

# Earnings Release

## 3Q21

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# Aalsea



28.10.21

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### VIDEOCONFERENCE

Date and Time: Thursday, October 29<sup>th</sup>,  
2021, 9:00 am (Mexico City time)

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## Third Quarter 2021 Results and Highlights

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- Aalsea reported sustained sales growth for 9 consecutive months and positive EBITDA in all regions during the third quarter 2021
  - Same-Store Sales (SSS) growth for the third quarter of 2021 was 41.6%, compared to 3Q20, and 1.4% compared to 3Q19
  - Home delivery sales continued to grow despite the return of dine-in consumption, increasing by 18.0% vs. 3Q20, reaching over 2.7 billion pesos with a 19.9% share of consolidated sales, and 10.5 million orders in the third quarter of 2021
  - EBITDA growth in the third quarter of 2021 was 49.2% compared to 3Q20, with a margin of 22.5% in 3Q21, reaching 90.6% of 3Q19's reported EBITDA
  - Net Profit in 3Q21 increased by 146.1%, compared to 3Q20, and by 18.0% vs. 3Q19
  - Aalsea increased its stake in Aalsea Europe by 10.5%, to 76.8%, with an investment of 55.4 million euros
  - The Company posted a cash balance of 3.6 billion pesos at the end of the third quarter, even after the 55.4 million euros investment in Aalsea Europe
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### MESSAGE FROM THE EXECUTIVE PRESIDENT

Alberto Torrado, Executive President of Aalsea commented: "We are very pleased with the third-quarter results, which showed solid and sustained sales growth for the ninth consecutive month, and a recovery in margins, validating our commercial strategy. In 3Q21, sales increased 41.1% year-on-year, and were only 3.7% below 3Q19. This was driven by the reduction of health restrictions and social distancing, as well as the implementation of our omnichannel strategies for our restaurants and home deliveries, allowing us to serve our clients *whenever, wherever, and however* they want. We achieved positive EBITDA in all regions, totaling 3,144 million pesos, and a consolidated margin of 22.5%, which was driven by the recovery in sales and cost and expense efficiencies.

Looking at the regions, Aalsea México reported an increase in sales of 46.7% and an adjusted EBITDA margin of 28.8%, still below the 34.7% reported in the same period of 2019, but a 140 basis point increase compared to 3Q20. The margin was below 2019 levels primarily due to lower recovery observed in traffic for casual food and family-style restaurants, compared to fast food and coffee shops, which are already at, or in some cases above, 2019 levels. We are working hard to restore traffic to our casual dining and family restaurant brands, and we are confident that as people return to work in offices, and our commercial strategies take effect, the Company's numbers will improve and contribute to growth in the final quarter of the year.

Aalsea Europe showed a significant recovery in sales of 19.0% compared to 3Q20 and an adjusted EBITDA of 1,517 million pesos, which represents a growth of 21.9% vs. 3Q20, with an adjusted margin of 31.4%. This was thanks to the reopening of restaurants and other points of sale that had been closed in 2020, solid home-delivery sales, and cost controls.

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Alsea South America showed the most marked recovery, with a growth in sales of 91.5%, and an adjusted EBITDA of 556 million pesos, representing an increase of 73.6% compared to the same period last year, due to optimization of costs and reduction of expenses, with our restaurants were well positioned to benefit from the reopening of the region's economies.

In terms of brands, Starbucks and Domino's Pizza once again had the strongest results due to their unparalleled strength and brand presence, their excellent product offering in the current economic context, and their convenience, both with dine-in and home delivery. In Mexico, compared to 3Q19, Starbucks and Domino's Pizza both achieved increases in same-store sales of 24.1%. The same brands in Colombia also had outstanding growth of 49.5% and 45.5%, respectively.

Food delivery sales continue to represent a significant sales channel for our customers and we remain optimistic that this trend will continue in the future, even as economies reopen and dine-in sales normalize. In the third quarter we achieved an 18.0% increase in delivery sales compared to the same period of 2020. Orders went up by 8.9% in the period compared to 3Q20, reaching 10.5 million orders in the quarter and a 19.9% share of Alsea's consolidated sales. We expect delivery to remain very strong even when all mobility restrictions are lifted, as the pandemic has caused a permanent shift in demand.

We continue to implement our omnichannel digital strategy to be able to serve our customers whenever, wherever, and however they want to consume our products. Our Wow+ platform, which includes 10 brands and provides exclusive benefits, promotions, delivery service, and restaurant experiences, reached 849 thousand active users at the end of the quarter, a growth of 126.2% compared to 2020.

During the quarter, we jointly invested with Bain Capital Credit in an additional stake in Alsea Europa. Alsea now owns 76.8% of the operations in Europe, Bain Capital Credit will have a 10.5% stake, and minority shareholders will have the rest. We are delighted to have Bain Capital Credit, one of the world's leaders in private equity, as a partner for our operations in Europe, and believe they will provide strong support for post-pandemic business opportunities on the continent. We will work closely with Bain Capital Credit to explore new ways to evolve the business and build on the recent recovery.

Regarding Environmental, Social and Governance issues, during the quarter we focused on several different efforts to promote a positive impact at the local and regional level. A clear example is our commitment to the Sustainable Development Goal of the Fight against Hunger. Ahead of our ninth annual fundraising campaign for the "*Movimiento Va por mi Cuenta*", we are seeking to raise more than 28 million pesos that will be used to provide nutritious food to the most vulnerable population in Mexico.

In terms of environmental issues, we are working on several initiatives in favor of our commitment to sustainability. For example, in Mexico, 63% of our units now use clean energy. Similarly, the oil collection program in our stores has gained momentum this year, to date we have collected more than 600 thousand liters of oil in Mexico, Argentina and Chile, for its subsequent recycling and transformation into biodiesel and other products.



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In line with global best practices, we are actively working on reducing the use of plastics both in our facilities, and with our customers. In Argentina, particularly in the case of Burger King, dessert containers have been replaced with polyethylene, which is expected to reduce 7 thousand kilos of plastic per year.

Within all of our operations, we continue to support actions that promote the well-being of our employees and their families. We remain vigilant in implementing health security protocols, and are working to make sure our operations have the least environmental impact as possible.

I would like to thank the commitment and service of all Alsea employees, as their dedication has been essential to achieving positive results for this quarter and the year so far. The Company continues generating cash flow, seeking organic growth opportunities, and is exceeding its objectives. Today, Alsea is a more resilient, efficient, and digital company, which places us in a favorable position to continue growing and offer all of our stakeholders favorable returns, through our proven and sustainable business model."

**October, 2021**

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## Earnings Release 3Q21

Mexico City, October 28<sup>th</sup>, 2021. Today, Asea, S.A.B. de C.V. (BMV: ALSEA\*), the leading Quick Service Restaurant (QSR), Coffee Shop, Casual Dining and Family Restaurant operator in Latin America and Europe, released its results for the third quarter of 2021. This information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS). The comments presented in this report include the effect of IFRS 16, as well as the effect regarding restatement due to hyperinflation in Argentina.

## FINANCIAL HIGHLIGHTS FOR THE THIRD QUARTER OF 2021

The following table provides a Condensed Financial Summary, including the margin for each line item representing net sales, as well as the percentage change for the quarter ended September 30<sup>th</sup>, 2021, compared to the same period of 2020:

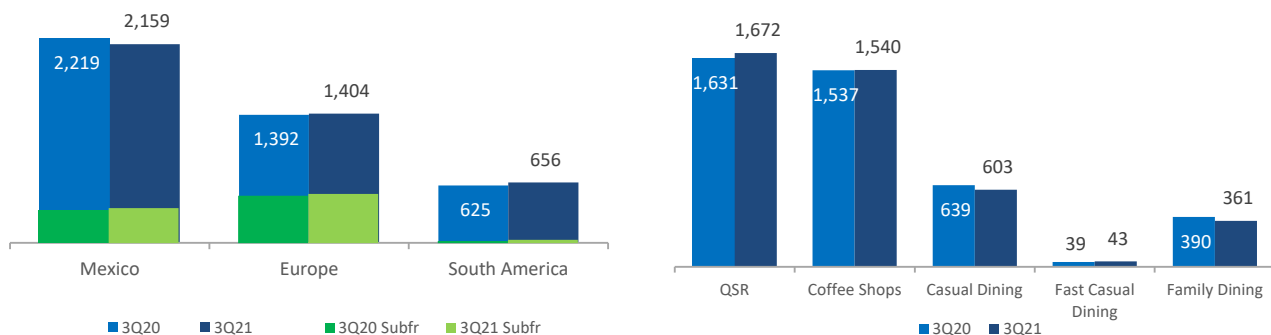
	Pre-IFRS16			Post-IFRS16 + Argentinian Restatement		
	3Q21	3Q20	Var %	3Q21	3Q20	Var %
<b>Same-Store Sales</b>	41.6%	(30.7)%	N.A.	41.6%	(30.7)%	N.A.
<b>Net Sales</b>	13,840	9,833	40.7%	13,958	9,896	41.1%
<b>Gross Profit</b>	9,562	6,767	41.3%	9,639	6,803	41.7%
<b>EBITDA <sup>(1)</sup></b>	1,854	434	326.7%	3,144	2,107	49.2%
<i>EBITDA Margin</i>	13.4%	4.4%	9.0 pp	22.5%	21.3%	1.2 pp
<b>Operating Income</b>	982	(516)	N.A.	1,226	79	1,452.1%
<b>Net Income</b>	297	(971)	N.A.	272	(590)	N.A.
<i>Net Income Margin</i>	2.1%	(9.9)%	12.0 pp	2.0%	(6.0)%	8.0 pp
<b>ROIC</b>	1.1%	(3.9)%	N.A.	0.5%	(1.2)%	N.A.
<b>ROE</b>	(3.5)%	(30.4)%	N.A.	(5.0)%	(35.3)%	N.A.
<b>Net Debt/EBITDA</b>	5.0x	11.6x	N.A.	6.0x	7.6x	N.A.
<b>EPS <sup>(2)</sup></b>	(0.27)	(2.24)	N.A.	0.14	(2.35)	N.A.

