



**Financial Report for the Third Quarter of 2024 and
Accumulated January - September 2024**

**Comments to operations
(Millions of pesos unless otherwise stated – Non-audited Figures)**

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Results for the Third Quarter of 2024

Total Sales

CYDSA's Consolidated Net Sales for the third quarter of 2024 reached 3,923 million pesos, an increase of 16.2% from 3,376 million in the same quarter of the prior year.

The increase derives from higher demand for edible salt and refrigerant gases in the local and export market. Additionally, sales of chlor-alkali products from the new plant in Coatzacoalcos more than offset the decrease in international prices of chlor-alkali products (commodities).

In dollar terms, Consolidated Sales of the third quarter of 2024, totaled an equivalent of US\$207.5 million, an increase of 4.9% from US\$197.9 million in the same period of the prior year. The difference between the variation of Sales in pesos and the equivalent in dollars is due to the depreciation of the Mexican peso of 11.0%, when comparing the average exchange rate of 17.06 pesos per dollar in the third quarter of 2023, compared to 18.93 pesos in the same quarter of 2024.

Operating Income (EBIT) and Operating Cash Flow (EBITDA)¹

Operating Income (EBIT) for the third quarter of 2024 reached 639 million pesos, equivalent to 16.3% on Sales, decreasing 5.8% over the 678 million from the same period of the previous year, when it constituted 20.1% on Sales. The decrease in Operating Income is mainly explained by the decrease of international prices for chlor-alkali chemicals, as well as higher maintenance expenses and the increase in depreciation expense, resulting from the start of operations of the new Chlorine and Caustic Soda plant with membrane technology.

Operating Cash Flow (EBITDA) for the third quarter of 2024 totaled 986 million pesos, equivalent to 25.1% on Sales, an increase of 9.2% over the 903 million and 26.7% on Sales in the same period of 2023. In dollar terms, EBITDA for the third quarter of 2024 reached an equivalent of US\$52.2 million, 1.3% less than the US\$52.9 million from the same quarter of last year, as a result of the exchange rate depreciation explained before.

Consolidated Net Income

In the third quarter of 2024, Net Income totaled 142 million pesos or 3.6% on Sales, a decrease of 444 million pesos compared to 586 million or 17.4% on Sales from the same period of the previous year.

The decrease in Net Income derives mainly from:

1. A decrease of 64 million in capitalization of interests associated with the loans for the construction of the new Chlorine and Caustic Soda Plant in Coatzacoalcos, Veracruz, due to the completion of its construction in the last months of 2023.

¹ Operating Cash Flow or EBITDA equals Income before: Net Financial Income (Expenses), Income Tax, Depreciation and Amortization. EBITDA is equivalent to Operating Income plus non-cash items.

2. The increase of 144 million pesos in Financial Expenses, related to new loans in connection with additional working capital requirements due to the growth in sales; and to peso denominated credit facilities, applied to repay dollar denominated debt.
3. An increase of 287 million pesos in Income taxes.

Accumulated Results from January to September of 2024

Total Sales

CYDSA's Net Sales as of September of 2024 reached 10,888 million pesos, an increase of 515 million pesos or 5.0% from 10,373 million in the same period of the prior year.

In dollar terms, Sales from January to September of 2024, totaled an equivalent of US\$614.3 million, an increase of 5.4% from US\$583 million in the same period of the prior year.

Domestic Sales

Sales to the domestic market accumulated for the first nine months of 2024 totaled 9,845 million pesos, an increase of 4.7% compared to the same period of 2023.

