Earnings Release
4Q20

25.02.21

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CONFERENCE CALL

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Results and Highlights for the Fourth Quarter and Full Year 2020

- **Fourth quarter sales increased by 13.5% compared to 3Q20,** albeit a decrease of 25.6% versus the fourth quarter of 2019
- **262% increase in EBITDA in the fourth quarter compared to 3Q20,** a 33.3% reduction versus the fourth quarter of 2019
- **Reached 66.6% of total year sales of 2019, despite operating at 100% capacity for only 10 weeks of the year**
- **Adjusted EBITDA Margin 61.5% of 2019's, reaching 12.2% in 2020, despite the impact of the pandemic**
- **Annual savings in operating and administrative expenses of 7.5 billion pesos during 2020**
- **Annual home delivery sales growth of 143% in 2020, exceeding 9.3 billion pesos, amounting to 26.7% of consolidated sales**
- **Market share of approximately 12% of total food and beverage home delivery sales in the Mexican, Colombian, Chilean and Spanish markets**
- **Same Store Sales (SSS)* decreased by 23.0% for the full year and 25.0% in the fourth quarter**
- **The Company posted a cash balance of 3.9 billion pesos at year-end**
- **The portfolio consisted of 4,193 Total Units at year-end 2020: 3,284 corporate and 909 sub-franchises**

** The SSS data excludes the units that were closed due to the contingency related to COVID-19.*

MESSAGE FROM THE EXECUTIVE PRESIDENT

Alberto Torrado, Executive President of Alsea, commented: "2020 was a very challenging year for Alsea and I am especially grateful to everyone who is part of the Alsea family for all the work they have done during this complicated year. Thanks to their efforts and commitment, we were able to achieve a positive EBITDA of 1,489 million pesos, despite a drop in sales of 19,215 million pesos, as we reduced operating expenses by 7,482 million pesos.

The reduction in operating expenses helped offset the adverse impact of the pandemic, which has particularly affected our sector. The Company's expense lines were strictly managed and benefited from the negotiation of new terms with suppliers and landlords, access to government support programs, agreements with our strategic partners, enabling us to preserve over 60,000 jobs.

The results in the fourth quarter underline the progress we have made, as well as the strength and positioning of our brands. We reported positive EBITDA in all the geographies in which we operate, reaching 1,537 million pesos at a consolidated level. We were able to boost quarterly sales, despite the mobility restrictions that were reimplemented in most of Europe and in Mexico with the return to maximum alert red light restrictions for the last two weeks of December. This increase in sales was achieved while maintaining our strict focus on cost control and implementing a robust efficiency strategy which we plan to keep in the future. During this period, sales in Mexico increased by 21%, in South America by 36% and in Europe decreased by 1% compared to the third quarter of 2020. Stores that remained fully or partially open benefited from strong positioning in take-out, drive thru and home delivery through our own digital platform and via aggregators.

Throughout the fourth quarter, 88% of our units remained in operation, distributed as follows: 91% in Mexico, 89% in Europe and 82% in South America. Although most of the units remained open, they operated under certain limitations in terms of opening hours, as well as capacity restrictions, and sanitization policies, with the main objective of taking care of our customers and employees. In 2020, we continued our strategy of focusing on profitability and decided to close 185 corporate units, which will benefit margins in the future.

Compared to the sales reported in 2019, in 2020 we reached 70% of that level in Mexico, 69% in South America and 60% in Europe, amounting to 66% at the consolidated level, despite having operated at 100% capacity for just 10 out of the 52 weeks of the year, underlining the strength of our brands.

Once the pandemic is under control and restrictions lifted, we expect a significant increase in traffic in our restaurants, which will generate an important recovery in sales, as we observed in the third quarter 2020, when lockdown measures were relaxed. An example of this was the significant recovery in the level of Starbucks Mexico sales during the year, where despite still not having the usual traffic from office workers and shopping malls, the brand reported a positive trend month over month reaching sales of over 90% of those reported in the fourth quarter of 2019.

Additionally, home delivery will represent a more significant sales opportunity than prior to the pandemic, as many customers have become accustomed to this experience and the convenience of this channel. In Mexico, Colombia, Chile and Spain, Alsea currently has an estimated market share of 12% of the total number of food and beverage home deliveries in these markets. Home delivery either through our own platforms or via aggregators increased 143% in 2020 compared to 2019, with sales of $9,314 million pesos.

To enhance our leadership position, we strengthened our digital innovation strategy under the leadership of Darío Okrent as Director of Technology and Digital Innovation. His responsibilities include maintaining and increasing our clients' trust and experience via new digital trends.

Similarly, during 2020, our loyalty programs continued to grow, as we reached over 650 thousand active *Wow Rewards* members and more than 15.6 million orders through Starbucks Rewards over the year. In addition, during the fourth quarter of 2020, transactions through the Domino's app increased 74.6% compared to the same quarter of last year and 4.5% versus 3Q20.

During the year, we strengthened our commitment to sustainable economic development, the environment, and support for the communities in which we operate. We continued to deliver close to one million meals through our various programs such as "Va Por Mi Cuenta" and "Va Por Nuestros Héroes". In addition, we carried out our annual "Va Por Mi Cuenta" campaign, which promotes the donation and purchase of products with a good cause across all Alsea brands in order to raise funds to continue the fight against food poverty. In 2020, we raised more than 25 million pesos for this initiative.

In 2020, Alsea was included in the S&P Dow Jones Sustainability Index Mila for the third consecutive year and is the only company in the Restaurant and Consumer Services sector in this Index. This underlines our commitment to ESG as a central part of our corporate purpose. Alsea was also accredited for the ninth consecutive year by CEMEFI and the Alliance for Social Responsibility in Mexico for its commitment to corporate social responsibility.

I would like to finish by thanking all of our colleagues, clients, suppliers and strategic partners for their support and hard work throughout this difficult year. They have been essential to helping us adapt to all the changes that followed from the pandemic. We will keep working together to respond to the new circumstances and achieve again the successful results that Alsea had previously attained. We will continue to learn from the current situation, to build on our strengths, and better position ourselves for the future.

February, 2020

Mexico City, February 25th, 2021. Alsea, 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 fourth quarter and full year 2020. This information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS). For the purpose of comparison against the previous year, the comments presented in this report do not include the effect of IFRS 16, nor the effect regarding restatement due to the hyperinflation in Argentina. These effects are detailed in the financial statements at the end of this report.*

FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER OF 2020

The following table provides a Condensed Financial Summary, the margin for each line item, as well as the percentage change for the quarter ended December 31st, 2020 compared to the same period of 2019:

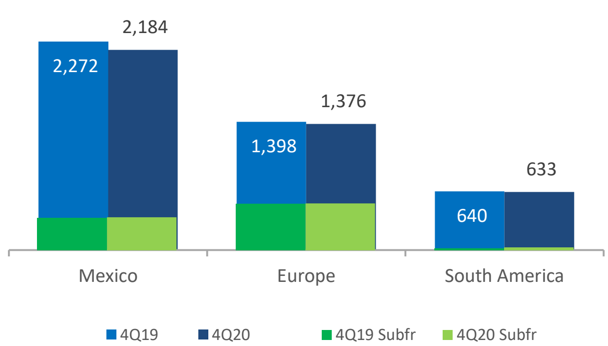
	4Q20	*4Q19*	*Var %*
Same-store sales	(25.0)%	3.9%	(28.9) pp
Sales	11,160	14,995	(25.6)%
Gross Profit	7,932	10,651	(25.5)%
EBITDA (1)	1,573	2,358	(33.3)%
EBITDA Margin	*14.1%*	*15.7%*	*(1.6) pp*
Operating income	466	1,143	(59.2)%
Net income	(221)	436	N.M.
Net income margin	*(2.0)%*	*2.9%*	*(4.9) pp*
ROIC	(3.8)%	7.9%	(11.7) pp
ROE	(38.2)%	8.5%	(46.7) pp
Net Debt/EBITDA	19.0x	2.9x	N.M.
EPS (2)	(3.88)	1.11	N.M.

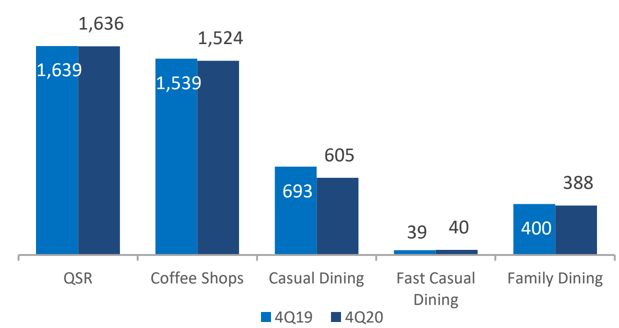
*** Figures in million pesos, except EPS**

(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 *





** Total Units (corporate + sub-franchises)*

IMPLICATIONS RELATED TO COVID-19

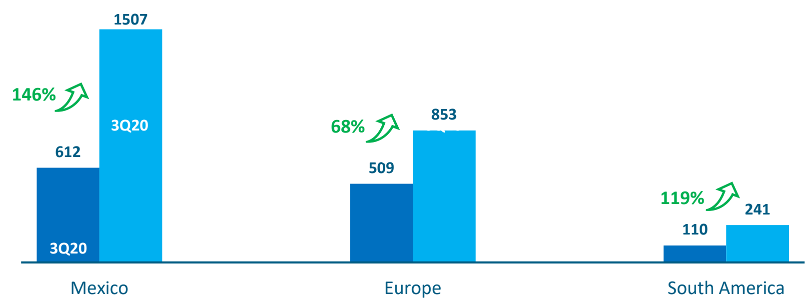
During the fourth quarter, there was a recovery in sales in Mexico and South America compared to the third quarter of 2020, increasing by 21% and 36%, respectively. Sales in Europe decreased by 1%, as a result of the restrictions that were implemented due to the increase in the number of contagions.