\* Figures in million pesos, except EPS

(1) EBITDA is defined as operating income before depreciation and amortization.

(2) EPS is earnings per share for the last 12 months.

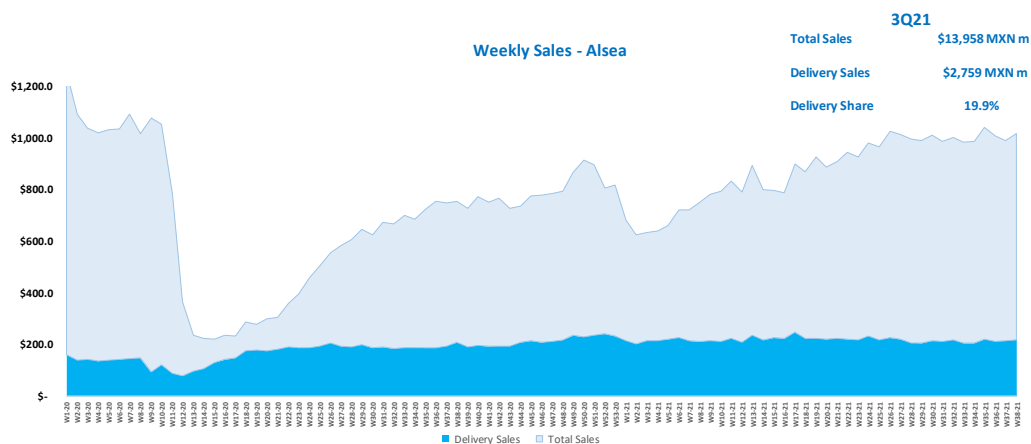
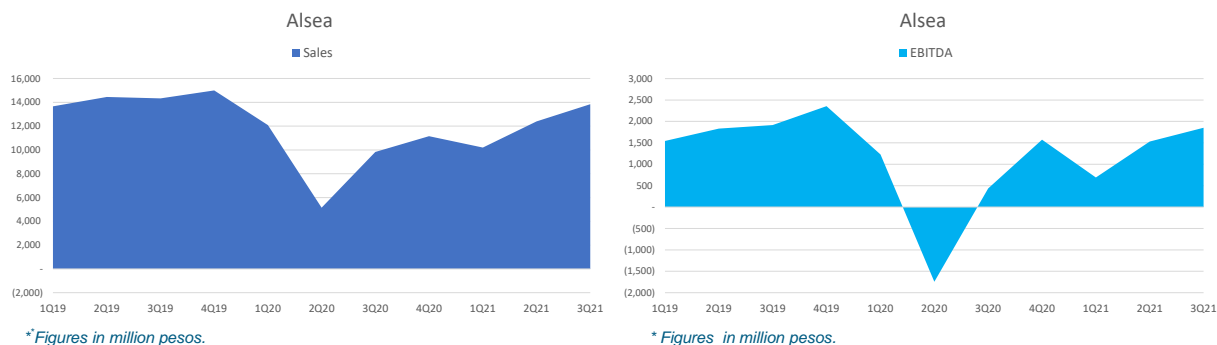
## NUMBER OF UNITS\*



\*Note Total units (corporate + sub franchises)



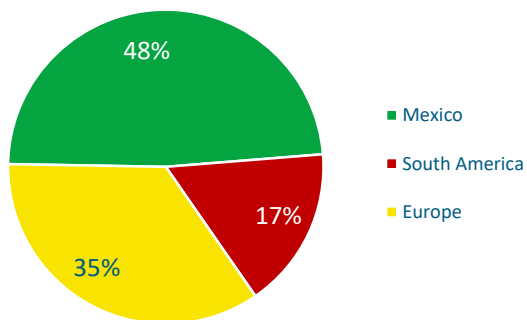
### SALES AND EBITDA EVOLUTION BY QUARTER



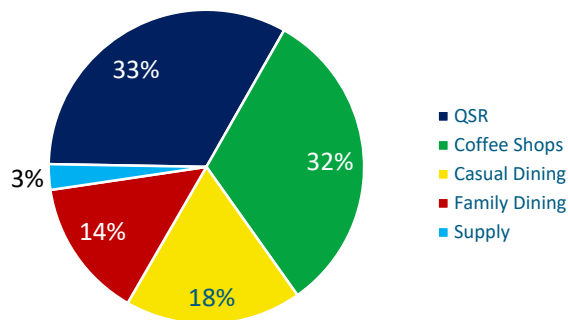
## CONSOLIDATED RESULTS

### SALES

#### SALES BY GEOGRAPHY\*



#### SALES BY SEGMENT\*



\*Figures as of 3Q21

**Net Sales** in the third quarter of 2021 **increased by 41.1% to reach 13,958 million pesos**, compared to 9,896 million pesos in the previous year. This increase is mainly explained by the recovery from the impact of the COVID-19 pandemic, which positively affected both the number of units in operation, as well as consumption trends in the third quarter of 2020.

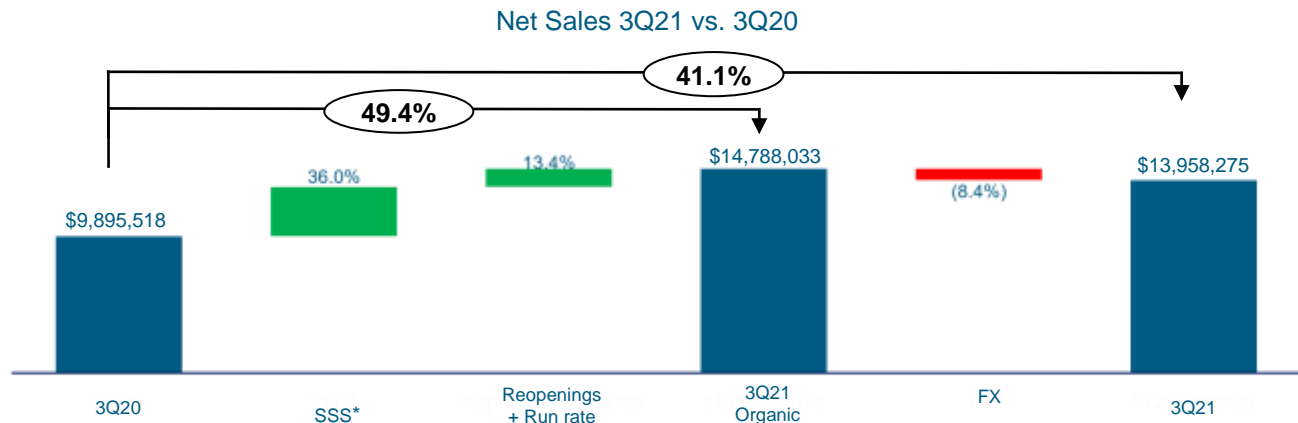
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In the quarter, net sales reached 96.3% of 3Q19's level, and same-store sales grew by 1.4%, compared to 3Q19.

As a result of the various initiatives that Asea had been working on prior to the pandemic, we had put in place the necessary processes, agreements and platforms to optimize sales through the new delivery sales channels. With these new channels, compared to 3Q20, we achieved a sales growth of 18.0% in the delivery segment, amounting to more than 2,700 million pesos, reaching more than 10.5 million orders and 19.9% of Asea's consolidated sales.

Same-store sales for the portfolio in the third quarter of 2021 **increased 101.0% in South America, 43.5% in Mexico and 21.1% in Europe**, compared to 3Q20.

Domino's Pizza continues to perform well, its sales in Mexico increased by 24.1% compared to sales reported in the third quarter of 2019, while sales for Domino's in Colombia increased by 45.5%. Starbucks in Mexico continues to be a brand that has best adapted to the current circumstances, reporting a sales growth of 24.1% compared to the same period of 2019. Additionally, casual food brands, which are highly dependent on foot traffic in their restaurants, reported average sales levels between 85% and 95% in the quarter, compared to the sales reported in the third quarter of 2019.



\* The percentage contribution of SSS is the effect on the total revenue base.