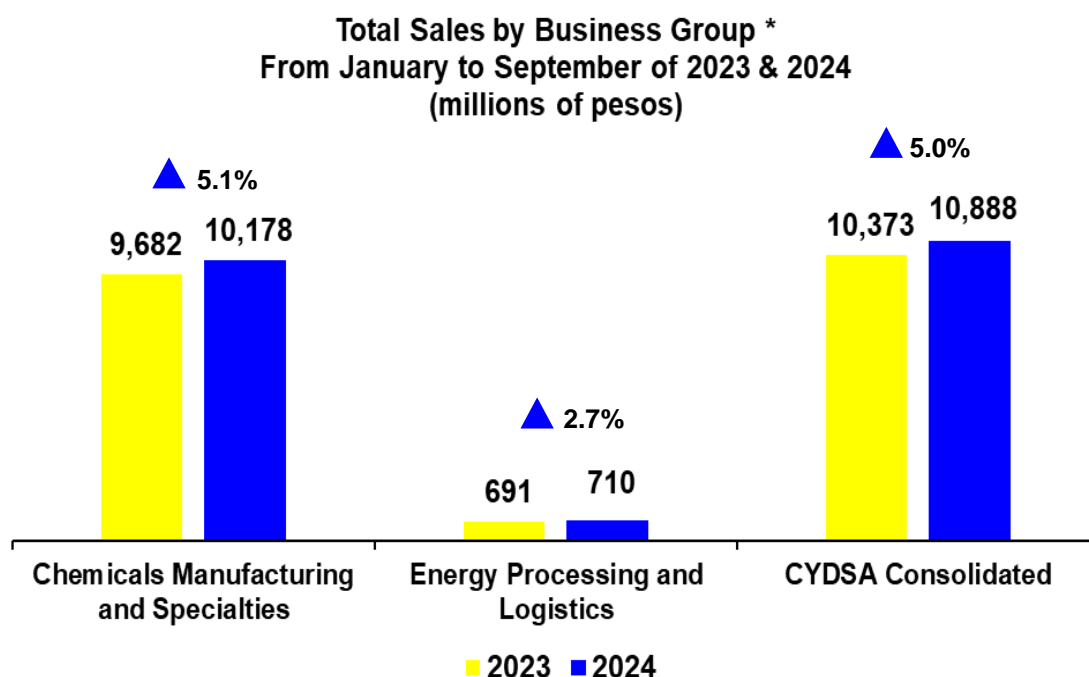
This surge came from higher sales of salt and refrigerant gases, as well as the additional sales from the new chlorine and caustic soda plant with membrane technology, located in Coatzacoalcos, Veracruz. These positive effects offset the decrease of international chlor-alkali commodities prices, that showed a significant downward trend during the second half of 2023.

Export Sales

Export Sales from January to September of 2024 totaled US\$58.8 million, an increase of 8.9% compared with the US\$54.0 million reported in the same period of the prior year. The improvement comes from sales of chlorine and edible salt to international customers.

Sales by Business Group

The following chart depicts Total Sales by Business Group from January to September of 2023 and 2024:



Millions of US Dollars	544.2	574.2	38.8	40.1	583.0	614.3
Change 2024 vs. 2023	Δ 5.5%		Δ 3.1%		Δ 5.4%	

* Consolidated figures for each Group exclude inter-company Sales.

Sales from January to September of 2024, for the Business Group of Chemicals Manufacturing and Specialties, comprised of Salt for Household Consumption and Industrial Applications; Chlorine, Caustic Soda and Related Specialties; and Refrigerant Gases Manufacturing and Commercialization, totaled 10,178 million pesos or 93.4% of CYDSA's Total Sales, an increase of 5.1% from the same period of 2023. The increase derives from higher demand for edible salt and refrigerant gases mainly in the local market, as well as sales of chlor-alkali products from the new plant in Coatzacoalcos. These positive effects offset the decrease in international prices of chlor-alkali products (commodities).

The two Businesses of the Energy Processing and Logistics Group registered Sales of 710 million pesos or 6.6% of CYDSA's Total Sales, showing a 2.7% increase from the same period of 2023. This figure encompasses sales to external customers from the Electricity and Steam Cogeneration Business, as well as sales of the LP Gas Processing and Underground Storage Business.

Operating Income

Operating Income (EBIT) for the first nine months of 2024 totaled 2,008 million pesos, equivalent to 18.4% on Sales, a decrease of 353 million or 15.0%, when compared to 2,361 million from the same period of the prior year, when it represented 22.8% of Sales.