SALES BY GEOGRAPHY 4Q20 vs 3Q20

** Figures in million pesos MXP*

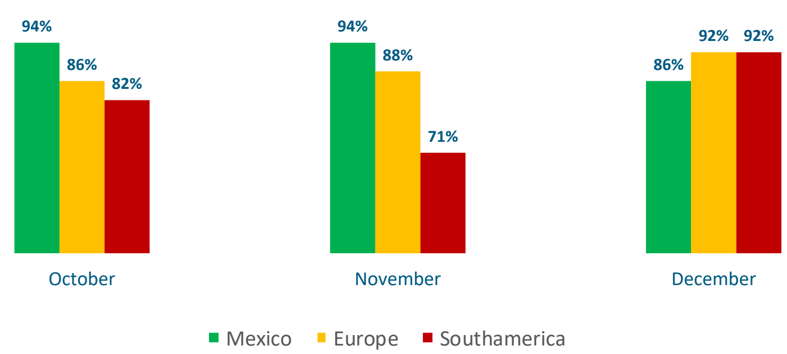
Due to the previously mentioned recovery in sales and the savings generated, we increased Adjusted EBITDA by 146% in Mexico, 68% in Europe and 119% in South America vs. 3Q20.

Adjusted EBITDA BY GEOGRAPHY 4Q20 vs 3Q20



** Figures in million Mexican pesos*

CORPORATE UNITS IN OPERATION BY GEOGRAPHY DURING THE QUARTER



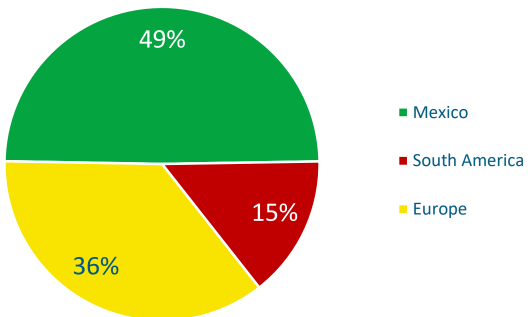
** Data as of the last day of each month*

At the end of the fourth quarter, despite the restrictions implemented in some countries, approximately 88% of units were in operation. The majority of these units were open for home delivery, over the counter take away and on-site service for a limited capacity. The remaining 12% of units remained closed.

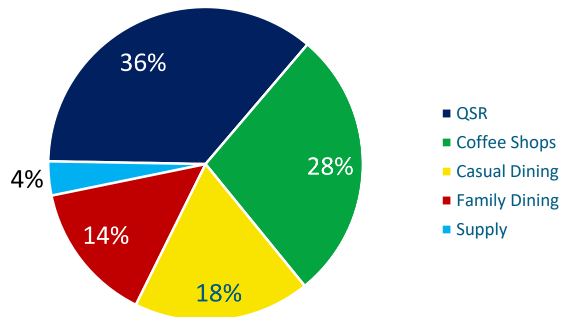
CONSOLIDATED RESULTS

SALES

SALES BY GEOGRAPHY*



SALES BY SEGMENT*



** Figures as of 4Q20*

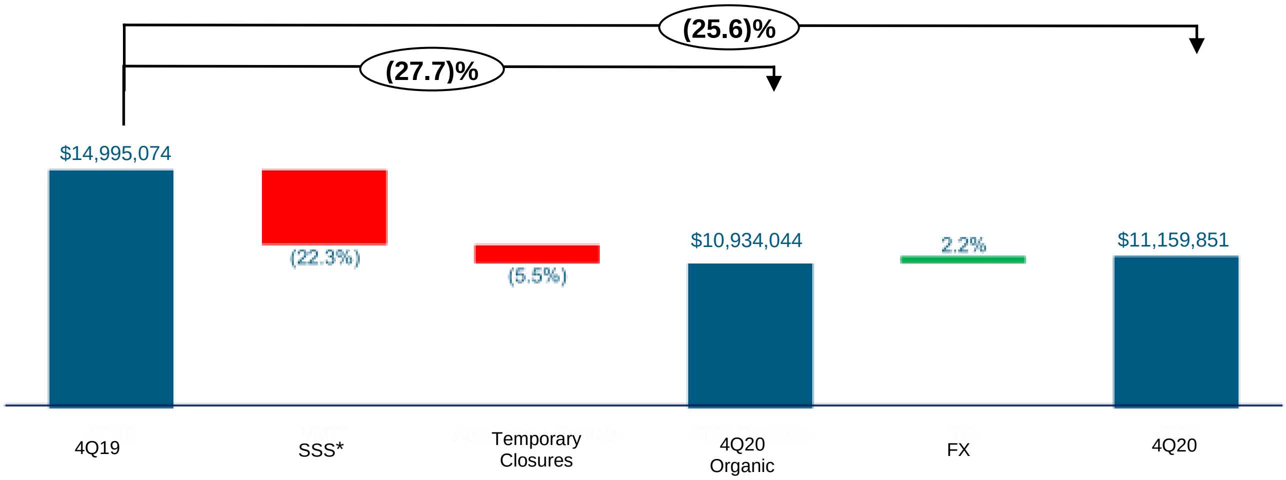
Net sales in the fourth quarter of 2020 **increased by 13.5%** compared to 3Q20, mainly due to the relaxation of lockdowns during the first months of the quarter in the different geographies where Alsea operates.

At the same time, compared to the previous year, **net sales** in the fourth quarter of 2020 **decreased by 25.6%** to **11,160 million pesos,** compared to 14,995 million pesos in 4Q19. This decrease is mainly due to the impact of the contingency related to the COVID-19 pandemic, which affected both the number of units in operation, as well as consumption trends and changes in purchasing habits. As a result of the various initiatives that Alsea had been working on prior to the contingency, we had the necessary processes, agreements and platforms in place to achieve the largest possible sales through the new distance sales channels. Through these new channels, compared to 3Q20, we achieved sales growth of 15.6% in the delivery segment, amounting to almost 2,900 million pesos and representing 27.2% of Alsea's consolidated sales.

Excluding the units that did not report sales, same store sales for the portfolio in **Mexico** decreased by **21.8%**, in **South America decreased by 14.2%** and the operation in **Europe decreased by 34.6%.**

Domino's Pizza continues to be a format that performs well despite the current circumstances. Sales in Domino's Pizza in Mexico increased by 3.5% compared to the sales reported in the fourth quarter of the previous year, while sales for the same brand in Colombia increased by 28.6%. Starbucks is another brand that has managed to adapt even better than expected to the current circumstances, reporting a sales level of 89% compared to the sales reported in the same period of 2019. Additionally, casual dining brands, which are highly dependent on foot traffic in their restaurants, reported sales levels between 60% and 80% compared to the sales reported by this channel prior to the pandemic.

Net Sales 4Q20 vs. 4Q19



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

EBITDA

EBITDA for 4Q20 increased by 262.1% compared to 3Q20, reaching 1,573 million pesos in the fourth quarter. This increase is mainly due to the 13.5% increase in sales, as well as to operational efficiencies, reductions in non-essential expenses, government support and union agreements related to employee salaries, rental agreements and the support of master franchises.

All the geographies in which Alsea operates reported positive EBITDA in the fourth quarter.

EBITDA in the fourth quarter of 2020 decreased by 33.3%, closing at 1,573 million pesos, compared to 2,358 million pesos in the same period in 2019. The decrease in EBITDA of 785 million pesos was driven by:

- The decrease in EBITDA generation from the **Alsea Mexico and Europe** which was impacted by the implementation of quarantine measures in response to COVID-19.
- The **contraction of 1.0 percentage point** in **Alsea Europe's** adjusted EBITDA margin, when compared to the same period of the previous year.

Since the end of the first quarter of the year, steps were taken to reduce non-essential operational and corporate expenses. In addition, during the fourth quarter a reduction of 23.3% or 1,934 million pesos in operating expenses was achieved, compared to the same period of the previous year, supported mainly by the agreements reached on rent and government and union agreements on wages and salaries.

Additionally, within the G&A and other expenses and income line, income from the sale of assets was recorded with a profit of approximately 139 million pesos in Alsea's consolidated EBITDA for the quarter. This was offset by the impacts related to store closures and brand value impairment, among others, for approximately 300 million pesos in the fourth quarter of the year.

The EBITDA margin contracted by 1.6 percentage points, from 15.7% in the fourth quarter of 2019 **to 14.1% during the same period of 2020**.

At the start of the first quarter of 2021, the social distancing and capacity limitations within restaurants remained and consumption has stabilized at between 65% to 70% compared to the total sales of the same period in 2019. However, as vaccination campaigns progress, we expect to see the return of consumption as we saw in the third quarter of 2020.