## EBITDA

**EBITDA for 3Q21 increased by 49.2%** compared to the third quarter of the previous year, reaching 3,144 million pesos. The increase in EBITDA of 1,037 million pesos is mainly due to the reduction of some COVID-19 restriction measures, which boosted the recovery in consumption. All of the geographies in which Asea operates reported positive EBITDA in the third quarter of 2021.

During the quarter, EBITDA reached 90.6% compared to the EBITDA reported in the third quarter of 2019.

In the third quarter of the year, a 40 basis point cost reduction was reported. This was due to a decrease in losses and improved productivity of the supply chain, as well as a positive effect from the business mix caused by an increase in the share of casual food and family restaurant brands. Additionally, the implementation of actions to reduce non-essential expenses for operations and corporate expenses continued, resulting in a reduction in operational expenses, compared to the third quarter of 2019. This was mainly supported by agreements reached on rents and high labor productivity among all brands.

Additionally, other expenses and income recorded an impact related to the provision for profit sharing for the year 2021 of approximately 45 basis points.



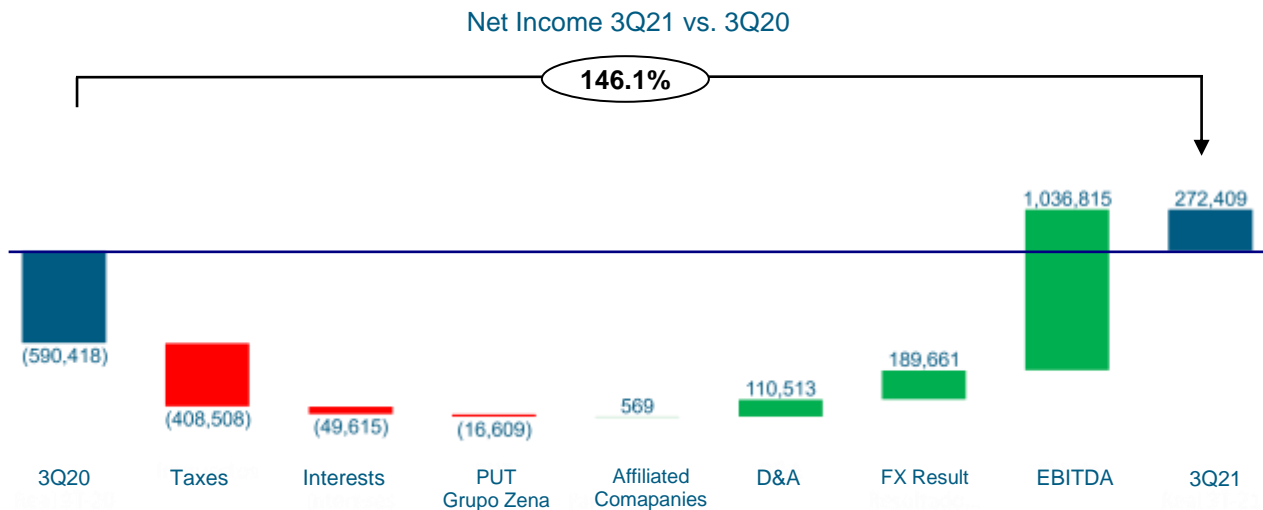
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The EBITDA margin in 3Q21 increased by 1.2 percentage points, from 21.3% in the third quarter of 2020 to 22.5% the same period of 2021.

**NET INCOME**

Net income for the third quarter increased by 863 million pesos, compared to the same period in 2020, closing at **272 million pesos**. That is compared to a loss of -590 million pesos in the third quarter of last year. The increase is due to a **1,147 million pesos increase in operating income**, due to the decrease of **92 basis points in operating expenses** as a proportion of sales, as result of the recovery in sales after the decrease of restrictive measures related to the pandemic.

In addition, the increase in net income was driven by a 123 million pesos reduction in the comprehensive financing result, as a result of the 190 million pesos positive variation in the foreign exchange result, which was partially offset by the 50 million pesos increase in net interest paid, coupled with the 409 million pesos increase related to income tax.



## RESULTS BY SEGMENT FOR THE THIRD QUARTER OF 2021

### MEXICO

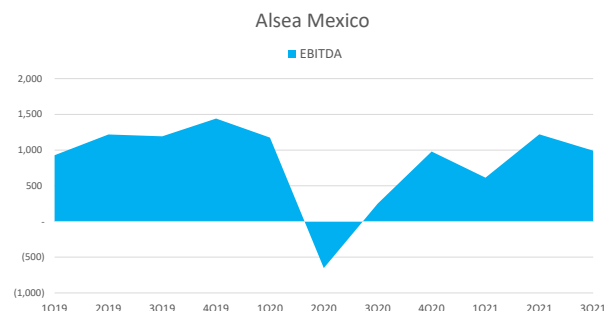


Asea Mexico	Pre-IFRS 16				Post-IFRS 16			
	3Q21	3Q20	Var.	% Var.	3Q21	3Q20	Var.	% Var.
Number of Units	2,159	2,219	(60)	(2.7)%	2,159	2,219	(60)	(2.7)%
Same-store sales	43.5%	(29.6)%	N.A.	-	43.5%	(29.6)%	N.A.	-
Sales	6,705	4,569	2,135	46.7%	6,705	4,569	2,135	46.7%
Costs	2,366	1,701	665	39.1%	2,366	1,701	665	39.1%
Operating Expenses	2,953	2,350	602	25.6%	2,410	1,617	793	49.0%
Adjusted EBITDA *	1,368	518	868	167.6%	1,929	1,251	678	54.2%
Adjusted EBITDA Margin*	20.7%	11.3%	-	9.4 pp	28.8%	27.4%	-	1.4 pp
Depreciation and Amortization	481	514	(33)	(6.5)%	836	911	(75)	(8.2)%
G&A and other expenses	394	269	125	46.4%	389	269	120	44.6%
Operating Income	512	(265)	777	N.A.	704	71	633	885.7%

\* Adjusted EBITDA does not include administrative expenses; thus, it represents the "Store EBITDA". \*\* Figures in millions of pesos.



\* Figures in millions of pesos



\* Figures in millions of pesos.

### SALES MEXICO

Asea Mexico sales represented 48.0% of Asea's total consolidated sales in the third quarter of 2021 and reported an increase of 46.7%, reaching 6,705 million pesos, compared to 4,569 million pesos in the same period of 2020. The result is mainly due to the recovery in consumption and increase in restaurant transactions during the quarter.

Despite the increase in restaurant consumption, a significant share of sales in the quarter continued to be home deliveries and take-out, allowing Asea to leverage its competitive advantage of delivery strategies such as "Wow+," Domino's Online Ordering and agreements with the main aggregator platforms. Overall delivery accounted for 19.6% of 3Q21 sales, with more than 6 million orders in the quarter and a total of over 1.3 billion pesos.

As previously mentioned, Domino's Pizza and Starbucks continue to be the best performing brands in the current environment, with a 24.1% increase in sales versus the third quarter of 2019.

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### ADJUSTED EBITDA MEXICO

**Asea Mexico's Adjusted EBITDA** represented 48.2% of the consolidated Adjusted EBITDA in the third quarter of 2021, closing at 1,929 million pesos compared to 1,251 million pesos in the same period of the previous year. This was mainly driven by the increase in sales, reduced labor expenses, leases, and other administrative expenses, as well as the commercial strategies implemented throughout the quarter.

This increase benefited from a 190 basis point reduction in costs as a percentage of sales, related to the business mix effect from a higher share of sales for Starbucks, casual dining, and Vips brands, as well as an improvement in the supply chain, which was partially offset by an increase in operating expenses compared to the third quarter of 2020. As a result of the increase in demand from the less restrictive pandemic measures, labor and leasing expenses gradually returned to normalized percentages of sales.

At the end of the third quarter, Asea Mexico managed a total of 1,777 corporate units and 382 sub-franchise units.

### EUROPE

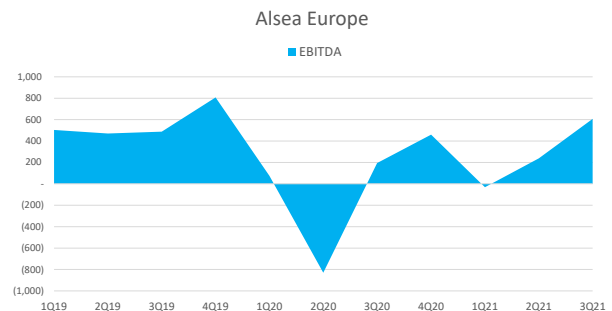


Asea Europe	Pre-IFRS 16				Post-IFRS 16			
	3Q21	3Q20	Var.	% Var.	3Q21	3Q20	Var.	% Var.
Number of units	1,404	1,392	12	0.9%	1,404	1,392	12	0.9%
Same-store Sales	21.1%	(29.8)%	N.A.	-	21.1%	(29.8)%	N.A.	-
Sales	4,830	4,060	770	19.0%	4,830	4,060	770	19.0%
Costs	1,156	940	216	23.0%	1,156	940	216	23.0%
Operating Expenses	2,758	2,611	147	5.6%	2,157	1,876	281	15.0%
Adjusted EBITDA*	916	509	407	79.9%	1,517	1,244	272	21.9%
Adjusted EBITDA margin*	19.0%	12.5%	-	6.5 pp	31.4%	30.6%	-	0.8 pp
Depreciation and Amortization	316	372	(56)	(15.1)%	869	884	(15)	(1.7)%
G&A and other expenses	309	314	(5)	(1.6)%	319	314	5	1.6%
Operating Income	290	(178)	468	N.A.	328	46	282	613.7%

\* Adjusted EBITDA does not include administrative expenses; thus, it represents the "Store EBITDA". \*\*Figures in million pesos.