This EBIT result comes from the decrease in international prices of chemical products “commodities” as well as higher maintenance expenses and the increase in the depreciation resulting from the start of operations of the new investments. These negative effects have been diminished by additional operating income derived from higher sales volume in connection with the new chlorine and caustic soda plant with membrane technology, as well as better outcomes of the Salt Business for Household Consumption and Industrial Applications.

Operating Cash Flow (EBITDA)

Operating Cash Flow (EBITDA) from January to September of 2024 totaled 2,969 million pesos or 27.2% of Sales, a decrease of 4.2% compared to 3,100 million or 29.9% of Sales in the same period of 2023. In dollar terms, EBITDA in the first nine months of 2024 totaled US\$168.2 million, 3.2% less than the US\$173.7 million for the same period of the previous year.

Net Financial Expenses

Net Financial Expenses totaled 791 million pesos during the first nine months of 2024, compared to the 177 million expenses registered in the same period of the prior year, as shown in the following chart:

	Jan-Sep 2024	Jan-Sep 2023	Variation
Financial Expenses	(1,050)	(614)	(436)
Result from Derivative Financial Instruments	(60)	(108)	48
Interest Income	99	118	(19)
Net Foreign Exchange Effect	220	427	(207)
Net Financial Expenses	(791)	(177)	(614)

The growth of 436 million pesos in Financial Expenses, net, comes mainly from the next three items:

1. Peso denominated credit facilities applied to repay dollar denominated debt.
2. New peso denominated credit facilities; and
3. A decrease in capitalization of interests associated with the loans for the construction of the new Chlorine and Caustic Soda Plant in Coatzacoalcos, Veracruz, due to the completion of its construction in the last months of 2023.

Additionally, Net Foreign Exchange Effect decreased 207 million pesos due to the offset of the exchange rate the first nine months of 2024 from 2.72 pesos per dollar, by going from 16.92 pesos at the end of 2023 to 19.64 pesos by the end of September 2024: it produced a positive exchange rate fluctuation for accounting purposes of 220 million pesos. This

exchange gain is lower than the 427 million pesos of the reported effect in the same period of the prior year, caused by the exchange appreciation of 2.06 pesos per dollar

Net Consolidated Income

CYDSA's Accumulated Net Consolidated Income as of September 2024, totaled 628 million pesos, equivalent to 5.8% of Sales. This figure represents a decrease of 994 million pesos from the Net Income of 1,622 million or 15.6% on Sales, reported in the same period of the previous year. The decrease in Net Income derives from the aforementioned reduction in **EBIT** and the increase in **Net Financial Expenses**.

Financial Condition

Changes to the Balance Sheet

A summary of the relevant Balance Sheet items as of September 2024 and December 2023 follows:

	September 2024	December 2023	Change
Current Assets	8,990	7,281	1,709
Non-Current Assets	23,745	21,239	2,506
Total Assets	32,735	28,520	4,215
Current Liabilities	5,839	4,791	1,048
Non-Current Liabilities	12,927	11,865	1,062
Total Liabilities	18,765	16,656	2,110
Shareholders' Equity	13,969	11,864	2,105

As shown in the previous table, Total Assets increased 4,215 million from 28,520 million on December 31, 2023, to 32,735 million at the close of September 2024. The increase in Total Assets was mainly due to three reasons: 1. the valuation of Fixed Assets denominated in dollars, derived from the depreciation of 16.1% of the exchange rate comparing 16.92 pesos per dollar as of December 2023 versus 19.64 pesos per dollar as of September 2024; 2. The increase in cash reserves; and 3. Increased investment in accounts receivable from costumers both for the new plant with membrane technology in Coatzacoalcos, Veracruz and for higher sales in the Salt Business for Household Consumption and Industrial Applications.

On the other hand, CYDSA's Total Liabilities of 18,766 million pesos at the end of September 2024, represented a surge of 2,110 million pesos, derived both for the new Bank Debt and from the increase of the balance in pesos of dollar denominated debt in connection with exchange rate depreciation.

