,670 |
| Intangible assets | 0 | 16 |
| Other assets | 10 | 363 |
| Long-Term Assets | 10,947 | 15,196 |
| TOTAL ASSETS | 20,054 | 18,157 |
| Liabilities and Equity | | |
| Current Liabilities | | |
| Bank loans | 199 | 1,371 |
| Suppliers | 0 | 269 |
| Other liabilities | 4,180 | 445 |
| Total Current Liabilities | 4,379 | 2,085 |
| Long-Term debt | 0 | 3 |
| Deferred taxes and others | 1 | 165 |
| Employee benefits | 29 | 379 |
| Long-Term Liabilities | 30 | 547 |
| TOTAL LIABILITIES | 4,409 | 2,632 |
| STOCKHOLDERS EQUITY | 15,645 | 15,525 |
| LIABILITIES & STOCKHOLDERS EQUITY | 20,054 | 18,157 |

**2021 shows audited data