\*\*Figures in million pesos.



\*\*Figures in million pesos.

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### SALES EUROPE

Sales for Asea Europe represented 34.6% of the Company's consolidated sales, and are made up of the operations in Spain, Portugal, France, the Netherlands, Belgium, and Luxembourg.

Sales for this region increased by 19.0%, reaching 4,830 million pesos compared to the third quarter of 2020. This increase in sales was related to the announcement of the end of the state of emergency in some countries in the regions, as less restrictive measures in terms of establishment capacity and closing times were allowed. In addition, home delivery sales reached a 18.4% share of Asea Europe's sales in 3Q21, which represented more than 880 million pesos and over 1.35 million orders.

The Starbucks brand continued its positive performance in the region during the quarter, achieving same-store sales growth compared to 3Q20 of 50.4% in Portugal, 45.1% in Spain and 30.5% in France.

During the third quarter, the majority of restrictive measures in terms of establishment capacity and closing times were lifted by local governments orders.

### Adjusted EBITDA EUROPE

Asea Europe's adjusted EBITDA represented 37.9% of the consolidated Adjusted EBITDA in the third quarter of 2021, and reported an increase of 272 million pesos, reaching 1,517 million pesos, compared to 1,244 million pesos in the same period of 2020. This increase was generated by higher operating leverage in addition to the agreements with some strategic partners regarding the purchase of inputs and payment of royalties, as well as efficiencies in G&A, rent negotiations, and labor productivity.

At the end of the third quarter, Asea Europe managed a total of 869 corporate units and 535 sub-franchise units.

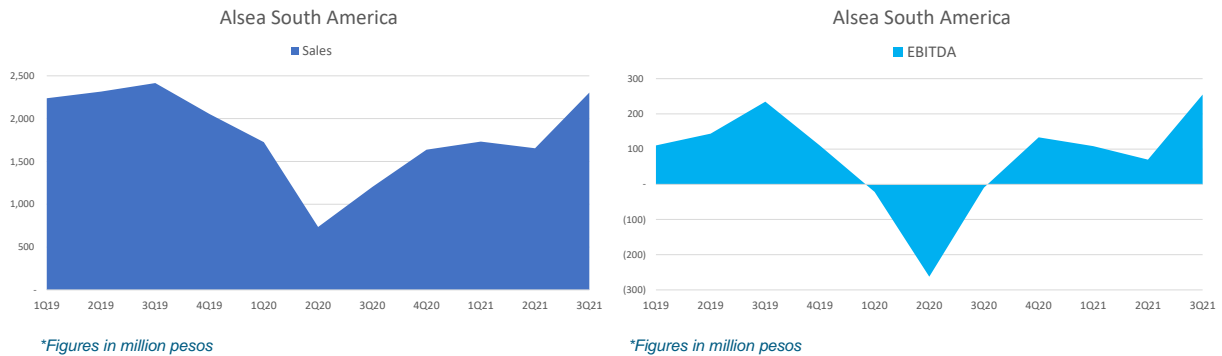
### SOUTH AMERICA



Asea South America	Pre-IFRS 16				Post-IFRS 16 + Argentinian Restatement			
	3Q21	3Q20	Var.	% Var.	3Q21	3Q20	Var.	% Var.
Number of units	656	625	31	5.0%	656	625	31	5.0%
Same-store Sales	101.0%	(36.5)%	N.A.	-	101.0%	(36.5)%	N.A.	-
Sales	2,305	1,203	1,102	91.6%	2,423	1,266	1,158	91.5%
Costs	756	425	331	77.8%	797	452	345	76.5%
Operating Expenses	1,156	669	487	72.8%	1,070	494	577	116.9%
Adjusted EBITDA*	393	109	284	260.6%	556	320	236	73.6%
Adjusted EBITDA Margin*	17.0%	9.1%	-	7.9 pp	22.9%	25.3%	-	2.4 pp
Depreciation and Amortization	75	64	10	16.0%	213	234	(21)	(8.8)%
G&A and other expenses	138	118	19	16.5%	149	125	24	19.1%
Operating Income	180	(74)	254	N.A.	194	(38)	232	N.A.

\*Adjusted EBITDA does not include administrative expenses; thus, it represents the "Store EBITDA". \*\*Figures in million pesos.

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### SALES SOUTH AMERICA

**Asea South America sales made up 17.4% of the Company's consolidated sales** for the third quarter of 2021, from its operations in Argentina, Colombia, Chile and Uruguay.

Sales for this segment **increased by 91.5%**, reaching 2,423 million pesos, compared to the third quarter of 2020. This performance is related to the reduction of mobility restrictions implemented in the different geographies, economic reactivation linked to winter vacation in the region and government support in Chile that increased demand.

At the brand level, Burger King in Chile increased same-store sales by 23.0% compared to the same period of 2019. Domino's Pizza, Starbucks and Archie's in Colombia continue with their positive trend, reporting growth in same-store sales of 45.5%, 49.5% and 12.7%, respectively, compared to 3Q19.

### Adjusted EBITDA SOUTH AMERICA

**Asea South America's adjusted EBITDA** was 13.9% of the consolidated Adjusted EBITDA in the third quarter of 2021, and increased by 236 million pesos compared to 3Q20, reaching 556 million pesos. This increase was primarily due to the reduction throughout the region in both operational and administrative expenses, which began in early 2020 and was accentuated by the pandemic. Costs as a percentage of sales fell by 2.8 percentage points compared to 3Q20, related to these efficiencies and the successful implementation of new commercial strategies.

We continue to report savings from government support, mainly in Argentina, related to labor expenses, as well as benefits in terms of efficiencies, synergies and best practices linked to the consolidation and integration of operations in Chile, Argentina and Uruguay. Likewise, the consolidation of Asea South America's back-office in Colombia continues to generate savings in terms of office rent and corporate expenses.

At the end of the third quarter, Asea South America managed a total of 618 corporate units and 38 sub-franchise units.

### NON-OPERATING RESULTS

#### All-in Cost of Financing

**The all-in cost of financing** for the third quarter of 2021 **closed at 840 million pesos**, a decrease of 123 million pesos compared to 963 million pesos in the previous year. This reduction is mainly due to the 190 million pesos variation resulting in an exchange gain of 13 million pesos in the quarter, related to the exchange rate variation of the US dollar against the Mexican peso, which was partially offset by the 50 million peso increase in net interest paid.

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**BALANCE SHEET**

**CAPEX**

During the nine months ended on September 30<sup>th</sup>, 2021, **Asea made capital investments, excluding acquisitions, of 1,344.4 million pesos**, of which 421.8 million pesos, equivalent to 31.4% of total investments, were allocated to:

- The opening of **42 units**
- The **renovation and remodeling** of existing units of the different brands operated by the Company

The remaining 922.6 million pesos were allocated to:

- Equipment replacement (maintenance CAPEX)
- Strategic technology and process improvement projects
- Software licenses, etc.

Additionally, as a result of the acquisition of 10.5% of Asea Europe, a decrease in liabilities of 1,457 million pesos was reported.

**BANK DEBT AND FIXED-RATE BONDS**

At the beginning of July 2020, Asea reached agreements with banks to obtain a waiver regarding several terms in its credit agreements until June 30<sup>th</sup>, 2021. Subsequently, on April 5<sup>th</sup>, 2021, Asea announced the extension of the waiver until June 30<sup>th</sup>, 2022.

As of September 30<sup>th</sup>, 2021, Asea had committed credit lines of up to 68.2 million euros to be used as necessary according to the needs of the operation in Europe.

As of September 30<sup>th</sup>, 2021, **Asea's total debt**, including leases under IFRS16, **decreased 2,388 million pesos**, closing at 55,690 million pesos compared to 58,079 million pesos in the previous year. This **decrease in debt** corresponds mainly to a positive revaluation of the exchange rate of the Euro against the Mexican peso for approximately 1,216 million pesos, as well as to a prepayment of debt from the syndicated loan related to the acquisition of Grupo Vips in Spain, for 504 million pesos.

