

Integrated
Report



Redefining *Global Excellence* in the Restaurant Industry

2024



SATURDA, 8 PM
FRIENDS' DINNER

We are where moments are shared

We create emotional connections that inspire and endure, leaving a mark *in every encounter, every smile, and every shared table.*

We are the leading restaurant operator in Mexico, South America and Europe, serving **12 countries** through **4,785 units.**

FRIDAY, 9 AM
WEEKLY MEETING

We are part of everyday moments

The aroma of coffee that kicks off the morning, the lively conversation that flows around a table, or the flavor that *transforms an ordinary day into an unforgettable one.*

Our supply chain is one of our greatest competitive advantages, enabling us to provide exceptional service to the **470+ million customers** we served this year.



SUNDAY, 3 PM
FAMILY LUNCH

We create value in every flavor

Our essence is in our business model, our approach to doing things, and the passion and *dedication of our people to surpass expectations.*



A robust and adaptable business model that **transforms challenges into opportunities, enabling sustainable growth.**

TUESDAY, 2 PM
MEALS DONATION

Striving for a brighter future

We transform our actions into opportunities *to create a positive impact on people and the planet.*

At Fundación Alsea, we are committed to ending food poverty, contributing **\$66.3 million** pesos this year to support this pillar in Mexico.

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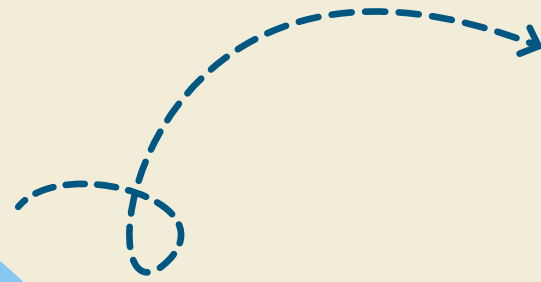
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About this report

GRI: 2-3, 2-4, 2-5



The purpose of this report is to provide a clear and detailed overview of Alsea's performance during the period from January 1 to December 31, 2024. Through this document, we share our progress, challenges and learnings, reflecting our commitment to sustainability and the responsible development of our business.

Here we present the most relevant actions in environmental, social, and corporate governance (ESG) matters, highlighting the initiatives, strategies and achievements that create a positive impact on our team members, customers, communities and the planet.

To ensure the accuracy and comparability of the information, we have prepared this report in accordance with the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB) sustainability frameworks, and the United Nations Global Compact Sustainable Development Goals (SDGs).

Regarding our financial information, our consolidated financial statements have been audited by an independent third party to ensure their accuracy and transparency. This information is available in our Report Center, in the investors section of our website. We invite you to explore our policies and strategies in Corporate Governance, Sustainability and Corporate Integrity, available on the same platform:

www.alsea.net

While our financial data is externally verified, sustainability-related information has not yet been independently audited. However, we continue to strengthen our data collection and control mechanisms to ensure the reliability and consistency of the reported information.

Your feedback is key to further evolving and reaffirming our commitment to sustainability. We appreciate any comments, questions or suggestions about this report.

You can write to us at:

rp@alsea.com.mx
sostenibilidad@alsea.com.mx



We are Alsea

GRI: 2-1, 2-2, 2-6

The leading restaurant operator in Latin America and Europe,

with globally recognized brands within the Fast Food, Coffee Shops and Full Service segments. We have a multi-brand portfolio comprised of Domino's Pizza, Starbucks, Burger King, Chili's, P.F. Chang's, Italianni's, The Cheesecake Factory, Vips, Archies, Foster's Hollywood, Ginos and TGI Fridays. Our solid financial position allows us to grow, create value for our shareholders and, above all, continue to exceed our customers' expectations.

With a proven successful business model and a focus on operational excellence, we manage our establishments in key markets, consistently delivering the best experience for our customers.

Our business model includes support to all our units through a **Support and Shared Services Center**, providing support in Administrative, Development and Supply Chain processes.

3 Segments



Fast food



Coffee shops



Full-service restaurants

13 Brands

12 Countries

	Mexico:	2,375
	Spain:	744
	Argentina:	254
	Chile:	266
	France:	264
	Colombia:	231
	Netherlands:	99
	Belgium:	35
	Portugal:	30
	Uruguay:	23
	Luxembourg:	5
	Paraguay:	3

1,526	1,906	383	78
75	32	8	238
166	28	214	13
118			

4,785 Units

Our Purpose



It is the essence of who we are and the positive impact strive to make on our stakeholders. It is the compass that guides our strategy, inspires our people, connects with our customers and communities, and guides our decisions at key moments. It is fully integrated into the Alsea Culture.

Each element aligns with the service promise of our business units and Support Centers in every country where we operate. We share a common purpose that unites us, sets us apart and drives us to be exceptional.

It is based on four essential principles:



DEDICATION

We give our best, always pouring our heart into it. We cherish every moment with our customers, whether at the restaurant or at their doorstep.



HAPPINESS

In a business like ours, happiness is experienced in every detail, like a smile at first contact, or making the guest feel welcome by calling them by their name.



EXPERIENCES

We connect with customers in a genuine way, offering them unique moments and making them feel truly special.



FLAVOR

The richness and variety of combinations set our dishes and drinks apart, reflecting our openness to diversity. Just as each ingredient is special, each of us is unique and contributes our own essence to achieve the exceptional together.

Our Values

Alsea's culture is built on five core values, which reflect who we are and what drives us every day. They serve as the guiding force behind our actions, inspiring us to create unforgettable experiences, strengthen our service culture, and generate a positive impact on our surroundings.



Winning attitude

We strive, we dare, we reinvent ourselves to exceed expectations.



Engaged leadership

We inspire by example and empower our people.



Amazing service

We make every moment unique, delivering unparalleled experiences.



Collaborative spirit

We are stronger when we work as a team.



Attention to detail

We take care of everything we do, because every detail matters.

We are inspired to put people at the heart of everything, guiding our decisions and strengthening every step we take. With a singular purpose and genuine values, we aim to be the ideal place for growth and development, building an authentic culture that leaves a lasting impression on our team members, customers, and communities.

Main results in 2024

2024 FINANCIAL HIGHLIGHTS^{1,2}

GRI: 201-1

Sales

2022	\$ 67,244
2023	\$ 74,766
2024	\$78,986

EBITDA³

2022	\$ 13,758
2023	\$ 15,959
2024	\$16,964

\$8,280

operating profit

\$763

consolidated net income



Our growth reflects the value of each shared experience, driving results that bring us closer to our customers.

¹ Figures include the effect of IFRS 16, incorporating leases as financial liabilities.

² Figures in millions of nominal pesos and under IFRS standards (including the effect of IFRS 16 and the effect regarding the restatement due to hyperinflation in Argentina), except data per share, number of units and team members.

³ EBITDA is defined as operating income before depreciation and amortization.

⁴ CAGR Compound Annual Growth Rate from 2020 to 2024.

Results	CAGR 2020-2024 ⁴	Annual growth	2024	%	2023	%
Net sales	15.6%	3.6%	\$78,986	-	\$74,766	-
Gross profit	14.7%	6.9%	\$53,675	68.0%	\$50,202	67.1%
Operating income	NA	3.9%	\$8,280	10.5%	\$7,972	10.7%
EBITDA ³	11.6%	6.5%	\$16,964	21.5%	\$15,956	21.3%
Consolidated net income	NA	-74.9%	\$763	1.0%	\$3,042	4.1%

Balance

Total Assets	6.3%	\$82,322	\$77,434
Cash	0.9%	\$6,468	\$6,410
Liabilities with cost	16.3%	\$50,323	\$43,273
Majority stockholders' equity	7.2%	\$9,278	\$8,656

Stock market data

Price	-31.6%	\$43.49	\$63.60
Earnings per share	-73.4%	\$0.94	\$3.53
Dividend	NA	1.2	-
Book value per share	10.2%	\$11.61	\$10.54

Operation

Total number of units	2.7%	3.5%	4,785	4,622
Team members	5.0%	7.0%	75,993	71,003

SUSTAINABILITY HIGHLIGHTS

We strive every day to create value that goes beyond our financial results, making sustainability a core focus of our operations. Throughout 2024, we reinforced our commitment through environmental, social, and corporate governance (ESG) initiatives, making a positive impact on every experience we offer.

GROWTH



Our business model places the customer at the heart of our operations, driving a robust, innovative, and responsible approach.

+470

million customers served.

+8.2

million active users⁵ in loyalty programs.

98%

of suppliers have been approved and/or certified by the Global Food Safety Initiative (GFSI) globally.



100%

of our brands have their caloric content calculated and published in Mexico.

To learn more, click here



⁵ Active users: Last 90 days for Starbucks and 180 days for the other formats.

DEVELOPMENT



We understand that sustainable growth starts with people. That's why we strive for the holistic well-being of our team members and a deep commitment to the communities where we operate.



93

million pesos in social investment, and 1.4 million people benefited by Fundación Alsea.

\$7.8

millions of pesos equivalent to in-kind donations delivered to food banks.

89,222

tons of food donated and delivered to vulnerable populations.

49%

of our workforce is made up of women, creating opportunities for everyone.

To learn more, click here



BALANCE



We are committed to an environmentally responsible operation. Throughout 2024, we took significant steps to minimize our environmental impact, utilizing natural resources more efficiently and adopting technologies that drive us towards a more sustainable operation.



1,577

solar panels installed in 2024, bringing the total to 2,956 panels installed.

1,703,161

liters of oil recovered and sent for recycling, resulting in the production of biodiesel and other products.

To learn more, click here



KEY EVENTS IN 2024

2024 was a year to look ahead and identify new opportunities that strengthen our position in the markets we serve. With a strong financial foundation and a clear vision for the future, we are setting the trend and driving innovation in our industry.

Strategic succession in Finance



In 2024, we strengthened our management structure with a strategic shift in the financial department. In February, Federico Rodríguez Rovira took over as Chief Financial Officer, completing a well-planned and responsibly executed transition. This process began in late 2023, when Rafael Contreras Grosskelwing, who had been a committed and effective leader in this role for several years, began preparing for the transfer of responsibilities. Through this close and progressive support, we ensured continuity, stability, and strategic alignment in one of the key areas of our operation.

Strengthening our presence in Europe



In 2024, we reached an agreement to acquire the entire stake of the minority shareholders in our subsidiary, Food Service Project, S.A. (Alsea in Europe). This transaction embodies Alsea's commitment to the European region and the potential it holds for the company's future.

Streamlining our brand portfolio



Throughout the year, we reached an agreement with Burger King Spain, S.L.U., for the sale and transfer of 54 Burger King units in Spain. This operation is in line with the company's strategy to streamline its brand portfolio, aiming to achieve growth and efficiency to boost the company's profitability.

Strategic growth and expansion



In line with our growth-oriented DNA and our commitment to having the best brands in our portfolio, we resumed our search for brands and concepts with high growth potential during the year. This reinforces our commitment to generating value for our shareholders and stakeholders through a robust and differentiated portfolio. Thanks to this search, we were able to announce a development agreement with Chipotle Mexican Grill (NYSE: CMG) in April 2025 to open restaurants in Mexico. We expect to open the first unit in early 2026.

TO THE GENERAL SHAREHOLDERS' MEETING OF ALSEA, S.A.B. DE C.V. AND OUR STAKEHOLDERS:

GRI 2-22

It is an honor and a source of pride to present you with our 2024 Integrated Annual Report, a reflection of a year marked by **commitment, growth, and transformation.**

The year 2024 brought significant challenges and accomplishments for Alsea, as we reaffirmed our commitment to responsible and sustainable operations. Our ability to adapt to evolving market conditions, combined with our focus on service excellence and enhancing the customer experience, played a key role in strengthening our leadership across the markets we serve.

By year-end, our workforce surpassed 75,000 team members. Among them, 2,166 individuals belong to vulnerable groups, including the elderly, people with disabilities, migrants, and refugees — a testament to our ongoing commitment to diversity, equity, and inclusion.

We remain firmly focused on ensuring fair working conditions for all our team members, including competitive compensation that not only meets industry standards in each country but also exceeds the income threshold necessary for a dignified life, as measured by the welfare line established by local and international organizations.

Our purpose of **bringing happiness and experiences full of flavor** remains our main inspiration, driving us to be present where moments are shared and creating value in every connection fostered throughout our units. Our employees' commitment and our customers' satisfaction, coupled with our renowned operational excellence, have enabled us to solidify our market position and adapt to new trends with agility.

**ALBERTO
TORRADO MARTÍNEZ**
Chairman of the
Board of Directors
of Alsea



The Board of Directors ensures that the company and its teams adhere to our long-term strategy. Throughout 2024, we reaffirmed our commitment to sustainability, recalibrating our goals and keeping our strategy focused on three essential lines of action: Growth, Development and Balance, while aligning our actions with international best practices and our stakeholders' expectations.

Ethics, transparency and our values remain essential foundations in the way we operate. We have therefore strengthened our compliance processes and improved our whistleblowing channels, ensuring that they are confidential and accessible. Furthermore, our Board of Directors and specialized committees ensure that the highest standards of integrity and accountability are upheld, thereby increasing trust and quality decision-making.

Our social impact through Fundación Alsea, A.C., remains a key element of our strategy. Our initiatives in food access, education, employability, water access, and disaster response have significantly improved the quality of life for hundreds of thousands

of people in the communities we serve, as we have been able to adapt quickly to local needs. Looking forward to expanding our impact with the launch of the Foundation's operations in Spain – continuing to transform lives, now and into the future.

Regarding the environment, we continue to make progress in our sustainability strategy by using resources more efficiently and improving waste management. We have successfully reduced waste, improved material circularity, and encouraged renewable energy use, reflecting our commitment to efficiency and environmental stewardship.

Strengthening our corporate governance has been key to ensuring the continuity and soundness of our business strategy. In this context, the upcoming leadership transition, with Christian Gurría as the new CEO starting in July 2025, has been meticulously planned to ensure a seamless succession, in line with our values and long-term vision.

These achievements are the result of our team's talent, commitment, and effort. They reinforce our ability to face the future with accountability, resilience, and a strategic

vision focused on generating sustainable value for all our stakeholders, including team members, customers, communities, investors, and business partners.

We extend our heartfelt gratitude to our valued team members for their unwavering dedication and sense of belonging, to our loyal customers for their continued preference and trust, and to our esteemed shareholders for their steadfast support. Their constant encouragement drives our evolution towards a more sustainable, ethical and inclusive company.



The path toward a stronger, more equitable, and more sustainable future is clearly defined. At Alsea, we are fully committed to pursuing it with the same passion, integrity and determination that have guided our growth and leadership.

ALBERTO TORRADO MARTÍNEZ
Chairman of the Board
of Directors of Alsea

Dear Friends,

GRI 2-22

I am proud to share with you Alsea's achievements in 2024, a year in which we made steady progress across the regions where we operate, driven by innovation and a deepening commitment to sustainability.

Despite macroeconomic challenges and a highly competitive landscape, we continue to be the place where memorable experiences are shared, thanks to the dynamism of our brands, the dedication of our more than 75 thousand team members, and the trust of more than 470 million customers in the 12 countries where we operate.

Our unique value proposition, exceptional service, operational excellence, and continuous innovation across all segments have been key to our growth. In 2024, we achieved a 6.3% increase in total sales, reaching \$77.841 billion pesos, reflecting the strength of our brands and our customers' preference. EBITDA increased by 8.5% at the end of the year, reflecting our solid operations performance.

**ARMANDO
TORRADO MARTÍNEZ**
Director General
de Alsea



In our Full-Service Restaurants segment, growth in Mexico and Spain has been driven by improved service levels and increased customer traffic. Domino's Mexico remains a prominent player in the fast food industry due to its strategic positioning and operational excellence. Moreover, portfolio optimization in Europe, including the sale of Burger King in Spain, improved our profitability. In coffee shops, Starbucks has capitalized on the growth of the delivery channel, the drive-thru format and morning consumption, achieving higher traffic in Mexico.

These results would not have been possible without the exceptional talent and dedication of our team. At Alsea, we prioritize the growth and well-being of every team member in Mexico, South America, and Europe. The 4.19 out of 5 rating we received in the Global Engagement Survey (ECO in Spanish) reflects our people's strong alignment with our goals and values.

We also foster the growth and development of our talent through continuous training. Through digital platforms like Alsea College and the Owner-Manager program, we have trained 3,537 team members, fostered leadership and strengthened commitment within our teams.

Over the past year, we adapted our menus to meet evolving consumer preferences and deepened our customer relationships through digital transformation and enhanced loyalty programs.

This year, we invested approximately \$900 million pesos in digitalization, with the aim of consistently delivering the best possible service. These resources were dedicated to improving the customer experience, driving sales, and fostering brand innovation. This year, loyalty sales accounted for 35.1% of total sales, highlighting the effectiveness of our digital platforms and loyalty programs, including Club By, Starbucks Rewards, and WOW +. Together, they attracted over 8.2 million digital customers.

Commitment to Sustainability

This year, we revamped our dual materiality study by meticulously analyzing, researching, and gathering insights from stakeholders. We also fostered synergy between various company departments across all regions where we operate. As a result, we identified priority sustainability topics at both a global and regional level, taking a holistic approach to business risks and their environmental impact. This enabled us to align our strategy and action plan to address these topics more effectively.

To achieve this, we recalibrated our sustainability goals, fine-tuning our strategy to align with international best practices and identified priorities. This update will strengthen our approach, enabling us to move towards a more sustainable and resilient business model with greater precision.



We are focused on improving the customer experience, driving sales, and fostering brand innovation.

2024 was also a year of significant progress in sustainability. We certified 142 Starbucks stores as greener stores, bringing our total to 123 in South America and Mexico and 19 in Europe. This reflects our commitment to energy efficiency, using resources responsibly and reducing our carbon footprint. We continue our efforts to incorporate circularity principles into our operations, implementing new, more sustainable packaging in all regions where we operate, whether reusable, recyclable, or compostable.

We strengthened our relationship with the community through four key lines of action: food access, education and employability, water access, and disaster and emergency support. In each of these dimensions, we support and develop diverse initiatives that have a profound impact on present and future generations.

Our Fundación Alsea, A.C., allocated more than \$93 million pesos to transform lives in Mexico, including \$66.3 million pesos to food access, our most important area of focus. Through this collaborative effort, we positively impacted over 1.4 million people in Mexico!

Looking ahead

As we look ahead to 2025, we are committed to further strengthening our value proposition for customers, accelerating the digitalization of our channels, and driving growth across our key brands. I am deeply grateful for the passion and commitment of our team members, whose efforts make these results possible. I also want to thank our shareholders and strategic partners for their continued trust and support, which empowers us to keep growing and innovating with the same passion that has defined us since the beginning.



We are ready to continue bringing happiness and experiences full of flavor, creating value for our shareholders, customers, employees, and communities, and reaffirming our commitment to a more sustainable future.

ARMANDO TORRADO MARTÍNEZ
CEO Alsea



Sustainability management


Sustainability is not just a commitment, it's part of the experience we create every day. To continue advancing on this path, we work hand in hand with our stakeholders and under the guidance of our Board of Directors, which has allowed us to strengthen our Global Sustainability Management. Through this structure, we ensure that our initiatives are understood, implemented, and monitored at all levels of Alsea, aligning each action with a strategic and operational vision where sustainability is not an add-on, but the foundation of everything we do.

For over 30 years, we have been driving economic, labor, social, and environmental development through responsible and robust management. We seamlessly integrate sustainability into our business model, embracing the best corporate practices to create a positive impact today and in the future.

Through strategic management, we ensure every action is aligned with our sustainability agenda's top priorities, from establishing policies, processes, and goals to implementing, monitoring, and reporting. This enables us to create a positive and lasting impact on our operations, while crafting unforgettable experiences in every restaurant and point of contact.

For effective management, we structure our approach on three levels:

Governance level



Composed of the Board of Directors, CEO, CFO, Steering Committee, and Brand Directors, this body is responsible for defining the global strategy and ensuring the monitoring and fulfillment of the established initiatives.

Strategic level



Its purpose is to analyze the environment and the expectations of stakeholders, proposing strategic actions that make a positive impact. It operates regionally to develop initiatives that address concerns on social, environmental, economic, and business ethics issues.

Operational level



It aims to ensure that initiatives related to priority issues are successfully executed. To achieve this, there are four commissions operating locally:

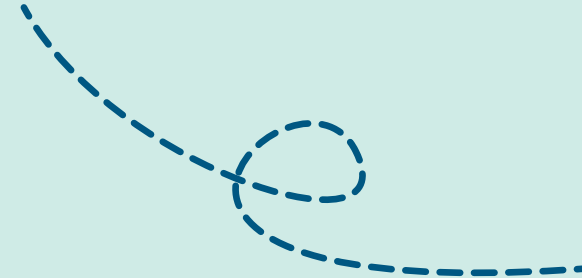
- Responsible consumption
- Community development
- Environment
- Quality of life

✓ The future is in our hands, and embracing a sustainable approach is key to successfully meeting the challenges of today and tomorrow.

Sustainability strategy: *delivering happiness and flavorful experiences*

GRI 2-12, 2-13, 2-14

✓ Our sustainability strategy is a structured plan that defines how we integrate environmental, social, and governance (ESG) criteria into our business model and daily operations, ensuring a long-term positive impact.



In 2022 we took a firm step towards the future with our Sustainability Model, a plan based on three essential dimensions: **Balance, Development and Growth.**



Throughout 2024, we embarked on a goal optimization process to reinforce our commitment to sustainability and adapt to new industry trends, as well as the growing demands of our stakeholders. The result of this process was presented to the Board of Directors as part of a strategy aligned with the results of our most recent materiality analysis, which enabled us to validate the relevance and significance of our goals. In doing so, we reaffirmed our business vision and our focus on responsible corporate governance.



We consistently integrate sustainability into every aspect of our management, ensuring that every action reflects our unwavering commitment to this principle. In this regard, committees are playing an increasingly active role in evaluating initiatives related to environmental, social, and corporate governance matters.

Our strategy is structured around three axes that are developed through six priority lines, each with clearly defined global goals for 2030, 2035, and 2040. In addition, we have established regional sub-goals and critical pathways to ensure that our actions align with the particularities and challenges of each region, enabling effective and measurable implementation.

Sustainability model

At Alsea, we work every day with the purpose of “delivering happiness and experiences full of flavor” in every aspect of our operation, positively impacting our team members, customers, communities, and the environment we operate in. To translate this purpose into sustainable and strategic management, we developed a sustainability model that connects our vision of growth with the commitments we have made.

This model embodies our approach to business, integrating economic (growth), environmental (balance), social (development), and corporate governance aspects as fundamental axes. It also sets our goals for 2030, 2035 and 2040 and their alignment with the UN Sustainable Development Goals (SDGs), taking the expectations and needs of our stakeholders as a starting point.



The Board of Directors actively oversees the sustainability strategy, ensuring it aligns with our business vision.



Alsea’s sustainability model is based on three essential dimensions:

This dimension encompasses all operational aspects of our business, with a customer-centric approach. We seek to meet and exceed their expectations with options tailored to different lifestyles, ensuring quality, safety, and a memorable experience. We also promote innovation, inclusion on our menus, and reducing food waste as part of a sustainable operation. In addition, we promote nutritional transparency through responsible labeling and advertising practices, thus reinforcing our consumers’ trust.

Similarly, we have a strong and responsible supply chain, from selecting suppliers to the delivering safe, high-quality products, both inside and outside our restaurants.

 **GROWTH**

Goals



Quality food and balanced options

> Restaurants that adhere to the Alsea Quality and Balanced Nutrition Standard⁶:

2030

100%

2035

100%

2040

100%



Responsible origin of products

> Volume of priority inputs procured with certifications or equivalents under sustainable criteria⁷.

50%

75%

100%

> Suppliers approved under quality and sustainability criteria

50%

75%

100%



We strive for excellence in every step: We manage leading brands, offer high-quality products, and provide exceptional service to make every experience truly unforgettable.

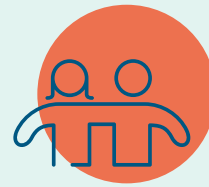
⁶ The quality standard will have distinct objectives for Alsea’s various proprietary brands.

⁷ Aligned to the requirements of the brands represented

This dimension encompasses the actions we take to positively impact people, both within and beyond our organization. At Alsea, we believe that sustainable growth starts with our team members and extends to the communities we serve.

To foster the holistic development of our team, we create a **fair, inclusive, diverse, dignified, and safe** work environment. We promote equal opportunities, constant training, and the possibility of personal and professional growth. We also foster work conditions that harmonize work and personal life, recognizing the importance of holistic well-being in building a strong, committed, and happy culture.

Our commitment also extends to communities, especially those in vulnerable situations. Through different programs, we work to strengthen **food security and promote human development**, with special emphasis on access to education and employability.



DEVELOPMENT

Goals



Employability and talent development

> Index eNPS (Employee Net Promoter Score)

2030

> 57%

2035

> 58.4%

2040

> 60%



Community impact

> USD investment in community

10M

16M

32M



Growing together means empowering our team members and making a positive impact on communities.

This dimension embodies our commitment to caring for the planet, promoting responsible and efficient use of resources such as energy, water, inputs, and waste.

At Alsea, we prioritize exceptional environmental management throughout our operations, from restaurants and distribution centers to corporate offices. We strive to minimize our environmental impact by optimizing processes, adopting sustainable technologies, and fostering a culture of efficiency and environmental responsibility.

We firmly believe that responsible growth is only possible when our actions align with the highest environmental standards, creating value for our business and the environment we operate in.



BALANCE

Goals



Climate ambition

> Reducing the intensity of direct GHG emissions (Scope 1 and 2) ⁸.

2030

35%

2035

55%

2040

75%



Circularity in packaging and plastic materials

> Reusable, recyclable, or compostable tableware and containers/packaging ⁹.

55%

75%

100%



Protecting our environment today is crucial to securing a sustainable future for the generations to come.

⁸ Subject to the dynamic regulatory evolution of the energy market.

⁹ Subject to the availability of materials in the market.



Double materiality analysis

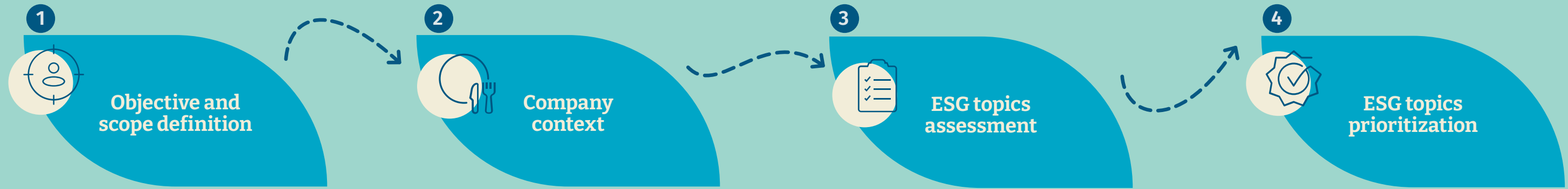
GRI 3-1

At Alsea, we understand the importance of responsibly and proactively managing key topics for the sustainability of our operations. To stay ahead, we constantly monitor global trends, regulatory changes, and the expectations of our stakeholders.

As part of this commitment, we conduct a double materiality exercise every two years. This exercise helps us pinpoint the most significant issues for Alsea, considering both financial and environmental impact.

Through this process, we analyze how environmental, social, and corporate governance (ESG) factors affect our business performance, and how our operations affect our stakeholders and the environment.





At this stage, the purpose of the double materiality analysis was defined, aligning with Alsea’s strategic priorities. The study’s scope was also defined along the value chain, considering the most significant impacts and other crucial factors for its development and application.

A comprehensive documentary analysis was conducted, encompassing a comparative sector study, identification of applicable ESG standards and requirements, a review of market trends, and a thorough evaluation of communication media. This exercise resulted in an initial list of potentially significant topics for the organization.

The identified topics were assessed based on three main factors:

Financial impact: Potential impact on the company’s economic performance.

Environmental and social impact: The operation’s impact on the environment and society.

Importance to stakeholders: The level of relevance attributed by key stakeholders, as gathered from a survey of team members, suppliers, customers, civil society organizations, the Board of Directors, and investors.

For this process, the corporate risk methodology was aligned, incorporating the corporate risk matrix in the analysis. Furthermore, ESG impact assessments were conducted with the organization’s strategic areas in the three regions of operation.

Using the gathered information, a comprehensive analysis was conducted to classify and prioritize the topics based on their relevance, resulting in the creation of the double materiality matrix. This matrix showcases the scores obtained in each of the three evaluation criteria, serving to identify the organization’s top priority material topics.



DOUBLE MATERIALITY MATRIX

GRI 3-2

Relevance to stakeholders

Trend

Double materiality topic

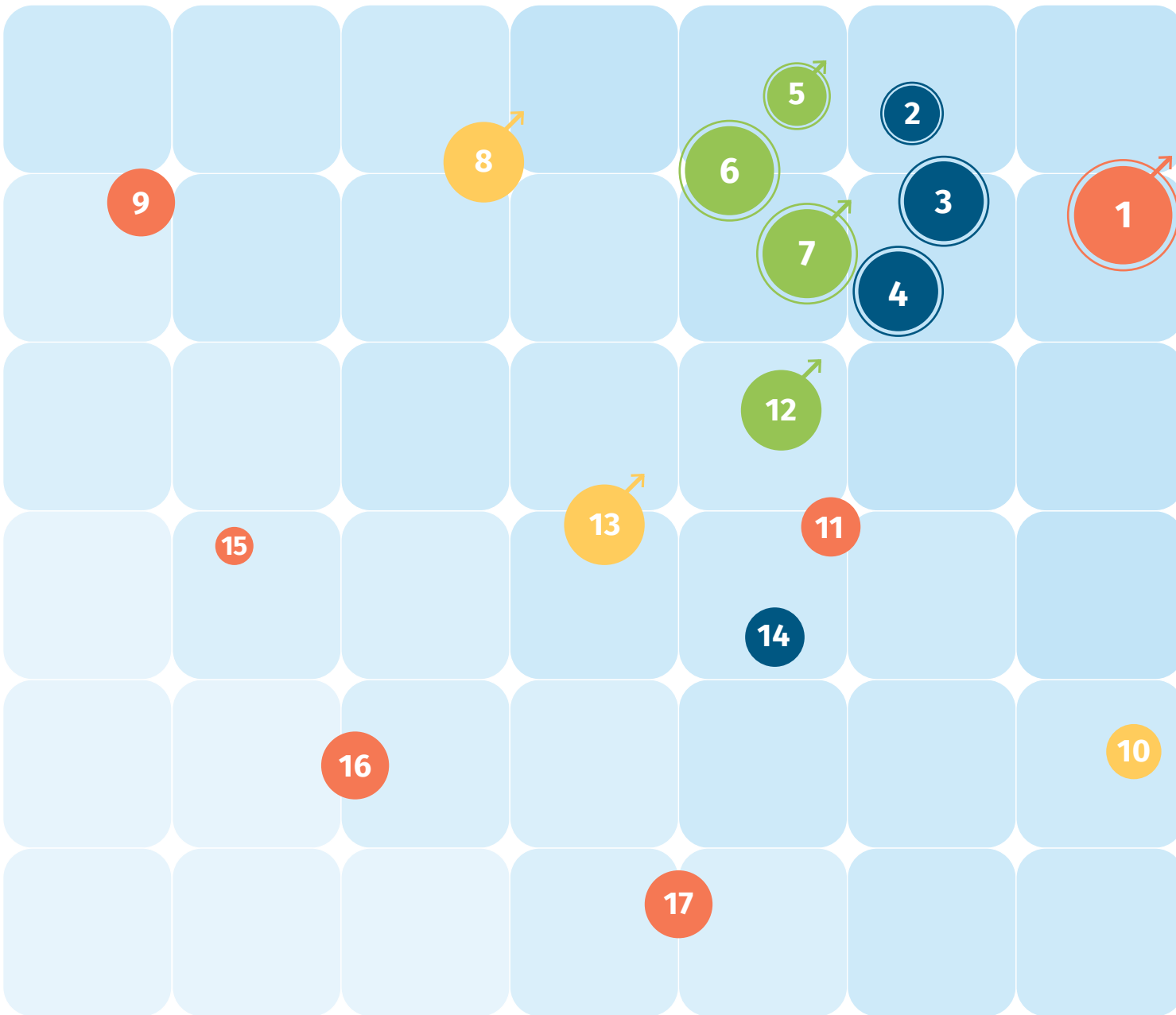
Growth

Development

Balance

Governance

LEVEL OF BUSINESS RISK



LEVEL OF IMPACT ON THE ENVIRONMENT

- 1 Occupational well-being
- 2 Cybersecurity and digital transformation
- 3 Ethics and anti-corruption
- 4 Corporate governance
- 5 Climate change
- 6 Responsible water management
- 7 Energy consumption
- 8 Food quality and safety
- 9 Local communities
- 10 Consumer well-being and nutrition
- 11 Human rights
- 12 Circularity and waste management
- 13 Responsible sourcing
- 14 Regulatory landscape
- 15 Diversity, inclusion and equity
- 16 Education and training
- 17 Occupational health and safety

Stakeholder engagement

GRI 2-29

Listening to and collaborating with our stakeholders is crucial for building trust and fostering sustainable growth.

Through open and two-way communication, we identify what our stakeholders expect from us and what matters most to them. This enables us to align our sustainability and business strategies, making a real and positive impact.

To achieve this, we analyze aspects such as our sustainability strategy, business risks and opportunities, strategic plan and global challenges, always considering our stakeholders' concerns. We prioritize building connections with key individuals and organizations to collaborate on the topics that truly make a difference. To achieve this, we have established open and accessible channels to foster close and transparent communication.


● Permanent

▲ Monthly

▒ Quarterly


■ Occasional

▒ Annual




GOVERNMENT

- Línea Correcta
- Email and website
- Participation in events
- Reports
- Meetings
- Phone calls
- Official communications
- ▒ Annual report



COMMUNITY

- Website
- Social media
- Evaluation visits
- Participatory diagnoses
- Forums
- Events
- ▒ Annual report



SUPPLIERS

- Línea Correcta
- Email and website
- ▲ Monthly newsletter
- Visits
- Phone calls
- Announcements and relevant information
- ▒ Annual report



We create value by listening, understanding, and acting together, aligning each step with the expectations of those who place their trust in us

- Permanent
- ▲ Monthly
- ▒ Quarterly
- Occasional
- ▒ Annual

MEDIA



- Línea Correcta
- Email and website
- Press Releases
- Forums and events
- ▒ Annual report

- Email and website
- Phone calls
- Meetings
- Relevant announcements
- ▒ Shareholders' meeting
- ▒ Results report
- ▒ Conferences
- ▒ Analyst and Investor Day (every two years)
- ▒ Annual report



PARTNERS AND INVESTORS

CUSTOMERS



- Línea Correcta
- Email and website
- Social Media
- Mass media
- Communication in restaurants
- Marketing campaigns
- Digital applications
- Loyalty programs
- ▲ Newsletter
- ▒ Annual report

- Línea Correcta
- Email and website
- Workplace
- Screens
- Boards
- Internal communication
- Mailing
- ▲ Newsletter
- Announcements
- Events and conventions
- ▒ Annual report



TEAM MEMBERS

Risk management

GRI 2-25

At Alsea, we are always ready for the unexpected, as resilience is a core part of our essence. As a global company, we understand that every challenge is an opportunity to grow stronger.

We anticipate, mitigate, and manage risks to ensure operational continuity and continue delivering exceptional experiences in all the contexts where we operate.

ANTICIPATION AND ADAPTATION: KEY INITIATIVES

Our risk management strategy is structured around international standards such as COSO ERM¹⁰ and ISO 31000¹¹, tailored to our global operations. To ensure comprehensive management, we employ a three-tiered defense model:



1. First line: Composed of our brands, support areas, and supply chain, responsible for identifying and managing risks in their daily operations.



2. Second line: the Risk Management, Internal Control, Legal, and Compliance areas establish policies, oversee their implementation, and provide strategic guidance to strengthen our operations.



3. Third line: Internal audit, which independently reviews the effectiveness of the risk management system.

Our methodology classifies risks into five broad categories: strategic, operational, financial, legal, and sustainability (environmental, social, and governance).

To assess and prioritize risks, we use an impact and probability-based approach, considering financial, regulatory, operational and reputational variables. This analysis enables us to allocate resources efficiently and define mitigation strategies tailored to each context.

Over the past year, we have made significant progress in consolidating our global risk management structure. To unify our strategy across all the regions where we operate, we formally established a Risk Management area, which allowed us to strengthen our ability to identify and mitigate threats.

In addition, we developed a Business Continuity Plan that will be implemented in 2025 to strengthen our crisis preparedness and ensure operational continuity. We are

also developing a GRC (Governance, Risk, and Compliance) system that, starting in 2025, will allow us to manage risks, auditing, and internal control in an integrated way.

Risk management is a critical component of the business strategy, and all operational areas are committed to its continuous development. Looking ahead, we will continue to strengthen our management system by implementing new tools in all regions, optimizing risk monitoring and response, integrating ESG risks into the sustainability strategy, and engaging in an ongoing process of review and recalibration to improve risk assessment and mitigation. This will allow us to continue strengthening our resilience and sustainability practices.

¹⁰ COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management): A framework that offers a comprehensive approach to identifying, evaluating, and managing risks that may hinder the achievement of an organization's strategic objectives.

¹¹ ISO 31000: international standard that establishes principles and guidelines for risk management, applicable to any type of organization, with emphasis on the integration of risk in decision-making processes.

Sustainability rankings, recognitions, and certifications

GRI 2-28

The recognitions we have received reflect the dedication and passion of our team, aligned with our commitment to quality, transparency, and industry best practices. These achievements inspire us to maintain the highest standards and continue strengthening our social, economic, and environmental actions, fostering a positive and sustainable impact.



MEXICO



United Nations Global Compact:

Since 2011 we have been part of the United Nations Global Compact, embracing its ten universal principles on human rights, labor standards, the environment and the fight against corruption.



ESR Certificate: For the 13th year in a row, the Mexican Philanthropy Center (CEMEFI) has recognized us for our management in environmental, social, governance and global context criteria.



S&P/BMV Total Mexico ESG Index:

Since 2013 we have been part of this index that recognizes companies in the Mexican market that meet high sustainability standards.



Expansión

Corporate Integrity 500.
Alsea in Mexico. – 1st place

The 100 most important entrepreneurs in Mexico.
Our Chairman of the Board of Directors was recognized as number 23 in this ranking.

The 500 most important companies in Mexico.
Alsea in Mexico – 67th place.

Responsible companies.
Alsea in Mexico - 121st place. -
Alsea ranked 121st overall.
By category - Environmental: 97,
Social: 137, Governance: 111.



Mundo Ejecutivo

Top 1000 Companies Ranking.
Alsea in Mexico – 89th place.

The 50 most sustainable companies.
Alsea in Mexico – 49th place.

Top 100 companies.
Alsea in Mexico – 54th place.



EUROPE



SOUTH AMERICA



MERCOSUR

The top 100 companies with the highest ESG responsibility. Alsea in Mexico – 1st place in the restaurant sector.

Merco corporate reputation ranking. Alsea in Mexico – 1st place in the restaurant sector.

Merco Talento. Alsea in Mexico – 42nd place / 2nd place in the hotels and restaurants sector.

IMCO – 50/50.

Women on Boards / Diversity on Boards. The company was recognized for the inclusion of women on the Alsea Board.



Instituto para el Fomento a la Calidad

Empresas Excepcionales. Alsea was recognized by Empresas Excepcionales in the category of Good Practices with the project: Premio Alsea..



United Nations Global Compact:

Since 2023, we have been part of the United Nations Global Compact in Europe, embracing its ten universal principles on human rights, labor standards, the environment, and the fight against corruption.



TENT Spain: We are part of the global network of companies committed to the economic integration of refugees.



Diversity Leading Company Badge:

Alsea was recognized for its continuous efforts to promote diversity and inclusion.



MERCOSUR

MERCOSUR EMPRESAS. Alsea in Spain – 163rd place / 2nd place in the restaurant sector.



United Nations Global Compact:

We are present in Chile with our four brands, and in Uruguay and Paraguay, we are represented by Starbucks



Association of Food Banks of Colombia (Asociación de Bancos de Alimentos de Colombia, ABACO):

In 2024, we were recognized for our commitment to fighting hunger in Colombia. This distinction drives us to continue strengthening initiatives such as *Va x mi Cuenta*, where our team members contribute voluntarily; the sale of cause-marketing products by our Starbucks, Domino's and Archies brands, and food donation. Furthermore, Alsea in Colombia received the distinction of strategic partner of the Food Bank for its contribution to the alliance for child nutrition in the country.

We are where *trust* is built every day

We are committed to integrating ethical values into every place where we operate, and we are convinced that acting with integrity makes us better every day.



Ethics management

GRI 3-3 MATERIAL TOPIC: ETHICS AND ANTI-CORRUPTION

At Alsea, ethics is the essential ingredient that allows us to build trust and value in every action. We strive daily to promote an organizational culture based on ethical principles that guides our operations and stakeholder relations.

Promoting ethics: our main actions

As we strive to strengthen our culture of ethics, we are committed to promoting compliance with the Code of Ethics, enhancing our whistleblower channels, and ensuring transparent management throughout our operations. These actions reinforce our commitment to ethics and enable us to act with integrity at every level of the organization.



See our corporate integrity and business ethics policies at

<https://www.alsea.net/integridad-corporativa.html>

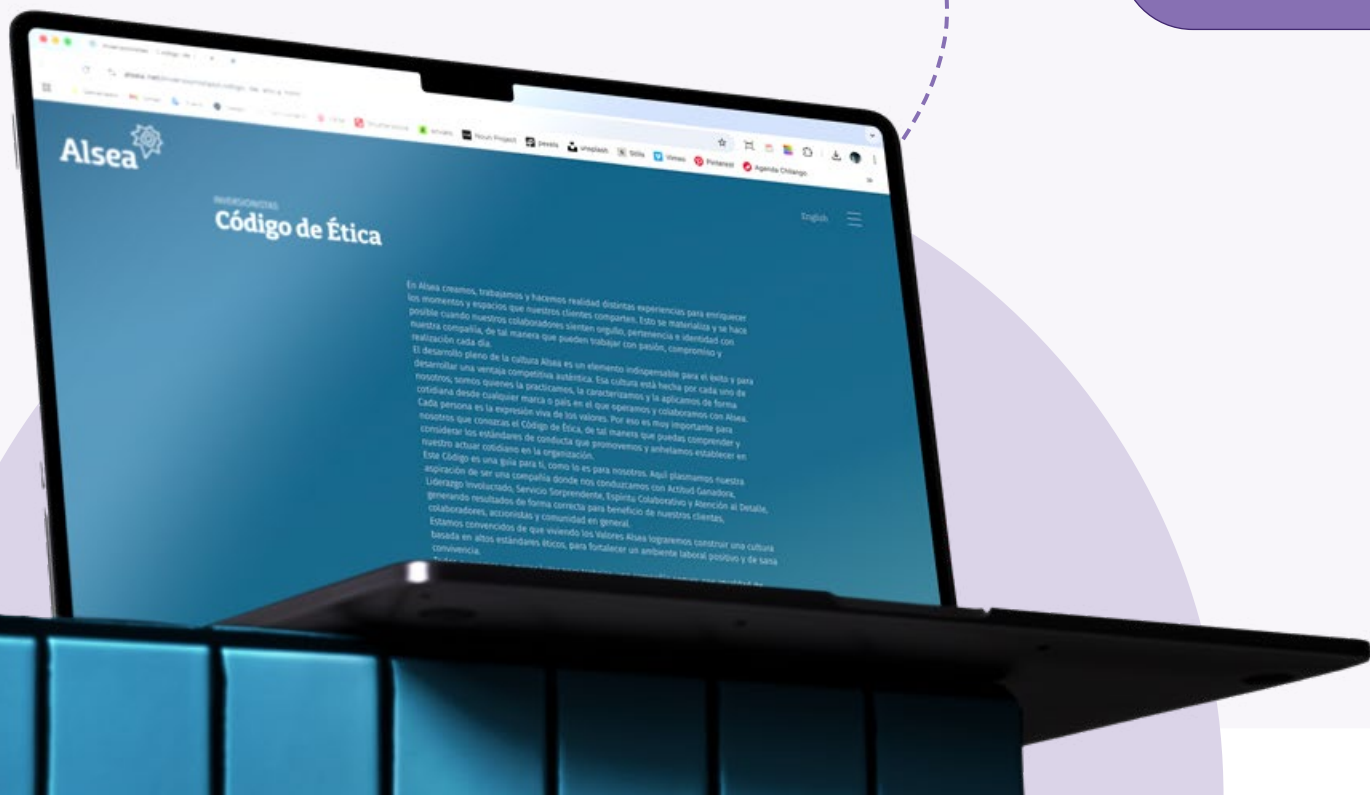
CODE OF ETHICS

GRI 2-23, 2-24

The Code of Ethics serves as the guiding principle for our actions, ensuring that every decision reflects our commitment to integrity, accountability and transparency. This framework enables us to act consistently in every interaction, fostering an environment of mutual respect, fairness and compliance. This document outlines the expected standards of conduct for our team members, suppliers, and strategic partners. It is known throughout the organization, including the applicable measures for non-compliances, thereby reinforcing our culture of ethics.

Guiding principles of our Code of Ethics

- Compliance with the law
- Taking care of our work tools
- Our customer service
- Regarding fraud
- Equal opportunities
- Conflict of interests
- Financial information
- Harassment-free workplace
- Accepting gifts
- Protecting our private and confidential information
- Occupational safety
- Transparent and bribery-free business practices
- Regarding the environment and responsible use of resources



✓ We empower our leaders and team members with ethical training, ensuring they have the tools to identify and prevent ethical risks in their daily work.

WHISTLEBLOWING MECHANISMS

GRI 2-16, 2-26

Our whistleblowing channels are critical in building trust among our stakeholders and ensuring a culture of integrity. In Mexico and South America, we have “*Línea Correcta*,” while in Europe the process is managed through the “Internal Information System.”



Through these mechanisms, we create a safe and confidential space for team members, customers, suppliers, and other stakeholders to report any situation that violates our ethical principles, Code of Ethics, or corporate integrity policies. All complaints can be submitted anonymously and are handled by a specialized third party, except for Alsea in Europe, where they are managed by the Compliance Body. This ensures an impartial process and the protection of those who submit them.

In 2024, we strengthened our whistleblowing management processes by partnering with Ethics Global in South America and Mexico and EQS in Europe as our new whistleblowing channel providers. This enhancement enables us to optimize access from different devices, integrate automatic tracking and monitoring tools, comply with local laws, and refine report categorization. This ensures the system prioritizes cases related to ethics and compliance.


In South America, we have bolstered the responsiveness of our Ethics and Research Committees, implementing more in-depth analyses for each case. As a result, we successfully reduced the average resolution time by 20% and increased the effective report closure rate by 15% compared to the previous year. These enhancements were made possible by optimizing internal processes, investing in technology, and providing specialized training to our teams, thereby reinforcing our commitment to ethics and transparency.


In Europe, we have reinforced our commitment to protecting whistleblowers' privacy by transforming our reporting channel into a specialized platform. This platform aligns with the requirements of Law 2/2023 on Whistleblower Protection, ensuring a more secure, accessible, and more reliable process for everyone. We have also developed a new training module on our internal platform to help our team members master the system's proper use.

Total reports

72%
of reports addressed
by the end of 2024¹.

REPORTS HANDLED BY REGION

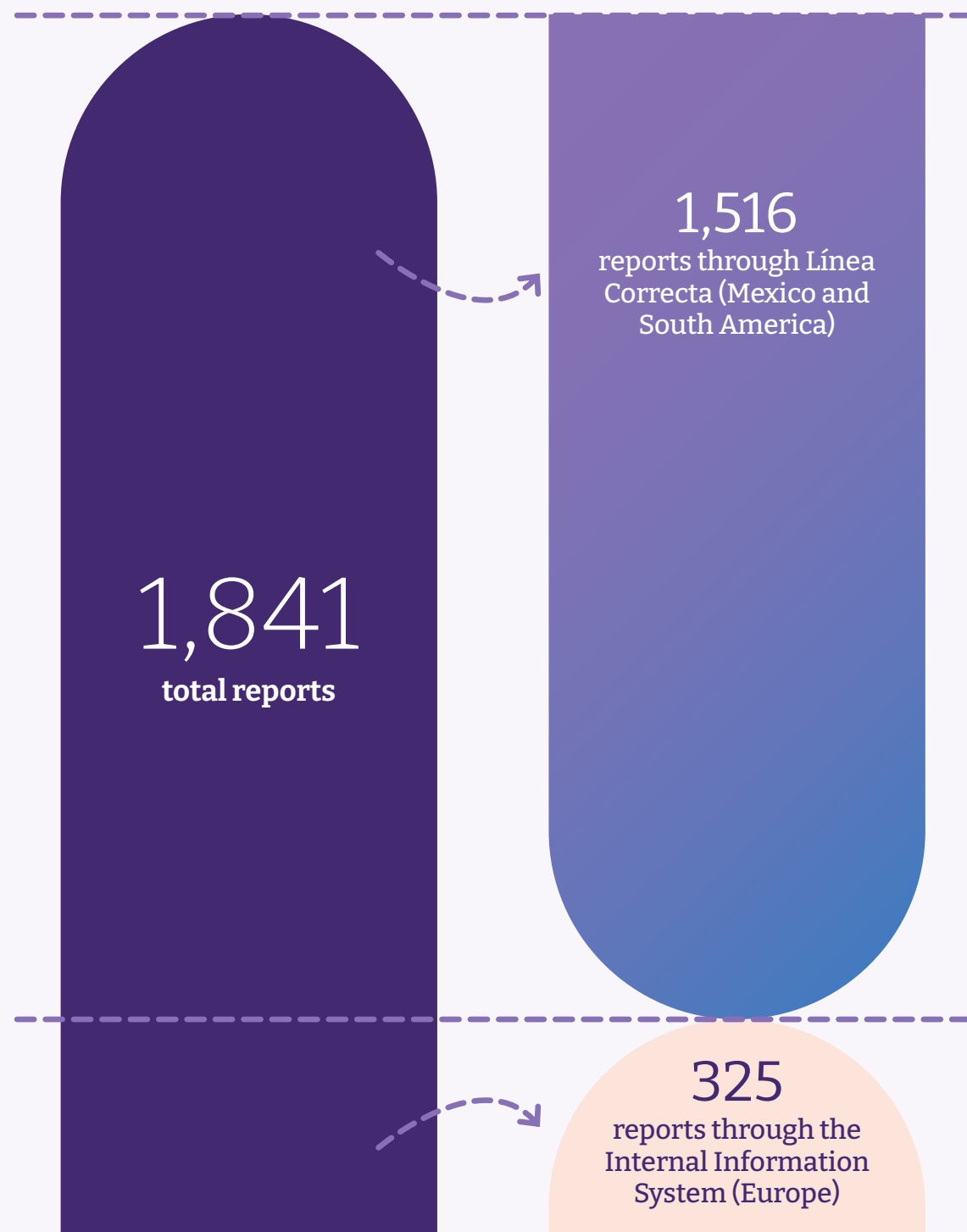
 **Mexico**
72%

 **South America**
59%

 **Europe**
86%

224 reports of discrimination
or harassment

¹ The remaining 28% is currently
undergoing evaluation and research
for a suitable resolution.