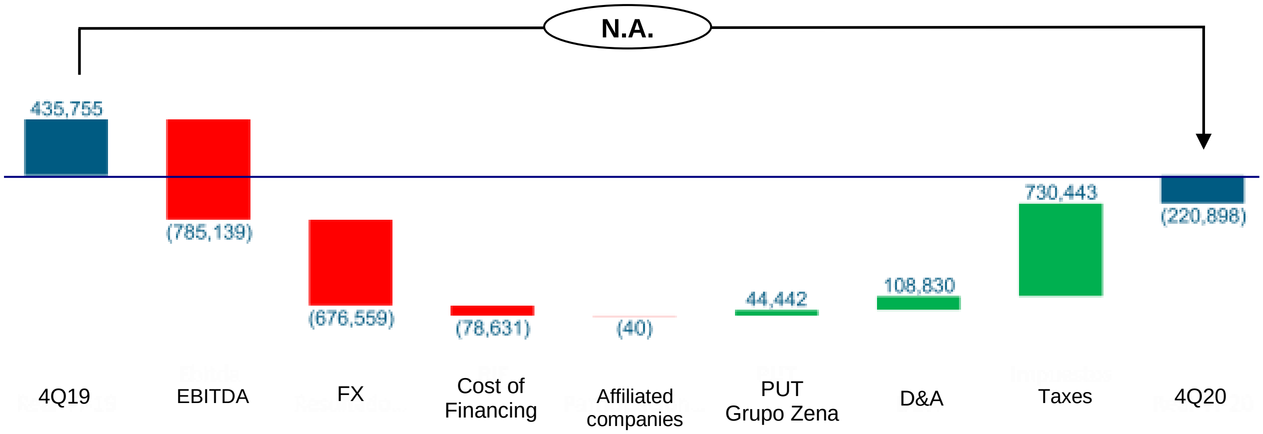
NET INCOME

Net income for the quarter increased by 750 million pesos compared to 3Q20.

Compared to the same period in 2019, **net income for the fourth quarter** decreased by 657 million pesos, closing at **-221 million pesos**, compared to the 436 million pesos reported in 4Q19. This decrease is mainly due to the increase of 711 million pesos in the comprehensive financing result as a result of the exchange loss of 677 million pesos compared to that reported in the same period of the previous year. This variation is related to our assets and cash in foreign currency and was partially offset by the **positive exchange rate effect** of 44 million pesos related to the call and put options on the remaining 21.0% of Grupo Zena in the quarter. Likewise, and to a lesser extent, the decrease in net income in the quarter was due to a 3.4 percentage point reduction in operating income as a percentage of net sales, due to the **1.7 percentage point increase in operating expenses**, as result of lower sales due to the COVID-19 pandemic.

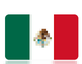
This was partially offset by a deferred tax benefit.

Net Income 4Q20 vs. 4Q19



RESULTS BY SEGMENT FOR THE FOURTH QUARTER OF 2020

MEXICO



Alsea México	*4Q20*	*4Q19*	*Var.*	*% Var.*
Number of units	2,184	2,272	(88)	(3.9)%
Same-store sales	(21.8)%	2.3%	(24.1) pp	-
Sales	5,520	7,251	(1,731)	(23.9)%
Costs	1,692	2,211	(519)	(23.5)%
Operating expenses	2,321	3,180	(859)	(27.0)%
Adjusted EBITDA*	1,507	1,861	(354)	(19.0)%.
*Adjusted EBITDA margin**	*27.3%*	*25.7%*	*1.6 pp*	-
Depreciation and Amortization	450	570	(120)	(21.1)%
G&A and other expenses	527	420	107	25.4%
Operating income	530	871	(341)	N.M.

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

SALES MEXICO

Alsea Mexico sales were 49.5% of Alsea's total consolidated sales in the fourth quarter of 2020.

This segment posted an **increase in sales of 20.8%,** reaching 5,520 million pesos compared to the third quarter of 2020. This increase is related to the reopening of units and the lifting of opening hour restrictions in establishments in the country until mid-December when the maximum red light status was reinstated. This caused a slowdown in the level of sales compared to the first two months of the quarter by approximately 12 percentage points, closing the quarter with sales at 76% of those reported in the fourth quarter of the previous year.

As previously mentioned, Domino’s Pizza has been the best performing brand in the current environment, with a 7.3% increase in same store sales in the quarter. Similarly, Starbucks increased its sales by 23.2% compared to 3Q20, while casual dining sales increased by 32.9%.

Prior to the return of red light contingency measures in mid-December, there was a positive trend in sales, reaching 80% of those reported in the same period of the previous year. At the end of the fourth quarter, we had reopened 86% of our restaurants with limited seating, in line with government guidelines.

Alsea Mexico's sales in 4Q20 **decreased 23.9%** to 5,520 million pesos compared to 7,251 million pesos in the same period of 2019. This variation is due to the effect of the COVID-19 pandemic contingency. As a result of the above, sales have mainly focused on home delivery and take-out, allowing Alsea to leverage its competitive advantage of having established delivery strategies and agreements with the main aggregator platforms. This ensured continuity of sales through this channel, which reached a 24.6% share of 4Q20 sales, an increase of 16.6% compared to 3Q20.

Adjusted EBITDA MEXICO

Alsea Mexico's Adjusted EBITDA increased by 146.1%, reaching a total of 1,507 million pesos in the fourth quarter compared to 3Q20. This increase is due to the reopening of units and the steps taken to reduce expenses and services which are not essential to the operation of the business, as well as the decrease in expenses in line with the reduction in expected demand. This reduction in demand resulted in significant savings in logistics and distribution. All of the above is despite the maximum red light status being reinstated in the last two weeks of the year.

As part of the cost control efforts, of the 1,934 million peso saving at the Alsea consolidated level during the quarter, 38.9% was for Alsea Mexico. This was mainly thanks to agreements with unions, negotiations regarding discounts on rent and cuts in advertising and corporate expenses, among other items.

In the same way, **Alsea Mexico's Adjusted EBITDA** represented 57.9% of the consolidated Adjusted EBITDA in the fourth quarter, closing at 1,507 million pesos compared to 1,861 million pesos in the same period of the previous year. This represents a decrease of 19.0%, mainly impacted by the decrease in sales. However, an improvement in the margin of 1.6 percentage points was achieved compared to the same period of the previous year.

At the end of the fourth quarter, Alsea Mexico managed a total of 1,821 corporate units and 363 sub-franchise units.

EUROPE

Alsea Europa	*4Q20*	*4Q19*	*Var.*	*% Var.*
Number of units	1,376	1,398	(22)	(1.6)%
Same-store Sales	(34.6)%	1.7%	(36.3) pp	-
Sales	4,002	5,691	1,688	(29.7)%
Costs	990	1,458	(468)	(32.1)%
Operating Expenses	2,159	2,963	(804)	(27.1)%
Adjusted EBITDA*	854	1,270	(416)	(32.8)%
*Adjusted EBITDA margin**	*21.3%*	*22.3%*	*(1.0) pp*	-
Depreciation and Amortization	566	547	20	3.6%
G&A and other expenses	394	463	(69)	(14.8%)
Operating Income	(107)	260	(367)	N.M.

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

SALES EUROPE

The sales for Alsea Europe represented 35.9% of the company's consolidated sales, compared to 37.9% at the end of the fourth quarter of 2019, and are made up of operations in Spain, Portugal, France, the Netherlands, Belgium, and Luxembourg.

Sales for this region decreased by 1.4%, to 4,002 million pesos compared to the third quarter of 2020, however,sales reported a 1.4% increase in local currency. This decrease in sales is related to the reinstatement of lockdown measures in the region, where restrictions on capacity and opening hours were implemented in restaurants. The home delivery segment accounted for a 29.0% share of Alsea Europe sales in 4Q20.

Alsea Europe reported a decrease in sales of 29.7% for the quarter, amounting to 4,002 million pesos compared to the 5,691 million pesos in 4Q19. This decrease of 1,688 million pesos is related to the partial closure of restaurants during the quarter, as a direct effect of the measures implemented by governments to combat the COVID-19 pandemic.

Throughout the fourth quarter, 89% of our units in Alsea Europe remained in operation.

Adjusted EBITDA EUROPE

Alsea Europe's adjusted EBITDA increased by 67.7%, reaching 854 million pesos in the fourth quarter compared to 3Q20. The increase in local currency was 82.1% compared the previous quarter. This increase was generated by higher operating leverage in addition to government support in terms of salaries, rent negotiations, and G&A efficiencies, among other items; which represented 45.2% of the 1,934 million pesos achieved in savings at the consolidated Alsea level during the quarter.

Alsea Europe continues to receive government support such as ERTE (temporary employment regulation) due to force majeure, effective as of March 19th, 2020 in Spain, which has been extended until May 2021. Thanks to these support programs, we have managed to reduce labor expenses by around 40% compared to 4Q19. We currently have more than 20% of our staff enrolled in this support program in Spain.

Alsea Europe's Adjusted EBITDA represented 32.8% of the consolidated Adjusted EBITDA in the fourth quarter 2020 and at the end of the same period **decreased by 32.8%**, to 854 million pesos, compared to 1,270 million pesos in the same period of 2019.

At the end of the fourth quarter, Alsea Europe managed a total of 862 corporate units and 514 sub-franchise units.

SOUTH AMERICA

Alsea South America	*4Q20*	*4Q19*	*Var.*	*% Var.*
Number of units	633	640	(7)	(1.1)%
Same-store Sales	(14.2)%	11.6%	(25.8) pp	-
Sales	1,638	2,053	(416)	(20.2)%
Costs	545	676	(130)	(19.3)%
Operating Expenses	851	1,093	(242)	(22.1)%
Adjusted EBITDA*	241	284	(44)	(15.3)%
*Adjusted EBITDA margin**	*14.7%*	*13.8%*	*0.9 pp*	-
Depreciation and Amortization	90	99	(8)	(8.4)%
G&A and other expenses	107	174	(67)	(38.5)%
Operating Income	43	11	32	N.M.