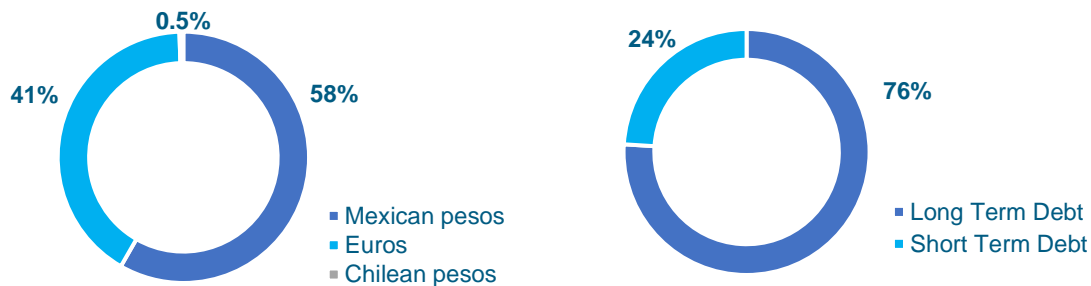
Excluding the effect of IFRS16, Asea's total debt decreased by 1,407 million pesos, to close at 31,950 million pesos compared to 33,357 million pesos on the same date last year.

The Company's **consolidated net debt**, including leases due to IFRS16, **decreased by 1,374 million pesos**, closing at 52,105 million pesos as of September 30<sup>th</sup>, 2021 compared to 53,479 million pesos at the end of the third quarter of 2020.

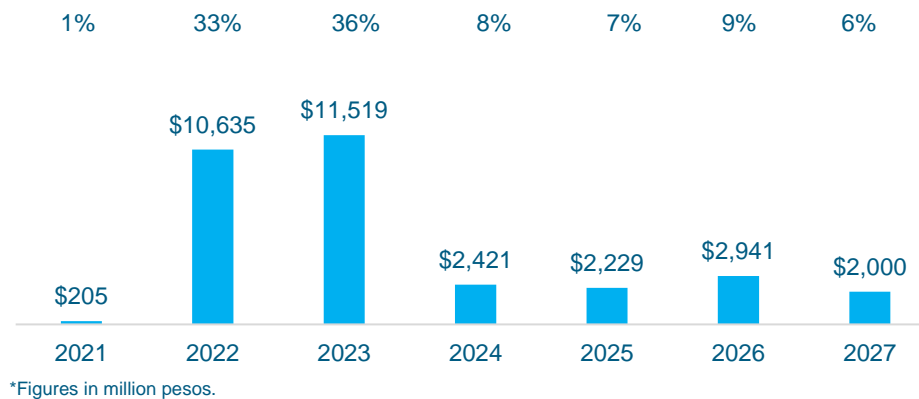
Excluding the effect of IFRS16, Asea's net debt decreased by 392 million pesos to close at 28,365 million pesos, compared to 28,757 million pesos at the same date last year.

## Earnings Release 3Q21

As of September 30<sup>th</sup>, 2021, the total debt (excluding IFRS16) was as follows:



The following graph shows the balance of the total debt (excluding IFRS16) in millions of pesos as of September 30<sup>th</sup>, 2021, as well as the maturities that are held for subsequent years:



**\*Note:** In the financial statements attached to this report, the total debt classified as short-term according to IFRS accounting regulations is presented since the current waiver is valid until June 30<sup>th</sup>, 2022. However, the maturity profiles are located in the years 2021-2027 (See the graph above).

### FINANCIAL RATIOS

As of September 30<sup>th</sup>, 2021, the financial ratios established in the Company's loan agreements were:

- **Total Debt to EBITDA** (last 12 months) was **6.4 times** (covenant waived until June 2022)
- **Net Debt to EBITDA** (last 12 months) was **6.0 times**
- **EBITDA** (last 12 months) **to interest paid** (last 12 months) was **2.7 times** (covenant waived until June 2022)
- In terms of **liquidity**, at the end of the third quarter of 2021, Asea had **3.6 billion pesos in cash**, meeting the minimum level required of 3.0 billion pesos according to the waiver
- The **consolidated stockholders' equity** (Pre-IFRS 16) closed at **8.6 billion pesos**, meeting the minimum level according to the waiver

**KEY INFORMATION**

Financial ratios	3Q21	3Q20	Var.
EBITDA <sup>(1)</sup> / Interests Paid	2.7 x	2.4 x	N.A.
Total Debt / EBITDA <sup>(1)</sup>	6.4 x	8.3 x	N.A.
Net Debt / EBITDA <sup>(1)</sup>	6.0 x	7.6 x	N.A.
ROIC <sup>(2)</sup>	0.5%	(1.2)%	N.A.
ROE <sup>(3)</sup>	(5.0)%	(35.3)%	N.A.

Stock Market Indicators	3Q21	3Q20	Var.
Book Value per Share	\$8.28	\$7.54	9.8%
EPS (12 months) <sup>(4)</sup>	\$0.14	\$(2.35)	N.A.
Shares in circulation at end of period (millions)	838.6	832.9	0.7%
Price per Share at Market Close	\$41.61	\$21.08	97.4%

(1) EBITDA last 12 months

(2) ROIC is defined as operating income after taxes (last 12 months) by net operating investment (total assets – cash and short-term investments – no-cost liabilities).

(3) ROE is defined as net earnings (last 12 months) over shareholders' equity.

(4) EPS is earnings per share for the last 12 months.

**FINANCIAL RATIOS REFERRED TO IN CREDIT AGREEMENTS WITH FINANCIAL INSTITUTIONS**

Leverage ratios excluding IFRS 16 and restatement of hyperinflation in Argentina	3Q21
EBITDA <sup>(1)</sup> / Interests Paid	2.6 x
Total Debt / EBITDA <sup>(1)</sup>	5.7 x
Net Debt / EBITDA <sup>(1)</sup>	5.0 x

(1) EBITDA last 12 months

The financial ratios presented in the table above were calculated based on the Company's consolidated results without considering the effects of IFRS 16 or the restatement due to hyperinflation in Argentina.

The measurement of these financial ratios is currently suspended according to the waiver agreed to by the banks with which the Company has a relationship, until June 30<sup>th</sup>, 2022.



**UNITS BY BRAND**

BRANDS	UNITS 3Q21		
	Corporate	Sub-franchises	Total
Domino's Pizza	820	451	1,271
<i>Mexico</i>	437	353	790
<i>Spain</i>	290	60	350
<i>Colombia</i>	93	38	131
Burger King	401	-	401
<i>Mexico</i>	174	-	174
<i>Argentina</i>	115	-	115
<i>Spain</i>	54	-	54
<i>Chile</i>	58	-	58
<b>Quick Service Restaurants</b>	<b>1,221</b>	<b>451</b>	<b>1,672</b>
Starbucks	1,276	264	1,540
<i>Mexico</i>	741	-	741
<i>France</i>	70	129	199
<i>Spain</i>	118	22	140
<i>Argentina</i>	132	-	132
<i>Chile</i>	138	-	138
<i>Netherlands</i>	16	74	90
<i>Colombia</i>	33	-	33
<i>Belgium</i>	-	32	32
<i>Portugal</i>	19	3	22
<i>Uruguay</i>	9	-	9
<i>Luxembourg</i>	-	4	4
<b>Coffee Shops</b>	<b>1,276</b>	<b>264</b>	<b>1,540</b>
Foster's Hollywood	99	128	227
Ginos	83	38	121
<i>Spain</i>	81	38	119
<i>Portugal</i>	2	-	2
Italianni's	60	16	76
El Portón	16	-	16
Chili's Grill & Bar	76	-	76
<i>Mexico</i>	71	-	71
<i>Chile</i>	5	-	5
Archie's	28	-	28
P.F. Chang's	33	-	33
<i>Mexico</i>	26	-	26
<i>Colombia</i>	4	-	4
<i>Chile</i>	3	-	3
TGI Fridays	13	-	13
The Cheesecake Factory	6	-	6
Corazón de Barro	2	-	2
Ole Mole	3	2	5
<b>Comida Casual</b>	<b>419</b>	<b>184</b>	<b>603</b>
Foster's Hollywood Street	1	1	2
Vips Smart	16	25	41
<b>Casual Dining</b>	<b>17</b>	<b>26</b>	<b>43</b>
Vips	331	30	361
<i>México</i>	244	13	257
<i>Spain</i>	87	17	104
<b>Family Dining</b>	<b>331</b>	<b>30</b>	<b>361</b>
<b>ALSEA TOTAL UNITS</b>			<b>4,219</b>
<b>Corporate</b>	<b>3,264</b>		
<b>Sub-franchises</b>		<b>955</b>	