Hotlines



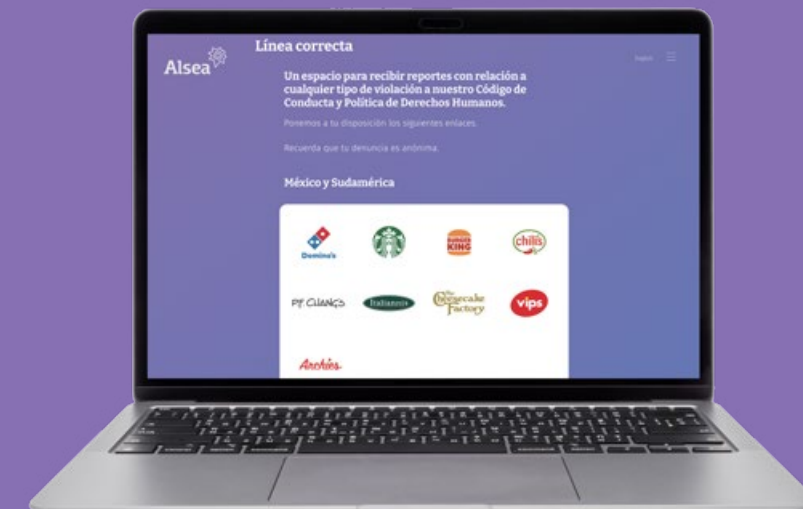
Telephone lines

- Argentina: 0800 345 5478
- Chile: 800 914 501
- Colombia: 01 800 518 9191
- México: 800 04 38422
- Paraguay: 009 800 542 0164
- Uruguay: 000 416 205 6395



Website

- Mexico and South America:
<https://www.lineacorrectaalsea.com/>
- Europe:
<https://europe.alsea.net/etica-y-cumplimiento/canal-denuncias>



Corporate integrity

COP: PRINCIPIO 10

More than just serving moments, we strive to build a relationship based on trust and respect. Corporate integrity is the commitment that allows us to operate with the highest standards of responsibility. We ensure that all our decisions reflect our values and are based on compliance.



Anti-Corruption Plan

GRI 205-1, 205-2, 205-3, 3-3 MATERIAL TOPIC: ETHICS AND ANTI-CORRUPTION

At Alsea, we firmly believe that doing the right thing is the only way to operate. To ensure compliance with national and international regulations, we have implemented an Anti-Corruption Plan. This plan outlines concrete actions to prevent, detect, and address potential corruption risks. It encompasses our primary control tools, including the Anti-Corruption Policy, the Code of Ethics, the Organization Manual, "Línea Correcta", and the Internal Information System. It is mandatory for all team members, regardless of their level within

the organization, as well as for managers, board members, franchisees, affiliates and subsidiaries.



At Alsea, we maintain a zero-tolerance policy towards corruption and bribery.

Our Anti-Corruption Policy sets clear guidelines on accepting gifts, hospitality, preventing money laundering, dealing with public officials, political contributions, and donations, among other key topics. To ensure these principles are applied in our daily operations, we conduct annual anti-corruption training across all areas of the company, fostering knowledge and effective implementation of our policies.

85%

of our team members globally received anti-corruption training in 2024.

To strengthen our compliance framework, we rely on auditing and control systems, anti-corruption clauses in contracts, and the implementation of our Anti-Corruption Policy for Commercial Partners. For instance, in South America we developed a comprehensive model that measures the effectiveness of our corporate integrity policies through quantitative indicators, internal audits and continuous feedback.

✓ **During 2024, we had no breaches related to corruption, money laundering or data protection, nor did we make contributions to political campaigns and candidates.**

Additionally, we have a Supplier Code of Ethics, which ensures fair labor practices and respect for human rights. To ensure transparency in business relationships, we implement merit-based selection and hiring processes, minimizing the risk of favoritism or corruption and adhering to these principles.

Conflicts of interest

GRI 2-15

To ensure that all decisions within the company are made objectively and impartially, we have a Conflict of Interest Policy in place. This policy establishes clear guidelines to prevent and manage any situation that could compromise the judgment of our team members, suppliers, members of the Board of Directors, or anyone representing our brands.

At Alsea in Mexico, we conduct an annual conflict of interest disclosure exercise through a digital platform. This exercise is currently aimed at team members of the Support Center, and we have plans to expand it to store managers in the future. A committee composed of Human Resources and Audit reviews each case and, if necessary, presents it to the Audit Committee with a proposed solution. In South America, this process is managed through a mandatory statement, ensuring a consistent application of the policy, complemented by training programs for key teams, such as procurement and finance.

Failing to disclose a conflict of interest in a timely manner is a serious offense, as it compromises transparency and trust within the organization. Therefore, we continue to strengthen our identification and reporting processes, ensuring that our team members have the necessary tools to act responsibly. This year, there were 16 cases regarding this matter, and they were efficiently addressed and resolved.

This year, we have strengthened the global alignment of our ethics and transparency strategies, fostering a crucial synergy between regions. This effort enabled us to share best practices, ensure the consistency of our policies, and guarantee that all our operations remain aligned with the highest standards of integrity. We will continue to move in this direction, building a solid and consistent compliance model in each market we operate in.

✓ **In 2024 we strengthened our supervision and auditing processes, ensuring compliance with our internal policies and local regulations in all geographies where we operate.**

Information security and personal data protection

GRI 418-1, 3-3 MATERIAL TOPIC: CYBERSECURITY AND DIGITAL TRANSFORMATION

Information security and personal data protection are two complementary areas, each with its own unique approach. Information security aims to safeguard our systems, networks, and digital assets from potential threats, while personal data protection ensures respect for the rights of data subjects and compliance with applicable regulations. Both dimensions are a top priority in our strategy, reflecting our commitment to trust, integrity, and compliance in every region we operate.

Global strategy

We have taken robust cybersecurity measures to bolster our technological and operational defenses, safeguarding the company's critical infrastructure and digital assets. We have centralized the global governance of our information security teams under a coordinated structure, enabling continuous monitoring through our global Security Operations Center (SOC), which operates 24/7. This federated model enables us to tailor process execution and incident response to the regulatory frameworks of each region, ensuring efficient and contextualized operations. We have also implemented a structured risk assessment model for new initiatives, based on the principles of Security by Design and frameworks like ISO 27005. This enables us to anticipate threats and establish controls from the earliest stages.

At the same time, we continue to strengthen our compliance practices regarding personal data protection, ensuring that information is handled ethically, responsibly, and in accordance with current regulations. We adhere to the principles of Privacy by Design and comply with frameworks such as the GDPR² in Europe, and NIS II³, and SOX⁴ controls in Mexico. Furthermore, our processes are aligned with ISO 27001, and we evaluate future certifications as we progress with our data traceability project.



In 2024, no formal breaches of information security or personal data protection were identified, as per the available records and audits conducted.

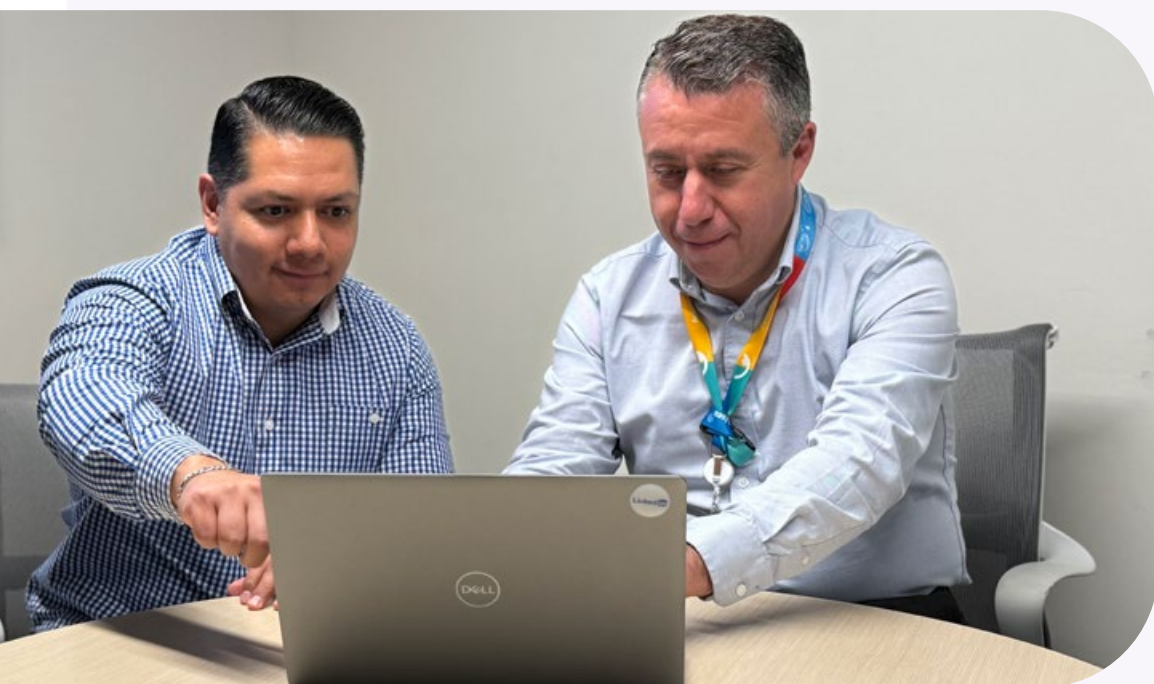
² The General Data Protection Regulation, or GDPR, is the European Union's comprehensive data protection law that regulates the privacy and protection of personal data in Europe.

³ The Network and Information Security Directive II sets out cybersecurity requirements for critical sectors in the European Union.

⁴ Sarbanes-Oxley, a law that imposes internal controls and audits on publicly traded companies to prevent financial fraud.

Training

As part of our comprehensive strategy, we have strengthened our training in cybersecurity and personal data protection, tailoring it to the specific needs of each field. Through tailored content that is relevant to everyday life, we foster a culture of prevention, compliance, and responsible information management. Globally, we provide mandatory annual training for all team members, both in stores and the Support Center, focusing on responsible handling of confidential information and personal data. This training, documented through Alsea College, offers practical scenarios and certifications to ensure compliance and effective application.



We are also preparing a global information security awareness campaign, focusing on strengthening our ability to prevent and respond to digital incidents. In addition, we will take specific actions to strengthen the culture of personal data protection across all our regions, promoting ethical and responsible information management in accordance with applicable regulatory frameworks.

2024 has been a year of significant progress in information protection. Our management model has been strengthened through the consolidation of strategies, the integration of security technologies, and the unification of teams. With a global vision and local execution, we continue to raise our standards in privacy and information security, reaffirming our commitment to the trust of our stakeholders.

Our strategy encompasses both regulatory compliance in data protection and operational robustness in cybersecurity, reflecting an organizational maturity aligned with international standards.

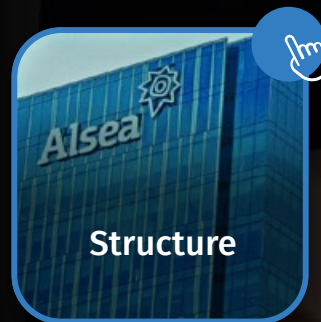


SDG 16

GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 2-27, 405-1

We are in the **decisions** that inspire leadership

Our corporate governance, rooted in international best practices, fosters trust and drives decision-making that leads to sustainable growth.



Structure

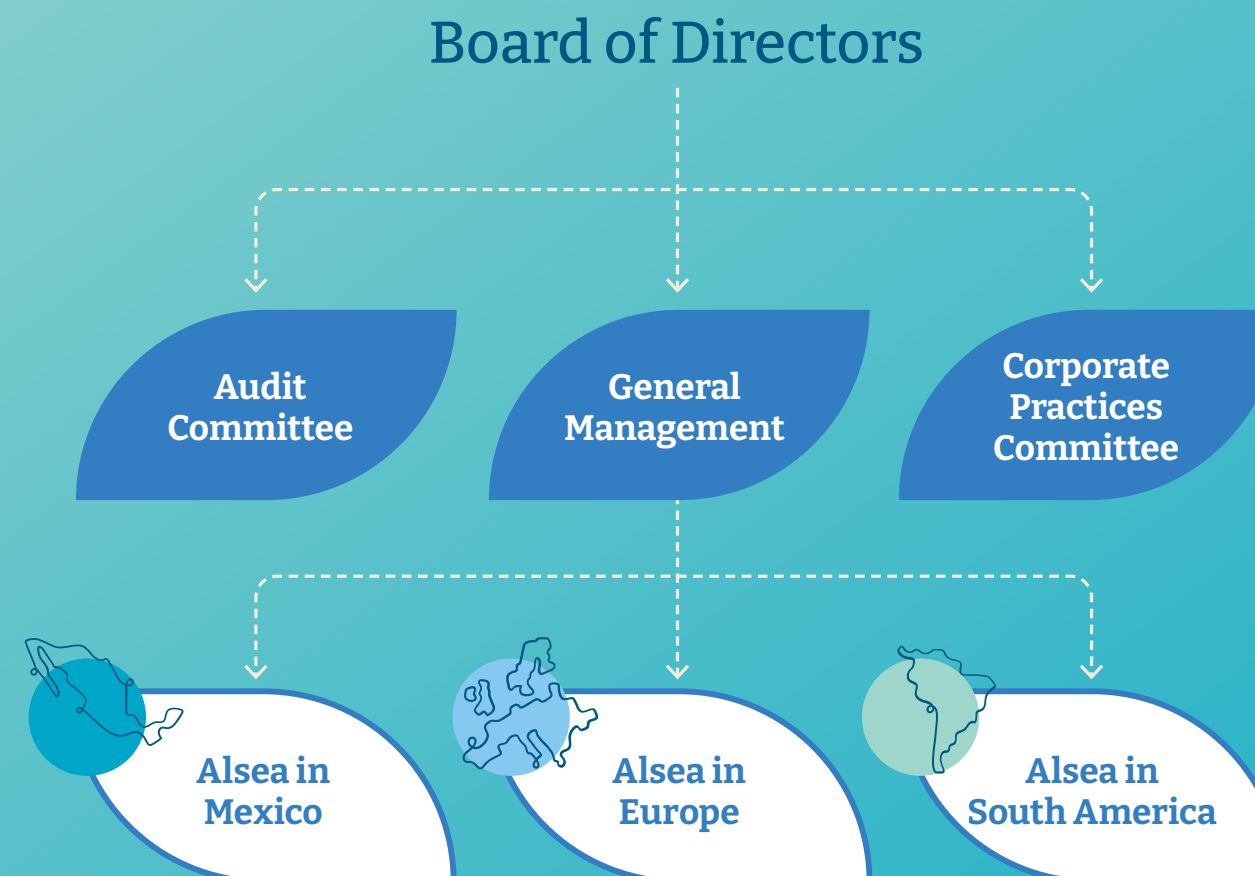
GRI 2-9, 3-3 MATERIAL TOPIC: CORPORATE GOVERNANCE

We know that a strong foundation is key to moving forward. Our corporate governance enables us to make strategic decisions that align with our long-term vision, ensuring that every step we take creates value for our stakeholders.

Our corporate governance structure gives us the conditions to operate transparently, manage risks effectively and ensure accountability. We have implemented control mechanisms that strengthen our decision-making and enable us to respond to business challenges responsibly. Our measures have surpassed the requirements of the Code of Best Corporate Practices.

Our Board of Directors sets the course for Alsea, ensuring that every decision leads us towards a strong and sustainable future. To make this possible, it is backed by the Audit Committee and the Corporate Practices Committee, which ensure transparent, efficient, and purpose-aligned management.

Corporate governance structure



Board of Directors

GRI 2-11, 405-1

Great decisions are made with vision and commitment, and leadership at Alsea is set apart by its unwavering commitment to excellence. The Board of Directors is the body responsible for decision-making, risk supervision and transparency in corporate management. It is composed of 13 members, with eight being independent, three related proprietary, and two independent proprietary. Among the latter, only Armando Torrado Martínez plays an active role within the organization, serving as the CEO. The Chair of the Board of Directors, Alberto Torrado Martínez, is a related proprietary director and does not hold any executive positions. The position of Alternate Director does not exist in Alsea.

Diversity is a key factor for the success of our company. Accordingly, there are three women among the members of our Board of Directors, representing 23% of its composition. The directors bring a wealth of experience across various sectors, providing a comprehensive strategic vision. In terms of generational diversity, three of them are between 30 and 50 years of age, and the rest are over 50 years of age. The average seniority of members is 13 years.

✓ **61% of the Board of Directors is made up of independent directors.**

✓ **23% of the Board of Directors is made up of women.**

RELATED PROPRIETARY DIRECTORS



Alberto Torrado Martínez

Chair



Cosme Alberto Torrado Martínez

Vocal



Armando Torrado Martínez

Vocal

INDEPENDENT PROPRIETARY DIRECTORS



Federico Tejado Bárcena

Vocal



Fabián Gerardo Gosselin Castro

Vocal

INDEPENDENT DIRECTORS



León Kraig Eskenazi

Vocal



Carlos Vicente Salazar Lomelí

Vocal



Alfredo Sánchez Torrado

Vocal



Luiz Carlos Ferezin

Vocal



Leticia Mariana Jauregui Casanueva

Vocal



Christine Marguerite Kenna

Vocal



Gabriela María Garza San Miguel

Vocal



Francisco Xavier Crespo Benítez

Vocal

Selection, compensation and performance

GRI2-10, 2-17, 2-18, 2-19, 2-20

The Nominations and Compensation Committee is responsible for selecting, appointing, and renewing the members of the Board of Directors. This committee ensures a transparent process based on evaluating the candidates' competencies, knowledge, experience, and time availability. To strengthen the Board's representativeness, we also consider the views of different stakeholders, ensuring that its composition reflects the company's strategic needs.

The Ordinary General Shareholders' Meeting, the highest body representing investors, receives all proposals for new directors or re-elections, along with a detailed report on the merits and track record of each candidate. The proposals for independent directors are based on recommendations from the relevant committees. The Committee provides a preliminary opinion on the other directors before they are approved.

To ensure strong performance, we have mechanisms in place to periodically evaluate board members. This enables us to identify opportunities for improvement and to enhance their effectiveness. Furthermore, the directors receive continuous training on

key topics such as corporate risks, market trends and sustainability, ensuring that they have the necessary tools to meet current challenges.

The compensation for Alsea's Board and committee members is based on their active participation in the sessions, following a fixed-amount scheme applied for attendance. The compensation plan is publicly available on our website. Regarding the sessions, in the absence of the Proprietary Director, whose shareholding directly links him to the company, his responsibility is shared among the remaining members. To convene a Board meeting, a request from at least 25% of its members is required.



Committees

Audit Committee

The Audit Committee recommends external auditors to the Board of Directors, oversees their hiring and performance, and serves as a liaison between them and the Board. It reviews internal and external audit programs and reports on their results. Additionally, it regularly meets with auditors, without the presence of officials, to discuss financial reporting criteria and oversee their issuance.

In terms of control and compliance, it establishes guidelines for internal control and auditing, verifies risk management mechanisms, and coordinates the internal auditor and the commissioner. It oversees transactions with related parties, assesses their impact, and recommends appropriate actions. It also oversees compliance with the Code of Ethics and the whistleblower mechanism, supports contingency plans and ensures legal compliance.

CHAIR

Alfredo Sánchez Torrado

MEMBERS

Luiz Carlos Ferezin

Federico Tejado Bárcena

Christine Marguerite Kenna

SECRETARY

Elizabeth Estrella Garrido López

(without being a member)

Corporate Practices Committee

The Corporate Practices Committee recommends to the Board the criteria for evaluating, compensating, and separating the Chief Executive Officer and senior officers, as well as their appointment or removal. It also outlines the compensation for Directors and examines the CEO's proposal regarding the structure and criteria for staff compensation. Additionally, it proposes and oversees the succession system for the CEO and senior officers.

Furthermore, it examines the company's strategic vision to ensure its stability and permanence, and oversees the company's recognition as socially responsible, as well as the Code of Ethics and the whistleblower system. It evaluates the implementation of the strategic plan as well as the investment and financing policies and gives an opinion on the annual budget. Moreover, it reviews risk management and the Chief Executive Officer's criteria for disclosure, providing its opinion to the Board.

CHAIR

León Kraig Eskenazi

MEMBERS

Cosme Alberto Torrado Martínez

Gabriela María Garza San Miguel

Fabián Gerardo Gosselin Castro

Leticia Mariana Jauregui Casanueva

SECRETARY

Elizabeth Estrella Garrido López

(without being a member)

Learn more about our corporate governance practices at

<https://www.alsea.net/investor-relations/corporate-governance.html>

Regulatory environment

GRI 2-27

We ensure we operate within a robust regulatory framework, aligning our practices with the highest standards of compliance and transparency in every market we serve. This way, we not only meet expectations but also surpass them.

Compliance culture: our main actions

Regulatory compliance is a top priority for us. As a company listed on the Mexican Stock Exchange (BMV), we publish quarterly reports detailing our financial and strategic performance. This process is overseen by the Audit Committee, ensuring that the principles of truthfulness, timeliness, and equal access to information for investors are upheld.

In Mexico, we maintain an efficient compliance approach through various measures that ensure transparency and the correct application of our internal policies. Upon joining the company, all our team members are required to complete mandatory regulatory compliance training, with a refresher course every two years. Furthermore, we have strengthened our oversight of suppliers and third parties by implementing a corporate policy that integrates regulatory and compliance aspects to standardize suppliers through due diligence criteria.





At Alsea in Europe, we have a Corporate Compliance Policy that establishes a regulatory framework to strengthen our culture of preventing, detecting, and managing regulatory and criminal risks within the organization. It applies to all team members, regardless of their position. Within this framework, the Compliance Committee regularly reviews its effectiveness and oversees the Internal Information System (SII), while the Compliance Officer is responsible for updating the Criminal Risk Map, handling complaints, and ensuring the proper execution of internal controls.

On the other hand, the regions of Europe and South America have their respective Crime Prevention and Detection programs, designed using recognized methodologies such as COSO ERM. These include a list of risky behaviors, internal control mechanisms, and disciplinary measures for non-compliance. This enables us to identify, mitigate, and prevent risks associated with corruption, fraud, and money laundering.



Strict adherence to regulations such as the System for Self-Control and Management of the Integral Risks of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Mass-destruction Weapons (SAGRILAF) and the Corporate Criminal Liability Law for South America ensures that all business activities are conducted within a framework of legality and transparency. Furthermore, we actively engage with chambers and associations, as well as launch campaigns to foster a culture of compliance within the organization.

Looking ahead, we will continue to strengthen our corporate governance, adapting to the challenges of a constantly evolving environment. We will continue to foster diversity within the Board, optimize oversight mechanisms and strengthen our culture of transparency. The introduction of new technologies will also play a crucial role in enhancing governance processes, ensuring that Alsea remains a leader in responsible and sustainable management.

We are in the constant *drive* to move forward with purpose

We are dedicated to managing leading brands, offering exceptional service and top-notch products, all backed by a model supply chain and a robust digital strategy. At Alsea, **Growth** means improving every day, strengthening the business, and responding to those who choose us to share their daily moments and make them more special.



Customer satisfaction



Responsible communication



Digital transformation



Food quality and safety



Operational growth

Customer satisfaction

GRI 3-3

At Alsea, we are leaders in efficiently managing a robust portfolio of fast-food restaurants (QSRs), full-service restaurants, and coffee shops in Mexico, Europe, and South America.

We strive to exceed our customers' expectations in every detail, ensuring that each visit is a **unique and flavorful experience**. With over 470 million customers served across our 4,785 restaurants and stores, spanning 13 distinct brands in 2024, we strive to remain the top choice for our diners.

Delivering happiness in every detail

We strive to be a part of all of our customers' special and everyday moments, so our main goal is to listen to their opinions and expectations and respond by anticipating their needs. From ensuring their comfort in our restaurants to always having a menu option that suits their tastes, preferences, and budget.



INCLUSIVE AND SAFE EXPERIENCES

We prioritize our customers' comfort to provide them with unique experiences. To ensure this, some of our brands offer universal accessibility facilities and other initiatives that promote inclusion in their spaces. Some of these adaptations include adjustments to the design of parking lots, entrances, and restrooms, allowing individuals with disabilities to access the facility more comfortably and easily.



MEXICO

Since 2016, **Vips** has been committed to enhancing accessibility for visually impaired individuals in its restaurants, incorporating **braille menus**. Beginning in 2023, brands such as Burger King, P.F. Chang's, Domino's Pizza, The Cheesecake Factory, Italianni's, and Chili's have joined this initiative.



SOUTH AMERICA

In Argentina and Chile, **Burger King** teamed up with Argentine entrepreneur Mateo Nicolás Salvatto to adapt the **free "Háblalo" app** to the brand. This app, designed to facilitate interaction with individuals with communication disabilities, features an intuitive interface for easy ordering. This marks a significant step towards inclusion and accessibility in our restaurants. **Since its launch, we have served over 6,000 people.**



EVOLVING OUR MENUS

GRI 3-3 MATERIAL TOPIC: CONSUMER WELL-BEING AND NUTRITION SASB FB-RN-260A.1

A significant aspect of our mission is to surpass the expectations of our visitors. This drives us to continually evolve and adapt our menu, as it's one of the first interactions we have with customers when they enter our restaurants.

Aware of our global presence, our brands encompass a diverse range of cuisines, including local and family-style dishes, American, Italian, Asian, fast food, and coffee shops. However, the market demands that we take a step further.

Nowadays, our customers are more informed and concerned about understanding what foods they consume and the ingredients they contain. For this reason, at Alsea we strive to ensure that our menus offer clear information about the caloric content of our dishes and that

there is always an option for all tastes without compromising the distinctive flavor that sets us apart. We also offer menu variations through collaborations with different brands, which sets us apart with our innovative and dynamic approach.

Our main initiatives, which vary based on the brand and region, offer alternatives such as low-calorie dishes, vegetarian options, and a diverse selection for individuals with celiac disease.

Brands like Starbucks offer a variety of options, such as salads, fruit cocktails, and keto and vegetarian options, to complement the classic menu.



100% our brands in Mexico have their calorie content calculated and published.



EUROPE



We launched new, reinvented classic sandwiches inspired by traditional Spanish recipes with a modern twist and Vips' signature style.



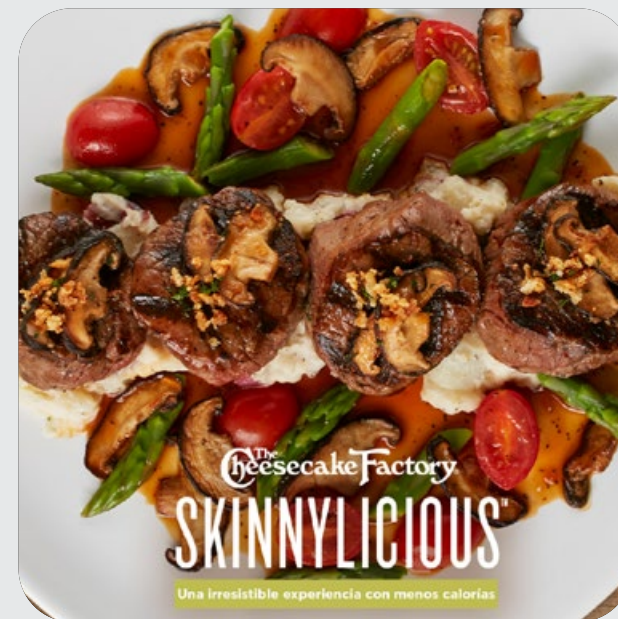
We introduced the new mini desserts, so customers can indulge their taste buds at any time of the day.

MEXICO



We introduced four new pastas with unique and novel flavors to our menu. **These innovations resulted in a 12.1% increase in sales within the pasta category.**

Italianni's continued to strengthen its position in key categories, including pasta, pizza, wine, and breakfast. This was achieved through campaigns, such as the 360° strategy of *Maestri della Pasta*, which combined product innovation, media activations, and digital content. This strategy generated brand conversation and penetrated new audiences.



We created the SkinnyLicious menu, a selection of **low-calorie dishes** and smaller portions to promote balanced consumption.

SOUTH AMERICA



P.F. CHANG'S



We introduced Chang's Menu, designed to invite new customers to experience the unique P.F. Chang's experience at a more affordable price. This menu includes a starter, a main course and a beverage or glass of wine.

This proposal represented 2.82% of total sales and 4.75% of the total number of orders, totaling 292,825 orders.

A YEAR OF FLAVORS AND EXPERIENCES: SPECIAL EVENTS AND PROMOTIONS

A key aspect of our brands is their constant effort to attract customers, not only through the taste of our food but also through promotions, innovations and offers designed to increase preference and support the budget of those who choose to enjoy special moments with us.

We stand out for our ability to adapt to market trends and the contexts in which we operate, as well as our commitment to connecting with all possible audiences through various events and offers. Our brand teams strive to make every moment worth sharing with others.

EUROPE



We introduced a product innovation that we call **Croissantizzima**. A new croissant-style pizza dough. Along with this launch, we introduced the "Garantía de MMM," which gave away a free Croissantizzima with the purchase of another.



VIPS and Tinder have teamed up to launch a new edition of the "VIPS Tinder Tables", an initiative aimed at university students in Madrid. This event featured "speed dating" sessions, designed to foster genuine connections between young people in a welcoming, non-digital setting.

MEXICO



For the fourth consecutive year, we celebrated the **Frapuccino Birthday**, the most awaited promotion by our customers. **This year, we had an increase of +16% DUS (Daily Units Sold) vs. 2023.**



Our successful **"3 para mí"** offer, featuring a soup or salad, main course, and beverage, was one of the year's top promotions, **surpassing \$200 million pesos in sales in 2024.**

SOUTH AMERICA



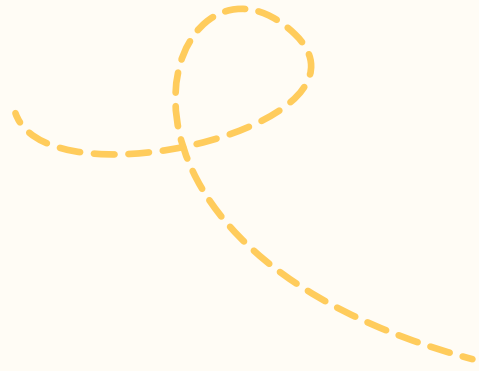
During the *Copa América*, we teamed up with **Colombian soccer legend Óscar Córdoba**, who was the image of the campaign. **We had a record sales week at Domino's Colombia.**



To celebrate **International Coffee Day**, which coincides with International Music Day, this year Starbucks in Chile, Argentina, and Uruguay invited customers to sing in some stores for a complimentary coffee. We engaged with over **400 clients regionally and had over 10,000 interactions on social media.**

ACTIVELY LISTENING TO GROW

GRI 416-1



We are always eager to understand our customers' reactions to our innovative service, attention, and brand offerings. To do this, we have various methods to gather their opinions firsthand.

In Mexico, we annually measure brand preference using the Net Promoter Score (NPS), which evaluates customer loyalty on a scale of 1 to 10 based on their willingness to recommend a business.

✓ In 2024, we scored 8.4 on the NPS in Mexico.

✓ In 2024, we received feedback from over 1.5 million customers about our service, which has helped us to continue improving.

Similarly, our Wow+ app in Mexico offers a customer contact channel, allowing them to share their complaints, incidents, or comments about their visit to our full-service restaurants.

In Europe, we have implemented a QR code to enable customers visiting our restaurants to share their thoughts on the service or the quality of their food. Additionally, our Club By members (loyalty program in Europe) and Domino's customers who have ordered takeaway or delivery receive a satisfaction survey via email within 24 hours of their purchase.

To establish a high level of trust, we have established a Customer Service and a Partner Service, which allow us to gather complaints, suggestions, and comments regarding our brands. We receive and handle these in tandem with the brands, enabling us to provide a more personalized response to our customers.

We are also proud to offer Medallia's services in Argentina, Chile, Mexico, and Spain. This platform enables us to understand our customers' experiences and identify areas for improvement.



Responsible communication in everything we do

GRI 417-1, 417-2, 417-3
FB-RN-260A.3

Responsible communication is the cornerstone of a robust business, and it's reflected in all our interactions, both internal and external. We firmly believe that transparency, honesty, and open dialogue are the keys to building strong and lasting relationships with our stakeholders.

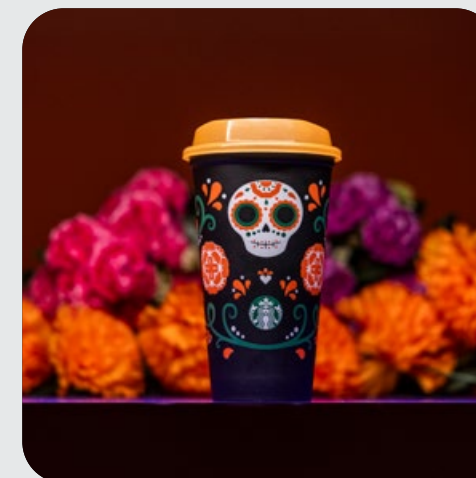
Our brands are committed to aligning with all applicable marketing and communication regulations in the countries where we operate, ensuring full compliance.

We take on the responsibility of delivering transparent and respectful messages as part of our positioning as a company that is present in the lives of our customers. Our communication and brand positioning campaigns showcase our commitment to communities and promote the values and principles we hold dear at Alsea.

Throughout the year, we implemented various initiatives that embody this purposeful approach to communication.

✓ In Mexico, all our advertising adheres to our Responsible Marketing Code, which sets guidelines to ensure ethical, truthful, inclusive, and sustainable communication—aligned with the company's values and the well-being of our consumers and communities.

MEXICO



To commemorate Women's Day, Starbucks Mexico, in collaboration with *Pro Mujer*, launched a special edition reusable cup with the theme **"Sirenas del Campo."** This initiative encourages Starbucks Rewards members to make a purchase with a cause, supporting the brand's coffee growers.

To celebrate **Día de Muertos**, and to honor Mexican roots and traditions, two members of the Starbucks Mexico team created designs for a limited collection of reusable cups, showcasing the country's cultural heritage. This campaign was also present in the United States, Canada, South America, and the Caribbean.

EUROPE



SOUTH AMERICA



VIPS



VIPS garnered multiple nominations for its communication campaigns, including the top spot for the **Best Breakfast Radio Campaign** at *Premios Eficacia*.

Ginos



In 2024, a concerted effort was made to position the brand's communication strategy in mass media, making it the first Italian restaurant chain to consistently communicate in mass media in Spain.



Domino's®


In January 2024, Domino's Pizza launched a disruptive campaign titled "Thank you, Silvia," featuring its marketing director, Silvia Serrano. In a friendly and authentic tone, the brand offered medium-sized pizzas for €9.99 for home delivery during the January post-holiday budget crunch. The campaign stood out as one of the most recognized for its direct message, unconventional aesthetic, and commitment to consumers in a challenging economic context.

BURGER KING



Committed to transparency and the health of our customers, Burger King in Argentina and Chile pioneered its industry by launching **Comida Real**. They announced the successful removal of preservatives, artificial flavors, and colorings from their menu.

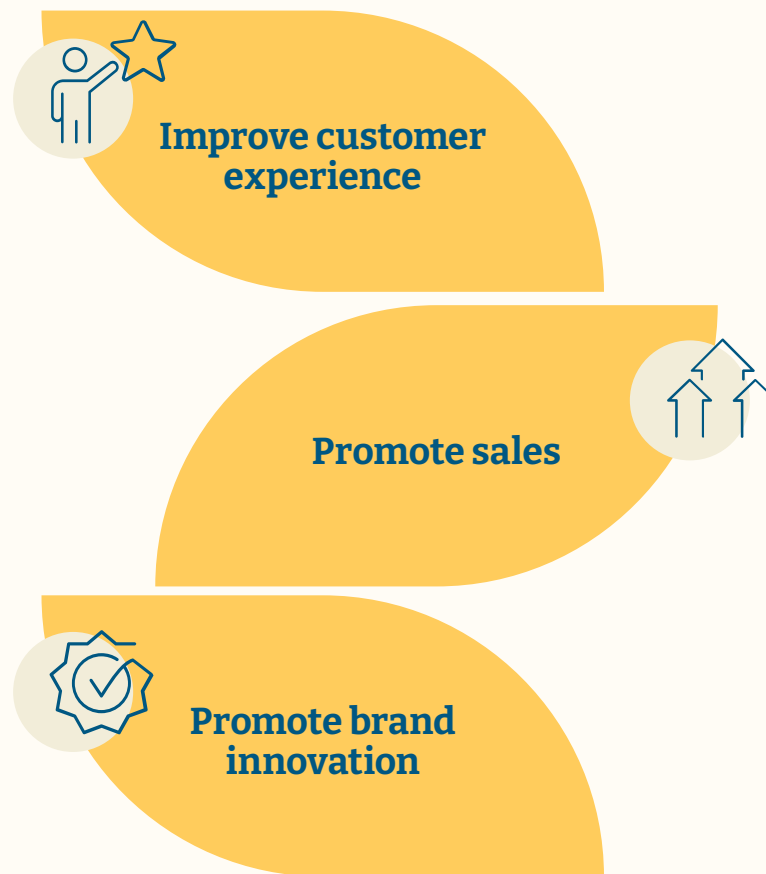
Digital transformation to be closer to our customers

GRI 3-3 MATERIAL TOPIC: CYBERSECURITY AND DIGITAL TRANSFORMATION

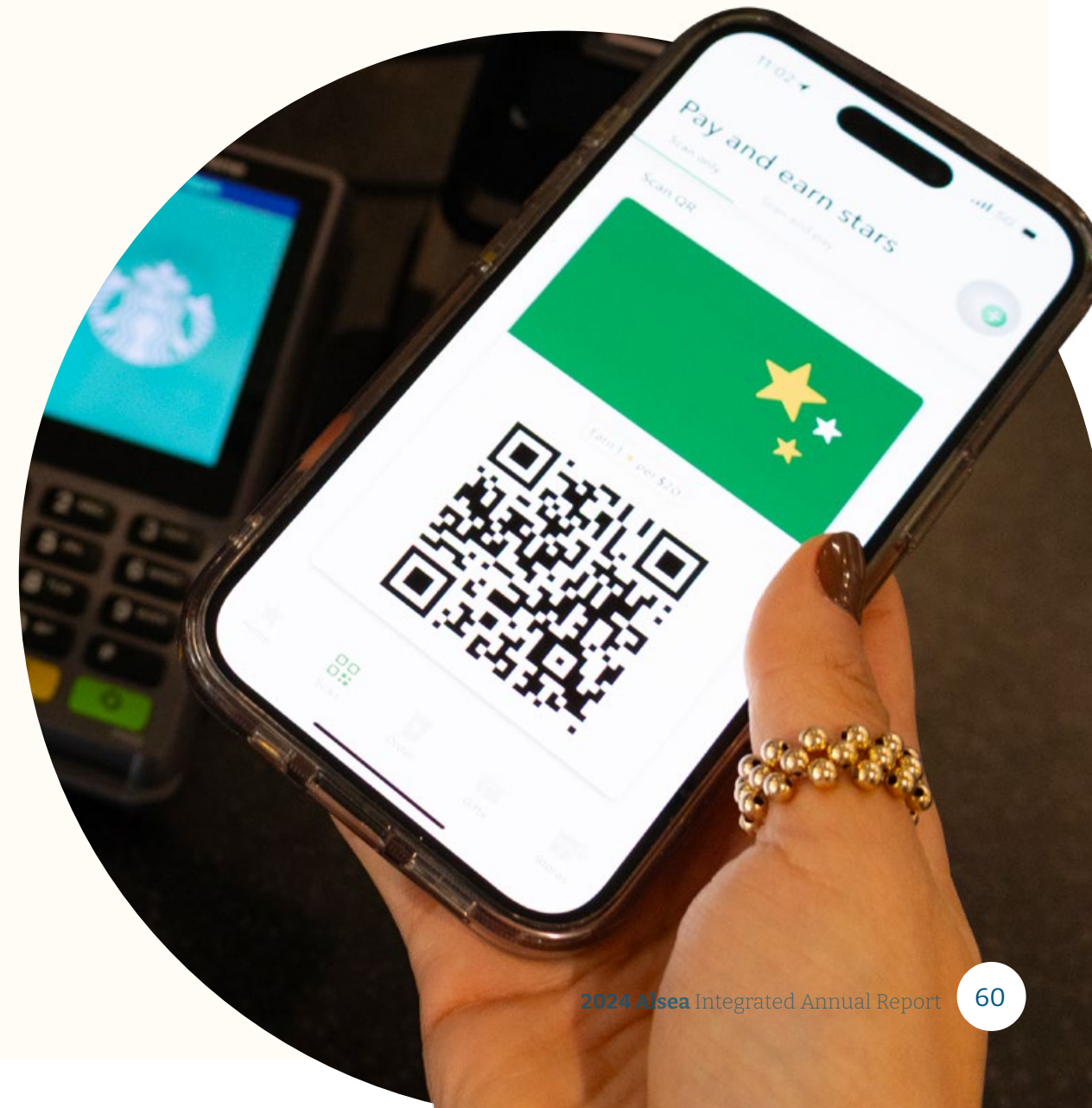
In our quest to surpass the expectations of those who trust our brands to be a part of their daily lives, we strive to be present in the right way, on the right channel, and at the right time for them. With this in mind, we embraced the latest market trends and spearheaded a customer-centric digital transformation strategy, enabling them to access our products at any time of the day.

Thanks to the close relationship we have with our customers through various communication channels, we have successfully increased their loyalty and sales growth by providing a unique experience that meets their expectations.

Our digitalization strategy for brands is built on three key elements that drive us to innovate daily:



✓ In 2024, we invested approximately \$900 million pesos in digitalization.



Loyalty Sales: Turning transactions into relationships

At Alsea, we strive for operational excellence through technological innovation. By utilizing multiple channels, we not only boost our sales but also establish ourselves as a constant and dependable presence in our customers' daily lives.

The convenience of online ordering, the ease of home delivery, and the growing preference for technological solutions have all contributed to the exponential growth of our loyalty sales, which encompass home delivery via website, aggregators, and loyalty programs.

We are on the right track towards digital transformation, as we focus on developing automated and customized strategies tailored to our diverse customer base. This solidifies our commercial strategy by leveraging data and customer behavior.

■ Growth vs. 2023

Digital orders

2023

99 million

2024

128.2 million

+10%

Loyalty orders

Aggregator orders

EUROPE

15.8 million

4 million

MEXICO

64 million

20.4 million

SOUTH AMERICA

14.7 million

9.2 million

Digital clients

2023

7.4 million

2024

8.2 million¹

+10%

Digital clients

EUROPE

3 million

MEXICO

4 million

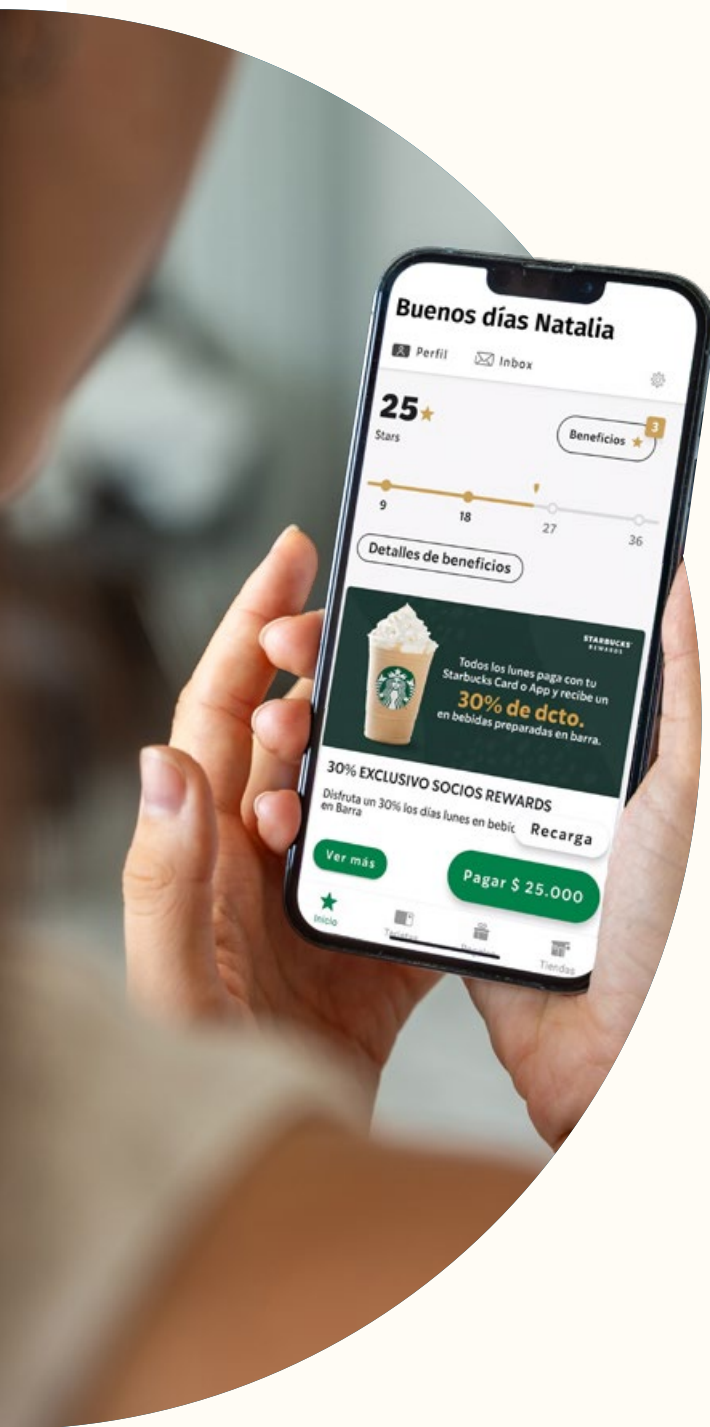
SOUTH AMERICA

1.2 million



In 2024, our loyalty sales accounted for 35.1% of our total sales.

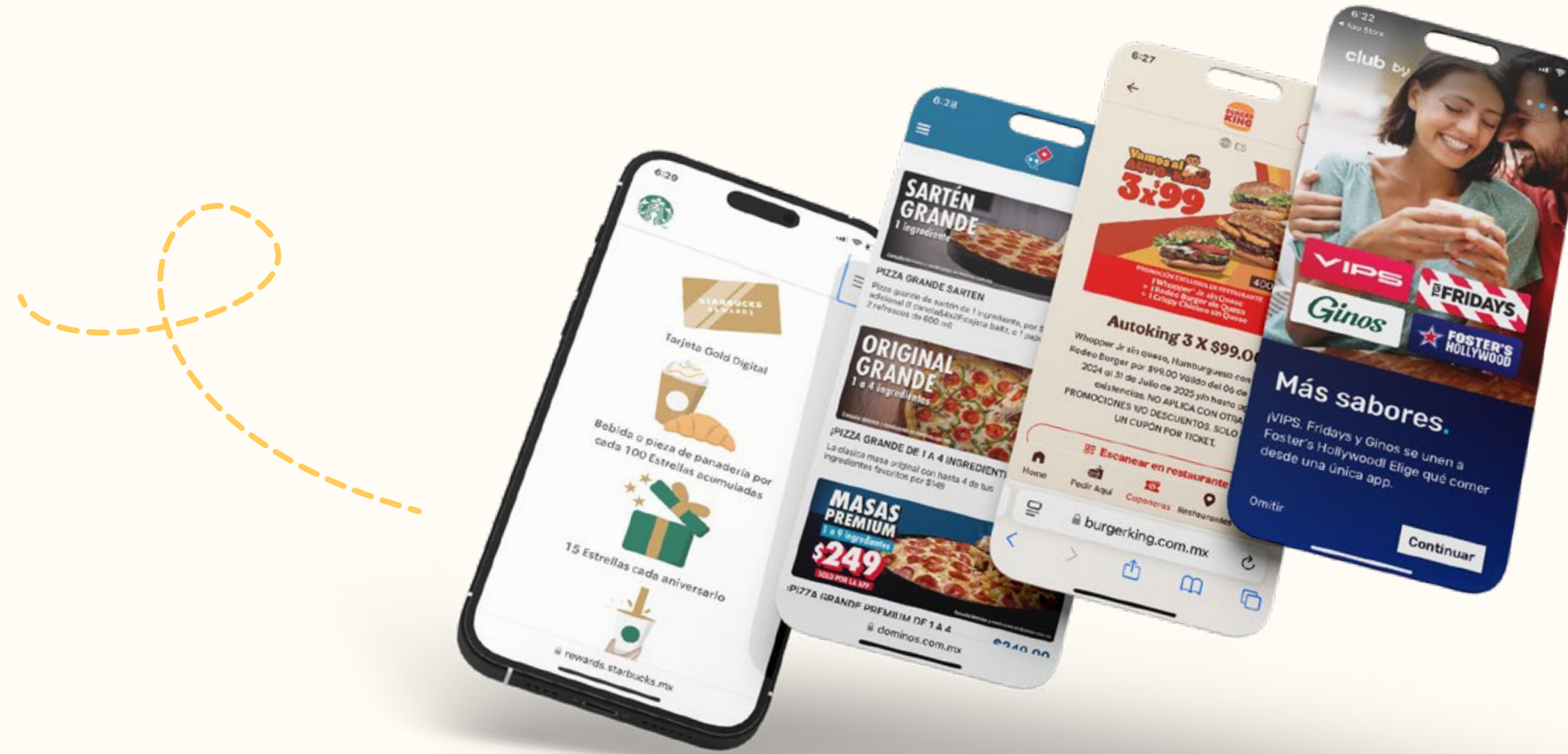
¹ Active users: Last 90 days for Starbucks and 180 days for other formats.



