2020 ANNUAL REPORT

TABLE OF CONTENTS

FEMSA At-A-Glance 03

Value Creation Highlights 05

Dear Shareholders 11

FEMSA Comercio 15

Coca-Cola FEMSA 26

FEMSA Strategic Businesses 34

FEMSA Foundation 41

Corporate Governance 48

Board of Directors 50

Executive Team 52

Financial Summary 53

Management's Discussion & Analysis 55

Contact 63

Fomento Económico Mexicano, S.A.B. de C.V., or FEMSA, is a leading company that creates economic and social value through companies and institutions and seeks to be the best employer and neighbor to the communities where it has a presence.

FEMSA participates in the following businesses:

- In the retail trade, through **FEMSA Comercio**, comprising:
  - a **Proximity Division**, which operates the OXXO small-format store chain;
  - a **Health Division**, which includes pharmacies and related activities; and
  - a **Fuel Division**, which operates the service stations chain, OXXO GAS.
- In the beverage industry, through **Coca-Cola FEMSA**, the largest franchise bottler of Coca-Cola products and trademark beverages in the world by sales volume; and in the beer sector, as a shareholder of HEINEKEN, one of the world's leading brewers with operations in more than 70 countries.
- In certain adjacent businesses, through **FEMSA Strategic Businesses** (FEMSA Negocios Estratégicos), including logistics services; specialized janitorial, cleaning and sanitation products distribution; point-of-sale refrigeration solutions; and plastics products for FEMSA companies and external clients.

FEMSA's 2020 integrated Annual Report reflects our commitment to strong corporate governance and transparency, as exemplified by our **organizational culture**. Our financial and sustainability results are for the twelve months ended December 31, 2020 compared to the twelve months ended December 31, 2019. For complementary information, please see our **2020 Sustainability Content**.

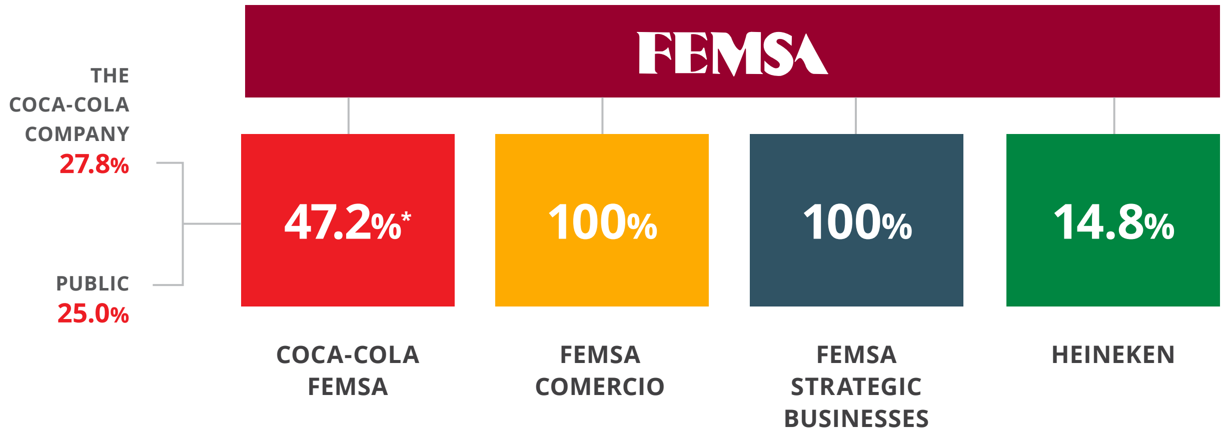
FEMSA AT-A-GLANCE

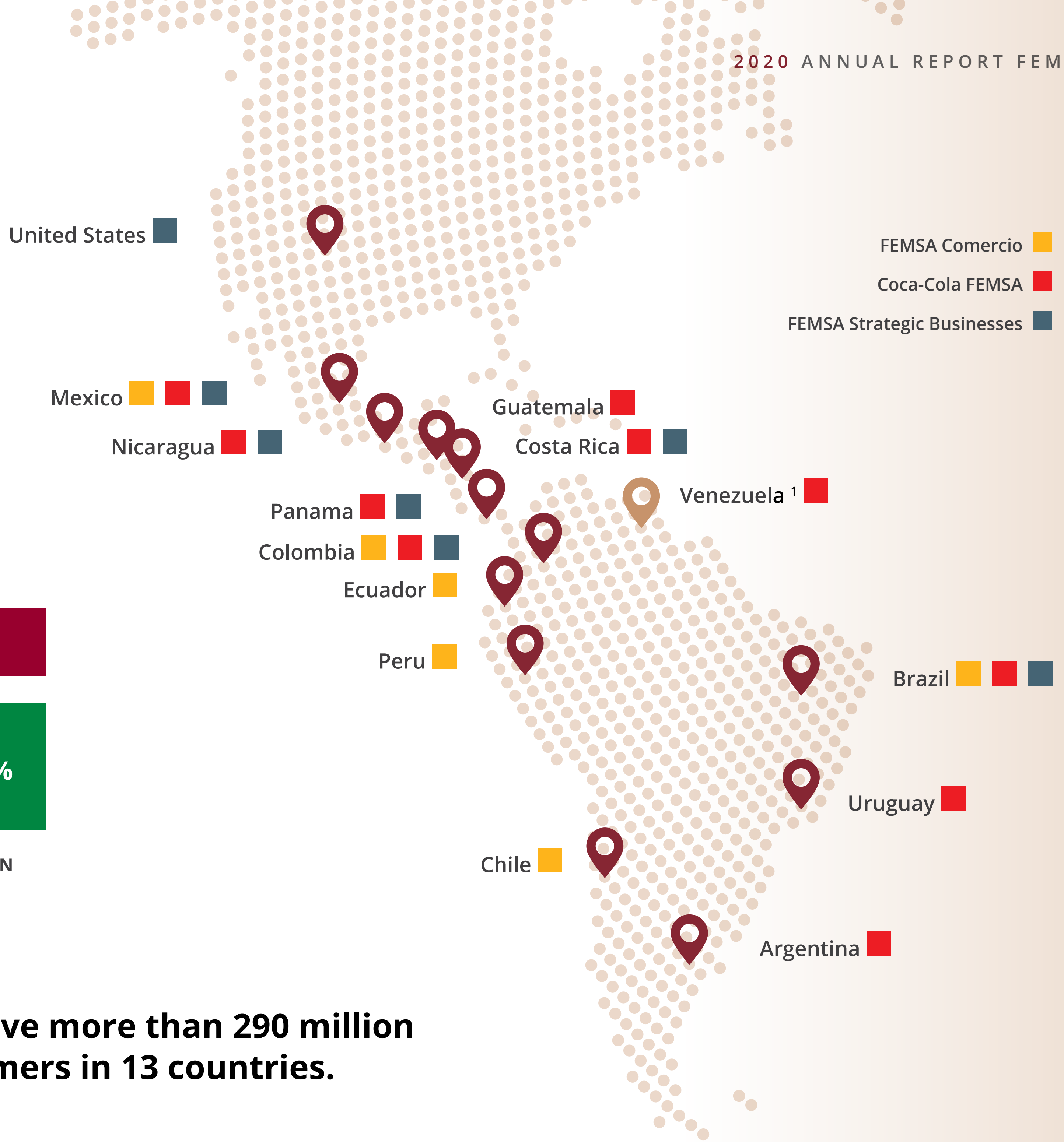
FEMSA's mission:

To create economic and social value through companies and institutions.

Corporate Structure

Equity Stakes and Business Units





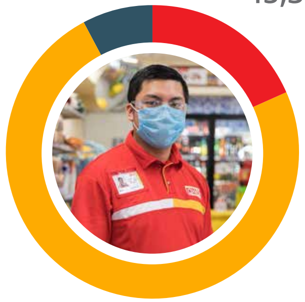
We serve more than 290 million consumers in 13 countries.

* Represents 56% of voting rights.

1. As of December 31, 2017, as a non-consolidated operation, Venezuela is reported as an investment in shares.

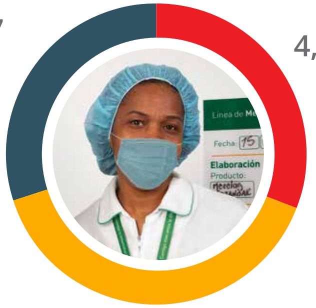
Headcount

Mexico [1]
245,157



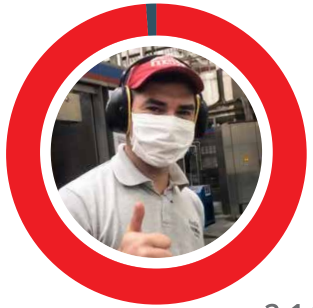
Central America [2]
8,033

Colombia
15,448



Brazil
30,281

Argentina
2,167



Peru
530

Chile
12,069

Uruguay
898

Ecuador
4,258

United States
1,777

We employ more than 320,000 people in the companies that comprise our three business units.

FEMSA Comercio
Coca-Cola FEMSA
FEMSA Strategic Businesses

[1] Total includes headquarter staff.
[2] Central America includes Costa Rica, Panama, Nicaragua and Guatemala.

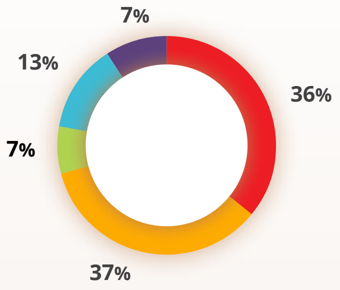
VALUE CREATION **HIGHLIGHTS**

Economic value

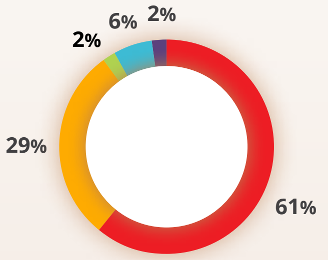
Millions of pesos	2020 [1]	2020	2019	%Change	2018 [2]	%Change
Total revenues	24,782	492,966	506,711	(2.7%)	469,744	7.9%
Income from operations [3]	2,086	41,503	47,152	(12.0%)	41,576	13.4%
Operating margin		8.4%	9.3%		8.9%	
Consolidated net income	188	3,756	28,048	(86.6%)	33,079	(15.2%)
Controlling interest net income [4]	(98)	(1,930)	20,699	(109.3%)	23,990	(13.7%)
Controlling interest earnings per BD unit [5]	(0.0)	(0.5)	5.8	(108.6%)	6.7	(13.4%)
Controlling interest earnings per ADS [6]	(0.3)	(5.4)	57.8	(109.3%)	67.0	(13.7%)
EBITDA	3,618	71,973	75,440	(4.6%)	60,458	24.8%
EBITDA margin		14.6%	14.9%		12.9%	
Total assets	34,428	684,848	637,541	7.4%	576,381	10.6%
Total liabilities	18,986	377,661	311,790	21.1%	240,839	29.5%
Total equity	15,442	307,187	325,751	(5.7%)	335,542	(2.9%)
Capital expenditures	1,050	20,893	25,579	(18.3%)	24,266	5.4%
Total cash and cash equivalents [7]	5,410	107,624	65,562	64.2%	62,047	5.7%
Short-term debt	443	8,801	16,204	(45.7%)	13,674	18.5%
Long-term debt	9,042	179,864	101,747	76.8%	114,990	(11.5%)
Headcount [8]		320,618	314,656	1.9%	297,073	5.9%

1. U.S. dollar figures are converted from Mexican pesos using the noon-buying rate published by U.S. Federal Reserve Board, which was Ps. 19.8920 per US$1.00 as of December 31, 2020.
2. Starting on January 1st 2019, the Company adopted IFRS16 "Leases" accounting rule using the modified retrospective method under which the comparative information was not restated.
3. Company's key performance indicator.
4. Represent the net income that is assigned to the controling shareholders of the entity.
5. "BD" units each of which represents one series "B" share, two series "D-B" shares and two series "D-L" shares. Data based on outstanding 2,161,177,770 BD units and 1,417,048,500 B units.
6. American Depositary Shares, a U.S. dollar-denominated equity share of a foreing-based company available for purchase on an American stock exchange.
7. Cash consists of non-interest bearing bank deposits and cash equivalents consist principally of short-term bank deposits and fixed rate investments.
8. Includes headcount from Coca-Cola FEMSA, FEMSA Comercio and Other Businesses of FEMSA.

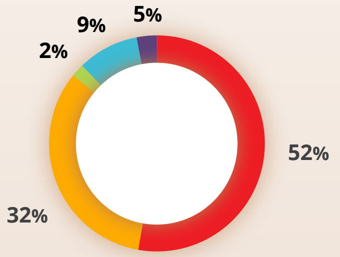
Total Revenues by Business Unit
millions of Mexican pesos
Ps. 492,966



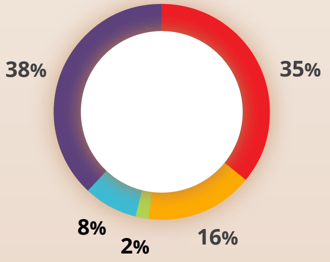
Income from Operations [1] by Business Unit
millions of Mexican pesos
Ps. 41,503



EBITDA [2] by Business Unit
millions of Mexican pesos
Ps. 71,973



Total Assets by Business Unit
millions of Mexican pesos
Ps. 684,848



- Coca-Cola FEMSA

FEMSA Comercio:
- Proximity Division
- Health Division
- Fuel Division
- Others*

* Includes FEMSA Strategic Businesses.
1. Company's key performance indicator.
2. EBITDA defined as Income from operations plus depreciation, amortization and other non-cash items.

OUR FOCUS ON SUSTAINABILITY

The global pandemic in 2020 disrupted the health, mobility, safety, economic and environmental circumstances of our employees, customers, value chain and surrounding communities.

Yet FEMSA remained firm in our conviction to continue generating economic and social value. **Now, more than ever, is the time to continue pushing for better conditions that will create prosperity, protect our people and preserve our planet.** In the following pages, we share a few key examples of our efforts to move forward on these objectives in 2020.

Learn more about our performance throughout the rest of this report.

1 Climate Change

+15,500 sites in Mexico powered with renewable energy

+77.6% of electricity needs in Mexico covered by clean sources, avoiding 721,995 tons of CO_2e emissions per year

80% of Coca-Cola FEMSA's manufacturing operations powered by clean energy

Coca-Cola FEMSA received approval from the Science Based Targets Initiative for its **2030 carbon footprint** reduction targets

7 Affordable and Clean Energy

13 Climate Action

2 Circular Economy

100% of our beverage manufacturing plants in Mexico have achieved Zero Waste to Landfill certification

50% recycled PET fiber in OXXO store employee uniforms

+60,000 refrigerators per year – and 90% of their components – repaired, reused or recycled by AlPunto at the end of their useful life

Learn more about our circular economy strategy

12 Responsible Consumption and Production

3 Human Rights

Signatories of the **United Nations Global Compact** and members of the **Tent Partnership for Refugees**

+28,000 hours of Ethics training to employees

+436,000 hours of Human Rights training to employees

Coca-Cola FEMSA included in **Bloomberg Gender-Equality Index**

5 Gender Equality

8 Decent Work and Economic Growth

4 Water Stewardship

5 COVID-19 Resilience

1 Climate Change

2 Circular Economy

3 Human Rights

4 Water Stewardship

Coca-Cola FEMSA improved its water-use ratio to reach **1.49 liters** of water per liter of beverage produced

100% of the water used to produce Coca-Cola FEMSA's beverages returned to the environment in main markets

26 Water Funds launched in **10** Latin American countries

28,871 people in 195 communities accessing safe water through **Lazos de Agua** program

6 CLEAN WATER AND SANITATION

Clean Water and Sanitation

5 COVID-19 Resilience

3Cs of our health and safety focus:

Collaborators: Prioritized the wellbeing of our 320,000 people

Customers: Enhanced in-store hygienic protocols and helped small businesses re-open

Community: Contributed to public-private initiatives and donated essential supplies to our neighbors

Learn more on page 9

3 GOOD HEALTH AND WELL-BEING

Good Health & Wellbeing

OUR CONTRIBUTION TO THE COMMUNITY

We recognize our active role in society as a good and responsible neighbor, investing and connecting with the communities where we have a presence. Here we share some highlights of the most important contributions to social value made by our extended FEMSA family in the fight against COVID-19 during 2020.

Learn more about our impacts this year throughout the rest of this report.

+24,000 vulnerable employees transitioned to work-from-home arrangements

+3.15 million face masks donated to police and security forces

+25,100 kilometers traveled by Solistica to deliver COVID-19 medical supplies

+34,000 food packages delivered to vulnerable communities, equivalent to 340 tons of food and products to cover basic needs

+1,100 advertising spaces used to communicate preventive health measures

+6,700 cans of food and 12,000 face shields donated by Farmacias YZA to health personnel

289 organizations supported through the OXXO's "Rounding Up" your change program

+8.1 tons of food from our Doña Tota fast-food restaurants donated through the Food Banks of Mexico

+32,000 liters of fuel donated to ambulances of the Mexican Red Cross

+26,000 shopkeepers protected with plexiglass countertop shields

+400,000 plastic face shields designed and manufactured by PTM for donation and sale

+3,000 supplies from our Bara discount format stores donated to hospitals in Guanajuato, Aguascalientes, Jalisco and Querétaro

+650 temporary beds and intensive care units built in the Citibanamex Center in collaboration with our partners in Mexico

1st Mexican-made mechanical respirator designed with engineering expertise from Torrey

+US$ 32,629 invested in **+15,200** biosafety elements donated to hospitals, institutions and vulnerable communities

+US$ 37,300 in donations of medicines and personal care items

+Ps. 90.0 million (US$ 4.5 million) raised to distribute protective equipment to healthcare workers in Mexico

Donation of food to the community

+US$ 331,000 in donations of medicines, diapers and personal care items

+3.8 million liters of beverages donated in 10 countries for frontline healthcare professionals and vulnerable communities

26,000 PCR COVID-19 tests donated in collaboration with other stakeholders

+500,000 liters of sanitizing alcohol distributed using our logistics network

Dear Shareholders:

We are proud of the swift and unified actions of all our teams to develop a comprehensive management response framework designed to protect short-term results while maintaining long-term goals.