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

SALES SOUTH AMERICA

Alsea South America sales were 14.7% of the Company's consolidated sales for the fourth quarter of 2020, compared to 13.7% at the end of the fourth quarter of 2019, and are made up of operations in Argentina, Colombia, Chile and Uruguay.

Sales for this segment increased by 36.1% compared to the third quarter of the year**,** reaching 1,638 million pesos. This increase is related to the positive effect of the summer season, as well as the easing of lockdown restrictions in the region. This is despite the fact that countries such as Argentina and Chile continue to have strict control measures in place – they are two of the countries with the strictest restrictions in place globally.

Alsea South America **sales decreased by 20.2%,** reporting 1,638 million pesos compared to the 2,053 million pesos in the fourth quarter of 2019. This decrease was mainly due to the fall in sales related to the declaration of a health emergency in the different countries, decreeing the closure of restaurants and other non-essential businesses. At the brand level, Burger King in Chile increased by 14.5% compared to the same period of 2019 and Domino's Pizza continues its positive trend, reporting a 59.4% increase in sales compared to 4Q19.

During the quarter, Alsea's operations in Colombia reported a sales increase of 12.1% compared to 4Q19, this is a result of the strong penetration that our brands have in terms of home delivery, which represented 55.3% of the country's total sales in the fourth quarter of the year.

Adjusted EBITDA SOUTH AMERICA

Alsea South America's adjusted EBITDA increased by 118.0% compared to the 3Q20, reaching 241 million pesos, at the end of the fourth quarter. This increase was partially offset by the strategies focused on reducing both operational and administrative expenses, which had already been implemented since the beginning of the year throughout the countries in which we operate in South America and were accentuated by the start of the pandemic.

We continue to report improvements in efficiency, synergies and best practices linked to the consolidation and integration of the operations in Chile, Argentina and Uruguay. At the same time, the entire back office operations of Alsea South America have been consolidated in Colombia, which continues to provide savings in terms of office rent and corporate expenses. As part of the effort to control expenses, of the previously mentioned 1,934 million pesos achieved in savings at the consolidated Alsea level during the quarter, 16.0% of these savings were achieved in Alsea South America, mainly as a result of government support, rental negotiations and efficiencies in G&A, among other items.

Alsea South America's Adjusted EBITDA represented 9.3% of the decrease in the consolidated Adjusted EBITDA in the fourth quarter and at the end of the 4Q20 had decreased by 15.3%, closing at 241 million pesos, compared to the 284 million pesos for the same period in 2019. However, an improvement in the adjusted EBITDA margin of 0.9 percentage points was achieved.

At the end of the fourth quarter Alsea South America had a total of 601 corporate units and 32 sub-franchise units.

FULL YEAR 2020 FINANCIAL HIGHLIGHTS

The following table shows a condensed Financial Summary in million pesos (except for EPS), the margin for each line item, as well as the percentage change for the year ending December 31st, 2020 and the same period of the previous year:

	12M20	*12M19*	*Var %*
Same-store sales	(23.0)%	5.1%	(28.1) pp
Sales	38,229	57,444	(33.4)%
Gross Profit	26,880	40,523	(33.7)%
EBITDA (1)	1,489	7,650	(80.5)%
EBITDA Margin	*3.9%*	*13.3%*	*(9.4) pp*
Operating income	(2,668)	3,568	N.M.
Net income	(4,161)	1,081	N.M.
Net income margin	*(10.9)%*	*1.9%*	*12.8 pp*
ROIC	(3.8)%	7.9%	11.7 pp
ROE	(38.2)%	8.5%	(46.7) pp
Net Debt/EBITDA	19.0x	2.9x	N.M.
EPS (2)	(3.88)	1.11	N.M.

(1) EBITDA is defined as operating income before depreciation and amortization. * Figures in million pesos, except EPS.
(2) EPS is earnings per share for the last 12 months. In 2018 only the result of Alsea is contemplated, without Grupo Vips.

CONSOLIDATED RESULTS

SALES

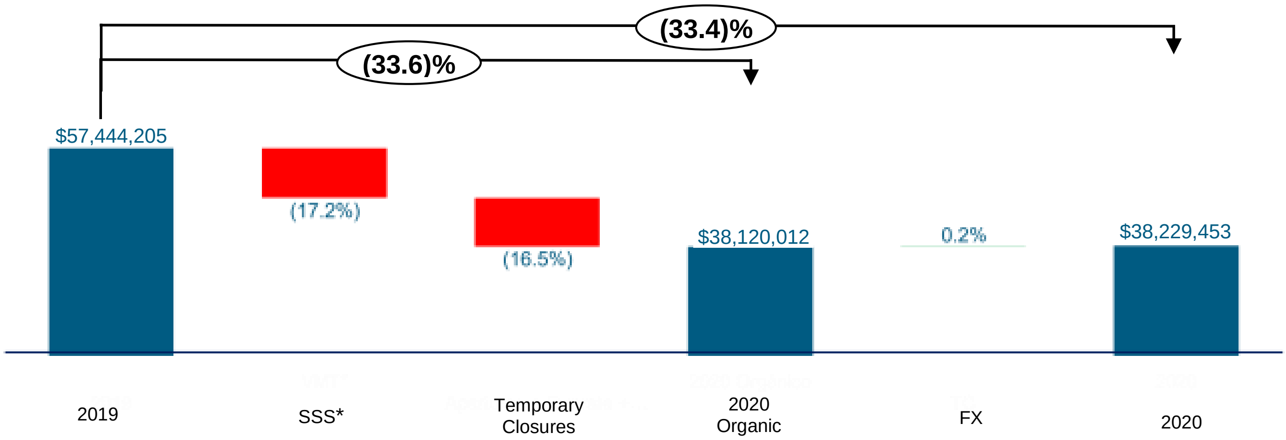
Net sales in 2020 decreased by 33.4% to 38,229 million pesos, compared to 57,444 million pesos for the previous year. This decrease is mainly attributable to:

- The impact of the contingency related to the COVID-19 pandemic, which affected both the number of units in operation, as well as the consumption trend and changes in purchasing habits.
- **The closure of 185 corporate units**, in line with the strategy to improve the profitability of the Company in the future.
- The impact on traffic and mobility as a result of restrictions, mainly affecting the casual dining and family restaurant segments, where the most affected brands reported sales levels that range between 50% and 75% of sales registered in 2019.

The impact on annual sales was partially offset by the various initiatives that Alsea had been working on prior to the contingency. This meant that it had the necessary processes, agreements and platforms in place to achieve the highest possible sales through the new sales channels of distance selling. Through this we the share of the home delivery segment increased to 26.7% of Alsea's consolidated sales, which represents over 9.3 billion pesos in the year.

Regarding same store sales during the year, excluding the units that did not report sales as a result of preventive measures due to COVID-19, the portfolio in **Mexico** reported a **23%** decrease, our brands in **South America** reported a decrease of **20.1%** and the operation in **Europe** decreased by **24.4%**.

Net Sales 2020 vs. 2019



** The percentage of same-store sales contribution is the effect on the total revenue base.*

EBITDA

EBITDA in 2020 decreased by 80.5% to reach 1,489 million pesos, compared to 7,650 million pesos in the previous year. The decrease in EBITDA of 6,161 million pesos was driven by:

- The decrease in the generation of EBITDA in all the geographies where Alsea is present, affected by the implementation of contingency measures due to the COVID-19 pandemic.
- The contraction of 6.8, 9.1 and 8.3 percentage points in the adjusted EBITDA margin of Alsea México, Alsea Europa and Alsea South America respectively, compared to the previous year.

The decrease in EBITDA was partially offset by the reduction of 7,482 million pesos in the year through:

- Actions implemented since the end of the first quarter to reduce non-essential operational expenses, as well as corporate expenses.
- Access to government support and union agreements related to employee salaries in most countries.
- Agreements reached on rent.

Additionally, withing the G&A and other expenses and income line, income from the sale of assets was recorded with a profit of approximately 230 million pesos in the consolidated EBITDA of Alsea in the year. This was offset by the impacts related to the closing of stores and brand value impairment, among others, for approximately 600 million pesos in the full year 2020.

The EBITDA margin contracted by **9.4 percentage points** from 13.3% in 2019, to **3.9% during 2020**.