LOYALTY PROGRAMS: CRAFTING UNFORGETTABLE MOMENTS WITH EVERY VISIT

Our loyalty programs are one of our most successful initiatives for attracting and retaining our consumers. Through our digital platforms, we offer unique experiences as a reward to our most loyal customers.

Each of these programs involves accumulating points with every purchase, enabling our customers to redeem them for promotions, experiences, or any other type of reward as a token of appreciation for their preference.



Starbucks Rewards

Europe
Mexico
South America

2.3 M
Members

+40.7%

Domino's Rewards

Colombia
Spain
Mexico

3.7 M
Members

+8.7%

Mi BK

Argentina
Chile
Mexico

478 K
Members

+322%

Full-service restaurants (Club By, Wow+)

Spain
Mexico

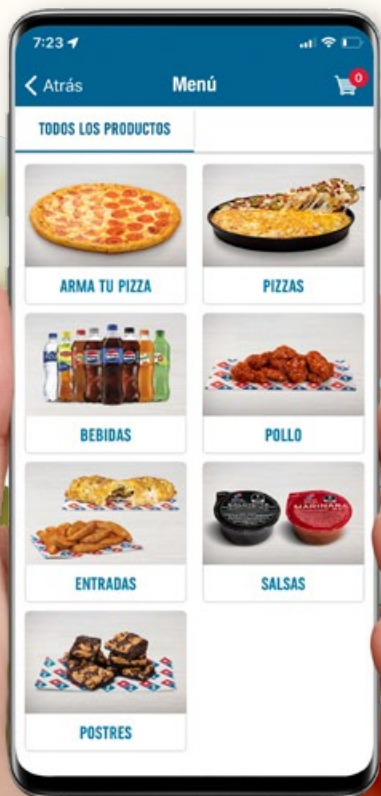
1.6 M
Members

+18.1%

■ Active user growth
vs. 2023

CONVENIENCE AND PREFERENCE FOR OUR BRANDS: DELIVERY AND AGGREGATORS

In today's digital era, offering online shopping options is a business approach that enables us to expand our market reach, catering to customers who value the convenience of a home delivery service that makes them feel as if they were dining in one of our restaurants.



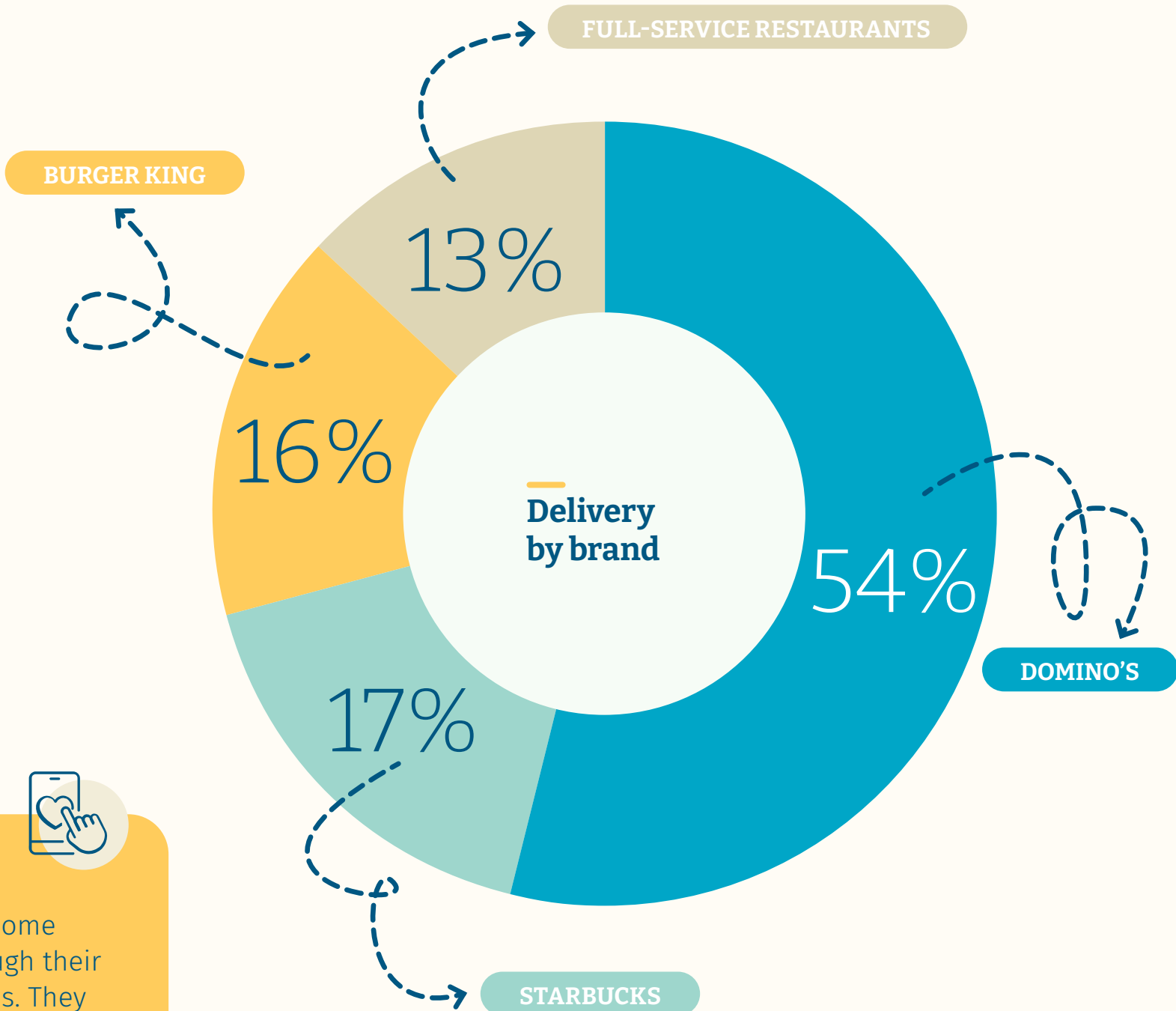
Delivery

A benefit we offer through our own home delivery services (website and loyalty applications), fostering brand loyalty and value.

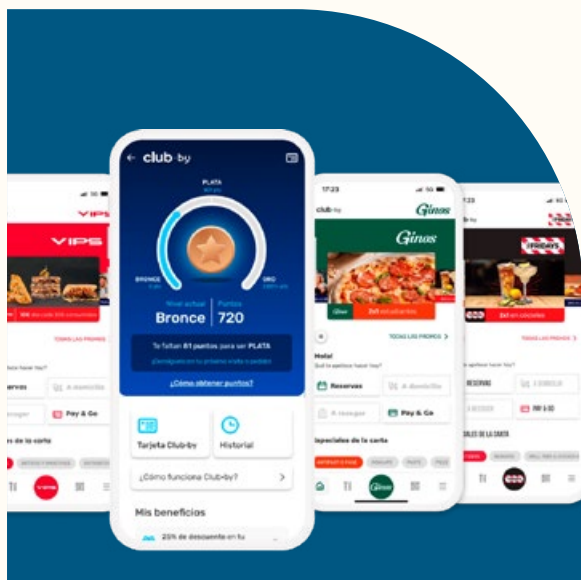


Aggregators

We offer customers home delivery service through their preferred mobile apps. They have ad strategies, offers and segmentation.



Successful initiatives in technological innovation



Delivery and takeaway at Club By

In 2024, Club By introduced home delivery and takeaway service channels in its app, enabling members to enjoy promotions and earn available points. Since its launch, our partners have received 63 K delivery orders and 145 K takeaway orders.



Augmented reality menu

In December 2024, Archies became the first restaurant chain in Colombia to launch a Christmas menu with augmented reality technology, in collaboration with Cluvi. This innovative technology enabled diners to interact from their mobile devices, transforming the dining experience into an immersive and unforgettable one. The strategy achieved widespread media visibility, reaching an audience of over 14 million people, establishing Archies as a pioneering brand in technology integration.



Digital Kiosks

Among our most successful innovation initiatives is the installation of Digital Kiosks in all of our Burger King restaurants in Mexico in 2024. With this step, we join brands aiming to integrate the latest in self-service technology. The success of this measure was reflected in the 20% share of this channel in fulfilling our customers' orders.



New Domino's Colombia app

This year we launched the new Domino's app exclusively for Colombia, featuring a GPS Tracker to personalize and optimize our customers' digital experience when ordering from home. Along with several communication efforts, this launch enabled us to secure a spot among the top 5 most downloaded delivery apps in the country, attracting over 46,000 new customers.



Launch of brand websites

In 2024, we launched the Foster's Hollywood, Vips, Ginos and TGI Fridays' websites in Europe. They enable customers to place home delivery and takeaway orders and provide the option to make reservations at nearby restaurants.

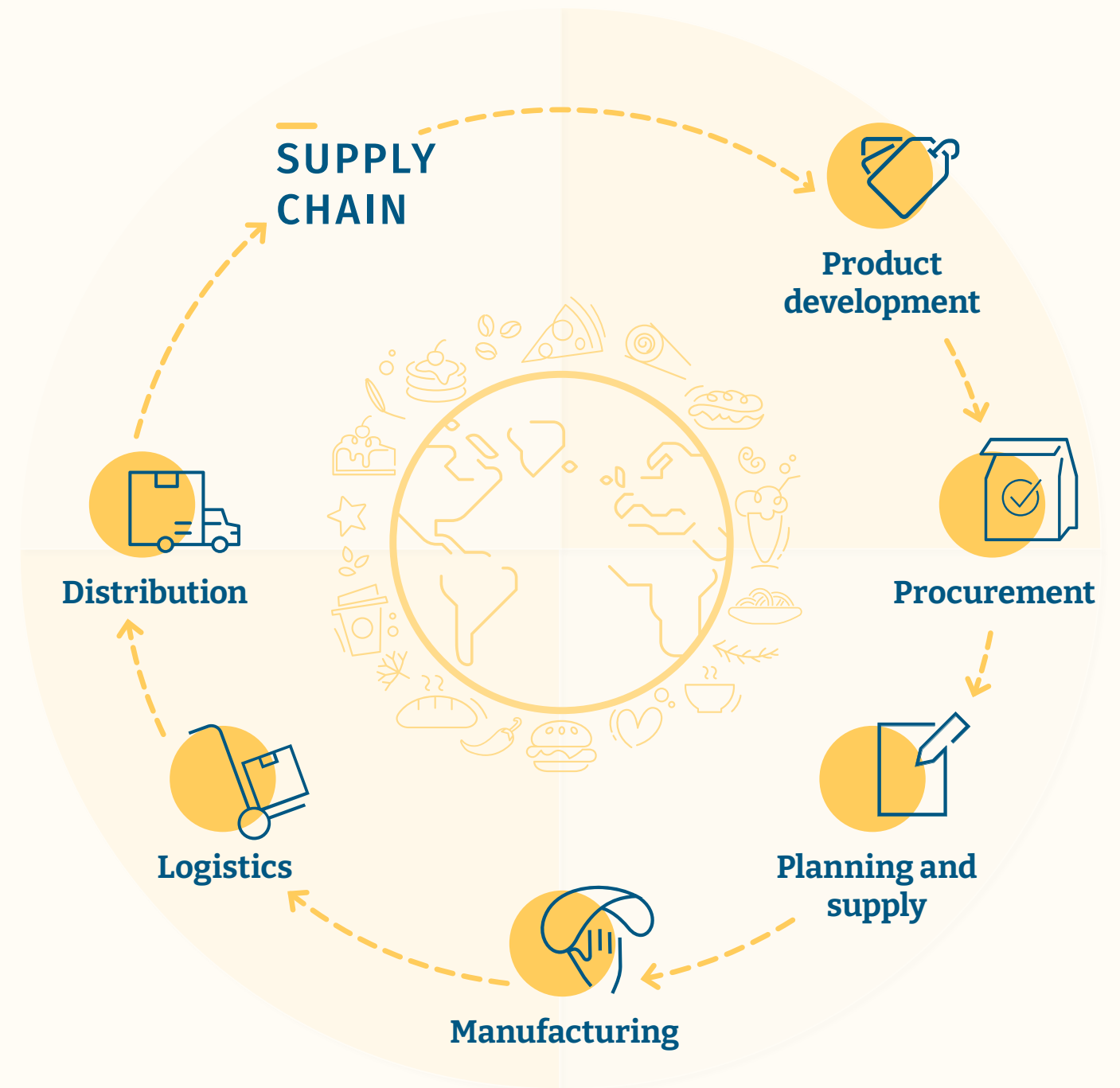
Our commitment to food quality and safety

GRI: 3-3 MATERIAL TOPIC: FOOD QUALITY AND SAFETY
SASB FB-RN-250A.1

In the complex and dynamic world of the restaurant industry, our supply chain's efficiency and quality set us apart from the competitors. From selecting the right suppliers to ensuring timely delivery of fresh ingredients to our restaurants, every link in the chain plays a crucial role in delivering unique experiences to our customers.

We recognize that as we operate in 12 countries and continue to grow, our supply chain management must be guided by continuous improvement and adaptability. This enables us to pursue the same objectives in an organized manner across all regions.

To stay at the forefront and fulfill all our obligations, our commitment to quality and safety extends **from the farm to the table.**





Product development

Being part of our customers' lives, we are steadfastly committed to ensuring the quality and safety of our food, maintaining their trust and caring for their health. This journey begins with the design of our products, from the approval of prototypes to the establishment of specific thresholds that our food must meet.



Procurement, planning, and supply: Responsible sourcing

GRI 2-6, 204-1, 308-1, 308-2, 414-1, 3-3 MATERIAL TOPIC: RESPONSIBLE SOURCING
SASB FB-RN-430A.1, FB-RN-430A.2, FB-RN-430A.3

To deliver delicious food, the first step is to meticulously select our ingredients. We work closely with our suppliers for freshness, quality and sustainability. We look for each ingredient to meet our rigorous standards before being used in our kitchens. Additionally, through our **Quality Addendum**, we ensure that all products from our suppliers meet the necessary standards for safety, quality, and sustainability, as outlined in Alsea's guidelines and applicable regulatory requirements.



At Alsea, responsible sourcing and careful supplier selection are fundamental elements of our company's strategy. We recognize that our supply chain decisions have a significant impact on the environment, the communities we serve, and the quality of our food. As such, our focus is on ensuring that our sourcing practices are ethical, sustainable and socially responsible.

✓ **351 supplier audits.**

✓ **Of the 4,793 suppliers we work with, 95.4% are local.**



We strive to partner with suppliers who share our commitment to the environment and communities, so we prioritize working with those who hold GFSI² (Global Food Safety Initiative) certification.

As part of our commitment to responsible sourcing and animal welfare, we're proud to say that over 23% of the shell eggs used in our restaurants come from cage-free hens. We will continue to drive actions to increase this percentage, working closely with our suppliers to move towards increasingly responsible practices throughout our supply chain.

✓ **98.0% of suppliers approved and/or certified by GFSI.**

² The GFSI certification evaluates food management systems, ensuring they meet the highest standards of food quality and safety, as per internationally recognized standards.

We recognize the role we can play in fostering the growth of our current and potential suppliers. We aim to foster certification and the adoption of good practices with them, guiding them through this process. Some of our initiatives are:

- The Global Market tool, designed for autonomous use, helps them refine their HACCP (Hazard Analysis and Critical Control Points) systems to achieve GFSI certifications. HACCP includes microbiological analysis of food contact surfaces, living surfaces, air and water to ensure food safety.
- Supplier development program, offering tailored training and technical support for continuous improvement of their management systems.
- Events for suppliers that emphasize the significance of certification and its benefits.
- Analytical monitoring plans to assess the quality of inputs.
- Corrective action plans for suppliers who have failed to comply with our protocols. With these plans, we guide the improvement of processes to prevent recurrence.



✓ 98.4% of suppliers were assessed for quality and food safety practices.



Another crucial aspect of managing a responsible supply chain is evaluating and verifying compliance with our protocols. This year, in Mexico, we embarked on a journey to identify the most frequent process deviations in manufacturing operations. With this information, we make sure to establish the necessary controls to promptly address them.

At Alsea, we strive to use ingredients from responsible sources. That is why we prioritize suppliers with international certifications like Rainforest Alliance and Certified Sustainable Palm Oil.



Manufacturing

GRI-414-1

SASB FB-RN-250A.1

Our commitment to quality extends to the manufacturing of our products, where we blend traditional craftsmanship with cutting-edge technology to create the ingredients that bring our dishes to life. From making the dough for our pizzas to creating our bakery and pastry products, every step is carried out with passion and precision. We use recipes that ensure each product has a unique and delicious taste.

At Alsea, our brands and production centers must implement the Hazard Analysis and

Critical Control Points (HACCP) system, which focuses on quality procedures and controls to prevent and mitigate risks associated with food production and handling. To ensure compliance with our controls, we conduct internal and external audits on our procedures, allowing us to effectively manage the risk level of our activities.

Quality excellence is a daily pursuit, which is why we encourage our factories to obtain certifications that reflect their tireless efforts in meeting our stringent controls.



100% of our factories in Europe are IFS¹ (International Featured Standard) certified, reaffirming the efficiency of our rigorous food safety controls.

³ The IFS certifies that food suppliers provide safe products that meet specifications and applicable legislation.

Another crucial aspect is to provide our team with the best tools and the most up-to-date knowledge to accomplish their tasks. We have all the necessary manuals and policies in place to ensure food quality and safety, and they are readily available to all our team members.

To achieve this goal, we have developed guidelines that ensure our products are of the highest quality. These guidelines are aligned with systems recognized by GFSI international standards. Additionally, we have controls in place to identify deviations in our processes and address them promptly. These encompass all the necessary specifications at every stage of production for our inputs:

- Documentation
- Food safety plan
- Verification
- Traceability
- Allergen control

To ensure optimal operational organization, we constantly strive to align the specifications of the inputs we use with the regulations and requirements of each country. In cases where ingredients or products are not regulated, we establish our own requirements to strengthen the controls and parameters we operate within.



Logistics and distribution

Offering top-quality food is essential for our business. We strive to ensure that our ingredients are transported and stored under strict controls before reaching our restaurants. To ensure that they are transported at the right temperature, we maintain strict traceability of our cold chain. Furthermore, we maintain a robust system for managing expiration dates and handling non-compliant products.



Our extended commitment to quality and safety

GRI 416-2

SASB FB-RN-250A.1

As a leading company in the sector, we extend our food quality and safety actions to the operation of our restaurants, the service we offer to customers, and the promotion of a culture of quality and safety in all our activities.


Our kitchens are the direct connection to our guests, making hygiene and sanitation crucial in ensuring we serve food that is not only full of flavor but also meets the highest standards.

To ensure compliance, we follow the recommendations and findings of food safety and quality audits to implement corrective measures.

We have a system in place to record and monitor critical factors, allowing us to identify the most common process deviations and make decisions to reduce them.

To ensure the highest quality in all aspects of our operations, we are proud to have a dedicated chapter on real estate design in our quality and safety system. This chapter verifies the materials used for furniture, walls, and floors, ensuring they are suitable and approved for the sector.

Additionally, we have protocols in place that govern the storage of supplies, the hygiene of work equipment, and the maintenance of facilities.

Our customers' opinions are crucial to us, so we receive their complaints about the quality and safety of our food through various channels, depending on the brand and region. Furthermore, our **Quality Committees**  meet monthly to report on indicators and highlight achievements and results. Through these participations, we aim to motivate our team and help them see the positive impact of their daily work on the business.



+14,000 food safety audits conducted at our restaurants.

FOSTERING A CULTURE OF QUALITY AND SAFETY

The quality and safety of every dish we serve is not just a goal, but a culture that permeates every level of our company, driving us to strive for improvement every day. We recognize that our team members are the heart of this philosophy, which is why we are committed to fostering an environment where excellence throughout the value chain is a shared responsibility and a source of pride.

We aim to set the standard for quality culture, ensuring compliance with applicable regulations in all countries and prioritizing the health of our customers. In 2024, we held a new edition of *Premios Q* in Spain, which recognize the stores of each brand that have achieved a score of over 95% in unannounced Quality audits. This initiative not only rewards excellence but also fosters a culture of quality and commitment among the work teams.

Operational growth

At Alsea, we understand that operational growth is a crucial pillar of our operations. This enables us to both maintain the profitability and preference of each of our locations, as well as strategically and efficiently expand our brands, all while fulfilling our responsibilities to the environment and the communities around us.

Thanks to our Growth initiatives, Alsea is increasingly recognized for its leadership, innovation, and presence in the daily lives of our customers, as well as in the celebration of significant moments.

OUR TOP OPERATIONAL GROWTH ACHIEVEMENTS

GRI 203-1

Units



Investments

We invested **\$6.4 million pesos in capital.**

84.5% (\$5.4 MILLION PESOS) WAS ALLOCATED TO:



Opening of units



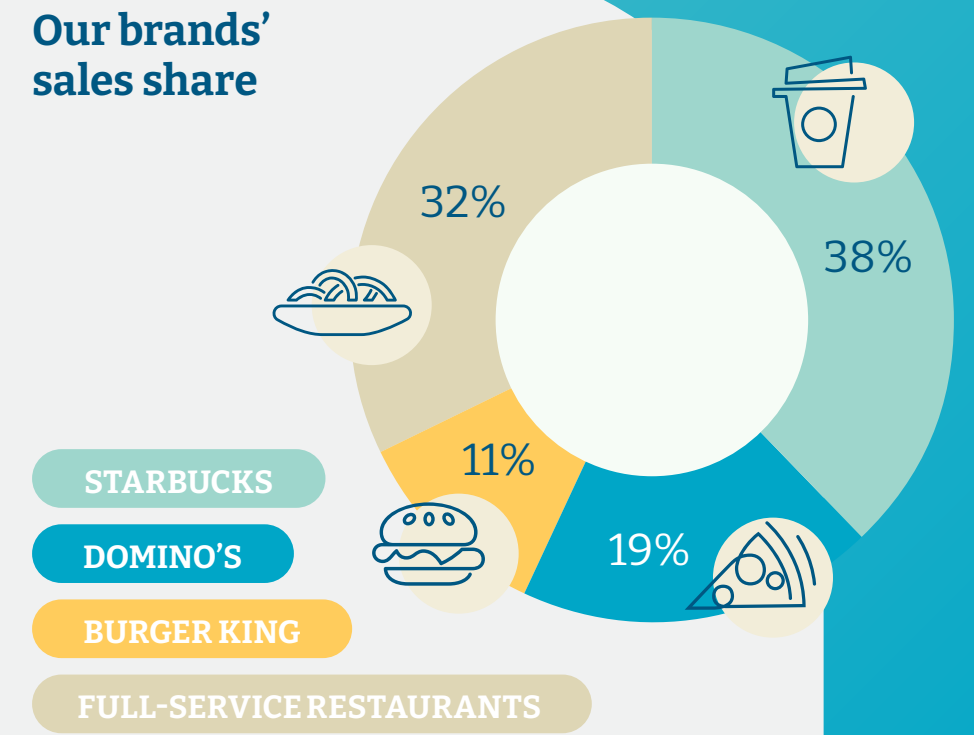
Renovating and remodeling existing units



Replacing equipment (maintenance CAPEX)

The remaining investment was primarily allocated to **strategic technology and process improvement projects**, as well as software licenses, among other areas.

Our brands' sales share



Anniversaries

We are where moments are celebrated: anniversaries that shape our history

Being present in the everyday and extraordinary moments of millions of people has been a part of our history. This year, we celebrated anniversaries that represented years of innovation, growth and commitment to excellence.

HOY ES

P **SIBLE**



DOMINO'S PIZZA, A 35-YEAR JOURNEY IN MEXICO

In 1989, Domino's Pizza emerged as the pioneering brand in Alsea's portfolio, laying the foundation for the company's success. Today, with over 960 stores in 130 cities across the country, it remains a beloved brand for Mexican families.

This anniversary was made possible by the dedicated efforts of over 15,000 team members and franchisees. With over 60 million pizzas crafted annually, the brand is looking ahead with a clear goal: to stay attuned to new consumer trends, actively listen to them, and anticipate their needs and expectations.



Mexicans don't order a pizza, they order a Domino's.

P.F. CHANG'S

P.F. CHANG'S, 15 YEARS OF SERVING THE FINEST ASIAN CUISINE IN MEXICO

Since its arrival in 2009, P.F. Chang's has been offering a culinary experience centered around the art of the wok and traditional Asian cuisine. Dishes are prepared on the spot and served in an atmosphere that encourages sharing and enjoying the finest dining experience.

On its 15th anniversary in Mexico, the brand honored its legacy with limited-edition dishes, special promotions, and unique experiences for its guests. Today, with over 29 restaurants nationwide, P.F. Chang's continues to establish itself as a leader in Asian cuisine, with a clear vision: to create a unique dining experience that blends Asian flavors with a warm and welcoming atmosphere, where "Every Day is a Celebration".





THE CHEESECAKE FACTORY, 10 YEARS OF A FANTASTIC CELEBRATION

Since 2014, The Cheesecake Factory has been delivering unforgettable dining experiences, featuring generous portions, a creative menu, and a welcoming atmosphere. A decade after its arrival in the country, the brand has eight branches in Mexico and remains committed to offering over 200 dishes and 30 varieties of cheesecake.

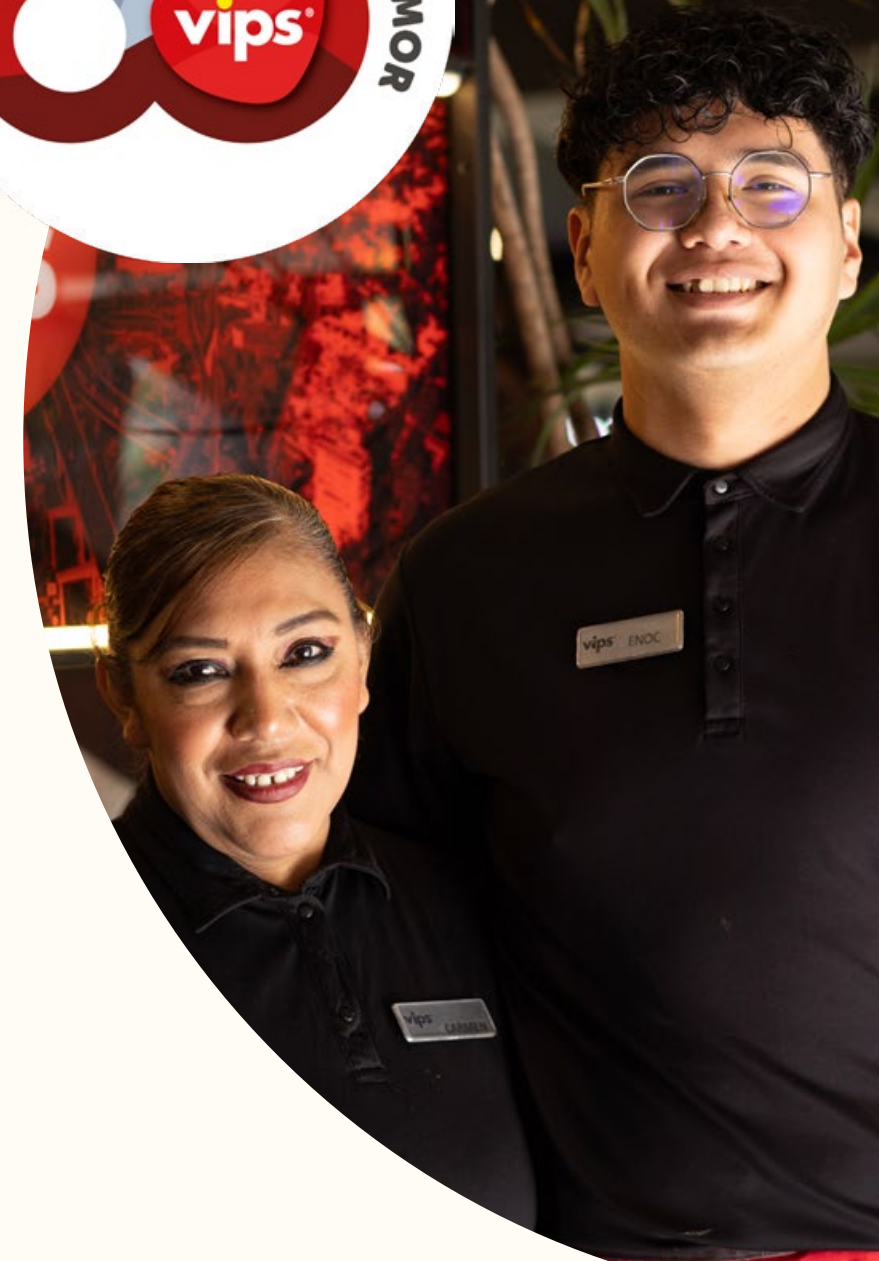
To commemorate its anniversary, the brand unveiled an interactive mural with augmented reality in Mexico City, offered cheesecakes at half price on World Cheesecake Day, and launched a new commemorative flavor as part of its annual tradition of innovation.



VIPS, 60 YEARS OF A STORY SERVED WITH FLAVOR

Vips celebrated its 60th anniversary, reaffirming its legacy as Mexico's most beloved family restaurant. With over 230 restaurants, it has been a staple in 41 cities across the country, spanning generations.

As part of its anniversary celebration, the brand launched the "Clásicos por \$60" campaign, a national promotion that offered iconic dishes at a special price. Sixty years after its founding, Vips continues to evolve, never losing its essence, blending tradition, flavor and innovation.



Vips is that place where guests feel at home, all day, every day.



Where we are headed in our passion for growing together

At Alsea, we recognize that our passion for growing together extends to all of our operations. We want to be present in every moment our customers share around food, before, during and after each experience.

We will strive to improve our service every day, actively listening to our consumers' needs and providing safe, inclusive spaces, as well as closer, personalized attention. Communicating these efforts with clarity and honesty reinforces our commitment to transparency, kindness, and closeness with all our stakeholders.

Digital transformation is a crucial aspect of this evolution. We rely on technological tools that enable us to connect with our customers more effectively, be present across all channels, and be ready to support them at every opportunity with a proposal that embodies our ambition to be where moments are shared.

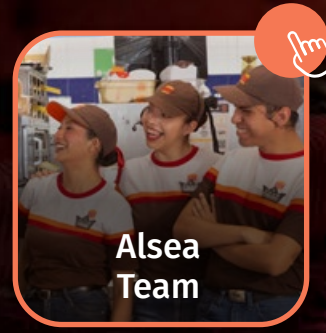
We will continue to move forward with a firm step, ensuring that every food we bring to the table is aligned with the best practices and highest standards of quality, safety, and balanced nutrition. We will keep on supporting local producers and prioritizing those with the lowest environmental impact.



We understand that Growth is a journey we must embark on in an orderly fashion, remaining resilient to market changes and making decisions that align with our goal of delivering experiences full of flavor. We will continue to strive for the highest standards, aiming to solidify our position as a trusted and preferred company, both by those who choose us and by those who help us create our food.

We are in the people who *grow* and make others grow

Creating **Development** is the way we understand commitment to those who work with us, to those around us and to the world we want to build. That is the impact we are striving for: to transform lives from within, through programs that foster education, employability, inclusion, and well-being.



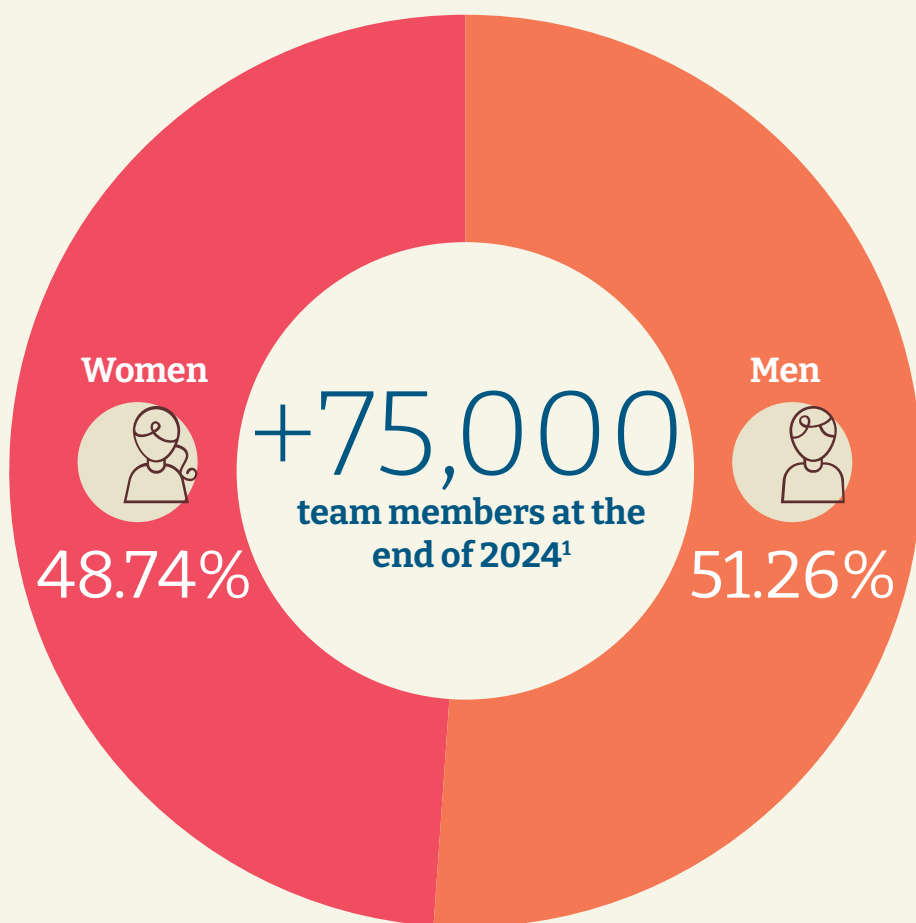
Alsea Team

GRI 2-7, 401-1, SASB FB-RN-000.A

We pride ourselves on having the best talent on our teams. This achievement is a testament to our unwavering commitment to each of our team members, not only for their professional growth but also for their personal development.



Being a part of Alsea means embarking on a journey of growth, where every team member discovers opportunities to evolve, both personally and professionally. Our dedication to their well-being is reflected in a steadily growing satisfaction.



Type of contrac²

	Women		Men	
	Permanent or indefinite	Temporary	Permanent or indefinite	Temporary
EUROPE	34,572	1,982	36,377	2,067
MEXICO	9,917	1,136	9,451	1,161
SOUTH AMERICA	18,412	386	20,722	464
	6,243	460	6,204	442

¹ The figure of over 75,000 team members is a representative estimate for the reported period. This number may fluctuate due to various factors, such as seasonal hiring for temporary needs and transitions between temporary and permanent hiring structures.

² The hiring of individuals aged 16 and 17 in Argentina is endorsed by law no. 20,744 relating to the Employment Contract Regime: Art. 32. - Capacity. Individuals aged eighteen (18) and above are eligible to enter into employment contracts. Individuals aged sixteen (16) to eighteen (18) can enter into a work contract with the consent of their parents, guardians, or tutors. This authorization is presumed when the adolescent lives independently from their parents..



Number of team members by country

	Women	Men
Mexico	18,953	21,096
Argentina	3,242	2,144
Chile	2,757	2,219
Colombia	1,468	2,145
Uruguay	143	123
Paraguay	25	13
France	869	655
Netherlands	175	94
Belgium	17	4
Spain	9,758	9,699
Portugal	234	160



Asea Global Workdays

Asea Global

20,364
Full time

9,829
Reduced worktime

Women

22,320
Full time

8,376
Reduced worktime

Men

Asea por Región



EUROPE

	Women	Men
Full time	3,320	3,010
Reduced worktime	825	320



MEXICO

	Women	Men
Full time	13,697	16,279
Reduced worktime	4,715	4,443



SOUTH AMERICA

	Women	Men
Full time	3,347	3,031
Reduced worktime	4,288	3,613



Team members by age range, region and percentage

GRI 405-1



EUROPE

	Women	Men
<18	0	1
18-20	1,842	1,688
21-29	4,633	4,646
30-39	2,102	2,088
40-49	1,220	1,513
50-59	652	794
>60	163	140



MEXICO

	Women	Men
<18	62	45
18-20	2,642	2,292
21-29	10,573	8,600
30-39	4,280	3,574
40-49	2,044	2,250
50-59	872	1,429
>60	247	222



SOUTH AMERICA

	Women	Men
<18	15	9
18-20	912	988
21-29	3,828	4,829
30-39	1,379	1,505
40-49	352	359
50-59	123	106
>60	35	22

Talent attraction and retention

GRI 401-1, FB-RN-310A.1., FB-RN-310A.2

New hires

At Alsea, our growth translates into new opportunities to bring in talented individuals to our team in Mexico, Europe, and South America. As a leading company in the industry, we implement practices that ensure effective hiring and committed teams, ensuring that every person who joins our team finds a space to grow and contribute.

In 2024, we made 46,225 new hires, demonstrating our commitment to finding the best talent.

This year, we promoted 7,847 team members across all regions, demonstrating our career plan's commitment to fostering the professional growth of our talent.

In 2024, the average cost of hiring a full-time team member was equivalent to \$5,845.43 Mexican pesos globally.

	Women	Men	Total
EUROPE	7,907	9,144	17,051
MEXICO	9,820	14,260	24,080
SOUTH AMERICA	2,373	2,721	5,094



Turnover rate

SASB FB-RN-310A.1

When people feel valued, they stay. At Alsea, we strive to create an environment where our team members feel empowered to shape their own future. We aim to build a stable and committed team, which in turn leads to increased productivity, improved customer service, and a more positive work environment.

We closely monitor our turnover rate to identify areas for improvement in talent management, optimize associated costs, and ensure continuity in the experience we provide to our customers.



✓ In 2024, we achieved the lowest global turnover rate in the past 10 years, 59.8%*, which reinforces job stability across all our markets.

*Of this rate, 78% was voluntary, while 22% was involuntary.

We understand that job stability is a crucial factor for our team members and their families. In countries with unstable market conditions, we take steps to minimize turnover. In Colombia, our Support Center has enabled us to develop strategies to reduce early turnover, thereby preventing the departure of team members with less than a year of service.

Thanks to these actions, we achieved a 30 percentage point reduction in early turnover in the Colombia Support Center. This result is a source of satisfaction for us, as it demonstrates our commitment to creating a stable and attractive work environment.

SIGNIFICANT OUTCOMES

We improved the efficiency of the Support Center through more stable teams, optimizing productivity and service quality.

We strengthened the employer brand, consolidating a positive image of the company as an attractive place to work.

We understand that people stay where they feel valued. That is why, beyond the numbers, we continue to work on creating an environment that fosters trust, purpose and growth for all Alsea teams, regardless of their location.



The ECO survey's success: The power of global communication

At Alsea, we believe that transparency and collaboration are key to further improvement. That's why we conducted the **ECO Global Engagement Survey**, a crucial tool for listening to our team, understanding their needs, and continuing to build a positive and motivating work environment together. Without a doubt, it is a key tool that allows us to measure and improve our commitment to our team members.

We have therefore implemented a systematic process of analysis and action based on the results of our ECO survey, which are:

✓ **96% of our team members** took part in the Global Engagement Survey (ECO), which resulted in a score of 4.19 out of 5.

Finally, each business unit, with the support of management, defines concrete action plans to address the identified areas for improvement.

Identification of action plans

The results are then shared with each business unit (brands and core areas) for a more specific and focused analysis.

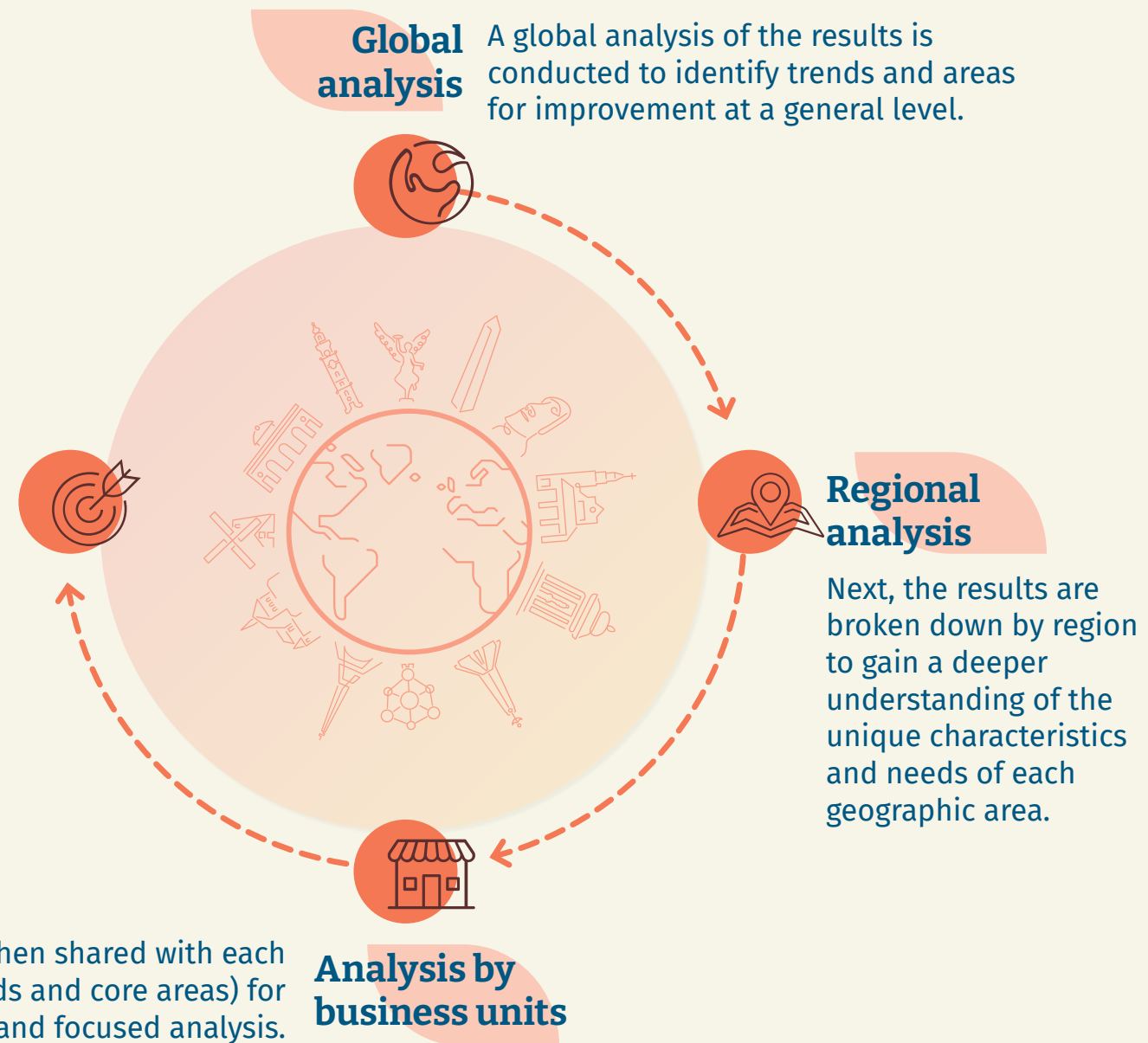
Global analysis

A global analysis of the results is conducted to identify trends and areas for improvement at a general level.

Regional analysis

Next, the results are broken down by region to gain a deeper understanding of the unique characteristics and needs of each geographic area.

Analysis by business units





Beyond the work environment, we measure the team member's experience, which is the heartbeat of our commitment.

Thanks to the implementation of the ECO survey, we now can:

Gain a holistic view of the company.

Encourage collaboration at all levels of the organization.

Implement specific action plans tailored to the needs of each area.

Through this transparent and collaborative approach, we aim to create a better workplace where our team members' voices are heard and have a real impact on decision-making.

Value-creating strategies

We conduct onboarding surveys at 30 and 60 days to gain first-hand insights into the experience of our new team members and enhance every touchpoint along their journey within Alsea.

We have also developed a staffing matrix that helps us optimize staff allocation in our restaurants, ensuring each team has the right talent in the right place at the right time.



Education and training

GRI 3-3, 404-1, 404-2, 404-3
MATERIAL TOPIC

We foster a strong sense of belonging and commitment, as we recognize the crucial role our team members play in exceeding our customers' expectations. By fostering their growth and education, we empower them to lead with passion and build a stronger, more responsible future together.



We empower our team members with training in the values and competencies that define the Alsea profile, providing them with learning opportunities for their professional growth.

Investment in training

\$18,003,343 MXN

2.5 million
Total training hours

269.6
Average hours for women

289.3
Average hours for men

Therefore, we are committed to:

-  Creating teams
-  Making culture a competitive advantage
-  Training leaders with a human sense
-  Engaging with the best talent
-  Being the highest paying employer in the industry

Alsea College

At Alsea, we believe that our people's growth is the key to our long-term success. That is why we have created **Alsea College**, an innovative and accessible online learning platform that drives long-term growth and empowers our team members with the tools they need to grow professionally and reach their full potential.

Alsea College is more than a learning platform; it is an investment in our future. By empowering our team members with the skills and knowledge needed to tackle tomorrow's challenges, we are building a stronger, more resilient, and sustainable company.

✓ With 1,792 participants and a 94% completion rate, our ongoing training program at **Alsea College** showcases Alsea's dedication to fostering our team members' growth.

What makes Alsea College so special?

It offers universal accessibility

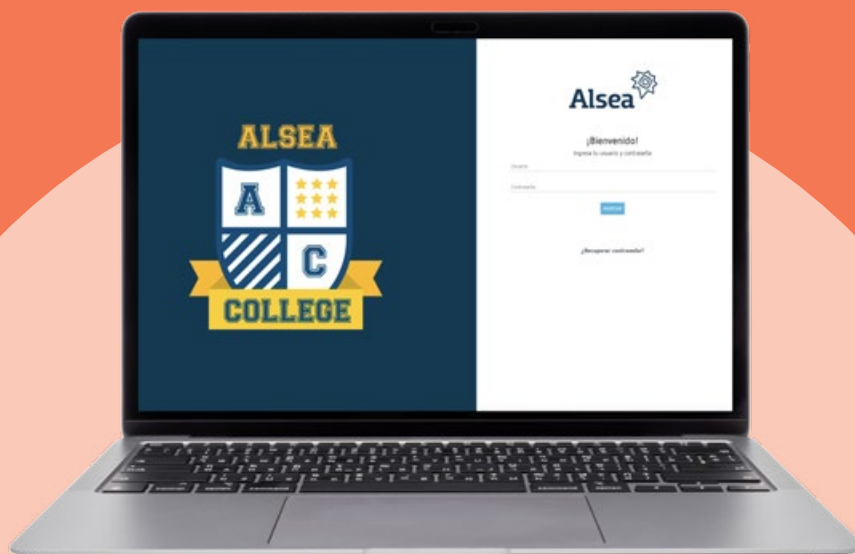
It is a collaborative platform that brings together all our brands and regions in one convenient location. Everyone has their own custom space! This fosters synergy and knowledge sharing between our teams.

It allows for tailored learning

We offer a wide range of courses, from technical skills specific to each brand to training on crucial topics like data privacy. Each team member can access the courses that best suit their needs and objectives.

It is flexible and accessible

The platform is available anytime, anywhere, enabling our team members to learn at their own pace and from any device.



Owner Manager Program

In this program, we offer both a finance course and a leadership simulator course, both with a human approach. These spaces were designed to foster the growth of present, committed leaders who empower their teams and care for the business.

✓ During 2024, in the regions of Mexico and South America, 3,537 team members were trained through the **Owner Manager Program**.



Europe

We understand that talent drives the future, which is why we foster personal development through initiatives that empower leadership, promote continuous learning, and harness technology as a collaborative growth tool.

Our major accomplishments in 2024 were:

- **Harnessing artificial intelligence to attract talent.** Thanks to our recruitment **Chat Bot**, anyone interested in joining our brands can apply in a quick, easy, and personalized way, making the process an accessible experience from the very first click.
- **In terms of leadership**, we continue to strengthen our capabilities with the **ILA and HACER-HACER** programs, which provide essential tools and training to leaders at all levels. Through the Leadership Classroom and anonymous evaluations, we foster a culture of inspiration, collaboration, and team development.