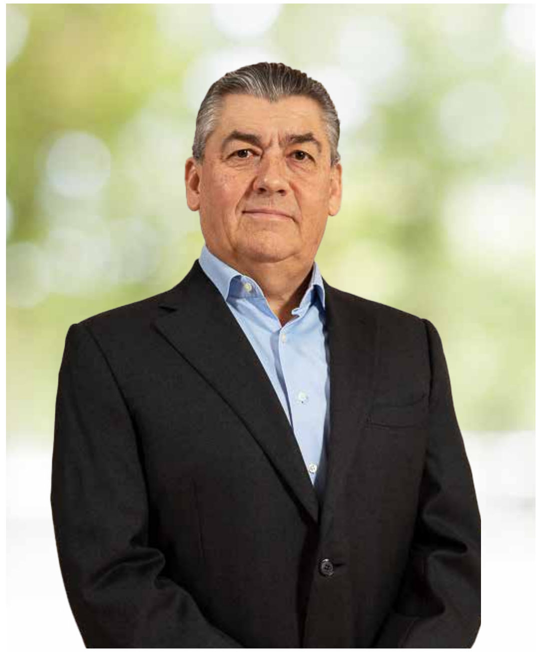
The past year was one characterized by many humanitarian and economic challenges across the world. FEMSA faced these risks and opportunities head on, as we are aware of the important role we play – both as an economic engine and as a force for social good – in the regions and communities where we operate.

We are proud of the swift and unified actions of all our teams to develop a comprehensive management response framework designed to protect short-term results while maintaining long-term goals. Thanks to these efforts, we emerged as a stronger company within the robust business ecosystem in which we operate. Some highlights of our COVID-19 response:

- **Our top priority in 2020 was the health, safety and wellbeing of our people, customers and consumers.** We implemented work-from-home programs for our employees, including more than 24,000 of them who had underlying health conditions or other identified risk factors.

In other cases, we redefined protocols and expanded infrastructure to support work-from-home arrangements. For the essential employees who kept our stores, stations and facilities open to meet the needs of our communities, we distributed personal protective equipment and intensified all on-site hygienic, disinfection and deep cleaning standards. To extend protective measures to our other areas of influence, we implemented social distancing measures in accordance with regulatory guidelines and proactively made important operational adjustments. For example, across FEMSA Comercio, we added plexiglass shields at checkout counters and used nanotechnology to sanitize service stations and public restrooms.

- **In collaboration with stakeholder partners, we came together in 2020 to give back to our neighbors and communities in need.** We were proud to take a leadership role in *Juntos por*



José Antonio Fernández Carbajal
Executive Chairman of the Board

M. Eduardo Padilla Silva
Chief Executive Officer

Our top priority in 2020 was the health, safety and wellbeing of our people, customers and consumers.

In collaboration with stakeholder partners, we came together in 2020 as a FEMSA family to give back to our neighbors and communities in need.

la Salud, a public-private initiative to protect community health in Mexico. With contributions from governmental bodies and nearly 600 companies, organizations and academic institutions, the objective of the program was to combat COVID-19 by increasing the availability of medical equipment and supplies for hospital personnel, security forces and the employees, suppliers, customers and consumers of participating companies.

FEMSA's combined contributions to the *Juntos por la Salud* initiative – as well as many other initiatives during the year – came from many parts of our diverse organization. We are so proud of the leadership of all our colleagues who came together to contribute their ideas, talents, time, resources and passion to help save lives. The team at Torrey contributed in the design and engineering expertise for the development of the first **100% Mexican-made mechanical respirator** (completed in only 10 weeks) and then Solistica helped to transport and deliver mechanical respirators and other medical supplies. FEMSA Foundation was instrumental in promoting the #pontecubrebocas communications campaign to encourage the correct way and societal normalization of wearing masks to increase public safety – messaging that was shared on television, radio, print, and social media. At year-end, *Juntos por la Salud* had mobilized more than Ps. 1.4 billion (US$ 71.5 million) in contributions from more than 33,000 individuals, benefiting 530 hospitals.

- **Through a disciplined approach to financial management, we ensured business continuity by carefully evaluating capital expenditures and responsibly preserving working capital.** We set up cash flow "control towers" and dynamic scenario analyses for each business unit, allowing us to maintain precise visibility of cash levels in real time while better visualizing and anticipating potential areas of financial stress. Our consolidated net debt position at year-end was Ps. 81.0 billion (US$ 4.1 billion), and our capex decreased 18.3% as we identified and rationalized noncritical investments. FEMSA business units followed similarly conservative approaches. For example, Coca-Cola FEMSA's relentless focus on driving efficiencies resulted in cost and expense savings of Ps. 7.4 billion (US$ 0.4 billion) for the year. Such efforts across our business units, coupled with our conservative balance sheet management and successful debt financings, resulted in a solid year-end cash position at FEMSA of more than Ps. 107.6 billion (US$ 5.4 billion).

Each of these responsive actions – and many more – align with FEMSA's mission to generate economic and social value through our companies and institutions. They also underscore our commitment to sustainability, in every sense of the definition – that is, maintaining long-term growth and business continuity despite disruptions, as well as going further to reduce our environmental footprint and promote community development. FEMSA contributes to the United Nations Sustainable Development Goals and, as a signatory of the U.N. Global Compact (UNGC), we support its 10 Principles in the areas of human rights, labor, environment and anti-corruption. By focusing on environmental sustainability and labor inclusion priorities today, we are ensuring longer-term business continuity and success tomorrow.

Despite the challenges of the year's macroeconomic environment, we continued to execute on our strategic vision for responsible capital deployment in high growth, high return assets.

- Seeking to apply our capabilities in high-frequency, process-enabled distribution, and expand our footprint into markets with favorable growth potential and visibility, we acquired a majority controlling interest in a new combined company that brought together two market leaders in the specialized distribution industry, with a focus on janitorial and sanitary ("jan-san") supply solutions: WAXIE Sanitary Supply and North American Corporation. During the year, we completed significant steps in their integration process, including bringing in a new CEO to lead the combined company and move forward on our growth strategy for industry consolidation. In late 2020, we took a couple of additional, relevant steps to advance that strategy by acquiring SW Plus and Southeastern Paper Group, Inc., further expanding our U.S. reach while continuing to build a national distribution platform.

- We also continued to build our reach and capabilities in Latin America. For example, Solistica completed a full year as the first fully integrated third-party logistics solution provider in the Brazilian market following the successful acquisition of AGV last year. Similarly, following last year's announcement of FEMSA Comercio's entry into Brazil through Grupo Nós, our joint venture with Raízen, the first OXXO store in Brazil opened its doors to the public in the city of Campinas in December 2020.

- Reflecting the challenging and complex operating environment across our company in 2020, total revenues decreased 2.7% from the previous year to Ps. 493.0 billion (US$ 24.8 billion); income from operations decreased 12.0% to Ps. 41.5 billion (US$ 2.1 billion); and net consolidated income decreased 86.6% to Ps. 3.8 billion (US$ 0.2 billion). Net majority loss per BD Unit was Ps. 0.54 in 2020 (US$ 0.27 per ADS).

Despite the challenges of the year's macroeconomic environment, we continued to execute on our strategic vision for responsible capital deployment in high growth, high return assets.

While the second and third quarters of 2020 were challenging across FEMSA's operations, we began to see consistent gradual improvement across our business units by the fourth quarter.

FEMSA Comercio felt the effects of pandemic-driven reduced customer mobility, which significantly impacted certain consumption occasions and store segments. We faced broad health-related operating restrictions on small box retail formats, contributing to a slow pace of recovery in OXXO stores. Many of the consumer needs we serve – such as thirst or craving for a snack or meal on-the-go – involve immediate, spur-of-the-moment purchasing decisions, and those categories were particularly exposed to the lack of consumer mobility. Nevertheless, same-store sales during the second half of the year showed a gradual, but sustained trend of recovery that stabilized in the final weeks of December, though still below the levels of the comparable period of 2019. Reduced mobility also impacted the results of our Fuel Division, while the Health Division had a strong year as our operations in Mexico continued their strong momentum and we catered to our customers' health needs across markets.

Coca-Cola FEMSA, having embarked on a deep transformation to create a leaner, more agile organization prior to the pandemic, was well positioned to adapt to the challenges of the year resiliently. We saw sequential operational improvements during the year driven by the gradually recovering consumer demand, portfolio innovation and affordability initiatives, and accelerated rollouts of new digital strategies. Coca-Cola FEMSA also benefited from a favorable environment for certain raw materials and achieved strong efficiencies and expense containment across operations, protecting their profitability. Importantly, in support of our sustainable development objectives, we are very proud that Coca-Cola FEMSA issued its first green bond in the international capital markets for US$ 705 million priced at US Treasury +120 basis points and a coupon of 1.85% and due 2032, the largest for a Latin American Corporation and a first for the Coca-Cola System.

We know that our resilience this year would not have been possible without the remarkable adaptability, agility and commitment from all of FEMSA's more than 320,000 people. We thank our colleagues, as well as all stakeholders, for their unwavering partnership and cooperation with us throughout the year. To learn more about the positive impacts we made together as a team, we invite you to explore the rest of this 2020 Annual Report, as well as our accompanying 2020 **Sustainability Content.**

As we begin a new year, we are optimistic about the prospects of a healthier, better tomorrow, and we thank you for joining us as we continue to work to move FEMSA forward. We wish you a healthy and successful 2021.

José Antonio Fernández Carbajal
Executive Chairman of the Board

M. Eduardo Padilla Silva
Chief Executive Officer

FEMSA COMERCIO

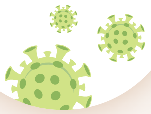
The three divisions of FEMSA Comercio (FEMCO)—Proximity, Health and Fuel— deliver economic and social value for all our stakeholders. Our brands include OXXO proximity stores; drugstores (under the brands Cruz Verde, Farmacias YZA, Moderna, Farmacon, Fybeca, Sana Sana and Maicao beauty stores); and OXXO GAS service stations.

Through our divisions we contribute to the direct employment of more than 204,000 people across Latin America, deliver close to 33.1 million products and services and serve approximately 12.2 million consumers every day.

An important part of our business model is our commitment to sustainability. FEMCO divisions conducted a comprehensive update to their materiality assessment in 2020 to identify the environmental, social and governance (ESG) topics that are most material to our business and our stakeholders. These assessments confirmed and validated our sustainability commitments through setting new targets around climate change, circular economy, gender equality and community development. Also, our divisions made significant progress during the year in contributing to FEMSA's corporate goals and sustainability strategy by working on initiatives and programs aligned with our material topics.

Creating Social Value Across FEMSA Comercio

COVID-19 Resilience



The top priority for FEMSA Comercio (FEMCO) in 2020 was protecting our employees, customers and business operations. Business continuity was essential to be able to continue providing products and services to our consumers during the health emergency. In response to COVID-19, FEMCO maintained its leadership position in creating social value by addressing the needs of communities. We procured donations of food, medicines and healthcare supplies while supporting local initiatives to support economic recovery.

Good Health & Wellbeing

Human Rights

Next, a second wave of social value creation was oriented towards global economic recovery and human rights. These efforts are in line with our broader Inclusion and Diversity (I&D) strategy, which is focused on providing job opportunities for young people, elderly and vulnerable populations, as well as and adopting an open culture that celebrates the authentic contributions of everyone's unique talents.

We promote full and productive employment and decent work for all people. In 2020, FEMSA joined the **Tent Partnership for Refugees**, a global non-profit coalition of more than 140 multinational companies working toward the economic integration of refugees by supporting dignified and formal employment opportunities. In partnership with Tent and the United Nations High Commissioner for Refugees (or ACNUR by its Spanish acronym) in Mexico, we hired more than 200 refugees in OXXO stores.

Gender Equality

Decent Work and Economic Growth

Since 2005, more than 1,600 OXXO stores and OXXO GAS facilities have been recognized with the Gilberto Rincón Gallardo Inclusive Company Distinction, awarded by the Ministry of Labor and Social Security in Mexico, for their good labor practices related to equal opportunities, inclusion, development and non-discrimination of vulnerable populations. These achievements reflect our ambition to become a top employer and neighbor in our communities.

For more information on the sustainability progress of the FEMSA Comercio Proximity, Health and Fuel Divisions, please visit our **2020 Sustainability Content**.

Proximity Division

FEMSA Comercio's Proximity Division operates the largest chain of small-format stores in Latin America and is the second largest retailer, in terms of revenues, in Mexico. Under the brand name, OXXO, our aim is to deliver convenience and simplify the lives of our customers.

Historically, one-stop shopping at OXXO has meant responding to our customers' busy lives and on-the-go needs in a fast, simple way. But in 2020, the pace of mobility slowed down around the world. Many people paused their normal commutes to work or school, significant operating restrictions were put into place by local governments and consumer preferences shifted toward in-home food consumption. Yet, with agility and resiliency, we were able to keep the large majority of stores in Mexico open during the pandemic to meet our customers' changing needs.

To ensure continued financial liquidity, we focused on expense efficiencies and cost containment, including moderating store expansions, closing stores with marginal or subpar productivity and adjusting opening hours. We completed the year with 236 net store additions.

Sustainability Progress

The Proximity Division continued to move toward FEMSA's energy efficiency vision and corporate clean energy goal to mitigate climate change. During 2020, we took the following climate actions:

Climate Change

14,847 stores and 13 OXXO distribution centers powered with renewable wind energy

16,377 stores, 18 OXXO distribution centers and 26 offices equipped with smart energy systems

6,298 stores utilizing solar control films to regulate heating, ventilation and air conditioning systems

+35% reduction in store energy consumption through our Energy Efficiency Program compared to 2009 baseline

We also further expanded our circular economy objectives by:

Circular Economy

Equipping 11,736 stores with waste separation capabilities and recycling bins

Recycling 16,657 used OXXO stores uniforms into other products

Reducing plastic bag utilization by **70% below** 2015 levels through the "*¡Sin Bolsa, Gracias!*" ("No bag, thank you!") campaign

Recycling 1,599 tons of office equipment and furniture that reached its end of life

To support COVID-19 relief, among many other collaborative initiatives across our proximity division, OXXO carried out more than 700 community development actions (focused on health, food and economic recovery). We allocated more than Ps. 100 million products not marketed through the Mexican Food Bank Network and we invested more than Ps. 53.0 million (US$ 2.7 million) to mitigate pandemic effects. This included providing a total of 3.15 million facemasks to healthcare workers and public security personnel, 9.3 million personal health supplies to frontline workers and 34,000 pantry packages to those in need.

Proximity Division
Points of Sale 2020
Total: 19,566

Redefining Food, Beverage and Self-Care Convenience

As foot traffic in stores dipped and same-store sales contracted in 2020, we adapted our value proposition to best meet customer needs. For example:

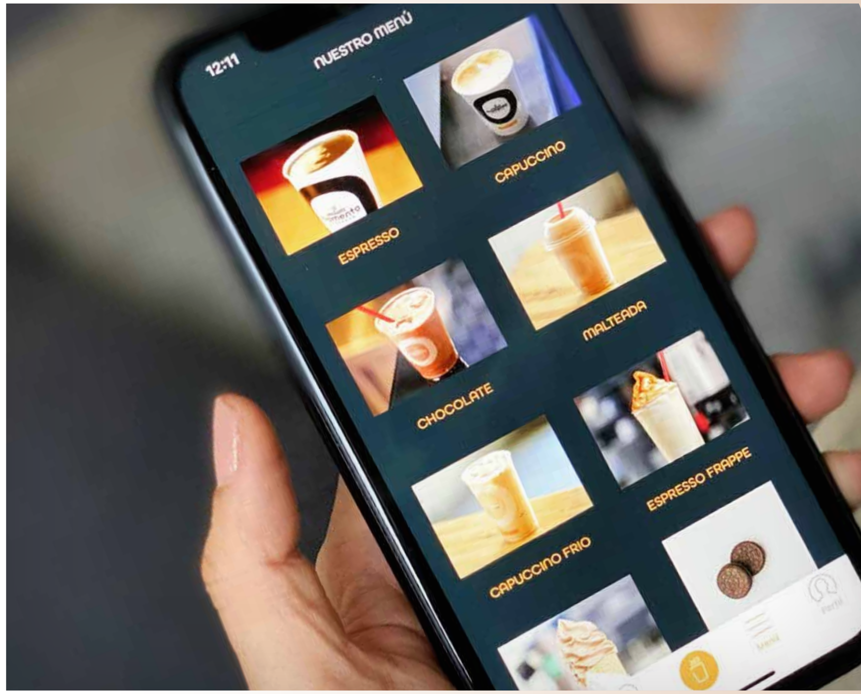
We revised our strategy for fresh, fast food products and other perishable categories to ensure safety while preserving profitability. This included reducing the operating hours of our popular freshly prepared food brand ¡O'Sabor! but expanding its offerings to offer attractive new options for in-home consumption, such as hearty stews. For coffee, we restricted the service hours and varieties and replaced traditional self-serve supplies with pre-packaged kits at check-out.

We also expanded the andatti product line and launched a new **e-commerce platform** to offer customers premium coffee options for at-home consumption.

We expanded our selection of alcoholic beverages, increasing sales in adjacent categories at OXXO such as the Wines & Spirits category. Following temporary government-mandated interruptions of beer production across Mexico, we saw an opportunity to serve consumers in a new way. By working closely with suppliers on packaging and flavors exclusive to OXXO, we made wider selections available for affordable new consumption occasions. As supply chain disruptions for beer eased throughout the year, we continued to offer brands produced and distributed by Heineken Mexico and increasingly, by Grupo Modelo – currently both available in more than half of our stores in Mexico.

We adjusted SKUs in our portfolio to focus on health, hygiene, groceries and self-care. In response to the new needs of our consumers and our communities, we increased the availability of essential pantry items (such as cooking oil and toilet paper) as well as personal protection (such as sanitizing gels, disinfectant wipes and face masks). We also created new displays for these items in high-visibility exhibition zones throughout the store.

We also expanded the andatti product line and launched a new e-commerce platform to offer customers premium coffee options for at-home consumption.



Building Trust through Financial Inclusion

At OXXO, we are committed to helping our customers conveniently execute their day-to-day financial transactions in one place. As consumer habits and needs changed during the pandemic, and given a largely cash-dependent Mexican economy, we achieved strong performance in real-time service payments. Currently, customers can access more than 7,000 services in an OXXO store, including making payments for utility bills and basic household needs, such as internet, electricity and streaming entertainment.

We expanded our OXXO PAY service, through which customers can make cash payments in real time for digital goods. For example, users can now initiate or renew their subscriptions online to services like Spotify Premium and pay in cash at any OXXO store.