Finally, Shareholders' Equity totaled 13,969 million pesos as of September 30, 2024, an increase of 2,105 million pesos when compared with the 11,864 million pesos from December 31, 2023. The main causes for this increase in Shareholders' Equity follow:

Net Income for the First Nine Months of 2024	628
Dividend to Shareholders of Cydsa, S.A.B. de C.V.	(300)
Repurchase of Own Shares	(127)
Mark to Market of Derivative Financial Instruments	53
Foreign Exchange Conversion Effect in the Chlorine, Caustic Soda and Related Specialties; Cogeneration of Electricity and Steam; Manufacture and Commercialization of Refrigerant Gases; as well as Processing and Underground Storage of Hydrocarbons ²	1,851
Increase in Shareholders' Equity	2,105

The Book Value per share of 24.84 pesos on September 30, 2024 compares with 21.08 pesos per share reported on December 31, 2023.

² In accordance with IFRS rules, the US dollar constitutes the functional currency for these Businesses, because this currency constitutes the reference for their main assets, income and/or operating costs.

Integration of Bank and Notes Debt

The following table presents the breakdown of the Group's Bank and Notes Debt at the end of September 2024 and December 2023:

Figures in Million Dollars (equivalent)

	September 30, 2024	December 31, 2023	Variation
Senior Notes	172.7	252.0	(79.3)
Santander-SACE Credit Facility	113.8	124.1	(10.3)
Bancomext (3,453.2 million pesos)	175.8	123.7	52.1
CEBURES (850 million pesos)	43.2	50.2	(7.0)
New Short-Term Bank Loans (1,672 million pesos)	85.1		85.1
LP Gas 18-year term Loan	129.7	144.2	(14.5)
Total	720.3	694.2	26.1
Exchange Rate (pesos per dollar)	19.64	16.92	

Continuing with the **objective of replacing US dollar denominated debt with new Credit Facilities in pesos, as well as improving the maturity profile; the Company carried out the following two financial transactions during April, May and July 2024:**

1. New Bank Credit of 1,360 million pesos for ten years.

On April 23, 2024, Banco Nacional de Comercio Exterior, S.N.C. (Bancomext) granted the Group a new Credit of 1,360 million pesos, for a 10-year term and at a variable rate of TIE plus 150 basis points.

2. Repurchases of “Senior Notes” with a nominal value of US\$79.3 million.

With the proceeds obtained from the Bancomext Credit Facility, in the months of April, May and July 2024, CYDSA acquired US\$79.3 million of its Bonds maturing in 2027 on the international market, obtaining a discount of US\$810 thousand, since the price of the Senior Notes was 990 dollars per 1,000 face value, implying a disbursement of US\$78.5 million.

In addition to the transactions, CYDSA acquired Short-Term Bank Loans on March and July 2024, for a total of \$1,672 million pesos to strengthen the Group's cash position.

Bank and Notes Debt net of Cash

The following table presents the breakdown of the Group's Bank and Notes Debt, net of Cash at the end of September 2024 and December 2023:

Figures in Million Pesos (equivalent)

	September 30, 2024	December 31, 2023	Change
Bank and Notes Debt	14,147	11,746	2,401
Cash	(2,804)	(1,731)	(1,073)
Bank and Notes Debt, net of Cash	11,343	10,015	1,328

Figures in Million Dollars (equivalent)

	September 30, 2024	December 31, 2023	Change
Bank and Notes Debt	720.3	694.2	26.1
Cash	(142.7)	(102.3)	(40.4)
Bank and Notes Debt, net of Cash	577.6	591.9	(14.3)

As shown in the previous tables, as of September 30, 2024, **Bank and Notes Debt net of Cash of \$11,343 million pesos**, increased from 10,015 million pesos at the close of December 2023. **In dollar terms, Bank and Notes Debt net of Cash totaled an equivalent to US\$577.6 million** at the close of September 2024, compared to US\$591.9 million at the end of 2023.