## Earnings Release 3Q21

### UNITS BY COUNTRY

MEXICO	2,159
FRANCE	199
PORTUGAL	24

SPAIN	1,055
COLOMBIA	196
URUGUAY	9

ARGENTINA	247
NETHERLANDS	90
LUXEMBOURG	4

CHILE	204
BELGIUM	32

### ANALYST COVERAGE

INSTITUTION	ANALYST	RECOMMENDATION
ACTINVER	VALENTÍN MENDOZA BALDERAS	BUY
BANK OF AMERICA MERRILL LYNCH	ROBERT E. FORD AGUILAR	SELL
BANORTE-IXE	ALIK DANIEL GARCÍA ALVAREZ	HOLD
BARCLAYS	BENJAMIN M. THEURER	BUY
BBVA BANCOMER	MIGUEL ULLOA SUÁREZ	BUY
BRADESCO	RICHARD CATHCART	HOLD
BTG PACTUAL	ÁLVARO GARCÍA	HOLD
BX+	MARISOL HUERTA	BUY
CITI	SERGIO MATSUMOTO	HOLD
CREDIT SUISSE	VANESSA QUIROGA	BUY
GOLDMAN SACHS	THIAGO BORTOLUCI	SELL
GRUPO BURSÁTIL MEXICANO	LUIS RODRIGO WILLARD	HOLD
HSBC	FELIPE CASSIMIRO	HOLD
INTERCAM	RICHARD HORBACH	HOLD
INVEX	GISELLE MOJICA	HOLD
ITAU BBA	JOAQUÍN LEY	HOLD
J.P. MORGAN	ULISES ARGOTE	HOLD
MONEX	JOSE ROBERTO SOLANO	BUY
SANTANDER	ALAN ALANÍS	BUY
SCOTIABANK	RODRIGO ECHAGARAY	HOLD
UBS	RODRIGO ALCÁNTARA	UNDER REVIEW
MORGAN STANLEY	JAVIER MARTÍNEZ DE OLCOZ	BUY
VECTOR	MARCELA MUÑOZ	HOLD
PUNTO CASA DE BOLSA	CRISTINA MORALES	BUY

*This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release should be read jointly with the risk summary in the Annual Report. This information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared in reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.*

**The Company's shares are traded on the Mexican Stock Exchange under the ticker ALSEA\*.**

#### **Rafael Contreras Grosskelwing**

Chief Financial Officer

Phone: (5255) 7583-2750 | [ri@alsea.com.mx](mailto:ri@alsea.com.mx)

***Earnings Release 3Q21***

**RELEVANT EVENTS 3Q21**

- On October 1<sup>st</sup>, 2021, Aalsea, S.A.B. de C.V. (BMV: ALSEA \*) “Aalsea” together with Alia Capital Partners and Bain Capital Credit, a leading global credit specialist, have agreed to invest in a minority stake of 21.1% in Food Service Project, S.A. (Aalsea Europe). The transaction highlights the Company's current recovery and the attractive growth outlook in the European market. After the investment is made, Aalsea will own 76.8% of Aalsea Europe, (previously was 66.2%), Bain Capital Credit will have an indirect participation of 10.5%, and existing minority shareholders will have 12.7%.

**EARNINGS CONFERENCE CALL 3Q21**

The video conference to discuss the Company’s results will be held on Friday, October 29<sup>th</sup>, 2021, at 09:00 am Mexico City time (10:00 am EST). It will be held in English and will have a question and answer session.

To participate, please register at the following link: <https://aalseareportederesultados.com/>

After the replay period is over, the conference call will be available on our website: [www.aalsea.com.mx](http://www.aalsea.com.mx) in the “investors” section.

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**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET STATEMENTS**  
**AS OF SEPTEMBER 30<sup>TH</sup>, 2021 AND 2020**  
(In thousands of nominal pesos)

	September 30 <sup>th</sup> , 2021		September 30 <sup>th</sup> , 2020	
<b>ASSETS</b>				
Current assets:				
Cash and short-term investments	3,585,129	4.5%	4,599,514	5.4%
Clients	1,311,511	1.6%	1,026,997	1.2%
Other accounts and documents receivable	480,014	0.6%	530,770	0.6%
Inventory	1,853,084	2.3%	1,659,686	2.0%
Tax recoverable	689,767	0.9%	588,206	0.7%
Other current assets	731,592	0.9%	906,107	1.1%
<b>Current Assets</b>	<b>8,651,097</b>	<b>10.8%</b>	<b>9,311,280</b>	<b>11.0%</b>
Investments in shares of associated companies	111,162	0.1%	(731,504)	(0.9)%
Store equipment, improvements to leased property, and furniture, net	14,737,663	18.4%	17,938,472	21.2%
Non-executable right of use asset	21,995,575	27.5%	22,666,014	26.8%
Brand use rights, capital gains and pre- operations, net	28,277,452	35.3%	29,871,771	35.3%
Deferred IRS	4,915,682	6.1%	3,986,926	4.7%
Other assets	1,381,627	1.7%	1,545,475	1.8%
<b>Total Assets</b>	<b>80,070,258</b>	<b>100.0%</b>	<b>84,588,434</b>	<b>100.0%</b>
<b>LIABILITIES</b>				
Short-term:				
Providers	3,175,528	4.0%	2,417,499	2.9%
Tax payable	173,031	0.2%	300,939	0.4%
Other accounts payable	6,657,345	8.3%	8,467,701	10.0%
Non-executable short-term lease liabilities	4,215,031	5.3%	4,012,227	4.7%
Other short-term liabilities	1,420,723	1.8%	2,877,728	3.4%
Bank loans	23,968,537	29.9%	4,627,260	5.5%
Debt Instruments	7,981,454	10.0%	-	-
<b>Short-term liabilities</b>	<b>47,591,649</b>	<b>59.4%</b>	<b>22,703,354</b>	<b>26.8%</b>
Long term:				
Bank loans	-	-	20,751,552	24.5%
Debt instruments	-	-	7,977,904	9.4%
Deferred tax, net	4,052,613	5.1%	4,307,094	5.1%
Non-executable lease liabilities	19,525,400	24.4%	20,709,852	24.5%
Other long-term liabilities	1,158,922	1.4%	437,715	0.5%
<b>Long-term liabilities:</b>	<b>24,736,935</b>	<b>30.9%</b>	<b>54,184,117</b>	<b>64.1%</b>
<b>Total Liabilities</b>	<b>72,328,584</b>	<b>90.3%</b>	<b>76,887,471</b>	<b>90.9%</b>
<b>SHAREHOLDERS' EQUITY</b>				
Minority interest	794,132	1.0%	1,419,397	1.7%
Majority interest:				
Capital stock	478,749	0.6%	475,074	0.6%
Net premium in share placement	8,676,827	10.8%	8,625,720	10.2%
Retained earnings	(542,058)	(0.7)%	1,701,122	2.0%
Earnings for the period	(79)	-	(3,352,037)	(4.0)%
Exchange rate effects from foreign entities	(1,665,897)	(2.1)%	(1,168,313)	(1.4)%
<b>Majority interest</b>	<b>6,947,542</b>	<b>8.7%</b>	<b>6,281,566</b>	<b>7.4%</b>
<b>Total Shareholders' Equity</b>	<b>7,741,674</b>	<b>9.7%</b>	<b>7,700,963</b>	<b>9.1%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>80,070,258</b>	<b>100.0%</b>	<b>84,588,434</b>	<b>100.0%</b>

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS**  
**ENDED SEPTEMBER 30<sup>TH</sup>, 2021 AND 2020**  
(In thousands of nominal pesos)

	Three months ended September 30 <sup>th</sup> ,		Three months ended September 30 <sup>th</sup> ,	
	2021		2020	
Net sales	\$ 13,958,275	100%	\$ 9,895,518	100%
Cost of sales	4,319,601	30.9%	3,092,984	31.3%
<b>Gross Income</b>	<b>9,638,674</b>	<b>69.1%</b>	<b>6,802,534</b>	<b>68.7%</b>
Operating expenses	6,494,382	46.5%	4,695,057	47.4%
Depreciation and amortization	1,917,951	13.7%	2,028,464	20.5%
<b>Operating Income</b>	<b>1,226,341</b>	<b>8.8%</b>	<b>79,013</b>	<b>0.8%</b>
All-in cost of financing:				
Interest paid – net	838,193	6.0%	788,578	8.0%
Changes in reasonable value Financial Liabilities	14,382	0.1%	(2,227)	-
Exchange rate loss/gain	(12,687)	(0.1)%	176,974	1.8%
	839,888	6.0%	963,325	9.7%
Participation in associated companies' results	482	-	(87)	-
<b>Pre-Tax Income</b>	<b>386,935</b>	<b>2.8%</b>	<b>(884,399)</b>	<b>(8.9)%</b>
Tax on earnings	114,527	0.8%	(293,981)	(3.0)%
<b>Consolidated Net Income</b>	<b>272,409</b>	<b>2.0%</b>	<b>(590,418)</b>	<b>(6.0)%</b>
Non-controlling stake	99,380	0.7%	(114,306)	(1.2)%
<b>Controlling Stake</b>	<b>\$ 173,029</b>	<b>1.2%</b>	<b>\$ (476,112)</b>	<b>(4.8)%</b>



**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS BY SEGMENT FOR THE THREE MONTHS**  
**ENDED SEPTEMBER 30<sup>TH</sup>, 2021 AND 2020**  
(In thousands of nominal pesos)

<b>MEXICO</b>	Three months ended September 30 <sup>th</sup> , 2021		Three months ended September 30 <sup>th</sup> , 2020	
Net sales	\$ 6,704,588	100%	\$ 4,569,466	100%
Operating expenses	2,798,763	41.7%	1,886,260	41.3%
Depreciation and amortization	835,609	12.5%	910,595	19.9%
<b>Operating Income</b>	<b>704,166</b>	<b>10.5%</b>	<b>71,442</b>	<b>1.6%</b>
All-in cost of financing	605,239	9.0%	851,418	18.6%
<b>Pre-Tax Income</b>	<b>\$ 99,409</b>	<b>1.5%</b>	<b>\$ (780,063)</b>	<b>(17.1)%</b>