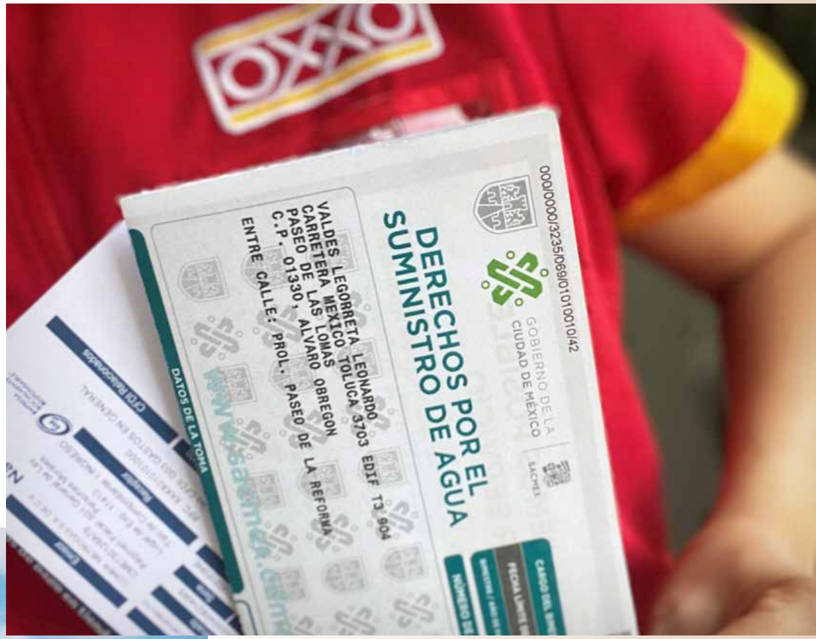
Additionally, through a new alliance with Amazon México, users that do not have a credit or debit card can now access millions of products on amazon.com.mx and pay within 48 hours at their local OXXO store.

While in the store, customers can also make deposits into accounts at correspondent bank partners, send remittances and prepay their mobile phones. For example:

- As part of our commitment to communities and generating economic and social value, we increased the number of our partnerships with correspondent financial institutions. We are now connected to 18 banks and 12 SOFIPOS (or **Sociedad Financiera Popular** financial entities) and we offer the ability to make cash withdrawals from eight partner banks.
- We announced a strategic partnership with **Ria Money Transfer**, through which OXXO customers can receive up to $ 100 USD per transaction at advantageous, transparent exchange rates through Ria's network of approximately 402,000 locations in more than 150 countries. Customers can also withdraw up to $ 2,500 Mexican pesos in cash at any OXXO store.

Opportunities in the telecommunications industry in Mexico this year led us to continue integrating partnerships with mobile operators and launch a new basic smartphone at an accessible price, Kaios Phone – helping our customers stay connected and supporting the digital inclusion of more people in our community.

Customers can access more than 7,000 services in an OXXO store, including making payments for utility bills and basic household needs.



Strengthening our Digital Strategy

Beyond supporting the digital economy in Mexico, we are also accelerating our own digital transformation. We expanded the reach of our “Mi OXXO” home delivery concept – which had previously begun as a pilot program within an enclosed region in the city of Monterrey – to cover the entire metropolitan area of greater Monterrey. Elsewhere in Mexico, we activated a new web service in association with regional distribution partners to facilitate a home delivery offering in the same way and we will continue to build this program out moving forward.

As a cornerstone of our ongoing consumer relations strategy, in 2020 we launched a new loyalty program in select regions in Mexico, following insights from earlier pilot programs. Consisting of both a physical card and an app for smart phones, the program allows us to optimize consumer communication campaigns while leveraging data and analytics to inform and personalize promotions and rewards that resonate with consumer behavior and purchasing decisions.

Expanding to New Markets

We continue to strengthen our position outside of Mexico and leverage our scalable business platform in new markets. This includes utilizing our expertise in retail store formats, technology and operational practices, which will allow us to continue to achieve sustainable growth.

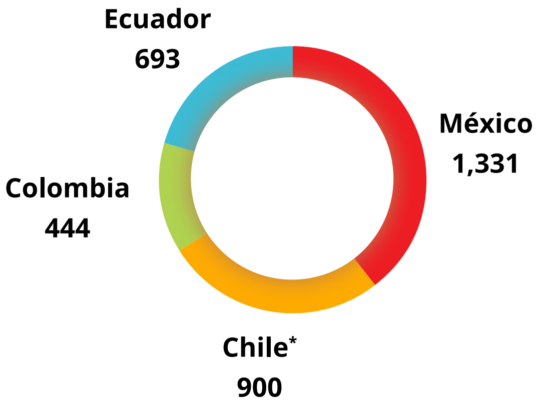
In 2020, we opened our first OXXO store in Brazil, planting the seeds for the future growth of the OXXO brand in this large, key market. Our value proposition for the Brazilian consumer maintains the flagship elements of the chain that have been so successful in Mexico, while also “regionalizing” the stores to deliver the most relevant, differentiated and highly competitive solutions that cater to Brazilians’ tastes. This move follows our 2019 acquisition of 50% of Raízen Conveniências, comprised of franchised or licensed Shell Select convenience stores within the network of Raízen gas stations. In total, we opened 96 new stores in Brazil in 2020, including 86 franchised Shell Select stores and 10 company-operated stores (comprised of both OXXO and Shell Select stores). We also opened our first district office and distribution center in the city of Campinas, near São Paulo. Looking ahead, we will continue to strengthen our international presence by continuing to build the OXXO brand in Brazil and across our South American markets, as well as by increasing the number of Shell Select brand convenience stores at Raízen gas stations.

We activated a new web service in association with regional distribution partners to facilitate home delivery.

Health Division

FEMSA Comercio's Health Division responds to the healthcare needs of the communities where we have a presence. Through a growing network of drugstores and related operations, we distribute and sell patented and generic pharmaceutical drugs, beauty products, medical supplies and wellness and personal care products, among other categories. FEMSA Comercio started to build the Health Division in 2012 and as of 2020, our brands now represent the second largest pharmacy chain in Latin America in terms of units.

This year healthcare was top of mind for the world. Our pharmacies played an essential role in ensuring that people across Latin



Health Division Points of Sale 2020
Total: 3,368

*Including 172 Maicao beauty stores

America were able to access important medicines, sanitizers and other self-care and immunity-boosting supplies. For this reason, despite restrictions on mobility, ensuring business continuity at our pharmacies was an extremely important priority.

To maintain a healthy financial position amidst the economic uncertainties of the year, we slowed down our store expansion rate, particularly in Colombia and Ecuador. We expanded our drugstore count by 207 net new stores to reach a total of 3,368 open units across our territories as of year-end. Despite the challenging year, our overall market share increased in different countries, such as Mexico and Colombia, reflecting the adaptability and agility of the organization in response to new business risks and opportunities.

Climate Change

Circular Economy

COVID-19 Resilience

Sustainability Progress

In 2020, the Health Division continued to support FEMSA's Sustainability Strategy by accelerating climate actions, including in-store energy efficiency and renewable energy goals. 640 pharmacies are now powered by renewable energy, and in Mexico, we reduced our energy consumption by 3.6% below the prior year by implementing strategies such as expanding LED illumination systems, among other examples.

In alignment with FEMSA's zero waste to landfill goal by 2030, we responsibly managed our different types of waste, including recycling 750 tons of waste from our distribution centers.

In addition to supporting our neighbors and communities through the portfolio of health products and services we offer, we implemented other social value initiatives throughout the year, including the donation of medicines, food and personal protection supplies. Through the "*Redondeo*" or "*Dona tu Vuelto*" (Donate your Change) programs, customer donations are directed to support institutions that work for the benefit of society. In 2020, these programs at Farmacias YZA in Mexico channeled Ps. 4.45 million to local institutions.

Finally, in collaboration with FEMSA Foundation, Nestlé and other partners, Farmacias YZA took a leadership role in addressing the issue of food insecurity in vulnerable communities in Mexico in 2020. Again, thanks to the generosity of customer donations, volunteers helped to safely distribute food and other pantry staples for children and families, as well as share tips and key messages about COVID-19 safety and preventive health measures.

Affordable and Clean Energy

Responsible Consumption and Production

Climate Action

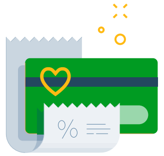
Strengthening and Scaling Up the Organization

As of January 2020, we now own 100% of our health platforms in Mexico and South America, which represents another successful milestone in our long-term effort to continue gaining relevant scale and brand recognition by building a leading regional drugstore platform. This move has also been an important foundation for strengthening the synergies of our organization and continuing to consolidate a fragmented industry. As we gradually implement a more standardized business model and fine-tune it as needed across markets, we are building a solid platform for future regional growth. Full ownership status has also allowed us to strategically deploy talent in different parts of the platform and to establish a free flow of best practices across brands and countries. For example, we are establishing a consistent leadership approach that is increasing efficiencies and margins, even in a year characterized by a challenging macroeconomic environment.

Enhancing our Customer Value Proposition

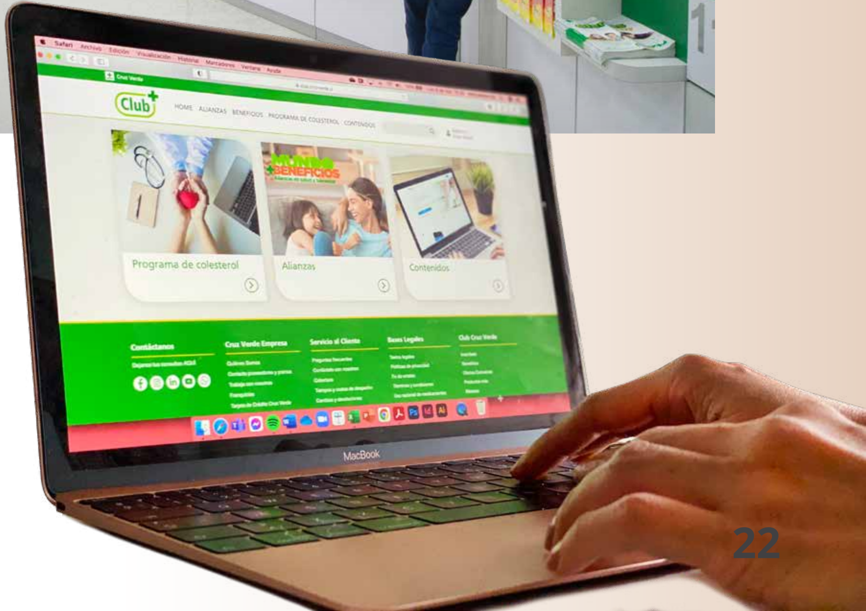
In 2020, we continued to enhance our customer value proposition in several important ways:

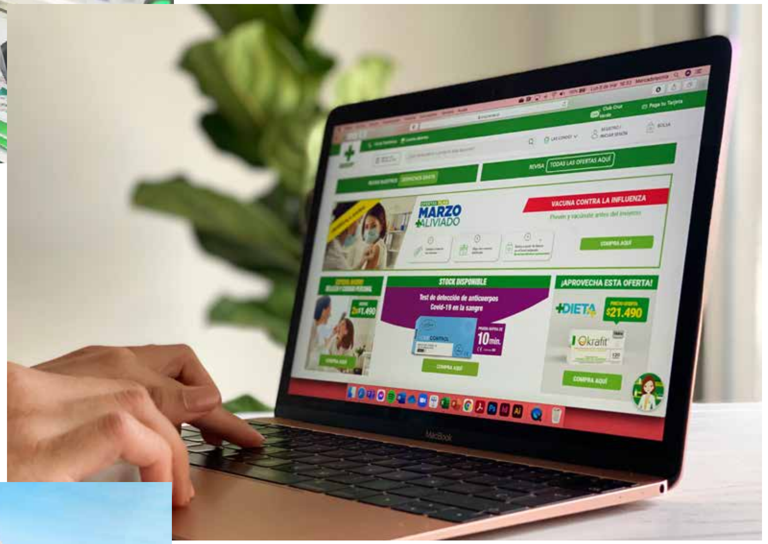
Building community trust: We pride ourselves on being trusted by the communities we serve. In Latin America, where healthcare costs are often out-of-pocket and doctor visits may be unaffordable, visiting the local pharmacy for over-the-counter medicines and healthcare advice can be invaluable, and we take this responsibility very seriously. 100% of our store team leaders and pharmacists across all markets and brands are fully trained on an ongoing basis to assist our customers. We also ensure a consistent standard of care across markets and brands, which allows us to efficiently staff pharmacists wherever talent is needed in the community.



Loyalty program: Our loyalty programs not only reward customers with significant product discounts that support health and wellness needs, but also inform our product sourcing and geographic distribution decisions. In Chile, as of 2020, 6.3 million customers are enrolled in our loyalty program, representing 50% of the country's total population older than 18 years of age, and driving approximately 50% of our pharmacy sales. We digitally deliver approximately 300 personalized campaigns per month to program members, thereby increasing product demand and making it easier and more affordable for them to stay engaged with our stores and adhere to healthcare treatments as needed. On average, a program customer visits our stores more frequently and spends more than

In Chile, as of 2020, 6.3 million customers are enrolled in our loyalty program.





An important part of our transformation of the customer pharmacy experience is through the development of a digital ecosystem.

non-members by a factor of approximately four. Loyalty program insights help us offer a broader assortment of product options for our consumers. Keeping connected and engaged in 2020 helped us to effectively communicate important preventive COVID-19 guidance, as well as offer specialized products, services and information to support health and immunity, strengthening our leadership in the market.

Digital strategy: An important part of our transformation of the customer pharmacy experience is through the development of a digital ecosystem in which we can provide personalized omnichannel interactions on a technological platform that is scalable and unique in the region. Prior to the pandemic, we had begun to offer several new digital capabilities, including a “click-and-collect” service (in which customers click on the products they need via our website or app, and collect their products at a convenient location); a last mile delivery service; and full visibility into our prescription inventories. These advantages not only save our customers time, but in the context of COVID-19, have helped to increase safety and reduce levels of physical exposure in stores. We accelerated developments in these programs in 2020, including strengthening our e-commerce, digital marketing and online order management system capabilities, which increased sales growth throughout the year. Looking ahead, the development of our digital ecosystem – including the development of an app and a health marketplace for expanded offerings – will remain our top strategic priority in Chile, Mexico, Colombia and Ecuador.

Fuel Division

FEMSA Comercio's Fuel Division operates the OXXO GAS brand of retail service stations across 17 states in Mexico, selling quality fuels (gasoline and diesel) and lubricants. OXXO GAS' value proposition is based on always providing the customer with a superior and distinctive service, supported by the values of honesty and trust.

Mobility restrictions related to COVID-19 caused a severe contraction in vehicle usage and consequently an impact on the sales of OXXO GAS. However, being designated as an essential activity, OXXO GAS remained open during the contingency while implementing sanitization protocols in all our service stations in order to safeguard both our employees and customers.

Like we did in the Proximity and Health Divisions given economic conditions, we slowed the unit expansion rate of the Fuel Division, adding twelve net new gas stations during the year. Despite this deceleration in our sustainable growth plans, as of the end of 2020, OXXO GAS remained the largest player in the service station market in Mexico, operating a total of 558 service stations out of a total of more than 12,770 stations across the country.

Competitive Differentiation

In Mexico, the fuel consumer is used to receiving a full-service experience. For this reason, at OXXO GAS, we focus on differentiation by delivering the industry's most courteous, efficient and reliable customer service, making it a fundamental aspect of our value proposition. We are able to deliver this experience thanks to our employees, who are empowered, well trained and committed to upholding our organizational culture in which the customer comes first. Moreover, we are committed to offering our consumers convenient locations, with safe and clean facilities and excellent sales promotions.

OXXO GAS' value proposition is based on always providing the customer with a superior and distinctive service, supported by the values of honesty and trust.

Climate Change

Water Stewardship

Circular Economy

COVID-19 Resilience

Sustainability Progress

As part of our commitments to climate action and water stewardship, 32 service stations are powered by clean and renewable energy.

100% of all stations have energy efficient LED illumination systems; and 100% of our stations have waterless urinals in restrooms.

Our circular economy efforts are focused on organizing efficient waste sorting and promoting recycling, and 100% of our stations have specific areas where waste is collected and sorted for proper disposal.

To support FEMSA's wider COVID-19 response strategy, OXXO GAS launched the *Un Litro Con Causa* (A Liter with a Cause) initiative, through which we donated more than 32,000 liters of fuel to the Mexican Red Cross to support the transfer of people with COVID-19 symptoms located in large cities across six states in Mexico, benefiting more than 600 ambulances.

Clean Water and Sanitation | Affordable and Clean Energy | Responsible Consumption and Production | Climate Action

Given the macroeconomic challenges during the year, including reduced mobility overall due to the pandemic, we also took the opportunity to develop new projects focused on offering superior services and differentiating ourselves further from our competition. Among the new initiatives, we implemented a new contactless point of sale process that streamlines the operation to help improve the efficiency of the customer interaction at our service stations. New functionalities include a faster and more agile billing process carried out in real-time at the pump. We also launched a new app that allows users to locate our service stations, check prices, confirm amenities offered and access billing options, offering yet another flexible option to meet the needs of our customers.

Supporting our Employees

Our employees are trained and equipped with the tools they need to succeed, and we implement a variety of programs that support their personal and professional growth. Through targeted training and coaching programs—along with above-industry wages and compensation structures—we support employee development and reduce turnover.

In the context of the pandemic, we reinforced our communication protocols with all employees to strengthen preventive health measures both inside and outside of our OXXO GAS service stations. Employees were trained to make the stations a safe place for everyone. For example, nanotechnology was utilized to regularly sanitize service stations and each gas pump was equipped with sanitizing products to keep all high contact areas clean.

Looking ahead, our strategy is to continue growing and innovating to maintain our status as a leading brand in the fuel industry in Mexico while continuing to create value for all our stakeholders. Our philosophy and our values-based culture commit us to satisfying our consumers through excellent promotions, accessibility, proximity, safety, reliability and of course, full liters. We aim to grow our footprint and to bring our value proposition of quality service to more Mexicans at all OXXO GAS stations.

Despite the challenges faced during the year, we continued to develop new projects focused on strengthening our customer experience and differentiating from our competition.

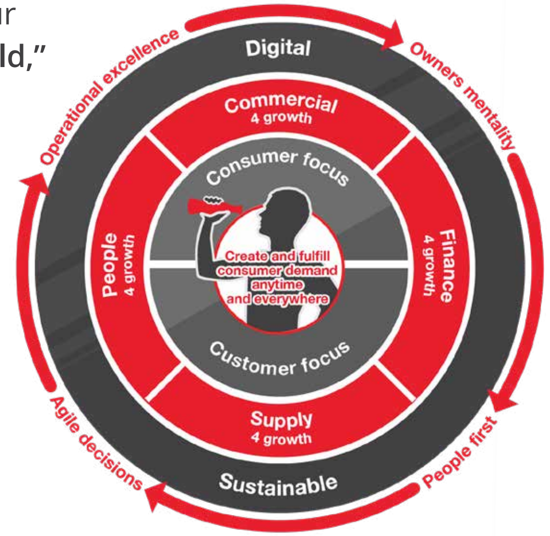
COCA-COLA FEMSA

Coca-Cola FEMSA has overcome crises before, demonstrating the ability to successfully adapt to and capitalize on dynamic environments to emerge a stronger company.