Financial Analysis Coverage

Cydsa, S.A.B. de C.V. (MSE:CYDSASA) receives analytical coverage from the following Brokerage Firms: Grupo Bursatil Mexicano, Casa de Bolsa; Vector Casa de Bolsa - Miranda Global Research; and CI Casa de Bolsa – Apalache Analisis.

In addition, the Company's Debt issuances receive analytical coverage from the following Financial Institutions: Bank of America-Merrill Lynch; Grupo Bursatil Mexicano, Casa de Bolsa; and BCP Securities.

Financial Information Follows

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

As of September 30, 2024 and December 31, 2023
(Millions of pesos)

	September 2024	December 2023	Change %
ASSETS			
Cash and Cash Equivalents	\$ 2,567	\$ 1,597	+ 61%
Restricted cash	106	80	+ 33%
Trade Receivables, net	3,085	2,654	+ 16%
Other Receivables, net	1,793	1,553	+ 16%
Inventories	1,423	1,380	+ 3%
Discontinued Current Assets	16	17	6%
Current Assets	8,990	7,281	+ 24%
Restricted cash	129	53	+ 143%
Property, Plant and Equipment, net	19,164	17,046	+ 12%
Long Term Financial Lease Receivables	3,290	2,870	+ 15%
Other non-Current Assets	1,095	1,203	- 9%
Discontinued non-Current Assets	67	67	
Non-Current Assets	23,745	21,239	+ 12%
Total Assets	\$ 32,735	\$ 28,520	+ 15%
LIABILITIES			
Bank Debt	\$ 2,240	\$ 474	+ 373%
Trade Payables	1,688	1,866	- 10%
Other Current Liabilities	2,245	2,030	+ 11%
Taxes Payable	0	421	
Current Liabilities	6,173	4,791	+ 29%
Bank Debt	11,642	10,940	+ 6%
Other non-Current Liabilities	396	392	+ 1%
Employee Benefits	540	520	+ 4%
Discontinued non-Current Liabilities	15	13	+ 15%
Total non-Current Liabilities	12,593	11,865	+ 6%
Total Liabilities	18,766	16,656	+ 13%
SHAREHOLDERS' EQUITY			
Capital Stock	2,825	2,825	
Additional paid-in Capital	1,176	1,176	
Repurchase of Own Shares	(1,270)	(1,143)	+ 11%
Retained Earnings	9,679	9,346	+ 4%
Accumulated other Comprehensive Income	1,038	(803)	n.a.
Shareholders' Equity of Controlling Interest	13,448	11,401	+ 18%
Non-controlling Interest	521	463	+ 13%
Shareholders' Equity	13,969	11,864	+ 18%
Liabilities and Shareholders' Equity	\$ 32,735	\$ 28,520	+ 15%

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

for the third quarter of 2024 and 2023 (July 1st. to September 30th.)

(Millions of pesos)

	3Q24	3Q23	Change %
Net Sales	\$ 3,923	\$ 3,376	+ 16%
Cost of Sales	(2,524)	(1,890)	+ 34%
Gross Profit	1,399	1,486	- 6%
Operating Expenses	(737)	(793)	- 7%
Other Operating Expenses, net	(23)	(15)	+ 53%
Operating Income	639	678	- 6%
Net Financial Expenses:			
Financial Expenses	(405)	(197)	+ 106%
Result from Derivative Financial Instruments	(11)	(36)	- 69%
Interest Income	42	38	+ 11%
Foreign Exchange Effect, net	154	93	+ 66%
Net Financial Expenses	(220)	(102)	+ 116%
Share in Results of Associates	1	1	
Income Before Income Tax	420	577	- 27%
Income Tax	(277)	10	n.a.
Income of Continuing Operations	143	587	- 76%
Result of Discontinued Operations, net	(1)	(1)	
Net Income	\$ 142	\$ 586	- 76%
Controlling Interest Share in Net Income	\$ 145	\$ 581	
Non-Controlling Interest Share in Net Income	(3)	5	