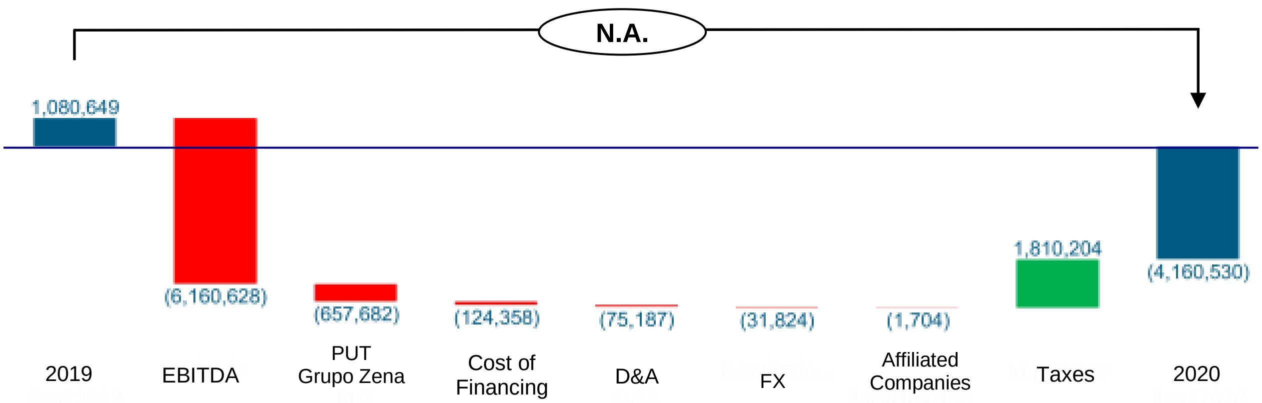
NET INCOME

Net income for the year decreased by 5,241 million pesos compared to the same period of last year, closing at -4,161 million pesos compared to 1,081 million pesos reported at the end of 2019. This decrease is mainly due to:

- The 13.2 percentage point reduction in operating income as a percentage of net sales, due to a 9.2 percentage point increase in operating expenses, as a result of lower sales due to the COVID-19 pandemic.
- The increase in the comprehensive financing result, mainly as a consequence of the negative exchange rate effect related to the call and put options of the remaining 21.0% of Grupo Zena, where an exchange rate loss of 457 million pesos was recorded compared to the exchange rate profit of 201 million pesos reported in the previous year.

The aforementioned was partially offset by the deferred tax benefit.

Net income 2020 vs. 2019



RESULTS BY SEGMENT FOR THE FULL YEAR 2020

MEXICO

Alsea Mexico	*12M20*	*12M19*	*Var.*	*% Var.*
Number of units	2,184	2,272	(88)	(3.9)%
Same-store sales	(23.0)%	3.4%	(26.4) pp	-
Sales	19,067	27,217	($8,150)	(29.9%)
Costs	6,018	8,398	($2,380)	(28.3)%
Operating expenses	9,869	12,425	($2,556)	(20.6)%
Adjusted EBITDA*	3,180	6,394	($3,214)	(50.3%)
*Adjusted EBITDA margin**	*16.7%*	*23.5%*	*(6.8) pp*	-
Depreciation and amortization	2,115	2,266	($151)	(6.7%)
G&A and other income / expenses	1,430	1,617	($188)	(11.6%)
Operating Income	(365)	2,511	($2,875)	N.M.

* Adjusted EBITDA does not include administrative expenses; thus it represents the “Store EBITDA”. ** Figures in million pesos.

SALES MEXICO

Alsea Mexico sales were 49.9% of Alsea's consolidated sales in 2020, **a decrease of 29.9%** to 19,067 million pesos compared to 27,217 million pesos in 2019. This variation is attributable to the effect caused by the COVID-19 pandemic contingency. As a result of the above, sales during the year were mainly focused on home deliveries, drive thru and take-out, allowing Alsea to benefit from the competitive advantage of having established delivery strategies and agreements with the main aggregator platforms, providing continuity of sales through this channel, which reached a 24.3% share of total sales in 2020.

Regarding the level of sales registered in the year, from the end of the first quarter of the year we began to see an impact on consumption as a result of the COVID-19 pandemic. As a result of the above, during the first two months of the second quarter, sales fell to approximately 35% of those reported in the same months of the previous year. In June, there was an improvement to 41% of sales reported in June 2019, driven mainly by the reopening of units and the lifting of restrictions. There was further recovery in the third quarter of the year, reaching sales levels close to 78% versus the same period of the previous year, demonstrating a clear improvement in consumption. Finally, in the last two weeks of the fourth quarter of the year, restrictions corresponding to the maximum red light status returned, implying a new temporary closure of some restaurants, leading to a decrease in sales levels to around 68% of those reported in the previous year, during December.

During the year, in order to attract customers, we actively implemented digital strategies such as promotions through digital coupons and joint promotions with aggregators. Similarly, we have taken advantage of the reach of our Wow Rewards platforms with more than 650,000 active users, the Domino's Pizza app with a 75% increase in transactions through this platform; and the Starbucks Rewards program with more than 472,000 members.

Adjusted EBITDA MEXICO

Alsea Mexico's Adjusted EBITDA decreased by 50.3% during 2020, closing at 3,180 million pesos compared to 6,394 million pesos in the previous year. This increase is mainly attributable to the decrease in sales related to the pandemic compared to the previous year.

Since the beginning of the pandemic in March 2020, the implementation of actions to reduce expenses and non-essential services for the operation continued, as well as the reduction in expenses in line with the drop in expected demand, resulted in significant savings in logistics and distribution. As part of the cost control efforts, of the previously mentioned 7,482 million pesos achieved in savings at the consolidated Alsea level during the year, 36.7% were achieved by Alsea Mexico, mainly thanks to agreements with unions, negotiations regarding discounts on rents and cuts in advertising and corporate expenses, among other items.

At the end of the year, Alsea Mexico managed a total of 1,821 corporate units and 363 sub-franchisee units.

EUROPE

Alsea Europe	*12M20*	*12M19*	*Var.*	*% Var.*
Number of units	1,376	1,398	(22)	(1.6)%
Same-store sales	(24.4)%	2.0%	(26.4) pp	-
Sales	13,861	21,206	($7,345)	(34.6)%
Costs	3,483	5,576	($2,093)	(37.5%)
Operating expenses	9,191	11,875	($2,648)	(22.6%)
Adjusted EBITDA*	1,187	3,755	($2,568)	(68.4%)
*Adjusted EBITDA margin**	*8.6%*	*17.7%*	*(9.1) pp*	-
Depretiation and amortization	1,636	1,379	$258	18.7%
G&A and other income / expenses	1,289	1,482	($193)	(13%)
Operating Income	(1,738)	895	($2,632)	N.M.

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

SALES EUROPE

Alsea Europe sales accounted for 36.3% of the Company's consolidated sales, made up of operations in Spain, Portugal, France, the Netherlands, Belgium and Luxembourg.

Sales for this segment decreased by 34.6%, to 13,861 million pesos compared to 21,206 million pesos in 2019. This reduction of 7,345 million pesos was a consequence of the effects of COVID-19, due to the escalation of infections of the virus since the end of the first quarter, which resulted in the closure of 100% of corporate units by government decree in most of the countries where we operate from March 14th, 2020 until the beginning of the second quarter.

Subsequently, during the first two months of the second quarter, sales levels of approximately 8% and 23% respectively were reported compared to the same months of the previous year and for the month of June, there was an improvement to 57% of the sales level reported in June 2019, driven mainly by a better pace in the reopening of units and the lifting of some restrictions. The third quarter of the year reported a recovery in the region, reaching sales levels almost 80% compared to the same period of the previous year, demonstrating a clear improvement in consumption as restrictions related to the pandemic were lifted.

Finally, in the fourth quarter of the year, restrictions returned, which led to the partial closure of restaurants towards the end of the year, with sales levels falling versus the previous year to levels of 65%.

At the end of the year, there were a total of 862 corporate units and 514 sub-franchisee units.

Adjusted EBITDA EUROPE

Alsea Europe Adjusted EBITDA at the end of 2020 **decreased by 68.4%**, to 1,187 million pesos, compared to 3,755 million pesos in 2019.

As part of the efforts to control expenses, of the previously mentioned 7,482 million pesos achieved in savings at the consolidated Alsea level during the year, 38.5% were achieved in Alsea Europe, mainly as a result of government support in terms of salaries, the negotiation of rent, efficiencies in G&A, among other items. At Alsea Europe, government support has been obtained through programs such as ERTE (temporary employment regulation) due to force majeure, effective as of March 19th, 2020 and recently extended until May 2021. At the end of the year more than 20% of Alsea Europe's workforce was still signed up for this program. Additionally, thanks to the agreements reached on rent, we have managed to save the equivalent of 2.7 months in the year.

Finally, at the end of June, the technological integration of Grupo Sigla with the Alsea Europe systems was completed, with which we have managed to capitalize 100% of the expected synergies regarding the most recent acquisition of the Company.

SOUTH AMERICA

Alsea South America	*12M20*	*12M19*	*Var.*	*% Var.*
Number of units	633	640	(7)	(1.1%)
Same-store sales	(20.1)%	14.6%	(34.7) pp	-
Sales	5,302	9,021	(3,720)	(41.2%)
Costs	1,849	2,948	(1,099)	(37.3%)
Operating expenses	3,151	4,810	(1,659)	(34.5%)
Adjusted EBITDA*	302	1,263	(961)	(76.1%)
*Adjusted EBITDA margin**	5.7%	14.0%	*(8.3) pp*	-
Depretiation and amortization	406	437	(31)	(7.1%)
G&A and other income / expenses	462	664	(202)	(30.4%)
Operating Income	(566)	163	(728)	N.M.

* Adjusted EBITDA does not include administrative expenses; thus it represents the “Store EBITDA”. ** Figures in million pesos.

SALES SOUTH AMERICA

Alsea South America sales were 13.9% of the Company's consolidated sales in 2020. At the end of the period there were a total of 601 corporate units and 32 sub-franchisee units. **This segment reported a decrease in sales of 41.2%**, to 5,302 million pesos compared to the 9,021 million pesos in 2019. This reduction is primarily related to the fall in consumption as a result of the declaration of a health emergency in the different countries, decreeing the closure of restaurants and other non-essential businesses from the end of the first quarter of the year.

Alsea's operations in Colombia have managed to report a sequential positive trend during the year, as a result of the strong penetration of our brands in terms of home delivery, achieving double-digit sales sales growth in 4Q20 versus the last quarter of 2019. In particular, Domino's Pizza Colombia managed to exceed the sales reported in the previous year, with growth of 55.4%.