- We are proud to highlight our operational teams' **university certification in Restaurant Management**, the language courses for the Support Center, and, of course, our greatest achievement in 2024: the launch of our pilot **Mentoring** program. This initiative connects experienced professionals with promising young talent within Alsea, fostering continuous learning and the transmission of our culture. With 22 participants, this program will continue until October 2025, offering personalized sessions that enhance skills, reinforce our values, and foster professional growth. We offer tailored programs to tackle the challenges of today and tomorrow.

- To provide closer support to those who are part of the Support Center, we created the **Human Resources Business Partner (HRBP)** area, a new department dedicated exclusively to people. This team is dedicated to facilitating internal communication, providing personalized follow-up to each team member, and

reinforcing support from the onboarding process. Its strategic role enables us to identify areas for improvement and support leaders in developing their teams, ensuring we all move in the same direction.

- Our commitment to personal and professional growth was recognized during the year with two awards that fill us with pride: Diversity Leading Company 2024, for Teams and Talent, and Hot Concept 2024 for sustainability and CSR for our **Aperturas con Causa project**.



At Alsea, supporting our people, developing leaders, and creating opportunities are all part of building a sustainable future.



Mexico

We believe that growth begins within. We are committed to fostering the professional and personal growth of each team member, integrating **innovative tools, educational experiences, and constant support** from day one.

One of our greatest achievements in 2024 was the strengthening of our **Learning Path**, which guides each person in their development from the moment they join Alsea.

✓ This comprehensive approach enabled us to achieve **1.9 million hours of training in 2024**, with an **average of 166 hours per team member**, significantly surpassing industry standards.

This model, as outlined in our **Training Grid**, is comprised of three main stages:

Stage 1:

Purposeful onboarding



Through activities such as welcome breakfasts, brand visits, and induction sessions, we create a warm, engaging, and value-aligned initial approach.

Stage 2:

Training in key competencies



Our offerings range from courses on ethics, human rights, data protection, and anti-corruption to self-learning programs focused on leadership, technical skills, and well-being. Each team member can choose their training path through a credit system, adapted to their role and needs.

Stage 3:

Well-being for productivity



We offer optional courses to enhance mental, financial, and emotional well-being, fostering a healthier and more sustainable environment for all.

We also continued to develop **the Leaders Circle**, a program that provides our managers with tools and spaces for dialogue to lead with purpose. After its launch in Monterrey and Guadalajara, we achieved 99% coverage in the participating regions. Our leaders honed key skills, including reducing turnover, filling vacancies in under eight days, and managing more stable teams.

Technology has been a powerful ally in enhancing the experience of those who join Alsea. We implemented a **predictive profiling pilot program**, which has enabled us to optimize our hiring decisions, streamline selection times and improve the candidate experience.

Additionally, we fostered a **culture of continuous learning** through partnerships with institutions such as *Escuela Bancaria Comercial (EBC)*, *Universidad Iberoamericana*, and *Tecnológico de Monterrey*. This year, we surpassed one million credits accumulated by our teams, reflecting a genuine commitment to development at all levels. This was made possible by our diverse, flexible, and personalized training offerings.



South America

At Alsea in South America, we seek to develop talent with innovative tools, flexible training programs, and spaces that celebrate our culture.

Throughout 2024, we took decisive steps to establish a work environment that inspires, connects, and empowers every individual who contributes to our history. We accomplished this through the following notable initiatives:

- **Launch of the Meta platform**, a digital tool that revolutionizes talent management. This platform empowers our team members, fosters meaningful development conversations between leaders and their teams, and centralizes all necessary information to track goals, individual plans, and achievements. It also improves efficiency by digitalizing processes, enabling us to focus on what really matters: the growth of our people.

- **Evolution of Cosmos Learning**, a comprehensive training program operating in Argentina, Chile, Uruguay and Paraguay. Team members can choose the topics and formats that best suit their interests, from courses and podcasts to TED talks and scholarships for university studies, through personalized, flexible learning paths tailored to each area. In 2024, we promoted special programs in innovation and agile methodologies, aligned with potential and leadership assessments, to strengthen the skills needed to tackle the challenges of today and tomorrow.

- **A personal and innovative approach through the *Conversaciones con Sabor* podcast**, led by Culture and internal communications, inspired by sharing experiences, strengthening values, and continuing to learn together. This initiative has significantly boosted commitment, strengthened the Alsea culture, and fostered the growth of our leaders.



At Alsea in South America, we are driven by a purposeful growth that involves building learning experiences, fostering innovation, and celebrating our identity.

Talent management cycle

GRI 404-3

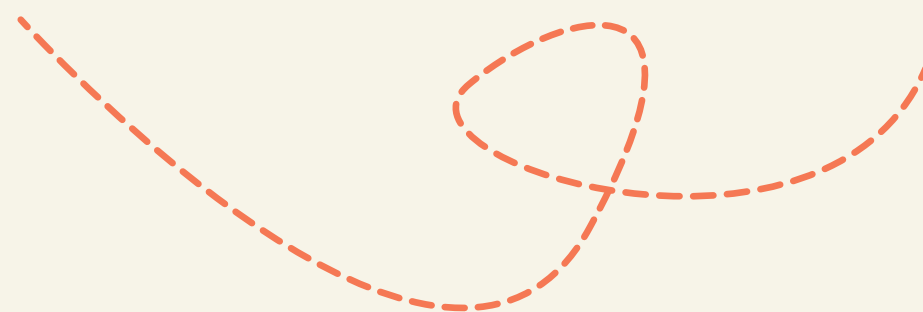
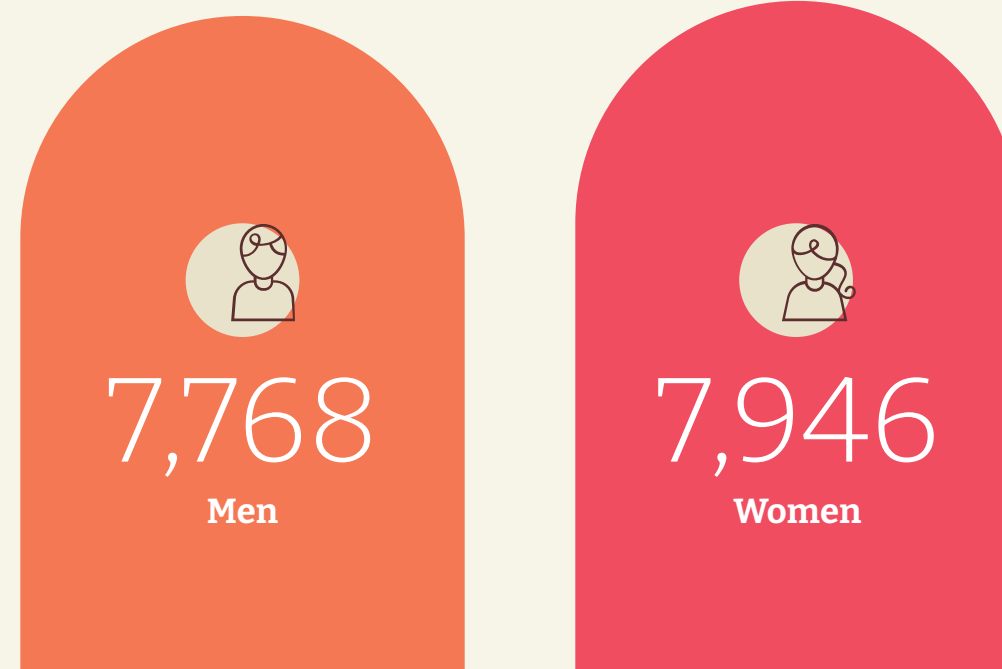
Leadership is about inspiring, and at Alsea, we understand that it is built through vision, action, and continuous learning. That is why we rely on the **Alsea Leadership Index (Índice de Liderazgo Alsea, ILA)**, a key tool to strengthen talent and empower those who drive our culture.

With this model, we support our teams as they grow, ensuring that each leader has the tools to lead, motivate, and make a difference.

The **ILA** is more than just an assessment; it is a compass that guides individual development, empowering each leader to harness their strengths and address areas for improvement. In this way, we build a conscious, empathetic, and growth-oriented leadership, which serves as the foundation for Alsea's sustainability.

Team members assessed for performance in 2024

Among Alsea's over 75,000 employees, **15,714 (approximately 21%)** were assessed for performance in 2024.





Diversity, equity and inclusion

GRI 405-1, COP PRINCIPLE 6 ON DIVERSITY, EQUITY AND INCLUSION
3-3 MATERIAL TOPIC

Being an inclusive company is more than just a statement; it is a daily commitment. At Alsea, we strive to empower every individual with the opportunity to grow, regardless of their background or circumstances.

Diversity, equity, and inclusion are not just empty words; they are the values that drive our actions and decisions. Our Diversity and Inclusion Policy (Diversidad e Inclusión, DEI) sets out the principles that guide us in promoting equal employment opportunities, non-discrimination and the inclusion of priority groups.



12 countries, infinite flavors: Diversity and multiculturalism are the key ingredients that drive our company.

Team members who are part of priority care groups

Individuals over the age of 60

829

We appreciate the value and experience that senior individuals bring to our company. Therefore, we are committed to fostering initiatives that integrate them into our teams, offering job opportunities tailored to their needs and abilities.

Individuals with some type of disability

461

We firmly believe that diversity enriches our teams and that the right to work is an inalienable human right. That is why we go beyond physical, social, or mental limitations or abilities, focusing on the talent, skills, and potential of each individual.

Individuals in refugee situations and young people facing vulnerable circumstances

2,404

Through our inclusion programs for people in refugee situations, we provide a safe working space and support for their integration into a new environment.

We also believe in the potential of young talent, fostering opportunities for development and professional growth for the next generation.



In 2024, Alsea significantly increased the number of priority care group team members to 3,694, surpassing the previous year's 1,999.

We are proud to be among the top workplaces for young professionals in South America. We have made it to the Top 3 in Chile as a top-tier company for interns and the Top 19 in Argentina for young professionals.

In Argentina, Chile, Uruguay, and Paraguay, we are committed to fostering diversity and inclusion through training, including the launch of the *Generación BK* program, which aims to enhance the employability of senior adults.

Gender equity: A social commitment

GRI 405-1

At Alsea, gender equality is not just an ideal; it is part of our daily lives. We recognize that barriers still exist, limiting professional development opportunities for women worldwide. This is why we are committed to breaking them down from within.

Our **Diversity and Inclusion Committee** is at the heart of many of our actions. Through workshops with leaders and team members, we foster a culture of inclusion, equity, and respect.

In 2024, over 400 individuals participated in sessions on gender diversity, unconscious biases, and safe work environments, with a satisfaction rating of over 95%.



At Alsea, we believe that talent knows no gender, but it does have many ways to shine, and we want to ensure that everyone has the space to do so.

On the other hand, we moved forward with a strategy focusing on **five key dimensions**, helping us stay on course and keep pace:



Commitment and stance: our Diversity and Inclusion Policy sets the tone. For instance, in our selection processes, we strive to ensure that at least one woman is represented in each finalist trio. Because creating space also means creating opportunities.



Organizational infrastructure: We have protocols in place to prevent and respond to harassment and violence. In 2024, we received and addressed five cases of sexual harassment, which were thoroughly investigated with utmost commitment. We also offer flexible work schedules, and in Europe, we made progress in negotiating an Equality Plan that integrates prevention measures, disciplinary follow-up, and complaint management alongside Compliance and the Occupational Health, Safety, and Well-being department.



Behavior: We empower leaders and team members to recognize and eliminate unconscious biases, as fostering an inclusive culture requires both awareness and practice.



Leadership development: We celebrate that our three brands in Colombia are led by women. We have organized the *Sabores del Empoderamiento* panel, featuring female voices from South America, and created spaces like *Voces que inspiran* every March 8th, where our leaders share their stories and inspire more women to take the helm.



Key metrics: Today, 27.6% of our management positions are held by women. This data is not a coincidence but rather the result of constant efforts to promote talent without labels. And yes, there is still a long way to go, but we are making steady progress with the conviction that opportunities should be accessible to everyone.

Workplace well-being: When our people are thriving, everything flows better

GRI 401-3, 403-6
3-3 MATERIAL TOPIC

At Alsea, we believe that caring for our people is not just a benefit, but a fundamental part of who we are. That is why we foster an environment where physical, emotional and family well-being is a priority.



We strive to ensure that every Team member feels good, motivated, and supported through a variety of initiatives, including mental health initiatives, medical check-ups, family coexistence programs, flexibility, and self-care. As part of our commitment, we guarantee paid parental leave for all Alsea team members, regardless of their gender or location, enabling them to be present during the most important moments.



Europe

In Europe, we strengthened our commitment to well-being from a holistic approach. We keep our Mental Health Plan in place, providing emotional support and psychological care. We conduct annual medical check-ups for all team members and reinforce occupational safety in factories through campaigns, informative materials and active breaks.

During the DANA floods in Valencia, we launched a free emotional support service for our team members. This led to our recognition with the Healthy Company Certificate, reinforcing our global leadership in health and well-being.



Mexico

In Mexico, well-being is experienced with a sense of closeness and warmth. Through the *Vive Alsea* program and activities like *Mini Alsea*, we create spaces where our team members' families can also participate.

We offer flexible schedules, an additional day off, active breaks, and respected vacations.

When it comes to health, we advocate for self-care campaigns and promote a balanced personal and professional life. Additionally, initiatives like *Día de Vacaciones* and *Mini Alsea* help us foster sustainable values from an early age and strengthen a sense of belonging.



South America

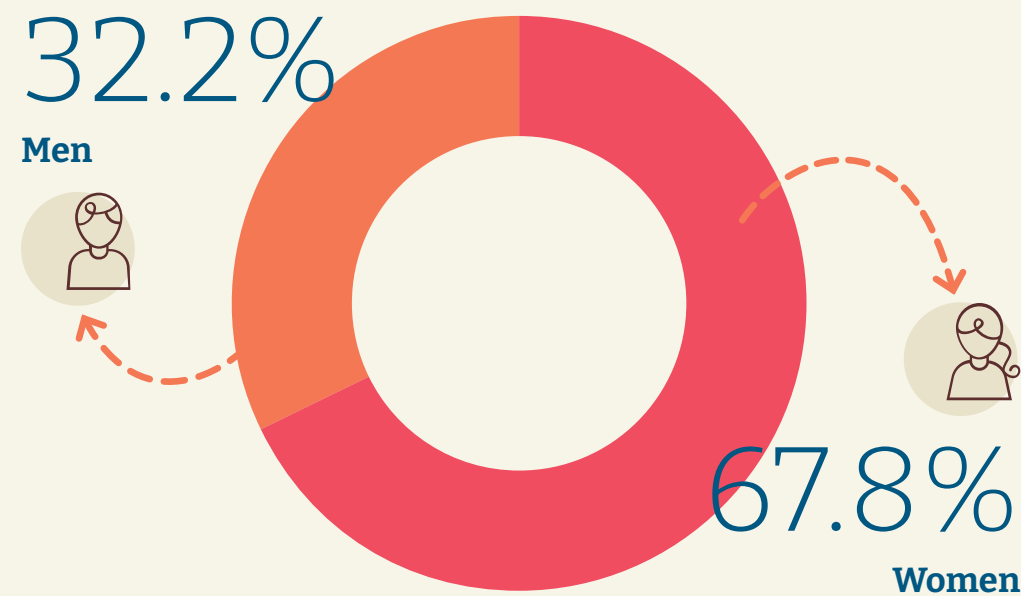
In South America, we believe in holistic well-being, encompassing the body, mind, and community. We offer ultrasounds, massages, nutritional consultations, and yoga classes, as well as blood donation days and community events like Kids Day.

The *Alsea al Máximo* platform offers a range of benefits and discounts, while the *Viernes Flex* programs and the monthly day off for managers provide opportunities for disconnection and rest. We actively monitor well-being indicators and consistently provide training on healthy habits, fostering a positive and productive environment.

Paid parental leave

GRI 401-3

Throughout 2024, 1,731 team members took advantage of our parental leave program, demonstrating our commitment to family co-responsibility and equity.



Furthermore, 90% of women and 96% of men returned to their positions after the leave, confirming that, at Aalsea, it is possible to grow professionally while still being present in the moments that matter.



✓ At Aalsea we guarantee fair and dignified salaries, exceeding the legal minimums in every country we operate in.

Dignified Income

GRI 202-1, GRI 401-2

Through our **Human Rights Code**, we consider salary as a fundamental right applicable to all our team members. To ensure compliance, we adhere to the legal requirements of each country, as well as the international minimum standards that guarantee a decent income.

Furthermore, our policies and best practices prohibit any action that undermines the dignity of team members, fostering a fair and equitable work environment.

To ensure a living wage for all our team members, we monitor income levels monthly and develop a comprehensive, equitable, and sustainable compensation strategy.

The main components of this strategy are:



Legal compliance and market standards: We ensure that all salaries align with current legislation and remain competitive through regular market analysis.



Salary reviews and internal equity: We conduct annual salary reviews to adjust compensation based on performance, productivity, and the economic context.



Collective bargaining and ongoing dialogue: We promote fair agreements with unions and labor representatives to strengthen sustainable labor relations.



These efforts help establish a culture of fair recognition, reinforcing Alsea's dedication to the economic and social growth of its team members.



Additional benefits and personal development: We expanded the coverage of well-being programs such as bonuses, training, personal development and flexible work arrangements.



Performance-based compensation model: We implement variable incentives that are linked to individual and collective results and performance.

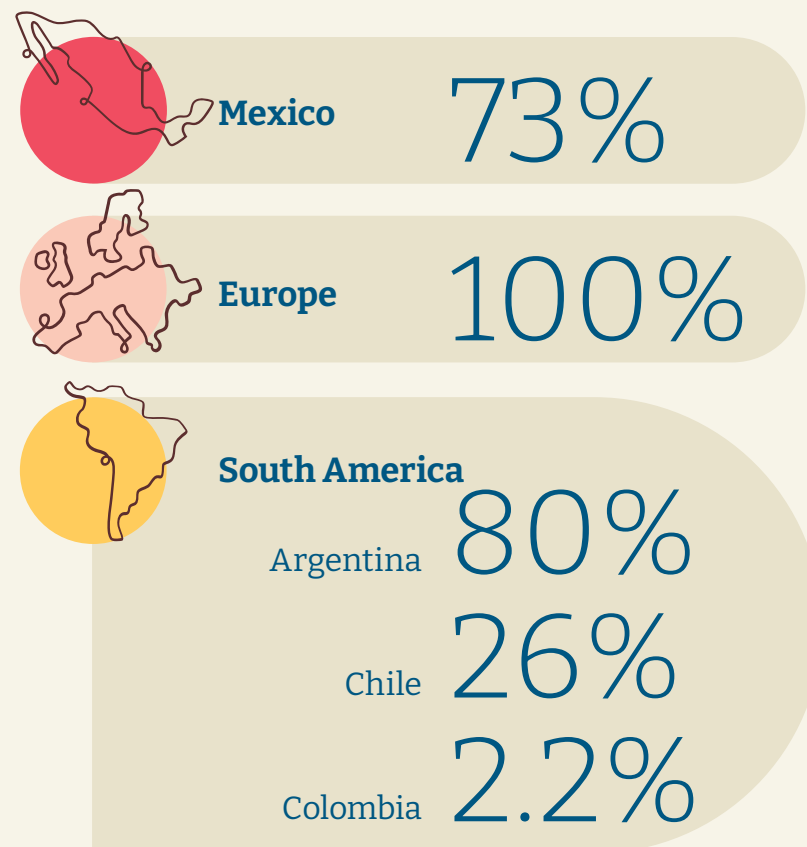


Right to free association

GRI 407-1, GRI 2-30, COP: PRINCIPLE 3
ON RIGHT TO FREEDOM OF ASSOCIATION

At Alsea, respect for labor rights is a fundamental part of our culture. Freedom of association and collective bargaining are not only guaranteed, but actively promoted as key tools for building trust-based, dialogue-driven, and co-responsible labor relations.

We have been committed to this for many years, and in 2024, we reinforced our stance with a regional scope that showcases our efforts:



✓ 51,690 of our team members are covered by a collective agreement.

Alsea’s policies, channels, and mechanisms that promote freedom of association are integrated across all regions. We foster work environments that respect the collective voice, listen to teams, and create safe spaces for the full exercise of labor rights. We also continuously train leaders and team members on these topics, fostering knowledge and shared responsibility.



In South America, specific actions have been taken to address this topic, including:

- Training sessions for leaders and teams, focusing on labor rights and equity.
- Establishing open and effective communication channels between the company, unions, and team members.
- Actively fostering a respectful, inclusive, and dialogue-friendly work environment.

Furthermore, we have set specific goals to ensure compliance with **international standards on freedom of association**, including continuous monitoring and effective implementation of social dialogue policies.

At Alsea, we believe that growing together means listening to each other, engaging in dialogue, and respecting collective decisions. We firmly believe that a strong organization is built on people who feel valued, protected, and free to express themselves.

Occupational safety and well-being

GRI 403-2, 403-4, 403-5, 403-6, 403-7, 404-8, 404-9
3-3 MATERIAL TOPIC

At Alsea, the safety and well-being of our people are our top priority. We understand that behind every meal served, every coffee brewed, and every experience delivered, there are dedicated individuals who deserve to work in a safe, healthy, and dignified environment.

That is why we foster a culture of care across all our regions through management systems, prevention campaigns, continuous training, and concrete actions.

In 2024, the following results stand out:

53,137

individuals have been trained in accident prevention

1,130

health and safety audits were conducted

1,560

risk-based preventive visits

6,501

accidents recorded

348,679

work hours lost due to injuries

Cross-cutting strategies

Throughout all our operations, we share a common commitment: to ensure that every individual can carry out their work with peace of mind, confidence, and support.

Here are some of our shared strategies:

- **Corporate Health, Safety and Well-being Policy**, in force in all countries.
- **Management systems focused on continuous improvement and risk prevention.**
- **Ongoing training**, team involvement, and consultation on safety conditions.
- **Open channels for reporting incidents or making suggestions**, with timely follow-up.
- **Investigating accidents and implementing corrective measures** to prevent recurrences.

These actions enable us to maintain a regional and global approach, prioritizing well-being from operational to strategic levels.



Europe

We continue to foster a preventive culture rooted in knowledge and anticipation. In 2024, we conducted 206 preventive visits, optimized our factory safety plans, and launched campaigns at Alsea College to promote active breaks, warm-ups, and self-care.

Additionally, we expanded our Occupational Risk Prevention Library, reinforced continuous training, and conducted awareness campaigns to foster safe habits at all levels.



Mexico

Since 2019, Mexico has had the Alsea Emergency Attention Center (*Centro de Atención a Emergencias Alsea, CAEA*), a 24-hour attention system for health incidents or work-related accidents. This model offers ambulance transportation, family notification, and immediate emergency response. In 2024, 2,139 accidents were recorded in the Mexico region, prompting us to continue advancing towards our goal of zero accidents.

We also have prevention and early warning campaigns in all our work centers, and we strive to minimize risks through accident investigations, continuous training, and efficient reporting. Our brands operate autonomously in security management, while the Support Center promotes the standardization of best practices for:

- Optimizing risk management.
- Strengthening team building.
- Unifying the safety culture across the country.



South America

In this region, we have established a comprehensive approach to safety and hygiene, adhering to the applicable regulations of each country and implementing Alsea's best practices. Thanks to this combination, we have achieved great results: we conducted 948 safety audits and trained 18,174 team members through first aid, fire extinguisher use, and active breaks courses. We also held monthly talks with our store leaders, enabling them to share their expertise on risk prevention, accidents, and occupational diseases with their teams.

We celebrated Safety Day and strengthened the *Líderes de Ambientes Seguros y Saludables* (Leaders of Safe and Healthy Environments) program in Colombia. We also developed a computer system with geolocalized protocols and e-learning tailored to specific brands and roles.

We also conducted thorough investigations into workplace accidents in our stores, ensuring we can mitigate and prevent future incidents. Every month, we share performance reports with brand leaders to ensure continuous improvement, transparency, and access to information.

In our stores, we have a public and accessible system to provide essential safety information, including emergency contacts and protocols for handling accidents, disasters, or thefts.



Where we are headed with our Alsea team

At Alsea, we recognize that we have the best talent, one that is diverse, inclusive, and truly unique. That is why we take care of it and strive to ensure it is always aligned with our purpose. We will remain committed to the professional and personal development of all our teams by promoting innovative training programs such as Alsea College and the Owner Manager program.

We will continue to train our leaders to develop their professional and personal skills, enabling them to inspire and empower their teams with an inclusive perspective.

Alsea is also known as a company that genuinely cares about the well-being of its team members, offering mental health programs, medical check-ups, flexible work schedules, and paid parental leave. We will continue to foster an environment where our team members feel motivated and supported.

Finally, we recognize that the safety of our team members is a top priority. We will continue to implement management systems, prevention campaigns, and continuous training to ensure a safe and healthy work environment for all.



Human Rights

GRI 2-23, 2-24, COP: PRINCIPLES 1, 2, 4 ON HUMAN RIGHTS
3-3 MATERIAL TOPIC

In line with international principles and our internal policies, we promote a fair, inclusive and safe working environment for our team members, suppliers and communities.



Our principles

We envision a world where respect and inclusion are the foundation of every decision. Our internal policies ensure that human rights are at the core of our actions.

We develop policies that align with Alsea’s objectives while committing to respect and promote our stakeholders’ human rights, including:

- Global Human Rights Policy
- Code of Ethics
- Diversity and Inclusion Policy
- Supplier Code of Conduct
- Privacy Notice
- Corporate Health, Safety and Well-being Policy

Línea Correcta

In Mexico and South America, our *Línea Correcta* hotline is always accessible to all of our stakeholders. This tool, managed by a third party, enables users to report any irregularities that violate our policies and commitments, potentially impacting the exercise of human rights.



HUMAN RIGHTS

We foster an equitable, inclusive, and safe environment through actions such as mandatory training, prevention protocols, and active reporting channels, all guided by our values and mutual respect.

For each stakeholder, we have different actions and specific measures:



TEAM MEMBERS

At Alsea, we prioritize well-being and safety above all else. When our team feels protected and valued, they will give their best. That is why we have fostered an environment where our Team members' individual and collective rights are not only respected but also strengthened every day.



CUSTOMERS

Every dish we serve embodies our unwavering commitment to quality, safety, and security. We understand that excellent service begins with trust and caring for our clients' health.



SUPPLIERS

Through the Supplier Code of Conduct, we demand respect for human rights and the guarantee of decent and adequate working conditions for our suppliers' team members.

We also ensure that our suppliers comply with current labor regulations, including fair pay, social benefits, and system affiliation.



COMMUNITY

Beyond restaurants, we make a real impact. We develop programs and build partnerships to strengthen the well-being of communities through our lines of action:

- Food
- Education and Employability
- Disaster relief support
- Water

Regulatory compliance

We uphold the laws that safeguard the rights of our stakeholders in the areas where we operate, ensuring their rights are respected, including:

- A fair salary.
- Collective bargaining.
- Social security.
- Working day.
- Equality and non-discrimination.
- Paid holidays.
- Maternity and/or paternity leave.

- Data protection.
- Access to information.

- Prohibition of forced labor.
- Prohibition of child labor.
- Freedom of association.
- Prohibition of discrimination.

- Development.
- Quality of life.
- Education.
- Personal integrity.
- Work.

Alsea Best Practices

We have robust programs that reinforce our legal obligations to our stakeholders, enabling us to respect and promote human rights throughout our value chain.

We implement programs for care and well-being, including:

- Owner Manager Program
- Partnerships with universities
- Alsea College

We are committed to fostering the holistic development of our top Alsea talent.

We proudly present our platforms and initiatives for technological innovation, including:

- Loyalty programs
- Delivery and takeaway at Club By
- Digital Kiosks

We empower our customers, enabling them to directly exercise their rights of participation and consumption.

We foster transparent and bribery-free business practices with our suppliers.

Through our Responsible Origin strategy, we strive to partner with suppliers who hold GFSI (Global Food Safety Initiative) certification.

Programs like:

- *Movimiento Va por mi Cuenta*
- *Integra Program*
- *Producto con causa*
- *Premio Alsea*

We lead projects and initiatives that have a significant positive impact on present and future societies.



HUMAN RIGHTS TRAINING

Understanding our rights is the first step in safeguarding them and, most importantly, preventing risks. At Alsea, we prioritize human rights training as a key tool to foster respect, inclusion, and well-being in all our spaces.

✔ Throughout 2024, we trained 18,103 team members on human rights matters.

Furthermore, we foster a culture that values our principles, such as human dignity, equality, and inclusion, among others:

Hours of human rights training by region



PROHIBITION OF CHILD LABOR

GRI 408-1, COP PRINCIPLE 5 ON PROHIBITION OF CHILD LABOR

Abordar la problemática sobre la prohibición del trabajo infantil es un compromiso importante para Alsea.

Nuestra contribución en la lucha contra el trabajo infantil consiste en el cumplimiento normativo de todos los países donde operamos.

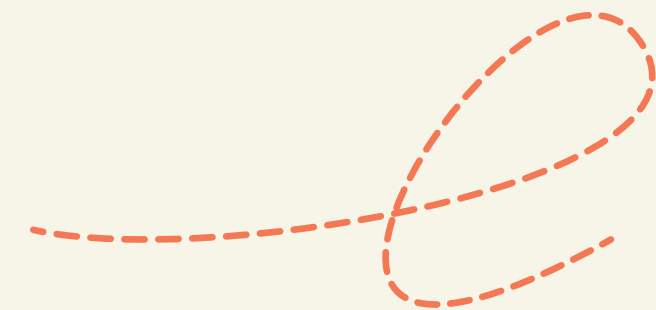
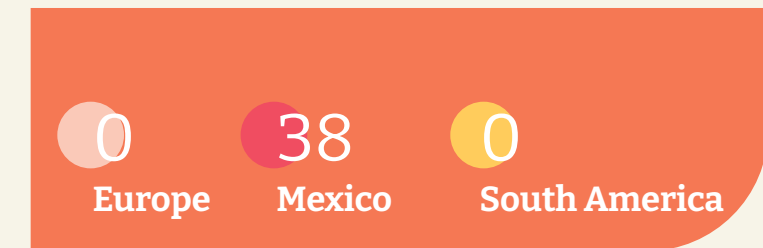
Además, contamos con nuestro **Código Ético, Código de Proveedores** y nuestra **Política Global de Derechos Humanos** en donde prohibimos expresamente la contratación infantil. Con ello, contribuimos al cuidado y el interés superior del menor en todas las regiones donde operamos.

FOLLOW-UP ON HUMAN RIGHTS CASES

GRI 407-1, 408-1, 409-1, 411-1

At Alsea, respect for human rights is a fundamental part of who we are. We meticulously follow up on every complaint to ensure fair, safe, and value-aligned spaces. For us, listening and acting is a fundamental part of our daily commitment to our people.

Casos presentados durante 2024



Community development

GRI 413-1 SDG 2 TARGETS 2.1, 2.2, SDG 4 TARGET 4.4, SDG 6 TARGET 6.B.
3-3 MATERIAL TOPIC

Growing together is not just a motto: it is how we understand our commitment to those we work with, those around us, and the world we strive to build. We aim to transform lives from within through our impact, with programs that foster education, employability, inclusion, and human development.



Connecting with people

2024 was a year that reaffirmed what has driven us at Alsea from the start: creating shared value by nurturing and empowering communities. We surpassed our goals and amplified our impact through the ability of our initiatives to listen, adapt, and act. At every Alsea restaurant, office, and brand, we connect with people and what truly matters.



How do we foster the growth of our communities?

We believe that social transformation is built on a daily basis, through consistent and sustainable actions. That is why we focus our efforts on four strategic areas that reflect what matters most to us: food, education and employability, access to water, and emergency response.




Food

ODS **2** **17**

We fight against food insecurity. A good diet is the foundation of personal development, which is why we strive to ensure food security for those in vulnerable situations, considering aspects such as:


- Food access.
- Food availability.
- Food use.
- Food stability.



Education and employability

4 **8** **17**


At Alsea, we believe in the power of opportunity. That is why we promote education and training programs for children, young people and adults. We empower individuals with essential skills for employment, emphasizing social inclusion and access to economic opportunities. We are also a major employer in the countries we operate in, providing thousands of young people with their first work experience.



Water

6 **17**

We recognize access to safe drinking water as a fundamental human right. That is why, in collaboration with strategic partners, we are driving projects that improve access, promote sanitation, and encourage responsible use of resources in vulnerable communities across Mexico and South America.



Disaster and emergency support

11 **17**

We manage actions focused on responding to and recovering from emergencies, whether they arise from natural phenomena or public health crises, providing assistance to affected communities through humanitarian aid.

Social initiatives in each region

At Alsea, we understand that each community has its own history, pace, and needs. That is why, in each region, we prioritize our social actions based on what really matters to the people around us. This close relationship enables us to develop more effective and humane responses, tailored to the unique circumstances of each context where Alsea operates.



Mexico



South America



Europe





FUNDACIÓN ALSEA

For 20 years, we have been proving that happiness can be found beyond the restaurant walls. Our company not only provides delicious food for everyone but also educates, creates opportunities, and supports individuals and communities in vulnerable situations. Thanks to the purpose we share at Alsea and our collaborative efforts with allies, team members, and brands, we have left a lasting impression that transcends the immediate and becomes a legacy of real impact, transforming lives and strengthening communities.

In 2024, we celebrated **two decades** of social commitment, convinced that transformation is not a matter of luck but of constant effort, empathy and collaboration. Although we have come a long way, we still have a lot to do, more communities to support, more talents to empower, and many more stories to transform.

✓ Since 2004, our Fundación Alsea has been on a clear mission: to bring happiness to vulnerable individuals and communities through sustainable social investment, fostering food security, education, and employability.

✓ In 2024, we allocated over \$93 million pesos to social investment projects, benefiting 1.4 million people in Mexico.



At *Fundación Alsea*, we don't just talk about commitment; we embody it every day with transparency, strategy, and a deep sense of purpose. We work tirelessly to support those who need it most.

To achieve this, we consider the following aspects:

Creating genuine social impact

We have established ourselves as a benchmark for other regions, driving the creation of standardized strategies.

Being accountable and transparent

Our financial statements are audited by a third party, ensuring transparency in resource management.

Making strategic alliances of value

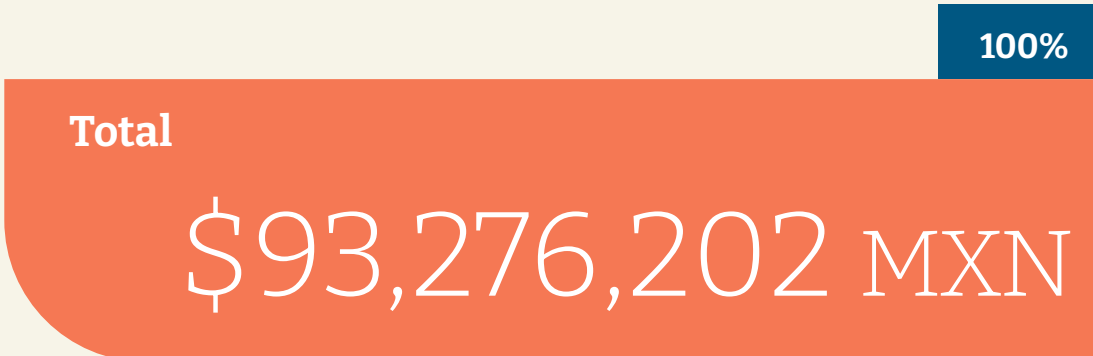
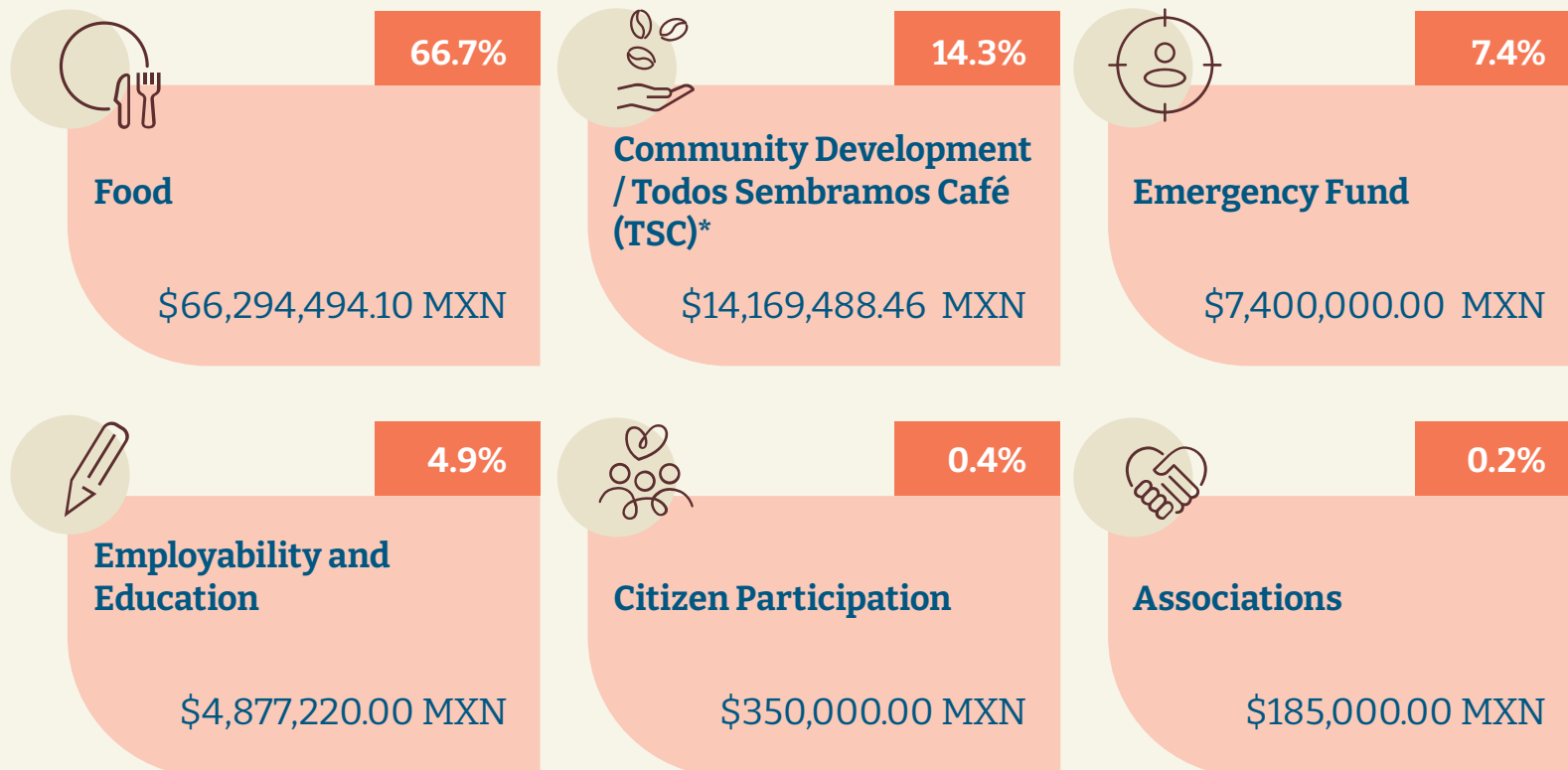
In 2024, we successfully supported over 30 civil society organizations:

<i>Asociación Alimento Para Todos, I.A.P.</i>	<i>Fundación Amparo, I.A.P.</i>
<i>Asociación Mexicana de Bancos de Alimentos, A.C. (BAMX)</i>	<i>Fundación John Langdon Down, A.C.</i>
<i>Bécalos</i>	<i>Fundación Marisa</i>
<i>Centro Comunitario Santa Fe, A.C.</i>	<i>Gastromotiva México, A.C.</i>
<i>Centro Mexicano para la Filantropía, A.C.</i>	<i>Huellas de Pan, A.C.</i>
<i>Club de Niños y Niñas de México, A.C.</i>	<i>Mano Amiga de Chalco</i>
<i>Comedor Santa María, A.C.</i>	<i>Pro Mujer México Apoyo, A.C.</i>
<i>Consejo de la Comunicación, A.C.</i>	<i>Red del Pacto Mundial de y en México, A.C.</i>
<i>Conservatorio de la Cultura Gastronómica, S.C.</i>	<i>Restauración, Salud y Prosperidad, A.C. (Por un Hogar)</i>
<i>Construyendo Comunidades Integrales, A.C.</i>	<i>Save The Children México, A.C.</i>
<i>Exportadora de Café California, S.A. de C.V.</i>	<i>Servicio, Educación y Desarrollo a la Comunidad, I.A.P. (SEDAC)</i>
<i>Federación Mano Amiga, A.C.</i>	<i>Sistema DESEM, A.C.</i>
<i>Fundación Forge, A.C.</i>	<i>Universidad Anáhuac del Sur, S.C.</i>
<i>Fondo para la Paz, I.A.P.</i>	<i>Visión Mundial de México, A.C.</i>
<i>Fondo Unido, I.A.P.</i>	<i>Centro de Apoyo para la Familia Gabriela Figueroa Millan, A.C.</i>
<i>Formadores Mexicanos, A.C. (En Acción)</i>	

✓ **Through these alliances, we have successfully achieved common goals, benefiting vulnerable populations in Mexico.**

In 2024, *Fundación Alsea* allocated its donation expenditures and lines of action as follows:

Action line donation



Our resource allocation reflects our priorities. In 2024, we allocated over 66% of our investments to food projects, followed by community development and education and employability programs. This strategic allocation enables us to address urgent needs while maintaining a focus on long-term development.



MOVIMIENTO VA POR MI CUENTA

In 2012, at Alsea, we set ourselves a great challenge: **to fight food insecurity in Mexico**. This is how **Movimiento Va por mi Cuenta** was born, an initiative supported by **Fundación Alsea** that has succeeded in transforming the lives of millions of people, providing them with access to a dignified and nutritious daily diet.

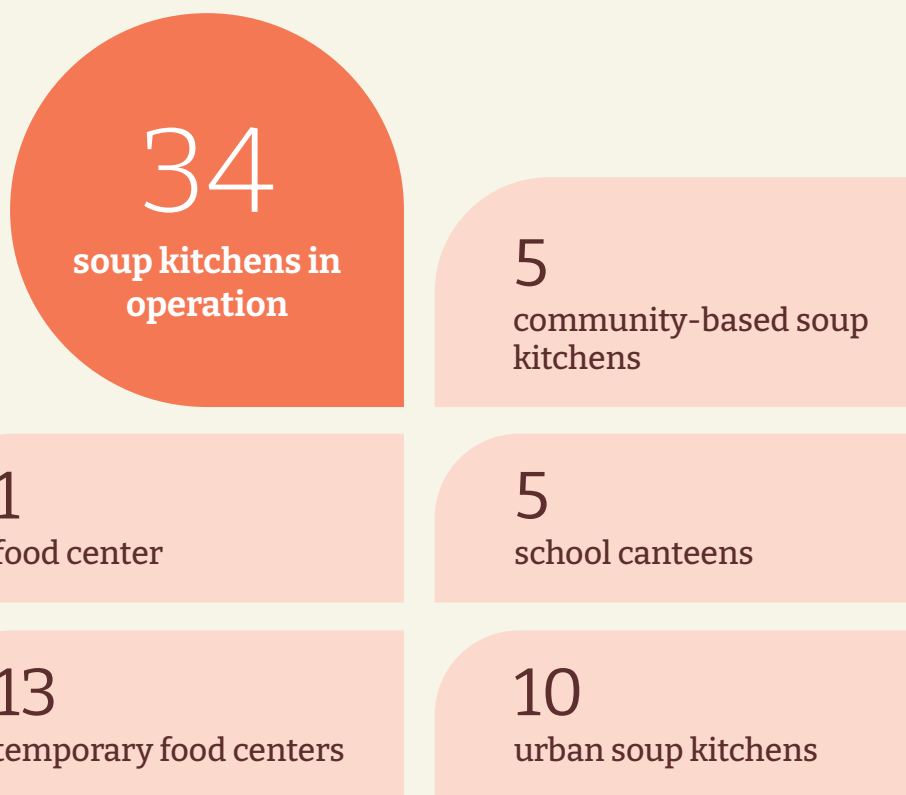
Thanks to the dedication and commitment of our brands, team members, customers, and strategic allies, we have made significant strides in fighting food insecurity in the country. Our mission is not just about serving food but also about nourishing lives.

Origin*	2023 (MXN)	2024 (MXN)
Producto con causa	\$15,768,285.59	\$18,546,211
Team members	\$3,489,000.00	\$5,076
Allies	\$4,024,265.00	\$8,119,496
Customers	\$22,165,800.15	\$25,173,656
Total	\$45,447,350.74	\$51,862,439

✓ The campaign achieved a record-breaking fundraising of \$51.8 million pesos, surpassing the 2023 total by 14%.

✓ During 2024, we funded the operation of **34 soup kitchens**, providing access to nutritious food to **over 12,000 people** living in food poverty. Through this action, we served over **1,590,235 meals**.

Number of soup kitchens in 2024



Va por mi Cuenta is made possible by a network of strategic partners who share our commitment to food security. They are the ones who operate and manage the spaces where nutritious food is offered, as well as educational and community programs that strengthen the overall well-being of the beneficiaries.

Among these allies are organizations such as *Comedor Santa María, A.C.*; *Fondo para la Paz, I.A.P.*; *SEDAC (Servicio, Educación y Desarrollo a la Comunidad, I.A.P.)*; *Por un*

Hogar (Restauración, Salud y Prosperidad, A.C.); *Save the Children México, A.C.*; *Huellas de Pan, A.C.*; *Fundación John Langdon Down, A.C.*; *En Acción (Formadores Mexicanos, A.C.)*; *BAMX (Asociación Mexicana de Bancos de Alimentos, A.C.)*, and *Proyecto Roberto, I.A.P.*

Thanks to its experience and fieldwork, **Va por mi Cuenta** has been able to expand its impact and address local realities more effectively, joining forces for a dignified, accessible, and sustainable food system.

OUR PARTNERSHIP WITH RED BAMX: SPREADING WELL-BEING ACROSS MEXICO

In 2024, we strengthened our commitment to food security through a strong partnership with the Mexican Food Bank Network (*Red de Bancos de Alimentos de México*, Red BAMX), impacting communities across the country. Through this collaborative effort, we successfully supported **59 food banks** across different states, enabling us to distribute **1.4 million kilos** of food to over **237,000 people** in vulnerable situations.

We have also expanded BAMX's operational capacity by adding five new transportation units, bringing the total number of vehicles donated by *Fundación Alsea* to ten. This expansion streamlines the logistics of collecting and delivering supplies.

Additionally, our support was also directed towards food education. Through the **Comer en Familia** program, we supported the implementation of nutritional workshops using two mobile kitchens and distributing **2,000** recipe books, promoting healthy habits and sustainable practices in different communities.

This comprehensive effort reached over **1.48 million people**, reinforcing our purpose beyond food: we aim to nurture the holistic well-being of those who need it most. As part of this commitment, we also contributed with an investment of **\$3 million pesos** to build two new Food Banks in Querétaro and San Cristóbal de las Casas, Chiapas, expanding our community impact infrastructure.





EMPLOYABILITY AND EDUCATION

At *Fundación Alsea*, we understand that one of the most powerful ways to transform realities is by paving the way to education and employment, particularly for those who face social and economic barriers.

One of our most established programs in this line is ***Integra***.

Launched in 2014, in partnership with **The Starbucks Foundation**, ***Integra*** aims to empower vulnerable youth with access to education, training, and employability. Through this program, we support training processes that empower skills and expand opportunities for personal and professional growth.

The resources were allocated to strengthen educational, employability, and comprehensive development programs, operated by 14 partner organizations in Mexico. This support encompassed academic scholarships, workshops on technical and socio-emotional skills, training for entering the workforce, and initiatives for educational inclusion and psychosocial support for young people in diverse contexts.

✓ **Throughout 2024, we invested over \$5 million pesos to support 14 Mexican institutions, benefiting 5,448 young individuals with limited access to opportunities.**



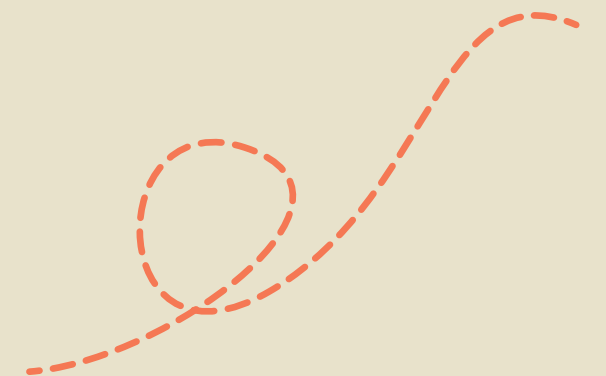
Todos Sembramos Café

For a decade, Starbucks has promoted the *Todos Sembramos Café* program, inviting its customers to actively join in the donation of rust-resistant coffee trees.

Thanks to this initiative, more than **4.8 million plants** have been delivered directly benefiting more than **20 thousand coffee growers** in key regions such as Chiapas, Veracruz, Oaxaca, Puebla and Nayarit. Ten years later, our commitment is stronger than ever.

For every bag of core coffee purchased or every \$10 pesos donation in stores, Starbucks donates a plant. In 2024 alone, 776,000 new plants were delivered.

This initiative reinforces Starbucks' leadership in the conversation about the future of coffee, promoting a more sustainable, supportive and resilient supply chain that connects those who grow coffee with those who enjoy it every day.





WATER

As part of our commitment to reducing food insecurity in the communities of the **Va por mi Cuenta** program, we aim to promote the proper use of food.