<b>EUROPE</b>	Three months ended September 30 <sup>th</sup> , 2021		Three months ended September 30 <sup>th</sup> , 2020	
Net sales	\$ 4,830,196	100%	\$ 4,060,405	100%
Operating expenses	2,476,435	51.3%	2,190,237	53.9%
Depreciation and amortization	869,180	18.0%	884,194	21.8%
<b>Operating Income</b>	<b>328,360</b>	<b>6.8%</b>	<b>46,011</b>	<b>1.1%</b>
All-in cost of financing	173,078	3.6%	157,248	3.9%
<b>Pre-Tax Income</b>	<b>\$ 155,282</b>	<b>3.2%</b>	<b>\$ (111,237)</b>	<b>(2.7)%</b>

<b>SOUTH AMERICA</b>	Three months ended September 30 <sup>th</sup> , 2021		Three months ended September 30 <sup>th</sup> , 2020	
Net sales	\$ 2,423,491	100%	\$ 1,265,647	100%
Operating expenses	1,219,184	50.3%	618,560	48.9%
Depreciation and amortization	213,162	8.8%	233,675	18.5%
<b>Operating Income</b>	<b>193,815</b>	<b>8.0%</b>	<b>(38,439)</b>	<b>(3.0)%</b>
All-in cost of financing	61,571	2.5%	(45,341)	(3.6)%
<b>Pre-Tax Income</b>	<b>\$ 132,244</b>	<b>5.5%</b>	<b>\$ 6,902</b>	<b>0.5%</b>

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS FOR THE NINE MONTHS**  
**ENDED SEPTEMBER 30<sup>TH</sup>, 2021 AND 2020**  
(In thousands of nominal pesos)

	Nine months ended September 30 <sup>th</sup> ,		Nine months ended September 30 <sup>th</sup> ,	
	2021		2020	
Net sales	\$ 36,647,357	100%	\$ 27,198,385	100%
Cost of sales	11,610,430	31.7%	8,917,367	32.8%
<b>Gross Income</b>	<b>25,036,927</b>	<b>68.3%</b>	<b>18,281,018</b>	<b>67.2%</b>
Operating expenses	16,999,842	46.4%	14,518,547	53.4%
Depreciation and amortization	5,913,565	16.1%	6,194,393	22.8%
<b>Operating Income</b>	<b>2,123,520</b>	<b>5.8%</b>	<b>(2,431,922)</b>	<b>(8.9)%</b>
All-in cost of financing:				
Interest paid – net	2,423,265	6.6%	2,325,786	8.6%
Changes in reasonable value Financial Liabilities	(74,981)	(0.2)%	572,865	2.1%
Exchange rate loss/gain	(61,796)	(0.2)%	(663,138)	(2.4)%
	2,286,488	6.2%	2,235,513	8.2%
Participation in associated companies' results	743	-	(2,887)	-
<b>Pre-Tax Income</b>	<b>(162,225)</b>	<b>(0.4)%</b>	<b>(4,670,322)</b>	<b>(17.2)%</b>
Tax on earnings	(22,331)	(0.1)%	(707,402)	(2.6)%
<b>Consolidated Net Income</b>	<b>(139,893)</b>	<b>(0.4)%</b>	<b>(3,962,921)</b>	<b>(14.6)%</b>
Non-controlling stake	(139,814)	(0.4)%	(610,885)	(2.2)%
<b>Controlling Stake</b>	<b>\$ (79)</b>	<b>-</b>	<b>\$ (3,352,036)</b>	<b>(12.3)%</b>

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENTS FOR THE NINE MONTHS**  
**ENDED SEPTEMBER 30<sup>th</sup>, 2021 AND 2020**  
(In thousands of nominal pesos)

	September 30 <sup>th</sup> , 2021	September 30 <sup>th</sup> , 2020
<b>Operating activities:</b>		
<b>Consolidated result before income taxes</b>	<b>\$ (162,225)</b>	<b>(4,670,322)</b>
Items related to investment activities:		
Depreciation and amortization of brands	2,779,249	3,240,306
Depreciation for financial leasing	3,134,316	2,954,087
Write-down of fixed assets	733,036	373,303
Other items	(19,096)	575,751
<b>Total</b>	<b>6,465,280</b>	<b>2,473,125</b>
Clients	(183,272)	86,654
Inventory	(281,315)	222,944
Providers	30,698	153,485
Tax payable	(473,779)	105,809
Other assets and other liabilities	533,733	(1,674,447)
<b>Total</b>	<b>(373,935)</b>	<b>(1,105,555)</b>
<b>Net cash flow from operating activities</b>	<b>6,091,346</b>	<b>1,367,569</b>
<b>Investment activities</b>		
Store equipment, improvements to leased properties, and furniture	(1,249,814)	(979,401)
Brand use rights, capital gains and pre-operations, net	(94,616)	(321,970)
<b>Net cash flow from investment activities</b>	<b>141,992</b>	<b>-</b>
<b>Cash receivable from financing activities</b>	<b>(1,202,438)</b>	<b>(1,301,371)</b>
<b>Financing activities</b>		
Bank credits and loan payments, net		
Financial leasing	(66,452)	5,375,840
Minority interest	(3,347,480)	(3,234,690)
Sale (repurchase) of shares	(1,362,564)	-
Other items	-	(148,356)
<b>Net cash flow from financing activities</b>	<b>(396,500)</b>	<b>-</b>
<b>Increase (decrease) net of cash</b>	<b>(5,172,996)</b>	<b>2,061,513</b>
Adjustments to cash flow due to exchange rate variations		
Cash at the beginning of the period	(284,089)	2,127,712
<b>Cash at the end of the period</b>	<b>3,932,409</b>	<b>2,625,389</b>
<b>Operating activities:</b>		
<b>Consolidated result before income taxes</b>	<b>\$ 3,585,129</b>	<b>4,599,515</b>



**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET STATEMENT**  
**AS OF SEPTEMBER 30<sup>TH</sup>, 2021**  
**(In thousands of nominal pesos)**

	September 30 <sup>th</sup> , 2021		Argentinian Restatement	IFRS 16	September 30 <sup>th</sup> , 2021	
<b>ASSETS</b>						
Current assets:						
Cash and short-term investments	3,585,129	6.2%	-	-	3,585,129	4.5%
Clients	1,311,511	2.3%	-	-	1,311,511	1.6%
Other accounts and documents receivable	480,014	0.8%	-	-	480,014	0.6%
Inventory	1,853,084	3.2%	-	-	1,853,084	2.3%
Tax recoverable	689,767	1.2%	-	-	689,767	0.9%
Other current assets	731,592	1.3%	-	-	731,592	0.9%
<b>Current Assets</b>	<b>8,651,097</b>	<b>14.9%</b>	<b>-</b>	<b>-</b>	<b>8,651,097</b>	<b>10.8%</b>
Investments in shares of associated companies	111,162	0.2%	-	-	111,162	0.1%
Store equipment, improvements to leased property, and furniture, net	14,756,515	25.5%	652,386	(671,238)	14,737,663	18.4%
Non-executable right of use assets	-	-	-	21,995,575	21,995,575	27.5%
Brand use rights, capital gains and pre-operations, net	28,158,002	48.6%	119,450	-	28,277,452	35.3%
Deferred ISR	4,915,682	8.5%	-	-	4,915,682	6.1%
Other assets	1,381,627	2.4%	-	-	1,381,627	1.7%
<b>Total Assets</b>	<b>57,974,085</b>	<b>100.0%</b>	<b>771,836</b>	<b>21,324,337</b>	<b>80,070,258</b>	<b>100.0%</b>
<b>LIABILITIES</b>						
Short-term:						
Providers	3,175,528	5.5%	-	-	3,175,528	4.0%
Tax payable	173,031	0.3%	-	-	173,031	0.2%
Other accounts payable	7,181,855	12.4%	-	(524,510)	6,657,345	8.3%
Non-executable short-term lease liabilities	-	-	-	4,215,031	4,215,031	5.3%
Other short-term liabilities	1,420,723	2.5%	-	-	1,420,723	1.8%
Bank loans	23,968,537	41.3%	-	-	23,968,537	29.9%
Debt Instruments	7,981,454	13.8%	-	-	7,981,454	10.0%
<b>Short-term liabilities</b>	<b>43,901,128</b>	<b>75.7%</b>	<b>-</b>	<b>3,690,521</b>	<b>47,591,649</b>	<b>59.4%</b>
Long-term:						
Deferred tax, net	4,013,775	6.9%	38,838	-	4,052,613	5.1%
Non-executable leasing liabilities	-	-	-	19,525,400	19,525,400	24.4%
Other long-term liabilities	1,430,132	2.5%	-	(271,210)	1,158,922	1.4%
<b>Long-term liabilities</b>	<b>5,443,907</b>	<b>9.4%</b>	<b>38,838</b>	<b>19,254,190</b>	<b>24,736,935</b>	<b>30.9%</b>
<b>Total Liabilities</b>	<b>49,345,035</b>	<b>85.1%</b>	<b>38,838</b>	<b>22,944,711</b>	<b>72,328,584</b>	<b>90.3%</b>
<b>SHAREHOLDERS' EQUITY</b>						
Minority interest	794,132	1.4%	-	-	794,132	1.0%
Majority interest	-	-	-	-	-	-
Capital stock	478,749	0.8%	-	-	478,749	0.6%
Net premium in share placement	8,676,827	15.0%	-	-	8,676,827	10.8%
Retained earnings	384,011	0.7%	817,641	(1,743,710)	(542,058)	(0.7)%
Earnings for the period	(1,390)	-	(84,643)	85,954	(79)	-
Exchange rate effects from foreign entities	(1,703,279)	-2.9%	-	37,382	(1,665,897)	(2.1)%
<b>Majority interest</b>	<b>7,834,918</b>	<b>13.5%</b>	<b>732,998</b>	<b>(1,620,374)</b>	<b>6,947,542</b>	<b>8.7%</b>
<b>Total Shareholders' Equity</b>	<b>8,629,050</b>	<b>14.9%</b>	<b>732,998</b>	<b>(1,620,374)</b>	<b>7,741,674</b>	<b>9.7%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>57,974,085</b>	<b>100.0%</b>	<b>771,836</b>	<b>21,324,337</b>	<b>80,070,258</b>	<b>100.0%</b>