This year, we acted swiftly to develop a comprehensive management framework to guide our COVID-19 mitigation actions and comeback plans. This allowed us to protect our short-term results while fostering our long-term goals. Our top priority was – and remains – the health and wellbeing of our employees, customers and consumers. As the countries in which we operate began implementing restrictive measures at different paces and levels, we worked closely with FEMSA, The Coca-Cola Company and the rest of the global Coca-Cola System to share and adopt the best practices that allowed us to successfully navigate the challenging environment.

By embarking on a deep transformation to create a leaner, more agile organization before the pandemic with the rollout of our Fuel for Growth program, Coca-Cola FEMSA was better positioned to adapt to the fluid market environment of 2020 in a nimbler and more disciplined way. Keeping in mind the importance of our purpose to **"Refresh the world,"** we utilized four strategic priorities to facilitate our transformation and growth as an integrated commercial beverage platform:

- **Build a portfolio for every occasion**
- **Drive an overall digital transformation**
- **Ensure business sustainability**
- **Foster a collaborative culture**



The One KOF strategic framework:
One Vision, One Platform, One Future

COVID-19 Resilience

The 5Cs of Caring

Among many other efforts and collaborations, Coca-Cola FEMSA focused our mitigation actions in five key areas to ensure business continuity.

Collaborators

Protect the health and wellbeing of our entire workforce. We reinforced health, sanitation and hygiene protocols for all employees and provided Personal Protective Equipment (PPE) to our manufacturing, commercial and distribution teams. We implemented daily monitoring and communication protocols across our organization, and extended health recommendations to our employees' home environment.

Consumers

Continue to offer their beverage of choice anytime, anywhere. To reach consumers in new ways, we prioritized and simplified our portfolio, leveraged affordability, expanded options for platforms and packages and reinforced our digital presence by leveraging direct-to-consumer channels.

Communities

Closely support our communities through clear social initiatives. For example, we donated more than 3.8 million liters of beverages across our territories and worked with industry partners to bolster healthcare efforts in vulnerable communities. Additionally, to support Mexico City's Ministry of Health, we teamed up with The Coca-Cola Company and other organizations in the #SumamosPorMexico initiative to transform the Citibanamex Convention Center into a temporary healthcare center. We also collaborated with health authorities to leverage our marketing spaces and trucks to communicate preventive measures. In Brazil, we collaborated with local stakeholders to distribute more than 500,000 liters of sanitizing alcohol and to donate 26,000 COVID-19 tests focused on frontline healthcare professionals.

See the video here

Clients

Remain close and continue to serve them in the best possible way. Through programs such as **"Mi Tienda Segura"** across Latin America and **"Movimento Nos"** in Brazil, we contributed to industry efforts to help more than 50,000 "mom & pop" shops re-open their businesses safely, offering them supplies and protocol guidance. In Mexico, we delivered more than 25,000 protective plexiglass shields for store counters and 100,000 masks to traditional trade clients.

Cash flow

Proactively strengthen our balance sheet and protect our cash flow. With a disciplined approach to capital allocation, we prioritized the security of our cash position by developing control towers to optimize our cash sources and uses. We refinanced long-term debt, aggressively targeted savings opportunities and selectively prioritized capital expenditures, enabling us to solidify our financial position in the face of a challenging environment.

We navigated the year with resiliency and creativity to ensure solid short- and long-term results and opportunities. While it was difficult to completely avoid the effects of COVID-19 health-related measures on business results, we were able to anticipate changing consumer behaviors throughout the year to successfully offset these impacts.

Our volume decreased 2.5% to 3.3 billion unit cases, and total revenues decreased 5.6% to Ps. 183.6 billion (US$ 9.2 billion). However, operating margin increased 60 basis points to an operating income of Ps. 25.2 billion (US$ 1.2 billion), driven mainly by declining PET costs, favorable currency hedging initiatives and our operators' outstanding ability to generate savings and efficiencies.

We are consolidating a winning total beverage portfolio to satisfy evolving tastes and lifestyles.

Building a Portfolio for Every Occasion

Guided by our obsessive consumer focus, we are consolidating a winning total beverage portfolio to satisfy evolving tastes and lifestyles. We are improving our competitive position in the still beverages category and expanding our water portfolio to establish consistent leadership across this growing category. We are also driving sparkling beverage growth by leveraging portfolio innovation and affordability, while driving our low- and no-sugar beverage portfolio ahead of consumer trends.

Portfolio Innovation

In 2020, we saw mix shifts as lockdowns and social distancing measures generated declines in on-the-go consumption and reshaped purchase occasions. As consumers increased at-home consumption, we responded by developing new packaging innovations and expanding home delivery routes. In Mexico, our home delivery program, "*Coca-Cola en tu hogar*," grew double digits from the prior year. We also further diversified our portfolio to capture market share in the growing hydration, nutrition and energy categories, while entering the alcoholic ready-to-drink category.

Examples of Portfolio Innovation

Topo Chico:
a premium sparkling mineral water that is now part of our portfolio in Mexico, which grew at an impressive pace, setting the stage for continuous growth in the sparkling water category.

Topo Chico Hard Seltzer:
a premium offering in Latin America that represents the first step by the Coca-Cola System into the alcoholic ready-to-drink space in the region.

Affordability

With the pandemic came economic uncertainty around the world. Knowing our consumers were facing challenging environments, we prioritized and simplified our portfolio to offer more affordable options across categories, and responded swiftly to increased demand for affordable single-serve bottles, multipacks and multi-serve returnable presentations. In 2020, returnables grew double-digits relative to the prior year across our key markets. In Argentina, Colombia, Mexico and Uruguay, we also introduced the universal bottle presentation, a multi-serve PET bottle with the flexibility to offer affordability to our consumers through a returnable bottle that can be exchanged for returnable presentations of Coca-Cola, Sprite, Fanta or Valle Frut (a non-carbonated fruit-based beverage), successfully expanding our affordability with returnables to our flavored sparkling and still categories.

We prioritized and simplified our portfolio to offer more affordable options across categories.

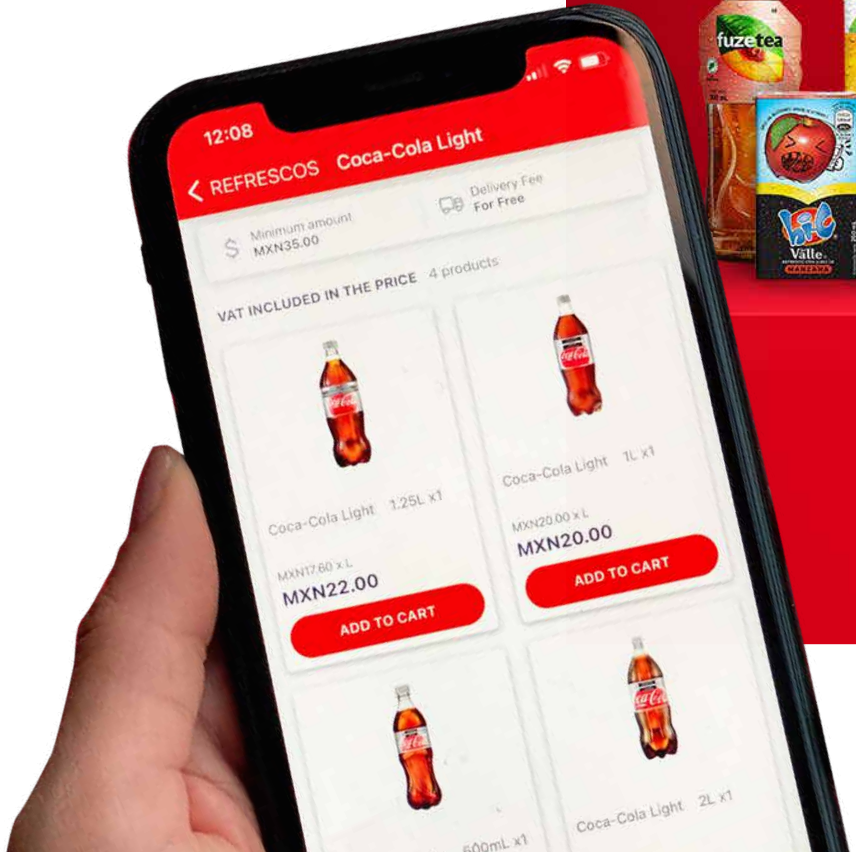
To incentivize and accelerate "easy" transactions, we also continued to execute on our **Magic Price Points strategy**, which conveniently prices single-serve beverages at the value of a single common coin or bill.

Driving an Overall Digital Transformation

Our second strategic priority in 2020 was to deepen our ongoing digital transformation and omnichannel capabilities to fulfill our vision of becoming a fully digital, interconnected, agile and flexible platform. This not only included internal automations such as scaling and optimizing human resources and finance processes, but deploying new solutions for order taking, customer care, route-to-market and logistics models. When COVID-19 hit, we leveraged our omnichannel strategy and capabilities – including accelerating planned technology rollouts – to reduce physical interactions and accept more orders through digital channels and B2B platforms. In total, our digital channels grew more than 75% year-over-year on a consolidated basis.

Our new WhatsApp-based chatbot feature for accepting orders digitally was rolled out in Brazil and Mexico and the number of orders placed through this channel climbed exponentially throughout the year. These applications have fully automated functionality, offering the most convenient and efficient selling windows for our clients – 24 hours a day, 7 days a week. As of year-end, we had more than 270,000 active customers registered with us on WhatsApp in Brazil and Mexico. By the end of 2020, we were digitally accepting as many as 15,000 orders per day and growing – the equivalent of having more than 200 additional salespeople making customer visits.

In total, our digital channels grew more than 75% year-over-year on a consolidated basis.



Ensuring Business Sustainability

Our third strategic driver in 2020 focused on our environmental sustainability agenda. We strengthened key performance indicators throughout the year and met our 2020 goals on time, specifically:

Water Stewardship

Improved our water-use ratio per liter of beverage produced, from 1.52 liters in 2019 to 1.49 in 2020– an industry benchmark. We also returned to the environment more than 100% of water used in the production of beverages in Argentina, Brazil, Central America, Colombia and Mexico.

Circular Economy

Increased our use of recycled PET from 24% in 2019 to 29% in 2020, exceeding our 2020 target of 25%.

Climate Change

Expanded the use of clean energy in our manufacturing facilities in Mexico from 71% in 2019 to complete eight months above 85% in 2020 and peaking at 96% by year-end, thus meeting our original goal of 85%.

Having achieved our 2020 sustainability goals, we began working on more ambitious future objectives. We confirmed our risks and opportunities by completing a revised materiality analysis to inform our priorities. We became the first Mexican company and the third Latin American company to achieve the approval of the **Science Based Targets initiative** (SBTi) for our 2030 greenhouse gas (GHG) emissions reduction goals. We now have a clearly-defined, third party-approved pathway to reduce our GHG emissions in line with what is necessary to meet the goals of the Paris Agreement, including limiting global warming to well-below 2°C above pre-industrial levels. We also issued our first ever green bond in the international capital markets for US$705 million due in 2032, representing the largest for a Latin American corporation and a first for the Coca-Cola System. View our Green Bond Framework **here.**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We became the first Mexican company and the third Latin American company to achieve the approval of the Science Based Targets initiative (SBTi) for our 2030 greenhouse gas (GHG) emissions reduction goals.

Looking ahead, we intend to allocate an amount equal to the net proceeds from the green bond offering to finance eligible green projects in three categories where we know we can contribute the most to the United Nations Sustainable Development Goals:

SUSTAINABLE DEVELOPMENT GOALS

Climate action

Affordable and Clean Energy

Climate action:
Our new SBTi-approved 2030 Emissions Reduction Plan aims to drive positive environmental change across our entire value chain to:

- Reduce absolute scope 1 and 2 GHG emissions by 50% below 2015 levels
- Reduce absolute scope 3 GHG emissions by 20% below 2015 levels
- Increase annual sourcing of renewable energy to 100%

Water stewardship

Water stewardship:
We will seek opportunities to use water more efficiently and to further protect water security in the territories where we operate. By 2030, we will continue to return to the environment the same amount, or more, of water used in the production of beverages.

Responsible Consumption and Production

Circular economy:
In alignment with FEMSA's Zero Waste to Landfill goal, as of 2020, 65% of our bottling plants have earned Zero Waste to Landfill certification, including 100% of our manufacturing facilities in Mexico. We also remain committed to **"World Without Waste"**, the global initiative led by The Coca-Cola Company, which includes 2030 targets to collect and help recycle the equivalent of 100% of the primary packaging we place in the market, as well as integrating 50% of recycled PET resin into our bottles.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

FTSE4Good

2020 Bloomberg Gender-Equality Index

In 2020, Coca-Cola FEMSA was the only Latin American company in the beverage industry included in the **Dow Jones Sustainability™ Emerging Markets Index** for the eighth consecutive year, and is part of the Dow Jones Sustainability MILA **(Mercado Integrado Latinoamericano)** Pacific Alliance Index for the fourth consecutive year since its creation. We are also proud to be included in the **2021 S&P Sustainability Yearbook**, the **FTSE4Good Emerging Index**, the new **S&P/BMV Total Mexico ESG Index** and the **Bloomberg Gender-Equality Index**.

Fostering a Collaborative Culture

Our fourth strategic priority in 2020 – and the final building block of our foundation for success – was nurturing a collaborative, value-driven culture for all employees. In 2020, we continued the important work we first embarked on in 2019 to create a leaner and more agile organization fully focused on consumers. As part of our People 4 Growth area of transformation, for example, we continued to focus on a series of functionalization initiatives for key departments, intended to better align regional strategies and more easily share best practices. We strengthened our Human Resources organizational model by implementing a labor risk methodology to understand the changing needs of our people, inform new ways of working and mitigate identified gaps.

We also continued to deploy our "KOF DNA," a model that guides our people with the tools and capabilities they need to succeed. Toward this end, we improved communication channels through new digital optimization processes and launched a series of companywide engagement surveys.

Among the four values that make up the KOF DNA - Operational excellence, Owners mentality, People first, and Agile decisions – we truly brought the "People first" mentality to life in 2020 through the many actions we undertook to ensure the safety, wellness, productivity, cohesion and communication of our people. We also focused on "Agile decisions" to empower our management teams, build their leadership capabilities and equip them to face the year's challenges resiliently and resolutely.

For more information, please visit
Coca-Cola FEMSA's 2020 Annual Report.

In 2020, we continued the important work we first embarked on in 2019 to create a leaner and more agile organization fully focused on consumers.

FEMSA STRATEGIC BUSINESSES

FEMSA's strategic business companies are leaders in their industries or sectors, playing a vital role in the communities where they operate.

Deploying industry-leading capabilities and cost-effective strategies that amplify FEMSA's competitive advantage, these businesses provide logistics and transportation; specialized janitorial, cleaning and sanitation product distribution; cooling and refrigeration systems; and foodservice solutions. Across each of these businesses, we prioritize the development and integration of low-carbon products and eco-efficiency services, such as increasing the content of recycled materials and identifying energy-saving solutions and opportunities.

In 2020, FEMSA Strategic Businesses contributed in different ways to the needs of the company and to support the community during the COVID-19 pandemic. Through deep experience, high performance engineering capabilities and a spirit of innovation, our employees contributed on-the-ground solutions to those in need, including the design and delivery of a new mechanical respirator for critical patients in need of respiratory support.

COVID-19 Resilience

The Mission to Save Lives

After Mexico recorded its first case of the coronavirus at the end of February 2020, the demand for medical supplies – including masks, plastic face shields and mechanical respirators – grew quickly, despite limited supplies. To address this critical need, **Juntos por la Salud** was launched as a public-private initiative to protect the health of hospital personnel, Mexican security forces, and the employees, suppliers, customers and consumers of participating companies and organizations. As part of this effort, the Secretaría de Relaciones Exteriores (Ministry of Foreign Affairs) and the Salvador Zubirán National Institute of Medical Sciences and Nutrition (**INCMNSZ**, by its Spanish acronym) called on private industry to design a mechanical respirator to be manufactured in Mexico. When FEMSA was presented with the opportunity to save lives in our community, there was no hesitation in answering the call of duty. In addition to the FEMSA Foundation, we also tapped FEMSA Strategic Businesses to take a leadership role, joining a team of 16 other companies and academic institutions, including Metalsa, GSE Biomedical, and the Tecnológico de Monterrey.

"Without a doubt, of all the learnings, the biggest one that I take away is that large companies can come together, work as a team and act with agility when the objective is clear and strong - when we do it for our community."

Salvador Almaguer Rentería

Director of Operations of AlPunto Food Service.

In a span of 10 weeks, the group combined their talents to design, produce and secure approvals for the low-cost, 100% Mexican made, automatic VSZ-20-2 model mechanical respirator. Torrey, focused on the manufacture of food processing equipment, transformed itself to be able to design a completely new type of product with many specialized parts. Imbera supported the investigation of mechanical ventilation for critical patients and REPARE contributed to setting up the structure of a post-sale technical support service. In partnership with other engineers and medical advisors from the automotive, biomedical and academic arenas, the FEMSA Strategic Businesses team contributed to several differentiating features in the final product, including a direct connection to an oxygen tank to avoid dependence on wall outlets; an intuitive interface requiring minimal training; and a specialized alarm and data tracking system to ensure reliable diagnosis and patient monitoring.

The first set of mechanical respirators were manufactured for public hospitals in Mexico beginning in August 2020. Since then, more than 125 **mechanical respirators** have been delivered to clinics in Mexico and at least eight more to countries in Central America and the Caribbean. Once the mechanical respirators were ready, Solistica took the lead in transporting and delivering the prototypes and finished products to waiting hospitals. In total, Solistica traveled more than 25,100 kilometers to deliver important medical equipment and supplies for COVID-19 relief in support of both the **#JuntosporlaSalud** and **#ContagiaSolidaridad** initiatives. In addition, Solistica delivered nearly 36,000 wellbeing kits (including face masks, sanitizing gel and medicines) to hospitals in Mexico through the **IMSS-Bienestar** program.

Juntos por la Salud

Logistics

Solistica is a leading third-party logistics (3PL) solution provider for Latin America, serving more than 4,000 customers in seven countries across diverse industries, such as: pharmaceuticals, automotive, technology and consumer goods. Our more than 22,000 employees offer comprehensive solutions in three areas of expertise: **Transportation, Warehousing and Other Value Added Services**. Approximately 30% of our business is made up of the services we deliver to FEMSA companies.