Access to safe drinking water is a crucial factor in a healthy and safe diet. In 2024, we installed water towers, one in the State of Mexico and another one in Jalisco, Mexico, and one in Colombia, directly benefiting 1,147 people. This initiative is part of the commitment made by *Fundación Alsea*, World Vision Mexico, and The Starbucks Foundation to install 25 Aqua Tower systems in communities over a five-year period. This effort is part of the 2023-2028 plan to improve access to clean water.

Alongside its commitment to installing water towers, *Fundación Alsea* joined forces with the second edition of the *Reto Nacional de Sostenibilidad BBVA*. This edition focused on supporting projects that aim to preserve, utilize, and improve water sanitation in Mexico.



SUPPORTING THE COMMUNITY IN NATURAL DISASTERS

Throughout 2024, we supported 7,474 people through our emergency fund, aiding communities affected by different natural disasters. Our collaboration with World Vision aims to provide a swift response during the initial hours of an emergency, delivering food to affected communities.



South America



FOOD

Aware of the vulnerability of children to malnutrition, we have partnered with **Fundación Éxito, Fundación Conin** and the different **regional Food Banks** to implement nutritional aid plans. These plans provide monthly nutritional support, ensuring their development and well-being.



Children's Month



We conducted charitable activities in various countries, where Alsea volunteers spent time, shared food, and created joyful moments with children. These meaningful experiences included:

- Delivering food of our own brands.
- Creating spaces for children to socialize and have fun.
- Organizing educational activities, games, and face painting sessions.



Producto con causa



In Colombia, Archies continues to promote its *Producto con Causa* initiative. Through its *Menú Piccoli* utilities, direct support is channeled to the Colombian Food Banks Association (*Asociación de Bancos de Alimentos de Colombia, ABACO*) and *Fundación Éxito*, enabling us to provide constant food assistance to thousands of children facing chronic malnutrition.

Noche Solidaria



In Argentina, the well-established *Noche Solidaria* once again demonstrated the power of collaboration. This charity dinner brought together team members, suppliers, strategic allies and public figures, benefiting over 514,000 people. This initiative undoubtedly strengthens our connection with our stakeholders and reinforces our commitment to a more just society.

Truck donation



In 2024, *Fundación Alsea*, The Starbucks Foundation, and ABACO joined forces to strengthen food rescue logistics in rural areas of the country. As part of this alliance, two transportation units were donated to facilitate the recovery and distribution of food in vulnerable communities.

This initiative aims to benefit thousands of Colombian families, contributing to access to decent food and strengthening the network of food banks in the country.

Food Day



During Food Month in October 2024, we partnered with Food Banks and other social organizations dedicated to eradicating hunger in Argentina, Chile, and Colombia.

Our contribution was divided into two main activities:

- Classifying food.
- Preparing and delivering food to those in vulnerable situations.



EMPLOYABILITY AND EDUCATION



At Alsea, we know that young talent needs more than goodwill - it needs real opportunities. In 2024, we partnered with *Fundación Forge* in Argentina, Chile, and Uruguay, and *Fundación Grupo Educativo María de Guadalupe* in Argentina, to support the professional development of young people facing social barriers.

The magic was created through workshops and activities designed to strengthen their work profile and provide them with useful tools to take the next step.

Among the actions taken, we highlight the following:

Mock interviews with feedback included.

Preparing a resume.

Financial education workshops for empowerment.



We also participated in employability panels, organized by *Fundación Forge*, where Alsea team members shared their professional experiences, tips for entering the workforce, and a closer look at what it's like to work in a company like ours.

Each space was a chance to share, learn, and support those forging their own path. At Alsea, we don't just open doors, we walk alongside those who want to cross them.



WATER



We reaffirmed our commitment to water access in South America. In 2024, we installed two water towers in partnership with *Fundación Alsea*, World Vision, and The Starbucks Foundation. These towers, situated in the department of Cundinamarca, Colombia, now provide safe water access to over 2,700 people, significantly enhancing their quality of life and well-being.



SOLIDARY RESPONSE TO EMERGENCIES

In early 2024, devastating forest fires struck Chile and Colombia, leaving hundreds of families affected in their wake. In response to this emergency, Alsea activated its response protocol to provide assistance to the affected communities.

In Colombia



We partnered with the Colombian Red Cross to distribute food and aid communities in recovering from this tragedy, delivering over 400 food kits and 400 masks to those affected.



In Chile



We joined *Desafío Levantemos Chile* to deliver a donation of over eight tons of food to families affected by the fires as well as over four tons of pet food.

As part of its commitment to community resilience, The Starbucks Foundation allocated US\$50,000 to support disaster recovery efforts. These resources were channeled through *Fundación Desafío Levantemos Chile* and World Central Kitchen, with the aim of helping to repair affected communities and ensuring the delivery of food to people in emergency situations.



Europe



DONATION TO FOOD BANKS

With a focus on **responsible sourcing of raw materials**, we developed social strategies to promote the rescue and distribution of food. As part of our commitment, we support the Food Bank in the countries where we operate, working to reduce waste and combat malnutrition in vulnerable communities.

From the logistics department, we donate all the surplus food that is generated when our brands stop using certain products, ensuring that they reach the Food Bank of Madrid. By doing this, we not only reduce waste, but also contribute to improving the nutrition of those who need it most.



EMPLOYABILITY AND EDUCATION



In 2024, we strengthened our main partnerships to support young people at risk of social exclusion, including *Pinardi; Tomillo; Cruz Roja; La Rueca; Incorpora Fundación La Caixa; Comisión Española de Ayuda al Refugiado (CEAR); DOWN España; Asociación Comisión Católica Española de Migraciones (ACCEM); Arpejh* and *SWOM*.

Camino al empleo

For 11 years, we have been promoting opportunities that transform lives. In 2014, we launched the **Camino al empleo** program, an initiative that has since facilitated the employment of individuals in vulnerable situations, helping them overcome barriers that hinder their access and permanence in the labor market.

- Through this program, we offer the following services free of charge:
- Training in pre-employment skills essential for successful job placement.
- Technical training on our menus, recipes, and dining room work.

Internships in restaurants of our brands, with personalized support from the association's tutors and mentors.

We also believe in the transformative power of employment and its ability to change lives. We actively promote the inclusion of vulnerable individuals in the workforce, offering them professional development opportunities and fostering their social integration.

At the end of 2024, **1,071 people** in vulnerable situations are part of our workforce. This group consists of:

123 individuals with disabilities.

298 elderly individuals.

413 individuals seeking asylum or refuge.

237 individuals in other vulnerable situations.



NATURAL DISASTER RESPONSE



In October 2024, the DANA struck Valencia, Spain, causing a major natural disaster that affected hundreds of people, including **152 of our team members**. This event resulted in significant material losses and a profound emotional impact.

In response to this situation, Alsea's immediate action reaffirmed our commitment to the well-being of our people and support for the affected communities. In less than 24 hours, we successfully reached our 1,658 team members. We also provided psychological support to all affected team members, helping them cope with the emotional impact. Additionally, through *Firma Quattro* and our *Programa Orienta*, we conducted a psychosocial study to pinpoint the needs of our team members and their families.

We also provided financial assistance to over 20 team members in times of extreme need. We worked with the Red Cross, World Vision and *Aldeas Infantiles* to channel aid to those affected. We also donated meals and coffee to emergency services, as well as food to those affected by the DANA.



In the most challenging times, solidarity is what unites us and drives us to move forward, together.

OPENINGS WITH A CAUSE

At Alsea, we are proud to see how our brands not only open new doors but also create opportunities for those who need them most. Through innovative initiatives, they create a positive social impact in the communities they serve.

Domino's Pizza, VIPs, Ginos, and Starbucks have established programs with a strong social commitment, such as donating the first day of sales and opening new stores. This initiative has two main objectives:

Raising funds for different NGOs.

Establishing connections to facilitate volunteer initiatives.

The funds raised go to projects that benefit people with disabilities, educational and employability programs for at-risk youth, and elderly people facing loneliness.



✓ This initiative benefited **26,326** individuals and raised a total of **€116,648.78**, strengthening our connection with communities, involving our team members and reaffirming Alsea's commitment to our society.

Beneficiaries and collection by brand

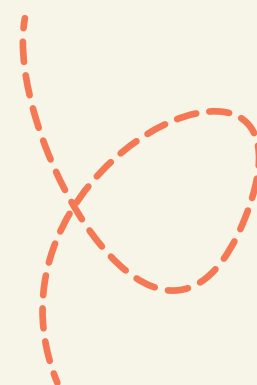
	Beneficiaries	Collection
Domino's Pizza	20,646	€ 25,126.6
Ginos	20	€ 3,352.6
Starbucks España	2,443	€ 66,556.5
Starbucks Portugal	2,304	€ 14,519.0
VIPS	913	€ 7,130.1

Global actions

Premio Alsea¹

At Alsea, we have been driving research and development in innovative nutrition and food projects for three years, aiming to contribute to global food security. **Premio Alsea** is open to academics and research teams. The program aims to contribute to developing public policies that improve people's nutrition and diet.

The program is currently active in Argentina, Colombia, Chile, Spain, Mexico, and Uruguay. The winning project receives a \$3,034,500 MXN grant.



¹ The first prize (2022) was won by a team from Mexico. The second prize (2023) was won by a team from Colombia. The third prize (2024) was won by a team from Argentina.



4. Volunteering with flavor is in our DNA

Collaboration is one of our company's core values. We actively encourage volunteering among our team members, as we believe it's a powerful way to engage with society and share our mission of bringing joy and flavorful experiences to those who need it most. This objective is solely aimed at addressing the unique needs of the communities we serve.



MEXICO

Our volunteers participated in:

- Preparing and distributing food as part of the **Movimiento Va por mi Cuenta program.**
- Installing water towers.
- Conducting educational activities on responsible water consumption in communities.
- Sessions where our team members shared their gastronomic expertise with students, fostering their professional growth.

6,040
hours of volunteer work

1,510
volunteers



SOUTH AMERICA

Throughout the year, our teams from the Support and Operations Center participated in over **40 volunteer events**, focusing on topics such as:

- Employability
- Fighting hunger
- Water access and reforestation



6,040
hours of volunteer work

1,469
volunteers



EUROPE

Every year, we join **Go Fit in World Vision's Water Run**, where our volunteers run for a specific charitable project.

We actively engage in local races, either through donations or by volunteering.

We celebrate the accomplishments of our volunteers on our Workplace network, fostering a sense of pride in being an Alsea volunteer.

Our brands are also mobilized to offer unique experiences that benefit diverse groups:

- Domino's Pizza inspires young people through workshops.
- Foster's Hollywood and Ginos provide solidary snacks for children and adults.
- Starbucks supports soup kitchens and individuals seeking asylum or refuge.
- VIPS conducts workshops for individuals with disabilities.

6,003
hours of volunteer work

2,048
volunteers



Where we are headed in our social engagement

At Alsea, we reaffirm our unwavering commitment to food security, employability, access to water, and solidarity in response to humanitarian or natural emergencies.

At **Fundación Alsea**, we will reinforce our food security strategy by continuously evaluating the impact of our initiatives.

Our goal is to ensure that those in vulnerable situations have access to sufficient, nutritious, and stable food, guaranteeing its availability, proper use, and sustainability over time.

In **South America**, we aim to expand the reach of our initiatives, such as *La Noche Solidaria* and the *Va por mi Cuenta* program, to other countries in the region.

We will continue to strengthen our volunteer and employability program.

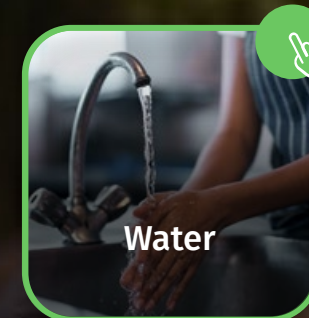
In **Europe**, we will strengthen our volunteer programs, gaining a deeper understanding of the region's needs, hand in hand with the needs of our brands. We will also continue with our social and labor integration programs for vulnerable groups, with a special focus on people with disabilities and contributing to the goal of investing in community support.



Every action we take, no matter how small it may seem, is part of a larger fabric of solidarity. At Alsea, we don't just want to be present in the communities; we want to be a part of their transformation journey. Our social commitment is a way of embodying our values, making a meaningful impact, and building a more just future for all.

We are in every **action** that safeguards our future

At Alsea, we believe that sustainability is an essential part of our business. We are guided by our sustainability model, where **Balance** comprehensively guides the management of natural resources, waste and emissions, to optimize resource utilization, include clean energy, and improve waste management.

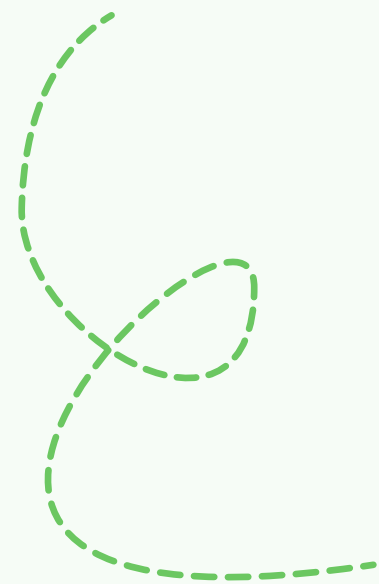


Circularity

GRI 3-3 MATERIAL TOPIC: CIRCULARITY AND WASTE MANAGEMENT

In every flavor experience we share, we reaffirm our commitment to making every resource count, fostering the well-being of the planet and our communities. We strive daily to optimize the use of natural resources and improve waste management, reducing our environmental impact and collaborating in building a cleaner, more sustainable future.

In line with our **Global Environmental Policy** we take a holistic approach that seeks to create opportunities to innovate and care for our environment. We are committed to reducing, sorting and recovering every piece of waste, effectively managing organic and inorganic waste, as well as food surpluses, through donations and promotions.



Driving efficiency: Our main initiatives

In line with our commitment to sustainability, we actively promote circularity in our operations. To achieve this, we focus our efforts on optimizing waste management, reducing food waste, and continuously improving the packaging of our different brands. Throughout the year, we have strengthened and refined our practices to transform previously discarded materials into opportunities for innovation and value.

✓ By 2030, we aim to make 55% of our tableware and packaging reusable, recyclable, or compostable.

OUR PACKAGING

GRI: 301-1, 301-2, 301-3 COP: PRINCIPLE 8
SASB: RESTAURANTS, FB-RN-150A.2, FB-RN-150A.1

For us, it is crucial that every food reaches our customers in an exceptional way, while actively contributing to a positive impact on the planet. Throughout this year, we have continued to prioritize the integration of low-impact materials in our containers and packaging, either through their reusability or their creation from recyclable or compostable materials.

As a result of these efforts, we have successfully converted over 40% of our packaging in all locations where we operate to reusable, recyclable, or compostable materials, demonstrating our commitment to a more sustainable future.



Number of containers/packaging (tons)

	Europe	Mexico	South America
Total containers/packaging	23,289.1	20,209.1	3,922.1
Plastic packaging	292.2	1,724.0	466.1
Wood/paper packaging	22,996.9	15,390.5	3,456.0

Recyclable materials (%)

	Europe	Mexico	South America
Containers made from recycled or renewable materials	48	82	25
Containers that are recyclable, reusable or compostable	95	95	99

We currently use bioplastic, cardboard, and paper, among other materials coming mostly from renewable sources, in the production of our packaging. However, our global commitment to circularity extends beyond packaging. We strive to increase the use of renewable materials in our service utensils and advertising materials, aiming to minimize the impact of raw material extraction.

Materials from renewable sources (kg)

	Europe	Mexico	South America
Bioplastics	0.0	963,026.6	132,976.0
Cardboard	357,144.5	13,205,511.0	1,860,153.0
Paper	216,606.8	3,141,659.2	1,600,978.0
Other	1,067.4	314,790.0	0.00

Materials from non-renewable sources (kg)

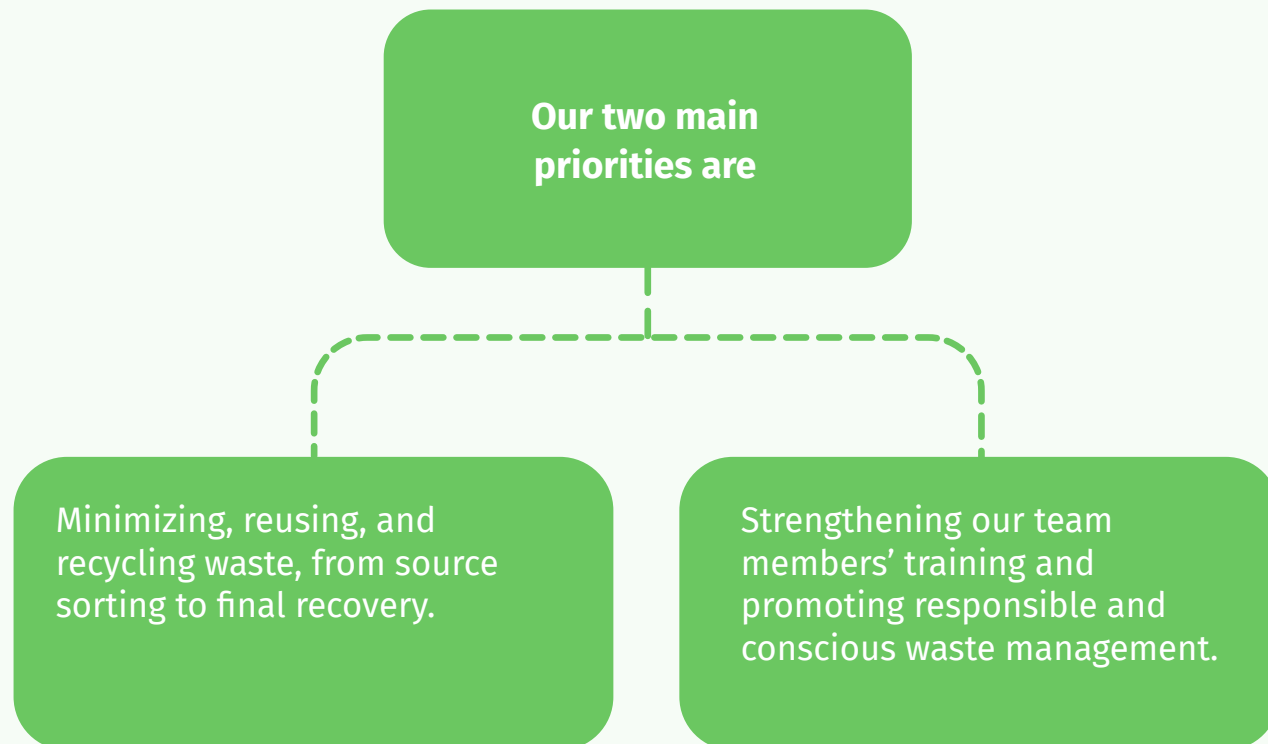
	Europe	Mexico	South America
Metal	0.0	17,920.0	0.0
Plastic	292,214.1	2,584,148.9	231,000.0



WASTE MANAGEMENT

GRI: 306-1, 306-3, 306-4, 306-5

We recognize that circularity extends beyond material management, making it crucial to continuously improve our food waste and residue management. Throughout this year, we have been dedicated to implementing a comprehensive and responsible system in our operations centers, aiming to make a positive impact on our environment.



Waste recovery (tons)

	Europe	Mexico	South America
Total waste recycled/reused	279.9	5,821.5	69.9

Relevant waste by destination (kg)

	Europe		Mexico		South America	
	Disposal	Alternate processes	Disposal	Alternate processes	Disposal	Alternate processes
Oil	0.0	587,994.0	547.0	676,757.0	1,890.0	438,410.0
Cardboard	0.0	0.0	0.0	741,217.0	0.0	26,887.0
Metal	0.0	0.0	0.0	39,274.0	0.0	181.0
Work	0.0	0.0	12,760,557.4	0.0	0.0	0.0
Paper	13,680.0	0.0	0.0	0.0	280,680.0	15,739.0
Plastic	2,880.0	0.0	0.0	292,047.0	193,080.0	466.0

As part of our firm commitment to reducing waste and promoting sustainable practices, since 2021 we have implemented our “Todo y todos por el planeta” program in our Starbucks coffee shops. We encourage our entire customer community to actively

participate by bringing their own cup or thermos when placing orders. This initiative not only reduces the use of disposable products, but also recognizes and rewards individual participation with a discount as an incentive.



Europe

Driven by our commitment to sustainability, we managed over 1,455.26 tons of waste, including packaging, hazardous waste, cardboard and clean plastic.



Mexico

We increased production at our Alsea Operations Center (COA in Spanish) by over 10%, while the increase in waste generation remained below 10%.

We have launched waste management training programs for our team members across all our brands and we are implementing measurement and control systems that optimize our management.

In all our regions, we promote responsible management of used oil, recovering 100% of it to transform it into biodiesel and other products. We also add value to the surpluses of our logistics centers through donation and recycling initiatives. These actions significantly contribute to reducing our Scope 3 emissions.



South America

In Argentina, Chile, Colombia, and Uruguay, we manage various waste categories, including solid recyclables, organic waste, used vegetable oil, and electrical and electronic equipment.

At Burger King Argentina, we promoted circularity and responsible use of resources, transforming materials into opportunities that have a social impact. We transformed billboards and banners into pencil cases for children through a cooperative, and donated fire extinguishers to firefighters. We also handed over electronic equipment to people deprived of their liberty for refurbishing, with the goal of subsequently donating it to children.



We have successfully recovered 100% of the used oil in our operations in Mexico, South America, and Europe.



Used oil sent for recycling (liters)

	Europe	Mexico	South America
Recycled used oil	587,994.0	676,757.0	438,410.0

Food waste generation (tons)

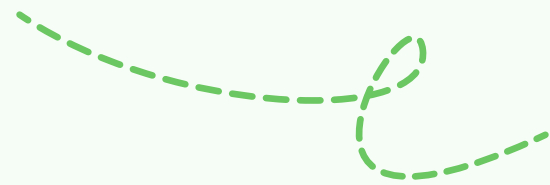
	Europe	Mexico	South America
Total food lost and wasted	57.3	352.0	142.0
Lost and wasted food redirected to alternative uses	3.1	149.0	19.0

Climate change

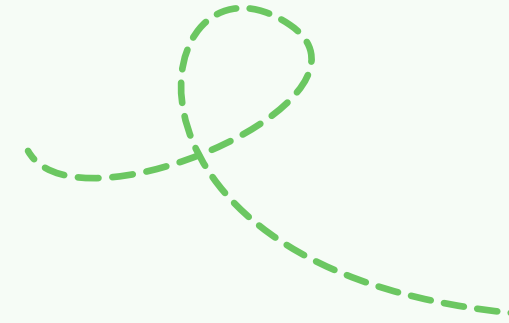
GRI: 3-3 MATERIAL TOPIC: CLIMATE CHANGE

We recognize that climate change is a global challenge that impacts all industries, particularly the restaurant sector, where ingredient availability, energy consumption, and waste management make us particularly vulnerable. In response, we conducted a climate feasibility study for our Mexico region in 2023, based on the TCFD (Task Force on Climate-Related Financial Disclosures) framework, to identify risks and opportunities for our business.

Based on this analysis, we have developed a comprehensive mitigation and adaptation strategy that enables us to effectively manage both physical and transition risks, as well as seize emerging opportunities. To achieve this, we prioritize optimizing energy management and integrating renewable energies, implementing innovative technologies and practices that reduce our carbon footprint and contribute to a low-emission economy.



Facing the climate challenge: Our main initiatives



To effectively manage the risks associated with climate change, at Alsea we have identified three key areas that enable us to address these challenges holistically:

- The strategy to face climate change.
- The way we manage our emissions.
- Energy management in our operations.

While these topics are interconnected, each one requires specific attention to make informed decisions that align with our long-term goals.

CLIMATE CHANGE STRATEGY

COP: PRINCIPLE 7

At Alsea, we take a proactive approach to our climate strategy, aiming not only to reduce our carbon footprint but also to turn the challenges of climate change into opportunities for building a resilient and sustainable future. We have a comprehensive management system that enables us to make informed decisions and take proactive measures. Within this framework, we set goals, assess our progress, and foster continuous innovation to mitigate risks and seize opportunities in the transition to a low-carbon economy.

The climate risk assessment conducted in 2023 for Mexico revealed an extreme risk of water scarcity and a high risk associated with the impact of hurricanes

on our operations. In this context, we have strengthened our Action Plan, focusing on reducing emissions, optimizing energy and water consumption, and promoting the use of clean energy.

In line with our environmental commitment, we once again completed the CDP (Carbon Disclosure Project) Climate Change questionnaire. This practice enables us to review our past performance and align our results with the findings of our risk analysis, thereby enhancing our ability to anticipate future challenges and manage our operations with greater precision.

EMISSION MANAGEMENT

GRI: 305-1, 305-2, 305-5, 305-6

As part of the restaurant industry, we recognize that our operations generate greenhouse gas (GHG) emissions throughout the entire value chain. However, our commitment to reducing them is even greater. In 2024, we have taken our emissions management strategy to the next level. Our system provides a detailed analysis of our CO₂ emissions and other key environmental indicators, enabling us to pinpoint areas for improvement and transparently measure our progress.

Our goal is clear: **to reduce the intensity of direct GHG emissions (Scope 1 and 2) by 35% by 2030**. To achieve this, we are implementing a comprehensive roadmap that involves raising awareness throughout our organization, designing and implementing effective emission reduction strategies, strengthening our reporting process, and expanding the scope of our measurements.



We aim to significantly reduce our direct GHG emissions (Scope 1 and 2) by 35% by 2030, 55% by 2035, and 75% by 2040.

Emissions (tons CO₂e)

	Europe	Mexico	South America
Scope 1	16,360.3	104,398.0	27,249.7
Scope 2	16,325.7	126,243.3	2,898.0



ENERGY MANAGEMENT

GRI: 3-3 MATERIAL TOPIC: ENERGY CONSUMPTION, 302-1, 302-4, 302-5
SASB: FB-RN-130A.1 SASB: RESTAURANTS COP: PRINCIPLE 9

Our energy management extends to all our operations: we monitor consumption in real time at the Alsea Operations Center (COA in Spanish) in Mexico, optimize distribution routes in South America, and efficiently design our stores globally. This comprehensive approach provides us with a holistic view of our impacts, enabling us to achieve significant reductions in energy consumption.

To further reduce our Scope 2 emissions, we have continued to promote renewable energy purchases and adapt our stores for clean energy generation throughout 2024. Thanks to these efforts, Iberia reached 75% of renewable energy by the end of 2024, and we have successfully achieved 28% renewable energy in Mexico, and 100% energy consumption certification with International Renewable Energy Certificates (IRECs) in South America, specifically in Argentina and Chile.

✓ 100% of our operations in Argentina and Chile have been certified for using renewable energy in 2024.

Electricity consumption (MWh)

	Europe	Mexico	South America
Total energy consumed	245,109	284,332	91,049
Non-renewable energy	153,154	205,634	12,567
Renewable energy	91,955	78,698	78,482

Throughout 2024, we have made significant strides in utilizing green energy in our European operations. The Iberia region experienced a significant surge in renewable energy consumption, rising from 50% to 75% in the final quarter, ultimately achieving a remarkable 100% renewable energy milestone by the end of 2024. Similarly, France and Benelux achieved 100% renewable energy consumption by the end of 2024.

Energy consumption in fixed facilities

	Europe	Mexico	South America
Natural gas (m ³)	4,454,239.8	7,685,747.0	5,498,954.0
Diesel (liters)	0.0	67,277.0	9,382.0
Electricity (kWh)	152,961,120.1	284,331,858.0	80,085,364.0

As part of our commitment to reducing emissions and adopting innovative technologies, we have installed more solar panels in our stores. Our goal is to continue expanding our capacity to increase the percentage of renewable energy we use, providing our customers with exceptional experiences.

Incorporation of solar energy into our operations in numbers

SOUTH AMERICA

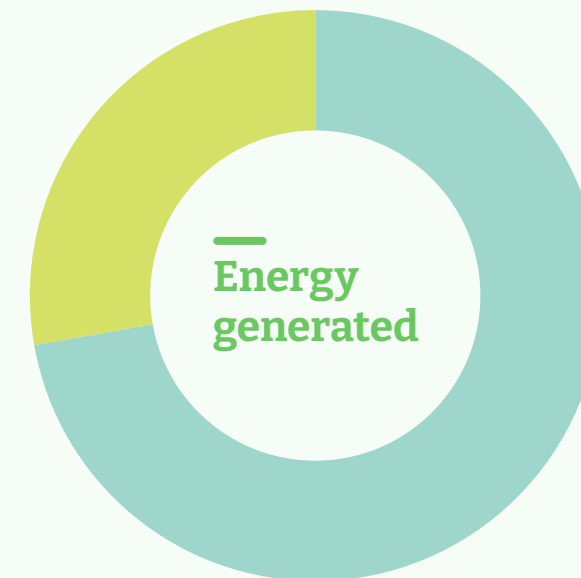
We added
181
solar panels,
bringing our total
to **513** panels installed.

These have generated
280,068 kWh
avoiding over **32 tons of CO₂e**

EUROPE

We added
1,396
solar panels,
bringing our total
to **2,443** panels installed.

These have generated
1,034,321 kWh
avoiding over **800 tons of CO₂e**



Our vision for efficiency and innovation extends beyond our stores. We have continued to promote sustainable mobility. Since 2022, we have been committed to upgrading our delivery motorcycles. This year, we have made significant progress in Europe and Mexico, transitioning to zero-emission alternatives. We replaced combustion motorcycles with electric ones, as well as conventional and electric bicycles, solidifying our commitment to cleaner and more accessible transportation.



✓ We have replaced 125 combustion motorcycles in Mexico throughout 2024.

We are currently innovating in the transportation of our supplies, especially in the Domino's chain. We have implemented a program that adjusts the size of the dough trays, optimizing space utilization and increasing our logistics loading capacity. This will enable us to distribute more dough per run, decreasing our fuel consumption and, thus, reducing our emissions.



EUROPE

We expanded the BSF (Sandwich Factory) by incorporating more efficient equipment and modernizing the old facilities with technology that offers the same performance.

We also updated 24 ovens, replacing them with more efficient and lower-emission models.



MEXICO

At our Alsea Operations Center (COA), we have implemented a real-time monitoring system for energy and gas consumption. Thanks to this initiative, we have successfully reduced our energy consumption by 14.2% and gas consumption by 8.5% compared to the previous year.



SOUTH AMERICA

We reinforced the integration of rail transport in our Chilean logistics chain to reduce transport-associated emissions in our stores located in this region.

Water

GRI: 3-3 MATERIAL TOPIC: RESPONSIBLE WATER MANAGEMENT

We recognize that water is a vital resource for both our business and the planet. Therefore, we continuously work on improving the infrastructure of our stores and Asea Operation Center to optimize and reduce our water consumption. We have also implemented advanced monitoring and control systems to efficiently manage water usage, promoting its reuse.

Preserving water: Our main initiatives

Our water management guidelines are rooted in the principles of our Global Environmental Policy, aiming to promote the efficient use of water and other natural resources, and to ensure strict compliance with local legislation in every country we operate in. Furthermore, we are committed to setting goals to reduce water consumption at a corporate level and operate efficiently by incorporating advanced wastewater treatment technologies.



WATER MANAGEMENT

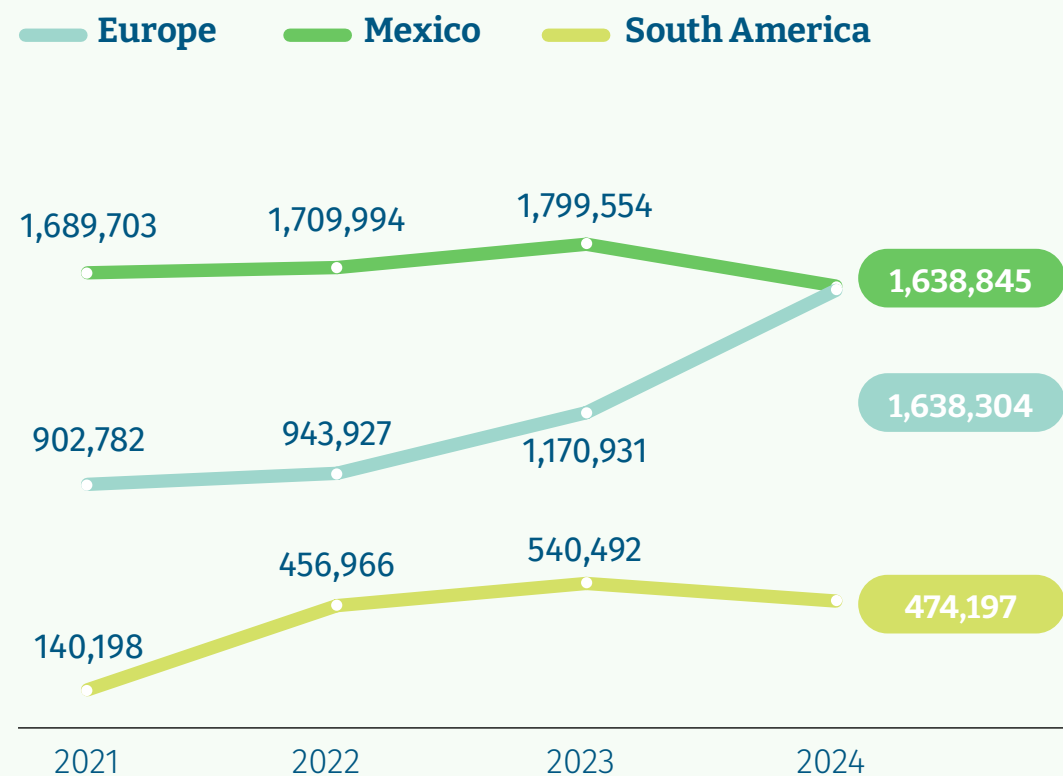
GRI: 303-5 SASB: FB-RN-140A.1; SASB: RESTAURANTS

We continue to optimize water management in our operations. We have implemented low-consumption technologies, including efficient faucets and toilets, as well as smart irrigation systems. We also educate our team members on responsible water use and promote its reuse in activities such as cleaning. These actions aim to minimize Alsea's water footprint and safeguard this vital resource.



We continue to expand our initiatives to improve water availability and promote efficient water use. This year, thanks to the efficiency measures implemented in our branches, we have successfully reduced water consumption in Mexico and South America. However, we recognize an increase in water consumption in Europe due to the number of new openings. We continue to work to ensure that all of our new branches incorporate a vision of efficiency in water use.

Water consumption (m³)



EUROPE

We installed 6,500 water-saving atomizers, along with dual flush toilets for greater savings.



MEXICO

We aim to replicate the successful initiatives implemented in 2024 for water management in South America. In this context, we will implement a comprehensive system that optimizes leak detection and helps reduce consumption in our operations.



SOUTH AMERICA

In Chile, we have launched an innovative pilot program that has proven to be a resounding success. By implementing high-precision devices in our stores to optimize water consumption measurement, we have eliminated errors associated with dead volume and improved reading accuracy by 20-30%.

Sustainable stores

Sustainability in stores

GRI: 304-1 COP: PRINCIPLE 8

At Alsea, we strive to create unforgettable memories for our customers, starting with the construction of our stores across all our brands. To this end, as of 2023, we have incorporated new design and construction guidelines to deliver sustainable spaces that our customers can truly enjoy.

Sustainable store design and construction guidelines



Location in areas with pedestrian access



Respect for the site's biodiversity



Hiring local suppliers



Promoting sustainable approaches



Appropriate design for customers with mobility limitations, among other needs



Use of sustainable construction and decoration materials



Low water consumption and high energy efficiency systems

We have reaffirmed our commitment to these guidelines, implementing significant changes in both new openings and established stores. This year we have prioritized building and remodeling our stores under these sustainable design and construction guidelines across all the regions where we operate. We ensure that these guidelines are applied progressively and consistently, tailoring them to the unique needs of each project.

✓ 100% of the new stores built in 2024 followed Alsea's Sustainable Construction guidelines in South America.



Greener stores – Starbucks

The Greener Stores initiative is a certification program for Starbucks stores based on guidelines developed in collaboration with the World Wildlife Fund (WWF) and SCS Global Services. This program aims to reduce the environmental impact of our operations and sets out 25 mandatory standards across eight impact areas, including energy efficiency, water management, and proper waste management.

Impact areas of a Greener Store

Commitment

We foster a culture of sustainability through everyday actions and community service.

Waste diversion

We reduce product and packaging waste and donate unsold food to local food banks.

Renewable energy

We support the growth of green energy on the grid and seek its supply for stores and surrounding communities.

Energy efficiency

We take advantage of energy efficiency technologies to reduce our consumption.

Site criteria

We select locations that offer the best support, combining sustainable design and operations.

Water management

We treat, conserve, and reduce water use.

Health and wellness

We implement practices designed to create a healthy environment for our associates and customers.

Responsible Materials

We use responsible and sustainable sources for store materials and products.

At first glance, many Greener Stores may appear similar to other Starbucks stores, but their design incorporates distinctive details that set them apart. Equipped with low-consumption dishwashers, water-saving faucets and clear signage for waste sorting, these stores aim to reduce their environmental impact compared to conventional stores.

✓ Throughout 2024, we successfully certified 142 stores across all our operational areas.



Stores certified as Greener Stores

	Stores certified in 2024	Total certified stores
Europe	19	24
Mexico	80	120
South America	43	88

Throughout 2024, Alsea in Europe incorporated high-quality domestic building materials, such as ceramic and mosaic tiles. We opted for the Hobart ECO dishwasher and installed A or B energy-rated electric water heaters. We also equipped our air-conditioning systems with high-efficiency equipment, selected for their high SEER (Seasonal Energy Efficiency Ratio, which measures cooling performance) and SCOP (Seasonal Coefficient of Performance, which measures heating performance) coefficients.



Greener Store of the Year

Starbucks' Greener Store of the Year program recognizes those stores that stand out for their innovation and positive impact on the environment. This program evaluates stores across six regions: Asia Pacific, Europe, Middle East and Africa (EMEA), Latin America and the Caribbean, North America, and Tsushima (Japan). This year, we celebrated the opening of our 100th certified Greener Store in Mexico, and **our store in Ahau Tulum was recognized as the Greener Store of the Year.**

The success of this achievement is rooted in a comprehensive planning approach that prioritizes environmental sustainability through key actions, including:

- **Architectural innovation:** We embraced a vernacular architecture that incorporates local and sustainable materials, such as limestone and chukum (a biodegradable resin), to naturally regulate temperature and reduce environmental impact. These innovative designs enable us to maximize energy efficiency and minimize our ecological footprint in this project.
- **Environmental initiatives:** We are taking steps to reinforce our environmental commitment, such as sourcing local materials (furniture made in Mexico, ceramic tiles with non-toxic mineral glazes) to reduce transport-related emissions, using sustainable bamboo for ceiling accessories, and replacing concrete slabs with wood. These measures significantly contribute to reducing CO₂ emissions.



- **Living in harmony with our environment:** We safeguard and cherish our natural surroundings by integrating existing trees into our designs, fostering biodiversity by incorporating endemic plants that enrich habitats for pollinators (such as the Melipona bee), and optimizing logistics to reduce waste.

Together, these actions underscore our unwavering commitment to minimizing our ecological footprint and fostering a harmonious relationship with the environment. We are proud to have earned this recognition, which drives us to continue investing in this type of store and achieve even greater performance in our upcoming openings.





Where we are headed in terms of sustainable balance

At Alsea, we believe that sustainability is both a responsibility and an opportunity to drive long-term growth and value creation. We will continue to innovate across all areas, embracing cutting-edge technologies to optimize water and energy consumption, expanding programs to reduce food waste, promoting sustainable packaging, and strengthening a responsible supply chain. We also work closely with suppliers, team members and communities to ensure that our efforts have a positive and lasting impact, driven by the belief that cooperation is key to building a sustainable, inclusive and equitable future.

At Alsea, we recognize that sustainability is a continuous journey of improvement and innovation. We are committed to tracking our progress towards the goals set for our two priority lines in the Balance axis, and to objectively measure our progress, we will establish the necessary baselines for this goal throughout 2025.

Going forward, we will focus on promoting initiatives that enable us to reduce our emissions and continue innovating, so our packaging has a lower negative impact on the environment. We will strive for transparent communication and make the necessary adjustments to achieve our goals.



Sustainability indicators and indexes



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Annual Report of the Corporate Practices Committee

TO THE BOARD OF DIRECTORS OF ALSEA, S.A.B. DE C.V.:

Mexico City, February 28, 2024.

In compliance with the Stock Market Law, Articles 42 and 43, and on behalf of the Corporate Practices Committee, I present my report on the principal activities we carried out during the year ending December 31, 2023. In developing our work, we considered the recommendations in the Code of Corporate Governance Principles and Best Practices of the Business Coordinating Board (CCE in Spanish).

To analyze the Corporation's relevant results, the Committee held meetings to ensure adequate follow-up of the resolutions adopted in the course of its duties, inviting the Corporation's officers as deemed appropriate.

To fulfill the responsibilities of this Committee, we carried out the following activities:

1. During this period, we did not receive any request for a waiver under the Stock Market Law, Article 28, Section III, Paragraph f), so making any recommendation in this regard was unnecessary.
2. The quarterly and cumulative results of the 2023 Bursatility Plan were presented.
3. We were presented with the Shareholder Cost restatement applicable at the end of each quarter of 2023, using the methodology authorized by the Board of Directors.
4. We received a quarterly summary of the risk management operations carried out during the year through exchange rate forwards (peso-dollar). These transactions have been carried out in accordance with the authorized terms, i.e., in compliance with the objective of hedging the foreign exchange risk of the transaction based on the authorized budget.
5. We reviewed with Management the bank financing strategy, the corresponding long-term credit coverage, and compliance with the Covenants.
6. We were presented with draft 2023 Budget, to which we requested several modifications to be presented to the Board.
7. During the period covered by this report, the Audit Committee analyzed the transactions carried out by the issuer with related parties and their characteristics. In its report, the committee made the appropriate statement without highlighting any significant transactions.

8. We were presented with and approved the share repurchase fund strategy.
9. The ESG (Environmental, Social, and Governance) criteria plan for 2023 was presented.
10. We supervised the compensation plan for the relevant executives referred to in Stock Market Law, Article 28, Section III, Paragraph d), which we recommended be submitted to the Board for approval.
11. We were informed of the main executives' Succession and Talent Development Plans.
12. We were presented with the results of the 2023 Performance Evaluation of relevant executives, with which this committee verified the mechanism implemented by the Corporation to identify the performance of such executives, and we have no observations in this regard.
13. The Corporate Human Resources Department presented the 2023 Compensation strategy for executive levels. This Committee recommended that the Board of Directors approve this strategy.
14. The General Directorate informed us about the corporation's organizational structure adjustments.
15. At each meeting of the Board of Directors, a report on the activities of the Corporate Practices Committee was presented for consideration, recommending its ratification and/or approval, if applicable.

Finally, I would like to mention that in the activities we have carried out, including the preparation of this report, we have always listened to and considered the point of view of the relevant executives without highlighting a difference of opinion.

LEON KRAIG ESKENAZI

Corporate Practices Committee
Chairman

Annual Report of the Audit Committee

TO THE BOARD OF DIRECTORS OF ALSEA, S.A.B. DE C.V.:

Mexico City, February 28, 2025.

In compliance with Articles 42 and 43 of the Securities Market Law and the Audit Committee Regulations, I hereby inform you of the activities we carried out during the year ended December 31, 2024. In the development of our work, we have considered the recommendations set forth in the Code of Best Corporate Governance Practices and, according to a work program prepared based on the Committee's Regulations, we met at least once every quarter to perform the activities described below:

I. RISK ASSESSMENT

The company's processes were identified and evaluated to assess and manage the primary risks in an integrated and global manner across all operating locations. Work plans were also developed to address these risks and minimize their potential impact. A Risk Committee was established and is now operational, overseeing the quarterly assessment of critical and high risks to ensure proper management by the responsible parties within the organization. Additionally, the organization's preparedness to respond to and recover from incidents arising from the materialization of these risks has been evaluated.

II. INTERNAL CONTROL

We ensure that Management, in compliance with its internal control responsibilities, has established the appropriate processes and policies. In addition, we followed up on the comments and observations made by the External and Internal Auditors in the course of their work.

III. EXTERNAL AUDIT

We recommended to the Board of Directors the engagement of the Group's and subsidiaries' external auditors for fiscal year 2024. In doing so, we ensured their independence and compliance with the legal requirements. We thoroughly analyzed the auditors, their approach, and work program. We maintained consistent and direct communication with them to monitor the progress of their work, address any observations they may have had, and take note of their comments regarding the review of the annual financial statements. We were promptly informed of their conclusions and reports on the annual financial statements, including the communication referenced in Article 35 of the General Provisions applicable to entities and issuers supervised by the National Banking and Securities

Commission, which engage external audit services for basic financial statements ("Circular Única de Auditores Externos"). Additionally, we followed up on the implementation of the observations and recommendations provided during the course of their work. We reviewed the reports issued by the External Auditors as outlined in the Circular Única de Auditores Externos (Sole Circular of External Auditors). We approved the fees paid to the external auditors for audit services and any additional or complementary services permitted, ensuring that these did not compromise their independence from the company. Taking Management's views into account, we conducted the evaluation of their services for the previous year and initiated the evaluation process for fiscal year 2024.

IV. INTERNAL AUDIT

To maintain its independence and objectivity, the Internal Audit function reports functionally to the Audit Committee.

In due course, we review and approve its annual activity program. In preparing this program, Internal Audit identifies and validates the critical risks of the organization, as outlined in the Risk Matrix approved by the Risk Committee (the body referenced in point I above). This ensures proper prioritization in the annual work plan, assessment of associated controls, and follow-up on action plans to mitigate and manage these risks effectively. The process involves risk identification, impact analysis on processes, evaluation of associated controls in the organization's operations, and support in developing action plans for their effective alleviation.

We receive quarterly reports on the progress of the approved work program, any deviations it may have encountered, and the underlying causes.

We followed up on the observations and suggestions provided by Internal Audit and ensured their timely implementation.

We received and analyzed the annual report on transactions with related parties to confirm that they were conducted in accordance with established policies and at market values. To this end, we sought expert opinions, and the necessary valuations were carried out.

V. FINANCIAL INFORMATION, ACCOUNTING POLICIES AND REPORTS TO THIRD PARTIES

We reviewed the process for preparing the Company's quarterly and annual financial statements with the responsible parties and recommended that the Board of Directors approve and authorize their publication. As part of this process, we considered the opinion and observations of the external auditors and ensured that the criteria, accounting policies, and information practices used by Management in preparing the financial statements were appropriate, sufficient, and consistently applied with those of the previous year. As a result, the information presented by Management accurately reflects the financial position, results of operations, cash flows, and changes in financial position of the Company for the year ended December 31, 2024.

We also reviewed the quarterly reports prepared by Management for submission to shareholders and the general public, verifying that they were prepared in accordance with International Financial Reporting Standards (IFRS) and using the same accounting principles applied in the preparation of the annual financial statements. We confirmed that there is a comprehensive process in place that provides reasonable assurance regarding the accuracy of the content. In conclusion, we recommended that the Board authorize their publication.

We received communication from the auditors regarding the key audit matters that, in their professional judgment, were most significant in this year's audit. On these matters, we observed no material adjustments or deviations that could have an impact on the financial information issued.

VI. COMPLIANCE WITH REGULATIONS, LEGAL ASPECTS AND CONTINGENCIES

We confirmed the existence and reliability of the controls established by the company to ensure compliance with the various legal provisions to which it is subject, ensuring they were properly disclosed in the financial information.

We periodically reviewed the company's various tax, legal, and labor contingencies; we monitored the effectiveness of the procedures established for their identification, follow-up, adequate disclosure, and recording. The following tax issues were particularly notable, some of which were initiated and reported as early as 2016. During this fiscal year, we ensured timely follow-up on these matters:

a) In March 2016, the Mexican Tax Administration Service (SAT) initiated personal visits to Grupo Amigos de San Ángel, S.A. de C.V. (GASA) and Italcafe S.A. de C.V. (Italcafe) for the fiscal years 2010 and 2011, respectively. In November, the last partial reports were issued, containing observations derived from deposits not identified according to the Authorities' criteria. In December 2017, additional information was submitted to clarify and refute these observations. Furthermore, a

request for a Conclusive Agreement was filed with the Procuraduría de Defensa del Contribuyente (PRODECON). The matter was resolved in PRODECON in January 2019 without reaching a consensus with SAT. Consequently, the companies filed legal defenses in the courts in August 2019 for GASA and November 2019 for Italcafe. Currently, GASA is awaiting a response from the Collegiate Court on its complaint against the Tax Authority's Resolution, while Italcafe received an unfavorable ruling and filed a direct amparo lawsuit.

- b) In May 2024, SAT issued a tax credit for the 2019 fiscal year against Italcafe. In July 2024, the company filed an appeal for revocation against the determined credit. The resolution issued in January 2025 annulled the tax credit and ordered the tax authority to issue a new resolution based on the evaluation of the provided evidence.
- c) In September 2017, SAT initiated a review process for Operadora Alsea de Restaurantes Mexicanos S.A. de C.V. (OARM) regarding the 2014 fiscal year. This review followed the sequential process initiated by the Public Accountant, who issued a tax opinion for the fiscal year concerning the acquisition of the VIPS business.

During the 2018 fiscal year, various documents requested by the tax authorities were submitted, resulting in an Official Letter of Observations for OARM, which raised objections related to the VIPS acquisition. In October 2018, additional information was provided, along with a request for a conclusive agreement before PRODECON. On July 30, 2019, PRODECON ended the conclusive agreement process due to the lack of consensus with SAT. As a result, SAT issued an official notice in February 2021 for the tax credit liquidation of 99.9 million Mexican pesos. OARM filed a Recourse of Revocation against the liquidation on March 23, 2021.