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS**  
**ENDED SEPTEMBER 30<sup>TH</sup>, 2021**  
(In thousands of nominal pesos)

	Three months ended September 30 <sup>th</sup> , 2021		Argentinian Restatement	IFRS 16	Three months ended September 30 <sup>th</sup> , 2021	
Net sales	\$ 13,839,833	100%	\$ 118,442	-	\$ 13,958,275	100%
Cost of sales	4,278,150	30.9%	41,451	-	4,319,601	30.9%
<b>Gross Income</b>	<b>9,561,683</b>	<b>69.1%</b>	<b>76,991</b>	<b>-</b>	<b>9,638,674</b>	<b>69.1%</b>
Operating expenses	7,707,954	55.7%	74,385	(1,287,957)	6,494,382	46.5%
Depreciation and amortization	871,499	6.3%	34,656	1,011,796	1,917,951	13.7%
<b>Operating Income</b>	<b>982,230</b>	<b>7.1%</b>	<b>(32,050)</b>	<b>276,161</b>	<b>1,226,341</b>	<b>8.8%</b>
All-in cost of financing:						
Interest paid – net	569,518	4.1%	3,338	265,337	838,193	6.0%
Changes in reasonable value Financial Liabilities	14,382	0.1%	-	-	14,382	0.1%
Exchange rate loss/income	(12,737)	(0.1)%	50	-	(12,687)	(0.1)%
	571,163	4.1%	3,388	265,337	839,888	6.0%
Participation in associated companies' results	482	-	-	-	482	-
<b>Pre-Tax Income</b>	<b>411,549</b>	<b>3.0%</b>	<b>(35,438)</b>	<b>10,824</b>	<b>386,935</b>	<b>2.8%</b>
Tax on earnings	114,527	0.8%	-	-	114,527	0.8%
<b>Consolidated Net Income</b>	<b>297,023</b>	<b>2.1%</b>	<b>(35,438)</b>	<b>10,824</b>	<b>272,409</b>	<b>2.0%</b>
Non-controlling stake	99,380	0.7%	-	-	99,380	0.7%
<b>Controlling Stake</b>	<b>\$ 197,643</b>	<b>1.4%</b>	<b>\$ (35,438)</b>	<b>10,824</b>	<b>\$ 173,029</b>	<b>1.2%</b>

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS BY SEGMENT FOR THE THREE MONTHS**  
**ENDED SEPTEMBER 30<sup>TH</sup>, 2021**  
(In thousands of nominal pesos)

<b>MEXICO</b>	Three months ended September 30 <sup>th</sup> , 2021		IFRS 16	Three months ended September 30 <sup>th</sup> , 2021		
Net sales	\$ 6,704,588	100%	-	\$ 6,704,588	100%	
Operating expenses	3,346,250	49.9%	(547,487)	2,798,763	41.7%	
Depreciation and amortization	480,673	7.2%	354,936	835,609	12.5%	
<b>Operating Income</b>	<b>511,615</b>	<b>7.6%</b>	<b>192,551</b>	<b>704,166</b>	<b>10.5%</b>	
All-in cost of financing	434,210	6.5%	171,029	605,239	9.0%	
<b>Pre-Tax Income</b>	<b>\$ 77,887</b>	<b>1.2%</b>	<b>21,522</b>	<b>\$ 99,409</b>	<b>1.5%</b>	
<b>EUROPE</b>	Three months ended September 30 <sup>th</sup> , 2021		IFRS 16	Three months ended September 30 <sup>th</sup> , 2021		
Net sales	\$ 4,830,196	100%	-	\$ 4,830,196	100%	
Operating expenses	3,067,464	63.5%	(591,029)	2,476,435	51.3%	
Depreciation and amortization	316,315	6.5%	552,865	869,180	18.0%	
<b>Operating Income</b>	<b>290,196</b>	<b>6.0%</b>	<b>38,164</b>	<b>328,360</b>	<b>6.8%</b>	
All-in cost of financing	116,897	2.4%	56,181	173,078	3.6%	
<b>Pre-Tax Income</b>	<b>\$ 173,299</b>	<b>3.6%</b>	<b>(18,017)</b>	<b>\$ 155,282</b>	<b>3.2%</b>	
<b>SOUTH AMERICA</b>	Three months ended September 30 <sup>th</sup> , 2021		Argentinian Restatement	IFRS 16	Three months ended September 30 <sup>th</sup> , 2021	
Net sales	\$ 2,305,049	100%	118,442	-	\$ 2,423,491	100%
Operating expenses	1,294,240	56.1%	74,385	(149,441)	1,219,184	50.3%
Depreciation and amortization	74,511	3.2%	34,656	103,995	213,162	8.8%
<b>Operating Income</b>	<b>180,419</b>	<b>7.8%</b>	<b>(32,050)</b>	<b>45,446</b>	<b>193,815</b>	<b>8.0%</b>
All-in cost of financing	20,056	0.9%	3,388	38,127	61,571	2.5%
<b>Pre-Tax Income</b>	<b>\$ 160,363</b>	<b>7.0%</b>	<b>-35,438</b>	<b>7,319</b>	<b>\$ 132,244</b>	<b>5.5%</b>

**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS**  
**ENDED SEPTEMBER 30<sup>TH</sup>, 2021**  
(In thousands of nominal pesos)

	Nine months ended September 30 <sup>th</sup> , 2021		Argentinian Restatement	IFRS 16	Nine months ended September 30 <sup>th</sup> , 2021	
Net sales	\$ 36,438,716	100%	\$ 208,641	-	\$ 36,647,357	100%
Cost of sales	11,537,914	31.7%	72,516	-	11,610,430	31.7%
<b>Gross Income</b>	<b>24,900,802</b>	<b>68.3%</b>	<b>136,125</b>	<b>-</b>	<b>25,036,927</b>	<b>68.3%</b>
Operating expenses	20,827,280	57.2%	132,299	(3,959,737)	16,999,842	46.4%
Depreciation and amortization	2,686,502	7.4%	92,747	3,134,316	5,913,565	16.1%
<b>Operating Income</b>	<b>1,387,020</b>	<b>3.8%</b>	<b>(88,921)</b>	<b>825,421</b>	<b>2,123,520</b>	<b>5.8%</b>
All-in cost of financing:						
Interest paid – net	1,687,590	4.6%	(3,792)	739,467	2,423,265	6.6%
Changes in reasonable value of Financial Liabilities	(74,981)	(0.2)%	-	-	(74,981)	(0.2)%
Exchange rate loss/income	(61,310)	(0.2)%	(486)	-	(61,796)	(0.2)%
	1,551,299	4.3%	(4,278)	739,467	2,286,488	6.2%
Participation in associated companies' results	743	-	-	-	743	-
<b>Pre-Tax Income</b>	<b>(163,536)</b>	<b>(0.4)%</b>	<b>(84,643)</b>	<b>85,954</b>	<b>(162,225)</b>	<b>(0.4)%</b>
Tax on earnings	(22,331)	(0.1)%	-	-	(22,331)	(0.1)%
<b>Consolidated Net Income</b>	<b>(141,204)</b>	<b>(0.4)%</b>	<b>(84,643)</b>	<b>85,954</b>	<b>(139,893)</b>	<b>(0.4)%</b>
Non-controlling stake	(139,814)	(0.4)%	-	-	(139,814)	(0.4)%
<b>Controlling Stake</b>	<b>\$ (1,390)</b>	<b>-</b>	<b>\$ (84,643)</b>	<b>85,954</b>	<b>\$ (79)</b>	<b>-</b>