Solistica continues to advance our vision of being the preferred 3PL partner in Latin America, recognized for our regional expertise and innovative solutions, and for consistently exceeding customer expectations. We continue to advance this vision by leveraging expert talent in the region and consolidating our capabilities and infrastructure.

Following the acquisition of AGV in 2019, Solistica greatly expanded our warehousing and distribution capabilities in Brazil, making us the first fully integrated 3PL solution provider in the Brazilian market. This year, by leveraging the synergies, gains and opportunities that this industry milestone has provided, we have further unified our new capabilities to significantly enhance our customer value proposition in the Latin America region.

Operational Effectiveness and Business Continuity

In 2020, COVID-19 affected the logistics industry, from disruptions in global supply chains and border closures to new safety protocols amidst a sharp rise in e-commerce. By taking bold steps to enhance our customer value proposition through our operational effectiveness model prior to the pandemic, we were well positioned to respond to this year's challenges with resilience. This model strengthens and enables four key areas of excellence across our organization: **safety, health and environmental; quality and processes; performance management; and continuous improvement.** Having this strong foundation also allowed us to focus on business continuity to ensure that all cargo entrusted to us reached its destination safely and on time. We aligned basic standards across geographies, adapted operational resources to meet the most pressing needs of the business, strengthened cost discipline to manage risks and cash flow, and used scenario-based stress tests to inform financial planning.

To support our customers, we maintained close communication and developed flexible transport and storage solutions, including establishing new routes or temporarily

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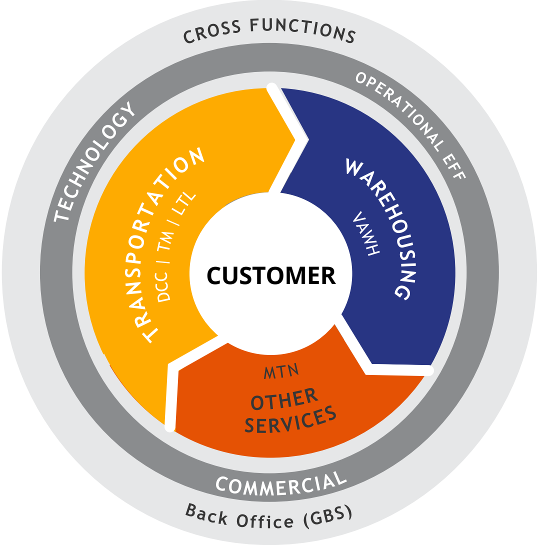
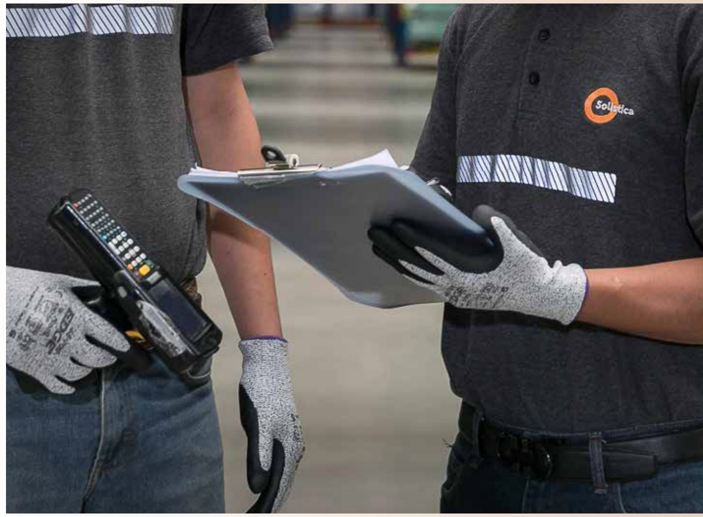


Solistica's Business Model ensures cross-functional collaboration and alignment to deliver a unified offering as a single team.



reassigning services. For example, in Brazil and Colombia, as several clients suspended operations, we reallocated employees to maintain their jobs until operations resumed in the third quarter.

Sustainability Progress and our Commitment to Safety

At Solistica, we have always been committed to ensuring the safety of all our employees and everyone connected to the supply chains that we support. During 2020, we implemented two programs for more than 2,000 middle managers in all Solistica regions and cross-functional areas. The first, "ZEIF," is a culture building program to strengthen safety behaviors through engaging and reflective activities. Second, we launched the "5 Minutes of Safety" program for facility employees in all operations, consisting of brief training conversations held on a regular basis to reinforce the "golden rules" for having a safe operation.

Of course, safety also took on an important new meaning in 2020 through the lens of the pandemic, and our first priority continued to be the wellbeing of our people. We implemented strict hygiene and sanitation practices in compliance with all health regulations in the countries where we operate. We provided personal protective equipment to all teams and launched awareness campaigns for employees, which also served to extend knowledge to their families at home. Face masks were required of staff and we provided paid temporary leaves of absence to potentially vulnerable employees, including those over 60 years old, those with underlying medical conditions, those pregnant or with parental leave. To continue to protect our employees, we also invested in new technologies and infrastructure capabilities to facilitate remote work arrangements, as well as to provide enhanced visibility of logistics operations in real-time.

Our Environmental Impacts

As a logistics company, we are highly aware of the environmental impacts of our operations, and we have established targets to decrease our energy needs, water use and waste generation. Through our Sustainable Mobility program, we are reducing our fossil fuel usage by optimizing transportation routes. Our transportation management system utilizes data and analytics to automate business processes and integrate planning into a single application. With real-time tracking, mapping and planning capabilities, we identify inefficiencies and opportunities to decrease our fuel consumption and reduce carbon emissions while maintaining client satisfaction. In 2020, our vehicles avoided the emission of 33,332 tons of CO_2.

In 2020, our progress on our sustainability strategy was recognized by various external organizations:

- In Mexico, for the tenth consecutive year, Solistica was recognized by the Ministry of Environment and Natural Resources and the Ministry of Communications and Transportation with the **Transporte Limpio** (Clean Transport) award for achievements to lower industry fuel consumption and GHGs.
- In Brazil, were recognized for the second consecutive year by the Union of Freight Transportation Companies of the State of São Paulo (SETCESP by its Portuguese acronym) and **Transporte Moderno** magazine. At their sixth annual Sustainability Awards, Solistica was highlighted in the Environmental Responsibility category for our energy efficiency initiatives.
- In Colombia, we received the **Programa de Excelencia Ambiental Distrital** (District Environmental Excellence Program) award from the District Secretary for the Environment in Bogotá for the 11th consecutive year.

We maintained close communication and developed flexible transport and storage solutions, including establishing new routes or temporarily reassigning services.

Specialized Distribution

In 2020, FEMSA acquired a majority controlling interest in a newly combined company comprised of two market leading distributors of consumables with a focus on the janitorial and sanitary ("jan-san") supply and packaging solutions industry in the United States: WAXIE Sanitary Supply and North American Corporation. The transaction was consistent with FEMSA's expertise and capability set in managing supply chains and distribution systems for diverse business and retail customers.

Founded 75 and 100 years prior, respectively, WAXIE and North American were both family-owned and operated with complementary market footprints in what is still a highly fragmented industry. Together, they represented significant scale, operating a network of 26 distribution centers and serving more than 27,000 customers in various industries, including building service contractors, education, government, retail and hospitality. Headquartered in San Diego, California and Chicago, Illinois, respectively, WAXIE and North American have decisively expanded FEMSA's footprint in the United States.

As COVID-19 began to impact our clients, the WAXIE and North American teams reacted quickly and decisively. While certain customer segments were put under severe pressure, such as hospitality, other opportunities arose that offered us the chance to capture fast growth. Demand for cleaning and sanitizing solutions, involving not just chemical products but also delivery systems, increased significantly. Protective equipment, such as disposable gloves, suddenly became a necessity for clients that historically had not required them in such quantities. We were able to leverage our supplier network and our newly acquired scale to capture these opportunities.

The long-term strategy for this operation has always included a consolidation component. We aspire to create a national platform that will best serve the needs of our customers across the United States. With that in mind, in late 2020 we successfully acquired Southwest Paper Company, Inc. ("SWPlus"), based in Wichita, Kansas, and Southeastern Paper Group, Inc., based in Spartanburg, South Carolina. With these transactions, we will expand our footprint while gradually making progress in our effort to consolidate the national platform.

FEMSA acquired a majority controlling interest in a newly combined company comprised of two market leading distributors of consumables: WAXIE Sanitary Supply and North American Corporation.

Food Service Solutions

FEMSA Strategic Businesses also include a group of companies focused on providing solutions in foodservice equipment, commercial refrigeration, material handling and integral services at the point of sale in Latin America and the world, through AlPunto Food Service (Torrey, Cooking Depot and Imbera Food Service), Imbera/REPARE and PTM. With our five manufacturing plants, eight distribution centers and 13 retail stores, we produce and distribute high-quality products to 50 countries in five continents.

AlPunto Food Service

Torrey, Cooking Depot and Imbera Food Service manufacture and market the equipment to process and preserve food and beverages. We understand the needs of our users in order to develop profitable solutions with the best functionality.

Torrey

Since 1960, Torrey has utilized an extensive distributor specialist network to deliver high-quality food processing, preservation and weighing equipment for butcheries, small retailers, supermarkets, convenience stores, hotels and restaurants in more than 50 countries worldwide. In 2020, Torrey took a leadership role in the fight against COVID-19 by contributing to a multi-sector initiative to develop the first Mexican-made mechanical respirator for respiratory patients. Learn more **here.**

Cooking Depot

For 50 years, Cooking Depot has been meeting the kitchen equipment and accessory needs of the market's points of sale and consumption centers through continuous innovation in service and by making hundreds of useful products available to its customers. Visit our e-commerce platform to learn more: **https://store.cookingdepot.com/**

Imbera/REPARE

As the world leader in the commercial refrigeration industry, Imbera/REPARE's more than 4,500 employees export equipment to 60+ countries from three production facilities in Brazil, Colombia and Mexico. Through innovation and high performance engineering capabilities, Imbera has enabled faster, smarter and more sustainable products and services solutions. For example, Imbera's refrigerators consume 85% less energy than 2009 models did, thanks to upgrades such as energy efficient LED interior lighting. Accelerating the transition to the circular economy, Imbera is committed to supporting steps for the responsible disposal of manufactured equipment, and Imbera's coolers use R290 refrigerant, which has a low environmental impact. REPARE is the largest division of comprehensive maintenance and sale of parts and spare parts services in the American continent. It provides maintenance and installation services for Imbera, Torrey, Coca-Cola FEMSA, OXXO and various other clients in the industry. Our REPARE facility recovers, reuses or recycles up to 99% of the parts of refrigerators at their end of life.

PTM

Plásticos Técnicos Mexicanos (PTM):
Through its high-performance engineering and recycling capabilities, PTM's more than 1,000 employees design and manufacture plastic transformation projects tailored to each customer in support of their operational and marketing strategies for materials handling, food, beverages and automotive. Its facilities include modern production capacity for processes such as injection, thermoforming, extrusion and blow molding. In 2020, PTM contributed to FEMSA's COVID-19 relief initiatives and added to its own portfolio of market offerings by manufacturing plastic face shields. PTM's business model, products and services address the waste challenge and promote the principles of the circular economy. In 2020, PTM redesigned new plastic boxes made from 100% recovered material, recovered more than 30,000 tons of plastic resins, and recycled more than 25,000 tons of plastic. In addition, 80% of PTM's products — including plastic pallets and plastic crates, among others — were made from recycled materials in 2020.

In 2020, PTM contributed to FEMSA's COVID-19 relief initiatives and added to its own portfolio of market offerings by manufacturing plastic face shields.

FEMSA FOUNDATION

An important part of the way FEMSA creates value is by giving back to our communities through the FEMSA Foundation. The needs and opportunities for us to make a positive difference through this channel were perhaps never so great as they were in 2020, a year in which the challenges related to the COVID-19 pandemic were top of mind for the world.

COVID-19 Resilience

During the year, the FEMSA Foundation played a pivotal role in coordinating social investments and philanthropic responses to COVID-19 both within FEMSA, as well as among other multi-sectoral collaborations, such as **Juntos por la Salud**. By leveraging the scale, breadth and reach of the entire family of FEMSA businesses, the Foundation helped to foster new and more unified synergies, while further amplifying our role as a catalyst for social transformation in Latin America.

In 2020, the Foundation also continued to advance the three long-standing pillars of our impact agenda: Sustainable Development, Early Childhood, and the FEMSA Cultural Program. Although some projects during the year had to be reprioritized, the pandemic also revealed many new opportunities. In all cases, we knew our impacts would go the farthest through collective action and collaboration – key strengths of the FEMSA Foundation.

Spreading Solidarity

The **#ContagiaSolidaridad** initiative – organized by FEMSA Foundation, OXXO and other partner companies, including Grupo Coppel, Santander, Soriana and Fundación Televisa – was created in response to the pandemic to protect healthcare workers in non-COVID-19 hospitals in Mexico. Citizens contributed donations at more than 5,800 OXXO stores and at more than 9,000 Santander ATMs. For each peso donated, FEMSA Foundation and the other organizers committed to donate four more– quadrupling the financial impact. In total, more than Ps. 90.0 million (US$ 4.5 million) were raised, of which Ps. 10.0 million (US$ 5.0 million) came from the generosity of Mexican citizens. As of the end of 2020, these funds allowed the coalition to acquire 9.3 million supplies, including nearly 100,000 kits to healthcare personnel in more than 180 hospitals and eight Red Cross centers across 29 states, exceeding our initial target by more than 30%.

Each donated kit contained enough supplies for a healthcare worker or security officer to enhance their protection for one month: 100 three-layered face masks and four plastic face shields (which were made in-house by PTM, FEMSA's plastics solution provider, thereby more than halving the costs that would have otherwise been necessary). Once assembled, nearly 15,000 kilometers were traveled to deliver the kits, made possible by 130 trucks from FEMSA's logistics company, Solistica, in conjunction with 20 OXXO distribution centers. This collaborative effort underscored the solidarity between Mexico's citizens and business sector with the national healthcare system. FEMSA was proud to seamlessly unite the strengths and capabilities of so many parts of our organization to make this a successful model of collaboration and social value creation.

Sustainable Development

Over the last 12 years, the FEMSA Foundation has created environmental value by participating and investing in projects that ensure the sustainable development of the communities where we operate. For example:

Water Stewardship

Fondos de Agua (Water Funds)

Fondos de Agua (Water Funds): First launched in 2011, FEMSA Foundation co-founded the **Latin American Water Funds Partnership** (LAWFP), an agreement to contribute to water security in Latin America and the Caribbean through the creation and strengthening of Water Funds – coalitions of organizations that promote sustainable watershed management through stakeholder engagement, informed decision-making and responsible governance. To date, 26 Water Funds have been launched in 10 Latin American countries, including most recently in Guanajuato, Mexico, in 2020.

The state of Guanajuato faces water-related challenges that put its people and industries at risk. Cauce Bajío, the Guanajuato Water Fund, has been joined by more than 25 organizations who are working toward a shared mission of strengthening the state's water security through multisectoral cooperation and science-based decision-making.

Lazos de Agua

Originally launched in 2013 to increase access to safe water services, sanitation and hygiene in Latin America, **Lazos de Agua** is now in its second phase with a focus on promoting behavioral change through social awareness. The alliances formed for the second phase – including the Inter-American Development Bank (IDB), One Drop and The Coca-Cola Foundation – are enabling us to amplify our impact in Colombia, Guatemala, Mexico, Nicaragua and Paraguay. In 2020, following an assessment of the greatest community needs in these five countries, we redirected funds to support local food pantries, as well as water and sanitation programs – emphasizing the connection between nutrition and hygiene in the prevention of contagion. With an initial investment of more than Ps. 247.2 million (US$ 12.3 million), this year more than 28,800 people have benefited directly and indirectly through the program to reach 245,670 people in 195 communities to date.

*In November 2020, the governor of Guanajuato, Lic. Diego Sinhue Rodríguez Vallejo, as well as leaders from FEMSA Foundation, HEINEKEN México and Coca-Cola FEMSA, among others, publicly launched **Cauce Bajío**, the Guanajuato Water Fund – a coalition committed to expanding local water security through collective action.*

Circular Economy

#SinDesperdicio

As part of our focus on the circular economy and the water-energy-food nexus, in 2020 we joined with non-profit, corporate and advisory partners – including OXXO and the IDB – to address the issue of food waste and food insecurity. Approximately 127 million tons of food are lost and wasted every year in Latin America and the Caribbean, despite being a region where 42 million people suffer from hunger. **#SinDesperdicio** is a platform of partners committed to reducing regional food waste through innovation, public policy changes, knowledge sharing and the promotion of sustainable behaviors.
The program grants seed capital and personalized incubation opportunities to social entrepreneurs that present the most viable solutions. During 2020, we were proud to support competitive programs in Mexico, Colombia and Central America. Learn more about the program's young innovators **here**.

Early Childhood

Climate Change

FEMSA Foundation has long believed that when children have the means to harness and achieve their maximum developmental potential, communities can be transformed for the better. To support this vision, we focus our strategy on nurturing early childhood development in three primary areas:

Resilient communities

Through unique educational tools and services, we seek to strengthen early childhood development and socio-emotional competencies, including cognitive, linguistic and motor skills. For the last three years, we have supported *¡Listos a Jugar!*, a cross-platform educational program—created by Sesame Workshop in collaboration with FEMSA Foundation and other partners — to promote healthy habits in preschool children related to eating, playing and personal care. The program uses technology to bring useful content to children in 13 Latin American countries through episodes and songs starring Sesame Street characters. Given the closures of pre-schools and childcare centers due to the pandemic in 2020, the reach of *¡Listos a Jugar!* (via television, a microsite, digital channels and an app for mobile phones and tablets) became an even more important tool to use at home for more than 64,000 direct beneficiaries and more than 70 million indirect beneficiaries, including parents, educators and caregivers.

Reconnecting Children with Nature

As the world grapples with the effects of social isolation in 2020 – which have been exacerbated for many children living in densely urban areas – FEMSA Foundation was proud to invest in a movie that celebrates the linkages between childhood and nature. Although lately we have all been told to “stay indoors,” this movie reminds us that the power to revolutionize our shared sustainable future can be found outside. Based on scientific evidence indicating that separation from nature can harm physical and mental health, **El Comienzo de la Vida 2** (Beginning of Life 2) shows how renewed connections to the Earth can be a key to wellbeing and happiness, particularly for children.