On June 14, 2023, OARM filed a nullity action before the Federal Court of Administrative Justice against the resolution issued on April 27, 2023, by the Large Taxpayers Litigation "1" panel, which upheld the resolution from the Central Administration for the Tax Audit of Groups of Companies. On October 9, 2024, the Plenary of the Superior Chamber decided to suspend the resolution of this matter until the judgment of the annulment lawsuit filed by ALSEA is issued.

- d) In December 2017, SAT initiated a review process for Alsea, S.A.B. de C.V. (ALSEA), and in December 2018, issued an official notice of observations concerning the acquisition of the VIPS brand. Additional information was submitted to refute the objections, and a request for a conclusive agreement was filed with PRODECON. On July 30, 2019, PRODECON ended the conclusive agreement process due to a lack of consensus with SAT. As a result, SAT issued an official notice in February 2021 for the tax credit liquidation of 3.781 billion pesos. ALSEA filed a Recourse of Revocation against the liquidation on March 23, 2021.

On June 13, 2023, ALSEA filed a nullity action before the Federal Court of Administrative Justice against the resolution issued on April 27, 2023, by the Large Taxpayers Litigation "1" panel, which confirmed the resolution from the Central Administration of Group Audits. The matter is currently before the Superior Chamber of the Federal Court of Administrative Justice and awaits the resolution of the annulment lawsuit.

VII. CODE OF CONDUCT

With the support of Internal Audit, we ensure that our personnel comply with the Company's Code of Business Conduct that there are adequate processes for its updating and dissemination to personnel, as well as the application of the corresponding sanctions in cases of detected violations.

We reviewed the complaints received in the system established by the Company for this purpose, following up on their correct and timely attention.

VIII. IT

The Corporate Management of Technology and Systems presented the group's cybersecurity strategy, highlighting the main risks identified and the measures already being implemented to reduce them. It also reported on progress in key capabilities such as threat protection, incident response and continuous process improvement, all with formal follow-up to ensure concrete results.

IX. MANAGEMENT MATTERS

We hold regular meetings with Management to stay informed about the Company's progress, as well as any significant or unusual activities and events. We also meet with both the external and internal auditors to discuss the development of their work, any limitations they may have encountered, and to facilitate any private communications they may wish to have with the Committee.

When deemed appropriate, we sought the support and opinions of independent experts. Furthermore, we were not aware of any significant instances of non-compliance with operating policies, internal control systems, or accounting policies.

We conduct executive meetings with the exclusive participation of the Committee members, during which agreements and recommendations for Management are established.

The Chairperson of the Audit Committee reports quarterly to the Board of Directors on the activities undertaken.

The work performed was thoroughly documented in the minutes prepared for each meeting, which were reviewed and approved in a timely manner by the Committee members.

Sincerely

C.P. ALFREDO SÁNCHEZ TORRADO

Audit Committee Chairperson

Independent Auditors' Report

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF ALSEA, S.A.B. DE C.V.

México City on February 28, 2025.

Opinion

We have audited the accompanying consolidated financial statements of Alsea, S.A.B. de C.V. and Subsidiaries (the Entity), which comprise the consolidated statements of financial position as of December 31, 2024, 2023 and 2022, and the consolidated statements of income, consolidated statements of other comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as of December 31, 2024, 2023 and 2022, and their consolidated financial performance and their consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Code of Ethics issued by the Mexican Institute of Public Accountants (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The accompanying financial statements have been translated into English for the convenience of readers.

Key Audit Matters

Key audit matters are those which, according to our professional judgment, have the greatest significance for our audit of the consolidated financial statements of the current period. They have been handled within the context of our audit of the consolidated financial statements taken as a whole and the formation of our opinion in this regard. Accordingly, we do not express a separate opinion on these matters. We have decided that the issues described below constitute the key audit matters that must be included in our report.

Impairment of Long-Lived Assets

The Entity has determined that the smallest cash generating units are its stores. It has developed financial and operating performance indicators for each of its stores and performs an annual study to identify indications of impairment. If necessary, it also performs an impairment analysis according to IAS 36, Impairment of Assets ("IAS 36"), in which discounted future cash flows are calculated to ascertain whether the value of assets has become impaired. However, a risk exists whereby the assumptions utilized by management to calculate future cash flows may not be fair based on current conditions and those prevailing in the foreseeable future.

The audit procedures we applied to cover the risk of the impairment of long-lived assets include the following:

Design Testing and Implementation of Internal Control, in which we performed a detailed review of projected income and expenses and, on this basis, discounted future cash flows. We also verified, according to our knowledge of the business and historical audited information, the regularization of any nonrecurring effect, so as to avoid considering these effects in the projections. We evaluated the fairness of the discount rate utilized by management, for which purpose we requested support from our firm's experts. The results derived from the application of our audit tests were reasonable.

As discussed in Note 3o to the consolidated financial statements, the Entity has recorded an amount of \$63,737, \$32,484 and \$140,703 (thousands of Mexican pesos) for impairment as of December 31, 2024, 2023 and 2022, respectively.

Information Other Than the Consolidated Financial Statements and Independent Auditors' Report

The Entity's management is responsible for the other information presented. The other information encompasses: the information included in: numeral i) of the Annual Report; ii) the information that will be included in the Annual Report which the Entity must prepare according to the article 33, section I, numeral b) of Title Fourth, Chapter First of the General Provisions Applicable to Issuers and other Stock Market Participants in Mexico, and the Guidelines accompanying these provisions (the "Provisions"). The Annual Reports are expected to be available to our reading after the date of this audit report; and iii) additional other information, which is not actually required by IFRS, but has been included to provide an additional explanation to the Entity's investors and the main readers of its consolidated financial statements to enable them to evaluate the performance of each operating segment and other indicators associated with the Entity's ability to satisfy its obligations as regards Earnings before Interest, Taxes, Depreciation and Amortization (adjusted "EBITDA"); this information is presented in Note 21.

Our opinion on the consolidated financial statements will not be extended to the other information and we do not express any opinion on this regard.

In relation to our audit of the consolidated financial statements, our responsibility will be to read the other information when it becomes available and, when doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements, the knowledge we obtained during the audit or whether it appears to contain material misstatement. When reading the Annual Report, we will issue a declaration on this regard, as required by Article 33 Section I, paragraph b) numeral 1.2. of the Provisions. In addition, with regards to our audit of the consolidated financial statements, our responsibility is to read and recalculate the other information which, in this case, is not required by IFRS and, when doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements, the knowledge we obtained during our audit or whether it appears to contain material misstatement. If, based on the work performed, we conclude that the other information contains material misstatement, we would have to report this situation in our declaration related to the Annual Report required by the National Banking and Securities Commission, and those charged with governance of the Entity. As of the date of this report, we have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Including disclosed information, and whether the consolidated financial statements represent the relevant transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provided the Entity's corporate governance officers with a declaration to the effect that we have fulfilled applicable ethical requirements regarding our independence and have reported all the relations and other issues that could be reasonably be expected to affect our independence and, when applicable, the respective safeguards.

The issues we have reported to the Entity's governance officers include the matters that we consider to have the greatest significance for the audit of the consolidated financial statements of the current period and which, accordingly, are classified as key audit matters. We have described these matters in this audit report, unless legal or regulatory provisions prevent them from being disclosed or, under extremely infrequent circumstances, we conclude that a given matter should be excluded from our report because we can fairly expect that the resulting adverse consequences will exceed any possible benefits as regards the public interest.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Carlos Alberto Torres Villagómez

Mexico City, Mexico

March 31, 2025

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position

At December 31, 2024, 2023 and 2022
(Figures in thousands of Mexican pesos)

Assets	Notes	2024	2023	2022
Activo circulante				
Cash and cash equivalents	5	\$ 6,467,932	\$ 6,409,798	\$ 6,086,817
Customers, net	6	2,003,816	1,426,215	1,247,211
Value-added tax and other recoverable taxes		294,389	866,979	442,152
Other accounts receivable		609,468	759,422	578,533
Inventories	7	3,156,861	2,750,665	2,895,326
Affiliates and related parties receivable		-	-	14,188
Put option on non-controlling interest		-	180,816	-
Carrot River Holding, S. A. R. L.		-	186,896	-
Advance payments	8	805,342	430,711	870,514
Total current assets		13,337,808	13,011,502	12,134,741
Long-term assets:				
Guarantee deposits		851,456	861,096	670,190
Put option on non-controlling interest		-	-	180,816
Carrot River Holding, S. A. R. L.		-	-	207,810
Investment in shares of associated companies	14	279,796	179,780	156,903
Store equipment, leasehold improvements and property, net	11	19,412,263	15,662,476	15,369,639
Right of use assets	9	15,701,731	17,215,823	20,435,725
Intangible assets, net	12	26,151,346	24,915,068	26,664,038
Deferred income taxes	19	6,588,525	5,587,845	3,102,781
Total long-term assets		68,985,117	64,422,088	66,787,902
Total assets		\$ 82,322,925	\$ 77,433,590	\$ 78,922,643

Liabilities and stockholders' equity	Notes	2024	2023	2022
Current liabilities:				
Current maturities of long-term debt	16	\$ 2,043,001	\$ 388,217	\$ 1,277,638
Current obligation under finance leases	10	3,476,770	3,315,031	4,103,865
Stock certificates	17	1,000,000	1,350,000	-
Suppliers		4,988,563	4,265,968	4,252,803
Factoring of suppliers		1,839,529	1,501,931	1,375,794
Accounts payable to creditors		3,267,194	4,172,708	4,861,118
Accrued expenses and direct employee benefits		8,128,765	7,030,557	5,667,413
Option to sell the non-controlling interest	18	-	1,123,439	-
Total current liabilities		24,743,822	23,147,851	21,538,631
Long-term liabilities:				
Long-term debt, not including current maturities	16	8,766,675	4,828,112	3,762,760
Obligation under finance leases	10	13,809,768	15,101,829	17,720,573
Stock certificates	17	21,246,586	19,553,791	22,748,440
Option to sell the non-controlling interest	18	-	-	1,123,439
Other liabilities		278,090	260,617	897,384
Derivative financial instruments		105,150	1,328,149	691,056
Deferred income taxes	19	3,536,461	3,225,633	826,746
Employee benefits	20	438,681	390,524	318,586
Total long-term liabilities		48,181,411	44,688,655	48,088,984
Total liabilities		72,925,233	67,836,506	69,627,615
Capital contable				
Capital social	22	466,996	466,996	478,749
Prima en emisión de acciones		5,159,561	7,725,728	8,675,410
Resultados acumulados		3,482,322	3,692,763	777,481
Reserva para recompra de acciones		823,130	885,528	272,330
Reserva para compra de participación no controladora	23	-	(808,098)	(808,098)
Otras partidas de la utilidad integral		(653,719)	(3,306,454)	(1,051,855)
Capital contable atribuible a la participación controladora		9,278,290	8,656,463	8,344,017
Participación no controladora	23	119,402	940,621	951,011
Total del capital contable		9,397,692	9,597,084	9,295,028
Total del pasivo y capital contable		\$ 82,322,925	\$ 77,433,590	\$ 78,922,643

See accompanying notes to the consolidated financial statements.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive

For the years ended December 31, 2024, 2023 and 2022
(Figures in thousands of Mexican pesos)

	Note	2024	2023 *	2022 *
Continuing operations				
Net sales	25	\$ 78,985,301	\$ 74,766,287	\$ 67,243,519
Cost of sales	26	23,735,135	22,665,082	20,494,771
Cost of distribution		1,575,326	1,899,689	1,551,410
Depreciation and amortization	9, 11 y 12	8,720,524	7,983,286	7,486,471
Employee benefits		20,479,517	19,199,679	16,762,778
Services		1,907,606	2,390,080	2,958,683
Advertising		2,217,674	2,079,594	1,885,973
Royalties		2,839,741	2,549,648	2,277,418
Repair and maintenance		1,487,319	1,464,038	1,334,771
Supplies		1,556,520	1,320,565	1,295,491
Other operating expenses	27	6,185,671	5,242,396	4,924,144
Operating income		8,280,268	7,972,230	6,271,609
Comprehensive financing result:				
Interest income		(323,561)	(815,110)	(362,643)
Interest expenses		4,592,737	4,729,874	3,913,944
Changes in the fair value of financial instruments		892,691	384,102	225,534
Exchange loss (gain), net		1,697,866	(692,752)	11,152
		6,859,733	3,606,114	3,787,987
Share of other comprehensive income of associates	14	(36,622)	3,404	(223)
Income before income taxes		1,383,913	4,369,520	2,483,399
Income tax (benefit)	19	511,512	1,351,760	854,852
Consolidated net income from continuing operations	28	\$ 872,401	\$ 3,017,760	\$ 1,628,547
Consolidated net income from discontinuing operations		\$ (109,810)	\$ 23,858	\$ 50,721

	Note	2024	2023 *	2022 *
Consolidated net income from discontinued operations, net of taxes		\$ 762,591	\$ 3,041,618	\$ 1,679,268
Net income for the year attributable to:				
Controlling interest		767,576	2,982,351	1,737,928
Non-controlling interest		\$ (4,985)	\$ 59,267	\$ (58,660)
Earnings per share:				
Basic and diluted net earnings per share from continuing operations (cents per share)	24	\$ 0.94	\$ 3.66	\$ 2.07
Consolidated net income		\$ 762,591	\$ 3,041,618	\$ 1,679,268
Items that may be reclassified subsequently to income:				
Valuation of derivative financial instruments, net of income taxes		535,953	(417,629)	74,942
Remeasurement of defined benefit obligation, net of income taxes		(54,105)	1,537	(16,715)
Inflation effect, net of income taxes		1,191,514	322,176	(48,593)
Cumulative translation adjustment, net of income taxes		979,373	(2,227,752)	(747,449)
		2,652,735	(2,321,668)	(737,815)
Total comprehensive income, net of income taxes		\$ 3,415,326	\$ 719,950	\$ 941,453
Comprehensive income (loss) for the year attributable to:				
Controlling interest		\$ 3,420,311	\$ 660,683	\$ 1,000,113
Non-controlling interest		\$ (4,985)	\$ 59,267	\$ (58,660)

See accompanying notes to the consolidated financial statements.

* This data includes some of the data reclassified by the Burger King Spain operation.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2024, 2023 and 2022
(Figures in thousands of Mexican pesos)

	Contributed capital			Retained earnings			Other comprehensive income items				Total controlling interest	Non-controlling interest	Total stockholders' equity
	Capital stock	Premium on issuance of share	Reserve for repurchase of shares	Reserve for obligation under put option of non-controlling interest	Legal reserve	Retained earnings	Inflation effect	Valuation of financial instruments	Cumulative translation adjustment	Remeasurement of defined benefit obligation			
Balances at January 1, 2022	\$ 478,749	\$ 8,676,827	\$ 660,000	\$ (808,098)	\$ 100,736	\$ (721,183)	\$ 1,743,091	\$ (210,744)	\$ (1,785,217)	\$ (61,170)	\$ 8,072,991	\$ 1,034,923	\$ 9,107,914
Repurchase of shares (Note 22a)	-	(1,417)	(727,670)	-	-	-	-	-	-	-	(729,087)	-	(729,087)
Increasing repurchase fund	-	-	340,000	-	-	(340,000)	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-	-	(25,252)	(25,252)
Comprehensive utility	-	-	-	-	-	1,737,928	(48,593)	74,942	(747,449)	(16,715)	1,000,113	(58,660)	941,453
Balances at December 31, 2022	478,749	8,675,410	272,330	(808,098)	100,736	676,745	1,694,498	(135,802)	(2,532,666)	(77,885)	8,344,017	951,011	9,295,028
Repurchase of shares (Note 22a)	(11,753)	(949,682)	613,198	-	-	-	-	-	-	-	(348,237)	-	(348,237)
Other movements	-	-	-	-	-	(67,069)	-	67,069	-	-	-	(69,657)	(69,657)
Comprehensive utility	-	-	-	-	-	2,982,351	322,176	(417,629)	(2,227,752)	1,537	660,683	59,267	719,950
Balances at December 31, 2023	466,996	7,725,728	885,528	(808,098)	100,736	3,592,027	2,016,674	(486,362)	(4,760,418)	(76,348)	8,656,463	940,621	9,597,084
Repurchase of shares (Note 22a)	-	-	(62,398)	-	-	-	-	-	-	-	(62,398)	-	(62,398)
Other movements	-	(2,566,167)	-	808,098	-	(978,017)	-	-	-	-	(2,736,086)	(816,234)	(3,552,320)
Comprehensive utility	-	-	-	-	-	767,576	1,191,514	535,953	979,373	(54,105)	3,420,311	(4,985)	3,415,326
Balances at December 31, 2024	\$ 466,996	\$ 5,159,561	\$ 823,130	\$ -	\$ 100,736	\$ 3,381,586	\$ 3,208,188	\$ 49,591	\$ (3,781,045)	\$ (130,453)	\$ 9,278,290	\$ 119,402	\$ 9,397,692

See accompanying notes to the consolidated financial statements.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024, 2023 and 2022
(Figures in thousands of Mexican pesos)

	Note	2024	2023*	2022*
Cash flows from operating activities:				
Consolidated net income (loss)	\$	872,401	\$ 3,017,760	\$ 1,628,547
Adjustment for:				
Income taxes (benefit)		511,512	1,351,760	854,852
Equity in results of associated companies		(21,161)	(3,404)	223
Interest expense		4,592,737	4,751,228	3,940,429
Interest income		(323,561)	(815,110)	(362,643)
(Gain) loss from decommissioning of store equipment, improvements to leased premises and properties and intangibles		(9,965)	188,804	76,071
Impairment goodwill	12	64,728	32,484	140,703
Employee benefit	20	40,759	60,136	55,731
Changes in the fair value of financial instruments		892,691	384,101	225,534
Depreciation and amortization	9,11 y 12	8,720,524	8,249,071	7,583,840
		15,340,665	17,216,830	14,143,287
Changes in working capital:				
Customers		(577,601)	(395,951)	(348,352)
Other accounts receivable		149,954	(263,732)	(141,028)
Related parties		-	14,187	(14,187)
Inventories		(406,196)	(212,115)	(1,043,572)
Advance payments		(374,631)	54,147	(135,486)
Suppliers		516,907	1,178,595	1,933,190
Factoring of suppliers		337,598	126,137	367,996
Accrued expenses and employee benefits		585,293	(255,982)	2,348,748
Income taxes paid		(1,293,903)	(1,505,837)	(1,735,963)
Other liabilities		17,472	(505,279)	(414,748)
Net cash flows provided by operating activities		14,295,558	15,451,000	14,959,885

	Note	2024	2023	2022
Cash flows from investing activities:				
Proceeds from equipment and property		323,645	309,021	-
Interest collected		323,561	815,110	362,643
Store equipment, leasehold improvements and property	11	(6,474,041)	(5,284,116)	(4,373,122)
Acquisition in investment in shares of associated companies		-	-	(25,259)
Net cash flows used in investing activities		(5,826,835)	(4,159,985)	(4,035,738)
Cash flows from financing activities:				
Bank loans		9,388,354	4,110,862	209,287
Repayments of loans		(5,796,599)	(3,544,505)	(8,216,547)
Issuance of debt instruments	17	-	-	6,854,473
Payments for debt instruments		-	-	(1,000,000)
Interest paid		(3,101,094)	(3,788,033)	(2,991,894)
Dividends		(978,017)	-	-
Cash received non-controlling stake		(3,790,508)	(69,657)	(25,252)
Payments for financial leasing		(5,331,253)	(5,130,210)	(5,320,062)
Sales of shares		62,398	(348,237)	(729,087)
Net cash flows used in financing activities		(9,546,719)	(8,769,780)	(11,219,082)
Net (decrease) increase in cash and cash equivalents		(1,077,996)	2,521,235	(294,935)
Exchange effects on value of cash		1,136,130	(2,198,254)	(511,681)
Cash and cash equivalents:				
At the beginning of the year		6,409,798	6,086,817	6,893,433
At the end of year	\$	6,467,932	\$ 6,409,798	\$ 6,086,817

See accompanying notes to the consolidated financial statements.

*Estos datos incluyen parte de los datos reclasificados por la operación de Burger King España.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024, 2023 and 2022
(Figures in thousands of Mexican pesos)

1. Activity, main operations and significant events

OPERATIONS

Alsea, S.A.B. de C.V. and Subsidiaries (Alsea or the Entity) was incorporated on May 16, 1997 in Mexico. The Entity's domicile is Av. Revolución 1267 Int. 20 and 21, Col. Alpes, Alcaldía Álvaro Obregón, C.P. 01040, Mexico City, Mexico.

The Entity was incorporated for a period of 99 years, beginning on the date in which the deed was signed, which was April 7, 1997.

For disclosure purposes in the notes to the consolidated financial statements, reference made to pesos, "\$" or MXP is for thousands of Mexican pesos, reference made to dollars is for US dollars and reference made to euros is for of the European Union.

Alsea is mainly engaged in operating fast food restaurants "QSR" cafes and casual dining "Casual Dining". The brands operated in Mexico are Domino's Pizza, Starbucks, Burger King, Chili's Grill & Bar, P.F. Chang's, Italianni's, The Cheese Cake Factory, Vips, El Portón, Corazón de Barro, La Casa del Comal and La Finca. In order to operate its multi-units, the Entity has the support of its shared service center, which includes the supply chain through Distribuidora e Importadora Alsea, S.A. de C.V. (DIA), real property and development services, as well as administrative services (financial, human resources and technology). The Entity operates the Burger King, P.F. Chang's, Chili's Grill & Bar and Starbucks brands in Chile. In Argentina, Alsea operates the Burger King, and Starbucks brands. In Colombia, Alsea operates the Domino's Pizza, Starbucks, Archie's and until December 2022 P.F. Chang's brands. In Uruguay, it operates the Starbucks and Domino's Pizza brands. In Spain, Alsea operates the brands Foster's Hollywood, Burger King, Domino's Pizza, VIPS, VIPS Smart, Starbucks, Ginos and Fridays.

SIGNIFICANT EVENTS

a. Redemption of the stock certificate "Alsea 19" - in relation to certificates issued in the amount of 13,500 million pesos, by ALSEA, S.A.B. DE C.V. with slate key "ALSEA 19" On May 16, 2019, with CIBANCO, S.A. as Common Representative, Amortization the production of this issue was carried out on May 9, 2024, as follows:

1. The amount of interest accrued for the 28-day period from April 11, 2024, to May 9, 2024, at the gross annual interest rate of 12.20%, which amounts to 12,810 thousand pesos.

2. Total amortization of the principal amounting to \$1,350,000 thousand pesos, which was settled in a single payment at its nominal value on the due date. .

b. Sale of the Burger King brand in Spain - On August 3, 2024, an agreement has been reached between Burger King Spain, S.L.U. as buyer and Food Service Project, S.A.U. as seller, have signed a contract for the sale of a business in operation under a franchise regime for the brand operated in Spain "Burger King", agreeing on a date of sale November 18, 2024, whose asset sale price was 28.761 euros.

For this operation, the present consolidated annual accounts present in the consolidated profit and loss account and in a single item called "Result of the financial year from the interrupted transactions" the result of the financial year's operation, net of taxes and the result of the sale.

c. Alsea increased its stake in Alsea Europe, incorporating Bain Capital Credit as an investor - in October 2021, the entity, Alia Capital Partners and Bain Capital Credit, agreed to invest in a 21.1% minority stake in Food Service Project, S.A. (Alsea Europe). After the investment, Alsea owns 76.8% (previously 66.2%), Alia Capital Partners and Bain Capital Credit will have an indirect stake of 10.6% and the remaining minorities represent 12.7%. The entity disbursed 55 million euros (equivalent to \$1,205,703 million pesos), in addition, refunds were obtained for the \$92.4 million pesos. As a result of this agreement, the Entity renegotiated the call options (PUT - CALL options) as follows:

- a) Deadline of December 31, 2026.
- b) The entity has a mandatory and optional Call Option starting in the third year.
- c) Semi-annual payment of a 4.6% annual coupon on the principal of 55 million euros payable annually until the date of the "Put Option".
- d) The entity has the possibility of extinguishing the obligation with an exchange of shares or cash.

On February 26, 2024, a stock sale agreement was signed between Alsea SAB of CV (Alsea) and the minority partners of Food Service Project, S.A. (FSP's) subsidiary of Alsea and operator of various brands in Europe.

Under this agreement, Alsea acquires 23.23% of FSP's minority equity stake under the following terms:

Acquisition of minority holdings.	Acquired stake	thousands of euros	Miles de pesos (MXN)
Britania Investments S.A.R.L. (1)	10.53%	99,243	\$ 2,163,014
Familia Arango (2)	5.13%	50,000	1,076,154
ProA Capital Iberian Buyout Fund II, F.C.R (1)	2.57%	25,000	538,077
Carrot River Holding, S.A.R.L. (3)	5.00%	70,000	1,506,615
Total	23.23	244,243	5,256,859

(1) Payable in cash on the date of the transaction.

(2) Payable on December 31, 2024 with interest at 2.5% annual interest.

(3) To be paid \$30 million Euros on the date of the transaction and \$40 million Euros on February 28, 2025, with interest at 2.5% annual interest.

To settle the transaction, a syndicated loan was contracted between BBVA Bancomer and Santander for \$3,317 million pesos with a three-year maturity, a 28-day TIIE interest rate with a spread of 140 bps, and a one-year grace period for principal repayment.

This agreement replaced the original agreements, which included a purchase option with a maximum execution date of December 31, 2025, for Britania Investments, ProA Capital, and Carrot River, and December 31, 2026, for the Arango Family.

At the end of financial year 2023, the assets and liabilities shown in the financial statement as a long-term non-controlling resale option, as well as the guaranteed deposit of Carrot River Holding, S.A.R.L., they will be canceled and the effects of the acquisition along with the share premium paid for that capital will be shown within the equity.

During the financial year 2024, the payment of the minority groups of the European entity which was acquired at the beginning of the previous year was executed, leaving only \$40 million euros outstanding which were paid in February 2025 (see Note 32).

d. Effects of Hurricane OTIS - In October 2023, Hurricane Otis affected the Mexican pacific coast, causing damage to 30 stores, which have extensive insurance for catastrophe coverage, for which the replacement coverage of the stores' fixed assets and equipment and payroll insurance for our collaborators did not represent a significant expense for Alsea.

e. Sale of Operation of the El Portón Brand in Mexico - In September 2023, an agreement was reached for the sale of the "El Portón" operations in Mexico. As part of said agreement, there will be a transition period to perfect said transaction and Alsea will stop operating the 15 units of "El Portón" and 2 of "Corazón de Barro" that it had in said country at the end of the first quarter of 2023.

f. Development of the Starbucks brand in Paraguay - In April 2023, Alsea signed a contract with Starbucks to operate and develop Starbucks brand establishments in Paraguay.

g. Alsea announces the successful pricing of senior bonds due 2027 for 300 million euros in international markets, equivalent to \$6,417,394 Mexican pesos - On January 21, 2022, the pricing of senior bonds for \$300 million euros, took place, at an interest rate of 5.5% per year, issued through its subsidiary Food Service Project, S.A. and guaranteed by Alsea (the "2027 Euro Bonds") and with the option of partial or complete settlement as of January 21, 2024 and with a maturity date of January 21, 2027.

h. Alsea announces the execution of the early redemption of the "ALSEA 17" stock certificate - The entity informed the investing public about the execution of the early repayment of the "Alsea 17" issue made on March 16, 2022, as follows:

1. The amount of interest accrued for the 28-day period between February 16, 2022, and March 16, 2022, at the annual gross interest rate of 7.13% amounting to \$5,545 million pesos.
2. The amount of the Early Repayment for an amount of \$1,000,000 million pesos, which was calculated in accordance with what is established in the "Early Repayment" section of the Title of the ALSEA 17.

2. Adoption of new and revised International Financial Reporting Standards

a. New and modified IFRS® Accounting Standards ("IFRS TAD" or "IAS") that are mandatory for the current year.

Changes to IAS 7 State of Statement of cash flows the market and IFRS the company 7 Financial instruments: Information to be disclosed on Supplier Financing Agreements.

The group has adopted amendments to IAS 7 and IFRS the 7 series, entitled Supplier Financing Agreements, for the first time in the current year.

The amendments add a disclosure objective to IAS 7 that states that an entity is obliged to disclose information about its financial agreements with suppliers that allows users of financial statements to assess the effects of such agreements on liabilities and Statement of cash flows liabilities the entity. In addition, IFRS the 7 is modified to add supplier financing agreements as an example within the requirements to disclose information about an entity's exposure to the concentration of liquidity risk.

The amendments contain specific transitional provisions for the first annual reporting Presentation period in which the group applies the modifications. In accordance with the transitional provisions, an entity is not required to disclose:

- Report of the reporting periods submitted prior to the beginning of the reporting year in which the entity applies the first time such modifications. Comparative information

- The information required by IAS 7:44H (b)(ii)–(iii) at the beginning of the annual reporting period in which the entity applies such modifications for the first time.

The note 2a provides the required disclosures related to these amendments.

During the year, the group has applied amendments to IFRS the ISB issued by the International Financial Reporting Standards Council (IASB) that are mandatory for accounting periods beginning on or after January 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these financial statements. .

<i>Amendments to IAS 1 Classification of Liabilities as Current or Non-current</i>	The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.
	The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.
	The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
<i>Amendments to IAS 1 Non-current Liabilities with Covenants</i>	The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.
	The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).
	The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

<i>Amendments to IFRS the 16 Tenancy – Leasing Liability for a subsequent sale and lease</i>	The group has adopted the amendments to IFRS the 16-item price for the first time in this year.
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The amendments to IFRS the 16 series add subsequent valuation requirements for Class of Transactions sale and subsequent lease products that meet the requirements of IFRS the 15 series regular income from customer contracts to be accounted for as a sale. The modifications require the seller-lessee to determine "lease payments" or "revised lease payments" so that the seller-lessee does not recognize a gain or loss related to the right of use retained by the seller-lessee after the start date.

The amendments do not affect the gain or loss recognized by the seller-lessee in connection with the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use that he retains only because of a new measurement of the lease liability (for example, after a lease modification or a change in the lease term) Applying the general requirements of IFRS the 16-post. This could have been particularly the case in a subsequent lease that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, The IASB modified an illustrative example at IFRS the 16 point and added a new example to illustrate the subsequent measurement of a right-to-use and lease liability asset in a subsequent sale and lease transaction with variable lease payments that are not index dependent or fee. Illustrative examples also clarify that the liability arising from a subsequent sale and lease transaction that qualifies as a sale under IFRS the 15-point-of-sale is a lease liability.

A seller-lessee shall retroactively apply the modifications in accordance with IAS 8 to Class of Transactions subsequent selling and leasing arrangements after the initial application date, This is defined as the beginning of the annual reporting period in which the entity first applied IFRS the 16-point-of-business.

New and revised IFRS Accounting Standards in issue but not yet effective.

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and have not yet been adopted by the Group Alsea.

<i>Amendments to IAS 21</i>	Lack of interchangeability
<i>IFRS 18</i>	Both the and the Revelations in the financial statements Presentation
<i>IFRS 19</i>	Subsidiaries without Public Liability: Disclosures

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below. :

Amendments to IAS 21 The effects of changes in exchange rates on lack of interchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- The first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements for:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 Subsidiaries without Public Liability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- Is a subsidiary (this includes an intermediate matrix)
- It does not have public accountability, and
- Its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public responsibility if:

- Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

3. Accounting policies

A. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards released by IASB.

The entity's management has, at the time of approving the financial statements, a reasonable expectation that the Entity has the necessary resources to continue operating in the foreseeable future. Therefore, they continue to adopt the Going Concern accounting basis when preparing the financial statements consolidated.

B. BASIS OF ACCOUNTING

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

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

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

iii. Re-expression of financial statements

As of July 1, 2018, accumulated inflation of the last three years in Argentina exceeded levels of 100%, for which reason the Argentine peso was classified as a currency in a hyperinflationary economic environment. As a result, the financial statements of the subsidiaries in that country, whose functional currency is the Argentine peso, have been re-expressed to adopt the requirements of International Accounting Standard 29, Financial Information in Hyperinflationary Economies, (IAS 29) and have been consolidated in accordance with the requirements of IAS 21, Effects of Variances in the Exchange Rates of the Foreign Currency. The purpose of applying such requirements is to consider the changes in the general purchasing power of the Argentine peso and thus present the financial statements in the current measurement unit at the date of the statement of financial position. Argentina, for purposes of its financial reporting, updated its figures using the country's inflation rate based on official indexes. The financial statements before the re-expression were prepared using the historical costs method.

C. BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS

The consolidated financial statements incorporate the financial statements of Alsea, S.A.B. de C.V. and entities controlled by the Entity. Control is obtained when the Entity:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Entity has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Entity considers all relevant facts and circumstances in assessing whether or not the Entity's voting rights in an investee are sufficient to give it power, including:

- The size of the Entity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Entity, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of income and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Entity and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's accounting policies.

All assets, liabilities, equity, income, expenses and cash flows relating to transactions between related parties have been fully eliminated in consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The results of each component of other comprehensive income are attributed to the company's shareholders and non-controlling interests. The total comprehensive income statement of subsidiaries is attributed to the company's shareholders and non-controlling interests, even though this results in a deficit in the non-controlling interests.

All intercompany balances, transactions and cash flows have been eliminated in consolidation.

Changes in the Entity's ownership interests in existing subsidiaries

Changes in the Entity's ownership interests in subsidiaries that do not result in the Entity losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are

adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Entity.

When the Entity loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Entity had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

D. INFORMATION BY SEGMENT

The operating segments are reported consistently with the internal reports prepared to provide information to the Audit Committee, which is responsible for assisting the Board of Directors, which is why it is considered the body that makes strategic decisions for the allocation of resources and the evaluation of the operating segments on the established platform of Corporate Governance.

E. LIQUIDITY

As disclosed in the consolidated financial statements as of December 31, 2024, 2023 and 2022 their current liabilities exceed their current assets by the following year: \$11,406,014, \$10,136,349 and \$9,403,890 respectively. The main financial items have had significant increases over the previous year: In the case of income, the increase was 5.6 % compared to last year, reaching the level of \$78,985 as of December 31, 2024; Likewise, investments have been made in the capital cost of projects to continue operating growth. During the fiscal year, 275 points of sale were opened and 138 remodeled.

Operating income, excluding depreciation, generates approximately \$17 billion pesos, which, added to the \$7,051 million pesos in short-term assets excluding cash, are used to meet the Entity's short-term liabilities. The accompanying consolidated financial statements do not include adjustments related to the valuation and classification of assets and liabilities, which might be necessary if the Entity were unable to continue operating.

F. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted

from the fair value of financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

G. FINANCIAL ASSETS

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite all of the above, the Entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Entity may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Entity recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the “finance income - interest income” item in the consolidated statement of comprehensive income.

A financial asset is held for trading if:

- It has been obtained with the main objective of being sold in the short term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Entity manages together and has evidence of a recent pattern of obtaining profits in the short term; or
- It is a derivative (except for derivatives that are contractual financial guarantees or a designated and effective hedging instrument).

(ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Entity are classified as at FVTOCI. Fair value. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve.

When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Entity may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not being reclassified to profit or loss on disposal of the equity investments; instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The Entity has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Entity designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL.

In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Entity has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses".

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses';
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses'. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item; and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

The Entity recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guaranteed contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Entity always recognizes lifetime ECL (credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Entity recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Entity compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Entity considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Entity's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Entity's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition.

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Entity presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Entity has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Entity assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Entity considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. For financial guaranteed contracts, the date that the Entity becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purpose of assessing the financial instrument for impairment.

In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Entity considers the changes in the risk that the specified debtor will default on the contract.

The Entity regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Entity considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Entity, in full (without taking into account any collateral held by the Entity).

Irrespective of the above analysis, the Entity considers that default has occurred when a financial asset is more than 90 days past due unless the Entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) Significant financial difficulty of the issuer or the borrower;
- (b) A breach of contract, such as a default or past due event (see (ii) above);
- (c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

(e) The disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Entity writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Entity's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Entity's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Entity in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 16, Leases.

For a financial guarantee contract, as the Entity is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Entity expects to receive from the holder, the debtor or any other party.

If the Entity has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Entity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Entity recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

When derecognized from a financial asset measured at amortized cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss. In addition, when derecognition of an investment in a debt instrument classified as fair value through other comprehensive income, the accumulated gain or loss previously accrued in the investment revaluation reserve is reclassified to profit or loss.

In contrast, in the derecognition of an investment in an equity instrument that the Entity chose at initial recognition to measure at fair value through other comprehensive income, the accumulated gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated earnings (deficit).

H. FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

1. Classification as debt or equity

Debt and / or equity instruments are classified as financial liabilities or as capital in accordance with the substance of the contractual agreement and the definitions of liabilities and capital.

2. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

3. Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

4. Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

I. DERIVATIVE FINANCIAL INSTRUMENTS

Alsea uses derivative financial instruments (DFI) known as forwards or swaps, in order to a) mitigate present and future risks of adverse fluctuations in exchange and interest rates, b) avoid distracting resources from its operations and the expansion plan, and c) have certainty over its future cash flows, which also helps to maintain a cost of debt strategy.

The DFIs used are solely for economic hedging purposes, through which cash flows are exchanged on pre-established future dates, based on the nominal or reference value.

Embedded derivatives: The Entity reviews all signed contracts to identify the existence of embedded derivatives. Identified embedded derivatives are subject to evaluation to determine whether or not they comply with the provisions of the applicable regulations; if so, they are separated from the host contract and are valued at fair value. If an embedded derivative is classified as trading instruments, changes in their fair value are recognized in income for the period.

Changes in the fair value of embedded derivatives designated for hedging recognize in based on the type of hedging: (1) when they relate to fair value hedges, fluctuations in the embedded derivative and in the hedged item they are valued at fair value and are recorded in income; (2) when they relate to cash flows hedges, the effective portion of the embedded derivative is temporarily recorded under other comprehensive income, and it is recycled to income when the hedged item affects results. The ineffective portion is immediately recorded in income.

Strategy for contracting DFI's: Every month, the Corporate Finance Director's office must define the price levels at which the Corporate Treasury must operate the different hedging instruments. Under no circumstances should amounts above the monthly resource requirements be operated, thus ensuring that operations are always carried out for hedging and not for speculation purposes. Given the variety of derivative instruments available to hedge risks, Management is empowered to define the operations for which such instruments are to be contracted, provided they are held for hedging and not for speculative purposes.

Processes and authorization levels: The Deputy Director of Corporate Treasury must quantify and report to the Director of Administration and Finance the monthly requirements of operating resources. The Director of Administration and Finance may operate at his discretion up to 50% of the needs for the resources being hedged, and the Administration and Financial Management may cover up to 75% of the exposure risk. Under no circumstances may amounts above the limits authorized by the Entity's General Management be operated, in order to ensure that operations are always for hedging and not for speculation purposes. The foregoing is applicable to interest rates with respect to the amount of debt contracted at variable rates and the exchange rate with respect to currency requirements. If it becomes necessary to sell positions for the purpose of making a profit and/or incurring a "stop loss", the Administration and Finance Director must first authorize the operation.

Internal control processes: With the assistance of the Deputy Director of Corporate Treasury, the Director of Administration and Finance must issue a report the following working day, specifying the Entity's resource requirements for the period and the percentage covered by the Administration and Financial Manager. Every month, the Corporate Treasury Manager will provide the Accounting department with the necessary documentation to properly record such operations.

The Administration and Finance Director will submit to the Corporate Practices Committee a quarterly report on the balance of positions taken.

The actions to be taken in the event that the identified risks associated with exchange rate and interest rate fluctuations materialize, are to be carried out by the Internal Risk Management and Investment Committee, of which the Alsea General Director and the main Entity's directors form part.

Main terms and conditions of the agreements: Operations with DFI's are carried out under a master agreement on an ISDA (International Swap Dealers Association) form, which must be standardized and duly formalized by the legal representatives of the Entity and the financial institutions.

Margins, collateral and credit line policies: In certain cases, the Entity and the financial institutions have signed an agreement enclosed to the ISDA master agreement, which stipulates conditions that require them to offer guarantees for margin calls in the event that the mark-to-market value exceeds certain established credit limits.

The Entity has the policy of monitoring the volume of operations contracted with each institution, in order to avoid as much as possible margin calls and diversify its counterparty risks.

Identified risks are those related to variations in exchange rate and interest rate. Derivative instruments are contracted under the Entity's policies and no risks are expected to occur that differ from the purpose for which those instruments are contracted.

Markets and counterparties: Derivative financial instruments are contracted in the local market under the over the counter (OTC) mode. Following are the financial entities that are eligible to close operations in relation to the Entity's risk management: Goldman Sachs, Bank of America Meryll Lynch, Bradesco BBI, Monex Casa de la Bolsa, Scotiabank, BBVA Bancomer, S.A, Banco Santander S.A, Barclays Bank Mexico, S.A., BTG Pascual, Citi, Credit Suisse, Grupo Bursatil Mexicano GBH Casa de Bolsa, HSBC Global Research, Interacciones Caja de Bolsa, Intercam Casa de Bolsa, Invex, Itau BBA, Monex Casa de Bolsa, UBS Investment Research, Grupo Financiero BX+, Vector Casa de Bolsa.Vector Casa de Bolsa.

The Corporate Financial Director is empowered to select other participants, provided that they are regulated institutions authorized to carry out this type of operation, and that they can offer the guarantees required by the Entity.

Hedge accounting: DFI's are initially recorded at their fair value, which is represented by the transaction cost. After initial recognition, DFI's are valued at each reporting period at their fair value and changes in such value are recognized in the consolidated statements of income, except if those derivative instruments have been formally designated as and they meet the requirements to be considered hedge instruments associated to a hedge relation.

Policies for designating calculation and valuation agents: The fair value of DFIs is reviewed monthly. The calculation or valuation agent used is the same counterparty or financial entity with whom the instrument is contracted, who is asked to issue the respective reports at the month-end closing dates specified by the Entity.

Likewise, as established in the master agreements (ISDA) that cover derivative financial operations, the respective calculations and valuations are presented in the quarterly report.

The designated calculation agents are the corresponding counterparties. Nevertheless, the Entity validates all calculations and valuations received by each counterparty.

J. CASH AND CASH EQUIVALENTS

They consist mainly of bank deposits in checking accounts and investments in short-term securities, liquid, easily convertible into cash or with a maturity of up to three months from the date of acquisition and subject to insignificant risks of changes in value.

Cash is presented at nominal value, and equivalents are valued at fair value; fluctuations in its value are recognized in income for the period.

Cash equivalents are represented by investments in money desks and mutual funds and are recognized at fair value.

K. INVENTORIES AND COST OF SALES

Inventories are valued at the lower cost or net realizable value. Costs of inventories are determined using the average cost method.

The Entity reviews the book value of inventories, in the presence of any indication of impairment that would indicate that their book value may not be recoverable, estimating the net realizable value, the determination of which is based on the most reliable evidence available, at the time the estimate of the amount in which they are expected to be made is made.

Net realizable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale. Cost of sales represents the cost of inventories at the time of sale, increased, when applicable, by reductions in the value of inventory during the year to its net realizable value. The Entity records the necessary estimations to recognize reductions in the value of its inventories due to impairment, obsolescence, slow movement and other causes that indicate that utilization or realization of the items comprising the inventories will be below the recorded value.

L. STORE EQUIPMENT, LEASEHOLD IMPROVEMENTS AND PROPERTY

Store equipment, leasehold improvements and property are recorded at acquisition cost.

Depreciation of store equipment, leasehold improvements and property is calculated by the straight-line method, based on the useful lives estimated by the Entity's management.

Annual depreciation rates of the main groups of assets are as follows:

	Rates
Buildings	5
Store equipment	5 to 30
Leasehold improvements	7 to 20
Transportation equipment	25
Computer equipment	20 to 30
Production equipment	10 to 20
Office furniture and equipment	10

Any significant components of store equipment, leasehold improvements and property that must be replaced periodically are depreciated as separate components of the asset and to the extent they are not fully depreciated at the time of their replacement, are written off by the Entity and replaced by the new component, considering its respective useful life and depreciation.

Likewise, when major maintenance is performed, the cost is recognized as a replacement of a component provided that all recognition requirements are met. All other routine repair and maintenance costs are recorded as an expense in the period as they are incurred.

Buildings, furniture and equipment held under finance leases are depreciated based on their estimated useful life as own assets. However, when there is no reasonable certainty that the property is obtained at the end of the lease term, the assets are depreciated over the shorter of the lease life and life period.

M. ADVANCE PAYMENTS

Advance payments include advances for purchase of inventories, leasehold improvements and services that are received in the twelve months subsequent to the date of the consolidated statements of financial position and are incurred in the course of regular operations.

N. INTANGIBLE ASSETS**1. Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Brands owned by Alsea included under intangibles assets are the following:

Brand	Country	
Archie's	Colombia	Own brand
Vips	Mexico	Own brand
La Finca	Mexico	Own brand
Casa de comal	Mexico	Own brand
Corazón de barro	Mexico	Own brand
Vips	Spain	Own brand
Ginos	Spain	Own brand
Foster's Hollywood	Spain	Own brand

During 2022, the Entity has identified impairment effects on its El Portón, Vips, Starbucks Coffee, Burger King and PF Chang's brands for an amount of \$140,703.

During 2023, the Entity recorded an impairment loss on its El Portón, Starbucks Coffee, Burger King and Italianni's brands, for an import of \$32,484..

2. Intangible assets acquired separately

Other intangible assets represent payments made to third parties for the rights to use the brands with which the Entity operates its establishments under the respective franchise or association agreements. Amortization is calculated by the straight-line method based on the use period of each brand, including renewals considered to be certain, which are generally for 10 to 20 years. The terms of brand rights are as follows:

Brands	America				
	Mexico	Argentina	Chile	Colombia	Uruguay
Domino's Pizza	2025	-	-	2026	2031
Starbucks Coffee	2037	2017	2027	2033	2026
Burger King	Depending on opening dates			-	-
Chili's Grill & Bar	2024	-	2026	-	-
P.F. Chang's	2029 ⁽²⁾	-	2022 ⁽²⁾	2022 ⁽²⁾⁽⁴⁾	-
The Cheesecake Factory	Depending on opening dates	-	-	-	-
Italianni's	2031 ⁽¹⁾	-	-	-	-

Brands	Europe						
	Spain	Luxemburgo	Portugal	Andorra	Francia	Holanda	Belgium
Domino's Pizza	2029 ⁽³⁾	-	-	-	-	-	-
Starbucks Coffee	2030	2030	2030	-	2034	2034	2034
Fridays	2030	-	2030	2030	-	-	-

(1) The term for each store under this brand is 20 years as of the opening date, with the right to a 10-year extension.

(2) The term for each store under this brand is 10 years as of the opening date, with the right to a 10-year extension.

(3) Term of 10 years with the right to an extension.

(4) PF Chang's brand in Colombia operated until December 2022.

Amortization of intangible assets is included in the depreciation and amortization accounts in the consolidated statements of income.

During 2024, the Entity recorded an impairment loss on its Starbucks Coffee, Italianni's, PF Chang's, Burger King, Chili's, and Vips brands for 64,728.

3. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

O. IMPAIRMENT IN THE VALUE OF LONG-LIVED ASSETS, EQUIPMENT, LEASEHOLD IMPROVEMENTS, PROPERTIES, AND OTHER INTANGIBLE ASSETS

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

The Entity performs impairment test annually to identify any indication. As of December 31, 2024, 2023 and 2022, the Entity recorded an amount of \$64,728, \$32,484 and \$140,703, respectively, for impairment of the values of its long-lived assets.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

P. BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Entity, liabilities incurred by the Entity to the former owners of the acquire and the equity interests issued by the Entity in exchange for control of the acquire. Acquisition-related costs are generally recognized in the consolidated statement of income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Entity entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2, Share-based Payments, at the acquisition date;
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquirer's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Entity in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37, Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Entity's previously held equity interest in the acquire is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Entity reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Q. GOODWILL

Goodwill arising from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Entity's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss.

An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

R. INVESTMENT IN SHARES OF ASSOCIATED COMPANIES AND JOINT VENTURE

An associate is an entity over which the Entity has significant influence. Significant influence is the power to participate in the financial and operating policies decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Entity's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Entity's share of losses of an associate or a joint venture exceeds the Entity's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Entity's net investment in the associate or joint venture), the Entity discontinues recognizing its share

of further losses. Additional losses are recognized only to the extent that the Entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

Any excess of the Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Entity's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

When the Entity retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Entity accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Entity reduces its ownership interest in an associate or a joint venture but the Entity continues to use the equity method, the Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a group entity transacts with an associate or a joint venture of the Entity, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Entity's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Entity.

S. LEASES

The Entity as lessor.

The Entity recognizes a right-of-use asset and the respective lease liability for all the lease contracts in which impacts it acts as lessee, albeit with the exception of short-term leases (executed for periods of 12 months or less) and those involving low-value assets (like electronic tablets, personal computers and small items of office furniture and telephones). For these leases, the Entity records rental payments as an operating expense according to the straight-line method throughout the lease period, unless another method is more representative of the time pattern in which economic gains result from the consumption of the leased assets.

The lease liability is initially measured at the present value of the rental payments that are not settled at the starting date, discounted according to the implied contractual rate. If this rate cannot be easily determined, the Entity utilizes incremental rates.

The rental payments included in the lease liability measurement are composed by:

- Fixed rental payments (including substantially fixed payments), less any received lease incentive;
- Variable rental payments that depend on an index or rate, which are initially measured by utilizing the index or rate in effect at the starting date;
- The amount expected to be paid by the lessee under residual value guarantees;
- The purchase option exercise price, if it is reasonably certain that the lessee will exercise these options; and
- Penalty payments resulting from the termination of the lease, if the lease period reflects the exercise of a lease termination option.