The Adjusted EBITDA of Alsea South America

The Adjusted EBITDA of Alsea South America decreased by 76.1% by the end of 2020 to close at 302 million pesos, compared to 1,263 million pesos in 2019. This reduction was partially offset by the cost control effort strategies, both operational and administrative, which had already been carried out since the beginning of the year in the different countries of our operation in South America and were accentuated by the onset of the pandemic.

During the year, we completed the consolidation and integration of operations in Chile, Argentina and Uruguay, with the priorities of maximizing efficiencies, synergies, best practices and capitalizing on future opportunities in these three countries, with Chile as its operational base. At the same time, the entire back-office operation of Alsea South America has been consolidated in Colombia, which implies savings in terms of office rent and corporate expenses. This finalized a strategic restructuring of the business that took several months of planning and that was accelerated by the unprecedented consequences derived from the COVID-19 pandemic.

As part of the cost control efforts, of the previously mentioned 7,482 million pesos achieved in savings at the consolidated Alsea level during the year, 24.9% were obtained in Alsea South America, mainly as a result of government support, rental negotiations and G&A efficiencies, among others.

NON-OPERATING RESULTS

All-in Cost of Financing

The all-in cost of financing for 2020 closed at **2,665 million pesos** compared to 1,851 million pesos in the previous year. This change is due to an increase of 658 million pesos in **foreign exchange losses** related to the call and put options on the remaining 21.0% of Grupo Zena, as well as to a higher expense for net interest payments of 124 million pesos, and to a lesser extent to the increase in **exchange rate losses** of 32 million pesos when compared to the previous year.

BALANCE SHEET

CAPEX

During the 12 months ended December 31st, 2020, **Alsea made capital investments, excluding acquisitions, for 1,774 million pesos**, of which 724 million pesos, equivalent to 40.8% of total investments, were allocated to:

- The opening of **58 units.**
- The **renovation and remodeling of existing units** of the different brands operated by the Company.

The remaining 1,050 million pesos were allocated to:

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

BANK DEBT AND FIXED-RATE BONDS

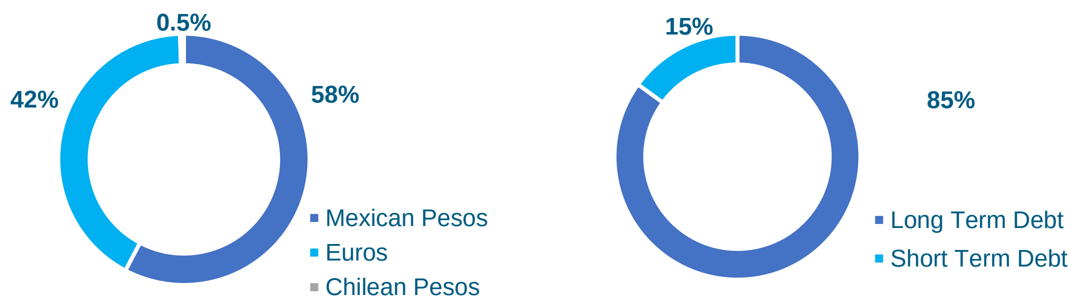
At the beginning of July 2020, Alsea reached agreements with banks to obtain a waiver regarding various terms in its credit agreements until June 30, 2021.

As of December 31st, 2020, Alsea has committed lines of up to 75 million euros to be disposed of as necessary according to the solvency of the operation in Europe.

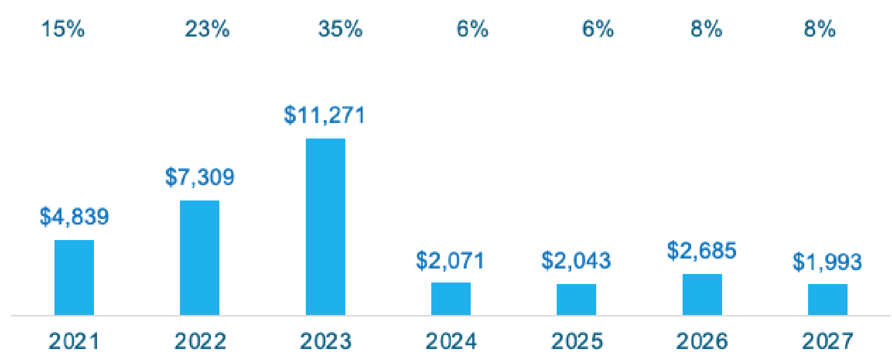
As of December 31st, 2020, **Alsea's total debt increased by 6,830 million pesos,** closing at 32,212 million pesos compared to 25,382 million pesos in the previous year. This **increase in debt** corresponds mainly to the need for liquidity to continue operations during the COVID-19 contingency, coupled with the negative effect of almost 1.7 billion pesos for the revaluation of debt in euros due to its appreciation against the Mexican peso.

The company's **consolidated net debt increased by 5,467 million pesos,** closing at 28,280 million pesos as of December 31st, 2020 compared to 22,813 million pesos at the end of 2019.

As of December 31st, 2020, total debt was comprised as follows:



The following graph shows the balance of the total debt in millions of pesos as of December 31st, 2020, as well as the maturities that are held for subsequent years:



*Figures in million pesos.

FINANCIAL RATIOS

As of December 31st, 2020, the financial ratios established in the Company's loan agreements were:

- **Total Debt to EBITDA** (last 12 months) was **21.6 times** (waived until July 2021).
- **Net Debt to EBITDA** (last 12 months) was **19.0 times.**
- **EBITDA** (last 12 months) **to interest paid** (last 12 months) was **0.7 times (waived until July 2021).**
- In terms of **liquidity**, at the end of the fourth quarter of 2020, Alsea had **3.9 billion pesos in cash**, meeting the minimum level required of 2.5 billion pesos according to the waiver.
- The consolidated **stockholders' equity** closed at **9.3 billion pesos**, meeting the minimum level of 8.5 billion pesos according to the waiver.

KEY INFORMATION

Financial ratios	4Q20	4Q19	Var.
EBITDA(1) / Interests Paid	0.7 x	3.6 x	N.M.
Total Debt / EBITDA(1)	21.64 x	3.3 x	N.M.
Net Debt / EBITDA(1)	19.0 x	2.9 x	N.M.
ROIC (2)	(3.8)%	7.9%	N.M.
ROE (3)	(38.2)%	8.5%	N.M.

* EBITDA Pro-forma including acquisitions made in the last twelve months

Stock Market Indicators	4Q20	4Q19	Var.
Book Value per Share	$9.75	$13.20	(26.2)%
EPS (12 months) (4)	(3.88)	1.11	N.M.
Shares in circulation at end of period (millions)	838.5	838.5	-
Price per Share at Market Close	$25.89	$49.83	(48.0)%

(1) EBITDA last 12 months. For 4Q20 the last twelve months pro forma EBITDA is used excluding expenses for synergies in Alsea Europa.
(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.

IFRS 16 IN INCOME STATEMENT AND BALANCE SHEET

The adoption of IFRS 16 had a positive effect of 362 million pesos on the Income Statement. Regarding EBITDA, a positive effect of 1,680 million pesos was registered, representing an increase of 14.4 percentage points in the EBITDA margin, reaching 28.5%.

For the full year 2020, the adoption of IFRS 16 had a positive impact on the Income Statement of 522 million pesos, which represented 13.6% of net income. Regarding EBITDA, a 5,551 million peso positive effect was recorded, which represented an increase of 14.3 percentage points in the EBITDA margin, reaching 18.2%. The balance sheet reported a non-enforceable right-of-use for 23,423 million pesos and a non-enforceable lease liability of 25,300 million pesos.

Leverage ratios including IFRS 16 and hyperinflation in Argentina	4Q20
Total Debt / EBITDA(1)	4.6 x
Net Debt / EBITDA(1)	4.0 x

(1) EBITDA proforma last 12 months

UNITS BY BRAND

BRANDS	UNITS 4Q20		
	Corporate	Sub-franchises	Total
Domino's Pizza	811	423	1234
Mexico	445	336	781
Spain	282	55	337
Columbia	84	32	116
Burger King	**402**		**402**
Mexico	175	- -	175
Argentina	115	-	115
Spain	55	-	55
Chile	57	-	57
Quick Service Restaurants	**1,213**	**423**	**1,636**
Starbucks	**1270**	**254**	**1524**
Mexico	747	-	747
France	66	122	188
Spain	118	22	140
Argentina	132	-	132
Chile	134	-	134
Netherlands	16	72	88
Columbia	30	-	30
Belgium	-	31	31
Portugal	18	3	21
Uruguay	9	-	9
Luxembourg	-	4	4
Coffee Shops	**1270**	**254**	**1524**
Foster's Hollywood	101	128	229
Ginos	85	36	121
Spain	83	36	119
Portugal	2	-	2
Italianni's	62	17	79
El Portón	16	-	16
Chili's Grill & Bar	76	-	76
Mexico	71	-	71
Chile	5	-	5
Archie's	28	-	28
P.F. Chang's	32	-	32
Mexico	25	-	25
Columbia	4	-	4
Chile	3	-	3
Cañas y Tapas	1	-	1
TGI Fridays	13	-	13
The Cheesecake Factory	6	-	6
Corazón de Barro	2	-	2
Ole Mole	1	1	2
Casual Dining	**423**	**182**	**605**
Foster's Hollywood Street	1	-	1
Vips Smart	16	23	39
Fast Casual Dining	**17**	**23**	**40**
Vips	361	27	388
Mexico	*272*	*10*	*282*
Spain	*89*	*17*	*106*
Family Dining	**361**	**27**	**388**
ALSEA TOTAL UNITS			**4,193**
Corporate	**3,284**		
Sub-franchises		**909**	