The movie launched in November 2020 and can now be found worldwide on Netflix and other digital platforms. We invite you to join the movement ignited by this film! Learn more **here.**

“In this movie, we find a powerful message for Latin America and the world: contact with a harmonious and sustainable environment from the beginning of life can have a profoundly transformative effect on communities.”

Lorena Guillé-Laris

FEMSA Foundation

Public policy

In order to position early childhood on the public agenda in Latin America, we seek to train advocates for early childhood. For this, we equip officials and other decision-makers with the right training and information through alliances with governments, academia and civil society. For example, in Mexico, along with more than 440 companies, corporate foundations, universities and international organizations, we continued to participate in the **Pacto por la Primera Infancia**, an advocacy initiative calling on the government to enact policies that support early childhood development. In Colombia, we are proud to support **NiñezYA**, a coalition of more than 100 organizations committed to the wellbeing of children by ensuring the inclusion of children's rights in government programs.

Comenzando Juntos
CRECE CON TU HIJO

Companies and families

Thirdly, we seek to strengthen early childhood by supporting transformations around family wellbeing and economic prosperity. In 2020, we launched **Comenzando Juntos** (Beginning Together) to the public, a technology platform with a social impact that had previously been made available as a benefit to FEMSA employees and other corporate partners. The website and accompanying app provide free access to tools, guidance and advice on a variety of important topics to help working parents, family members and caregivers foster a positive and emotionally balanced upbringing for their children so they can reach their full potential.

Additionally this year, we had the opportunity to work with the **Consejo Coordinador Empresarial** (CCE or Business Coordinating Council of Mexico) – the highest representative body of the private sector in the country – to create a new committee with the objective of bringing awareness to the private sector around important early childhood issues.

COVID-19 Resilience

Supporting Early Childhood in a Pandemic

The pandemic brought with it incredible challenges and stress for millions of children, parents, families and caregivers around the world, and childhood development has been particularly affected. Social isolation, limited access to services, and closures of education and childcare centers have contributed to the problem. To help ease the strain, FEMSA Foundation joined forces with strategic partners to offer support and guidance. For example:

- Along with the **Pacto por la Primera Infancia**, **CONAFE** (Consejo Nacional de Fomento Educativo) and other partners, we designed and delivered 30,000 "play kits", comprised of educational items and games, to children under six years of age in some of the most remote and vulnerable communities in Mexico. The Iniciativa Kits JUEGAA reinforce social and emotional skills and wellbeing of children during the difficult days of confinement and quarantine by helping them learn, play and stay calm.
- We joined with the **IDB**, **Open Society Foundations** and **Fundação Maria Cecilia Souto Vidigal** to support the September 2020 launch of the **Early Childhood Development Hub: Knowledge and Innovation for Latin America and the Caribbean**, a first-of-its kind online portal that provides resources, tools and best practices to support the development of children up to five years old. Available in Spanish, English and Portuguese, the initiative aims to promote knowledge exchange among governments, non-governmental organizations, civil society and families through publications, blogs, measurement tools, events and more. The tool also includes COVID-19 guidance and an interactive map of innovative childhood development programs in the region.
- We partnered with **Glasswing International**, **Save the Children** and United Way to address the issues of food security and mental health by distributing emotional wellbeing kits to families in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico, Panama and Nicaragua – benefiting nearly 40,000 children, parents, teachers and caregivers. The packages included food, personal hygiene products, cleaning supplies, art and science educational materials, children's books, mindfulness exercises, and other early childhood care resource from Sesame Workshop "*¡Listos a Jugar!*" program.

FEMSA Cultural Program

Another important part of FEMSA Foundation's mission is to develop projects that engage communities through experiences with the arts. Since 1977, the FEMSA Collection has sought to promote the cultural and artistic appreciation of modern and contemporary artistic production in Latin America during the twentieth and twenty-first centuries. To date, the Collection comprises 1,387 works from 785 artists, which FEMSA shares with diverse communities through exhibitions, a loan program and multiple cultural activities.

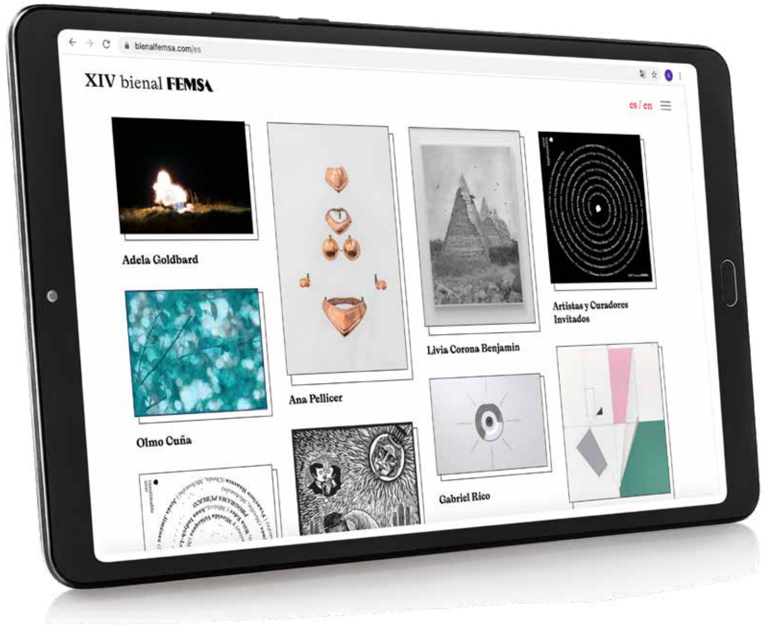
In 2020, FEMSA Foundation's Cultural Program carefully considered how art and cultural institutions could best respond to the impacts of COVID-19. We adapted our outreach to share the richness of the FEMSA Collection in new ways, including through virtual talks and online content in partnership with like-minded educational and cultural institutions. In total, the FEMSA Cultural Program reached nearly 200,000 people in 2020 – including almost 35,000 people in-person and many more virtually – through four exhibitions and 88 activities in digital spaces. We also hit more than 4 million views of our content posted on our social media channels during the year. Join us on Facebook, Instagram or YouTube at /ColeccionFEMSA, or on Twitter at @FEMSAColeccion.

FEMSA Biennial

For more than 28 years, the FEMSA Cultural Program has also presented the FEMSA Biennial, a unique traveling platform of collaborative events and exhibitions that serve as a vehicle to recognize, strengthen, stimulate and disseminate artistic talent and visual creation across Mexico. The XIV edition – which ran through the first months of 2021 in the state of Michoacán, Mexico with support from OXXO, Imbera and Coca-Cola FEMSA – opened in February 2020, just prior to the onset of the pandemic.

The exhibition has always been designed to be a rich, in-person experience, but under our guiding principle that art is an engine of social, personal and collective wellbeing, it was very important for us to not cancel it entirely during such a difficult time in the world. Instead, we restructured our delivery strategy and focused our content on how art and culture can make a positive social and community impact. The result was a hybrid program, held partially in-person (for those living nearby who could travel safely and socially distance while present); and partially online. For digital visitors, we offered video capsules and other materials (such as readings and audio presentations by artists and curators), as well as content from cultural partners, such as the Michoacán Secretariat of Culture.

As of the end of 2020, we have had nearly 60,000 virtual and in-person Biennial participants, (up from 34,000 in-person only attendees at the previous XIII edition). This success has revealed that despite the challenges, we were able to connect more people to the arts than ever this year, including new audiences and demographics that we might not otherwise have reached.



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Human Rights

Planting the Seeds of Support

Economic hardship and food insecurity have been pressing challenges during the pandemic for vulnerable populations around the world. Yet the power of art can contribute to remarkable social transformations. In 2020, FEMSA Foundation's Cultural Program launched *Puerto Abierto*, a series of community programs aimed at using artistry and creativity to build bridges of collaboration and support with the families of migrants and refugees living in the Monterrey, Nuevo León, Mexico area. This program helped provide more than 50,000 meals to the community through **Casanicolás**, a local organization providing support and solidarity to national and foreign migrants in the Monterrey area.

To contribute in other ways to food security, FEMSA Foundation staff, in collaboration with local organizations, also built and delivered 100 urban gardens in the town of Juárez by repurposing wooden pallets that had previously been used to transport the FEMSA Collection's artwork. Our teams also provided seeds for families to grow vegetables, as well as guidance for tending to the gardens so they can be maintained in a sustainable way. The gardens allow families to grow their own fresh vegetables at very low cost, which puts them in greater control of their diet and nutrition choices. To date, the delivery of urban gardens has benefited more than 450 migrants and refugees and their families in Nuevo León. A second program also included a series of workshops presented by members of the artistic community in Monterrey, designed as spaces to listen and better understand the interests and skills of migrants and refugees.

A third workstream of this initiative was to capture and share the stories of migrant families and children in their own voices through a podcast, Caravana Radiofónica, that will be made available on the Spotify and Apple platforms in 2021. The aim of this project is to use digital channels to promote greater connections of community understanding, awareness and empathy through the sharing of personal experiences.

FUNDACIÓN FEMSA

The gardens allow families to grow their own fresh vegetables at very low cost, which puts them in greater control of their diet and nutrition choices. To date, the delivery of urban gardens has benefited more than 450 migrants and refugees and their families in Nuevo León.

CORPORATE GOVERNANCE

At FEMSA, we follow the highest standards of **corporate governance** and business ethics. We adhere to rigorous, accurate and reliable business practices for disclosing information and delivering financial transparency and accountability for all our stakeholders.

Our corporate practices comply with the laws of all countries where we operate. As a publicly-listed company in the Mexican Stock Exchange and the New York Stock Exchange, we also comply with all applicable standards, rules and regulations in Mexico and the United States, including the Mexican Securities Market Law and the U.S. Sarbanes-Oxley Act, as applicable for foreign issuers.

Additionally, we observe the recommendations of the Code of Best Corporate Practices of the Business Coordinating Council *(Consejo Coordinador Empresarial)*.

Code of Ethics

Our **Code of Ethics** – which is reviewed annually – forms the basis of our corporate behavior and the foundation of our policies, guidelines and procedures for responsible business conduct. The Code establishes the fundamental principles and standards that guide our ethical behavior in relation to our shareholders, customers, suppliers, authorities, civil society organizations, the environment, communities and everyone who interacts with FEMSA. It also indicates the steps to follow for reporting any breach, conduct or practice that does not comply with our Code of Ethics and the rest of our corporate guidelines. The Code, approved by the Board of Directors, applies to members of the Board and employees in all the countries where we operate.

Likewise, we request our suppliers of goods and services to adhere to the FEMSA **Suppliers' Guiding Principles**, which describe our policies and expectations for sustainability criteria, including labor rights, the environment, community and ethics and values. Our commitment is to work with all companies to increase sustainability practices along our value chain.

Our Code of Ethics – which is reviewed annually – forms the basis of our corporate behavior and the foundation of our policies, guidelines and procedures for responsible business conduct.

Corporate Policies

In addition to our annual review of the Code of Ethics, we also made public in 2020 corporate policies which constitute an essential part of our corporate governance. These mandatory policies establish the guidelines that all employees are expected to follow as part of FEMSA's culture of respect, honesty and integrity. To comply with these policies, we have established the required internal controls to prevent, identify, investigate, sanction and remedy any possible risks of violation.

Human Rights

Anti-Corruption Policy

We conduct business practices in accordance with the law, in an honest and ethical manner, with zero tolerance for bribery, rejecting and fighting any act of corruption.

Human and Labor Rights Policy

We recognize that human and labor rights are the set of prerogatives based on human dignity, the effective realization of which is essential for the integral development of the person.

Sustainability Policy

We carry out business practices seeking to generate the social, environmental and economic conditions necessary to operate today and grow over time in harmony with the environment.

Environment Policy

We know, address and mitigate the risks associated with the environmental impact of energy, water and waste management use throughout the value chain of all our operations.

Community Commitment Policy

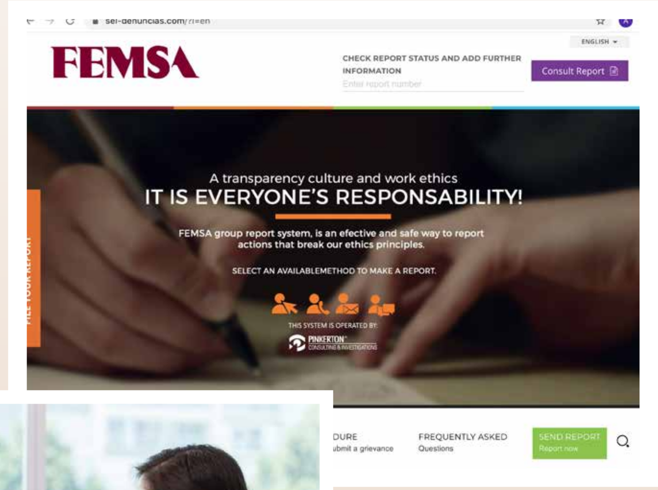
We recognize our commitment to contribute to the development of communities through our business management, which is an example of the principles and values we have practiced since our origin.

FEMSA Ethics Line

In accordance with the provisions established in our Code of Ethics, we have an Ethics Line for collaborators and stakeholders to make reports of illegal practices, inappropriate behavior and other breaches or possible breaches of our Code of Ethics and corporate policies. Our Ethics Line, which operates 24 hours a day, throughout the year, is managed by an external provider that guarantees the confidentiality of the information and offers various communication channels with the possibility of reporting anonymously: telephone, website and e-mail.

Get to know the Ethics Line through:

www.lineaeticafemsa.com



Board of Directors

FEMSA's Board of Directors is responsible for determining the Company's corporate strategy; defining and supervising the implementation of its vision and values; and approving related operations, including those outside the ordinary course of business.

During 2020, the Board of Directors was composed of 18 directors, of which 78% were men and 22% were women, assisted by one Secretary (non-member) and one Alternate Secretary (non-member). In accordance with our bylaws and the Mexican Securities Law, at least 25% of the members of our Board of Directors are independent. Directors are appointed for a term of one year and are eligible for re-election after the completion of their term in office. The By-Laws of the Company provide that the holders of the FEMSA B Shares may elect at least eleven Directors and the holders of the FEMSA D Shares may elect five Directors.

Since 2014, José Antonio Fernández has presided as Executive Chairman of the Board of Directors.

Our Board of Directors is the following:

SERIES B DIRECTORS

José Antonio Fernández Carbajal [C]
Executive Chairman of the Board of FEMSA
Director since 1984 and Executive Chairman since 2014
Alternate: Federico Reyes García [C, I]

Javier Gerardo Astaburuaga Sanjines [C]
Business Consultant
Since 2006

Bárbara Garza Lagüera Gonda
Private investor and president of the acquisitions committee of the FEMSA Collection
Since 1998
Alternate: Eva María Garza Lagüera Gonda

Mariana Garza Lagüera Gonda
Private investor
Since 1999

José Fernando Calderón Rojas
Chief Executive Officer and chairman of the Board of Directors of Franca Servicios, S.A. de C.V., Servicios Administrativos de Monterrey, S.A. de C.V., Regio Franca, S.A. de C.V., and Franca Industrias, S.A. de C.V.
Since 1984
Alternate: Francisco José Calderón Rojas

Alfonso Garza Garza
Chief Executive Officer of FEMSA Strategic Businesses
Since 2001
Alternate: Juan Carlos Garza Garza

Bertha Paula Michel González
Professor at Universidad Nacional Autónoma de México
Since 2020
Alternate: Maximino José Michel González

Alberto Bailleres González
Chairman of the Board of Directors of Industria Peñoles S.A.B. de C.V., Grupo Nacional Provincial, S.A.B., Fresnillo Plc, Grupo Palacio de Hierro, S.A.B. de C.V., Grupo Profuturo, S.A.B. de C.V. and subsidiaries, Controladora Petrobal, S.A. de C.V., Energía BAL, S.A. de C.V., Energía Eléctrica BAL, S.A. de C.V., and Tane, S.A. de C.V.
Since 1989
Alternate: Alejandro Bailleres Gual

Francisco Javier Fernández Carbajal [C]
Chief Executive Officer of Servicios Administrativos Contry, S.A. de C.V.
Since 2004

Paulina Garza Lagüera Gonda
Private investor
Since 2009

Alfonso de Angoitia Noriega [I]
Co-Chief Executive Officer of Grupo Televisa, S.A.B.
Since 2015

M. Eduardo Padilla Silva
Chief Executive Officer of FEMSA
Since 2014

Ricardo Ernesto Saldívar Escajadillo [B, C, I]
Private investor
Since 2006
Alternate: Francisco Zambrano Rodríguez [I]

SERIES D DIRECTORS

Víctor Alberto Tiburcio Celorio [A, I]
Independent consultant
Since 2018

Michael Larson [C, I]
Chief Investment Officer for William H. Gates III
Since 2010

Robert Edwin Denham [B, C, I]
Partner at Munger, Tolles & Olson LLP
Since 2001

Alfonso González Migoya [A, I]
Business consultant and managing partner of Acumen Empresarial, S.A. de C.V.
Since 2006
Alternate: Enrique F. Senior Hernández [C, I]

Ricardo Guajardo Touché [B, C, I]
Chairman of the Board of Directors of Solfi, S.A. de C.V.
Since 1988

SECRETARIES

Carlos Eduardo Aldrete Ancira
Secretary of the Board of Directors
(Non-member)

Alejandro Gil Ortiz
Alternate Secretary of the Board of Directors
(Non-member)

Key: A Audit Committee / B Corporate Practices Committee / C Strategy and Finance Committee / I Independent Director

Board Committees

The following committees support the Board of Directors by analyzing strategic issues critical to the success of the business. They provide recommendations related to the focus areas shown below, including economic, social and environmental matters.

AUDIT COMMITTEE*

Supports the Board of Directors in the following areas:

- Reviewing the accuracy and integrity of quarterly and annual financial statements in accordance with accounting, internal control and auditing requirements, as well as the submission of confidential, anonymous complaints from employees regarding questionable accounting or auditing matters
- The appointment, compensation, retention and oversight of the independent auditor, who reports directly to the Audit Committee; and
- Identifying and following-up on contingencies and legal proceedings.

CORPORATE PRACTICES COMMITTEE*

Supports the Board of Directors in the following areas:

- Preventing or reducing the risk of performing operations that could damage the value of the Company or that benefit a particular group of shareholders;
- Approving policies related to the use of Company assets or transactions with related-party transactions; approving the compensation of the Chief Executive Officer and relevant officers; and
- Supporting the Board of Directors in the preparation of reports on accounting practices.