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS AND RATIOS

Third Quarter of 2024 and 2023

	<u>3Q24</u>	<u>3Q23</u>	<u>Change %</u>
<u>Income Statement data</u>			
(Millions of pesos)			
Net Sales	3,923	3,376	+ 16%
<i>Net Sales</i>			
<i>(Equivalent in millions of dollars)</i>	207.5	197.9	+ 5%
<i>Export Sales (Millions of dollars)</i>	20.9	11.2	+ 87%
Operating Income	639	678	- 6%
Net Income	142	586	- 76%
<u>Cash Flow data</u>			
(Millions of pesos)			
Operating Cash Flow (Income after general expenses plus depreciation and other non-cash items), EBITDA	986	903	+ 9%
<i>Operating Cash Flow</i>			
<i>(Equivalent in millions of US dollars)</i>	52.2	52.9	- 1%
<u>Operating Ratios</u>			
(Percentage)			
Operating income (EBIT) / Sales	16.3%	20.1%	
Operating Cash Flow (EBITDA) / Sales	25.1%	26.7%	

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
from January 1st to September, 30th of 2024 and 2023
(Millions of pesos)

	Accum. Jan-Sep 24	Accum. Jan-Sep 23	Change %
Net Sales	\$ 10,888	\$ 10,373	+ 5%
Cost of Sales	(6,202)	(5,640)	+ 10%
Gross Profit	4,686	4,733	- 1%
Operating Expenses	(2,618)	(2,318)	+ 13%
Other Expenses, net	(60)	(54)	+ 11%
Operating Income	2,008	2,361	- 15%
Net Financial Expenses:			
Financial Expenses	(1,050)	(614)	+ 71%
Result from Derivative Financial Instruments	(60)	(108)	- 44%
Interest Income	99	118	- 16%
Foreign Exchange Effect, net	220	427	- 49%
Net Financial Expenses	(791)	(177)	+ 347%
Share in results of associates and joint venture	0	(1)	
Income Before Income Tax	1,217	2,183	- 44%
Income Tax	(587)	(559)	+ 5%
Income of Continuing Operations	630	1,624	- 61%
Result of Discontinued Operations, net	(2)	(2)	
Net Income	\$ 628	\$ 1,622	- 61%
Controlling Interest Share in Net Income	\$ 633	\$ 1,588	
Non-Controlling Interest Share in Net Income	(5)	34	

CYDSA, S.A.B. DE C.V. AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS AND RATIOS

Accumulated as of September, 2024 and 2023

	<u>Accum. Jan-Sep 24</u>	<u>Accum. Jan-Sep 23</u>	<u>Change %</u>
<u>Income Statement data</u>			
(Millions of pesos)			
Net Sales	10,888	10,373	+ 5%
<i>Net Sales</i> <i>(Equivalent in millions of dollars)</i>	614.3	583.0	+ 5%
<i>Export Sales (Millions of dollars)</i>	58.8	54.0	+ 9%
Operating Income	2,008	2,361	- 15%
Net Income	628	1,622	- 61%
<u>Cash Flow data</u>			
(Millions of pesos)			
Operating Cash Flow (Income after general expenses plus depreciation and other non-cash items), EBITDA	2,969	3,100	- 4%
<i>Operating Cash Flow</i> <i>(Equivalent in millions of US dollars)</i>	168.2	173.7	- 3%
<u>Operating Ratios</u>			
(Percentage)			
Operating income (EBIT) / Sales	18.4%	22.8%	
Operating Cash Flow (EBITDA) / Sales	27.2%	29.9%	

As of September of 2024 and December of 2023

	<u>September 2024</u>	<u>December 2023</u>
<u>Financial Ratios</u>		
(times)		
Bank debt / shareholders' equity	1.01	0.99
Current assets / current liabilities	1.54	1.52
Book value per share (pesos) ⁽¹⁾	24.84	21.08

(1) Based on 534,072,793 shares outstanding at the close of September 2024 and 540,971,553 shares outstanding at the close of December 2023.