UNITS BY COUNTRY

MEXICO	2,184	SPAIN	1,042	ARGENTINA	247	CHILE	199
FRANCE	188	COLUMBIA	178	NETHERLANDS	88	BELGIUM	31
PORTUGAL	23	URUGUAY	9	LUXEMBOURG	4		

ANALYST COVERAGE

INSTITUTION	ANALYST	RECOMMENDATION
ACTINVER	JUAN ENRIQUE PONCE	HOLD
BANK OF AMERICA MERRILL LYNCH	ROBERT E. FORD AGUILAR	SELL
BANORTE-IXE	VALENTÍN MENDOZA BALDERAS	BUY
BARCLAYS	BENJAMIN M. THEURER	HOLD
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
GRUPO BURSÁTIL MEXICANO	LUIS RODRIGO WILLARD	UNDER REVIEW
HSBC	RAVI JAIN	BUY
INTERCAM	ALEJANDRA MARCOS	HOLD
INVEX	GISELLE MOJICA	SELL
ITAU BBA	JOAQUÍN LEY	HOLD
J.P. MORGAN	IAN LUKETIC	SELL
MONEX	JOSE ROBERTO SOLANO	-
SANTANDER	ALAN ALANÍS	BUY
SCOTIABANK	RODRIGO ECHAGARAY	BUY
UBS	GUSTAVO OLIVEIRA	HOLD
MORGAN STANLEY	JAVIER MARTÍNEZ DE OLCOZ	BUY
VECTOR	MARCELA MUÑOZ	BUY
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. That 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.

Reclassifications - The financial statements as of September 30th, 2019, include certain reclassifications to the financial statements which do not have a material effect on the statement of financial position, they are presented purely for comparative purposes.

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

RELEVANT EVENTS 4Q20

- Alsea announced its inclusion in the Dow Jones Sustainability Index Mila for the third consecutive year.

EARNINGS CONFERENCE CALL 4Q20

The conference call will be held on **Friday, February 26th, 2021, at 09:00 a.m. (Mexico City time)**, it will be held in English and will have a question and answer session.

To join the call, please dial in five minutes before the scheduled time at:

Mexico: (55) 4123.2120
United States: 800 981.3960
Europe: (+44) 20.3514.2364

Access code: 1961#

After the replay period is over, the conference call will be available on our website: www.alsea.com.mx in the "investors" section.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
AS OF DECEMBER 31st, 2020 AND 2019
(In thousands of nominal pesos)

	December 31st, 2019		December 31st, 2020		Re-expression Argentina	IFRS 16	December 31st, 2020	
ASSETS								
Current assets:								
Cash and short-term investments	2,568,771	4.6%	3,932,409	6.5%	-	-	3,932,409	4.7%
Clients	974,187	1.7%	1,172,262	1.9%	-	-	1,172,262	1.4%
Other accounts and documents receivable	473,034	0.8%	448,513	0.7%	-	-	448,513	0.5%
Inventory	1,779,646	3.2%	1,617,570	2.7%	-	-	1,617,570	1.9%
Taxes recoverable	338,597	0.6%	1,274,055	2.1%	-	-	1,274,055	1.5%
Other current assets	346,504	0.6%	629,853	1.0%	-	-	629,853	0.8%
Assets held for sale	52,546	0.1%	-	-	-	-	-	-
Current assets	6,533,285	11.6%	9,074,662	15.0%	-	-	9,074,662	10.9%
Investments in shares of associated companies	85,471	0.2%	90,110	0.1%	-	-	90,110	0.1%
Store equipment, improvements to leased locales, and property, net	18,031,353	32.1%	16,568,628	27.3%	172,679	(837,139)	15,904,168	19.0%
Right of use assets non-executable	-	-	-	-	-	23,423,275	23,423,275	28.1%
Brand use rights, pre-operations, other intangible assets, net	27,042,226	48.1%	28,827,528	47.5%	34,770	-	28,862,298	34.6%
Deferred Income Tax	3,835,593	6.8%	4,644,412	7.7%	-	-	4,644,412	5.6%
Other Assets	697,231	1.2%	1,488,014	2.5%	-	-	1,488,014.00	1.8%
Total Assets	**56,225,159**	**100.0%**	**60,693,355**	**100%**	**207,449**	**22,586,136**	**83,486,940**	**100.0%**
LIABILITIES								
Short term:								
Providers	5,450,555	9.7%	6,438,094	10.6%	-	-	6,438,094	7.7%
Taxes payable	571,510	1.0%	660,841	1.1%	-	-	660,841	0.8%
Other accounts payable	4,449,010	7.9%	4,259,329	7.0%	-	(640,989)	3,618,340	4.3%
Lease liability non-executable	-	0%	-	0%	-	4,207,633	4,207,633	5.0%
Other short-term liabilities	2,304,864	4.1%	2,701,407	4.5%	-		2,701,407	3.2%
Bank loans	305,668	0.5%	4,838,775	8.0%	-		4,838,775	5.8%
Short-term liabilities	13,081,607	23.3%	18,898,446	31.1%	-	3,566,644	22,465,090	26.9%
Long term:								
Bank loans	17,102,448	30.4%	19,394,279	32.0%	-	-	19,394,279	23.2%
Commercial papers	7,973,765	14.2%	7,979,149	13.1%	-	-	7,979,149	9.6%
Deferred taxes - net	4,295,648	7.6%	4,354,635	7.2%	9,419	-	4,364,054	5.2%
Lease liability non-executable	-	0%	-	0%	-	21,092,417	21,092,417	25.3%
Other long-term liabilities	855,613	1.5%	743,277	1.2%	-	(234,171)	509,106	0.6%
Long-term liabilities	30,227,474	53.8%	32,471,340	53.5%	9,419	20,858,246	53,339,005	63.9%
Total Liabilities	**43,309,081**	**77.0%**	**51,369,787**	**84.6%**	**9,419**	**24,424,890**	**75,804,095**	**90.8%**
SHAREHOLDERS' EQUITY								
Minority interest	1,961,563	3.5%	1,330,446	2.2%	-	-	1,330,446	1.6%
Majority interest:					-	-		
Capital	480,218	0.9%	478,749	0.8%	-	-	478,749	0.6%
Net premium in share placement	8,625,720	15.3%	8,625,720	14.2%	-	-	8,625,720	10.3%
Accumulated income	2,377,635	4.2%	3,915,047	6.5%	405,629	(2,265,379)	2,055,297	2.5%
Income during the year	922,585	1.6%	(3,500,646)	(5.8%)	(207,599)	521,669	(3,186,576)	(3.8%)
Exchange rate effects from foreign entities	(1,451,643)	(2.6%)	(1,525,748)	(2.5%)	-	(95,044)	(1,620,792)	(1.9%)
Majority interest	**10,954,515**	**19.5%**	**7,993,122**	**13.2%**	**198,030**	**(1,838,754)**	**6,352,398**	**7.6%**
Total Shareholders' Equity	**12,916,078**	**23.0%**	**9,323,568**	**15.4%**	**198,030**	**(1,838,754)**	**7,682,844**	**9.2%**
Total Liabilities and Shareholders' Equity	**56,225,159**	**100.0%**	**60,693,355**	**100.0%**	**207,449**	**22,586,136**	**83,486,940**	**100.0%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED DECEMBER 31st, 2019 AND 2018
(In thousands of nominal pesos)

		Three months ended December 31st, 2020			Re-expression Argentina	IFRS 16		Three months ended December 31st, 2020	
Net sales	$	11,159,851	100%	$	137,183	-	$	11,297,034	100%
Cost of sales		3,227,562	28.9%		54,165	-		3,281,727	29.0%
Gross Income		**7,932,289**	**71.1%**		**83,018**	**-**		**8,015,307**	**71.0%**
Operating expenses		6,359,527	57.0%		110,552	(1,679,981)		4,790,098	42.4%
Depreciation and amortization		1,106,406	9.9%		6,652	1,127,739		2,240,797	19.8%
Operating Income		**466,356**	**4.2%**		**(34,186)**	**552,242**		**984,412**	**8.7%**
All-in cost of financing:									
Interest paid – net		589,211	5.3%		1,099	190,428		780,738	7.0%
Changes in reasonable value Financial Liabilities		(116,321)	(1.0%)		-	-		(116,321)	(1.0%)
Exchange rate loss / (income)		689,128	6.2%		(14,668)	-		674,460	6.0%
		1,162,018	10.4%		(13,569)	190,428		1,338,877	11.9%
Participation in associated companies' results		240	-		-	-		240	-
Income before Taxes		**(695,422)**	**(6.2%)**		**(20,617)**	**361,814**		**(354,225)**	**(3.1%)**
Tax on earnings		(474,524)	(4.3%)		3,837	-		(470,687)	(4.2%)
Consolidated Net Income		**(220,898)**	**(2.0%)**		**(24,454)**	**361,814**		**116,462**	**1.0%**
Non-controlling stake		(48,999)	(0.4%)		-	-		(48,999)	(0.4%)
Controlling Stake	**$**	**(171,899)**	**(1.5%)**	**$**	**(24,454)**	**361,814**	**$**	**165,461**	**1.5%**