The lease liability is presented as a separate item in the consolidated statement of changes in financial position.

The lease liability is subsequently measured based on the book value increase to reflect the interest accrued by the lease liability (using the effective interest method) and reducing the book value to reflect the rental payments made.

The Entity remeasures the lease liability (and makes the respective adjustments to the related right-of-use asset) whenever:

- The lease period is modified or an event or significant change takes place with regard to the circumstances of the lease, thereby resulting in a change to the assessment of the purchase option exercise, in which case, the lease liability is measured by discounting restated rental payments and utilizing a restated discount rate.
- Rental payments are modified as a result of changes to indexes or rates, or a change in the payment expected under a guaranteed residual value, in which case, the lease liability is revalued by discounting restated rental payments by using the same discount rate (unless the change in rental payments is due to a change of variable interest rate, in which case a restated discount rate is used).
- A lease contract is amended and the lease amendment is not accounted for as a separate lease, in which case the lease liability is revalued according to the amended lease period by discounting restated rental payments using a discount rate restated at the date on which the amendment took effect.

The Entity did not make any of these adjustments in the presented periods.

Right-of-use assets consist of the initial measurement of the applicable lease liability, rent payments made on or before the start date, less any lease incentives received, and any direct upfront costs. The subsequent valuation is the cost minus accumulated depreciation and impairment losses, as well as the revaluation of the lease term for each period, taking into account the market and profitability circumstances mentioned above.

If the Entity assumes an obligation derived from the cost of dismantling and removing a leased asset, to restore the place where it is located or restore the underlying asset to the condition required by lease terms and conditions, a provision measured according to IAS 37 must be recognized. To the extent that costs are related to a right-of-use asset, they are included in the related right-of-use asset unless they are incurred to generate inventories.

Right-of-use assets are depreciated during the shorter of the lease period and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset indicates that the Entity plans to exercise the purchase option, the right-of-use asset is depreciated according to its useful life. Depreciation begins at the lease starting date.

Right-of-use assets are presented as a separate item in the consolidated statement of changes in financial position.

The Entity applies IAS 36 to determine whether a right-of-use asset is impaired and to account for any identified impairment loss, as described in the 'Property, plant and equipment' policy.

Variable leases that do not depend on index or rate are not included in the measurement of the lease liability and right-of-use asset. The related payments are recognized as an expense of the period in which the event or condition leading to the payments arises and are included under the "Other expenses" heading in the consolidated statement of income.

As a practical expedient, IFRS 16 offers the option of not separating non-lease components and instead recording any lease and its associated non-lease components as a single agreement. The Entity has not utilized this practical expedient. For contracts containing lease components and one or more additional lease or non-lease components, the Entity assigns the contractual payment to each lease component according to the relative stand-alone selling price method for all non-lease components.

T. FOREIGN CURRENCY TRANSACTIONS

In order to consolidate the financial statements of foreign operations carried out independently from the Entity (located in Latin America and Europe), which comprise 45%, 48%, and 51% of consolidated net income and 39%, 53%, and 40% of the total consolidated assets at December 31, 2024, 2023 and 2022, respectively, companies apply the policies followed by the Entity.

The financial statements of consolidating foreign operations are converted to the reporting currency by initially identifying whether or not the functional and recording currency of foreign operations is different, and subsequently converting the functional currency to the reporting currency. The functional currency is equal to recording currency of foreign operations, but different to the reporting currency.

In order to convert the financial statements of subsidiaries resident abroad from the functional currency to the reporting currency at the reporting date, the following steps are carried out:

- Assets and liabilities, both monetary and non-monetary, are converted at the closing exchange rates in effect at the reporting date of each consolidated statements of financial position.

- Income, cost and expense items of the consolidated statements of income are converted at the average exchange rates for the period, unless those exchange rates will fluctuate significantly over the year, in which case operations are converted at the exchange rates prevailing at the date on which the related operations were carried out.
- Capital movements (contributions or reductions) are converted at the exchange rate on the date these movements were carried out.
- All conversion differences are recognized as a separate component under stockholders' equity and form part of other comprehensive income items.

U. EMPLOYEE BENEFITS

Retirement benefits costs from termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The defined benefit plan includes retirement. The other benefits correspond to the legal seniority premium in Mexico. Its cost is determined using the projected unit credit method, with actuarial valuations that are made at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Statutory employee profit sharing (PTU)

As result of the PTU is recorded in the results of the year in which it is incurred and is presented in other expenses and other income.

Federal Labor Law

On December 27, 2022, the decree amending articles 76 and 78 of the Federal Labor Law regarding vacations in Mexico was published in the Official Gazette of the Federation, which enters into force on January 1, 2023. The main changes caused by this labor reform consider an increase in the minimum annual vacation period of workers based on the years they have of service. According to the reform of Article 168 of the Social Security Law published on December 16, 2020, and with entry into force on January 1, 2021, changes are established in the stratification of contribution base salary ranges in terms of employer contributions progressively from 2021 to 2030.

The monetary impacts derived from the implementation of the reform are included in the consolidated statement of comprehensive income for the period under review.

V. INCOME TAXES

The income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

The tax caused calculated corresponds to the income tax (ISR) is recorded in the results of the year in which it is caused.

2. Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Entity is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

W. PROVISIONS

Provisions are recorded when the Entity has a present obligation (be it legal or assumed) as a result of a past event, and it is probable that the Entity will have to settle the obligation and it is possible to prepare a reliable estimation of the total amount.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow.

When some or all of the economic benefits required to settle a provision are expected to be recovered by a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are classified as current or non-current based on the estimated period of time estimated for settling the related obligations.

1. *Contingent liabilities acquired as part of a business combination*

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date.

At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 and the amount initially recognized less cumulative amortization recognized in accordance with IFRS 15.

X. REVENUE RECOGNITION

The Entity recognizes income from the following sources:

Sale of goods

Beverages and food sold by Alsea are transferred to the customer at the time they are delivered and/or consumed by them. Mostly sales of goods, the payment method is cash and is recorded at the time they are delivered to the customer.

Provision of services

The income is recognized according to the percentage of termination. Every month the Entity receives from the clients a fixed agreed payment and the recording is made when the services have been accrued and generally accepted in time.

Royalties

Alsea has two sources of income from the sale of subfranchises:

- At the begin of the contract, the sub-franchisee pays an amount depending on the franchise, which is recorded as revenue over the duration of the contract.
- Subsequently, royalty income is based on a fixed percentage of sub-franchise sales.

4. Critical accounting judgments and key sources for estimating uncertainties

In the application of the Entity's accounting policies, which are described in Note 4, the Entity's management is required to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimations and assumptions are reviewed on a regular basis. Changes to the accounting estimations are recognized in the period in which changes are made, or in future periods if the changes affect the current period and other subsequent periods.

A. CRITICAL JUDGMENTS FOR APPLYING THE ACCOUNTING POLICIES

There are critical judgments, apart from those involving estimations, that the Entity's management has made in the process of applying the Entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Control over Food Service Project, S.A.U. (Zena Group) and sale option of the non-controlling interest

Note 18 mentions that Grupo Zena is a subsidiary of Alsea, over which it owns 76.8%. Based on the contractual agreements between the Entity and other investors, Alsea has the power to appoint and dismiss the majority of the members of the board of directors, executive committee and management positions of Grupo Zena, which have the power to direct the activities of the Zena Group.

Therefore, the Entity's management concluded that Alsea has the ability to direct the relevant activities of Grupo Zena and therefore has control over that entity.

On February 26, 2024, a share purchase agreement was signed between Alsea SAB de CV (Alsea) and the minority partners of Food Service Project SL (FSP), a subsidiary of Alsea and operator of various brands in Europe. With this agreement, Alsea acquires 23.23% of the minority stake in FSP's capital (see Note 1).

B. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. *Impairment of long-lived assets*

The Entity annually evaluates whether or not there is indication of impairment in long-lived assets and calculates the recoverable amount when indicators are present. Impairment occurs when the net carrying value of a long-lived asset exceeds its recoverable amount, which is the higher of the fair value of the asset less costs to sell and the value in-use of the asset.

Calculation of the value in-use is based on the discounted cash flow model, using the Entity's projections of its operating results for the near future.

The recoverable amount of long-lived assets is subject to uncertainties inherent to the preparation of projections and the discount rate used for the calculation.

2. Right-of-use asset

The main aspects considered by the Entity for the implementation of IFRS 16 are: a) assess, at the start of the contract, whether the right to control the use of an identified asset for a given period of time is obtained; b) a change in the nature of lease-related expenses by replacing the operating lease expense determined according to IFRS 16 with the depreciation or amortization of right-of-use assets (in operating costs) and an interest expense for lease liabilities in interest expenses; and c) the determination of lease payments because the Entity has variable rental contracts.

The recoverable amount of right-of-use assets is sensitive to the uncertainty inherent to the preparation of projections and the discount rate utilized in the calculation.

3. Discount rate to determine lease payments

IFRS 16 requires the tenant to discount the lease liability using the interest rate implied in the lease if that rate can be easily determined. If the interest rate implied in the lease cannot be easily determined, then the tenant must use its incremental indebtedness rate. The renter's incremental loan rate is the interest rate that the tenant would have to pay to borrow for a similar term, with similar security and the funds needed to obtain an asset of a value similar to the right-to-use asset in a similar economic environment.

There are three steps to determining the incremental loan rate: (i) determining a benchmark rate, (ii) determining the credit risk adjustment, and, (iii) determining the specific adjustment of the lease.

4. Evaluation for the recognition of deferred tax assets

The Entity recognizes net future tax benefits associated with deferred income tax assets based on the probability that future taxable income will be generated against which the deferred income tax assets can be utilized.

Evaluating the recoverability of deferred income tax assets requires the Entity to prepare significant estimates related to the possibility of generating future taxable income.

Future taxable income estimates are based on projected cash flows from the Entity's operations and the application of the existing tax laws in Mexico, LATAM and Spain.

The Entity's capacity to realize the net deferred tax assets recorded at any reporting date could be negatively affected to the extent that future cash flows and taxable income differ significantly from the Entity's estimates.

Additionally, future changes in Mexico's tax laws could limit the capacity to obtain tax deductions in future periods.

5. Fair value measurements and valuation processes

Some of the Entity's assets and liabilities are measured at fair value for financial reporting purposes. The Entity's Board of Directors has set up a valuation committee, which is headed up by the Entity's Financial Director, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Entity uses market-observable data to the extent it is available. When level 1 inputs are not available, the Entity engages third party qualified appraisers to perform the valuation.

The valuation committee works closely with the qualified external appraiser to establish the appropriate valuation techniques and inputs to the model. Every three months, the Financial Director reports the findings of the valuation committee to the Entity's board of directors to explain the causes of fluctuations in the fair value of assets and liabilities. Information about the valuation techniques and inputs used in the determining the fair value of various assets and liabilities are disclosed Note 22 i.

6. Contingencies

Given their nature, contingencies are only resolved when one or more future events occur or cease to occur. The evaluation of contingencies inherently includes the use of significant judgment and estimations of the outcomes of future events.

7. Employee Benefits

The valuation of other employee retirement benefits is based on actuarial calculations that use assumptions related to discount rates, salary increases, among others. These assumptions are updated annually. Changes in these assumptions can have a significant effect on the amount of the obligations and the Entity's results. The discount rates used are based on market values.

5. Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, the cash and cash equivalents caption includes cash, banks and investments in money market instruments. The cash and cash equivalents balance included in the consolidated statements of financial position and the consolidated statements of cash flows at December 31, 2024, 2023 and 2022 is comprised as follows:

	2024	2023	2022
Cash	\$ 5,077,517	\$ 3,599,508	\$ 3,587,600
Investments with original maturities of under three months	1,390,415	2,810,290	2,499,217
Total cash and cash equivalents	\$ 6,467,932	\$ 6,409,798	\$ 6,086,817

The Entity maintains its cash and cash equivalents with accepted financial entities, and it has not historically experienced losses due to credit risk concentration.

6. Customers, net

The accounts receivable from customers disclosed in the consolidated statements of financial position are classified as loans and accounts receivable and therefore they are valued at their amortized cost.

At December 31, 2024, 2023 and 2022, the customer balance is comprised as follows:

	2024	2023	2022
Franchises	\$ 1,090,290	\$ 787,972	\$ 618,824
Other (1)	1,150,635	843,541	776,000
	2,240,925	1,631,513	1,394,824
Expected credit losses	(237,109)	(205,298)	(147,613)
Total	\$ 2,003,816	\$ 1,426,215	\$ 1,247,211

(1) In others there are concepts such as third parties and vouchers to be redeemed.

ACCOUNTS RECEIVABLE

The Entity sells food and beverages to the general public in cash and to franchisees with contracted terms of 8 to 30 days. From the day following the contracted maturity date, interest is generated on the overdue balance, at the time of settlement. As of December 31, 2024, the rate consists of Equilibrium Interbank Interest Rate (TIIE) plus 5 points and multiplied by 1.5.

The reserve is then composed of the part of the general and significant customers, which follows a procedure of credit losses expected according to the provisions of the standard. Additionally, it incorporates a criterion to be followed, either quantitative or qualitative, to consider a significant increase in the credit risk of the account receivable and follow up to prepare the estimate of its reserves on a quarterly basis.

Before accepting any new client, the Entity uses an external credit rating system to evaluate the credit quality of the potential client and defines the credit limits per client.

To determine the estimate of doubtful receivables, the Entity performs an analysis of the age of balances per customer and assigns an estimate percentage based on experience. This first analysis gives an indication of deterioration; Subsequently, an analysis of the financial situation of all the customers included is carried out to determine which are the accounts that present an impairment according to the expected credit loss model and the corresponding estimate is recorded on these.

Following is the aging of past due but unimpaired accounts receivable:

	2024	2023	2022
15-60 days	\$ 23,462	\$ 294,766	\$ 92,036
60-90 days	41,560	14,712	43,025
More than 90 days	200,103	169,456	205,510
Total	\$ 265,125	\$ 478,934	\$ 340,571
Current balance	\$ 1,975,800	\$ 1,152,579	\$ 1,054,253
Total account receivable	\$ 2,240,925	\$ 1,631,513	\$ 1,394,824

The concentration of credit risk is limited because the balance is composed of franchisees, which are supported or controlled by a service contract and / or master franchise; likewise consists of balances with from financial institutions cards, which are recovered within from 15 days.

7. Inventories, net

At December 31, 2024, 2023 and 2022, inventories are as follows:

	2024	2023	2022
Food and beverages	\$ 3,099,405	\$ 2,704,639	\$ 2,859,697
Other, mainly containers and packaging ⁽¹⁾	63,046	53,053	38,469
Obsolescence allowance	(5,590)	(7,027)	(2,840)
Total	\$ 3,156,861	\$ 2,750,665	\$ 2,895,326

(1) In others are concepts such as toys, uniforms, cleaning utensils, kitchen appliances and souvenirs.

8. Advance payments

Advance payments were made for the acquisition of:

	2024	2023	2022
Insurance and other services	\$ 521,232	\$ 114,380	\$ 348,296
Inventories	204,620	261,004	485,489
Lease of locales	79,490	55,327	36,729
Total	\$ 805,342	\$ 430,711	\$ 870,514

9. Right of use assets

Entity leases premises for its stores, office, including an industrial warehouse, furniture and equipment. The average lease term is between 6 and 7 years for 2024, 2023 and 2022.

Right of use assets	Amount
Cost:	
Balance at January 1, 2023	\$ 37,773,512
Additions and renovations	997,387
Balance as of December 31, 2023	38,770,899
Additions and renovations	854,253
Balance as of December 31, 2024	\$ 39,625,152
Depreciation:	
Balance at January 1, 2023	\$ (17,337,787)
Charge for depreciation for the year	(4,217,289)
Balance as of December 31, 2023	(21,555,076)
Charge for depreciation for the year	(4,009,345)
Effect of remeasurement of deadlines	1,641,000
Balance as of December 31, 2024	\$ (23,923,421)
Net cost:	
Balance as of December 31, 2022	\$ 20,435,725
Balance as of December 31, 2023	\$ 17,215,823
Balance as of December 31, 2024	\$ 15,701,731

Amounts recognized in the consolidated statement income	2024	2023*	2022 *
Depreciation expense of the asset for use rights	\$ 4,009,345	\$ 4,217,289	\$ 4,350,755
Finance expense caused by lease liabilities	1,673,200	963,195	948,535
Expense related to leasing of low-value assets	195,144	145,854	257,686
Expense related to variable lease payments, not included in the measurement of lease liabilities	1,013,400	1,018,474	751,329
Benefits obtained from negotiations related to COVID-19	-	-	(27,970)

* This data includes some of the data reclassified by the Burger King Spain operation.

Some of the leases of properties in which the Entity participates as lessee contain variable lease payment terms that are related to sales generated in the leased stores. Variable payment terms are used to link lease payments to store cash flows and reduce fixed cost.

The composition of the lease payments by the stores is detailed in the following table.

	2024	2023*	2022*
Fixed payments	\$ 5,331,253	\$ 5,130,210	\$ 5,320,062
Variable payments	1,013,400	1,018,474	751,329
Total lease payments	\$ 6,344,653	\$ 6,148,684	\$ 6,071,391

* This data includes some of the data reclassified by the Burger King Spain operation.

In general, variable payments constitute 16%, 17% and 12% at December 31, 2024, 2023 and 2022, respectively, of the Entity's total lease payments. The Entity expects this proportion to remain constant in future years. Variable payments depend on sales and, consequently, on economic development during the following years.

10. Obligation under finance leases

	2024	2023*	2022*
Maturity analysis:			
Year 1	\$ 5,316,598	\$ 4,008,333	\$ 4,907,925
Year 2	4,729,601	3,758,878	4,126,190
Year 3	4,050,166	3,119,610	3,459,579
Year 4	2,975,387	2,604,540	2,857,341
Year 5	1,628,836	2,133,236	2,336,443
Later	2,797,665	6,134,747	7,551,600
	21,498,253	21,759,344	25,239,078
Less: Unearned interest	(4,211,715)	(3,342,484)	(3,414,640)
Total	\$ 17,286,538	\$ 18,416,860	\$ 21,824,438

*This data includes some of the data reclassified by the Burger King Spain operation.

The Entity does not face a significant liquidity risk regarding its lease liabilities. Lease liabilities are monitored through the Entity's Treasury.

The Company has identified significant events and/or changes resulting from strategic business decisions, as well as external situations that have led to changes in business operations.

ALSEA's analysis of the lease term estimate has been a comprehensive and strategic process, taking into account key operational, regulatory, and organizational factors such as:

- Definition of critical KPIs (ROI)
- Potential capital raising
- Restructuring of legal entities

Other Considerations

- Maturity in the implementation of IFRS 16
- Changes in market conditions
- External factors resulting from the pandemic

In accordance with IFRS 16, ALSEA determined that these factors are considered significant events or changes and reasonably affect the certainty of the option to extend or terminate a lease when determining the new lease term.

The Company believes that the lease term is now less susceptible to subjective judgments, given that the aforementioned factors allow for a more objective assessment of the duration required for investment recovery, which increases the reliability and consistency of its financial projections.

Consequently, the Company considered a change in the estimate with prospective application of the right-of-use asset and lease liability beginning in 2024.

11. Store equipment, leasehold improvements and property, net

Store equipment, leasehold improvements and properties are as follows:

Cost	Buildings	Store equipment	Leasehold improvements	Transportation equipment	Computer equipment	Production equipment	Office furniture and equipment	Construction in process	Total
Balance as of 1 January 2022	\$ 288,504	\$ 15,519,130	\$ 19,478,924	\$ 306,148	\$ 2,051,077	\$ 905,516	\$ 783,143	\$ 2,728,816	\$ 42,061,258
Additions	-	932,545	1,081,186	60,131	178,452	16,106	145,812	1,440,420	3,854,652
Disposals	(17,946)	(346,795)	(568,297)	(37,060)	(69,111)	(515)	(21,699)	(6,930)	(1,068,353)
Revaluation	-	370,697	867,782	6,905	42,355	-	6,660	-	1,294,399
Translation adjustments	(5,549)	(945,291)	(1,770,590)	(16,512)	(114,699)	(12,513)	(174,161)	(79,212)	(3,118,527)
Balance as of December 31, 2022	265,009	15,530,286	19,089,005	319,612	2,088,074	908,594	739,755	4,083,094	43,023,429
Additions	-	2,041,914	2,026,684	58,774	266,232	44,248	17,314	345,363	4,800,529
Disposals	-	(1,090,882)	(936,552)	(24,819)	(158,702)	(40,980)	(5,767)	(2,173)	(2,259,875)
Revaluation	-	550,160	1,124,322	10,576	98,188	-	50,738	-	1,833,984
Reclassifications	-	-	-	-	-	-	-	(53,619)	(53,619)
Translation adjustments	1,166	(1,338,932)	(2,593,334)	(32,938)	(150,557)	6,539	(10,245)	(219,066)	(4,337,367)
Balance as of December 31, 2023	266,175	15,692,546	18,710,125	331,205	2,143,235	918,401	791,795	4,153,599	\$ 43,007,081
Additions	-	2,667,867	2,269,269	46,201	430,667	87,132	(5,102)	295,691	5,791,725
Disposals	-	(341,907)	(973,231)	(47,135)	(345,731)	(1,188)	(931)	(42,389)	(1,752,512)
Revaluation	-	976,095	1,395,559	21,734	194,357	-	100,590	-	2,688,335
Reclassifications	-	-	-	-	-	-	-	27,161	27,161
Translation adjustments	903	879,726	4,695,167	21,516	108,743	4,414	(641,575)	(2,263,369)	2,805,525
Balance as of December 31, 2024	\$ 267,078	\$ 19,874,327	\$ 26,096,889	\$ 373,521	\$ 2,531,271	\$ 1,008,759	\$ 244,777	\$ 2,170,693	\$ 52,567,315

Depreciation	Buildings	Store equipment	Leasehold improvements	Transportation equipment	Computer equipment	Production equipment	Office furniture and equipment	Construction in process	Total
Balance as of 1 January 2022	\$ 133,839	\$ 10,577,047	\$ 13,635,044	\$ 197,975	\$ 1,677,469	\$ 55,671	\$ 506,282	\$ -	\$ 26,783,327
Additions	1,017	912,213	1,431,323	129,802	157,928	75,192	130,050	-	2,837,525
Disposals	-	(325,306)	(532,496)	(29,438)	(65,954)	(107)	(19,461)	-	(972,762)
Revaluation	-	114,545	682,361	2,948	36,173	1,162	5,950	-	843,139
Reclassification	(133,047)	10,217	119,697	(87,404)	(72,105)	371,138	216,133	-	424,629
Translation adjustments	(1,809)	(583,004)	(1,446,224)	(14,421)	(92,203)	(4,875)	(119,532)	-	(2,262,068)
Balance as of December 31, 2022	-	10,705,712	13,889,705	199,462	1,641,308	498,181	719,422	-	27,653,790
Additions	-	1,126,135	1,206,553	34,369	206,019	67,637	5,957	-	2,646,670
Disposals	-	(913,524)	(689,001)	(18,036)	(119,629)	(23,889)	(5,492)	-	(1,769,571)
Revaluation	-	436,379	977,840	4,723	86,663	(348)	29,115	-	1,534,372
Reclassification	-	-	-	-	-	-	-	-	-
Translation adjustments	-	(808,578)	(1,772,106)	(16,867)	(114,928)	698	(8,875)	-	(2,720,656)
Balance as of December 31, 2023	-	10,546,124	13,612,991	203,651	1,699,433	542,279	740,127	-	27,344,605
Additions	-	1,402,298	1,205,113	46,677	277,058	64,418	409	-	2,995,973
Disposals	-	(541,332)	(222,695)	(26,115)	(93,384)	(1,140)	(922)	-	(885,588)
Revaluation	-	719,673	1,181,219	13,726	167,180	-	63,736	-	2,145,534
Reclassification	-	-	20,074	-	190	-	-	-	20,264
Translation adjustments	-	535,124	1,546,080	16,151	73,481	1,737	(638,309)	-	1,534,264
Balance as of December 31, 2024	\$ -	\$ 12,661,887	\$ 17,342,782	\$ 254,090	\$ 2,123,958	\$ 607,294	\$ 165,041	\$ -	\$ 33,155,052
Net balance as of December 31, 2022	\$ 265,009	\$ 4,824,574	\$ 5,199,300	\$ 120,150	\$ 446,766	\$ 410,413	\$ 20,333	\$ 4,083,094	\$ 15,369,639
Net balance as of December 31, 2023	\$ 266,175	\$ 5,146,422	\$ 5,097,134	\$ 127,554	\$ 443,802	\$ 376,122	\$ 51,668	\$ 4,153,599	\$ 15,662,476
Net balance as of December 31, 2024	\$ 267,078	\$ 7,212,440	\$ 8,754,107	\$ 119,431	\$ 407,313	\$ 401,465	\$ 79,736	\$ 2,170,693	\$ 19,412,263

12. Intangible assets, net

Intangible assets are comprised as follows:

Cost	Brand rights	Commission for store opening	Franchise and use of local rights	Licenses and developments	Construction in process	Goodwill	Total
Balance as of January 1, 2022	\$ 16,752,297	\$ 177,824	\$ 1,754,293	\$ 2,611,393	\$ 49,244	\$ 12,775,931	\$ 34,120,982
Acquisitions	(3,617)	-	31,171	275,831	215,085	-	518,470
Adjustment for currency conversion	(1,189,653)	(2,698)	(22,339)	(121,447)	(73,758)	(759,038)	(2,168,933)
Disposals	(26,900)	(177,622)	(23,736)	(5,432)	(80)	--	(233,770)
Restatement	148,870	2,496	21,940	8,521	144,736	-	326,563
Balance as of December 31, 2022	15,680,997	-	1,761,329	2,768,866	335,227	12,016,893	32,563,312
Acquisitions	110,233	-	50,410	284,484	38,460	-	483,587
Disposals	(7,054)	-	(34,536)	(14,117)	-	-	(55,707)
Restatement	140,845	-	63,455	24,369	204,776	-	433,445
Reclassifications	-	-	-	-	53,619	-	53,619
Adjustment for currency conversion	(1,085,694)	-	(53,560)	(120,749)	(198,576)	(535,692)	(1,994,271)
Balance as of December 31, 2023	14,839,327	-	1,787,098	2,942,853	433,506	11,481,201	31,483,985
Acquisitions	140,629	-	145,469	245,729	150,792	-	682,619
Disposals	(947)	-	(26,524)	(151,884)	(438)	(242,509)	(422,302)
Restatement	200,004	-	118,896	38,610	22,665	-	380,175
Reclassifications	5,747	-	-	(1,313)	-	-	4,434
Adjustment for currency conversion	1,205,161	-	(1,454)	173,498	(10,985)	914,441	2,280,661
Balance as of December 31, 2024	\$ 16,389,921	\$ -	\$ 2,023,485	\$ 3,247,493	\$ 595,540	\$ 12,153,133	\$ 34,409,572
Amortization	Brand rights	Commission for store opening	Franchise and use of local rights	Licenses and developments	Construction in process	Goodwill	Total
Balance as of January 1, 2022	\$ 2,932,829	\$ 143,803	\$ 842,786	\$ 2,388,047	\$ -	\$ 16,953	\$ 6,324,418
Amortization	117,428	33	154,668	123,432	-	-	395,561
Adjustment for currency conversion	(63,133)	(2,820)	(99,186)	(11,915)	-	(114,663)	(291,717)
Disposals	(12,592)	(177,613)	(23,437)	(2,646)	-	-	(216,288)
Reclassification	24,558	33,018	27,290	(509,494)	-	-	(424,628)
Restatement	79,931	3,579	15,002	13,416	-	-	111,928
Balance as of December 31, 2022	3,079,021	-	917,123	2,000,840	-	(97,710)	5,899,274
Amortization	503,469	-	94,609	330,157	-	-	928,235
Disposals	(2,631)	-	(275)	(12,797)	-	-	(15,703)
Restatement	106,513	-	37,121	19,594	-	-	163,228
Reclassification	-	-	-	-	-	-	-
Adjustment for currency conversion	(276,341)	-	(30,248)	(99,528)	-	-	(406,117)
Balance as of December 31, 2023	3,410,031	-	1,018,330	2,238,266	-	(97,710)	6,568,917
Amortization	514,630	-	101,496	384,922	-	-	1,001,048
Disposals	(2,060)	-	(21,239)	(4,279)	-	-	(27,578)
Restatement	159,172	-	67,931	37,238	-	(5,747)	258,594
Reclassification	868	-	4,001	(104)	-	-	4,765
Adjustment for currency conversion	354,266	-	(24,453)	122,667	-	-	452,480
Balance as of December 31, 2024	\$ 4,436,907	\$ -	\$ 1,146,066	\$ 2,778,710	\$ -	\$ (103,457)	\$ 8,258,226
Net balance as of December 31, 2022	\$ 12,601,976	\$ -	\$ 844,206	\$ 768,026	\$ 335,227	\$ 12,114,603	\$ 26,664,038
Net balance as of December 31, 2023	\$ 11,429,296	\$ -	\$ 768,768	\$ 704,587	\$ 433,506	\$ 11,578,911	\$ 24,915,068
Net balance as of December 31, 2024	\$ 11,953,014	\$ -	\$ 877,419	\$ 468,783	\$ 595,540	\$ 12,256,590	\$ 26,151,346

As of December 31, 2024, the Entity has identified impairment effects on its Starbucks Coffee, Italianni's, PF Chang's, Burger King, Chilis and Vips brands for an amount of \$64,728.

As of December 31, 2023, the Entity has identified impairment effects on its El Portón, Starbucks Coffee, Burger King and Italianni's brands for an amount of \$32,484.

As of December 31, 2022, the entity recorded a loss in its brands El Portón, Vips, Starbucks Coffee, Burger King and PF Chang's, for an amount of \$140,703.

13. Investment in subsidiaries

The Entity's shareholding in the capital stock of its main subsidiaries is as follows:

Subsidiary	Activity	2024	2023	2022
Café Sirena, S.A. de C.V.	Starbucks brand operator in Mexico	100.00%	100.00%	100.00%
Operadora de Franquicias Alsea, S.A. de C.V. ⁽¹⁾	Operator of the Burger King brand in Mexico	100.00%	100.00%	100.00%
Operadora y Procesadora de Productos de Panificación, S.A. de C.V.	Operator of the Domino's Pizza brand in México	100.00%	100.00%	100.00%
GastroSur, S.A. de C.V.	Operator of the Chili's Grill & Bar brand in México	100.00%	100.00%	100.00%
Panadería y Alimentos para Food Service, S.A. de C.V.	Distribution of Alsea brand foods	100.00%	100.00%	100.00%
Servicios Múltiples Empresariales ACD, S.A. de C.V. (antes SOFOM E.N.R.)	Factoring and Financial Leasing Operator	100.00%	100.00%	100.00%
Grupo Calpik, S.A.P.I. de C.V.	Operator of the California Pizza Kitchen brand in México	100.00%	100.00%	100.00%
Especialista en Restaurantes de Comida Estilo Asiática, S.A. de C.V.	Operator of the P.F. Chang's brand in México	100.00%	100.00%	100.00%
Distribuidora e Importadora Alsea, S.A. de C.V.	Distributor of food and supplies for Alsea and related brands	100.00%	100.00%	100.00%
Italcafé, S.A. de C.V.	Operator of the Italianni's brand.	100.00%	100.00%	100.00%
Grupo Amigos de San Ángel, S.A. de C.V.	Operator of the Italianni's brand.	100.00%	100.00%	100.00%
Grupo Amigos de Torreón, S.A. de C.V. (liquidada en 2024)	Operator of the Italianni's brand.	-	100.00%	100.00%
Operadora Vips, S. de R.L. de C.V.	Vips brand operator	100.00%	100.00%	100.00%
OPQR, S.A. de C.V.	Operator of the Cheesecake Factory brand in Mexico	100.00%	100.00%	100.00%
Fast Food Chile, S.A.	Operator of the Burger King brand in Chile	100.00%	100.00%	100.00%

Subsidiary	Activity	2024	2023	2022
Asian Food, Ltda.	Operator of the P.F. Chang's brand in Chile	100.00%	100.00%	100.00%
Starbucks Coffee Chile, S.A.	Starbucks brand operator in Chile	100.00%	100.00%	100.00%
Gastrococina Sur, S.P.A.	Chili's Grill & Bar operator in Chile	100.00%	100.00%	100.00%
Fast Food Sudamericana, S.A.	Operator of the Burger King brand in Argentina	100.00%	100.00%	100.00%
Starbucks Coffee Argentina, S.R.L.	Starbucks brand operator in Argentina	100.00%	100.00%	100.00%
Asian Bistro Colombia, S.A.S.	Operator of the P.F. Chang's brand in Colombia	100.00%	100.00%	100.00%
Operadora Alsea en Colombia, S.A.	Operator of the Burger King brand in Colombia	95.03%	95.03%	95.03%
Estrella Andina, S.A.S.	Starbucks brand operator in Colombia	70.00%	70.00%	70.00%
Gastronomía Italiana en Colombia, S.A.S.	Operator of the Archie's brand in Colombia	97.60%	97.60%	97.60%
Café Sirena Uruguay, S.A.	Brand operator Starbucks in Uruguay	100.00%	100.00%	100.00%
Food Service Project, S.A.U. ⁽²⁾	Multi-brand operator and holding company in Europa	100.00%	76.77%	76.77%

(1) Control over Operadora de Franquicias Alsea, S.A. de C.V. (OFA) - Based on the contractual agreements signed by the Entity and other investors, the Entity is empowered to appoint and remove most of the members of the board of directors of OFA, which has the power to control the relevant operations of OFA. Therefore, the Entity's management concluded that the Entity has the capacity to unilaterally control the relevant activities of OFA and therefore it has control over OFA. On June 28, 2021, the entity purchase shares that represent 20% of the non-controlling interest of Operadora de Franquicias Alsea, S.A.P.I. de C.V., thereby increasing its participation in that entity to 100%

Certain significant decisions, including the following are subject to the unanimous consent of the two stockholders: 1) the approval or modification of the budget of the year, and 2) changes to the development schedule, which do not modify the Entity's control over the subsidiary.

(2) On February 26, 2024, a stock sale agreement was signed between Alsea S.A.B. of C.V. and the minority partners of Food Service Project, S.A. subsidiary of Alsea and operator of various brands in Europe. Under this agreement, Alsea acquires 23.23% of FSP's minority equity stake. The terms and conditions of purchase are disclosed in Note 1 on Outstanding Operations.

14. Investment in shares of associated companies

At December 31, 2024, 2023 and 2022, the investment in shares of associated companies is comprised of the Entity's direct interest in the capital stock of the companies listed below:

	(%)			Main activity	Investing in shares		
	2024	2023	2022		2024	2023	2022
Restaurant Operator AYB Polanco, S.A. de C.V. (1)	30.00%	30.00%	30.00%	Restaurant operator of the EF Entre Fuegos and EF Entre Fuegos Elite Steak House brand operating in Mexico.	\$ 13,936	\$ 13,936	\$ 13,936
Europastry México Inc	49.00%	49.00%	-		136,013	22,878	-
Other investments					129,847	142,966	142,967
Total					\$ 279,796	\$ 179,780	\$ 156,903

	(%)			Main activity	Participation in results		
	2024	2023	2022		2024	2023	2022
Restaurant Operator AYB Polanco, S.A. de C.V. (1)	30.00%	30.00%	30.00%	Restaurant operator of the EF Entre Fuegos and EF Entre Fuegos Elite Steak House brand operating in Mexico.	\$ -	\$ -	\$ (223)
Other investments					(36,622)	3,404	-
Total					\$ (36,622)	\$ 3,404	\$ (223)

Operadora de Restaurantes AYB Polanco, S.A. de C.V.

Total assets, liabilities, equity and profit and losses of the associated entity are as follows:

	2024	2023	2022
Current assets	\$ 22,486	\$ 22,486	\$ 22,486
Non-current assets	\$ 36,932	\$ 36,932	\$ 36,932
Current liabilities	\$ 13,710	\$ 13,710	\$ 13,710
Income	\$ -	\$ -	\$ 43,015
Net profit for the period	\$ -	\$ -	\$ (744)

15. Goodwill

Assignment of goodwill to cash generating units

In order to carry out impairment tests, goodwill included in Note 12, was assigned to the following cash generating units:

Concept	2024	2023	2022
Burger King	\$ 1,094,458	\$ 1,336,967	\$ 1,336,967
Domino's Pizza	1,078,622	1,078,622	1,078,622
Chili's	26,614	26,614	26,614
Italianni's	785,816	785,816	785,816
Vips	3,058,697	3,058,697	3,058,697
Starbucks Coffee	368,513	368,513	368,513
Foster's Hollywood	198,598	198,598	198,598
Grupo Vips España	3,175,657	2,658,018	2,962,401
Ginos	1,210,482	1,013,171	1,126,546
Starbucks España	886,035	741,610	824,597
Fridays	5,926	4,960	5,515
British Sandwich Factory	345,712	289,360	321,740
Clover	21,458	17,965	19,976
	\$ 12,256,588	\$ 11,578,911	\$ 12,114,602

As of December 31, 2024, 2023 and 2022, the studies carried out on the impairment tests concluded that goodwill has no impairment.

16. Long-term debt

Long-term debt at December 31, 2023, 2024 and 2022 is comprised of unsecured loans, as shown below:

Bank	Type of credit	Currency	Rate	Maturity	2024	2023	2022
Banco Nacional de Comercio Exterior S.N.C. (Bancomext)	Simple credit	Mexican pesos	Variable rate TIEE +1%	2025	\$ 601,757	\$ 1,047,024	\$ 1,280,141
Banco Nacional de Comercio Exterior S.N.C. (Bancomext)	Simple credit	Mexican pesos	Variable rate TIEE +1.47%	2032	4,000,000	-	-
Citi México	Simple credit	Mexican pesos	Variable rate TIEE + .80%	2025	1,000,000	-	-
Banco de Chile	Simple credit	Chilean pesos	3.48% (Fixed rate)	2024	-	61,674	57,481
Syndicated	Simple credit	Euros	Variable rate Euribor +1.25%	2024	-	-	3,216,729
Syndicated	Simple credit	Euros	Variable rate Euribor +2.75%	2026	4,766,675	4,107,631	-
Syndicated RCF	Simple credit	Euros	Variable rate Euribor +2.75%	2025	430,482	-	-
Caja rural Icos	Simple credit	Euros	Variable rate Euribor +1.40%	2025	10,762	-	-
Banco Santander, S.A.	Simple credit	Euros	Variable rate Euribor +2.75%	2024	-	-	82,127
Clover ING	Simple credit	Euros	Variable rate Euribor +2.75%	2024	-	-	193,014
Societe Generale	Simple credit	Euros	Variable rate Euribor +3.00%	2024	-	-	210,906
					10,809,676	5,216,329	5,040,398
		Less - current portion			(2,043,001)	(388,217)	(1,277,638)
		Long-term debt maturities			\$ 8,766,675	\$ 4,828,112	\$ 3,762,760

Annual debt maturities at December 31, 2024 are as follows:

Year	Amount
2025	\$ 2,043,001
2026	4,766,675
2032	4,000,000
	\$ 10,809,676

The Entity as of December 31, 2024, has lines of credit contracted for \$2,350 million Mexican pesos and \$44 million Euros.

Bank loans include certain affirmative and negative covenants, such as maintaining certain financial ratios. At December 31, 2024, 2023 and 2022, all such obligations have been duly met.

17. Debt instruments

On January 21, 2022, the pricing of senior bonds for \$300 million euros equivalent to \$6,417,394 Mexican pesos, at an interest rate of 5.5% per year, issued through its subsidiary Food Service Project, S.A. and guaranteed by Alsea (the "2027 Euro Bonds") and with partial or full settlement option as of January 21, 2024, and with a maturity date of January 21, 2027, took place.

In December 2021, the Entity issued a bond in international markets (United States of America) for an amount of \$500 million dollars equivalent to \$10,255 million Mexican pesos, with a term of five years from its issue date and maturity in December 2026, which will accrue interest at a fixed rate of 7.75% with the option of partial or complete liquidation starting in December 2023.

In May 2019, the Entity placed of debt instruments worth \$1,350,000 over 5 years as from the issuance date, maturing in May 2024. Those instruments will accrue interest at the 28-day TIEE rate plus 0.95 percentage points; and other debt instruments worth \$2,650,000 over 7 years as from the issue date, maturing in May 2026. Those instruments will accrue interest at a fixed rate of 10.01%.

In October 2017, the Entity placed of debt instruments worth \$1,000,000 over 5 years as from the issuance date, maturing in September 2023. Those instruments will accrue interest at the 28-day TIEE rate plus 0.90 percentage points; and other debt instrument worth \$2,000,000 over 10 years as from the issue date, maturing in September 2027. Those instruments will accrue interest at a fixed rate of 8.85%.

In March 2015, the Entity placed debt instruments worth \$3,000,000 over 5 years as from the issuance date, maturing in March 2020. Those instruments will accrue interest at the 28-day TIIE rate plus 1.10 percentage points; and other debt instrument worth \$1,000,000 over 10 years as from the issue date, maturing in March 2025. Those instruments will accrue interest at a fixed rate of 8.07%.

The balance at December 31, 2024, 2023 and 2022 amounts to \$22,246,586, \$20,903,791 and \$22,748,440, respectively.

Year maturity		Amount
2025	\$	1,000,000
2026		12,829,192
2027		8,417,394
	\$	22,246,586

The placement of the Euro Bond 2027 and issuance, of the \$500 million dollars equivalent to \$10,255 million Mexican pesos, stock certificate, allowed the liquidation of its short-term obligations and the restructuring of long-term debt. Both bond placements, together with the reductions in operating restrictions imposed by authorities in each country to deal with the pandemic, have ensured continuity and a return to productivity at pre-pandemic levels in 2020.

18. Non-Controlling Interest Put Option

In October 2014, the Entity acquired Grupo Zena; as a result, it has the right to sell to Alsea its noncontrolling interest for 28.24% in other investors, upon completion of the fourth year after the acquisition (original agreement). In compliance with IFRS 9, Financial Instruments, the present value of the estimated debt that will be liquidated at the time the sale option is exercised should be recognized in accordance with the clauses of the contract. The initial recognition of such debt is recognized as a supplemental equity account and every year its revaluation affects the result for the year.

In September 2021, the Entity, Alia Capital Partners and Bain Capital Credit, agreed to invest in a minority stake of 21.1% in Food Service Project, S.A. (Alsea Europa). After the investment, Alsea will own 76.8% (previously 66.2%), Bain Capital Credit will have an indirect stake of 10.5% and the remaining minority shareholders represent 12.7%. The Entity disbursed 55 million euros (equivalent to \$1,205,703), which represents 10.6% of the minority interest; additionally, refunds were obtained for \$92.4 million pesos. As a result of this agreement, the Entity renegotiated the above conditions as follows:

- Deadline of December 31, 2026.
- The Entity has an enforceable and optional "Call Option" as of the third year.
- The weekly payment of a coupon (4.6% per year) payable until the date on which the "Put Option" is exercised.
- The Entity has the possibility of settling the obligation through the exchange of shares or cash.

On February 26, 2024, a share purchase agreement was signed between Alsea SAB de CV (Alsea) and the minority shareholders of Food Service Project, S.A., an Alsea subsidiary and operator of various brands in Europe. With this agreement, Alsea acquires a 23.23% minority stake in FSP. The terms of the purchase are disclosed in Note 1 on outstanding transactions.

19. Income taxes

In Mexico, the Entity is subject to ISR. Under the ISR Law the rate for 2024, 2023 and 2022 was 30% and will continue at 30% and thereafter.

In Chile, the Tax Modernization Law established the Tax Regimes in effect as of January 1, 2020, the companies of the Alsea Group in Chile were placed under the general semi-integrated regime of Article 14 A), whose tax rate is 27%.

In Colombia, applicable tax provisions stipulate that the applicable income tax rate for the taxable year is 32% for 2020, 31% for 2022, and 35% for 2023 and subsequent years.

In addition, tax losses determined from 2017 may be offset by liquid income earned within twelve (12) years. The term for offsetting presumptive income excesses will remain five (5) years. These tax credits cannot be tax reset.

In Argentina, on June 16, 2021, Law No. 27,630 was published, amending the income tax for fiscal years beginning on or after January 1, 2021, establishing a scale for paying the tax based on accumulated taxable net income.

As provided for in Article 5 of the above-mentioned standard, the scale amounts applicable to the fiscal period 2021 shall be adjusted annually from 1 January 2022. Considering the annual variation of the Consumer Price Index (CPI) for the month of October of the year prior to the adjustment, compared with the same month of the previous year.

Under this update, the Customs Collection and Control Agency (ARCA) has published the scale applicable to the 2024 fiscal year: up to \$34,703,523.08 (Argentine pesos) the tax rate is 25%; from \$34,703,523.08 (Argentine pesos) to \$347,035,230.79 (Argentine pesos), the sum of \$8,675,880.77 (Argentine pesos) plus 30% on the surplus of \$34,703,523.08 (Argentine pesos) is payable;

and from \$347,035,230.79 (Argentine pesos) it is necessary to pay taxes of \$102,375,393.08 (Argentine pesos), plus 35% on the excess of \$347,035,230.79 (Argentine pesos).

Likewise, the withholding rate for the payment of dividends is set at 7%.

As of December 31, 2024, the parameters established by the income tax law to practice the adjustment for tax inflation are met and in the registration of the current and deferred income tax, the effects arising from the application of that adjustment have been incorporated in the terms provided for in the law.

In Spain, tax reforms, which include the reduction of this tax rate 25% in 2024, and no modification is foreseen for the following fiscal years. Newly created companies will pay tax at the 15% rate during the first tax period in which their tax basis is positive and in the following period. As of 2022, the tax exemption on dividends and capital gains is limited from 100% to 95%, so that 5% of income will be taxed in Spain without said adjustment being eliminated in consolidation. Similarly, as part of these tax reforms, tax losses will be applicable without a time limitation.

The tax rates established for the financial year 2024, in the rest of the countries in which Alsea is present in Europe are as follows:

- Portugal: 21%
- France: 25%
- Netherlands: First 200,000 euros at 19%, the rest at 25.80%.
- Belgium: 25%
- Luxembourg: 17% National (additional includes 7% to the employment fund on the national tax amount and 6.75% municipal business tax, resulting in a combined tax rate of 24.94%)

A. INCOME TAXES RECOGNIZED IN INCOME

	2024	2023	2022
Current	\$ 1,393,834	\$ 1,742,070	\$ 1,163,613
Deferred	(882,322)	(390,310)	(308,761)
	\$ 511,512	\$ 1,351,760	\$ 854,852

The tax expense attributable to income before ISR differs from that arrived at by applying the 30% statutory rate in 2024, 2023 and 2022 due to the following items:

	2024	2023	2022
Statutory income tax rate	30%	30%	30%
Non-deductible expenses	22%	6%	8%
Effects of inflation and others	21%	3%	18%
Fixed asset update	(13%)	(5%)	(23%)
Lease Effects under IFRS 16	0%	(1%)	(6%)
Effect of changes in prior years' taxes	(14%)	1%	2%
Difference in tax rates	(8%)	0%	1%
Others	(1%)	(3%)	4%
Effective consolidated income tax rate	37%	31%	34%

B. DEFERRED TAXES

Following is an analysis of deferred tax assets shown in the consolidated statements of financial position:

	2024	2023	2022
Deferred (assets) liabilities:			
Estimation for doubtful accounts and inventory obsolescence	\$ (41,875)	\$ (39,914)	\$ (25,239)
Liability provisions	(1,542,048)	(1,639,117)	(1,521,877)
Advances from customers	(48,634)	(44,878)	(24,563)
Unamortized tax losses	(1,649,690)	(1,313,166)	(1,368,012)
Store equipment, leasehold improvements and property	708,803	979,112	974,377
Effects under IFRS 16	(562,811)	(390,623)	(465,366)
Advance payments	84,191	86,373	154,645
	\$ (3,052,064)	\$ (2,362,212)	\$ (2,276,035)

C. DEFERRED TAX IN STATEMENT OF FINANCIAL POSITION

The following is the analysis of deferred tax assets (liabilities) presented in the consolidated statements of financial position:

	2024	2023	2022
Deferred tax assets	\$ (6,588,525)	\$ (5,587,845)	\$ (3,102,781)
Deferred tax liabilities	3,536,461	3,225,633	826,746
	\$ (3,052,064)	\$ (2,362,212)	\$ (2,276,035)

The benefits of restated tax loss carryforwards for which the deferred ISR asset and tax credit, respectively, have been (in such case partially) recognized, can be recovered subject to certain conditions. Expiration dates and restated amounts as of December 31, 2024, are:

Year of expiration	Depreciable losses					
	Mexico	Europe	Chile	Argentina	Colombia	Total
2025	\$ 112,190	\$ -	\$ -	\$ 1,038	\$ -	\$ 113,228
2026	75,129	-	-	-	-	75,129
2027	91,122	-	-	-	-	91,122
2028	267,635	-	-	-	-	267,635
2029	80,632	-	-	-	16,400	97,032
2030	1,260,410	-	-	-	17,585	1,277,995
2031	932,450	-	-	-	30,416	962,866
2032	318,024	-	-	-	28,852	346,876
2033	1,046,670	-	-	-	24,072	1,070,742
2034	1,480,287	-	-	-	-	1,480,287
Losses of entities abroad without maturity	-	2,611,781	433,215	-	67,400	3,112,396
Total losses	\$ 5,664,549	\$ 2,611,781	\$ 433,215	\$ 1,038	\$ 184,725	\$ 8,895,308
Losses activated for deferred	\$ 3,645,968	\$ 1,826,768	\$ 313,669	\$ -	\$ 41,478	\$ 5,827,883
Legal Rate	30%	25%	27%	25%	35%	
Effect on deferred tax	\$ 1,093,790	\$ 456,692	\$ 84,691	\$ -	\$ 14,517	\$ 1,649,690

20. Employee benefits

DEFINED CONTRIBUTION PLANS

Retirement plan is established with the objective of offering benefits in addition to and complementary to those provided by other public retirement plans.