STRATEGY AND FINANCE COMMITTEE

Supports the Board of Directors in the following areas:

- Evaluating the investment and financing policies of the Company;
- Assessing the risk factors to which the Company is exposed, as well as evaluating its management policies;
- Making recommendations on the Company dividend policy;
- Analyzing the Company's business units and strategic alternatives for growth; and
- Making recommendations to the Board of Directors on annual operation plans and strategic projects for the business units.

*All members of the Audit Committee and the Corporate Practices Committee are independent directors, as required by the Mexican Securities Law, applicable U.S. Securities Laws and applicable NYSE listing standards.

Executive Team

Our executive team is focused on driving business growth by creating economic, social and environmental value for all our stakeholders. Each of our executive leaders has significant professional experience within the industries related to our business.

José Antonio Fernández Carbajal
Executive Chairman of the Board of Directors of FEMSA
Mr. Fernández began his career at FEMSA in 1988, serving in various positions, including CEO of OXXO. He was appointed CEO of FEMSA in 1995 and Chairman of the Board in 2001, serving in both positions until January 2014. He is also Chairman of the Board of Coca-Cola FEMSA. In 2010, he was appointed Vice President of Heineken Holding NV's Board of Directors and Chairman of Heineken's Americas Committee. Since 2012, Mr. Fernández has been Chairman of the Board of Tecnológico de Monterrey, where he has served as Vice Chairman since 1997. In 2017, he was elected as a full-term member of Massachusetts Institute of Technology (MIT) Corporation, where he contributes to the Dean for Student Life and Dean for Undergraduate Education committees. Currently, he also participates as a board member of Industrias Peñoles. He holds a degree in Industrial Engineering and Systems from Tecnológico de Monterrey, where he earned an MBA in 1978 and has been a professor for more than 20 years.

M. Eduardo Padilla Silva
Chief Executive Officer of FEMSA
Mr. Padilla joined FEMSA in 1997 and was named to his current position in January 2018. Previously he served as Chief Financial and Corporate Officer of FEMSA, CEO of FEMSA Comercio, CEO of FEMSA Strategic Businesses, and FEMSA's Planning and Control Officer. He earned a Bachelor's degree in Mechanical Engineering from ITESM and an MBA from Cornell University. He also completed executive management studies at IPADE Business School.

Francisco Camacho Beltrán
Chief Corporate Officer of FEMSA
Mr. Camacho joined FEMSA in 2020 after a long track record in senior management positions in consumer product companies around the world, including Procter & Gamble and Revlon. In 2000, he joined Danone as head of its Bonafont water operations in Mexico. For the next 20 years, he held varying responsibilities in the water and dairy segments, while driving growth and innovation. In 2011, he became a member of Danone's Executive Committee, leading the Global Customer Team and serving as Corporate Chief Growth and Innovation Officer. He was Executive Vice President and global head of the Essential Dairy and Plant Based business and responsible for Global Industrial Operations and Supply Chain.

Gerardo Estrada Attolini
Senior Vice President of Administration and Corporate Control of FEMSA
Mr. Estrada joined FEMSA in 2000 and was appointed to his current position in 2020. Previously, he served as Chief Financial Officer of FEMSA Cerveza and Corporate Finance Vice President of FEMSA. Prior to FEMSA, he served in various executive level positions in the finance functions of Mexican companies in the financial and industrial sectors. He holds an Accounting degree and an MBA from ITESM.

Alfonso Garza Garza
Chief Executive Officer of Strategic Businesses of FEMSA
Mr. Garza joined FEMSA in 1985 and held various positions including CEO of FEMSA Empaques. In 2009 he was appointed to his current position. He is President of the Monterrey Metropolitan Water Fund, Vice Chairman of the executive commission of the National President of the Employers Confederation of Mexico (Coparmex). He is a member of the Board of Directors of FEMSA, ITESM, Grupo Nutec, S.A. de C.V. He is also an alternate member of the Board of Directors of Coca-Cola FEMSA. He graduated from ITESM in Industrial Engineering and completed postgraduate coursework at IPADE Business School.

Roberto Campa Cifrián
Senior Vice President of Corporate Affairs of FEMSA
Mr. Campa joined FEMSA in 2019, after a long career in the public, private and social sectors. He has served in the federal government of Mexico as Secretary of Labor and Social Welfare, Undersecretary of the Interior, and Head of the Federal Consumer Protection Agency. He has also served as a representative in the Mexico City Legislative Assembly and as a federal congressional representative. He holds a law degree from Universidad Anáhuac, where he is also a professor of macroeconomic theory and President of the Federation of Student Societies.

John Anthony Santa Maria Otazua
Chief Executive Officer of Coca-Cola FEMSA
Mr. Santa Maria was appointed to his current position in 2014. He joined Coca-Cola FEMSA in 1995 and has served in several senior management positions since then, including COO of the Company's Mexico Division, and Strategic Planning and Commercial Development Officer. He earned a Bachelor's degree and an MBA with a major in Finance from Southern Methodist University.

Daniel Alberto Rodríguez Cofré
Chief Executive Officer of FEMSA Comercio
Mr. Rodríguez joined FEMSA in 2015 as Chief Financial and Corporate Officer and was named to his current position in January 2016. Prior to joining the Company, he was CFO and then CEO of CENCOSUD (Centros Comerciales Sudamericanos S.A.), among other senior finance and management positions in Latin America, Europe and Africa. He is an alternate member of the Boards of Coca-Cola FEMSA and FEMSA. He holds a forest engineering degree from Austral University of Chile and an MBA from Adolfo Ibañez University.

Raymundo Yutani Vela
Senior Vice President of Human Resources of FEMSA
Raymundo Yutani was appointed Director of Human Resources at FEMSA in 2018. He joined FEMSA Comercio in 1999 as Director of Human Resources, a position he held until 2014. Between 2014 and 2018, he was Director of Human Resources at Coca-Cola FEMSA. Before joining the company, he was Director of Human Resources North at Banca Serfín, today Santander. He is a graduate of the Public Accountant career and has a master's degree in Business Administration from the Regiomontana University. Additionally, he completed the AD1 program at IPADE and is certified as a Coach by Newfield Consulting.

Financial Summary

Amounts expressed in millions of Mexican pesos (Ps.) as of December 31

Income Statement	2020	2019	2018 [1]	2017 [2]	2016
Net sales	Ps. 490,425	Ps. 504,059	Ps. 468,894	Ps. 439,239	Ps. 398,622
Total revenues	492,966	506,711	469,744	439,932	399,507
Cost of goods sold	303,313	315,230	294,574	277,842	251,303
Gross profit	189,653	191,481	175,170	162,090	148,204
Operating expenses	148,150	144,329	133,594	121,828	110,777
Income from operations [3]	41,503	47,152	41,576	40,262	37,427
Other non-operating expenses (income), net	7,656	1,573	874	1,285	4,208
Financing expenses, net	14,911	13,492	7,380	3,302	4,619
Income before income taxes and share of the profit of equity accounted investees	18,936	32,087	33,322	35,674	28,600
Income taxes	14,819	10,476	10,169	10,213	7,888
Share of the profit of equity accounted investees, net of taxes	(361)	6,437	6,560	8,021	6,463
Net income from continuing operations	3,756	28,048	29,713	33,480	27,175
Net income from discontinuing operations [2]	-	-	3,366	3,726	-
Consolidated net income	3,756	28,048	33,079	37,206	27,175
Controlling interest	(1,930)	20,699	23,990	42,408	21,140
Non-controlling Interest	5,686	7,349	9,089	(5,202)	6,035
Financial ratios (%)					
Gross margin	38.5%	37.8%	37.3%	36.8%	37.1%
Operating margin	8.4%	9.3%	8.9%	9.2%	9.4%
Consolidated net income	0.8%	5.5%	6.3%	7.6%	6.8%
Other information					
Depreciation	25,006	23,344	14,698	13,799	12,076
Amortization and other non cash charges to income from operations	5,464	4,944	4,184	4,104	5,484
Operative Cash Flow (EBITDA)	71,973	75,440	60,458	58,165	54,987
Capital expenditures [4]	20,893	25,579	24,266	23,486	22,155

1. Starting on January 1st 2019, the Company adopted IFRS16 "Leases" accounting rule using the modified retrospective method under which the comparative information was not restated.
2. The consolidated income statement of 2017 was revised for the discontinued operations of Coca-Cola FEMSA.
3. Company's key performance indicator.
4. Includes investments in property, plant and equipment, as well as deferred charges and intangible assets.

Balance Sheet	2020	2019	2018 [1]	2017 [2]	2016
Assets					
Current assets	201,269	Ps. 172,579	Ps. 177,607	Ps. 181,188	Ps. 117,951
Equity accounted investees	98,270	97,470	94,315	96,097	128,601
Property, plant and equipment, net [3]	113,106	114,513	108,602	116,712	102,223
Intangible assets,net	155,501	146,562	145,610	154,093	153,268
Right-of-use asset	54,747	52,684	-	-	-
Other assets, net	61,955	53,733	50,247	40,451	43,580
Total assets	684,848	637,541	576,381	588,541	545,623
Liabilities					
Short-term bank loans and current portion of long-term bank loans and notes payable	8,801	16,204	13,674	13,590	7,281
Current portion of leases	6,772	7,387	-		-
Other current liabilities	102,840	112,943	87,790	91,432	79,008
Long-term bank loans and notes payable	179,864	101,747	114,990	117,758	131,967
Long-term lease liabilities	51,536	47,292	-		-
Employee benefits	7,253	6,347	4,699	5,373	4,447
Deferred tax liabilities	6,033	6,946	5,886	6,133	11,037
Other non-current liabilities	14,562	12,924	13,800	17,343	25,713
Total liabilites	377,661	311,790	240,839	251,629	259,453
Total equity	307,187	325,751	335,542	336,912	286,170
Controlling interest	237,743	251,989	257,053	250,291	211,904
Non-controlling interest	69,444	73,762	78,489	86,621	74,266
Financial ratios (%)					
Liquidity	1.803	1.336	1.750	1.725	1.367
Leverage	1.229	0.957	0.718	0.747	0.907
Capitalization	0.39	0.28	0.29	0.29	0.33
Data per share					
Controlling interest book value [4]	13.288	14.085	14.368	13.990	11.844
Net controlling interest income [5]	(0.108)	1.157	1.341	2.370	1.182
Dividends paid [6]					
Series B shares	0.517	0.483	0.460	0.431	0.417
Series D shares	0.646	0.604	0.575	0.538	0.521
Number of employees [7]	320,618	314,656	297,073	295,027	266,144
Number of outstanding shares [8]	17,891.13	17,891.13	17,891.13	17,891.13	17,891.13

1. Starting on January 1st 2019, the Company adopted IFRS16 “Leases” accounting rule using the modified retrospective method under which the comparative information was not restated.
2. The consolidated income statement of 2017 was revised for the discontinued operations of Coca-Cola FEMSA.
3. Includes bottles and cases.
4. Controlling interest divided by the total number of shares outstanding at the end of each period.
5. Net controlling interest income divided by the total number of shares outstanding at the end of the each period.
6. Expressed in nominal pesos of each period.
7. Includes incremental employees resulting from mergers & acquisitions made during the period.
8. Total number of shares outstanding at the end of each period expressed in millions.

Management's Discussion & Analysis

Audited Financial Results for the twelve months ended December 31, 2020. Compared to the twelve months ended December 31, 2019.

Fomento Económico Mexicano, S.A.B. de C.V. ("FEMSA") is a Mexican holding company. Set forth below is certain audited financial information for FEMSA and its subsidiaries (the "Company" or "FEMSA Consolidated") (NYSE: FMX; BMV: FEMSA UBD, FEMSA BD). The principal activities of the Company are grouped mainly under the following subholding companies (the "Subholding Companies"): Coca-Cola FEMSA, S.A.B de C.V. ("Coca-Cola FEMSA" or "KOF"), (NYSE: KOF, BMV: KOFL) which engages in the production, distribution and marketing of beverages, and FEMSA Comercio, S.A. de C.V. ("FEMSA Comercio"), including its Proximity Division operating OXXO, a small-format store chain, a Health Division, which includes all drugstores and related operations, and a Fuel Division, which operates the OXXO GAS chain of retail service stations. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients. FEMSA also participates in the specialized distribution industry in the United States.

The consolidated financial information included in this annual report was prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The 2020 and 2019 results are stated in nominal Mexican pesos ("pesos" or "Ps."). Translations of pesos into US dollars ("US$") are included solely for the convenience of the reader and are determined using the noon buying rate for pesos as published by the U.S. Federal Reserve Board in its H.10 Weekly Release of Foreign Exchange Rates as of December 31, 2020, which was 19.8920 pesos per US dollar. This report may contain certain forward-looking statements concerning Company's future performance that should be considered good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

FEMSA Consolidated

2020 amounts in millions of Mexican pesos

	Total Revenues	% Growth vs'19	Gross Profit	% Growth vs'19
FEMSA Consolidated	492,966	(2.7%)	189,653	(1.0%)
Coca-Cola FEMSA	183,615	(5.6%)	82,811	(5.4%)
FEMSA Comercio – Proximity Division	181,277	(1.9%)	74,296	(1.1%)
FEMSA Comercio – Health Division	65,172	10.6%	19,575	10.9%
FEMSA Comercio – Fuel Division	34,292	(28.3%)	4,300	(9.9%)

FEMSA's consolidated total revenues decreased 2.7% to Ps. 492,966 million in 2020 compared to Ps. 506,711 million in 2019. Coca-Cola FEMSA's total revenues decreased 5.6% to Ps. 183,615 million, driven mainly by unfavorable price-mix and currency translation effects resulting from the depreciation of all of Coca-Cola FEMSA's operating currencies in South America into Mexican Pesos, mainly driven by a 14.5% unfavorable translation effect from the Brazilian Real. This figure includes an extraordinary income related to an entitlement to reclaim tax payments in Brazil, recognized in the third quarter. FEMSA Comercio – Proximity Division’s revenues decreased 1.9% to Ps. 181,277 million, driven by an average decrease of 5.4% in same-store sales reflecting reduced customer mobility coupled with operating restrictions driven by the COVID-19 pandemic. FEMSA Comercio – Health Division’s revenues increased 10.6% to Ps. 65,172 million, driven by an average increase of 1.4% in same-store sales, and the addition of 207 net new stores, partially offset by strict mobility restrictions across our South American operations and a negative currency translation effect related to the depreciation of the Chilean and Colombian pesos compared to the Mexican peso. FEMSA Comercio – Fuel Division revenues decreased 28.3% to Ps. 34,292 million, driven by a 29.2% decrease in same-station sales, reflecting reduced mobility in connection to the COVID-19 pandemic.

Consolidated gross profit decreased 1.0% to Ps. 189,653 million in 2020 compared to Ps. 191,481 million in 2019. Gross margin increased 70 basis points to 38.5% of total revenues compared to 2019, reflecting gross margin expansion across all our business units. Consolidated operating expenses increased 2.6% to Ps. 148,150 million in 2020 compared to Ps. 144,329 million in 2019. As a percentage of total revenues, consolidated operating expenses increased from 28.5% in 2019 to 30.1% in 2020.

Consolidated administrative expenses increased 15.3% to Ps. 22,988 million in 2020 compared to Ps. 19,930 million in 2019. As a percentage of total revenues, consolidated administrative expenses increased 80 basis points, from 3.9% in 2019 to 4.7% in 2020.

Consolidated selling expenses increased 1.3% to Ps. 123,405 million in 2020 as compared to Ps. 121,871 million in 2019. As a percentage of total revenues, selling expenses increased 90 basis points, from 24.1% in 2019 to 25.0% in 2020.

Consolidated income from operations decreased 12.0% to Ps. 41,503 million in 2020 as compared to Ps. 47,152 million in 2019. As a percentage of total revenues, operating margin decreased 90 basis points, from 9.3% in 2019 to 8.4% in 2020 reflecting margin contraction at FEMSA Comercio´s Proximity and Fuel Divisions reflecting the impact of the COVID-19 pandemic on their operating leverage, partially offset by an operating margin expansion at Coca-Cola FEMSA and FEMSA Comercio´s Health Division, mainly reflecting resilient consumer demand and strict cost and expense discipline across their territories.

Some of our subsidiaries pay management fees to us in consideration for corporate services we provide to them. These fees are recorded as administrative expenses in the respective business segments. Our subsidiaries’ payments of management fees are eliminated in consolidation and, therefore, have no effect on our consolidated operating expenses.

Net financing expenses increased to Ps. 14,911 million from Ps. 13,492 million in 2019, reflecting higher interest expense, partially offset by a foreign exchange gain related to the effect of FEMSA’s US Dollar-denominated cash position, as impacted by the depreciation of the Mexican peso during 2020.

Income before income taxes and share of the profit in associate results decreased 41.0% to Ps. 18,936 million in 2020 compared with Ps. 32,087 million in 2019, reflecting a decrease in our income from operations, higher other non-operating expenses and an increase in net financing expenses described above.

Our accounting provision for income taxes in 2020 was Ps. 14,819 million, as compared to Ps. 10,476 million in 2019, resulting in an effective tax rate of 78.3% in 2020, as compared to 32.6% in 2019 reflecting lower income before income taxes and share of the profit in associate results described above and the extraordinary tax payment agreed with the Mexican tax authority during the second quarter.

Consolidated net income was Ps. 3,756 million in 2020 compared to Ps. 28,048 million in 2019, reflecting i) lower income from operations; ii) higher taxes and other non-operating expenses reflecting the extraordinary tax payment of Ps. 8,754 million agreed with the Mexican tax authority during the second quarter; iii) impairments including for certain assets at Coca-Cola FEMSA and the closure of our Specialty's Café and Bakery operation also during the second quarter; iv) higher interest expenses; and v) a negative impact due to FEMSA's participation in Heineken's results. These were partially offset by a non-cash foreign exchange gain related to FEMSA's U.S. dollar-denominated cash position as impacted by the depreciation of the Mexican peso.

Controlling interest loss amounted to Ps. 1,930 million in 2020 compared to a Ps. 20,699 gain in 2019. Controlling interest loss in 2020 per FEMSA Unit[1] was Ps. 0.54 (US$ 0.27 per ADS).

Coca-Cola FEMSA

Coca-Cola FEMSA total revenues decreased 5.6% to Ps. 183,615 million in 2020, compared to Ps. 194,472 million in 2019. Total revenues were impacted mainly by unfavorable price-mix and currency translation effects resulting from the depreciation of all Coca-Cola FEMSA's operating currencies as compared to the Mexican Peso, mainly driven by a 14.5% unfavorable translation effect from the Brazilian Real. This figure includes extraordinary other operating income related to an entitlement to reclaim tax payments in Brazil recognized in the third quarter. These factors were partially offset by pricing and revenue management initiatives.