		Three months ended December 31st, 2019			Re-expression Argentina	IFRS 16		Three months ended December 31st, 2019	
Net sales	$	14,995,074	100%	$	397,923	-	$	15,392,997	100%
Cost of sales		4,344,099	29.0%		136,313	-		4,480,412	29.1%
Gross Income		**10,650,975**	**71.0%**		**261,610**	**-**		**10,912,585**	**70.9%**
Operating expenses		8,293,074	55.3%		249,671	(969,062)		7,573,683	49.2%
Depreciation and amortization		1,215,236	8.1%		31,332	827,936		2,074,504	13.5%
Operating Income		**1,142,665**	**7.6%**		**(19,393)**	**141,126**		**1,264,398**	**8.2%**
All-in cost of financing:									
Interest paid – net		510,580	3.4%		(28,774)	74,310		556,116	3.6%
Changes in reasonable value Financial Liabilities		(71,879)	(0.5%)		-	-		(71,879)	(0.5%)
Exchange rate loss / (income)		12,569	0.1%		5,572	-		18,141	0.1%
		451,270	3.0%		(23,202)	74,310		502,378	3.3%
Participation in associated companies' results		280	-		-	-		280	-
Income before Taxes		**691,675**	**4.6%**		**3,809**	**66,816**		**762,300**	**5.0%**
Tax on earnings		255,920	1.7%		662	-		256,582	1.7%
Consolidated Net Income		**435,755**	**2.9%**		**3,147**	**66,816**		**505,718**	**3.3%**
Non-controlling stake		49,415	0.3%		-	-		49,415	0.3%
Controlling Stake	**$**	**386,340**	**2.6%**	**$**	**3,147**	**66,816**	**$**	**456,303**	**3.0%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT BY SEGMENT FOR THE THREE MONTHS ENDED DECEMBER 31st, 2019
(In thousands of nominal pesos)

MEXICO		Three months ended December 31st, 2020		IFRS 16		Three months ended December 31st, 2020	
Net sales	$	5,519,795	100%	-	$	5,519,795	100%
Expenses		2,848,028	51.6%	(725,632)		2,122,396	38.5%
Depreciation and amortization		449,602	8.1%	466,907		916,509	16.6%
Operating Income		**530,107**	**9.6%**	**258,725**		**788,832**	**14.3%**
All-in cost of financing		1,056,741	19.1%	139,822		1,196,563	21.7%
Net Income before taxes	**$**	**(526,394)**	**(9.5)%**	**118,903**	**$**	**(407,491)**	**4.5%**

EUROPE		Three months ended December 31st, 2020		IFRS 16		Three months ended December 31st, 2020	
Net sales	$	4,002,440	100%	-	$	4,002,440	100%
Expenses		2,552,886	63.8%	(763,959)		1,788,927	44.7%
Depreciation and amortization		566,350	14.2%	717,063		1,283,413	32.1%
Operating Income		**(106,848)**	**(2.7%)**	**46,896**		**(59,952)**	**(1.5)%**
All-in cost of financing		68,367	1.7%	28,299		96,666	2.4%
Net Income before taxes	**$**	**(175,215)**	**(4.4)%**	**18,597**	**$**	**(156,618)**	**(3.9)%**

SOUTH AMERICA		Three months ended December 31st, 2020		Re-expression	IFRS 16		Three months ended December 31st, 2020	
Net sales	$	1,637,616	100%	137,183	-	$	1,774,799	100%
Expenses		958,613	58.5%	110,552	(394,043)		675,122	38.0%
Depreciation and amortization		90,454	5.5%	6,652	108,722		205,828	11.6%
Operating Income		**43,097**	**2.6%**	**(34,186)**	**285,321**		**294,232**	**16.6%**
All-in cost of financing		36,910	2.3%	(13,569)	89,267		112,608	6.3%
Net Income before taxes	**$**	**6,187**	**0.4%**	**(20,617)**	**196,054**	**$**	**181,624**	**10.2%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE TWELVE MONTHS ENDED DECEMBER 31st, 2020 AND 2019

	Twelve months ended December 31st, 2020		Re-expression Argentina	IFRS 16	Twelve months ended December 31st, 2020	
Net sales	$ 38,229,453	100%	$ 265,966	-	$ 38,495,419	100%
Cost of sales	11,349,704	29.7%	105,180	-	11,454,884	29.8%
Gross Income	**26,879,749**	**70.3%**	**160,786**	**-**	**27,040,535**	**70.2%**
Operating expenses	25,390,876	66.4%	212,917	-5,550,937	20,052,856	52.1%
Depreciation and amortization	4,156,973	10.9%	196,391	4,081,826	8,435,190	21.9%
Operating Income	**(2,668,100)**	**(7.0%)**	**(248,522)**	**1,469,111**	**(1,447,511)**	**(3.8%)**
All-in cost of financing:						
Interest paid – net	2,156,948	5.6%	2,134	947,442	3,106,524	8.1%
Changes in reasonable value Financial Liabilities	456,544	1.2%	-	-	456,544	1.2%
Exchange rate loss / (income)	51,826	0.1%	(40,504)	-	11,322	-
	2,665,318	7.0%	(38,370)	947,442	3,574,390	9.3%
Participation in associated companies' results	(2,647)	-	-	-	(2,647)	-
Income before Taxes	**(5,336,065)**	**(14.0%)**	**(210,152)**	**521,669**	**(5,024,548)**	**(13.1%)**
Tax on earnings	(1,175,535)	(3.1%)	(2,553)	-	(1,178,088)	(3.1%)
Consolidated Net Income	**(4,160,530)**	**(10.9%)**	**(207,599)**	**521,669**	**(3,846,460)**	**(10.0%)**
Non-controlling stake	(659,884)	(1.7%)	-	-	(659,884)	(1.7%)
Controlling Stake	**$ (3,500,646)**	**(9.2%)**	**$ (207,599)**	**521,669**	**$ (3,186,576)**	**(8.3%)**

	Twelve months ended December 31st, 2019		Re-expression Argentina	IFRS 16	Twelve months ended December 31st, 2019	
Net sales	$ 57,444,205	100%	$ 710,413	-	$ 58,154,618	100%
Cost of sales	16,921,682	29.5%	242,339	-	17,164,021	29.5%
Gross Income	**40,522,523**	**70.5%**	**468,074**	**-**	**40,990,597**	**70.5%**
Operating expenses	32,873,022	57.2%	449,406	(4,949,390)	28,373,038	48.8%
Depreciation and amortization	4,081,786	7.1%	175,498	3,789,381	8,046,665	13.8%
Operating Income	**3,567,715**	**6.2%**	**(156,830)**	**1,160,009**	**4,570,894**	**7.9%**
All-in cost of financing:						
Interest paid – net	2,032,590	3.5%	(8,488)	997,753	3,021,855	5.2%
Changes in reasonable value Financial Liabilities	(201,138)	(0.4%)	-	-	(201,138)	(0.3%)
Exchange rate loss / (income)	20,002	-	9,079	-	29,081	0.1%
	1,851,454	3.2%	591	997,753	2,849,798	4.9%
Participation in associated companies' results	(943)	-	-	-	(943)	-
Income before Taxes	**1,715,318**	**3.0%**	**(157,421)**	**162,256**	**1,720,153**	**3.0%**
Tax on earnings	634,669	1.1%	751	-	635,420	1.1%
Consolidated Net Income	**1,080,649**	**1.9%**	**(158,172)**	**162,256**	**1,084,733**	**1.9%**
Non-controlling stake	158,064	0.3%	-	-	158,064	0.3%
Controlling Stake	**$ 922,585**	**1.6%**	**$ (158,172)**	**162,256**	**$ 926,669**	**1.6%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31st, 2020 AND 2019
(In thousands of nominal pesos)

	December 31st, 201	December 31st, 2018
Operating activities:		
Consolidated result before income taxes	**$ (5,024,548)**	**$ 1,720,153**
Income from investments:		
Depreciation and amortization of brands	4,353,364	4,257,284
Depreciation for financial leasing	4,081,826	3,789,381
Write-down of fixed assets	967,592	1,279,978
Other entries	399,190	(201,142)
Total	**4,777,424**	**10,845,654**
Clients	(101,314)	(147,567)
Inventory	204,932	196,111
Providers	567,978	397,944
Taxes payable	265,397	(563,448)
Other assets and other liabilities	(3,415,849)	(440,129)
Total	**(2,478,856)**	**(557,090)**
Net cash flow from operations	**2,298,568**	**10,288,564**
Investment activities		
Store equipment, improvements to leased locales, and property	(1,329,959)	(3,340,058)
Brand use rights, pre-operations, other intangible assets, net	(443,772)	(425,573)
Acquisition of subsidiary	-	(1,062,267)
Acquisition or sale of participation in associated companies	(6,187)	(9,938)
Net cash flow from investment activities	**(1,779,918)**	**(4,837,836)**
Cash receivable from financing activities	**518,650**	**5,450,728**
Financing activities		
Bank credits and loan payments, net	5,347,344	(595,754)
Commercial papers, net	-	1,000,000
Financial leasing	(4,310,041)	(3,789,381)
Sale (repurchase) of shares	4,485	227,923
Other	28,766	(75,243)
Net cash flow from financing activities		
Financing activities	**1,070,553**	**(3,232,455)**
Increase (decrease) net of cash	**1,589,203**	**2,218,273**
Adjustments to cash flow due to exchange rate variations	(225,566)	(1,637,360)
Cash at the beginning of the period	2,568,771	1,987,857
Cash at the end of the period	**$ 3,932,409**	**$ 2,568,771**