Total income recognized in the consolidated statements of income and other comprehensive income net of income taxes as of December 31, 2024, 2023 and 2022 are (\$54,105), \$1,537 and (\$16,715), respectively.

The net cost of the period for the obligations derived from the seniority premium amounted to \$40,759, \$60,136, and \$55,731 in 2024, 2023 and 2022, respectively.

21. Financial Instruments

A. CAPITAL RISK MANAGEMENT

The Entity manages its capital to ensure that the companies that it controls are able to continue operating as a going concern while they maximize the yield for their shareholders by streamlining the debt and equity balances. The Entity's general strategy has not changed in relation to 2023 and 2022.

The Entity's capital structure consists of the net debt (the loans described in Note 16 and 17, compensated by cash balances and banks) and the Entity's capital (made up of issued capital stock, reserves and retained earnings, as shown in Note 22).

The Entity is not subject to external requirements to manage its capital.

The main purpose for managing the Entity's capital risk is to ensure that it maintains a solid credit rating and sound equity ratios to support its business and maximize value to its shareholders.

The Entity manages its capital structure and makes any necessary adjustments based on changes in economic conditions. In order to maintain and adjust its capital structure, the Entity can modify the dividend payments to the shareholders, reimburse capital to them or issue new shares.

For the years ended December 31, 2024, 2023 and 2022, there were no modifications to the objectives, policies or processes pertaining to capital management.

The following ratio is used by the Entity and by different rating agencies and banks to measure credit risk.

- Net Debt to EBITDA = Net Debt / EBITDA ltm.

As of December 31, to 2024, 2023 and 2022, the company agreed, through a waiver, not to measure the financial restriction established in the Entity's credit agreements corresponding to the ratio of Total Debt to EBITDA in the last twelve months.

B. FINANCIAL INSTRUMENT CATEGORIES

	2024	2023	2022
Financial assets			
Cash and cash equivalents	\$ 6,467,932	\$ 6,409,798	\$ 6,086,817
Loans and accounts receivable at amortized cost	2,613,284	2,185,637	1,825,744
Financial liabilities at amortized cost			
Suppliers	4,988,563	4,265,968	4,252,803
Factoring of suppliers	1,839,529	1,501,931	1,375,794
Accounts payable to creditors	3,267,194	4,172,708	4,861,118
Current maturities of long-term debt	2,043,001	388,217	1,277,638
Current maturities of financial lease liabilities	3,476,770	3,315,031	4,103,865
Debt instruments	1,000,000	1,350,000	-
Long-term debt, not including current maturities	8,766,675	4,828,112	3,762,760
Obligation under finance leases	13,809,768	15,101,829	17,720,573
Option to sell the non-controlling interest	21,246,586	19,553,791	22,748,440

C. OBJECTIVES OF MANAGING FINANCIAL RISKS

Among the main associated financial risks that the Entity has identified and to which it is exposed are: (i) market (foreign currency and interest rate), (ii) credit, and (iii) liquidity.

The Entity seeks to minimize the potential negative effects of the aforementioned risks on its financial performance by applying different strategies. The first involves securing risk coverage through derivative financial instruments.

Derivative instruments are only traded with well-established institutions and limits have been set for each financial institution. The Entity has the policy of not carrying out operations with derivative financial instruments for speculative purposes.

D. MARKET RISK

The Entity is exposed to market risks resulting from changes in exchange and interest rates. Variations in exchange and interest rates may arise as a result of changes in domestic and international economic conditions, tax and monetary policies, market liquidity, political events and natural catastrophes or disasters, among others.

Exchange fluctuations and devaluation or depreciation of the local currency in the countries in which Alsea participates could limit the Entity's capacity to convert local currency to US dollars or to other foreign currency, thus affecting their operations, results of operations and consolidated financial position. The Entity currently has a risk management policy aimed at mitigating present and future risks involving those variables, which arise mainly from purchases of inventories, payments in foreign currencies and public debt contracted at a floating rate.

The contracting of derivative financial instruments is intended to cover or mitigate a primary position representing some type of identified or associated risk for the Entity. Instruments used are merely for economic hedging purposes, not for speculation or negotiation.

The types of derivative financial instruments approved by the Entity for the purpose of mitigating exchange fluctuation and interest rate risk are as follows:

- Forwards
- Options Purchase (Calls).
- Necklaces.
- Exchange of Interest Rates and Exchange Rate (Swaps and Caps).

Given the variety of possible derivative financial instruments for hedging the risks identified by the Entity, the Director of Corporate Finance is authorized to select such instruments and determine how they are to be operated.

E. CURRENCY EXCHANGE RISK MANAGEMENT

The Entity carries out transactions in foreign currency and therefore it is exposed to exchange rate fluctuations. Exposure to exchange rate fluctuations is managed within the parameters of approved policies, using foreign currency forwards contracts. Note 31 shows foreign currency positions at December 31, 2024, 2023 and 2022. It also shows the exchange rates in effect at those dates.

USD hedging and its requirements are determined based on the cash flow budgeted by the Entity, and it is aligned to the current Risk Management Policy approved by the Corporate Practices Committee, the General Director's office and the Administration and Financial Director's office. The policy is overseen by the Internal Audit Department.

The exchange rate risk expressed in a foreign currency (USD) is internally monitored on a weekly basis with the positions or hedges approximating maturity at market exchange rates. The agent calculating or valuing the derivative financial instruments is in all cases the counterparty designated under the master agreement.

The purpose of the internal review is to identify any significant changes in exchange rates that could pose a risk or cause the Entity to incur in non-compliance with its obligations. If a significant risk position is identified, the Corporate Treasury Manager informs the Corporate Financial Director's office.

The following table shows a quantitative description of exposure to exchange risk based on foreign currency forwards and options agreements contracted by the Entity in USD/MXN, in effect as of December 31, 2024, 2023 and 2022.

Type of derivative, security or contract	Underlying / reference variable	Objective of the hedging	Notional amount/ face value (thousands of USD)			Fair value (thousands of USD)					
			2024 current	2023 current	2022 previous	2024 current	2023 current	2022 previous			
Forwards	Long	Economic	20.5100 USD MXN	16.9200 USD MXN	20.0900 USD MXN	974,225	923,292	-	\$ (88,172)	\$ -	\$ -
Options	Long	Economic	20.5100 USD MXN	16.9200 USD MXN	20.0900 USD MXN	-	285,948	1,720,709	\$ (166,979)	\$ 170,029	\$ (40,341)

1. Foreign currency sensitivity analysis

As of December 31, 2024, 2023 and 2022, the Entity has hedges for the purchase of US dollars for the next 12 months for a total of \$47.50, \$72.0, and \$85.7 million, respectively, with an average exchange rate of \$18.88, \$19.82, and \$20.02 per US dollar, respectively.

Given the aforementioned values and amounts of foreign exchange hedges, management does not anticipate a significant risk that could affect its results at the close of December 31, 2024, as well as its obligations incurred in its current operations due in the next twelve months. The net position of assets against dollar-denominated financial liabilities is not considered as it is neither representative nor material. The analysis shows only the impact on the hedges for the dollar purchase operations contracted and in force at the end of December 31, 2024.

Management considers that in the event of a stress scenario as the one described above, the Entity's liquidity capacity would not be affected, there would be no negative effects on its operations, nor would compliance with the commitments assumed in relation to contracted derivative financial instruments be at risk.

2. Foreign currency forwards and options contracts

At December 31, 2024, 2023 and 2022, a total of 187, 404 and 402 derivative financial instrument operations (forwards and options) were carried out, respectively, for a total of \$123.5, \$117.2, and \$96.5 million US dollars, respectively. The absolute value of the fair value of the derivative financial instruments entered into per quarter over the year does not comprise more than 5% of assets, liabilities or total consolidated capital, or otherwise 3% of the total consolidated sales for the last quarter. Therefore, the risk for the Entity of exchange rate fluctuations will have no negative effects, nor will it affect its capacity to carry out derivative financial instrument operations.

At December 31, 2024, 2023 and 2022, Alsea has contracted DFI's to purchase US dollars in the next twelve months for a total of approximately \$47.50, \$72.0, and \$85.7 million USD, at the average exchange rate of \$18.88, \$19.82, and \$20.02 to the dollar, respectively.

At December 31, 2024, 2023 and 2022, the Entity had contracted the financial instruments shown in the table above.

F. INTEREST RATE RISK MANAGEMENT

The Entity faces certain exposure to the volatility of interest rates as a result of contracting bank and public stock exchange debt at fixed and variable interest rates. The respective risks are monitored and evaluated monthly on the basis of:

- Cash flow requirements
- Budget reviews
- Observation of the market and interest rate trends in the local market and in the countries in which Alsea operates (Mexico, Argentina, Chile and Colombia).
- Differences between negative and positive market rates

The aforementioned evaluation is intended to mitigate the Entity's risk concerning debt subject to floating rates or indicators, to streamline the respective prices and to determine the most advisable mix of fixed and variable rates.

The Corporate Treasury Manager is responsible for monitoring and reporting to the Administration and Financial Director any events or contingencies of importance that could affect the hedging, liquidity, maturities, etc. of DFI's. He in turn informs Alsea's General Management of any identified risks that might materialize.

The type of derivative products utilized and the hedged amounts are in line with the internal risk management policy defined by the Entity's Corporate Practices Committee, which contemplates an approach to cover foreign currency needs without the possibility to carry out speculative operations.

At December 31, 2024, the Entity has a total debt of \$33,056 million pesos, this debt was contracted at a fixed rate and a variable rate; in addition to the above, it was decided to apply a risk management strategy in order to you mitigate the fluctuations of the interest rate staying in a mix of rates where 55% is fixed at a weighted rate of 9.46%, and 45% at a variable rate, this strategy has generated a positive result for the Entity.

Interest rate swap contracts

According to contracts for swaps of interest (Interest Rate Swap - ISR), the Entity agrees to exchange the difference between the amounts of the fixed and variable rates calculated on the agreed notional amount.

Such contracts allow the Entity to mitigate interest rate change risks on the fair value of the debt issued at a fixed interest rate and the exposure to cash flows on the debt issued at a variable interest rate. The starting price of the swaps of interest at the end of the period being reported is determined by discounting future cash flows using the curves at the end of the period being reported and the credit risk inherent to the contract, as described further on in these consolidated financial statements. The average interest rate is based on current balances at the end of the period being reported.

The following table shows a quantitative description of exposure to interest rate risk based on interest rate forwards and options agreements contracted by the Entity, in effect as of December 31, 2024, 2023 and 2022.

Type of derivative, security or contract	Position	Objective of the hedging	Underlying / reference variable			Notional amount / face value (USD)			Fair value (USD)		
			2024 current	2023 current	2022 previous	2024 current	2023 current	2022 previous	2024 current	2023 current	2022 previous
IRS Plain Vanilla, Call Spread, Cross Currency Swaps	Long	Coverage	10.48% - TIIE 28 d 20.5100 USDMXN	11.50% - TIIE 28 d 16.9200 USDMXN	10.76% - TIIE 28 d 20.0900 USDMXN	36,210,710	33,674,856	9,789,783	\$ 360,300	\$ 1,150,255	\$ 410,654
Capped IRS	Long	Economic	-	11.50% - TIIE 28 d	10.76% - TIIE 28 d	-	302,500	7,093,020	\$ -	\$ 7,865	\$ (241,349)

The following table details quantitatively the instrument contracted for the senior bond issued in dollars with a value of \$500 million outstanding as of December 31, 2024:

Instrument	Rate	Notional (Miles USD)	Notional (Miles MXP)	Closing date	Expiring date
Call Spread	2.3970%	257,359	5,336,125	Jan 05, 2022	Dec 08, 2026
Principal Only Swap	5.1675%	171,572	3,557,417	Jan 10, 2022	Dec 14, 2026
Coupon Only Swap	TIIE 28D + 0.7100%	232,727	4,308,468	Feb 16, 2023	Dec 14, 2025
Coupon Only Swap	8.7300%	232,727	4,308,468	Feb 16, 2023	Dec 14, 2025
Coupon Only Swap	9.1800%	215,000	3,893,650	Mar 30, 2023	Dec 14, 2026
Coupon Only Swap	8.9800%	215,000	3,874,300	Mar 31, 2023	Dec 16, 2026

1. Analysis of interest rate sensitivity

The following sensitivity analysis has been determined on the basis of the exposure to interest rates of derivative instruments and of non-derivative instruments at the end of the period being reported. In the case of variable rate liabilities, an analysis is prepared assuming that the amount of the liability held at the end of the period being reported has been the amount of the liability throughout the year.

- The first stress scenario considered by the Entity's management is a 200 bps increase in the 28 and 91 days TIIE reference rate while the rest of the variables remain constant.
- The first stress scenario management is considering is a 200 bps increase in the 28- and 91-day TIIE reference rates, with all other variables remaining constant. At the close of December 31, 2024, a 200 bps increase in the reference rates would impact interest and financial costs by approximately \$108.3 million Mexican pesos.
- An increase of 150 bps in the 28- and 91-day TIIE rate represents an increase in the financial cost of approximately \$81.2 million pesos, in which there is no risk to the Entity's liquidity, nor is any negative effect expected on the operation of the business, or to assume the commitments related to the contracting of derivative financial instruments for interest rates.
- Finally, the scenario with a 100 bps increase in the 28- and 91-day TIIE reference rate would have a negative effect on financial costs of approximately \$54.1 million pesos.

The previous scenarios were carried out on the bank and stock market debt contracted in Mexican pesos with 28 and 91 days TIIE floating rate.

G. CREDIT RISK MANAGEMENT

Credit risk refers to the uncertainty of whether one or several of the counterparties will comply with their contractual obligations, which would result in a financial loss for the Entity. The Entity has adopted the policy of only operating with solvent institutions and obtaining sufficient collateral, when deemed necessary, as a way to mitigate the risk of financial loss caused by non-compliance.

The Entity has identified in its portfolio a credit risk among its derivative financial instruments designed as cash flow hedges, since are measured at fair value.

The Entity's exposure and the credit ratings of its counterparties are supervised on a regular basis. The maximum credit exposure levels allowed are established in the Entity's risk management internal policies. Credit risk over liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings issued by accepted rating agencies.

In order to reduce to a minimum, the credit risk associated to counterparties, the Entity contracts its financial instruments with domestic and foreign institutions that are duly authorized to engage in those operations and which form part of the Mexican Financial System.

With respect to derivative financial instruments, the Entity signs a standard agreement approved by the International Swaps and Derivatives Association Inc. with each counterparty along with the standard confirmation forms for each operation. Additionally, the Entity signs bilateral guarantee agreements with each counterparty that establish the margin, collateral and credit line policies to be followed. Such agreements, commonly known as “Credit Support Annexes”, establish the credit limits offered by credit institutions that would apply in the event of negative scenarios or fluctuations that might affect the fair value of open positions of derivative financial instruments. Such agreements establish the margin calls for instances in which credit facility limits are exceeded.

In addition to the bilateral agreements signed further to the ISDA master agreement, known as Credit Support Annexes (CSA), the Entity monitors the favorable or negative fair value on a monthly basis. Should the Entity incur a positive result, and that result be considered material in light of the amount, a CDS could be contracted to reduce the risk of breach by counterparties.

The methodologies and practices generally accepted in the market and which are applied by the Entity to quantify the credit risk related to a given financial agent are detailed below.

1. Credit Default Swap, the credit risk is quantified based on the quoted market price. The CDS is the additional premium that an investor is willing to pay to cover a credit position, meaning that the risk quantification is equal to this premium. This practice is utilized as long as quoted CDS are available on the market.
2. Issuance Credit Spread, if issuances are available for quotation on different financial markets, the credit risk can be quantified as the difference between the internal rate of return of the bonds and the risk-free rate.
3. Comparable items, if the risk cannot be quantified by using the above methodologies, the use of comparable items is generally accepted; i.e., the use of entities or bonds of the sector that the company wishes to analyze as a reference.

The Entity has the policy of monitoring the volume of operations contracted with each institution, in order to avoid margin calls and mitigate credit risks with counterparties.

At the close of December 31, 2024, and 2023, the Entity has incurred in 16 and 104 margin calls respectively.

At December 31, 2024, 2023 and 2022, the Entity has recorded no breaches to the agreements signed with different financial entities for exchange rate hedging operations.

The Entity’s maximum exposure to credit risk is represented by the carrying value of its financial assets. At December 31, 2024, 2023 and 2022, that risk amounts to \$2,850,393, \$2,390,935 and \$1,973,357, respectively.

The credit risk generated by the management of the Entity’s temporary investments reflects its current investment policy, which has the following objectives: I) enhance resource efficiency, and II) mitigate the credit risk. In order to fulfill these objectives, certain guidelines and maximum amounts were established for counterparties, instruments and periods within the Entity’s policies.

All transactions performed in Mexican pesos and foreign currency are supported by an outline brokerage agreement duly executed by both parties with regulated institutions belonging to the Mexican Financial System, which have the guarantees required by the Entity and recognized credit ratings. The only instruments authorized for temporary investments are those issued by the federal government, corporate and banking institutions under the repurchase modality. The Entity does not consider credit risk to be material or significant, so no measurement is made for temporary investments.

H. LIQUIDITY RISK MANAGEMENT

The ultimate responsibility for managing liquidity lies in the Financial Director, for which purpose the Entity has established policies to control and follow up on working capital, thus making it possible to manage the Entity’s short-term and long-term financing requirements. In keeping this type of control, cash flows are prepared periodically to manage risk and maintain proper reserves, credit lines are contracted and investments are planned.

The Entity’s main source of liquidity is the cash earned from its operations.

The following table describes the contractual maturities of the Entity’s financial liabilities considering agreed payment periods. The table has been designed based on undiscounted, projected cash flows and financial liabilities considering the respective payment dates. The table includes the projected interest rate flows and the capital disbursements made towards the financial debt included in the consolidated statements of financial position. If interest is agreed at variable rates, the undiscounted amount is calculated based on the interest rate curves at the end of the period being reported. Contractual maturities are based on the minimum date on which the Entity must make the respective payments.

As of December 31, 2024	Average effective interest rate	Up to 1 year	Up to 2 year	Up to 3 year	Up to 4 year	Up to 5 years or more	Total
Long-term debt	8.64%	\$ 2,043,001	\$ 4,766,675	\$ -	\$ -	\$ 4,000,000	\$ 10,809,676
Debt instruments	10.02%	1,000,000	12,829,192	8,417,394	-	-	22,246,586
Financial leasing	%	3,476,770	3,719,538	3,369,182	2,561,309	4,159,739	17,286,538
Derivates		-	286,495	-	-	-	286,495
Suppliers		4,988,563	-	-	-	-	4,988,563
Factoring of suppliers ⁽¹⁾		1,839,529	-	-	-	-	1,839,529
Accounts payable creditors		3,267,194	-	-	-	-	3,267,194
Accumulated expenses and employee benefits		8,128,765	-	-	-	-	8,128,765
Total		\$ 24,743,822	\$ 21,601,900	\$ 11,786,576	\$ 2,561,309	\$ 8,159,739	\$ 68,853,346

As of December 31, 2022	Average effective interest rate	Up to 1 year	Up to 2 year	Up to 3 year	Up to 4 year	Up to 5 years or more	Total
Long-term debt	6.46%	\$ 1,277,638	\$ 1,512,168	\$ 1,420,744	\$ 829,848	\$ -	\$ 5,040,398
Debt instruments	9.14%	-	1,200,449	1,000,000	2,650,000	17,897,991	22,748,440
Financial leasing	8.00%	4,103,865	3,503,867	2,980,936	2,493,175	8,742,595	21,824,438
Derivates		-	691,056	-	-	-	691,056
Suppliers		4,252,803	-	-	-	-	4,252,803
Factoring of suppliers ⁽¹⁾		1,375,794	-	-	-	-	1,375,794
Accounts payable creditors		4,861,118	-	-	-	-	4,861,118
Accumulated expenses and employee benefits		5,667,413	-	-	-	-	5,667,413
Sale of non-controlling interest		-	1,123,439	-	-	-	1,123,439
Total		\$ 21,538,631	\$ 8,030,979	\$ 5,401,680	\$ 5,973,023	\$ 26,640,586	\$ 67,584,899

(1) The policy of payment to suppliers is 90 days, for which the Entity signed financial factoring contracts backed by credit lines with financial institutions, through which a supplier can contact the financial institution to collect the any invoice in particular, previously approved by Alsea, before the payment date, which ends the payment obligation of Alsea to the supplier; in turn, Alsea will settle the balance to the financial institution on the due date for the invoice, in accordance with the terms previously agreed with the supplier. This transaction has no cost to Alsea, provided that the balances are liquidated in a timely manner, the balances not settled in a timely manner will be subject to a default interest that will be determined by the financial institution; Additionally, Alsea receives a commission for the balances discounted by the suppliers. These amounts have been classified as factoring of suppliers in the statement of financial position.

I. FAIR VALUE OF FINANCIAL INSTRUMENTS

This notes provides information on the manner in which the Entity determines the fair values of the different financial assets and liabilities.

Some of the Entity's financial assets and liabilities are valued at fair value at each reporting period. The following table contains information on the procedure for determining the fair values of financial assets and financial liabilities (specifically the valuation technique(s) and input data used).

As of December 31, 2023	Average effective interest rate	Up to 1 year	Up to 2 year	Up to 3 year	Up to 4 year	Up to 5 years or more	Total
Long-term debt	7.58%	\$ 388,217	\$ 1,200,164	\$ 3,627,948	\$ -	\$ -	\$ 5,216,329
Debt instruments	8.13%	1,350,000	1,000,000	11,109,500	7,444,291	-	20,903,791
Financial leasing	4.00%	3,315,031	2,762,529	2,578,360	2,210,023	7,550,917	18,416,860
Derivates		-	1,328,149	-	-	-	1,328,149
Suppliers		4,265,968	-	-	-	-	4,265,968
Factoring of suppliers ⁽¹⁾		1,501,931	-	-	-	-	1,501,931
Accounts payable creditors		4,172,708	-	-	-	-	4,172,708
Accumulated expenses and employee benefits		7,030,557	-	-	-	-	7,030,557
Sale of non-controlling interest		1,123,439	-	-	-	-	1,123,439
Total		\$ 23,147,851	\$ 6,290,842	\$ 17,315,808	\$ 9,654,314	\$ 7,550,917	\$ 63,959,732

Financial assets/liabilities	Fair value (1)(2) Cifras en miles MXN			Fair value hierarchy
	2024	2023	2022	
1) Forwards and currency options agreements	\$ (88,172)	\$ (121,313)	\$ (38,978)	Level 2
Valuation technique(s) and main input data	Plain vanilla forwards are calculated based on discounted cash flows on forward exchange type bases. The main input data are the Spot, the risk-free rates in MXN and USD + a rate that reflects the credit risk of counterparties. In the case of options, the methods used are Black and Scholes and Montecarlo digital and/or binary algorithms.			
2) Swaps de tasa de interés y tipo de cambio ligados a deuda	\$ 151,917	\$ (1,206,836)	\$ 409,945	Level 2
Valuation technique(s) and main input data	Discounted cash flows are estimated based on forwards interest rates (using the observable yield curves at the end of the period being reported) and the contractual rates, discounted at a rate that reflects the credit risk of the counterparties.			

During the period there were no transfers between level 1 and 3.

(1)The fair value is presented from a bank's perspective, which means that a negative amount represents a favorable result for the Entity.

(2) The calculation or valuation agent used is the same counterparty or financial entity with whom the instrument is contracted, who is asked to issue the respective reports at the month-end closing dates specified by the Entity.

(3)Techniques and valuations applied are those generally used by financial entities, with official price sources from banks such as Banxico for exchange rates, Proveedor Integral de Precios (PIP) and Valmer for supply and databases of rate prices, volatility, etc.

In order to reduce to a minimum, the credit risk associated with counterparties, the Entity contracts its financial instruments with domestic and foreign institutions that are duly authorized to engage in those operations.

In the case of derivative financial instruments, a standard contract approved by the International Swaps and Derivatives Association Inc. (ISDA) is executed with each counterparty; the standard confirmation forms required for each transaction are also completed.

Likewise, bilateral guarantee agreements are executed with each counterparty to determine policies for the margins, collateral and credit lines to be granted.

This type of agreement is usually known as a "Credit Support Annex"; it establishes the credit limits that financial institutions grant to the company and which are applicable in the event of negative scenarios or fluctuations that affect the fair value of the open positions of derivative financial instruments. These agreements establish the margin calls to be implemented if credit line limits are exceeded.

Aside from the bilateral agreements attached to the ISDA outline agreement known as the Credit Support Annex (CSA), the Entity monthly monitors the fair value of payable or receivable amounts. If the result is positive for the Entity and is considered relevant due to its amount, a CDS can be contracted to reduce the risk of counterparty noncompliance.

The Entity has the policy of monitoring the number of operations contracted with each of these institutions so as to avoid margin calls and mitigate the counterparty credit risk.

At December 31, 2024, 2023 and 2022, the Entity has not received any margin calls and does not have any securities given as a guarantee with counterparties as interest rate hedges. Furthermore, it did not record any instances of noncompliance with the contracts executed with different financial institutions for operations involving interest rate hedges.

J. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES THAT ARE NOT VALUED AT FAIR VALUE ON A RECURRING BASIS (BUT THAT REQUIRE FAIR VALUE DISCLOSURE)

Except for the matter described in the following table, Management considers that the carrying values of financial assets and liabilities recognized at amortized cost in the consolidated financial statements approximate their fair value:

Financial liabilities	2024		2023		2022	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities maintained at amortized cost:						
Suppliers	\$ 4,988,563	\$ 4,988,563	\$ 4,265,968	\$ 4,265,968	\$ 4,252,803	\$ 4,252,803
Factoring of suppliers	1,839,529	1,839,529	1,501,931	1,501,931	1,375,794	1,375,794
Bank loans	2,043,001	2,202,447	388,217	542,514	1,277,638	1,620,976
Obligation under finance leases	3,476,770	3,457,308	3,315,031	3,315,031	4,103,865	4,103,865
Long-term bank loans	8,766,675	12,832,804	4,828,112	5,680,772	3,762,760	4,160,393
Non-current financial lease liabilities	13,809,768	13,809,768	15,101,829	15,101,829	17,720,573	17,720,573
Debt instruments	22,246,586	22,504,538	20,903,791	21,054,728	22,748,440	22,211,789
Total	\$ 57,170,892	\$ 61,634,957	\$ 50,304,879	\$ 51,462,773	\$ 55,241,873	\$ 55,446,193

Financial liabilities 2024		Level 2
Financial liabilities maintained at amortized cost:		
Bank loans	\$	2,043,001
Current obligation under finance leases		3,476,770
Long-term debt, not including current maturities		8,766,675
Obligation under finance leases		13,809,768
Debt instruments		22,246,586
Total	\$	50,342,800

Financial liabilities 2023		Level 2
Financial liabilities maintained at amortized cost:		
Current maturities of long-term debt	\$	388,217
Current obligation under finance leases		3,315,031
Debt instruments		4,828,112
Long-term debt, not including current maturities		15,101,829
Obligation under finance leases		1,123,439
Debt instruments		20,903,791
Total	\$	45,660,419

Financial liabilities 2022		Level 2
Financial liabilities maintained at amortized cost:		
Current maturities of long-term debt	\$	1,277,638
Current obligation under finance leases		4,103,865
Debt instruments		3,762,760
Long-term debt, not including current maturities		17,720,573
Obligation under finance leases		1,123,439
Debt instruments		22,748,440
Total	\$	50,736,715

Valuation

a) Description of valuation techniques, policies and frequency:

The derivative financial instruments used by Alsea (forwards and swaps) are contracted to reduce the risk of adverse fluctuations in exchange and interest rates. Those instruments require the Entity to exchange cash flows at future fixed dates on the face value or reference value and are valued at fair value.

b) Liquidity in derivative financial operations:

1. The resources used to meet the requirements related to financial instruments, will come from the resources generated by Alsea.
2. External sources of liquidity: No external sources of financing will be used to address requirements pertaining to derivative financial instruments.

22. Stockholders' equity

Following is a description of the principal features of the stockholders' equity accounts:

A. CAPITAL STOCK STRUCTURE

The movements in capital stock and premium on share issue are shown below:

	Number of actions	Thousands of pesos social capital	Premium in issuance of shares
Figures as of December 31, 2023	838,578,725	\$ 478,749	8,675,410
Placement of actions	(23,506,079)	(11,753)	(949,682)
Figures as of December 31, 2023	815,072,646	466,996	7,725,728
Placement of actions	(5,354,242)	-	(2,566,167)
Figures as of December 31, 2024	809,718,404	\$ 466,996	5,159,561

The fixed minimum capital with no withdrawal rights is comprised of Class I shares, while the variable portion is represented by Class II shares, and it must in no case exceed 10 times the value of the minimum capital with no withdrawal rights.

The National Banking and Securities Commission has established a mechanism that allows the Entity to acquire its own shares in the market, for which purpose a reserve for repurchase of shares must be created and charged to retained earnings.

Total repurchased shares must not exceed 5% of total issued shares; they must be replaced in no more than one year, and they are not considered in the payment of dividends.

The premium on the issuance of shares is the difference between the payment for subscribed shares and the par value of those same shares, or their notional value (paid-in capital stock divided by the number of outstanding shares) in the case of shares with no par value, including inflation, at December 31, 2012.

Available repurchased own shares are reclassified to contributed capital.

During the Ordinary and Extraordinary General Shareholders' Meeting held on April 27, 2024, it was agreed to cancel 4,927,000 common shares repurchased in the market, equivalent to \$202,300.

During the Ordinary and Extraordinary General Shareholders' Meeting held on February 1, 2024, it was agreed to cancel 18,579,079 ordinary shares repurchased in the market, an amount equivalent to 2.2% of the total shares in circulation.

During the Ordinary and Extraordinary General Shareholders' Meeting held in 2024, the cancellation of 5,354,242 common shares repurchased on the market was agreed upon, an amount equivalent to 0.74% of the total shares outstanding.

B. STOCKHOLDERS' EQUITY RESTRICTIONS

I. 5% of net earnings for the period must be set aside to create the legal reserve until it reaches 20% of the capital stock. At December 31, 2024, 2023 and 2022, the legal reserve amounted to \$100,736, which amount reaches the required 20%.

II. Dividends paid out of accumulated profits will be free of ISR if they come from the CUFIN and for the surplus 30% will be paid on the result of multiplying the dividend paid by the update factor. The tax arising from the payment of the dividend that does not come from the CUFIN will be charged to the Entity and may be credited against the corporate ISR for the following two years.

23. Non-controlling interest

a. Following is a detail of the non-controlling interest..

	Amount
Initial balance at January 01, 2022	\$ 1,034,923
Other movements in capital	(83,912)
Ending balance at December 31, 2022	951,011
Equity in results for the year ended December 31, 2023	59,267
Other movements in capital	(69,657)
Ending balance at December 31, 2023	940,621
Equity in results for the year ended December 31, 2024	(4,985)
Other movements in capital	(816,234)
Ending balance at December 31, 2024	\$ 119,402

b. Following is the detail of the Non-Controlling interest of the main subsidiaries of the Entity:

Subsidiary	Country	Percentages of the non-controlling interest			Income (loss) attributable to the non-controlling interest			Accumulated non-controlling interest		
		2024	2023	2022	2024	2023	2022	2024	2023	2022
Food Service Project, S.A. (1)	España	0%	23.23%	23.23%	\$ -	\$ 54,718	\$ (66,326)	\$ -	\$ 852,709	\$ 842,186
Estrella Andina, S.A.S.	Colombia	30.00%	30.00%	30.00%	(4,985)	4,549	7,666	119,402	87,912	108,825

(1) In September 2021, the Entity, Alia Capital Partners and Bain Capital Credit agreed to invest in a noncontrolling interest of 21.1% in Food Service Project, S.A. (Alsea Europa). Following this investment, Alsea holds equity of 76.8% (formerly 66.2%), while Alia Capital Partners and Bain Capital Credit will indirectly hold equity of 10.6%, and the remaining minority shareholders represent 12.7%. The Entity's outlay was 55 million euros (equal to \$1,205,703), which represents 10.5% of the noncontrolling interest. Similarly, reimbursements of \$92.4 million pesos were also obtained. Based on this agreement, the Entity renegotiated its PUT - CALL options in the following manner:

- a) Deadline of December 31, 2026.
- b) The Entity has an enforceable and optional “Call Option” as of the third year.
- c) The weekly payment of a coupon (4.6% per year) payable until the date on which the “Put Option” is exercised.
- d) The Entity has the possibility of settling the obligation through the exchange of shares or cash.

On February 26, 2024, a share purchase agreement was signed between Alsea S. A. B. de C. V. (Alsea) and the minority shareholders of Food Service Project SL (FSP), a subsidiary of Alsea and operator of various brands in Europe. With this agreement, Alsea acquires 23.23% of the minority stake in FSP. The terms of the purchase are disclosed in note 32 on subsequent events.

24. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to the controlling interest holders of ordinary capital by the average weighted number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to controlling interest holders of ordinary capital (after adjusting for interest on the convertible preferential shares, if any) by the average weighted ordinary shares outstanding during the year plus average weighted ordinary shares issued when converting all potentially ordinary diluted shares to ordinary shares. For the years ended December 31, 2024, 2023 and 2022, the Entity has no potentially dilutive shares, for which reason diluted earnings per share is equal to basic earnings per share.

The following table contains data on income and shares used in calculating basic and diluted earnings per share:

	2024	2023	2022
Net profit (in thousands of Mexican pesos):			
Attributable to shareholders	\$ 767,576	\$ 2,982,351	\$ 1,737,928
Shares (in thousands of shares):			
Weighted average of shares outstanding	809,110	814,268	838,579
Basic and diluted net income per share of continuous and discontinued operations (cents per share)	\$ 0.94	\$ 3.66	\$ 2.07
Basic and diluted net income per share of continuous operations (cents per share)	\$ 0.94	\$ 3.66	\$ 2.07

25. Revenues

	2024	2023*	2022*
Revenues from the sale of goods	\$ 75,979,069	\$ 72,055,117	\$ 65,277,694
Services**	2,165,671	1,963,468	1,240,480
Royalties	840,561	747,702	725,345
Total	\$ 78,985,301	\$ 74,766,287	\$ 67,243,519

*This data includes part of the data reclassified by the Burger King Spain operation.

**Includes merchandise revenue through digital platforms.

26. Cost of sales

The costs and expenses included in other operating costs and expenses in the consolidated statements of income are as follows:

	2024	2023*	2022*
Food and beverage of costs	\$ 23,085,400	\$ 22,015,572	\$ 19,913,453
Royalties of costs	170,032	153,156	138,774
Other costs	479,703	496,354	442,544
Total	\$ 23,735,135	\$ 22,665,082	\$ 20,494,771

* This data includes part of the data reclassified by the Burger King Spain operation..

27. Other operating expenses

Other operating expenses included in the consolidated statements of income are as follows:

	2024		2023*		2022*
Commission aggregators	\$	1,228,336	\$	1,023,680	\$ 873,391
Fees		318,271		353,441	224,867
Insurance		803,006		729,381	839,412
Taxes and rights		1,390,468		1,116,432	820,181
Occupancy expenses		124,200		54,557	156,472
Distribution		135,700		106,330	371,136
Other expenses		2,185,690		1,858,575	1,638,685
Total	\$	6,185,671	\$	5,242,396	\$ 4,924,144

* This data includes part of the data reclassified by the Burger King Spain operation.

28. Discontinued operations

During November 2024, 54 Burger King restaurants were transferred in accordance with the contract with the acquiring company, Burger King Spain, S.L., with Food Service Project, S.A.U. as the selling company. Only one Burger King restaurant remains under the operations of Food Service Project, S.A.U.

The income, expenses, and profit or loss before tax recognized in the consolidated income statement are as follows:

Data expressed in thousands of pesos	Exercise 2024		Exercise 2023		Exercise 2022
Sales	\$	1,422,146	\$	1,464,761	\$ 1,587,786
Cost of sales		414,636		436,449	465,868
Occupancy expenses		961,537		973,926	1,025,245
Operating profit		45,973		54,386	96,673
Financial result		(3,705)		21,354	26,485
Profit before income taxes		49,678		33,032	70,188
Income taxes		(60,132)		9,174	19,467
Result of the year corresponding to discontinued operations		(109,810)		23,858	50,721
		(109,810)			50,721

In relation to this transaction, as of December 31, 2024, the assets pending transfer from "Burger King" Spain amount to 29,336 thousand pesos and its associated liabilities amount to 19,462 thousand pesos..

29. Balances and transactions with related parties

OFFICER COMPENSATIONS AND BENEFITS

The total amount of compensation paid by the Entity to its directors and principal officers for the fiscal year ended December 31, 2024, 2023 and 2022 was approximately \$231,801, \$277,702, and \$160,217, respectively.

This amount includes emoluments determined by the General Assembly of Shareholders of the Entity for the performance of their positions during said year, as well as salaries and salaries.

The Entity continually reviews salaries, bonuses and other compensation plans in order to offer its employees competitive compensation conditions.

30. Financial information by segments

The Entity is organized into three large operating divisions comprised of sales of food and beverages in Mexico and South America (LATAM - Argentina, Chile, Colombia and Uruguay) and Europe (Spain, Portugal, France, Netherlands, Belgic and Luxemburg) all headed by the same management. The accounting policies of the segments are the same as those of the Entity's described in Note 3.

The Food and Beverages segments in which Alsea in Mexico, Europe and Latin America (LATAM) participates are as follows:

Fast Food: This segment has the following features: i) fixed and restricted menus, ii) food for immediate consumption, iii) strict control over individual portions of each ingredient and finished product, and iv) Individual packages, among others. This type of segment can be easily accessed and therefore penetration is feasible at any location.

Coffee (Coffee Shops): Specialized shops where coffee is the main item on the menu. The distinguishing aspects are top quality services and competitive prices, and the image/ambiance is aimed at attracting all types of customers.

Casual Dining: This segment comprises service restaurants where orders are taken from customers and there are also to-go and home delivery services. The image/ambiance of these restaurants is aimed at attracting all types of customers. This segment covers fast food and gourmet restaurants.

The main features of casual dining stores are i) easy access, ii) informal dress code, iii) casual atmosphere, iv) modern ambiance, v) simple decor, vi) top quality services, and vii) reasonable prices. Alcoholic beverages are usually sold at those establishments.

Restaurant - cafeteria - (Vips): Is a familiar-type segment and its main characteristic is the hospitality, and be close to the client. These restaurants have a wide variety of menus.

Fast Casual Dining: This is a combination of the fast food and casual dining segments.

The definition of the operating segments is based on the financial information provided by General Management and it is reported on the same basis as those used internally by each operating segment. Likewise, the performance evaluations of the operating segments are periodically reviewed.

Information on the segments for the years ended December 31, 2024, 2023 and 2022 is as follows: (figures in millions of pesos).

Figures in millions of pesos as of December 31, division:

	Food and beverages			Food and beverages			Food and beverages			Consolidated		
	Mexico			LATAM			Europe			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023*	2022*	2024	2023*	2022*
Income	\$ 43,075	\$ 39,359	\$ 33,469	\$ 13,294	\$ 13,906	\$ 13,388	\$ 22,616	\$ 21,501	\$ 20,387	\$ 78,985	\$ 74,766	\$ 67,244
Costs	14,589	13,847	12,018	4,418	4,539	4,503	4,728	4,279	3,974	23,735	22,665	20,495
Operating costs	17,243	15,624	13,426	6,988	7,238	6,887	14,018	13,284	12,678	38,249	36,146	32,991
Depreciation and amortization	5,370	4,357	3,579	1,672	931	1,002	1,679	2,695	2,905	8,721	7,983	7,486
Utility operation	5,873	5,531	4,446	216	1,198	996	2,191	1,243	830	8,280	7,972	6,272
Interest paid	-	-	-	-	-	-	-	-	-	5,485	5,114	4,139
Earned interests	-	-	-	-	-	-	-	-	-	(324)	(815)	(393)
Other financial expenses	-	-	-	-	-	-	-	-	-	1,697	(693)	11
	-	-	-	-	-	-	-	-	-	6,859	3,606	3,787
Participation in associates	-	-	-	-	-	-	-	-	-	21	3	-
Income taxes	-	-	-	-	-	-	-	-	-	512	1,352	854
Consolidated net income for the year	-	-	-	-	-	-	-	-	-	763	3,042	1,679
Noncontrolling interest	-	-	-	-	-	-	-	-	-	(5)	59	(58)
Majority net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 768	\$ 2,983	\$ 1,737

*This data includes part of the data reclassified by the Burger King Spain operation.

	Food and beverages			Food and beverages			Food and beverages			Consolidated		
	Mexico			LATAM			Europe			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Assets	\$ 47,604	\$ 33,746	\$ 28,608	\$ 4,886	\$ 7,968	\$ 10,029	\$ 24,644	\$ 30,564	\$ 35,755	\$ 77,134	\$ 72,278	\$ 74,392
Investment in productive assets												
Investment in associates	280	180	157	-	-	-	-	-	-	280	180	157
Investment in Fixed Assets and Intangible	1,659	2,645	1,893	1,212	825	962	2,038	1,506	1,519	4,909	4,976	4,374
Total assets	\$ 49,543	\$ 36,571	\$ 30,658	\$ 6,098	\$ 8,793	\$ 10,991	\$ 26,682	\$ 32,070	\$ 37,274	\$ 82,323	\$ 77,434	\$ 78,923
Total liability	\$ 50,277	\$ 31,511	\$ 35,743	\$ 2,789	\$ 5,801	\$ 4,745	\$ 19,859	\$ 30,524	\$ 29,140	\$ 72,925	\$ 67,836	\$ 69,628

31. Foreign currency position

Assets and liabilities expressed in US dollars, shown in the reporting currency at December 31, 2024, 2023 and 2022, are as follows:

	Thousands of Mexican pesos		
	2024	2023	2022
Assets	\$ 5,908,666	\$ 5,415,419	\$ 5,631,500
Liabilities	(29,935,896)	(25,872,624)	(28,071,938)
Net passive position	\$ (24,027,230)	\$ (20,457,205)	\$ (22,440,438)

The exchange rate to the US dollar at December 31, 2024, 2023 and 2022 was \$20.5103, \$16.9190 and \$19.47, respectively. At March 31, 2024, the date of issuance of the consolidated financial statements, the exchange rate was \$18.0892 to the US dollar.

The exchange rates used in the different conversions to the reporting currency at December 31, 2024, 2023 and 2022 and at the date of issuance of these consolidated financial statements are shown below:

Country of origin 2024	Currency	Closing exchange rate	Issuance March 31, 2025
Argentina	Argentinian peso (ARP)	.0199	0.019
Chile	Chilean peso (CLP)	.0206	0.021
Colombia	Colombian peso (COP)	.0047	0.0048
Spain	Euro (EUR)	21.5241	21.9752

Country of origin 2023	Currency	Closing exchange rate	Issuance April 10, 2024
Argentina	Argentinian peso (ARP)	0.0209	0.0012
Chile	Chilean peso (CLP)	0.0191	0.0010
Colombia	Colombian peso (COP)	0.0044	0.2600
Spain	Euro (EUR)	18.6869	17.9137

Country of origin 2022	Currency	Closing exchange rate	Issuance April 26, 2023
Argentina	Argentinian peso (ARP)	0.1099	0.08202
Chile	Chilean peso (CLP)	0.0227	0.0225
Colombia	Colombian peso (COP)	0.0040	0.0039
Spain	Euro (EUR)	20.7810	19.9975

In converting the figures, the Entity used the following exchange rates:

Foreign transaction	Currency			
	Country of Origin	Recording	Functional	Presentation
Fast Food Sudamericana, S.A.	Argentina	ARP	ARP	MXP
Starbucks Coffee Argentina, S.R.L.	Argentina	ARP	ARP	MXP
Asian Bistro Argentina, S.R.L.	Argentina	ARP	ARP	MXP
Fast Food Chile, S.A.	Chile	CLP	CLP	MXP
Asian Food Ltda,	Chile	CLP	CLP	MXP
Gastronomía Italiana en Colombia, S.A.S.	Colombia	COP	COP	MXP
Operadora Alsea en Colombia, S.A.	Colombia	COP	COP	MXP
Asian Bistro Colombia, S.A.S.	Colombia	COP	COP	MXP
Food Service Project, S.A. y subsidiarias	Spain	EUR	EUR	MXP

32. Commitments and contingent liabilities

COMMITMENTS:

- The Entity leases locales to house its stores and distribution centers, as well as certain equipment further to the lease agreements entered into for defined periods (see Note 19).
- The Entity has acquired several commitments with respect to the arrangements established in the agreements for purchase of the brands.
- In the normal course of operations, the Entity acquires commitments derived from supply agreements, which in some cases establish contractual penalties in the event of breach of such agreements.

CONTINGENT LIABILITIES:

- In March 2019, the Tax Administration Service (SAT) assessed tax credits for GASA and Italcafé as a result of audits for the 2010 and 2011 fiscal years, respectively, in relation to deposits made to their bank accounts. They therefore filed an appeal for revocation, and subsequently, in August and November 2019, filed a claim to annul the resolutions issued in the appeals for revocation.

In March 2023, the Metropolitan Regional Chamber of the TFJA (Federal Court of Justice of the Basque Country) issued a ruling declaring the determination of the tax credit null and void, annulling 80% of the tax credit. The tax authority issued a ruling ignoring the ruling's effects. In December 2024, Italcafé filed an appeal against this ruling, which is currently being processed.

In August 2023, the Court issued a ruling recognizing the validity of the contested resolution. GASA filed a direct appeal against this ruling, which is currently being processed before the 10th Collegiate Court for Administrative Matters of the First Circuit.

It is important to mention that the previous owners of GASA and Italcafé will bear the economic consequences of the aforementioned tax credit, pursuant to the terms and conditions established in the agreements Alsea entered into with the aforementioned sellers.

- The tax authorities carried out a review of Alsea and its subsidiary Operadora Alsea de Restauraciones Mexicanos S.A., of C.V. (OARM), in respect of the 2014 financial year, in particular they reviewed the fiscal aspects relating to the purchase operation of the restaurant division Vips a Wal-Mart de México S.A.B. de C.V. in that year.

The tax authorities issued liquidation offices, the most relevant being the one who claims the payment of taxes for alleged revenues in the acquisition of goods from ALSEA and which together amount to the amount of 4,948 million of pesos, including update.

Alsea and its external lawyers consider that there are sufficient elements to demonstrate that the liquidations made by the tax authorities are improper and to demonstrate that Alsea has complied in time and form with its tax obligations with respect to the operation of the said sale. By agreement issued on June 15, 2022, the Specialized Chamber of Exclusive Fund Resolution admitted the application for nullity under file number 57/22-ERF-01-7 and granted the plan to suspend the execution of the contested resolutions including the order to unblock the bank accounts of the company on the basis of the embargo carried out by the collecting authority. Subsequently, the respondent authorities responded to the claim and expanded the company's valuation expert test questionnaire. Such expert evidence is duly integrated as the experts of the parties rendered their opinions and their respective extensions.

In October 2023, the Superior Room exercised the power of attraction to resolve the trial, and litis fixation hearings have been held.

We are currently waiting for the settlement agreement to proceed with the study and resolution in a plenary session.

The accounting framework under which the transaction was recorded was in accordance with IFRS the consolidated IFRS financial statements, and in particular the International Financial Reporting Standards 10 (10-point), and in which it is established that, in a Business combination consolidated The surplus value which forms part of the book amount of an investment of a subsidiary is not recognized separately, i.e. the surplus value generated by the acquisition of Vips must be presented in conjunction with the investment in shares in the individual financial statements of OARM, it does not comply with the definition of a separate asset in the individual financial statements.

In the separate financial statements of Alsea, the acquisition of the VIPs brand refers only to the acquisition of the intellectual property of the VIPs brand.

Alsea applied the accounting or buying method mentioned in IFRS the 3-store, Business combination which is only applicable in the consolidated financial statements of the acquiring entity, in the application of this method, the assets and liabilities acquired in the purchase of the business were recognized including the identified intangible assets of the acquired entity, the assets and liabilities under the above terms are compared with the compensation paid and the difference between these values is recorded at the consolidated level as a surplus value.

Purchase accounting as mentioned above is a special accounting, relative adjustments are recognized only in the consolidated financial statements, are not recognized in the financial statements of the acquired company, or in the separate financial statements of the acquirer.

As of December 31, 2024, the company has several active labor trials with a total contingency of \$567,266. According to the confirmation of their lawyers, there is a chance that the resolution will be complicated and 60% of them may be lost.

While the company has the advice of its lawyers and maintains a strategy for short-term care and resolution, it has registered a provision of 438,536 to cover any future disbursements related to them.

The provision is reflected under the heading of accrued expenses and employee benefits in the financial position statement.

33. Subsequent events

On February 19, 2025, the outstanding payment to the minority shareholders of the European entity that was acquired at the beginning of the previous year pending for an amount of \$40 million (see Note 1) was executed.

In addition to this fact, there have been no Subsequent events significant allowances to the date of issue of these consolidated financial statements.

34. Authorization of consolidated financial statement

The consolidated financial statements were authorized for issuance on March 31, 2025, by Mr. Federico Rodriguez Rovira, Director of Administration and Finance, consequently they do not reflect the events that occurred after that date, and are subject to the approval of the audit committee and the ordinary shareholders' meeting of the Entity, who can decide to modify it in accordance with the provisions of the General Law of Commercial Companies.

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