Coca-Cola FEMSA gross profit decreased 5.4% to Ps. 82,811 million in 2020, compared to Ps. 87,508 million in 2019, with a gross margin expansion of 10 basis points. A more favorable raw material environment, lower PET prices, revenue management initiatives, and favorable currency hedging strategies were partially offset by: i) an unfavorable price-mix effect; ii) higher concentrate costs in Brazil, related to the reduction of tax credits on concentrate purchased from the Manaus Free Trade Zone; iii) higher concentrate costs in Mexico; iv) and the depreciation in the average exchange rate of most of Coca-Cola FEMSA's operating currencies as applied to our U.S. dollar-denominated raw material costs. Gross margin reached 45.1% in 2020.

The components of cost of goods sold include raw materials (principally concentrate, sweeteners and packaging materials), depreciation costs attributable to our production facilities, wages and other employment costs associated with labor force employed at our production facilities and certain overhead costs. Concentrate prices are determined as a percentage of the retail price of our products in the local currency, net of applicable taxes. Packaging materials, mainly PET and aluminum, and HFCS, used as a sweetener in some countries, are denominated in U.S. dollars.

Operating expenses decreased 7.3% to Ps. 57,568 million in 2020, compared to Ps. 62,085 million in 2019.

Administrative expenses decreased 6.4% to Ps. 7,891 million in 2020, compared to Ps. 8,427 million in 2019. Selling expenses decreased 6.8% to Ps. 48,554 million in 2020 compared with Ps. 52,110 million in 2019.

Income from operations decreased 0.7% to Ps. 25,243 million in 2020 compared to Ps. 25,423 million in 2019.

[1] FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of December 31, 2020 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

FEMSA Comercio Proximity Division

FEMSA Comercio – Proximity Division total revenues decreased 1.9% to Ps. 181,277 million in 2020 compared to Ps. 184,810 million in 2019, reflecting an average decrease in same-store sales of 5.4%. As of December 31, 2020, there were a total of 19,566 OXXO stores. As referenced above, OXXO same-store sales decreased an average of 5.4% compared to 2019, driven by a 16.8% decrease in store traffic, partially offset by a 13.7% increase in average customer ticket.

Cost of goods sold decreased 2.5% to Ps. 106,981 million in 2020, compared to Ps. 109,711 million in 2019. Gross margin increased 40 basis points to reach 41.0% of total revenues. This increase reflects the sustained growth of the services category, including income from financial services and commercial income activity. As a result, gross profit decreased 1.1% to Ps. 74,296 million in 2020 compared with 2019.

Operating expenses increased 8.3% to Ps. 62,276 million in 2020 compared to Ps. 57,527 million in 2019. The increase in operating expenses was driven by: i) our continuing initiative to strengthen our compensation structure of key in-store personnel in a tight labor market, including the gradual shift from commission-based store teams to employee-based teams; and ii) higher expenses related to IT programs and infrastructure.

Administrative expenses increased 24.1% to Ps. 5,696 million in 2020, compared to Ps. 4,590 million in 2019; as a percentage of sales, they increased to 3.1% in 2020, from 2.5% in 2019.

Selling expenses increased 6.6% to Ps. 56,030 million in 2020 compared with Ps. 52,545 million in 2019; as a percentage of sales they reached 31.0%.

Income from operations decreased 31.6% to Ps. 12,020 million in 2020 compared to Ps. 17,572 million in 2019, resulting in an operating margin contraction of 290 basis points to reach 6.6% as a percentage of total revenues for the year, compared with 9.5% in 2019, mainly reflecting operating deleverage, as our largely fixed cost structure base continues to face lower revenues coupled with higher operating expenses as described above.

FEMSA Comercio Health Division

FEMSA Comercio – Health Division total revenues increased 10.6% to Ps. 65,172 million compared to Ps. 58,922 million in 2019, mainly driven by a same-store sale increase of 1.4%, reflecting positive trends in Mexico. This was partially offset by strict mobility restrictions across our South American operations and a negative currency translation effect related to the depreciation of the Chilean and Colombian peso compared to the Mexican Peso. As of December 31, 2020, there were a total of 3,368 drugstores in Mexico, Chile, Colombia and Ecuador. On an organic basis[2], total revenues grew 3.1%.

Cost of goods sold increased 10.5% to Ps. 45,597 million in 2020, compared with Ps. 41,277 million in 2019. Gross margin increased 10 basis points to reach 30.0% of total revenues. This was mainly driven by; i) positive sales mix effect driven by consumer behavior shifts in connection to the strict mobility restrictions in our operations in South America; and ii) more effective collaboration with key supplier partners across our operations. Gross profit increased 10.9% to Ps. 19,575 million in 2020 compared with 2019.

Operating expenses increased 10.1% to Ps. 16,919 million in 2020 compared with Ps. 15,360 million in 2019. This increase was driven by the organic growth in Mexico and South America, partially offset by cost efficiencies and tight expense control throughout our territories.

[2] Excludes the effects of significant mergers and acquisitions in the last twelve months

Administrative expenses increased 22.3% to Ps. 3,314 million in 2020, compared with Ps. 2,709 million in 2019; as a percentage of sales, they reached 5.1% in 2020. Selling expenses increased 8.7% to Ps. 13,540 million in 2020 compared with Ps. 12,462 million in 2019; as a percentage of sales, they reached 20.7% in 2020.

Income from operations increased 16.2% to Ps. 2,656 million in 2020 compared with Ps. 2,285 million in 2019, resulting in an operating margin expansion of 20 basis points to 4.1% as a percentage of total revenues for the year, compared with 3.9% in 2019, which reflects higher operating leverage. On an organic[3] basis, income from operations increased 10.7%.

FEMSA Comercio Fuel Division

FEMSA Comercio – Fuel Division total revenues decreased 28.3% to Ps. 34,292 million in 2020 compared to Ps. 47,852 in 2019, reflecting a 29.2% average decrease in same-station sales. As of December 31, 2020, there were a total of 558 OXXO GAS service stations. As referenced above, same-station sales decreased an average of 29.2% compared to 2019, as the average volume decreased 24.3% and the average price per liter decreased by 6.6%, reflecting reduced mobility in connection to the COVID-19 pandemic.

Cost of goods sold decreased 30.4% to Ps. 29,992 million in 2020, compared with Ps. 43,077 million in 2019. Gross margin increased 250 basis points to reach 12.5% of total revenues. This increase reflects improved supply terms. Gross profit decreased 9.9% to Ps. 4,300 million in 2020 compared with 2019.

Operating expenses decreased 2.9% to Ps. 3,487 million in 2020 compared with Ps. 3,591 million in 2019. The decrease in operating expenses reflects tight expense control and increased expense efficiencies.

Administrative expenses increased 17.2% to Ps. 252 million in 2020, compared with Ps. 215 million in 2019; as a percentage of sales, they increased 30 basis points to 0.7% in 2020. Selling expenses decreased 1.7% to Ps. 3,226 million in 2020 compared with Ps. 3,281 million in 2019; as a percentage of sales, they increased 250 basis points to 9.4% in 2020.

Income from operations decreased to Ps. 813 million in 2020 compared with Ps. 1,184 million in 2019, resulting in an operating margin contraction of 10 basis points to 2.4% as a percentage of total revenues for the year, compared with 2.5% in 2019.

This decrease reflects lower operating leverage driven by the decrease in sales described above, coupled with higher administrative expenses.

Key Events during 2020

The following text reproduce our press releases as they were published.

FEMSA Announces Successful Issuance in the U.S. Bond Market

On January 16, 2020, FEMSA announced the placement of a U.S.-denominated SEC-registered offering of Senior Unsecured Notes in the international capital markets.

FEMSA successfully issued USD $1,500 million in 30-year senior unsecured notes. The notes will bear interest at an annual rate of 130 basis points over the relevant benchmark, for a yield of 3.608%.

This issuance received credit ratings of A- from Standard & Poor's and A from Fitch Ratings.

The proceeds from this issuance will be used for general corporate purposes, improving FEMSA's cost of debt. FEMSA has also increased its financial flexibility under extremely favorable conditions in order to continue to advance its long-term growth strategy.

[3] Excludes the effects of significant mergers and acquisitions in the last twelve months.

Coca-Cola FEMSA Announces the Closing of its Senior Notes due 2030 and the Repurchase of its Senior Notes Due 2023

On January 23, 2020, Coca-Cola FEMSA announced the closing of the public offering of US$1.25 billion principal amount of senior notes due 2030 (the “2030 Notes”) published on January 9, 2020, as well as its intention to use the net proceeds from the sale of the 2030 Notes to repurchase and fully redeem its 3.875% senior notes due 2023 (the “2023 Notes”) and for general corporate purposes. On January 22, 2020 the Company closed the offering and used the proceeds from the sale of the 2030 Notes to partially repurchase the 2023 Notes through the initial settlement of a tender offer.

On January 27, 2020, the Company redeemed 100% of the remaining Notes outstanding, in a principal amount of US$398,208,000.00. Notices of redemption were sent to all currently registered holders of the Notes by the trustee, The Bank of New York Mellon, on January 22, 2020.

Coca-Cola FEMSA announces placement of a Ps. 4,727 million bond in Mexican Market

On February 6, 2020, Coca-Cola FEMSA announced the successful placement of two tranches of Mexican peso denominated bonds or certificados bursátiles in the Mexican market. The Company placed certificados bursátiles for an aggregate amount of Ps. 3,000 million for 8 years bearing an annual fixed interest rate of 7.35%, and certificados bursátiles for an aggregate amount of Ps. 1,727 million for 5.5 years bearing a variable interest rate of TIIE +0.08%.

The certificados bursátiles received credit ratings of AAA(mex) from Fitch México, S.A. de C.V. and mxAAA from S&P Global Ratings, S.A. de C.V.

The Company will use the net proceeds from the sale of certificados bursátiles for general corporate purposes. As of today, no specific or additional corporate purpose has been defined.

The transaction received broad participation from investors, and was over-subscribed almost four times, confirming investor’s trust in Coca-Cola FEMSA’s financial discipline and strong credit profile.

FEMSA Announces Successful Re-tap to its Senior Unsecured Notes due 2050

On February 12, 2020, FEMSA announced the successful placement of a US$300 million re-tap to its US-denominated SEC-registered Senior Unsecured Notes due 2050 (“New Notes”), representing an additional issuance to FEMSA’s outstanding US$1,500 million 3.500% Senior Unsecured Notes due 2050 issued on January 16, 2020 (“Initial Notes”). The New Notes will be treated as a single class with the Initial Notes, raising the total outstanding balance to US $1,800 million. The New Notes were priced at 101.433 for an implied yield to maturity of 3.423%.

The proceeds from this issuance will be used for general corporate purposes, further improving FEMSA’s cost of debt.

FEMSA enters the Jan-San and Specialized Distribution Industry in the United States

On March 9, 2020, FEMSA announced that it had entered into definitive agreements with the shareholders of WAXIE Sanitary Supply (“WAXIE”) and North American Corporation (“North American”) to form a new platform within the Jan-San, Packaging and Specialized distribution industry in the United States. The platform will bring together two market leaders in this field: WAXIE And North American, with FEMSA acquiring a majority controlling interest in the combined company. Current shareholders of WAXIE and North American will remain investors. Each company maintained their current management teams, with Charles Wax of WAXIE and John Miller of North American, members of the founding families of their respective companies and current CEOs, now serving as co-CEOs of the new enterprise. FEMSA’s investment in this venture is US$900 million.

About WAXIE and North American
Founded 75 and 100 years ago respectively and family-owned and managed, WAXIE and North American are leading distributors of consumables in the janitorial, sanitary supply and packaging industry, with complementary market footprints and combined annual revenues of more than US$900 million. Together they will have significant scale, operating a network of 26 distribution centers across the country and serving more than 27,000 customers in various industries such as building service contractors, education, government, retail and hospitality. WAXIE is headquartered in San Diego, California, and North American is headquartered in Chicago, Illinois.

Transaction Rationale
This transaction is consistent with FEMSA's capability set and fits well with our strategic intent of investing in adjacent businesses that can leverage those capabilities across different markets, while providing an opportunity for attractive growth and risk-adjusted returns. FEMSA has developed expertise in the organization and management of supply chains and distribution systems, serving very large numbers of business and retail customers through millions of interactions, in different industries.

The transaction was successfully closed on May 15,2020.

FEMSA reaches agreement with the Mexican tax authority to resolve interpretative differences and make payment

On May 29, 2020, FEMSA announced that it reached an agreement with the Mexican tax authority (the Servicio de Administración Tributaria), to resolve interpretative differences over taxes paid outside of Mexico, without judicial action. Under the agreed terms, FEMSA will pay the amount of Ps. 8,790 million, that will be recognized in FEMSA's financial statements during the second quarter of 2020.

FEMSA announces successful Re-tap to its Senior Unsecured Notes due 2050

On June 25, 2020, FEMSA announced the successful placement of a US$700 million re-tap to its US-denominated SEC-registered Senior Unsecured Notes due 2050 ("New Notes"), representing an additional issuance to FEMSA's outstanding US$1,500 million 3.500% Senior Unsecured Notes due 2050 issued on January 16, 2020 ("Initial Notes"), and the outstanding US$300 million re-tap notes issued on February 12, 2020 ("Re-Tap Notes"). The New Notes will be treated as a single class with the Initial Notes and Re-Tap Notes, raising the total outstanding balance to US $2,500 million. The New Notes were priced at 102.620 for an implied yield to maturity of 3.358%.

The proceeds from this issuance will be used for general corporate purposes, further improving FEMSA's cost of debt.

Coca-Cola FEMSA prices US$ 705 million green bond, the largest ever for a Latin American corporation

On August 26, 2020, Coca-Cola FEMSA announced the pricing of its first ever green bond in the international capital markets. The successful public offering of US$ 705 million principal amount of notes due 2032, priced at US Treasury + 120 basis points and a coupon of 1.850%. The transaction received broad participation from investment grade dedicated investors, confirming Coca-Cola FEMSA's financial discipline, strong credit profile and commitment with sustainability. The green bond will help the Company achieve its environmental sustainability objectives and contribute to the United Nations Sustainable Development Goals.

"This green bond is consistent with our goal of 'refreshing our consumers, anytime, anywhere, in a sustainable way' as we plan to continue to generate economic value and a positive contribution to society and the environment. We expect this transaction will allow us to support the achievement of our environmental targets and contribute to the United Nations Sustainable Development Goals" said John Santa Maria Otazua, Coca-Cola FEMSA's Chief Executive Officer.

The Company intends to allocate an amount equal to the net proceeds from this offering to finance or refinance eligible green projects, including in the following three areas: • Climate action: On June 11, 2020, Coca-Cola FEMSA became the first Mexican corporation to have carbon footprint reduction goals approved by the Science Based Targets Initiative (SBTi), thereby adhering to the goal framework set out by the Paris Agreement to avoid dangerous climate change by keeping global temperature rise well-below 2°C above pre-industrial levels.

The Company plans to achieve its 2030 commitment with a pipeline of specific projects that expect to allow it to reach its plan of decreasing greenhouse gas emissions by 28% across its value chain, in comparison to its 2015 baseline.

Water stewardship: The Company continuously seeks for opportunities to make a more efficient use of water and protect water sources. With a benchmark water use ratio of 1.52 liters of water per liter of beverage produced in 2019, the Company is committed to return the same amount of water that is used in its beverage production through initiatives like the Latin American Water Funds Alliance and local partnerships.

Circular economy: As part of the "World Without Waste" initiative, Coca-Cola FEMSA has a commitment to use 50% recycled resin in its PET bottles and to collect 100% of the beverage packages placed in the market by 2030. Consistent with the Ellen McArthur Foundation's New Plastics Economy Global Commitment, the Company is working on closing bottle-to-bottle loops by developing its own infrastructure and sharing infrastructure with other stakeholders through partnerships. Coca-Cola FEMSA is currently on track to achieve its commitments with a 50% collection rate in its main markets and an average of 23.7% use of recycled resin in PET bottles.

As part of the green bond offering, the Company published its Green Bond Framework, which is aligned with the four core components of the Green Bond Principles 2018 as administered by the International Capital Market Association. The Company obtained a Second-Party Opinion from Sustainalytics in accordance with industry best practices.

The closing of the transaction and issuance of the notes was successfully concluded on September 1, 2020.

FEMSA Comercio announces agreement with Chilean retailer SMU to acquire OK Market stores

On October 8, 2020, FEMSA announced that its subsidiary, FEMSA Comercio has reached an agreement with SMU, S.A, a leading Chilean retailer, to acquire its OK Market store chain for a total amount of 1,515,965 Unidades de Fomento[1] or approximately CLP $43,500 million. The transaction is subject to final confirmatory due diligence, the signing of definitive agreements and customary regulatory and anti-trust approvals and is expected to close during 2021.

About OK Market

OK Market is a leading small-format proximity store chain in Chile with more than 120 locations. During 2019, it recorded total sales of more than CLP $50,000 million.

Daniel Rodríguez Cofre, FEMSA Comercio's CEO, commented:

"In recent years, we have made great progress developing the value proposition and footprint of our OXXO proximity stores in Chile. The transaction announced today will allow us to improve the way we serve this key market and our Chilean customers."

[1] Unidades de Fomento: Chilean inflationary variable accounting unit. 1 Unidad de Fomento = 28,715.50 CLP as of October 08 2020.

FEMSA increases its specialized distribution footprint in the United States

On December 16, 2020, FEMSA announced that it had reached agreements to acquire two independent specialized distribution businesses in the United States: Southeastern Paper Group, Inc., based in Spartanburg, South Carolina and Southwest Paper Company, Inc., (dba "SWPlus") based in Wichita, Kansas. Combined revenues of the acquired businesses for the last twelve months as of September 2020, were approximately US$ 380 million.

These acquisitions fit well with FEMSA's strategy of creating a national distribution platform, building on FEMSA's capabilities and the foundation formed by the merger of WAXIE Sanitary Supply and North American Corporation earlier in the year.

These transactions were successfully closed during December 2020.

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Stock Markets and Symbols

Fomento Económico Mexicano, S.A.B. de C.V. stock trades on the Bolsa Mexicana de Valores (BMV) in the form of units under the symbols FEMSA UBD and FEMSA UB. The FEMSA UBD units also trade on The New York Stock Exchange, Inc. (NYSE) in the form of ADRs under the symbol FMX.

We are members of the Dow Jones Sustainability MILA Pacific Alliance Index, the FTSE4Good Emerging Index and the Mexican Stock Exchange Sustainable IPC, among other indices that evaluate our performance in sustainability.

For more extensive information, including the Audited Financial Statements, please visit us at:
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Since 2005 FEMSA has been committed to the United Nations Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

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